

1984

An investigation of the impact of the controlled budget on small Iowa school districts

Joyce N. Losure
University of Northern Iowa

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An investigation of the impact of the controlled budget on small Iowa school districts

Abstract

The controlled budget growth of school districts in Iowa has been determined by the State School Finance Formula since 1971. The basic idea was to promote "equal educational opportunity." But this descriptive research paper confirmed that, since the controlled budget is tied to the number of pupils enrolled, the actual percentage growth of the controlled budget in the majority of small, decreasing enrollment schools has not equaled the state's allowable percentage of controlled budget growth. This paper determined, through an open-ended survey of the superintendents of schools in Iowa with 325 or fewer students, the fiscal adjustments made for survival by small schools with declining enrollment and limited budget growth. The responses to question one of the survey indicated that, because of the controlled budget situation, a majority of small, declining enrollment schools in Iowa have been forced to make adjustments in their school administrative procedures since 1971. The reason for investigating the condition of school districts of 325 or fewer pupils with declining enrollment is that this size unit produces an average enrollment per grade of about 23 students and was used in proposed legislation. In order to survive and provide the education expected by their communities, adequate funding must be available for small schools. The pupil-based budget, established by the Iowa School Foundation Plan, is insufficient for a small, declining enrollment school. Fixed costs, for example, can no longer be cut in this size district. The future survival of local, community-centered school districts will depend upon the understanding of educational inter-relationships by both decision-makers and lay people as the need for sufficient funding of small, declining enrollment schools is considered. Suggestions for alternative methods of funding have been developed through an evaluation of the responses made by administrators to the second question in this survey. These ideas will be presented for legislative consideration by volunteer educational lobbyists.

AN INVESTIGATION OF THE IMPACT OF THE CONTROLLED BUDGET
ON SMALL IOWA SCHOOL DISTRICTS

An Abstract of a Research Paper
Submitted
In Partial Fulfillment
of the Requirements for the degree
Master of General Educational Psychology

Joyce N. Losure
University of Northern Iowa
December 1984

This Research Paper by: Joyce N. Losure

Entitled: An Investigation of the Impact of the Controlled Budget
On Small Iowa School Districts

has been approved as meeting the research paper requirement for the
Degree of Master of Arts in Education: Educational Psychology: General
Educational Psychology

~~Director of Research Paper~~
Dr. Larry Kavich

Graduate Faculty Adviser
Dr. Charles Dedrick

~~Head, Department of Educational~~
Psychology and Foundations

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A Research Paper

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Chapter 1

INTRODUCTION TO THE PROBLEM

DISCUSSION OF THE PROBLEMTraditional Pride in Schools and
Desire for Local Control

Iowans have a tradition of pride in their public schools and the education they provide for Iowa youngsters. Although, as State Superintendent of Schools, Dr. Robert Benton, declares, "education is a state function and the legislature shall determine educational policy," (3) Iowans have shown by their public reaction to proposed state mandates that they desire to maintain decision-making at the local school district level. However, this local decision-making for school finances has been legally curtailed since 1971 because the controlled budget growth of school districts in Iowa has been determined by the state school finance formula which uses pupil enrollment as a factor for calculating school budgets. (Appendix A)

Reason for the State Foundation
Plan Enacted in 1971

The General Assembly enacted the Iowa School Foundation Program in 1971 "to provide for general property tax replacements, equalization of the method of taxation of

property for school purposes and allocation of state funds for aid to schools." (21:1) This basic foundation plan has been changed in various ways by subsequent legislative sessions, primarily to address the conditions caused by declining enrollments and the increasing rate of inflation. (Appendix C)

Importance of Attitudes and Perceptions
in Dealing with the Problem of a
State Controlled Budget and
Declining Enrollment

With the decline in the numbers of school-age children and the growth of an aging population, changes in the allocation of tax monies are probable. Hank Levin, Director of the Institute for Research and Governance at Stanford University, said:

We are right now on a collision course. . . . The momentum of movements in the sixties and seventies to address educational inequity is running head-on into the current fiscal conservatism created by a tough economy, declining school enrollments, tax limitations, and growing disenchantment with the public schools.

