

Agenda for the common good Recommitting to public education

A state that values advancing opportunity for all its children is one that invests — in word, deed and dollars — in public education. Iowa has fallen short on this priority for more than a decade. Scheduled tax cuts, estimated to cost about a quarter of the current state budget when fully phased in, pose grave threats to education. So does the ongoing diversion of public resources to private schools, and the proliferation of verbal attacks on professional educators and on critical thinking necessary for lifelong learning in an inclusive world.

Iowa must act decisively to boost public schools — PK through college — if it is to restore its reputation for high standards in education. The good news is we know how:

Reinvest in public education

Education makes up over half of Iowa's \$8.2 billion state budget, so even small failures to adequately fund schools can mean tens of millions of dollars. And small failures year after year add up to big problems. At the PK-12 level, local districts must follow a complex budget formula that clouds the actual harms to schools when lawmakers consistently underfund them.

The best measure of the state's commitment to public schools is "Supplemental State Aid," or SSA, formerly known as "allowable growth." Iowa school district budgets are set by a state formula based on an enrollment — the "cost per pupil" — then funded by a mix of state aid and local property tax. Each year that cost per pupil is revised by SSA.

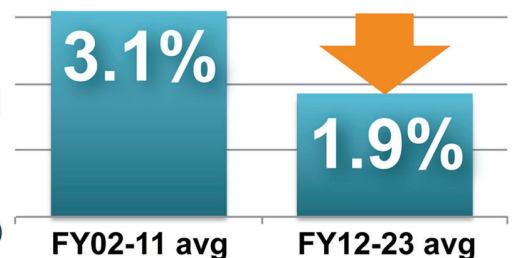
This year, with inflation topping 8 percent, lawmakers set SSA at just 2.5 percent. It's important to note that

What voters & lawmakers need to know

- ▶ **Iowa lawmakers have held public school funding below costs** for over a decade, even as they diverted millions from public education to private schools with little accountability.
- ▶ **Iowa teacher pay lags** what is necessary to attract and keep teachers.
- ▶ **Higher education funding cuts have driven up tuition** — and, in turn, student debt.
- ▶ **Tax cuts will hit education especially hard** because it is a big share of the state budget.
- ▶ **Iowa now only ranks in the middle of the pack among states** on important education indicators: 22nd on fourth grade reading proficiency and 25th on eighth grade math proficiency.¹

Lawmakers push down local schools' per-pupil budget growth below costs

(Supplemental State Aid)



districts with declining enrollment do not see even that small increase, although they must try to keep up rigorous educational programs.

Over the last 12 years, legislators have approved SSA increases of below 2 percent on average, making it impossible for schools to keep up with costs, including wages. When coupled with the increasing political attacks on educators, Iowa is setting itself up for a shortage of quality teachers.

Iowa lawmakers should:

- ▶ **Set SSA at a minimum of 4 percent for multiple years** to rebuild our public schools.
- ▶ **Claw back scheduled tax cuts as necessary** to assure that level of investment.

Divert no more public dollars to private schools

Iowa offers many alternatives to traditional public education. We permit homeschooling and open enrollment between public schools, and we subsidize private-school tuition in a tax-credit program that has grown eightfold in 16 years, from \$2.5 million in 2006 to \$20 million in 2022. Iowa now allows public-school charters that operate outside elected school-board oversight. Despite failing in the last two years, Gov. Kim Reynolds is still pushing for a school voucher program in which taxpayers would pay tuition for private, often religious, education with no local oversight. Even a limited start to this plan is a \$55 million² foot in the door for what could easily grow and destabilize both rural and urban Iowa districts.

Lawmakers should:

- ▶ **Block any voucher bills.**
- ▶ **Require local approval** of charters.
- ▶ **Demand public transparency** for private-school use of public dollars.

Raise teacher pay

Iowa teachers often are penalized financially by choosing to work in education after they graduate from college. Total pay and benefits for public school teachers are less than for people with similar skills or education in the private sector. The teacher wage penalty in Iowa is 14.7 percent.³ This means teachers on average are paid just over 85 cents on the dollar earned by similar college-educated workers.

Iowa teacher pay ranks 24th on average nationally, although that ranking that looks better than reality because some Iowa teachers receive higher pay as mentors. Average starting teacher pay in Iowa ranks only 36th — \$38,515 a year in 2021.⁴

It is true that public employees often have better benefit packages than private-sector peers, and, in Iowa, that includes a respected, well-funded pension system to which employees contribute. However, their benefits do not offset the wage penalty.

Tax cuts that will reduce the state General Fund by \$1.8 billion in FY 2027⁵ pose new challenges to teacher compensation.

Iowa lawmakers should:

- ▶ **Assure adequate state funding** so local schools can eliminate the teacher pay penalty.
- ▶ **Work with education leaders on recruitment** strategies that lift up the education profession.

Reverse the decline in college funding

By making robust investments in regents universities, other four-year colleges and community colleges, lawmakers for years recognized the special role of higher education in promoting economic opportunity for Iowa students. But lawmakers have backtracked on this commitment, and tuition now covers more of the costs of public college than state funding does. This overreliance on tuition puts a heavy burden on students and families and pushes up debt.

Iowa lawmakers should:

- ▶ **Raise support for regents universities and community colleges** immediately.
- ▶ **Set a goal of parity between tuition and state support** of public college costs within 10 years.

¹ Annie E. Casey Foundation, "2022 Kids Count Data Book: State Trends in Child Well-Being," August 8, 2022.

² Legislative Services Agency, Notes on Bills and Amendments, SF 2369, March 30, 2022.

³ Sylvia Alegretto, "The teacher pay penalty has hit a new high." Economic Policy Institute, August 2022.

⁴ National Education Association, State Teacher Salary Benchmark Data, FY 2020-21, NEA CBMA, April 2022. <https://www.nea.org/resource-library/educator-pay-and-student-spending-how-does-your-state-rank>

⁵ Legislative Services Agency, Fiscal Note HF 2317, June 23, 2022. <https://www.legis.iowa.gov/docs/publications/FN/1292087.pdf>