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HOUSE OF REPRESENTATIVES
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HOUSE REPUBLICAN STAFF ANALYSIS

Bill: HF 645 – Amendment 3426
Committee: Appropriations
Bill Manager: Rep. Dolecheck
Date: Jun 29, 2011
Staff: Jason Chapman (1-3015)

FY12 – FY13 Education Appropriations – Agreement Amendment

The agreed to amendment for FY12 – FY13 Education Budget spends \$809.937 million from the General Fund to the Department for the blind, the college Student Aid Commission, the Department of Education, and the Board of Regents for FY 2012 and \$404.968 million (50% of FY 12) for FY 2013. This is:

- ✓ \$31.6 million below FY11 numbers,
- ✓ \$33.5 million above the Omnibus bill, and
- ✓ \$36.8 million below the Senate’s original proposal

Some major differences between the House Omnibus and the agreed to amendment are:

- \$18 million increase for the Regents
- \$14.9 million more for Community Colleges (\$9.36 million general aid, \$5 million PACE program, \$500K for salaries)
- \$1 million for Model Core
- \$1 million less for National Guard Tuition Assistance
- \$500K less for Jobs for America’s Grads
- \$2.2 million more for Early Childhood Iowa School Ready Grants
- Zeroing out of Administrator Mentoring (\$183K cut)
- Notable policy inclusions:
 - Iowa Online AP Academy
 - Home school students access to Senior Year Plus
 - Regional Academy expansion language
 - Library Reorganization bill
 - PACE and GAP Community College Programs
 - Government Oversight bill on membership in organizations for school districts
 - PPEL use for technology purposes
 - School employee misconduct language for Board of Ed Examiners

Summary of Action

The House **PASSED** HF 645 on April 5, 2011, by a vote of 55-42.
 The Senate **PASSED** HF 645 on May 12, 2011, as amended, by a vote of 26-23.
 The House **PASSED** HF 645 on June 29, 2011, as amended, by a vote of 55-39.
 The Senate **PASSED** HF 645 on June 29, 2011, by a vote of 28-17.
 The Governor **SIGNED** HF 645 on July 27, 2011, with a veto message.

Veto Message

The Governor vetoed Division V of the bill, dealing with School Board Membership in Organizations. He wrote that he felt the language was overly broad, lacked clarity, and may have unintended consequences, with concern that the language could encompass privately owned, for-profit companies that sell goods or services to a school district.

Amendment Fiscal Analysis

	Estimated Net FY 2011	House Omnibus FY 2012	Original Senate FY 2012	Agreement FY 2012
<u>Blind, Dept. of the</u>				
Blind, Dept. for the				
Department for the Blind	1,814,950	1,706,053	1,758,156	1,691,815
Newsline for the Blind	0	0	50,000	50,000
Total Blind, Dept. of the	1,814,950	1,706,053	1,808,156	1,741,815
<u>College Aid Commission</u>				
College Student Aid Comm.				
College Aid Commission	249,897	234,903	242,077	232,943
Iowa Grants	848,761	848,761	822,201	791,177
DSM University - Osteopathic Loans	79,251	0	0	0
DSM University - Physician Recruit.	270,448	0	0	0
DMU Health Care Prof. Recruitment	0	349,699	338,756	325,973
National Guard Benefits Program	3,186,233	4,186,233	3,186,233	3,186,233
Teacher Shortage Loan Forgiveness	421,016	250,000	407,841	392,452
All Iowa Opportunity Foster Care Grant	594,383	594,383	575,783	554,057
All Iowa Opportunity Scholarships	2,403,949	2,403,949	2,328,724	2,240,854
Nurse & Nurse Educator Loan Program	86,736	86,736	84,022	80,852
Barber & Cosmetology Tuition Grant	39,626	39,626	38,386	36,938
Tuition Grant Program - Standing	44,013,448	44,013,448	44,013,448	43,513,448
Tuition Grant - For-Profit	4,650,487	4,200,000	4,650,487	4,000,000
Vocational Technical Tuition Grant	2,413,959	2,413,959	2,338,421	2,250,185
Total College Aid Commission	59,258,194	59,621,697	59,026,379	57,605,112
<u>Education, Dept. of</u>				