(15:3)

In an effort to change the attitudinal thrust towards mandated reorganization of school districts as being the only acceptable solution to the problems facing small schools and to encourage the development of alternative methods of providing appropriate education, legislation enacted in 1978 changed the language in the Declaration of Policy, found in Section 275.1 of the Iowa Code. The original language was "It is declared to be the policy of the state to encourage the reorganization of school

districts into such units as are necessary, economical and efficient and which will insure an equal educational opportunity to all children of the state." (22) The Declaration now states that "It is declared to be the policy of the state to encourage economical and efficient school districts which will insure an equal educational opportunity to all children of the state." (16)

Other legislation enacted since 1977 has provided options for school districts to adopt in order to serve their students. These are: to expand curriculum offerings and other opportunities for students through joint employment of teachers, sharing of programs, teachers, students and/or facilities; (24) through increasing the amount of the enrichment tax from 5% to 10% of the state cost per pupil; (23) and by simplifying the reorganization procedures. (22)

Growing Awareness of the Interacting Problems
of Providing Adequate Funding and the
Necessity for Alternative Solutions
for Providing Appropriate Education

A growing public awareness of the problems faced by schools in general is due in a large measure to the many recently released studies of the American way of education including: A Nation At Risk, by the Commission on Excellence in Education; (1) the Carnegie Study by Ernest Boyer, High School: A Report on Secondary Education in America; (4) the Report of the Twentieth Century Fund Task Force on Federal Elementary and Secondary Education chaired

by Robert Wood; (41) Theodore Sizer's Horace's Compromise: The Dilemma of the American High School Today; (36) and A Place Called School by John Goodlad. (12)

In response to the report, A Nation At Risk, (1) issued by the National Commission on Excellence in Education in April, 1983, Governor Terry E. Branstad and the State Board of Public Instruction sponsored a series of 16 public meetings, called Area Dialogues, which culminated in the State Dialogue held on December 2, 1983, at the Scheman Building, ISU, Ames, Iowa. Iowans indicated that they continue to want quality education for their children and they wish to retain as much local decision-making as possible. (11)

Need for Valid Information for
Both Public and Officials

The question of public school funding will continue to be of prime importance to both elected and appointed officials and to the general public since tax money that is spent for education is then not available for other purposes. The question of how best to deliver pertinent, quality education is also a paramount concern because there is a lack of agreement at policy-making levels about the minimum desirable size of schools and the amount of decision-making that can be left to the local districts. The effects of selected school legislation since 1971, including that which established the controlled budget, on selected small school districts and the choices they have

employed to continue to survive will be reviewed herein as a rural education research study in order to determine constructive suggestions for proposed future legislation.

The future existence of Iowa's small rural schools depends on bureaucratic and public attitudes because these attitudes determine actions. The attitudes of the bureaucrats, including legislators, are important since these attitudes become enacted into rules, regulations, and laws. The Iowa school finance formula is an example of regulatory legislation. (Appendix C) The attitudes of the public are important because these attitudes become perceptions about and reactions towards the local school and its problems. The passing of the school enrichment tax has occurred in districts where the public understood and concurred in the need for additional tax monies for the local school district budget. (Appendix D) The addition or elimination of school subjects or programs has been a response of school boards and administrators to a district's perceived needs and its ability to pay. (Appendix L)

Reliable information about budgets, programs, and alternatives needs to be available both to the members of the public and to officialdom so that their attitudes will be based on reality, not just emotion, as they make decisions that affect Iowa's schools and school children. So long as banners and slogans such as "Bigger Is Better" or "Small Is Beautiful" serve to polarize the thoughts and actions of people in each group, Iowa's problems concerning

school finance and quality educational programs will not be solved with due consideration of locally occurring differences. The fate of Iowa's schools is a concern not only of the state legislature where laws are passed but also of the populace whose children need appropriate education and whose tax money pays the bills. Dr. Weldon Beckner, professor and chairman of Administration and Supervision, College of Education, at Texas Tech, writes in "The Case for the Smaller School" that:

Historically the rural school has served as a community nucleus, with strong support from parents and other community members and close working relationships between the staff and members of the community. The community's awareness of school policies and of what is going on in the school results in a kind of informal accountability. More parental involvement in school activities results in mutual expectations for student behavior. The community exerts more direct control over the school and thus sees that the school serves the specific needs of the community Because citizens feel a more direct relationship to the schools they tend to be more willing to support them financially. (2:14)

