

Date: January 30, 2024

TO:

The Iowa Legislature

FROM:

Nick Larson  
Vice President, Center Point – Urbana Community School Board  
5095 Schwiebert Drive  
Walker, IA 52352

RE: Subcommittee Hearing Public Comment – SSB 3073

I am a newly elected Vice President of the Center Point - Urbana School Board. I ran as a candidate who loves public education and won a nearly 60% mandate to champion public education in the best interest of our community.

The four buildings in our school district leverage all AEA services - special education, educational services, and media services - on a daily basis. As proposed, this bill would remove \$158K of funding that directly benefits our school district. In terms of state cost per pupil allocation, that would fund 21 students in our district, or a classroom full of students. This bill provides no plan for replacing those services, which will leave our district to independently source and fund our needs. There is no evidence, let alone a factual business case, that demonstrates equivalent services can be restored at a lower total cost to school districts.

I have studied the specific services and costs provided by our AEA and the entire 111 page Guidehouse, Inc. report that serves as the blueprint for the proposed legislation. Have you, as members of the subcommittee, completed the same due diligence? The executive summary of the report asserts that Iowa students with disabilities are performing below the national average, but at a significantly higher cost than other states. I strongly encourage the committee to study these two assertions as separate potential problems to solve. Conflating the two into a massive legislative change that effectively dissolves the AEAs is extreme, and a mistake. State level officials from both sides of the aisle have suggested to me first-hand that the governor's proposal was designed to drop like a nuclear bomb. That's fine, but now you as legislators are responsible for rebuilding public trust in the process and ensuring the best public education for our kids. Meanwhile, those of us directly responsible for delivering public education in our communities are greatly concerned as we watch the political process play out.

#### **Problem #1: Student Achievement**

If you dig into the details, you will find that this assertion is primarily based on 4th grade reading scores when averaging together the last three NAEP tests, including low outlier data points in 2017 and 2019, followed by a correction in 2022. For 2022, this score was within one point of the

national average (215 Iowa vs. 216 national). Therefore, one should ask, "What caused the decline in 2017 and 2019 and is the correction in 2022 real?"

When taking a wider view of both reading and math tested in 4th grade and 8th grade, you see that the gap between Iowa and the national average disappears and even becomes favorable in 2022 8th grade scores. Even the significant reading gap in 4th grade corrects by 8th grade and becomes favorable for Iowa in the 2022 test. Therefore, the state level interest should first focus on early grade reading scores for learners with disabilities - that is a more specific interpretation of the data and would better focus our actions.

To be clear, we must do better for our students with disabilities and a focus on the data will clarify the problem. Reviewing all of the data, there appears to be more of a reading problem than an overall special education problem (i.e., math scores did not present the same magnitude of gap). The Guidehouse report included no detailed statistical analysis (i.e., validation of statistical significance, correlation analysis, etc.) and the executive summary cherry picked the single most compelling data point and generalized it to a problem across all special education. The fine print of the report explains that the "Indicator" states used for comparison were purposefully picked to have higher achievement levels, so realize that the case being made is that Iowa does not perform as well as high performing states. When compared to all state averages, performance levels are much more in line and even favorable. Furthermore, there was no root cause analysis to directly connect any of the recommendations to improved outcomes for students with disabilities. In the private sector, we call that simply reporting the news. The entirety of the improvement plan appears to rely on greater oversight at the state level (i.e., headcount and bureaucracy). If, as the report suggests, the Department of Education lacks oversight to hold AEAs accountable, my question is, why? How can this be done without removing local control in favor of a Des Moines office? Those are extremely important considerations when the proposal is to fund state headcount on the backs of local school districts - see problem #2.

### **Problem #2: Cost per Student**

Objectively, some of the data points here are more specific and compelling. We should address administrative costs and total compensation packages for all of our education professionals. The Guidehouse report highlighted some comparisons between school district and AEA administrator positions, which should warrant further investigation. Redesigning administration of the AEAs may present opportunities to reduce total cost and improve effectiveness. That would receive broad support.

Next, although the report suggests that eliminating a myriad of services (professional development, media, technology, etc.) may reduce total cost, there is no empirical evidence if or how this can be achieved. Interestingly, for a report that appears to be quite comprehensive, there is no information on how voluntary educational service agency costs compare to the Iowa model - only that it "could" be done. In fact, although the governor implied that many educational services provided by AEAs are unique to Iowa and represent scope creep, the reality is that 46 states have some type of educational service agency system. These are called Educational Service Agencies (ESAs) in the Guidehouse report and the number, charter, and legislative foundation are consistent with the Iowa approach to realize economies of scale through shared service centers. Given the comprehensive listing of state ESAs (Appendix C), zero data on cost competitiveness between

models is a huge gap in this study and would be valuable information. This would be unacceptable for any private sector "Make/Buy" analysis.

It would be a mistake to hastily abandon the Iowa AEA model for non-special education services with no cost study, let alone no plan. In terms of total cost savings to the state, this is the most fundamental question to answer. Our AEA provides great service, so as a local school board member accountable to the taxpayer, cost is currently my only motive to do something different. Unfortunately, the Guidehouse study is silent on any facts that would inform this decision making. The study does, however, show that the "Adjusted General Education Per Pupil Expenditure" in Iowa is significantly lower than the 50-state average (\$3,059 lower). And as the study emphasizes, the "Adjusted Total Special Education Per Pupil Expenditure" in Iowa is higher than the 50-state average (\$2,306 higher). The financials in Appendix F of the study reveal that there is wide variation in expenditures attributed to special education by state; the range is from \$0 in Florida (one of the states directly compared to Iowa) to \$27,435 in New Hampshire. How valid are conclusions based on this data? If we combine the Iowa "General Education" and "Special Education" expenditures per pupil, Iowa compares quite favorably to the 50-state average.

Finally, Guidehouse recommendation #5 to "Empower" should alarm anyone who favors smaller, locally controlled government. After all, it reads, "Grow Iowa Department of Education funding, capabilities, and infrastructure to provide greater levels of special education and AEA oversight." As a board member that was elected on a platform to champion local control and serve the best interests of my community, I will not support efforts to empower the executive branch in Des Moines.

Simply put, the Guidehouse study and subsequent proposed legislation boils down to this... (1) Eliminate services funded by the state and provided to local school districts. (2) Claw that money back to the state Department of Education to fund centralized state government control. (3) Provide no plan or funding to replace the services eliminated. (4) Expect state level oversight to improve special education outcomes. When you set aside the nuclear bomb politics, that's the "plan" and proposal on the table.