



Action Line

IASB Legislative Activity

Governor's Budget

Gov. Culver released his budget on Wednesday, Jan. 28. In responding to declining revenue estimates, the governor's budget request includes a 6.5 percent across-the-board (ATB) cut for FY 2010 as a starting point, but specifies several areas of state government exempt from the cut. The following are the governor's recommendations specific to education as reported by the Legislative Services Agency:

- Maintains for FY 2010 the 4 percent allowable growth rate set last session.
- Caps the standing unlimited appropriation of state foundation aid at approximately \$2.531 billion by funding regular school aid at a 2 percent allowable growth level and applying an additional reduction of \$33.5 million (approximately equivalent to the FY 2009 1.5 percent ATB reduction.)
- Maintains spending authority for the difference between the state funding cap and the 4 percent allowable growth.
- Limits the AEA state aid reduction at \$10 million. This is \$2.5 million more than current law estimates for FY 2010.
- Fully funds the state categorical supplements that have been added to the school aid formula for FY 2010 including teacher quality (basic salary and professional development), Phase II of the education excellence program and class size/reading initiative grants. This is \$4.2 million above the FY 2009 adjusted amounts. In addition to rolling the preschool grants in to the foundation formula, the governor's recommendation maintains \$14.8 million for new preschool grants for FY 2010.
- Maintains the \$10 million Rebuild Iowa Infrastructure (RIIF) appropriation to the SAVE fund for state penny equity.
- There is nothing in the governor's budget recommendations that changes the transfer of SAVE funds or scheduled increase of state general fund appropriations for property tax equity payments.
- Other categorical funds that are reduced by the 6.5 percent ATB cut include:
 - Instructional Support Levy
 - Senior Year Plus
 - Early Childhood (Empowerment, early care, health and education, family support and parent education and special education services birth to age 3)
 - Administrator mentoring
 - Model Core Curriculum funds to the DE
 - Child Development Block Grants
 - Phase I of the Educational Excellence Program
 - Nonpublic school textbooks and transportation
- The governor's recommendation reduces community college general aid by \$10.3 million (which is a 5.7 percent reduction).

Next Steps: Board members and superintendents need to help legislators and constituents understand:

- 4 percent allowable growth is not going to prevent staff reductions in districts with declining enrollment – although IASB believes this budget may be the best school districts can hope for, it's still not going to make things easy.
- School districts have little or no control over salaries and benefits, fuel or heating, and little left to cut in the 20 percent of the budget that isn't directly paying for people's salaries.
- Growing districts must provide space, textbooks, materials, desks and teachers for new students.
- School board members are just as concerned about raising property taxes as legislators and will strive to balance the interests of students and taxpayers. The school budget process includes public notice, public meetings and public participation. School districts will turn to cash reserves and other tools before considering

property tax increases. Districts with declining enrollment, otherwise on the 101 percent budget guarantee, may actually see some property tax relief under the governor's recommendation compared to a lower allowable growth rate.

IASB's initial reactions to Gov. Culver's budget were sent to the media. To see a copy of the press release, or today's *CapitolCast*, a quick video to explain more about this recommendation, go to IASB's home page at www.ia-sb.org.

Bills on the Move

SF 9 Disposition of School Property by Education

This bill reverses changes made in HF 2526 last year, returning to how *Iowa Code* was written prior to the enactment of HF 2526 during the 2008 legislative session. In effect, this bill strikes the requirement that school districts wait for 12 months after the decision to dispose of property, lest a public petition to question the board's decision and take it to a vote surfaces. The bill also deletes the definition of "dispose" and "disposition" which was included in HF 2624. IASB supports this bill, which was approved by the Senate Education Committee and moves to the Senate Calendar.

SF 81 Disaster Recovery for Schools by Education

This bill succeeds SSB 1013 which was requested by the Department of Education (DE) to assist school districts and accredited nonpublic schools to recover from disasters. The bill allows a school corporation to transfer funds from its emergency fund for monetary deficiencies, upon approval by the school budget review committee (SBRC). The bill allows the DE director to waive requirements that school districts and accredited nonpublic schools cannot reasonably comply with due to a disaster. The bill allows the SBRC to authorize a school district to use its unexpended cash balance for demolition or repair if such costs are necessitated by, and incurred within two years of, a disaster.

The bill gives AEAs the authority to purchase and lease-purchase facilities and buildings with the approval of the DE director. The bill permits funds from the physical plant and equipment levy (PPEL) to be used for demolition, clean up, and other costs due to a disaster, within two years. IASB supports this bill, which was approved by the Senate Education Committee and moves to the Senate Calendar.

New Advocacy Tool: Report Legislative Contacts

There is a quick survey tool to help you easily keep IASB in the loop with conversations and email exchanges you have with legislators. Whether you are talking about allowable growth or want to report something that helps us understand your district or legislator's viewpoint on any issue at all, please visit the legislative advocacy section, <http://www.ia-sb.org/LegislativeAdvocacy.aspx> of the IASB Web site and take two minutes to describe your conversation via the **Local Legislative Contact Report**. This saves you a phone call or e-mail and gives us everything we need to follow-up with your legislators or spot themes in conversations that we can address through this Action Line or an Action Network. Thanks for helping us keep track of your great advocacy work!

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