**Setting the Supplemental State Aid Early**-

* State law mandates that Supplemental State Aid is supposed to be set 18 months in advance of each school year.
* We currently do not have a budget set for the 2015-2016 school year
* Please set the amount within the timeline in Iowa law in order to allow schools to make budget decisions on actual numbers. In the past, we have had to have three different budget projections all with different amounts of State aid in order to have a worst, middle and best scenario. We will need to make cuts based on the worst case scenario, if the legislature does not act quickly this Session, in order to ensure that we do not go over budget. By master contract, we must make cuts prior to April 30th or the continuing contract will stay in place.
* Iowa expenditures per student currently rank 35th in the nation, $1,612 per student below the national average (based on the current NEA estimate for 2013-2014). If Iowa truly wants to be at the top of education, why do we keep falling in the rank of dollars per student? If number one is what we want and that is our priority shouldn’t we show that by setting that as a priority in our funding? The theory of do more with less has played itself out in Iowa. It’s time to invest in our students.
* Examples of what the percentages will do for us:

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  | Villisca New Money- 337 Students +7 from last year | New money compared to 3% Inflation Costs: $129,239 | Corning New Money | New money compared to 3% Inflation Costs: $185,052 |
| 0% | $50,291 | -$78,948 | -$50,663 | -$235,715 |
| 3% | $114,658 | -$14,581 | $27,647 | -$157,405 |
| 4% | $136,226 | $6,987 | $53,887 | -$131,165 |
| 6% | $179,025 | $49,786 | $105,957 | -$79,095 |

**Transportation Equity**- Based off of FY 2013 data, prior to whole grade sharing. Our transportation expenses have increased since this time, but the state does not have data out yet.

* Large geographic districts, like ours, with relatively fewer kids redirect money from our educational fund in order to pay for transportation. The Iowa formula doesn’t address transportation, so the general fund dollars used to pay for busing compete with other educational expenses, such as teachers, textbooks and technology.
* Transportation costs in rural areas have risen 8% since 2008
* In some rural districts, transportation costs exceed 10% of the general fund budget. During FY 13 Corning spent 7.9% of its general fund budget. The State average was 4.6%.
* Our numbers in FY 2013, prior to whole grade sharing:
  + Our transportation budgets in both districts have increased with whole grade sharing. We anticipate that 2014 and 2015 will be worse than the 2013 outlook in both districts.
  + In Corning, we are spending $464.11 per student more than the state average. That equals $195,854 dollars that we are not able to spend on educating our students. That equals at least 4 teachers that we could be using to help educate our kids better. In Villisca that number is not as big in 2013, but will most likely be significantly higher in 2014 because of whole grade sharing.

|  |  |  |  |
| --- | --- | --- | --- |
|  | **Corning-422** | **State** | **Villisca-334** |
| **Cost per pupil** | $770.29 | $306.18 | $332 |
| **Square Miles** | 260 | 159 | 160 |
| **Net Cost** | $325,060 | Corning-$129,207  Villisca-$102,264 | $110,890 |
| **Cost above Average** | $195,853 more than state average cost |  | $8,626 more than state average cost |

* As a shared district we are now the 4th largest geographic district in the state at 420 square miles.
* Transportation Equity can be accomplished in two ways; district levy or build it into the state aid formula. If it is built into the formula, it is truly equitable because that money will then come from the state. If districts are allowed to levy for it, they may be able to create the resource, but that will be on the backs of the property tax payers. Replacing a student inequity with a taxpayer inequity isn’t a viable solution.

**Use of PPEL Funds and LOST (State Penny) Funds-** Currently, we can use our PPEL funds to purchase transportation, computer hardware, and for building enhancements. This has saved our general fund tremendously and has allowed our districts to provide our students with the best facilities. It has also helped us maintain a lower tax rate because we are not levying more property taxes to make improvements.

There are two things we would like to see changed:

1. Allow for items purchased out of PPEL to be fixed by the same fund. Right now, we need to use general fund dollars to fix a broken bus. Last year, we had a bus go down that needed to be fixed. The cost to fix it was about $23,000 and that cost would have come from our general fund. Instead of fixing the bus, the board decided to sell it at $6000 and purchase a new bus for $85,000 out of our PPEL fund. Yes, it seems like the wrong thing to do, but we need to protect our general fund dollars. Allowing repairs to be taken out of PPEL would align the needs of taxpayers with common sense decision-making by school leaders.
2. The state penny sales tax will sunset on Dec. 31, 2029. Please repeal the sunset of the state penny for infrastructure. It will continue to allow districts to make improvements without needing to levy tax dollars. Use of the sales taxes to pay for school infrastructure, technology and property tax relief since 1998, have accomplished the following:
   1. Funded technology expansions in districts (such as 1:1 initiatives)
   2. Elevated student learning (such as science labs in middle schools to support STEM)
   3. Resulted in fewer days lost due to extreme temps and returned saved energy dollars to the program
   4. Equalized infrastructure funding per student
   5. Upgraded facilities to safe, energy efficient facilities designed for student learning
   6. Reduced property taxes
3. With the sunset looming, schools’ bonding capacity against the sales tax is receding every year. The normal window is 20 years, but we are now down to 15. We expect ore districts to once again turn to bond issues paid by property taxes as the window closes further. The following chart shows the progress we’ve made and will likely lose is the Legislature doesn’t repeal the sunset. 