

School Administrators of Iowa(SAI) is a statewide organization representing nearly 2000 Iowa educational administrators. The role of SAI is to support, encourage and develop Iowa's educational leaders and learners.

The following information represents the major legislative priorities of SAI and its members for the 2026 lowa legislative session.

Overview

Supplemental State Aid (SSA) and School Funding

- SAI supports an increase in SSA for the 2025-26 school year that will provide
 districts with adequate funding to meet students' needs. This would include funds
 to provide appropriate teacher compensation, as well as funds to allow districts
 to be competitive in hiring support staff to meet the needs of students.
- SAI encourages the legislature to meet the statutory guidelines and set the SSA percentage in a timely manner.
- SAI supports legislation that would allow districts to have more flexibility in the use of district funds. These decisions should be made at the local level to meet the needs of students in that district.

• Employee Recruitment and Retention

- SAI encourages efforts to increase funding for teachers' salaries and compensation — both for new and current teachers and support staff. This will allow districts to hire and retain quality staff in order to serve their students.
- SAI also encourages efforts to increase flexibility in teacher licensure, as well as
 providing financial incentives to encourage more students and others to enter
 the field of education. Steps to improve the teacher pipeline at the local level
 should be bolstered.

Preschool and Early Literacy

SAI supports a focus on early literacy, including fully funding PK programs.



Critical Education Appropriations

 SAI supports efforts to improve or create funding streams that allow districts to better serve students in *critical need areas*. This would include: At-risk students, Special education students, students with brain health issues, students in poverty, English Learners, and more.

• Brain Health

 SAI supports efforts that are solution-focused regarding brain health issues that impact children. Schools need more resources and partnerships to serve their students in this high-need area.

Education Savings Accounts (ESA)

 SAI encourages legislation to address issues presented by the ESA law, including equity of expectations, transparency, transportation, and funds returning to public schools.

Details

Supplemental State Aid (SSA)

SAI supports an increase in SSA for the 2026-27 school year that will provide districts with adequate funding to provide for student needs, and encourages the Legislature to set the SSA by the timeline required in law.

SAI requests that the Legislature set the supplemental state aid rate within the **statutory deadline** of the first 30 days of the legislative session in accordance with lowa Code so that schools can properly budget and plan for FY27. SAI requests that the supplementary **state aid rate increase be set at a level that will allow districts to appropriately meet the needs of students.** We feel that this is necessary to outpace inflation, in addition to the impact of increased costs of supplies and labor over the past



several years. Categorical funding should also be increased at the same rate as supplemental state aid.

Unfortunately, the funding levels of SSA over the past several years have not been adequate proportionally with the increased costs of educating lowa children. School district expenditures historically increase by 3 to 4% each year; however, costs have increased at a significantly higher rate in the past several years. Recent SSA amounts have not been adequate funding for our schools considering the de facto 3% settlement requirement for teaching staff, and inflation rates. In addition, with low SSA, districts that have even slight declines in enrollment may experience a loss of funding that may require them to increase local property taxes to reach the "budget guarantee."

In the last legislative session the FY26 SSA was set at 2%. With only a 2% increase, the number of schools on the **budget guarantee** went from 140 to 157 (FY25 to FY26). The amount of tax dollars needed for that increased significantly, from \$15.5 million to approximately \$24.3 million. **All of these dollars come from local property taxes.**

In addition, some of the new legislation in recent years resulted in unfunded mandates that require increased expectations and actions for school districts while providing no additional resources for the districts. A specific example from the last session is the Math Improvement Plan legislation. This legislation substantially increases the workload at the building level with no funding to support the work. SAI urges the Legislature to eliminate all unfunded mandates.

School districts continue to face a critical shortage of teachers and support staff, partially due to the ability of the private sector to increase wages and salaries. Districts are unable to remain competitive with the private sector without increased state funding. In addition, the current inflation rates add to the pressure on districts to



increase wages for all staff. Additional funding flexibility would be of assistance to helping districts meet these needs.

Employee Recruitment & Retention

SAI encourages efforts to increase funding for teachers' salaries and compensation, both for new and current teachers as well as support staff. Targeted funding to help increase teacher salaries, as well as additional spending flexibility are appreciated, but more is needed.

The state of lowa has a significant shortage of quality teachers and support staff. Survey data over the past few years supports this fact, and while the impact of the shortage varies geographically and demographically, it is a statewide and nationwide issue. Many districts continue to struggle to fill teaching and other positions or have been forced to fill positions temporarily. In addition, the quality of applicants has declined based on information shared by our members. There have been efforts during recent legislative sessions to assist districts in finding teachers to fill positions. Efforts to ease the burden of licensure and certification, both financially and logistically have been helpful, but many of them are band-aids and do not address the big-picture issue. There needs to be significant work done to help districts in hiring and retention.

- Salary compaction (reduction in the difference between compensation for
 experienced teachers and compensation for those with limited experience) is an
 issue in many districts, and while the pay increases were greatly appreciated,
 compaction was left in its wake, with no additional resources allocated to
 address this.
- SAI encourages continuing efforts to assist with the teacher pipeline (Teacher & Paraeducator Registered Apprenticeship Program).
- SAI also supports measures that would provide more flexibility within the
 Management Fund (or other funds), offering more financial options for districts to recruit and retain staff, including the flexibility for districts to pay off student loans.
- Legislative suggestions would include: specific efforts to address major shortage areas, and increasing the areas allowed for Alternative pathways, similar to what has been done with CTE licensure. Special Education staffing continues to be



extremely difficult, compounding the issue around achievement scores for those students.

