Education: The path to opportunity

A healthy economy is built on widespread prosperity.

Widespread prosperity is built on opportunity. That starts with a strong education system for all.

Good news: Iowans know this.
Top education priorities

- **Reinvest** in education at all levels
  - PK-12 and post-high school
- **Stop funding diversions** to private schools
- **Value educators**
  - End the *teacher pay penalty*
  - Give *professional educators respect*
Reinvest in education

- Iowa has held down public school funding for over a decade.
Lesson One: Don’t be fooled

- Keep **big numbers in perspective**
  - Even a $1 increase is a new record
  - Shell game of state vs local dollars
- Key number: **Supplemental State Aid**
  - State sets local and state funding
  - Budget is based on enrollment
SSA — Mix of state, local funding

- The Legislature sets growth percentage for per-pupil budget cost (2.5%, to $7,413 pp)
- Formula then sets the amount to come from:
  - Local property tax
  - State General Fund

88.4%

$5.40
Shaky funding of Iowa public schools

Iowa per-pupil spending growth limits (Supplemental State Aid)
Chronic underfunding of Iowa public schools

Per-pupil $ growth comparisons (Supplemental State Aid)

FY02-11 avg: 3.1%
FY12-23 avg: 1.9%
Lawmakers should:

- Set **SSA** at a substantial level
- Lock in **SSA** for multiple years
- Tie scheduled tax cuts to **SSA**
  - Put meaning behind rhetoric – **Are students first, or tax cuts?**
Stop diversions of funds

➢ Every taxpayer dollar spent in private schools shortchanges Iowa public schools.
Vouchers — by any name

- Governor’s last plan
  - $55 million cost – 10,000 students
- Various approaches
  - Could subsidize students already going
  - Could pad college savings for the few
- None offer accountability with tax $
‘Choice’ was never the issue

- Open enrollment
- Home schooling
- Charter schools
- Subsidized private-school tuition
  - School Tuition Organization tax credits
  - Tuition and Textbook tax credit
School Tuition Org tax credits

- Bipartisan approval
  - House 75-19, Senate 49-1
  - Governor Vilsack signed (2006), expanded by Culver, Branstad, Reynolds

- Special tax-credit review panel recommended curtailing in 2010
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Private School Tax Credit Grows Rapidly
School Tuition Organization Credit Cap, 2006-2022

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Source: Iowa Administrative Code, Rule 701—42.32
Lawmakers should:

- **Block** any school voucher plan
- **Require** local approval of charters
- **Assure transparency** of private-school budgets that use tax dollars
Value educators

- Pay them right.
- Respect their skills and commitment to Iowa’s young people.
Teacher Pay Penalty

Economic Policy Institute Report

- In 21 states, teachers are paid less than 80 cents for each dollar earned by similar college-educated workers.
- In Iowa, the penalty is about 15% (14.7)
- Neighboring states’ penalties are from 18% to 24%.
  - How will this change with SSA below costs?
  - How will this change with big tax cuts looming?
Lawmakers should:

- **Eliminate** the teacher pay penalty
- **Commit** to a long-term strategy to raise teacher pay.
- **Restore** collective bargaining rights
Higher ed is for everyone

- Don’t pit 4-yr vs 2-yr or other postsecondary education.

- All boats – and communities – rise with higher ed investments. We all have a role.
Shifting costs to parents, students

Iowa Lags Pace of State Fiscal Support of Higher Education
Percent Change in State Fiscal Support of Higher Education by State, FY 2016-21

Source: Grapevine data, cited by Legislative Services Agency, January 2022
Shifting costs to parents, students

Source: Legislative Services Agency, August 2020
Lawmakers should:

- Boost state support
  - to U of I, ISU and UNI
  - to community colleges
  - to other vocational and postsecondary programs
  - to the Iowa Tuition Grant program
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$22  Promote good policy online

$66  Mail a post card to each legislator

$125  Support a lobbying trip or visit to your community

$500  Launch a targeted issue campaign

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Thank you

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www.commongoodiowa.org

And on social
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“The free school is the promoter of that intelligence which is to preserve us as a free nation.”

- Ulysses S. Grant
“Education is everything. … Competition for the best teachers should be fierce. They should be getting six-figure salaries. Schools should be incredibly expensive for government and absolutely free of charge for its citizens. Just like national defense.”

- Sam Seaborn, ‘The West Wing’