

No Longer a Leader?

Investments and Student Achievement in Iowa

Charles Bruner
Mike Crawford

November 2006

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The Iowa Fiscal Partnership is a joint initiative of the Iowa Policy Project and the Child & Family Policy Center, two nonprofit, nonpartisan Iowa-based organizations that cooperate in analysis of tax policy and budget issues facing Iowans. IFP reports are available on the web at <http://www.iowafiscal.org>.

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Formed in 2001, the Iowa Policy Project promotes public policy that fosters economic opportunity while safeguarding the health and well-being of Iowa's people and the environment. Based in Mount Vernon, IPP's principal office is at 120 N. Dubuque St. #208, Iowa City, IA 52245.

Child & Family Policy Center

Established in 1989 to "better link research and policy on issues vital to children and families and to advocate for evidenced-based strategies to improve child outcomes," the Child & Family Policy Center works at the community, state and national levels on child and family policy issues. CFPC is located at 1021 Fleming Building, 218 Sixth Ave., Des Moines, IA 50309.

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By Charles Bruner and Mike Crawford

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Iowans place a very high value on public education. Over the last quarter century, various task forces, councils and work groups have been established at the state level to improve Iowa's education system, with goals of creating "world-class schools" or retaining Iowa as "first in the nation in education." Most recently, the Governor and the Iowa Learns Council established a goal that 90 percent of all high-school students pursue post-secondary education. Even higher skills are needed today than were needed in the past to compete in the world economy, with increased demands on the K-12 education system to foster high levels of achievement.

Historically, Iowa's literacy rates, graduation rates, and test scores have been at the top among states. A February 2006 *Des Moines Register* Iowa Poll, however, showed that over half (54 percent) of Iowa's adults now think public education has gotten off on the wrong track. This report examines available data both on public spending and upon student achievement over an educational generation (1992-2005) to assess whether the public has a cause for concern about Iowa's educational system.

The first part of this report examines public spending on K-12 education and in general, and shows that Iowa's investments have declined substantially relative to other states and the nation. Despite a large variety of individual educational initiatives and programs over this period, the sum total of Iowa's investments on a per pupil basis have not kept pace with the country as a whole.

The critical question is whether this decline in relative investments has had an impact upon the educational system and student performance. The second part of this report examines available data on student achievement over this same period. While Iowans are concerned about the quality of Iowa's education system, there has been little coverage of long-term changes in student achievement in Iowa in comparison with other states. Much of the reporting, including that from No Child Left Behind, provides year-to-year reports of changes. The relative decline in state investment, however, has occurred over a much longer term and student achievement changes really need to be examined over the same time frame.

For the state comparative analysis, the report draws heavily on Iowa student test scores on the one well-recognized and comparable measure of student achievement across states and the nation – the National Assessment of Educational Progress (NAEP). The trends in Iowa fourth-grade reading and eighth-grade mathematics scores confirm the public's concern that Iowa's educational leadership has been eroded. The findings from the NAEP scores are supported by similar data from student test scores on the Iowa Tests of Basic Skills over this period (although there are no comparable national data).

Iowa data from both the ACT and SAT also are then examined over this period, with similar indications of a relative decline in Iowa's standing among states.

While there is no entirely comprehensive source for information on student achievement in Iowa that can be used to compare Iowa student achievement both over time and with the nation as a whole, the information provided from these four sources (NAEP, ITBS, ACT and SAT) all point in the same direction: During the same period Iowa investments in K-12 education declined relative to other states, student achievement also declined relative to other states.

Finally, the report summarizes the most recent investments made in public K-12 education in Iowa. It examines the 2006 legislation to increase teacher salaries and the degree to which these actions are likely to improve Iowa's standing in relation to investments made in public education by other states. While significant, these investments represent only a first step in restoring Iowa's investment level in education and teacher salaries to a level commensurate with those made more than a decade ago.

