



Action Line

IASB Legislative Activity

Governor's Revised Budget

Gov. Culver released his revised budget recommendation for FY 2009 and FY 2010. Gov. Culver's revised budget recommendation makes an estimated 7.9 percent across-the-board reduction to many areas of state government, but exempts priority areas of education funding from further reduction. Preliminary analysis indicates the revised budget includes the following:

- Maintains the 4 percent allowable growth.
- Uses \$44.4 million of the federal state fiscal stabilization funds (SFSF) to pay a portion of state foundation aid in FY 2009.
- Uses \$232.9 million of SFSF for state foundation aid in FY 2010. However, the full state share of school foundation aid is underfunded by \$30 million, which is smaller than the 1.5 percent across-the-board cut already applied to FY 2009. School districts retain spending authority for their portion of the \$30 million. Districts can decide locally whether to use cash reserves or make budget reductions. Because AEAs do not have spending authority, this is a real reduction.
- Uses \$56 million of SFSF to avoid further general fund cuts for Regents institutions and community colleges in FY 2010.
- Uses \$164.8 million from the state's cash reserves.

IASB thanks all members for advocacy on maintaining the allowable growth rate at 4 percent for FY 2010.

Collective Bargaining and Teacher Contract Termination Still Possible

As of today, rumors of a collective bargaining bill still persist but we still have not seen anything in writing. Rank and file legislators are responding to constituents that they haven't discussed a bill or seen proposals. A leadership bill or amendment to another bill could happen as long as they remain in session.

Keep talking to your legislators about the importance of your board maintaining the ability to govern your district. Talk about the board's role in the hearing process for teacher termination, due process rights for school boards, and the difficulties of expanding the scope of bargaining, especially during tough budget times. See IASB's Web page for Collective Bargaining and Teacher Contract Termination Advocacy Resources, including talking points, at <http://www.ia-sb.org/LegislativeAdvocacy.aspx?id=5870>.

Use the following link to fill us in on any responses you are getting from legislators: <http://www.ia-sb.org/LegislativeAdvocacy.aspx?id=6466>. You can describe your conversations via the Local Legislative Contact Report.

Bills on the Move

SF 464 - Biodiesel Mandate

The Senate began debate on SF 464 before Republicans asked to defer until further amendments are available. The bill may be brought up again on Monday. The amendment to the bill offered by Senator Kibbie falls short of meeting our concerns. It would:

- Allow emergency backup generators to use conventional diesel.
- Restore the tax credits for blends of B10 and above.
- Mandate that retailers sell, at a minimum, only B5 diesel.
- Provide authority to waive the requirement if the governor determines:
 - There is a lack of infrastructure in the state to support the sale of biodiesel.
 - There is a significant shortage of B5 in the state.
 - Supply or price changes would cause economic hardship.

The amendment eliminated a winter waiver provision contained in an earlier version. IASB continues to

oppose a mandate because of concerns about the performance of B5 biodiesel in winter months, the availability of conventional diesel for generators and the potential fuel cost increase's impact on schools' general fund budgets. The mandate, if approved, is effective upon enactment.

SF 81 - Disaster Recovery for Schools by Education

This bill allows a school corporation (school district, AEA or community college) 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. The bill also allows AEAs to ask the DE director to waive the bid law due to a natural disaster. It expands the school district's ability to apply to the AEA administrator for a bid waiver beyond preventing the closure of a school (current law) to ensure the usage of a school facility. The bill, which IASB supported, is on its way to the governor.

Other Resources

Please visit www.ia-sb.org to view this week's **Capitol Cast** video clip from Margaret Buckton.

IASB Government Relations Team

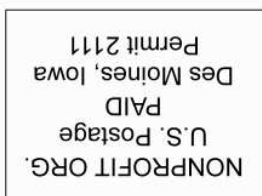
Margaret Buckton, mbuckton@ia-sb.org

Mary Gannon, mgannon@ia-sb.org

Emily Piper, emily80@mchsi.com

Marte Brightman, mbrightman@ia-sb.org

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RETURN SERVICE REQUESTED

Iowa Association
of School Boards
6000 Grand Avenue
Des Moines, IA 50312-1417