Education, Dept. of

Administration	6,344,236	6,019,042	6,202,865	5,913,812
Vocational Education Administration	449,276	422,319	449,276	449,276
Vocational Education Secondary	2,590,675	2,435,234	2,590,675	2,630,134
Food Service	2,121,058	1,993,795	2,121,058	2,176,797
State Library	1,297,658	1,219,799	1,257,051	1,209,619
State Library - Enrich Iowa	1,796,081	1,688,316	1,739,878	1,674,227
State Library - Library Service Areas	1,078,622	934,917	1,044,870	1,005,444
ECI General Aid	5,729,907	3,128,877	5,550,606	5,386,113
ECI Preschool Tuition Assistance	7,583,912	5,386,113	7,346,595	5,428,877
ECI Family Support and Parent Ed	13,153,653	12,364,434	12,742,046	12,364,434
Special Ed. Services Birth to 3	1,721,400	1,618,116	1,721,400	1,721,400
Statewide Voluntary Preschool	12,228,867	0	0	0
Nonpublic Textbook Services	600,987	600,987	582,181	560,214
Administrator Mentoring	195,157	183,448	189,050	0
Model Core Curriculum	1,901,556	0	1,842,052	1,000,000
Student Achievement/Teacher Quality	6,817,433	4,498,878	6,576,638	4,785,000
Jobs For America's Grads	0	540,000	0	40,000
Community Colleges General Aid	158,754,232	154,412,677	168,774,647	163,774,647
Community College Salary Increase	825,012	0	825,012	500,000
Pathway - Workforce Training	0	0	10,000,000	5,000,000
Midwestern Higher Ed Consortium	0	100,000	0	100,000
Total Education, Dept. of	225,189,722	197,446,952	231,555,900	215,719,994

Vocational Rehabilitation

Vocational Rehabilitation	4,763,168	4,477,378	4,963,168	4,963,168
Independent Living	41,976	39,457	40,662	39,128
Entrepreneurs with Disabilities Program	156,128	146,760	151,242	145,535
Independent Living Center Grant	43,227	40,633	41,874	40,294
Total Vocational Rehabilitation	5,004,499	4,704,228	5,196,946	5,188,125

Iowa Public Television

Iowa Public Television	7,138,316	7,710,017	6,914,943	6,654,021
Regional Telecom. Councils	1,065,180	1,001,269	1,031,848	992,913
Total Iowa Public Television	8,203,496	8,711,286	7,946,791	7,646,934

Total Education, Dept. of

Total Education, Dept. of	238,397,717	210,862,466	244,699,637	228,555,053
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Regents, Board of**Regents, Board of**

Regent Board Office	1,105,123	1,023,664	1,105,123	1,065,005
GRA - SW Iowa Regents Resource Ctr	90,766	85,320	90,766	87,471
GRA - Tri State Graduate Center	69,110	64,963	69,110	66,601
GRA - Quad Cities Graduate Center	134,665	126,585	134,665	129,776
IPR - Iowa Public Radio	406,318	381,939	406,318	391,568
University of Iowa - General	217,638,034	202,530,663	217,638,034	209,737,311

SUI - Oakdale Campus	2,268,925	2,132,789	2,268,925	2,186,558
SUI - Hygienic Laboratory	3,669,943	3,449,746	3,669,943	3,536,716
SUI - Family Practice Program	1,855,628	1,744,290	1,855,628	1,788,265
SUI - Specialized Children Health Serv	684,297	643,239	684,297	659,456
SUI - Iowa Cancer Registry	154,666	145,386	154,666	149,051
SUI - Substance Abuse Consortium	57,621	54,164	57,621	55,529
SUI - Biocatalysis	750,990	705,931	750,990	723,727
SUI - Primary Health Care	673,375	632,972	673,375	648,930
SUI - Iowa Birth Defects Registry	39,730	37,346	39,730	38,288
SUI - Iowa Nonprofit Resource Center	168,662	158,542	168,662	162,539
SUI - IA Online AP Academy	0	0	500,000	481,849
Iowa State University - General	170,536,017	158,698,238	170,536,017	164,345,198
ISU - Agricultural Experiment Station	29,170,840	27,420,590	29,170,840	28,111,877
ISU - Cooperative Extension	18,612,391	17,495,648	18,612,391	17,936,722
ISU - Leopold Center	412,388	387,645	412,388	397,417
ISU - Livestock Disease Research	179,356	168,595	179,356	172,845
University of Northern Iowa - General	77,549,809	72,166,679	77,549,809	74,734,586
UNI - Recycling and Reuse Center	181,858	170,947	181,858	175,256
UNI - Math and Science Collaborative	1,800,000	1,692,000	1,800,000	1,734,656
UNI - Real Estate Education Program	130,022	122,221	130,022	125,302
Iowa School for the Deaf	8,679,964	8,159,166	8,679,964	8,679,964
Iowa Braille and Sight Saving School	4,917,362	3,622,320	3,622,320	3,618,931
ISD/IBS - Tuition and Transportation	12,206	11,474	12,206	11,763
ISD/IBS - Licensed Classroom Teachers	85,140	80,032	85,140	82,049
Total Regents, Board of	542,035,206	504,213,094	541,240,164	522,035,206
Total Education	841,506,067	776,403,310	846,774,336	809,937,186