Iowa's Financial Support for Education and Student Achievement, 1992-2005

Student achievement in a state is related to both educational and non-educational factors. While financing plays a role, some educational factors are only partially related to financing. Non-educational factors include demographics, cultural values and expectations, economic conditions, and general supports and services for children and families. Educational factors that may be only partially related to financing include the composition and background of teachers and other school personnel, teaching methods, and the standards and requirements imposed upon the K-12 educational system.

At the same time, financing is recognized to play a significant role in the quality of K-12 education and student achievement. There are state-by-state data both on per-pupil public education (K-12) spending and on average annual teacher salaries that can be used to examine trends in Iowa support for education. Table 1 provides this information for the 1991-92 and the 2004-05 school years. These years were selected because they correspond to the data available for NAEP scores that will be examined in the next part of this report. Relative to other states, Iowa's public spending for K-12 education has declined significantly over this period. While Iowa has had a number of public education initiatives during this period,

Table 1. Per Pupil K-12 Public Spending and Average Teacher Salaries
Iowa and Nation, 1991-92 and 2004-05 School Years

	1991-92 Year	2004-05 Year	Change
<i>Per-Pupil Expenditures</i>			
Iowa	\$ 5,096	\$ 7,477	
U.S.	\$ 5,421	\$ 8,618	
Iowa as % of U.S.	94.0%	86.8%	
Iowa State Rank	27th of 50	36th of 50	9 lower
<i>Teacher Salaries</i>			
Iowa	\$ 29,202	\$ 39,284	
U.S.	\$ 34,098	\$ 47,808	
Iowa as % of U.S.	85.6%	82.2%	
Iowa State Rank	32nd of 50	40th of 50	8 lower

Source: National Center for Education Statistics

No Longer a Leader? Investment and Student Achievement in Iowa 3

overall investments in public education have not kept pace with the country as a whole, either on a per-pupil basis or as reflected in teacher salaries. Iowa moved from 27th to 36th on per-pupil expenditures and 32nd to 40th on teacher salaries. Per-pupil spending declined by nearly 10 percent in relation to per-pupil spending in the nation as a whole.

There is a time lag between changes in investments and changes in student performance (both because students need to experience the impacts of multiple years of changed investment to affect scores and because some changes are the result of the impacts upon attracting or retaining quality teachers). Therefore, it is useful to look at Iowa's investments in earlier years in comparison with other states, as well as the years from 1992 to 2005. Iowa's rank on per-pupil expenditures was 18th among states in the 1959-60 school year, 13th in the 1969-70 year, and 23rd in the 1987-88 year. Iowa's rank on teacher salaries for those three school years was 22nd, 23rd and 29th. Clearly, the years predating 1992 showed Iowa in a much more competitive position among states both on per-pupil expenditures and teacher salaries than it is today.

In addition to education spending, overall state general fund spending growth for all services (of which K-12 public education represents a significant part) in Iowa has been among the lowest of all 50 states. Public investments beyond K-12 education – for children and families, social and economic infrastructure, and economic vitality – also contribute to student achievement. Between 1992 and 2005, Iowa's state general fund expenditure growth ranked 46th among the 50 states on a per capita basis. General fund expenditures in Iowa grew only 44.8 percent over that 13-year period (slightly less than the rate of inflation and well below the growth in the state's economy), compared with an overall growth in the United States of 88.1 percent. In 1992, Iowa ranked 20th among the states in per capita state general funding spending, but declined to 30th among states in 2005. On a percentage basis, Iowa's per capita state general fund expenditures declined from 97.3 percent of the national average in 1992 to 82.2 percent of the national average in 2005, more than a 15 percent drop.

Iowa Trends in Student Performance: Test Scores Show Relative Decline in Student Achievement

This part of the report discusses available data on student achievement, as represented by four different recognized educational tests – NAEP, ITBS, ACT and SAT. Only the NAEP scores provide longitudinal and comparative state and national statistics, so they are discussed first and are provided the greatest emphasis in this report.