***In both the short- and long-term, SAI favors legislation, policy, and public support that will not only provide improved compensation for educators but will also foster the respect for the education profession that is deserved. Only when we can do this, will we be able to have adequate numbers of quality individuals educating lowa children.

Pre-Kindergarten Programs and Early Literacy

SAI supports a focus on early literacy, including fully funding PK programs.

Early Literacy programs provide children with a strong foundation for future literacy achievement. They help children develop oral language skills, an understanding of the alphabetic principle, and knowledge of print concepts. Early literacy programs also help children be kindergarten-ready, so they enter school ready to learn. In addition, successful early literacy/PK programs have a **positive impact on community economic development and workforce issues**.

SAI supports a focus on early literacy, <u>including fully funding PK programs</u>. We also believe that all students and families should have an <u>option</u> for **full-day PK attendance**. We appreciate the Governor's efforts to meet the needs of families and students by collaborating with day care programs, and believe that the full-day option would assist with this immensely. Full day programming would allow PK students to experience a broader range of educational opportunities, including additional STEAM experiences.

Ideally, all PK students would be funded at the 1.0 level, but an emphasis specifically on students who live below the poverty level would be key. A plan that would phase in additional seats and funding for PK programs would be a step in the right direction.



Critical Education Appropriations

SAI supports efforts to improve or create funding streams that allow districts to better serve students in <u>critical need</u> areas. This would include: At-risk students, Special education students, students with brain health needs, students in poverty, English learning students, etc.

SAI supports legislation that would provide funding and resources to meet the critical needs of students in all districts. Areas of critical need would include but are not limited to, the following:

• Special Education

SAI urges an increase in special education weighting. The weighting has not been adjusted for decades. Changes to how students with special needs are served, have placed additional funding stress on special education services. Special education funding deficits are prevalent across the state as districts are required by law to provide specialized instruction to students with those needs. According to FY24 data, 298 of 325 lowa districts had a special education deficit, which may have resulted in up to over \$207 million in additional property taxes. This again goes back on the local taxpayers as districts need to recoup the funds that are spent on special education through property taxes.

SAI also recommends legislation that would incentivize more teachers to teach special education, and provide funding to accomplish that goal.

At-Risk Students

Schools continue to see a large number of students who are at-risk of dropping out of school, for a variety of reasons. They may have family needs, brain health needs, or even financial needs. We see many students that come from a background of poverty. Some districts do not have as many resources as other districts when it comes to Dropout Prevention funding, even though their needs may be the same or more than the other schools.

SAI supports allowing ALL school districts to establish Dropout Prevention funding at the 5% level, if they desire to do so, as a local decision.



• Students with Brain Health needs

Limited options for providers as well as the ability to pay for services significantly hinders access to brain health services for our students. The legislature should continue to search for ways to assist with this issue. The earlier brain health needs are addressed, the less it will carry over into adulthood.

English Learner students

School districts continue to attempt to meet the challenges of students that are English Learners. These students need additional support, and consequently, districts need additional resources to meet those needs.

• Students below the poverty level

Socioeconomic status does not limit any individual student. However, districts with large numbers of students in poverty have unique needs that require additional resources.

SAI supports the inclusion of **socioeconomic status in the school foundation formula**. Additional funding for districts with higher percentages of students living in poverty will help those districts meet the unique needs of those children.

SAI also encourages a review of weighting for dual-enrolled students (home school) to allow for appropriate funding.

***SAI believes that the best financial decisions are made at the point closest to the actual process. As districts review the needs of their students, they should have flexibility in how to spend the funds that they have. We believe in local control of decision-making, particularly at the school board and administrator level. ***



Brain Health

SAI supports efforts that are solution-focused regarding brain health issues with children.

Schools need more resources and partnerships to serve their students in this high-need area. The uncertainty of federal funding has created more issues about resources to meet the needs of students in this area.

The state has taken some important steps in addressing the critical brain health needs of students. Therapeutic Classroom grants, provider loan forgiveness programs, telehealth expansion and other pieces of legislation are a start toward improving these services for children. This work does not go far enough to address the continuing brain health needs of children.

Suggested possible solutions:

- Increase funding for Therapeutic Classrooms and adjust the process/timeline for grant-making/availability of funds, as well as providing funding that would help sustain those programs.
- Find ways to increase **providers** for children needing brain health services.
- Incentivize consortiums between districts to assist with mental health services.
- Increase the weighting for **Operational Sharing** of social workers/providers, and/or exempting those positions from the maximum count.
- Allow districts to increase their at-risk funding to the 5% level to provide resources to help address the brain health issue.

Education Savings Accounts

SAI encourages legislation to address issues presented by the ESA program, including equity of expectations, transparency, transportation, and funding returning to public schools.

SAI acknowledges the enactment of HF 68 in the 2023 legislative session and recognizes it will likely remain in effect. Nonetheless, there are several concerns within the ESA system that warrant attention and should be addressed. First and foremost are the costs of that program, which continue to be above projections. In addition, SAI



urges the Legislature to adjust lowa Code in order to equalize expectations around student admission, student retention, provision of special education services, funding of concurrent enrollment courses and other policies for non-public and public schools. Issues around transparency of policy and use of funds by non-public schools, including financial reviews and audits, transfer of unused funds back to the public schools, and funds allocated to non-public student transportation expectations should be corrected. ESA funds that are received by public districts should be allowed to be placed in the general fund, rather than in categorical funding.

The use of ESAs should not be expanded.