Amendment Policy Analysis

Division I

Section 1 – Appropriations for the Department of the Blind (see chart above). Additional line item for \$50,000 for the Department of the Blind for a newslite newspaper.

Section 2 – College Student Aid Commission Appropriations (see chart above). The major differences from the House Omnibus bill are:

- \$1 million decrease for National Guard Tuition Assistance
- \$500,000 decrease for Non-Profit Iowa Tuition Grant
- \$200,000 decrease for For-Profit Iowa Tuition Grant

Section 3 and 4 – Standard language about chiropractic loan funds and work study appropriation

Section 5 – Department of Education Appropriations (see chart above). The major differences from the House Omnibus bill are:

- \$500,000 decrease for Jobs for America’s Grads
- \$1,000,000 for Model Core
- \$2.2 million increase for ECI general aid
- \$183,448 decrease for administrator mentoring, zeroing the line out
- \$5 million of the Community College general aid money was shifted to programs for workforce training under the Pathways program line item. This is still Community College funding, just under a different line item.
- inclusion of funding for Teacher Development Academies (part of Student Achievement/Teacher Quality line item)

Section 6 – Allowance of a DE intra-agency transfer to meet FY11 MOU requirements. Includes language allowing the DE to carry-forward funds in their FY11 balance to meet the requirements of this section. This is necessary given the timing of the passage of this bill.

Section 7 – Board of Regents Appropriations (see chart above). The differences from the latest Omnibus bill are:

- \$17.8 million increase in total Regents funding
- Added new line item of \$481,849 for the Iowa Online Academy. This funds online AP courses for high school students across Iowa. This is usually funded by federal dollars but there are no federal dollars available for it this year.
- All line items received a 3.76% cut with the exception of the School for the Deaf and the Braille School. The School for the Deaf was held whole to FY11 numbers, while the Braille School received a 26% cut.

Section 8 and 9 – Standard language allowing the Regents to bond to finance energy savings projects if the projects will recover costs within 6 years. And language Requiring DAS to send money to the special schools that is collected by the counties for prescription drug costs collected by the counties for the students of those schools

Section 10 – New language allowing ECI Boards to use School Ready Grant funds for regular audits if administrative costs are insufficient to pay for the audit.

Section 11 – Requires that 60% of state funding for ECI be committed to programs with a home visitation component, as opposed to all sources of funding. Also adds PEW Center for the States recommended intent language stating it is the intent of the General Assembly to use home-visitation funding on programs using evidence based or promising models.

Section 12 – Rolls two loan programs into one, replacing the Osteopathic Forgivable Loan Program and the Des Moines University Physician Recruitment Program with a Health Care Professional Recruitment Program. The program is expanded to include physicians, physician assistants, podiatrists, and physical therapists. Loan repayment under the program is meant to recruit to high-need rural areas.

Section 13 – Appropriates funds for the Iowa Tuition Grant (see chart above). This language includes a \$500K decrease for Non-profits and \$200,000 decrease for For-Profits compared to the Omnibus bill. Also allows Waldorf students to access the For-Profit college pool.

Section 14 – Adds the language from SF 423, allowing home schooled students to access Senior Year Plus if they meet specified proficiency standards.

Section 15 – Adds the language from SF 420, expanding Regional Academies. It replaces current Regional Academy language with new language allowing numerous additional entities to apply, including universities, colleges, private schools and universities, and non-profit entities. SF 420 which passed the Senate 49-0 on March 14.