National Assessment of Educational Progress (NAEP) Scores

Since 1990, the federal Department of Education, through the National Center for Education Statistics, has conducted a longitudinal and comparative study of student achievement, the National Assessment of Educational Progress (NAEP). NAEP involves testing a representative sample of fourth- and eighth-graders in states on reading and mathematics (and for some later years on science and writing). Iowa data are available on both fourth-grade reading and mathematics scores and on eighth-grade mathematics scores since 1992. This report covers the full period for which NAEP scores are available for Iowa and is the reason for selecting the 1992 to 2005 period for analysis. NAEP provides overall state scores, including a determination of the percentage of students whose scores indicate they are proficient in reading or mathematics. In addition to providing statewide scores, NAEP also provides scores

for different racial and ethnic groups – White, African-American, Hispanic, Asian/Pacific Islander, and Native American/Alaska Native.

NAEP represents a critical source for information on student achievement because it provides information that is comparable both over time and by state. NAEP scores can be examined by average raw scores on the tests or by percentile rankings of the proportion of students scoring at a “basic level” or above, at a “proficient level” or above, and at an “advanced level” or above on each of the tests. The most commonly used measure of general achievement has been the percentage of students scoring at a “proficient level” or above on these tests. This is also the measure used in this report, although the “basic level” more closely parallels the Iowa Tests of Basic Skills (ITBS) proficiency measure. While there are small differences in rankings and relationships to national scores depending on the specific NAEP measure used, the findings provided here on proficiency levels are very consistent with the findings for either basic level percentages or average raw scores.

Fourth-grade reading has been identified as a key measure of student achievement, as it constitutes one of the best predictors of future academic success. Children who are not proficient in reading by fourth grade face major learning challenges in later grades, for several reasons. First, fourth-grade proficiency in reading has become a prerequisite for subject matter mastery in most areas. Students have difficulty in all subjects if they are not proficient in reading. Second, after third grade, basic reading proficiency is generally not taught except in remediation programs, so students without this proficiency have difficulty acquiring it. Third, students who are not proficient by this time often have begun to tune out school and have lost a motivation to succeed.

Eighth-grade mathematics is a particularly important measure for later grade achievement, as at least eighth-grade mathematics proficiency is necessary for most skilled occupations and for success in post-secondary education, regardless of specific subject area.

A simple examination of Iowa’s most recent NAEP scores in comparison with national averages is shown in Table 2, at right.

While these figures show the proportion of students scoring at the NAEP proficiency level is alarmingly small (about one-third of all students – a much higher percentage score at or above a basic level), Iowa’s scores are substantially above the national average. These NAEP figures usually appear in the press and are cited in reports.

When the NAEP data are examined over time and broken down demographically, however, they show considerably more sobering results. The next two graphs show fourth-grade reading and eighth-grade mathematics proficiency scores for Iowa and the United States between 1992 and 2005, and Iowa’s ranking among the participating states for each year.

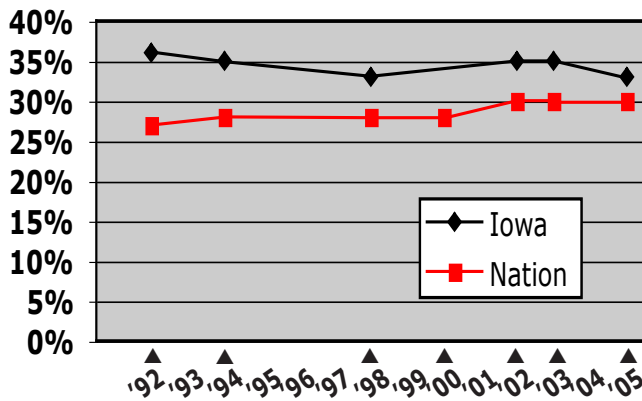
**Table 2: 2005 NAEP* Scores:
Iowa and the Nation**
(% Students Scoring Proficient on NAEP)

	Iowa	U.S.
Fourth Grade		
Reading	33 %	30 %
Mathematics	37 %	35 %
Eighth Grade		
Reading	34 %	29 %
Mathematics	34 %	28 %

*National Assessment of Educational Progress
Source: National Center for Education Statistics

Figure 1.

