

ISEA has a number of student centered policy initiatives that we believe would have a positive impact on public education and public educators in Iowa. However, we are realistic about the current political environment. To that end, we will continue to advocate for strong education policy but understand that we must be prepared to oppose policy agendas that will have an adverse impact on our public schools, our students and public education employees.

Based on public comments of legislative and statewide leaders we expect policy action in the following areas:

Funding

We hope this session we will not see mid-year budget cuts. However we do expect any increases to be meager due to continued mismanagement of the state budget by the Reynolds administration. Corporate tax giveaways continue to cost the state more than projected, and incoming revenue has slowed. The uncertainty of the national economy as well as the uncertainty surrounding the tax policy passed during the last legislative session will likely be blamed for less than adequate investments in important public services like education and mental health.

PreK-12: We are concerned the Republican Majority will recommend an SSA rate of 1 percent or less. Iowans who care about the well-being of our students and communities must advocate for adequate funding or we will continue to see larger class sizes, fewer program offerings and opportunities for our students.

Community Colleges: We know that community colleges are a vital resource that enable us to have a skilled workforce and help to save Iowans money as they pursue higher education. We must not squander this valuable resource. We will fight to maintain quality faculty and affordable tuition rates. Unfortunately, the last two legislative sessions have seen not only a lack of investment, but mid-year cuts that have driven up costs and prevented further growth of this important system that serves 1 in 10 Iowans.

Area Education Agencies: It is imperative that we remind Iowans that services to special education students have been cut annually by \$22.5 million. Other resources like Medicaid and mental services have also been slashed, leaving AEs and local schools to accommodate the needs of Iowa's most vulnerable students without the necessary resources to serve them.

Vouchers

We expect to see continued Republican crafted voucher schemes- including increasing the cap on school tuition organizations (STOs), Educational Saving Accounts (ESAs) and even the proposed privatization of charter schools. Under the guise of providing options to parents, these proposals would siphon precious resources from our already inadequately funded, quality public schools that serve nearly 500,000 students across the state in comparison to the less than 40,000 non-public school students.

It is important to note that Iowa currently has one of the most liberal school choice policies in the country. This includes public charter schools and generous open enrollment policies that work to provide a quality education that is accessible and accountable to all, regardless of ZIP code. Rather than squander taxpayer dollars on subsidizing voucher schemes we should be investing in our quality public schools that directly benefit more than 90 percent of Iowa's students. Our elected officials should work to ensure that all students across the state have the tools they need to succeed, which means adequate funding, smaller class sizes and access to quality programs and educational professionals, not experimental voucher schemes.

IPERS

The Iowa Public Employees' Retirement System (IPERS) was created on July 4, 1953, and its mission contained in law is to attract and retain a quality workforce and to provide a secure retirement with lifetime benefit payments.

IPERS is a defined benefit pension plan which provides a lifetime monthly retirement benefit that is predictable and stable. IPERS provides retirement for public employees who worked for schools, area education agencies, community colleges, counties, cities, townships, state agencies and other public employers. IPERS covers nearly 360,000 people with just over 50 percent in education. Of the nearly two billion dollars in benefits paid in FY2018, more than 88 percent stayed in Iowa.

In recent years, some legislators and advocacy groups have recommended that Iowa explore moving from a defined benefit system to a defined contribution plan under the guise of cost savings and increased portability. Not only would this be detrimental to IPERS and those dedicated public servants who have contributed for years to this healthy and sound system, but it would also represent a continued interest on the part of the majority powers at the Capitol to privatize otherwise sound public services.

In response to these threats, ISEA joined with other public employee organizations to create the Iowa Coalition for Retirement Security. Through this organization, we work to educate members and the public about the health of IPERS and the incredible benefits returned to our state.

IPERS contributions are made by both the employer (60 percent) and the employee (40 percent). The contribution rate for educators will remain at 15.73 percent July 1, 2019, (9.44 percent employer and 6.29 percent employee).

The FY 2017-2018 IPERS Actuarial Report showed the trust fund to have an investment return of 7.97 percent which increased the funded ratio from 81.4 percent up to 82.4 percent. The unfunded actuarial liability is now funded in a closed amortization method with the original liability of \$5.6 billion being paid off over 30 years and all other liabilities being paid off in 20 years or less.

IPERS reforms made in 2010 continue to address concerns, including the investment impacts of the great recession and a decade of not being allowed to pay the actuarial required contribution. The fund is strong and should be continually monitored by the IPERS staff, Benefit Advisory Committee and Investment Committee, but no policy changes are necessary at this time.

ISEA's mission is to promote quality public education by placing students at the center of everything we do while advocating for education professionals.