In a recent University of Northern Iowa educational research paper for a Specialist in Education Degree, Dean Meier states, "Without more information, the State Legislature may be lowering the quality of public education in Iowa without intending to do so." (32:i) For instance, during the last hours of the 1981 Iowa Legislative Session, Senate Concurrent Resolution 39 was introduced. (Appendix E) This resolution would direct the Department of Public Instruction

to consolidate currently independent administrative functions of school districts (because) statistics show that these smaller districts spend a smaller

portion of their revenue on instructional costs, require higher per pupil financing from the state's general fund, and devote more of their overall budget to administrative costs in comparison to larger districts. (6:1855-6)

This type of statement is often the product of conventional wisdom and **groupthink**. "When groupthink occurs, people in groups lose their objectivity. They are so concerned with being a 'good' member of their group, believing the right things, that accuracy and the pursuit of truth are sacrificed." (13)

One of the problems of such an overall solution to school finance and program difficulties is that it can consider the situation only in general terms. Also, by just printing these statements, people tend to accept them as factual. Informed readers wish to know what statistics are being quoted and can demonstrate that many small schools receive a minimum of state aid rather than the "higher per pupil financing from the state's general fund" that was cited. (6:1855) Writing to his school patrons in 1978, Dr. James Jess, Superintendent at CAL Community School, informed his district members that:

I compared the 144 smallest districts in the state (those with enrollments of less than 500 students) to four Polk County districts (Des Moines, West Des Moines, Urbandale and North Polk) that have an equal total enrollment and got the following results--

ANALYSIS

	<u>144 SMALL DISTRICTS</u>	<u>4 POLK COUNTY DISTRICTS</u>
<u>ENROLLMENT:</u>	51,484	51,469
<u>% OF STATE TOTAL:</u>	8.2%	8.2%
78/79 STATE <u>CONTROLLED BUDGET:</u>	\$84,536,728	\$82,041,586
<u>% OF STATE TOTAL:</u>	8.5%	8.3%
<u>COST PER PUPIL:</u>	\$1642	\$1594
<u>STATE AID:</u>	\$25,694,655	\$43,809,826
<u>% OF STATE TOTAL:</u>	5.2%	9.02%
STATE AID PER <u>PUPIL:</u>	\$499	\$851
<u>PROPERTY TAX LEVY:</u>	\$58,842,073	\$38,221,675
<u>% OF STATE TOTAL:</u>	11.63%	7.56%
AVERAGE LEVY <u>PER PUPIL:</u>	\$1143	\$743

The figures clearly indicate that the 144 smallest districts are not any more expensive to operate than are the four Polk County districts. (The average cost per pupil in the smaller districts is only \$48 higher than that of the Polk County Schools--The additional transportation expense incurred by the smaller rural school districts more than accounts for the \$48 difference in per pupil expenditure.) The smaller districts on the average are paying 70% of their program cost with local property tax and the state is contributing the other 30%. In contrast the state is paying 54% of the program cost for the four Polk County schools and property tax is paying the remaining 46%. (27)

Other factors make mandated, simplistic solutions undesirable and merit further research. These include the time students spend on buses; student participation in curricular and extra-curricular activities; just what

comprises the administrative duties of a school district and how this differs in various settings; which schools actually receive the most state-aid dollars; community involvement, desires, and satisfactions; the quality not only of the educational input but of the educational product including the student, family and community served by the small, locally-based school. Perhaps, it is time to quit comparing rural to urban schools and acknowledge that, although there may be increased costs in operating the smaller units, there is a need for both kinds of schools. The problem to be solved is how to provide appropriate educational opportunities for all students without discriminating against those who reside in the rural areas because the delivery of educational programs may be more difficult and/or costly.

The public also requires valid information about the effects of current legislation on local school districts in order to understand the problems to be faced and to make decisions about supporting proposed alternatives to school district reorganization and the use of their tax money. Lawmakers in early 1982 passed House File 414 which, for a limited period of time, permitted the voters of a school district to levy an income surtax. (Appendix F) Only in Clearfield, the smallest of the six districts which offered this choice to their residents, was this issue given a passing vote. (Appendix G)

Clearfield voters, with the possibility of consolidation with neighboring Lenox Community School District looming, overwhelmingly approved the 7.46 percent surtax. . . .(which) would enable the district to pay for repairs of several school buses and buy some supplies. (8)