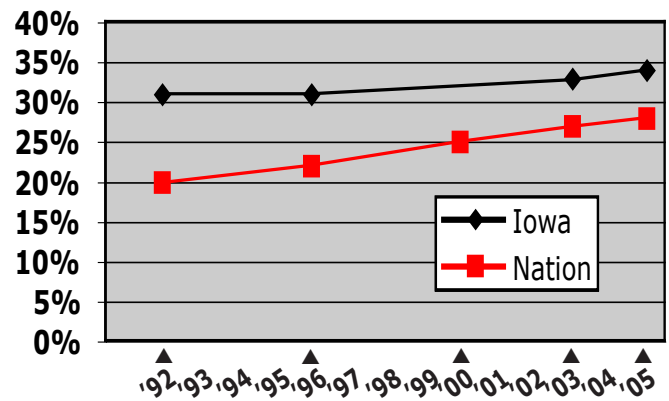
Percent Proficient — 4th-grade reading
All Students



Iowa Rank	T2 of 41	T6 of 39	T9 of 39	T7 of 43	T9 of 50	T19 of 50
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Figure 2.

Percent Proficient — 8th-grade mathematics
All Students



Iowa Rank	T1 of 41	T12 of 50	T13 of 50
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Source: National Center for Education Statistics

As the charts above show, Iowa was at the top among states in 1992 on both fourth-grade reading and eighth-grade mathematics proficiency, and far above the national average. Iowa was tied for second in fourth-grade reading proficiency (below New Hampshire and tied with Maine and Massachusetts) and tied for first in eighth-grade mathematics proficiency (with Minnesota). Iowa was 9 and 11 percentage points above the national average, respectively, on these measures.

By 2005, however, Iowa had slipped substantially on both measures. Iowa is now tied for 19th on fourth-grade reading proficiency and tied for 13th on eighth-grade mathematics proficiency, and is only 3 and 6 percentage points above the national average on the two measures. The Midwestern states of Minnesota, Nebraska and North Dakota all surpassed Iowa during this period on both measures.

These comparisons show Iowans are justifiably concerned about Iowa's educational system, as evidenced in *The Des Moines Register* Iowa Poll.

At the same time, these NAEP figures tell only part of the story about Iowa's relative decline in test scores. Iowa has been and remains much more homogenous than the country as a whole; and Iowa may look better than it really is because we have fewer students who typically score lower. Thus, a better assessment of Iowa's performance in comparison with other states on NAEP scores involves breaking the information down by race.

While Iowa is growing more diverse in its student population, Iowa's students growth has been slower than most other states and the country as a whole. The table below shows census data on the percentage of the school-aged population (5-17) in Iowa and the United States over the last 15 years (1990 to 2005) that is white and non-Hispanic. As the table shows, while Iowa's student population has become more diverse, it still is a much smaller share of the overall student population than nationally – and it has grown less rapidly in numbers. Therefore, overall Iowa NAEP scores will be less affected by the growing diversity of the student population than will scores in many other states and the country as a whole.

**Table 3. The Diversity of the School-Aged (5-17) Population:
Iowa and the United States – 1990 to 2005**

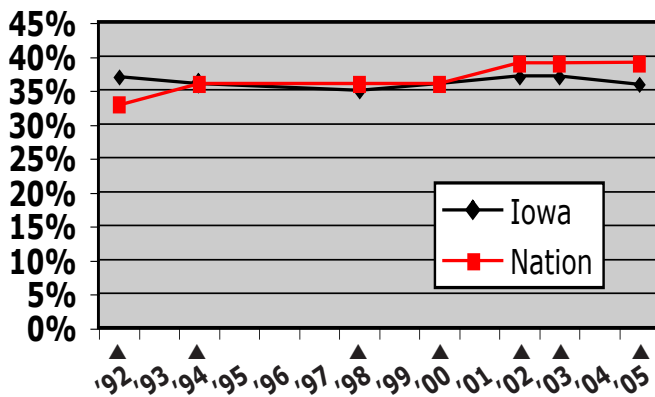
	1990	2000	2005	'90-05 Change
United States				
Total 5-17 Population	45,249,989	53,118,014	52,864,512	+ 16.8%
Minority/Hispanic Population	13,931,397	20,285,273	21,563,989	+ 54.8%
Percentage Minority/Hispanic	30.8%	38.2%	40.8%	+ 10.0%
Iowa				
Total 5-17 population	525,677	545,225	484,747	- 7.8%
Minority/Hispanic Population	29,312	55,460	58,923	+101.0%
Percentage Minority/Hispanic	5.6%	10.2%	12.2%	+ 6.6%

