



Action Line

IASB Legislative Activity

2009 Legislative Session Adjourns

The Iowa General Assembly adjourned on Sunday, April 26, 2009. In the closing days of the session, the total reduction to school district and AEA appropriations was finalized at \$49.6 million below full funding. Click here for the summary spreadsheet: <http://www.ia-sb.org/assets/41924D3C-958A-4E6D-B562-4A76C4F64A32.pdf>. Although a more detailed legislative summary will be issued, the following budget items impact immediate budget decisions:

- Allowable Growth for FY 2010 is 4 percent. A combination of state appropriations, federal stimulus funds and local spending authority funds the 4 percent. The FY 2010 amount is short \$33.4 million for K-12 districts and \$1.4 million for AEAs. For your district, the impact is slightly more than the FY2009 across-the-board cut. The \$33.4 million is a reduction to your fund balance (cash) but NOT spending authority. Per pupil spending authority will increase by the full 4 percent.
 - Phase I was eliminated for FY 2010. This is a total reduction of \$13.5 million. Districts and AEAs will receive neither the cash nor the spending authority for those dollars. The district impact ranges from less than 50 cents to over \$1,200 per pupil. A spreadsheet with the initial FY 2009 allocations and an estimated per pupil impact is available on IASB's Web <http://www.ia-sb.org/assets/12A6B477-5A9C-4E8C-B45A-310717A5FEB0.xls>.
 - The state match for the instructional support levy (ISL), which was originally omitted from the Standings appropriations bill, was successfully restored. The appropriation, however, is less than the initial FY 2009 level. ISL state aid of \$13.1 million which is reduced \$1.3 million lower than the original
- FY 2009 appropriation, is an 8.5 percent reduction. There is no spending authority for the state shortfall. The reduction to districts with an ISL is applied as a percentage of state aid rather than on a per pupil basis, meaning the reduction will disproportionately hit property-poor districts. Lisa Oakley at Department of Management will release updated information shortly.
 - The remaining categorical appropriations (Phase II, Early Intervention Block Grant/Class Size and Teacher Quality, including Professional Development) were rolled into the formula for FY 2010 as per student amounts. The FY 2009 1.5% ATB cut for teacher quality and class size categorical funds was restored in the current fiscal year. The Phase I and II ATB cuts were not restored for the current fiscal year. Phase I is eliminated for FY 2010. The remaining three (TQ, class size and Phase II) are included in the foundation formula for FY 2010 as per pupil amounts, set at the FY 2009 base level prior to the ATB cut.
 - The federal stimulus dollars used to fund state aid do not bring additional spending authority. Those federal stimulus dollars specifically distributed on the basis of Title I and IDEA funding are considered as miscellaneous income and do create dollar for dollar spending authority.
 - Cash Reserve Levy - At the last minute, an attempt was made to restrict a school district's cash reserve levy to no more than 16.7 percent of the previous year's expenditures. The language would also have directed districts to reduce ending fund balances to that same percentage before utilizing federal stimulus dollars or reducing workforce. IASB was successful in raising the percentage to 20 percent and eliminating language requiring districts to spend down

their ending fund balances. (For comparison purposes, there is already a 25 percent limitation in current law.)

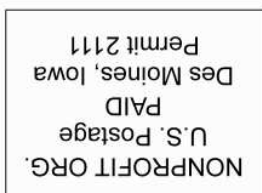
- The education appropriations bill included a new appropriation of \$11.5 million for additional K-12 Preschool Grants. Those districts receiving preschool grants in the past continue to receive funding for those programs through expanded weighting in the formula.
- The federal stimulus bill includes a new appropriation of \$2 million to school districts for professional development to implement the Iowa Core Curriculum.
- Wind Energy – Several different bills designed to expand the use of wind energy in Iowa were approved by the Legislature. School districts that put up wind turbines for their own use will now be eligible for the wind energy tax credit.

IASB appreciates the partnership and hard work, especially in the waning hours of the Session, of a strong coalition including the School Administrators of Iowa (SAI), the AEAs of Iowa, the Iowa State Education Association (ISEA) and the Urban Education Network, who worked together on many of these funding issues.

This is just a short summary of the budget actions of the 2009 General Assembly. We will continue to review legislation and update you on significant issues impacting education. The IASB district meetings in June will include more in-depth information about the budget, opportunities to use one-time federal stimulus resources wisely, and implementation of the Iowa Core Curriculum. Register at www.ia-sb.org.

IASB thanks members for continued advocacy during a tough budget and policy year. At the end of the day, there were no significant changes to labor law, including Chapter 20 collective bargaining and Chapter 279 teacher contract termination. Many mandates proposed throughout the session did not make it through the process. Although the budget was brutal, school districts were spared the significant double-digit percentage cuts born by much of the rest of state government. Look forward to more information in the near future and thanks for your work!

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