Another example of school districts utilizing current legislation is in the Corwith-Wesley and LuVerne Community School Districts where an extensive sharing program with the combined high school attendance center at Corwith and the combined junior high attendance center at LuVerne has been incorporated with the backing of the communities involved. This program has been developed and is being continuously refined to meet the needs of both school districts and their communities. It is working because the local people have been informed and are willing to cooperate as they appreciate the benefits from the expanded opportunities available to their students through the sharing program. (37)

PURPOSE

Under the present system in Iowa, general school funding is determined at the state level by the Iowa school finance formula and is based upon the school district enrollment figures. Because the controlled budget growth has been impacted both by the state's economy and declining enrollments, the small, rural schools of Iowa have needed alternative methods to provide suitable educational opportunities for their students. If there should be new mandates in response to the quest for quality education,

which is being fueled by the emphasis placed on it by contemporary studies, the problems peculiar to small, rural schools will need to be addressed by the legislature and other policy-making bodies. This paper will explore alternative administrative methods used to assist in the survival of small Iowa schools and will suggest factors that should be considered in any future revision of the Iowa school finance formula.

STATEMENT OF THE PROBLEM

This descriptive study will focus on administrative methods used by a select sample of small K-12 school districts in Iowa with declining enrollments to assist in their survival and suggest changes to be considered in the revision of the Iowa school finance formula. The data include the actual percentage growth of the selected school districts' budgets calculated since the beginning of the school aid formula in 1971 through 1981 as compared by percentages to the data of the state's allowable controlled budget growth from 1971-1981. In addition, administrative changes in these school districts will be noted through the use of percentages as an empirical data base from the essay-type questionnaire submitted to the superintendents of the selected schools.

The results of responses to proposed legislation will indicate that declining enrollment should be taken into

account in the per pupil formula funding of small school districts in the State of Iowa.

Assumptions:

1. Most of the small schools with declining enrollment have not had the maximum allowable growth in their controlled budgets since the inception of the school foundation formula in 1971.

2. A majority of Iowa schools in this selected research sample have been forced to make fiscal adjustments in their school administrative procedures since 1971.

3. Either sufficient funding for small schools with declining enrollments and/or alternative methods of delivering educational services should be developed as state legislation.

Research Process

Data will be gathered to determine how many schools meet the criteria of small, declining enrollment districts. The actual percentage of budget growth for each selected district will then be computed and compared to the state percentage of allowable growth from 1971 until 1982.

The descriptive research will be done by submitting a questionnaire to the administrators of selected small K-12 Iowa school districts with declining enrollments. The responses from these questionnaires will provide the information for determining how small schools are coping with the problem of controlled budget growth.

Anticipated Results

It is expected that, in order to survive, administrative procedures in small declining enrollment schools will have utilized, in some form, the following fiscal practices:

1. Reduction of personnel and/or programs;
2. Reduction of spending;
3. Sharing of staff, pupils and/or facilities;
4. The use of volunteers;
5. Extra duties for personnel; and/or
6. Innovative financing.

It is further expected that legislation will be requested to take into consideration the effect of declining enrollment on the per pupil formula funding of small Iowa school districts. It is expected that the legislative priorities will include changing the formula from funding on a per pupil base to alternative methods of funding such as:

1. Looking at the budget from the pupil/program base;
2. Looking at the budget from the fixed cost angle; and/or
3. Consideration of regulatory factors.

DELIMITATIONS

This educational research paper is limited to the overall effects of the controlled budget growth on the small, declining-enrollment K-12 school districts in Iowa

which currently enroll 325 or fewer students. This particular sample was selected because, when Dr. Leland Tack, Director, and Dr. David Alvord, Research Consultant, presented the results of their State Equalization Project at the November 1979 State Department of Public Instruction Board Meeting in Des Moines, Iowa, they stated as Recommendation V:

The current school finance program presents unusually difficult problems to smaller school districts. Those districts have, in most cases, only one section per grade; they may operate only one building, thus making it practically impossible to effect significant cost savings by closing a facility, and the same number of buses may be needed to traverse the same number of miles to transport less students. . . . When a school district's enrollment decreases to 300 students, it is recommended that enrollments no longer be used as the determinant of the controlled budget. Rather, a budget-to-budget procedure will be followed whereby the previous year's budget plus the state allowable growth percentage applied to the figure will become the budget for the succeeding year There is no real magic in the enrollment figure of 300, except it does produce an average enrollment per grade of about 23 students, a reasonable size for all classes. As enrollments decline below that figure, the affected school districts have very little opportunity to effect savings without cutting programs. Most of the costs continue to increase. (40:32-33)

Since the legislation proposed in 1980 for budget-to-budget funding based on this recommendation used 325 or fewer students per district, that size school district was chosen for this research project.