Note: The Census data provide information on White, non-Hispanic children along with 62 other possible racial and Hispanic breakdowns. The figures provided here are for children who either are shown as of Hispanic origin or a race other than white (Black, Asian American, Native American, etc.). While Iowa's population growth percentage in Minority/Hispanic children has been higher than that in the United States, the overall numeric growth and share of the overall population growth has been lower (6.6 percent vs. 10.0 percent of the total child population). Therefore, any differences in achievement scores by race or Hispanic origin would have less of an impact on overall test scores in Iowa than in the nation as a whole.

Source: U.S. Census Bureau

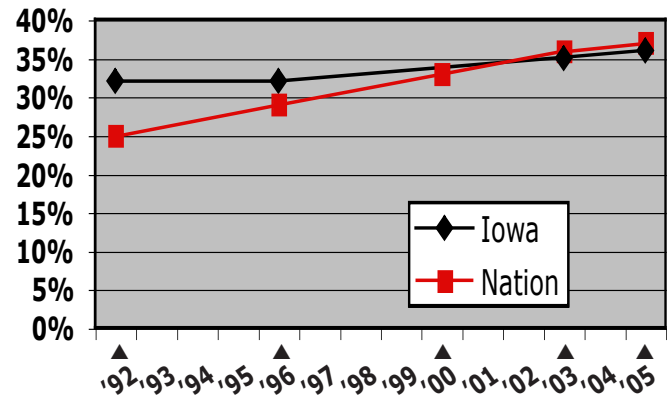
When the same NAEP fourth-grade reading and eighth-grade mathematics proficiency scores are examined for white, non-Hispanic students in Iowa and in other states, the figures are much more stark, as shown in Figures 3-4.

Figure 3.
Percent Proficient — 4th-grade reading
White Students



Iowa Rank	T6 of 41	T11 of 39	T15 of 39	T20 of 43	T22 of 50	T35 of 50
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Figure 4.
Percent Proficient — 8th-grade mathematics
White Students



Iowa Rank	T1 of 41	T21 of 50	T26 of 50
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Source: National Center for Education Statistics

Iowa's students in 1992 ranked quite high among the states, and well above the national average, when the comparisons are limited to white students. In 1992, Iowa was tied for sixth among states on fourth-grade reading scores, with 37 percent of white students scoring proficient compared to 33 percent of white students nationally. By 2005, however, Iowa had declined to a tie for 35th among states, with 36 percent of white students scoring proficient

compared with 39 percent nationally. Tied with Wisconsin and above all other neighboring Midwestern states in 1992, by 2005 Iowa white students scored below white students in all other Midwest states (Illinois, Kansas, Minnesota, Missouri, Nebraska, South Dakota and Wisconsin). Iowa was one of only three states showing a decline in white student scores between 1992 and 2005, while eight states showed gains of 10 percentage points or more and 18 states showed gains of 5 to 9 percentage points.

In short, white students in Iowa now rank in the bottom third of all states and lowest in the Midwestern region on fourth-grade reading proficiency scores.

The same general decline is also demonstrated for eighth-grade mathematics proficiency for white students. In 1992, Iowa was tied for first in proficiency (with Connecticut and Minnesota), with 32 percent of students proficient compared with 25 percent of students nationally. In 2005, however, Iowa had declined to a tie for 26th among states, with 36 percent of white students proficient, compared with 37 percent of white students nationally.

On both fourth-grade reading and eighth-grade mathematics proficiency, the NAEP scores of Iowa's white students have declined dramatically compared with almost all other states and now place Iowa below average nationally.

