

UEN Legislative Update March 28, 2025

This UEN Weekly Report from the 2025 Legislative Session includes:

- SSA Still Stuck
- Property Tax Proposal Subcommittees in Both Chambers and Updated Information
- Bills to the Governor
- Next Funnel Date Approaching
- Floor Action This Week, including the Governor's Cell Phone Restrictions Bill
- Note about HF 789 TSS for Charter Schools
- Subcommittee on SF 277 Chronic Absenteeism Clean-up
- Advocacy Actions for the Week and Resources

School Funding / SSA Still Stuck

SF 167 SSA by the Senate sets the increase per pupil cost at 2%. The House proposal amended SF 167 with Amendment S-3004, is still awaiting action on the Senate Calendar. The additional investments in the House proposal include: 1) \$10 per pupil applied to the minimum state cost per pupil, to close the district cost per pupil equity gap to \$130, 2) an increase in the transportation equity fund sufficient to reimburse all districts with transportation costs per pupil above the state average, 3) increase in the operational sharing student weighting cap from 21 to 25, and 4) supplemental appropriation of \$23.6 million distributed to districts based on enrollment, estimated at \$47 per pupil, in the 2025-26 fiscal year. This supplemental appropriation is one-time and is not expected to be carried forward into the future. UEN is registered in support of the House proposal and opposed to the Senate proposal. The legislative deadline for enacting SSA was Feb. 14.

Property Tax Proposals Subcommittees in the House and Senate

On Wednesday, the House and Senate Ways and Means Committees both held a subcommittee and heard lengthy testimony from stakeholders. In general, the organizations present either supported the legislation (Iowans for Tax Relief, Farm Bureau, and various business groups) or were registered as undecided and expressing concerns with different provisions, making suggestions for improvement, or unable to determine the impact and still working on analyzing the bill. In general, most speakers were grateful for the time given to think carefully about the proposals and offered assistance by their organizations to improve the bills. Sen. Dawson and Rep. Kauffman, floor managers of the bills and chairs of their respective Ways and Means Committees, promised to keep working on the proposal but were adamant that Iowans expect and deserve property tax relief. See media coverage of the Subcommittee meetings in the <u>Iowa Capital Dispatch</u>, "Property tax bill removing rollback system passes House, Senate subcommittees," March 27, 2025 (which includes UEN comments expressing concerns about the State's ability to adequately fund public education if the State takes on the burden of the additional levy).

ISFIS has been assisting with the analysis of this proposed legislation and offered several updates to their Memo bill summary and the impact on schools this week:

- **Wind Rollback:** The bill does not change the rollback on wind towers. Utility providers will see disproportionate property tax relief compared to other property taxpayers.
- Management Fund Limit Calculation: To calculate the maximum for FY 2028, take the average expenditures of FY 2024, FY 2025, and FY 2026, multiply by 180%, and subtract FY 2026 unexpended fund balance. Unexpended Fund Balance is defined in the bill through reference to IC 257.2 (13) as unreserved and undesignated fund balance.
- Rate Limited Property Taxes (e.g., VPPEL and Debt Levy, etc.) Starting FY 2027, any property tax rate that is limited by law to a specific rate can only be imposed if it was previously imposed in the fiscal year beginning July 1, 2025 (which is FY 2026). The only growth allowed on such levies is an additional 2% of the actual property tax dollars certified. This effectively means any rate-limited property tax not in service as of July 1, 2025 can no longer be imposed. This would include board PPEL, VPPEL, PERL and debt service. Additionally, any action in the future to lower a levy would set a new base as the 2% limitation is based on the prior year's property tax dollars generated.

See the updated <u>ISFIS memo</u> for a complete bill summary and impact on schools and taxpayers. Expect conversations to produce amendments to change the bill. UEN is undecided.

Bills to the Governor

• HF 783 Conference Re-alignment: Prohibits public and private schools from paying fees to a high school sports association unless the sports association has a conference realignment committee. Establishes the membership of the committee. Specifies things for the committee to consider on re-alignment (enrollment, geography, etc.). Requires a high school/district to get permission from the committee before changing conferences. Requires the State Board of Education to adopt rules. The House said yes 95-0 on March 13. Senate agreed 47-1 on March 25, sending it to the Governor. UEN is undecided.

Next Funnel Deadline

Both chambers moved bills through the process this week, getting ready for the April 4 funnel deadline. By that time, bills must not only be approved in their chamber of origin but must also be approved by a committee in the other chamber. Here's what happened this week:

Senate Floor Action

- <u>SF 574</u> Construction Retainage: Limits retainage payments to 3% (current law is 5%). Senate said yes, 45-4; sending it to the House. UEN was opposed to the original bill, which was heavily amended to get to this simplified retainage age. With these changes, we have changed our registration to undecided.
- <u>HF 782</u> Cell Phone Restrictions: amended timelines to require the DE to complete the development of model cell phone policies that would be compliant before May 1, 2025. Allows but does not require school boards to use these model policies on cell phone restrictions. Senate said yes, 49:0, sending it back to the House. UEN is undecided on the bill but encourages the House to accept the Senate amendment.