Of the 443 K-12 school districts in Iowa during the 1980-81 school year, 77 had an enrollment of 325 or less. (Appendix H) These districts are located primarily in rural Iowa. (Appendix I)

The actual student enrollment of each selected district for the 1971 school year was compared with the actual student enrollment for the 1980 school year in order to determine whether the district had declining enrollment. The controlled budget figures for the 1972/73 fiscal school year, the first year the school finance formula was employed, were compared with the budget of the 1980-81 fiscal school year in order to determine the actual percentage of controlled budget growth for the period.

The superintendents' responses to the essay-type questionnaire provided the data cited for administrative changes in small K-12 schools since the implementation of the Iowa Foundation Program.

DEFINITIONS

Allowable Growth

This is the dollar equivalent of the state cost per pupil times the state percentage of growth. This percentage has been determined by using the Consumer Price Index, a sampling of costs of goods and services in Iowa, and state general fund revenues. In 1980-81, the Consumer Price Index will become the sole factor for determining allowable growth. (9:13)

Note: The State Comptroller's office uses the full allowable growth percentage for computing each school's yearly budget. However, since the basic controlled budget is determined by the number of pupils in a school district,

in a declining enrollment district the new budget may show a loss, may be equal to, or may show just a slight increase over the previous year's budget when the state's allowable growth money is added to the calculated base. This new budget is then popularly referred to as "not receiving the maximum allowable growth."

Budget-to-Budget Funding

This would allow a declining enrollment district to use its previous year's budget plus the state's allowable growth for the new year's budget.

Consumer Price Index

This is a percent representation of a sampling of the costs and goods throughout the country as reported by the United States Department of Labor, Bureau of Labor Statistics. (9:13)

Controlled Budget

This is the district's regular program cost per pupil times the district's budget enrollment.

Controlled Budget Growth

This refers to the actual amount of the school district's regular program controlled budget for the school

year compared with the former school years' regular program budgets. This is often expressed in percentages.

Enrichment Tax Levy

This is a levy which a school district may impose on itself by consent of a simple majority of those district residents voting. The levy may increase a district's budget by not more than 10% of the state cost per pupil multiplied by the adjusted enrollment in the district. The levy money comes from a combination of property tax and school district income surtax. (9:14).

Essay-type questionnaire

This is the survey instrument sent to the superintendents of the selected small rural Iowa school districts for the information utilized in this paper. (Appendix L)

Groupthink

This is the tendency for members of a policy-making group to suppress all individual doubts and dissent, creating the illusion of unanimity. (31:612)

Lobbyist

A lobbyist is a person who provides background information to legislators in order to influence legislation. An educational lobbyist would promote legislation affecting the field of education.

Small Iowa school districts

For the purpose of this paper, small Iowa school districts are described as having an enrollment of 325 or fewer students and are located primarily in rural areas.

The Iowa Foundation Program

This is variously referred to as the State school finance formula, the Iowa School Foundation Plan for Financing Education, or the Iowa Foundation Aid Program. For a graphic description of the foundation plan, see Appendix A.

SUMMARY

This introductory chapter has presented the background of the impact of the state controlled budget on small Iowa schools with declining enrollments. The rest of this descriptive research paper will explore in detail the assumptions that these schools have not attained the maximum allowable growth in their controlled budgets; that small schools have been forced to make fiscal adjustments in their school administrative procedures; and that legislative proposals for sufficient funding and/or alternative methods of delivering educational services should be developed.

Chapter 2 will discuss literature relevant to small schools and their present condition. In Chapter 3 the research procedures employed for this paper will be

described, while Chapter 4 will present the research findings in detail. The summary of the research findings, along with the conclusions reached and the recommendations developed from the results of the data collected, will be the subject of Chapter 5.