Information on fourth-grade reading and eighth-grade mathematics proficiency for other ethnic and racial groups is also available for 2005 scores, but largely is not available for 1992 scores because of small sample sizes. The 2005 scores indicate, however, that African-American and Hispanic students in Iowa had proficiency levels mirroring those in the nation for their racial and ethnic groups. In Iowa, 12 percent of African-American students scored proficient on fourth-grade reading and 8 percent scored proficient on eighth-grade mathematics. On both measures, Iowa is identical to the national average and ranks in the middle among states. Meanwhile, 15 percent of Hispanic students scored proficient on fourth-grade reading and 9 percent scored proficient on eighth-grade mathematics. The fourth-grade reading score is equivalent to the national average of 15 percent and the eighth-grade mathematics is below the national average of 13 percent. In the one instance where NAEP scores are available for 1992 – fourth-grade reading proficiency for African-American students – Iowa was tied for first (with Hawaii). This suggests that the declines between 1992 and 2005 for whites occurred for other students as well.

Ironically, Iowa's "achievement gap" (the difference between white students and African-American and Hispanic students on NAEP scores) is somewhat lower than the national average – not because African-American and Hispanic students do better in Iowa compared to the nation, but because white students do worse. At the same time, this does not diminish the size of the gaps that do exist in Iowa. There are major differences in student performance by race and ethnicity that Iowa needs to address, particularly as Iowa's student population becomes more diverse.

Iowa Tests of Basic Skills Scores and NAEP Data

While NAEP scores represent the best way to compare Iowa student performance with other states and the nation, they use a small sample of all Iowa students and could be subject to some statistical estimation errors. Iowa Tests of Basic Skills (ITBS) scores provide test score information on virtually all Iowa students, but ITBS is not used in a similar way by other states and therefore cannot provide state-by-state comparisons. Still, ITBS score trends can be compared with Iowa NAEP score trends as one means to identify any possible estimation errors in those NAEP scores.

Statewide ITBS scores are available for school years starting with the 1993-94 school year and provide information on both reading proficiency in fourth grade and mathematics proficiency in eighth grade, for comparison with NAEP scores. The ITBS scores were renormed for the 2001-02 school year, however, so data from the 2002-03 school year onward is not strictly comparable.

During the period from 1993-04 to 2001-02, Iowa student proficiency levels on both fourth grade reading and eighth grade mathematics showed some decline (from 70.6 percent proficient in 1993-94 to 69.0 percent proficient in 2001-02 on reading and from 76.8 percent proficient to 73.3 percent proficient on math). These trends are fairly consistent with, but actually more negative than, those found for NAEP scores for this period. Since the renorming in 2001-02, Iowa students have shown some gains in both reading and mathematics from 2001-02 to 2005-06. The latter trend is encouraging, but the overall picture of Iowa ITBS student performance on both fourth-grade reading and eighth-grade mathematics for the period from 1993-94 through 2005-06 has been one that has evidenced very little, if any, achievement improvement. This also is true of NAEP scores.

As stated earlier, Iowa's relative decline among states on NAEP scores was not the result of an actual decline in student performance, but a lack of improvement in performance that most other states experienced. ITBS scores provide a much larger database and show that student achievement in Iowa has remained largely the same over this period, lending additional validity to the findings regarding NAEP scores.

ACT Assessment

Iowa student test scores on two national college entrance tests, the American College Testing (ACT) assessment and the Scholastic Aptitude Test (SAT), are frequently reported in the press, often with comparisons of scores between Iowa and other states. The ACT assessment is the most commonly taken of the two in Iowa, as the ACT is required by Iowa's state universities. Nationally, the ACT assessment is the test most commonly used by colleges and universities for making admission decisions; the SAT is the second most commonly used. The rates of use of both tests, however, vary widely across the states.