Section 16 – Changes the title of “special security” to “peace officers” for law enforcement individuals at Regents universities. The change is to reflect their equal status with other local, county, and state law enforcement officers in keeping with their training and certification.

Section 17 – Adds the language from SF 437, Iowa online advanced placement academy. This existed already within the University of Iowa and allows school districts across Iowa to access online AP classes. Previously funded by federal funds, there are no funds available this year. This language codifies the Academy and gives a place for the legislature to appropriate funds. SF 437 passed the Senate 50-0 on March 10.

Section 18 – Currently Shared Visions funds can only serve the age group that was eligible the year the agency received the grant. This paragraph provides flexibility to use the funds on the children that need the services the most as long as the children are 3 – 5 years old.

Section 19 – Defines breakdown of Student Achievement and Teacher Quality line item:

- \$685,000 for Student Achievement and Teacher Quality Program for National Board Certification Awards for FY12
 - \$85,000 for Teacher of the Year award
- \$2,395,157 million (\$805K below Omnibus bill) for Beginning Teacher Mentoring
- \$600K (\$13,878 below Omnibus bill) for Career Development and Evaluator Training
- \$1,104,843 for Summer Teacher Development Academies. This was struck in the Omnibus bill.

Section 20 – Changes PPEL purchases for technology from a single unit above \$500 to \$500 worth of technology that can include multiple units. This would help schools more efficiently provide one-to-one laptop initiatives in schools. Originally part of SF 467.

Section 21 to 26 – Expands the Home School Assistance Program from compulsory age (6-16) to school age (5-21) and adds retroactive applicability. Changes “may” to “shall” as it relates to the school district expending dollars received by HSAP enrollment weighting. Amends language related to what HSAP money shall be spent on.

Section 27 – Strikes obsolete Regional Academy language from Code.

Section 28 to 31 – Effective dates.

Division II – Midwest Higher Education Compact

Section 32 to 34 – Appropriates \$239,000 for Iowa’s membership in the Midwest Higher Education Compact (MHEC).

- \$39,000 for FY10-11 dues
- \$100,000 for FY11-12 dues
- \$50,000 for FY12-13 dues

Division III – Library Reorganization

Section 35 to 69 – The Library Reorganization Policy language combines the Library Service Areas and the State Library into one agency—Division of Library Services (established as an independent division of the Department of Education). The bill came from the recommendations of the Iowa Library Services Reorganization Report of November 2010 as required by Senate File 2376. The language includes House language limiting the number of LSAs to six and language clarifying that any assets that cannot be transferred to the state librarian are to be liquidated and revert to the General Fund, and requiring that the ending balance transfer back to the General Fund.

Division IV – PACE and GAP Programs

Section 70 to 89 – Creates two new programs for community colleges, the PACE and GAP programs.

- PACE language, establishing new chapter 260H. PACE stands for the Pathways for Academic Career and Employment. It is a program designed to provide employment training to eligible individuals.
- GAP language, establishing new chapter 260I (not funded in bill). GAP is a needs based tuition assistance program for continuing education for in-demand occupations.

Division V – School Board Membership in Organizations

Section 90 to 92 – Language dealing with membership in organizations for school districts. This was originally a Government Oversight bill put together as a result of the Iowa Association of School Boards situation from last year. Requires education entities that provide paid services to school districts to follow certain transparency and accountability measures. This includes the IASB, Urban Education Network, Iowa School Finance Information Services, and the School Administrators of Iowa, among others. Originally SF 519, it passed the Senate 49-1 on April 13, and the House Government Oversight Committee unanimously.

Division VI – School Employee Misconduct

Section 93 to 96 – Provides that the board may deny a license or revoke the license of an administrator if the board finds that the administrator failed to report the termination or resignation of a school employee. It also requires a school board and the authorities in charge of an accredited nonpublic school to place on administrative leave a school employee who is the subject of an investigation of an alleged incident of abuse of a student. The bill also provides immunity to employees who act in good faith to report an incident or participate in an investigation. Originally SF 454, it passed the Senate unanimously 50-0 on March 10.

Division VII – FY 13 Appropriations

Section 97 to 105 – FY13 Appropriations. The amendment appropriates 50% for the second year. The House originally appropriated 85% in the Omnibus bill.

Division VIII – Conditional Effective Date and Retroactive Applicability

Section 106 – Makes this bill effective July 1, 2011, if the governor signs the bill after July 1, 2011.