House Floor Action

- <u>HF 395</u> School Bus Driver Training: Requires schools to accept as proof that a school bus driver has completed the entry-level driver training federal requirements in an approved course as long as it has passenger endorsement training and school bus endorsement training. The House said yes, 94-1, sending it to the Senate. UEN supports.
- HF 706 Open Meetings Enforcement: Increases the range of damages for violations of the Open Meetings law (\$500-\$2,500 for violations and \$5,000 to \$12,500 for knowing violations). Requires a court to order the removal of a board member for open meetings violations, regardless of whether damages are assessed. Requires board members to complete training in Open Meetings/Records laws within 90 days of assuming office/oath. Requires the Iowa Public Information Board to develop/approve such training. Makes a member subject to damages for not completing training. (NOTE: board members, not the district's insurance policy, must pay any ordered damages, which may be assessed for each individual violation.) The House said yes, 95-0, sending it to the Senate. UEN is undecided.
- HF 471 Concussion Management: Includes persons holding a doctorate in psychology
 with training in neuropsychology or concussion management as a licensed health care
 provider for concussion management for high school sports. House said yes 97-0;
 sending it to the Senate. UEN is undecided.
- <u>HF 785</u> Charter School Board Members: Allows one member of a charter school board to be a non-lowa resident. (Struck provisions allowing charter school students to access concurrent enrollment through district of residence.) House said yes, 60-36, sending it to the Senate. UEN is opposed.
- HF 884 School Chaplains: Allows schools to have a volunteer chaplain. Does not require the chaplain to be licensed or have authorization from the BOEE but allows schools to adopt credentialing requirements. Prohibits a school from requiring or coercing a student to participate in activities with the chaplain. Prohibits hiring or using a chaplain in lieu of a school counselor. House said yes 57-39, sending it to the Senate. UEN is opposed.

Note about HF 789: TSS for Charter Schools

- UEN has been lobbying to oppose this bill. It would require the State Teacher Salary Supplement (TSS) per pupil to be paid by resident districts to charter schools. The state TSSPP is \$671 in FY 2025. That amount is required to grow by the SSA rate which is yet to be approved. UEN has continued to reach out to legislators to help them understand that TSS is calculated based on the number of teacher FTEs each district has that are paid below the mandated salary minimums of \$50,000 for beginning teachers up to 12 years of experience and \$62,000 for teachers with 12-years or more of experience. UEN had suggested two different ways to pay for the charter schools TSS, if the legislature believes they should have the money, that would not take TSS money away from public school districts.
- The House had approved HF 787 Governor's TSS Calculations and Omnibus Education Policy bill last week, which is now on the Senate Calendar. That bill changes the

- calculation method, but it will still be based on school district's reported staffing and the amounts needed for school districts to meet the new mandated salary minimums.
- Charter schools do not report their staffing data, are not required to comply with Iowa Code Chapter 284 (teacher salary minimums plus PD and TLC are all included in that Chapter) or Iowa Code Chapter 257 (requires the TSS be spent only on teacher pay).
- The bill is still on the House Debate Eligibility Calendar but was pulled from the Debate list on Wednesday of this week. Keep helping your legislators know this will cost school districts, primarily urban ones, an estimated \$1.5 million.

Subcommittee on SF 277 Chronic Absenteeism Clean-up

- The Subcommittee of Reps. Hayes, Ehlert and Gehlbach met to consider SF 277 Chronic Absenteeism. They heard comments from attendees, all in support. They unanimously recommended to move the bill forward to the full Education Committee
- The bill fixes the certified letter issue by allowing school districts many ways to contact parents once students meet the chronic absenteeism threshold, clarifies exceptions and adds a few more (funerals, military application and service), requires the DE and the County Attorneys Association to develop model policies county attorneys may use regarding truancy actions, allows districts discretion on school engagement meetings, which must be provided for students needing support, but would not be required for students for whom absences are not negatively impacting achievement.
- UEN requested many of the provisions in this bill. We hope to see it on the House Education Committee meeting agenda this coming week. UEN is registered in support.

UEN Advocacy Resources

Check out the 2025 Session Advocacy Handbook, which has everything advocacy beginners and experienced pros can use to advocate with legislators, at the Statehouse or back in your district. Find the handbook on the UEN Advocacy Website here: https://www.uen-ia.org/advocacy-handbook

Advocacy Actions This Week

Start with a thank you! Find something on the floor action lists above (such as <u>HF 787</u> Education Omnibus Bill with TSS or <u>SF 583</u> School Safety Assessment Teams) that you support, and tell them you appreciate that they moved it forward.