For instance, different states have very different proportions of students taking the ACT, from Colorado and Illinois, which require all graduating seniors to take the test, to Connecticut, Massachusetts, New Hampshire and Rhode Island, where only 2 percent of graduating seniors take the test. Therefore, it is not possible to compare all 50 states on ACT scores. Some comparisons can be made, however, among states that use the ACT similarly and have done so over time.

In Iowa, the ACT is taken by most high-school graduates who plan to go on to college. In 1994, 64 percent of Iowa graduates had ACT scores; in 2006, 65 percent of Iowa graduates had ACT scores. Iowa's ACT scores therefore are generally reflective of the educational system's performance in preparing students for college, increasingly necessary for higher-wage employment and for economic productivity overall.

Nationally, 21 states had between 58 percent and 75 percent of their graduating seniors take the test in 1994 and 57 percent and 80 percent taking the test in 2006. This included six Midwestern states bordering Iowa – Kansas, Minnesota, Missouri, Nebraska, South Dakota and Wisconsin. These states' scores and participation rates can be compared with Iowa's results with a fair degree of comparability regarding college-bound student achievement.

The table below shows the scores and participation rates for Iowa and these Midwestern states for both 1994 and 2006 (the earliest and latest years available on the ACT website).

Table 4. ACT Testing Rates and Composite Scores for Iowa and Midwestern States: 1994 and 2006

	1994		2006		1994-2006
	Percent Tested	Avg. Comp. Score	Percent Tested	Avg. Comp. Score	Change in Score
<i>Iowa</i>	64	21.9	65	22.1	0.2
Kansas	71	21.2	75	21.8	0.6
Minnesota	60	21.8	67	22.3	0.5
Missouri	64	21.2	70	21.6	0.4
Nebraska	75	21.2	76	21.9	0.7
South Dakota	66	21.1	75	21.8	0.7
Wisconsin	64	21.9	68	22.2	0.3

Source: American College Testing Service

As the table shows, Iowa dropped in its overall ranking among these Midwestern states, but was still third in 2006. At the same time, the improvement in Iowa’s scoring was the lowest among the seven states. Over half the Midwestern states experienced an increase of one-half point or more, while Iowa’s increase was only one-fifth of one point.

While Iowa’s ACT scores still rank Iowa high among states, there is evidence of significant relative decline in ACT performance in Iowa compared with states who use the test in similar ways. These occurred over the same general period as declining relative investments in K-12 education were reported on previously.

SAT Scores

The second most common college admission test is the Scholastic Aptitude Test (SAT) for college entrance. Iowa typically has scored at the top among states on this measure, and Iowa’s ranking has almost always been widely reported in the press. This is somewhat misleading, however, because only a small percentage of graduating seniors in Iowa (5 percent in 2003) take the SAT test, compared with a national average of 48 percent. Students taking the test in Iowa are those most likely to be applying to schools outside Iowa that require the SAT rather than the ACT, which is characteristic of more elite colleges and universities.

When Iowa’s SAT scores are compared over time with scores from Midwestern states with similarly small percentages of SAT test-takers, the results suggest that Iowa students have not advanced to the extent scores of students in those states have. Between 1992 and 2003, Iowa SAT scores rose by 1 point on verbal and 2 points on mathematics. This was well below point gains for the nation as a whole of 7 and 18 points, respectively. Seven Midwestern states had similar participation rates in the SAT (below 10 percent of their graduating seniors taking the test) as Iowa. All showed much more pronounced gains in SAT scores over this period (Kansas 16 and 20 points; Missouri 32 and 36 points; Nebraska 20 and 21 points; North Dakota 26 and 33 points; South Dakota 23 and 23 points; and Wisconsin 29 and 30 points). While Iowa’s SAT

scores in 1992 were far ahead of similar Midwestern states, by 2003 most of these states had caught up with Iowa on this measure. Like ACT scores, the SAT scores for Iowa indicate a relative decline among states over the period from 1992-2005.

Summary

None of the four achievement tests examined – NAEP, ITBS, ACT and SAT – should be viewed in isolation or as a complete picture of trends in student achievement in Iowa. Together, however, they do suggest a relative decline in Iowa student achievement compared with the country as a whole. This decline has appeared over the same period that Iowa investments in K-12 education and state general fund expenditures overall have declined relative to other states.

