

Subject: Legislative Update 4/1/09

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Iowa Empowerment Board Members and Community Empowerment Contacts & Coordinators -

Following are key points for Local CEA boards regarding SSB 1322 - 4/1/09

This Education Budget Bill (SSB 1322) streamlines the School Ready funding into three categories. This will result in increased flexibility for local boards, easier tracking, more transparency, and fewer administrative duties.

- o Empowerment School Ready "Other" categorical fund has been changed to "General Aid" collapsing Quality Improvement, Administration and Professional Development into one funding stream.
- o Low Income Preschool funding into one category
- o Family Support 0 - 3 and 0 - 5 into one family support category serving 0 - 5

* It's important to remember that Empowerment receives funding from many budgets (Healthy Iowa Tobacco Trust and Health and Human Services Budget), these numbers and percentages are solely for the Education Budget proposal. All budgets are proposals at this time and funding numbers can change many times before becoming finalized.

* Empowerment Family Support was considered a priority and only received a 1.41% reduction compared to the 8.33% across the board cut in the Education Appropriation bill. This is the lowest reduction of any item in the education budget proposal. We appreciate the recognition by the Iowa Legislature of the critical role that parents play as their child's most important teacher.

* Professional Development funding was suspended for 2010 from Education Appropriations but the funding remains intact from the Health and Human Services Appropriation budget at this time. This leaves a total of \$1.09 million dollars for FY 2010 for professional development activities.

* Early Childhood (TANF) funding remains stable at the 2009 funding level.

* Empowerment retains the \$2M dollars previously allocated to First Years First but it has been transferred to the Community Empowerment General Aid funding category. This eliminates the First Years First grant program funding and the FYF Coordinator position, although the language for the program remains in the code.

* If you think beyond Empowerment, both the federal government and state government are providing increased funds for early childhood which will benefit Iowa's young children which is our shared mission.

* Preschool tuition through local empowerment was reduced because of the availability of increased funds through Federal Economic Stimulus increasing Head Start funding by \$5.58M, Special Ed Preschool (Part B) by \$4.14M and the continued support of the Statewide Four Year Old Preschool program to \$43 M total, an increase of \$13.5M. All of these funding streams contribute to the school readiness of Iowa's preschoolers.

* We recognize the difficult task of our Governor and Legislature in developing a balanced budget during these difficult economic times. We appreciate that the committee followed the top four recommendations from the state

Empowerment Technical Assistance Team. We want to thank them for their support of early childhood. Empowerment has received over \$162 million over the last five years. This is an increase of \$72 million over the previous five years---which is a 55 percent increase in funding over the last five years.

Links to Documents:

http://www.legis.state.ia.us/lsadocs/SC_MaterialsDist/2009/SDRKM040.PDF

Education Appropriation Bill can be found on this link:

<http://coolice.legis.state.ia.us/Cool-ICE/default.asp?Category=billinfo&Service=Billbook&menu=false&hbill=SSB1322>

FAQ from providers:

Q: Why are all of the preschool dollars for Empowerment being cut?

A: Only \$2.4M is being cut, leaving a balance of \$7.68M.

Q: Why does 4-year old preschool get an increase and we are being cut?

A: That increase was part of a four year commitment to provide access to all Iowa children.

Q: Why does it appear that some local CEAs are receiving disproportionate increases for FY10?

A: The Empowerment formula is applied each year without consideration to the previous year, i.e., there is no base amount for each area to start from. In FY09, 15 areas had disproportionate reductions due to excessive carry forward in FY07. Their FY10 allocations are not being reduced for excessive carryforward; therefore, the difference between FY09 and FY10 appears to be a disproportionate increase.

Q: Won't the American Recover & Reinvestment Act (ARRA) backfill all of the cuts?

A: There will be an increase in certain programs such as Head Start and Special Ed Preschool but there is no ability to backfill cuts in other programs.

Q: Is there legislative intent to eliminate Empowerment?

A: NO. Empowerment has received over \$162 million over the last five years. This is an increase of \$72 million over the previous five years---which is a 55 percent increase in funding over the last five years.

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"Every child beginning at birth will be healthy and successful."

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