Property Tax Relief Proposals:

- Approach the conversation with an open mind. Property taxpayers talked a lot about the issue during the election. Legislators believe they have to (and they want to and likely will) do something. Offer to be a resource.
- Express concern about the inability to levy the PPEL or a debt levy if you do not currently have one. School renovation and construction is cyclical, not constant.
- Ask how the state will afford the bigger commitment to the school funding formula?
 How much property tax relief is enough?

- Brainstorm with them about unintended consequences. Can we prevent some bad outcomes (e.g., add in SBRC authority for a school board to levy the Management Fund in spite of the fund balance limitation for unusual circumstances?)
- Network with city and county leaders. Explain how schools are budget-limited through the formula (for schools, tax rates are more about valuation and enrollment changes and it's tough, when enrollment declines, cutting the budget. Can you find common ground on the limitations or other provisions?)

Adequate School Funding: Contact legislators regarding SSA every week until it's done. Find teachable moments to trigger a message. For example,

- School districts sent budgets to the county on March 5 to create taxpayer statements and notify taxpayers of public hearings. The information in those notices is not likely accurate pending the final SSA decision.
- School districts have held public hearings to get input from taxpayers on the proposed budget. The information sent by the county to taxpayers is not accurate given the growth assumptions required for the notice and pending the final SSA decision.
- Decisions to continue teaching contracts and settle negotiations are dependent on knowing the TSS per pupil for your district. That is part of the SSA bill (and they need to get HF 787 TSS Calculation over the finish line in the Senate).
- There are many bills surviving the funnel deadline that include unfunded mandates. Schools depend on the very best funding the state can provide to be able to fulfill any new legislated expectations.

The House's 2.25%++ is a preferable policy and UEN is registered in support. The teacher salary investment last year was a really good start to attract future teachers, but SSA has to keep pace or our staff and programs for students will be compromised. Diverting the small increases that UEN districts will get for TSS to charter schools would further stress public school budgets (See the March 6 report for details on HF 789 TSS for Charter Schools which UEN opposes). See the UEN 2025 Adequate School Funding Issue Brief for additional information.

Preschool: Encourage both Representatives and Senators to not forget public schools when considering the Governor's Child Care Continuum bills. Those bills have not progressed in either chamber. Public schools need funding for initial preschool programs to expand access to preschool. Research shows that quality preschool for enough hours has great benefits (Perry Preschool Project, with \$17 returned benefit for every \$1 invested, had a minimum of 15 hours a week, which is 50% more time than Iowa's current SVPP funds). Your own district data on the benefits for those students in full-day preschool is really important to share. Iowa's neediest students not currently accessing either PK or child care might be best served in an all-day PK program. Serving these neediest students well will go far in achieving state priorities, including literacy and math outcomes. The Governor's grants and 1.0 weighting for most at-risk 4-year-olds are compatible policies, both necessary to establish a full continuum of care and instruction. Express thanks to House HHS and Senate Education Committee members for amending the bills to require licensed teachers in the new community provider authorized programs. See the UEN 2025 Quality Preschool Issue Brief for additional information.

Unfunded Mandates and Implementation Timelines: remind legislators that any bill requiring staff training or rewriting curriculum costs districts time and money. Unfunded mandates require resources that take away other key issues of district focus. Each mandate should allow time and include funding to implement or at least an adequate increase in SSA so school districts do not have to make tough choices. Many new requirements are already on our curriculum directors' and teacher plates. The State Board of Education has approved new standards (ELA, Science, Math) and the new literacy initiative is currently being implemented. Any additional mandates for changing instruction that require training need thoughtful time and compliance expectations. Thank them for removing the cell phone policy/social media instruction from the bill, but other unfunded mandates are still proposed, such as adding career exposure, planning and experience to middle school grades, a new math initiative or civics initiative, seizure disorder training and plans, gun safety training courses, and the list goes on with every new bill. Please allow the time it takes to do good work, to benefit students. (Look forward to the April 4 report for many of these proposed unfunded mandates which we expect to stall.)

Connecting with Legislators: To call and leave a message at the Statehouse during the legislative session, the House switchboard operator number is 515.281.3221 and the Senate switchboard operator number is 515.281.3371. You can ask if they are available or leave a message for them to call you back. You can also ask them what's the best way to contact them during session. They may prefer email or text message or phone call based on their personal preferences.

Find out who your legislators are through the interactive map or address search posted on the Legislative Website here: https://www.legis.iowa.gov/legislators/find

Other UEN Advocacy Resources:

Check out the UEN Website at www.uen-ia.org to find Issue Briefs, these UEN Weekly Update Reports and Videos, UEN Calls to Action when immediate advocacy action is required, testimony presented to the State Board of Education, the DE or any legislative committee or public hearing, and links to fiscal information that may inform your work. The latest legislative actions from the Statehouse will be posted at: www.uen-ia.org/blogs-list.

Bill Action This Week

Check out our separate Bill Tracker for all the bill actions and details for the week.

Contact Us

Keep in touch with your questions, comments, and let us know about your advocacy actions. Margaret Buckton
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