Further, when NAEP scores are broken out by race, Iowa's overall above-average ranking among states disappears. Iowa's overall scores may still seem "better than average," but only because Iowa has a very small minority student population – not because scores indicate Iowa does a better job educating either its white students or its African-American and Hispanic students.

Iowa voters are right to be concerned that Iowa's educational system has "gotten off on the wrong track."

2006 Actions to Improve Education and Teacher Salaries

On June 1, 2006, Governor Vilsack signed five education bills that he indicated "represent significant steps in our efforts to provide the very best educational opportunities for our children. The progress we are making today will mean a brighter tomorrow for Iowa's children." This legislative package was the result of extensive negotiation and considered by many to be the major legislative achievement for the 2006 session.

One bill, in particular, was designed to make Iowa's educational system more competitive with other states by providing an additional \$35 million for teacher salaries in the first year (2006-07), \$70 million in the second year, and \$105 million in the third year. This legislation has been widely touted as helping to improve Iowa's current ranking of 40th among states on teacher salaries, with some lawmakers indicating that this would go a long way to getting Iowa teacher salaries up to the median among states.

Determining exactly where these increases will place Iowa on comparative teacher salary rankings over the next three years is not possible. First, while the increased funding is designed to be independent of collective bargaining agreements, this funding increase could influence those negotiations. Second, other states also are taking actions on their educational systems that will influence their teacher salaries and their overall rankings.

At the same time, it is possible to place this increased funding in some context. Currently, Iowa has approximately 35,000 full-time equivalent teachers, so a \$35 million pool of funds for increased teacher salaries should result in approximately \$1,000 more to be available for teacher compensation on a per-teacher basis. Some of any increase must go for employer-paid Social Security and Medicare payroll taxes and for employer payments into IPERS, so the amount of increase in a teacher's salary is likely to be on the order of \$820 per teacher. Using the 2004-05 state teacher salary comparisons as a base, and assuming other states

do not also increase teacher salaries, an \$820 increase in teacher salary would raise Iowa's current \$39,284 salary up to \$40,104, which would move Iowa from 40th among states up to 36th. Using the same base year but including the three-year \$105 million increase would raise Iowa's salary to \$41,744, or up to 31st among states, at 87.3 percent of the average salary nationally.

Clearly, the \$35 million in new funding in 2006-07 represents a significant increase in funding, although not necessarily one to give Iowa any strong competitive advantage in recruiting new teachers. It represents a significant step in the process of improving teacher salaries, but it leaves substantial work ahead for Iowa to truly be competitive in teacher recruitment.

Further, the salary increase was accompanied by a tax cut with an annual cost of \$118 million, when fully phased in over the next several years. This tax cut will significantly reduce the revenues available to support education and other services, and threatens the state's ability to maintain salaries at competitive levels in the long term.

Conclusion

For the period from 1992 to 2005, it is clear that Iowa has not made investments in public education commensurate with those made in other states. The actions taken by the 2006 General Assembly only start to reverse this position.

As these investments have declined relative to other states, Iowa's position as a leader in education and student achievement has also declined. The Iowa National Assessment of Educational Progress (NAEP) scores show that Iowa clearly has declined relative to other states and the nation on student achievement, a direction which must be reversed if Iowa is to grow and remain a good place to raise children. ITBS, ACT and SAT scores provide evidence of similar stagnancy in student achievement within the state and overall decline relative to other states.

Without strong corrective action, Iowa could be in a position where the state's educational system is considered a detriment, rather than an asset, in seeking to attract new workers and businesses.

Iowans value public education and are concerned that Iowa's education system is in trouble. The information and trends provided here should be a subject for frank and ongoing discussion and debate in Iowa, in order to develop public policies that can make Iowa's educational system truly world class.

Also from the Iowa Fiscal Partnership

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<http://www.iowapolicyproject.org/2005_reports_press_releases/050708-Vanishing-full.pdf>

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Iowa Fiscal Partnership

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