

Iowa

Jeffrey A. Fletcher and Jan Friedel

BACKGROUND

Before the pandemic, Iowa's unemployment rate was 2.5%. It quickly increased to 11%, but while the national unemployment rate was 6.7% in December 2020¹, Iowa was again one of the country's lowest at 3.1%². In addition, Iowa's GDP grew over 36% in the third quarter of 2020, outpacing the nation. Moreover, Iowa was not facing a massive budget shortfall like many states, which ended its fiscal year 2020 with total cash reserves and a \$305 million budget surplus.

FUNDING PRIORITIES FOR P-12 AND HIGHER EDUCATION

*HF868*³. An Act relating to the funding of, the operation of, and appropriation of moneys to the College Student Aid Commission, the Department for the Blind, the Department of Education, and the State Board of Regents; providing for properly related matters, and including effective date and retroactive applicability provisions.

P – 12 Education & Community Colleges. The Department of Education was appropriated increases from the General Fund compared to estimated FY21. Some of the increases include:

- \$544,000 for Early Childhood Iowa (ECI) and General Aid (School Ready Grant) for a total of \$23.2M
- \$200,000 for Nonpublic Textbook Services for a total of \$852,000
- \$2.0 million for the Iowa Jobs for America's Graduated (iJAG) program for a total of \$4.66M
- \$250,000 for the Iowa Reading Research Center for a total of \$1.55M
- \$1.1M for Children's Mental Health Training for a total of \$3.2M
- \$500,000 for Classroom Environment Professional Development
- \$1.6M for the Therapeutic Classroom Incentive Fund
- \$500,000 for Therapeutic Classroom Transportation
- \$6.5 million for General Aid for Community Colleges for a total of \$215.2M

1. National Conference of State Legislatures, (September 2021), <https://www.ncsl.org/research/labor-and-employment/national-employment-monthly-update.aspx>

2. U.S. Bureau of Labor Statistics, (September 2021), <https://www.bls.gov/bls/news-release/laus.htm>

3. HF868, FY22 Education Appropriations, (June 2021), <https://www.legis.iowa.gov/legislation/BillBook?ga=89&ba=HF%20868&v=e>

Dr. Jeffrey A. Fletcher, Education Program Consultant, Iowa Department of Education; Dr. Jan Friedel, Professor, Iowa State University

Board of Regents. The State University of Iowa general fund maintains the current level of funding and FTE positions compared to estimated FY21 (\$215.6M). Iowa State University of Science and Technology general fund maintains the current level of funding and FTE positions compared to estimated FY21 (\$172.1M). The University of Northern Iowa general fund maintains the current level of funding, but a decrease of 65.42 FTE positions compared to estimated FY21 (\$98.3M).

CHANGES TO THE FUNDING FORMULA FOR P – 12 OR HIGHER EDUCATION

*SF 269 School Funding*⁴. Sets the Supplemental State Aid (SSA) increase at 2.4 percent. The bill also adds \$10 per pupil, provides additional funds for transportation equity, and continues the property tax relief payments.

PRESSING STATE ISSUES AFFECTING P – 12 OR HIGHER EDUCATION FUNDING

*SF160 School Instruction Time*⁵. Requires that a brick-and-mortar school district or accredited nonpublic school shall provide an opportunity for a parent or guardian of each to select full-time in-person instruction unless this requirement is explicitly waived in a proclamation of a public health disaster emergency issued by the governor related to COVID-19.

ALTERNATIVES TO TRADITIONAL PUBLIC SCHOOL FUNDING

*HF813 Charter School*⁶ - Establishes a new charter school program in Chapter 256E. In section 256E.8, funding, "...each student enrolled in a charter school shall be counted, for state school foundation purposes, in the student's district of residence. The school district of residence shall pay to the charter school in which the student is enrolled in the manner required... an amount equal to the

4. School funding, (February 2021), <https://www.legis.iowa.gov/legislation/BillBook?ga=89&ba=SF%20269>

5. Senate File 160, (January 2021), an Act relating to temporary in-person and remote learning instruction and instructional time requirements for school districts and accredited nonpublic schools: 1-4, <https://www.legis.iowa.gov/legislation/BillBook?ga=89&ba=SF160>

6. House File 813, an Act modifying and establishing charter school programs and making appropriations, (May 2021): 1-25, <https://www.legis.iowa.gov/legislation/BillBook?ga=89&ba=HF813>

Section I and II lists the purposes for which a charter school shall be established and provides definitions; Section III gives the Department of Education (Department) the duty to monitor charter schools' effectiveness and implement this chapter; Sections IV and V create two potential models for establishing a charter school; School Board-State Board model or Founding Group-State Board model; Section VI establishes a charter school contract between the founding group and the State Board; Section VII sets out the operating powers and duties of a charter school; Section VIII specifies how the charter schools shall be funded; Section IX requires the State Board to adopt a performance framework that sets forth the academic and operational performance indicators, measures, and metrics to guide the evaluation of the charter school by the State Board; Section X addresses oversight, corrective action, contract renewal, and contract revocation; Section XI outlines the procedures for the closure of a charter school.

sum of the state cost per pupil for the previous school year”.

TOTAL P-12 PER PUPIL EXPENDITURE

The school district per-pupil expenditure (State Cost Per Pupil) average amount in Iowa for the fiscal year ending June 30, 2021, was \$8,343.77⁷.

ALLOCATION OF STATE DOLLARS OF THE STATE BUDGET

The allocation and percent of the state budget by function for FY21 were budgeted as follows:

Administration/Regulation (\$633.58M, 8.14%), Agricultural/Natural Resources (\$38.55M, 0.50%), Economic Development (\$40.10M, 0.52%), Education (\$4.34B, 55.78%), Human Services (\$1.99B, 25.55%), Justice System (\$521.15M, 6.70%), Judicial Branch (\$184.12M, 2.37%), Legislative Branch (\$36.00M, 0.46%). Summary of the allocation, and percent, of state budget for education items include; IA Commission for the Blind (\$2.25M, 0.03%), College Student Aid Commission (\$73.95M, 0.95%), Department of Education (\$3.69B, 47.41%), Board of Regents (\$575.24M, 7.39%)⁸.

7. Department of Management, (July, 2021). <https://dom.iowa.gov/document/all-school-district-data-and-reports-fy2022>

8. Department of Management, “Iowa Budget Report: FY22-23,” (January 2021): 1-1175, https://dom.iowa.gov/sites/default/files/documents/2021/01/budgetbook_final_01_11_21_0.pdf