



# WORTH EVERY PENNY

## **THE CASE FOR SUSTAINABLE INVESTMENTS IN IOWA PUBLIC SCHOOL INFRASTRUCTURE.**

In 2008, the Iowa legislature committed to a statewide, 1-cent state sales tax to provide an equitable and secure funding source for school infrastructure needs. Now called Secure an Advanced Vision for Schools (SAVE), the state penny is a crucial funding stream that ensures Iowa students have safe, modern school facilities and technology for their learning. It also provides an important source of property tax relief.

## **THE STATE PENNY SALES TAX FOR SCHOOL INFRASTRUCTURE IS SET TO EXPIRE IN 2029.**

Iowa school boards are calling on the Governor and Legislature to **TAKE ACTION NOW** to ensure this vital funding source continues.

## HERE'S WHY

### Where we learn matters.

Research shows that school facilities have an impact on:

- Academic achievement;
- Student and staff health;
- Staff satisfaction and retention;
- Community property values.



**21st century learning calls for new approaches to prepare students for careers of today and tomorrow:**

- Modern labs and equipment for science, engineering and technology;
- Upgraded career and vocational equipment;
- Enhanced technology which is integral to learning, teaching and management;
- Flexible space for hands-on, team-based learning activities.

**Our schools must also keep pace with modern standards for:**

- Safety and security;
- Health standards;
- Energy efficiency and environmental responsibility;
- Accessibility for the disabled.

## USING SALES TAX TO FUND SCHOOL FACILITIES: INNOVATIVE, EQUITABLE AND RESPONSIBLE.

**BEFORE** the current law went into place, Iowa faced tremendous challenges.

School facilities were funded almost entirely by local **PROPERTY TAXES**, placing a significant burden on home, farm and business owners.

Many communities had **FALLEN BEHIND** in their ability to maintain school facilities. Our schools faced growing fire and building code violations, and could not renovate facilities to keep pace with student needs and community expectations.

Variability in property values across districts created tremendous differences in the kinds of education communities could provide. **LAWSUITS** over **INEQUITIES** in school facilities were making their way to the courts.

Shifting a portion of school facilities funding to sales tax was a **GAME CHANGER**, that emerged after voters in each of Iowa's 99 counties had already said **YES** to their own county-wide penny sales tax.





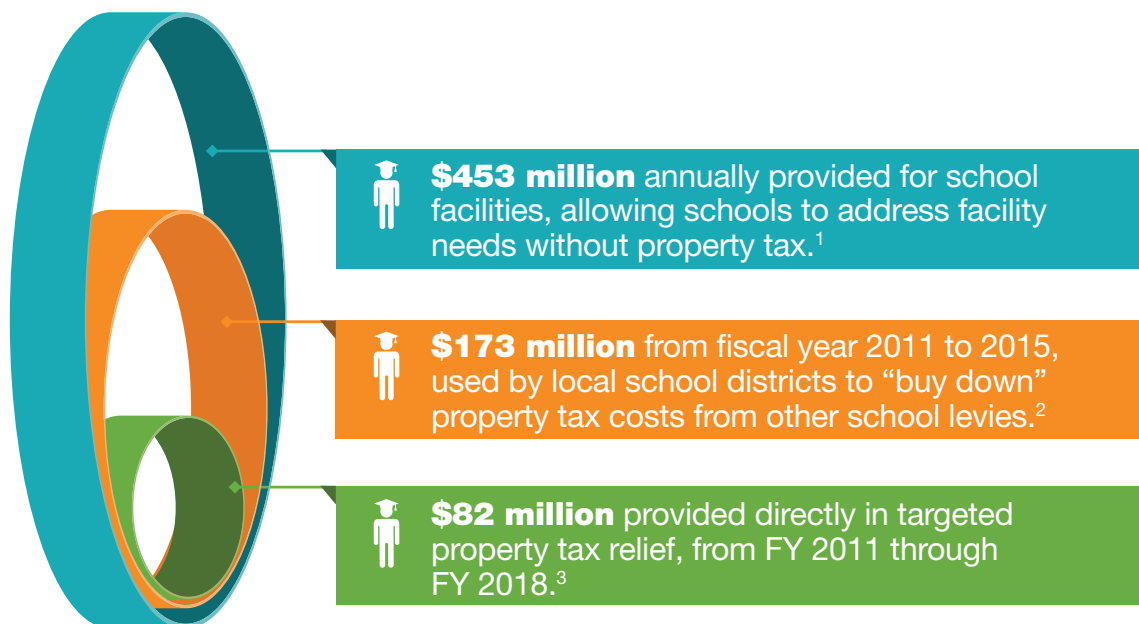
## TODAY, USING A STATEWIDE PENNY FOR SCHOOL INFRASTRUCTURE IS:

**EQUITABLE:** Funding is distributed based on enrollment, with the same amount available to support each student, no matter where he or she lives.

**FLEXIBLE AND COMMUNITY DRIVEN:** Local communities are using the funding based on their unique facility and infrastructure needs. Local school boards oversee facility planning, with local community approval of the broad purposes and uses of the funding stream.

**PREDICTABLE:** School boards can more reliably create long-term plans and budgets.

**LIMITING PROPERTY TAX:** Local communities and property tax payers still bear some of the costs of maintaining public facilities. But there are real impacts for property tax payers:



## WE HAVE MADE GREAT PROGRESS IN MODERNIZING SCHOOL FACILITIES FOR IOWA'S MORE THAN 485,000 PUBLIC SCHOOL STUDENTS.

Continued progress and ongoing stewardship of public property requires a sustainable, equitable funding source.

<sup>1</sup> Iowa Department of Revenue, Iowa Department of Management, FY 2016 SAVE Allocation.

<sup>2</sup> Iowa Department of Education, Annual SAVE Report (February 1, 2016).

<sup>3</sup> Iowa Department of Management, Iowa Department of Revenue, Iowa Association of School Boards.

## THE CURRENT LAW DOESN'T EXPIRE UNTIL 2029. WHY THE URGENCY TO REPEAL THE "SUNSET" OF THE STATE PENNY NOW?

Capital projects on a school facility are often big-ticket items. Financing them with revenue bonds is considered good practice. Much as home buyers often finance a home through a mortgage, financing the cost of a new public facility or major renovation allows the need to be met for current students and future generations, while spreading the cost over time.

With the sales tax funding stream ending in 2029, schools cannot fully use financing to address capital needs.

**The shift in burden back to property taxes is already beginning to occur in many communities. In the last two fiscal years, voters across the state have approved over \$895 million in general obligation bonds to fund school infrastructure projects.**

In 2018, the House passed legislation to extend the penny on a 95-3 vote, but the Senate failed to take action.

**2019 is the year to make the penny sales tax a lasting approach to school infrastructure funding in Iowa.**

### WHAT YOU CAN DO:

**See for yourself.** Learn about the status of public school facilities in your community by taking a tour and talking with your local officials. You'll see how learning is taking shape, and how your investment is making a difference in everything from safety, to technology, to energy efficiency. You'll also better understand the ongoing and future needs to maintain school facilities and technology for future generations of Iowa students.



**Speak out.** Let legislators and the Governor know you join with Iowa school board members in the call to make the state penny for school infrastructure a lasting solution to ensure the quality of Iowa public school facilities without putting more burden back on property taxes.



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**ASK LEGISLATORS TO REPEAL THE  
2029 SUNSET ON THE STATE PENNY  
FOR SCHOOL INFRASTRUCTURE,  
KNOWN IN LAW AS **SAVE** (SECURE AN  
ADVANCED VISION FOR EDUCATION).**