



2010 Legislative Questions/Talking Points for School Boards

These talking points have been compiled by IASB staff for the 2010 legislative session, to help members prepare for discussions with their representatives. Please contact Mary Gannon with questions at mgannon@ia-sb.org or (800) 795-4272.

Allowable Growth

The Legislature set the allowable growth rate at 2 percent for FY 2011 and is required by law to set the rate for FY 2012 by the end of February but postponed the setting of FY 2012 until the 2011 legislative session. Based on the severity of the state's budget situation, IASB is advocating the following key points.

FY 2011 Allowable Growth

We are aware the budget is tight and the Legislature basically has two options: either to reduce the allowable growth rate or reduce the state's contribution to the existing 2 percent allowable growth rate for FY 2011. We prefer a reduction in the state's contribution of the 2 percent rate because:

- A reduction in the rate would severely impact school districts by limiting our spending authority. Our costs go up but our options for managing those cost increases are extremely limited.
- Maintaining spending authority better allows us to respond to the needs of our district.

Protection of Statewide Penny for Infrastructure

In 2008, the Legislature replaced the local option tax for school infrastructure with a state penny tax for school infrastructure. Its uses are specifically limited to those expenditures that qualify as infrastructure or for property tax or debt relief. In light of the state's budget situation and the negative impact it will have on school districts, some people are advocating that we allow school districts to use these funds to make up for state funding shortfalls. IASB opposes expanding the usage of state penny funds because:

- Much of the money generated by this tax has already been obligated. A relatively small number of districts would benefit if allowed to use these funds to cover the state's funding shortfall thereby reinforcing inequities in the school finance system.
- Diverting the funds into other uses would negatively impact bond ratings. Many districts use the receipt of the statewide school infrastructure tax funds to back bonds.
- The reason for allowing a separate funding source for school infrastructure is still valid. It allows school general fund dollars to be spent on educating children, eliminating some of the inequities in the current school finance formula. Infrastructure and technology needs are an important component of a quality education and should not be competing with the instructional program.

Governor Culver recommended the elimination of the Secure an Advanced Vision for Education Fund (SAVE) which is the fund that supplements the statewide penny for those districts below the state average. IASB opposes this adjustment as it will impact school districts, below the state average, by approximately \$54.

Race to the Top

Even though the Race to the Top bill has been passed and signed, legislators are willing to continue to work on the language in order to ensure even more school districts participate in the next round of grants should Iowa not get a grant in the first round. Members need to talk with their legislators about the collaboration that already occurs and how school improvement should ultimately be the responsibility of the elected board. Key points to make with your legislators are:

- As locally elected officials, the board is the entity that ensures the system is accountable to the community.
- Collaboration already occurs in the school improvement process, but since the accountability is with the board, the decisions should be made by the board.
- Local boards need the ability to choose the intervention due to the board's unique ability to control the budget, staffing levels, etc.
- We have consistently heard from state leaders that the policies developed to implement RTTT will likely become policy in the future. This language may only apply to 35 schools today, but it is likely to apply to all schools in the future.

IPERS

A recent actuarial study documented the fiscal instability of the Iowa Public Employees Retirement System (IPERS). We recognize that long-term changes will be necessary to ensure the viability of the IPERS fund. The goal of any changes to the IPERS retirement benefit should be to minimize the negative impact on employers and employees while ensuring the long-term sustainability of the fund.

The legislative IPERS interim committee accepted the Benefits Advisory Council's recommendations for adjustments to IPERS, which include:

- 6 percent early retirement reduction penalty backward from age 65, which is currently at 3 percent.
- Vesting at seven years instead of four.
- Benefit based upon average high five years of salary instead of current high three.
- Giving IPERS the ability to raise contribution rates one percent per year, starting on July 1, 2011, instead of the current half percent per year.

Education advocacy groups adopted a position statement regarding IPERS to address the concerns we have with significant changes that may occur in order to react quickly to the financial conditions. The statement has three points:

- IPERS is an important tool for attracting and retaining workers in the public sector. School districts and area education agencies already face challenges in attracting qualified workers to fill openings. To maintain our competitiveness with the private sector, a strong retirement benefit is necessary.
- Immediate changes to retirement benefits, such as lengthening the required years of age and service to qualify for full benefits, could cause a large exodus of experience and qualified personnel. This will particularly negatively impact education, as many of the most experienced teachers in shortage areas such as math and science may decide to retire rather than risk losing benefits.
- The long-term viability of the fund needs to be addressed. IPERS is an important benefit for public employees at all levels. This will require more than minor fixes or simply altering the age at which full benefits accrue. Short-term solutions are not the answer.

Unfunded Mandates

In this year of economic crisis, it is not the time for legislation that will further burden school district budgets without strong evidence that it will increase student achievement. Any changes to labor laws, collective bargaining laws, or even education laws, without evidence the changes will ensure our children will get a better education, should be set aside until school districts and area education agencies can afford the changes.

- Vision screening mandated to be performed by the school district – estimated impact of \$1.1 million.
- Biodiesel mandate – estimated impact upwards of \$1 million per year depending on the cost of the fuel - estimated impact of between 5 cents and 14 cents a gallon (if the federal blenders tax credit is not restored).
- Various professional licensing bills which would require members to use licensed plumbers, electricians, etc. for regular maintenance currently performed by employees.
- Mandate that schools begin using green cleaning products when current supplies run out.
- Numerous labor and worker's compensation bills that increase costs either in the form of insurance premiums or direct general fund costs.
- Give veterans a day off on Veteran's Day – paid or unpaid.

Changing the structure or focus of AEAs

IASB opposes the proposal to restructure the AEA boards. As of this writing, the structure of the AEA boards is unchanged but there is a new advisory committee AEAs must establish to guide them in their work. There is also a separate bill to study the mission and financing of AEAs. When looking at AEAs, policymakers need to focus their attention on those issues that we know will improve student achievement – not just those issues purported to save money when in fact we know they will end up costing more.

Restructuring

School boards, and the residents of the school districts involved, have the primary responsibility to determine the makeup and boundaries of the school districts and attendance centers. The school board and the citizens of a school district assess the quality and extent of its educational program and determine whether the school district continues to operate within its present geographical boundaries. In order to reduce costs and maintain or enrich quality education, IASB encourages school districts to share administrators, teachers, equipment, facilities and transportation, including the scheduling of joint classes and extracurricular activities. Policymakers need to realize that sharing does not necessarily lead to eventual reorganization. The recent budget cuts, the equalization of property taxes from the State Penny funds and implementation of the Iowa Core Curriculum will be the greatest impetus for reorganization we've seen in a long time, so mandates aren't necessary.

IASB believes school district reorganization, dissolution or sharing may be in the best interests of Iowa's public school students when:

- The best interest of students is the most important factor considered.
- The reorganization or dissolution is voluntary—initiated and voted upon by the citizens of the school districts involved.
- The state offers sufficient incentives to make the reorganization or sharing financially attractive to school districts involved.
- Geographical issues are considered, including minimizing the amount of travel time by students and allowing for continued community participation by the communities involved.