Chapter 2

LITERATURE

REVIEW OF RELATED LITERATURE

Types of Information Considered and Why

The literature reviewed for this paper includes actual and proposed legislation as well as descriptive booklets, research studies, journal reports, books, speeches, and newspaper accounts that presented the strengths and problems of small, rural schools. Enacted legislation that affects school districts, not only in their program planning but also in their school district funding, was studied because of its impact on small school districts. Selected proposed legislation that would have offered alternative ways to address the problems of the small, declining enrollment districts was examined as well.

The other literature considered examined the effects of limited resources and declining enrollment upon small schools and their communities. These readings indicated not only why small schools struggle to survive but also how some of them cope with their problems. Other selections will provide resource material in making legislative proposals.

Small Schools, Controlled Budget Growth
and Related Legislation

The controlled budget growth, based on pupil enrollment, is a feature of the Iowa School Foundation Plan for Financing Education, which was enacted into law on June 30, 1971. (29:1) Almost every subsequent legislative session has amended or attempted to amend the controlled budget formula because of the effects of inflation and declining enrollment. Although House File 2509 (Appendix J) with its budget-to-budget concept of funding for kindergarten through twelfth grade (K-12) school districts of 325 students or less which was patterned on the State Equalization Project Recommendation V was passed by the Iowa House of Representatives, it was defeated in the Senate on the last day of the 1980 session. (25) The 1981 legislature studied school finance legislation since schools continue to have funding problems, but the legislation that was enacted into law, H.F. 414, (26) cut school spending even though school budgets had been built on projected formula income. As a result, according to Phil Dunshee, Government Relations Specialist for the Iowa Association of School Boards, who spoke to a gathering of interested citizens:

while the actual allowable growth for the 1982/83 school year is 7%, 217 local school districts, or almost one-half, will receive less than 3% allowable budget growth, while 21 will have 7% or above because of increasing enrollments.

<u>Allowable growth</u>	<u>Number of school districts</u>
0.00%	77
0.00 to 1.00%	34
1.00 to 1.99%	54
2.00 to 2.99%	52
<u>Under 3.00%</u>	<u>217</u>
	(10)

(see note under definition of allowable growth on p.16)

The reallocation of tax monies has become a reality because of the lack of state revenue. Dr. Wayne Truesdell, professor emeritus of the University of Northern Iowa,

. . .helped write the original school aid law, and he is not happy with the way the Legislature has tinkered with it since 1971. . . 'Taxflation' kept the formula afloat from 1974-75 to 1979-80, as state revenue increased faster (by 2.030 times) than pupil costs (1.919 times). "But the honeymoon is over," Truesdell insists. "Political solutions must give way to a formula which is economically sound." (7)

Much of the readily available literature, such as the booklet, School Finance, The Iowa Foundation Plan: A Guide Through the Code, (9) which basically explains school funding legislation, or The Iowa Educational Directory, (19) which lists school districts and their estimated enrollments, are not concerned with specific school budgets. When the various legislative bodies consider proposed legislation, even with the volumes of statistics accumulated by the Department of Public Instruction and the State Comptroller's office, often the problems confronting school districts are considered just in general or according to averages. Searching through all the information is difficult and time-consuming, even when the researcher knows what knowledge is desired. This research

paper will provide details for individual situations to demonstrate readily how selected small school districts have been affected by the Iowa School Foundation Plan because of declining enrollment and thus have received little or, at times, no growth in their controlled budgets. (Appendix H)

Other research examines the problems of these school districts differently. Instead of considering the whole controlled budget growth, the Dean Meier study, "A Case Study of Inflationary Pressures Upon a Selected Iowa School District," isolates one variable in the controlled budget and "investigates the reliability of using the Consumer Price Index (CPI) to control rural Iowa Schools." (32:4) He concludes that, "The reliability of the Consumer Price Index to control school budgets, especially for a rural Iowa school district, has not been adequately determined." (32:11) Yet for 1980-81, the CPI was the sole factor for determining the allowable growth. (21:9)

Since then, some changes have occurred in the way the allowable growth of school budgets was determined. Because of the economic conditions of the state, in August of 1980 the governor made an across-the-board cut in state appropriations of 3.6%. Then in January of 1981, even though the State Comptroller had announced a 9.025% allowable growth rate, the governor again made an overall cut of 1% in state appropriations. (21:2) While the cuts did not directly affect the allowable growth rate, it did

create cash flow problems for many school districts. "However, the 69th General Assembly established the allowable growth rate at 5% and 7% for the 1981/82 and 1982/83 budget years respectively" (21:1) by statute. At this time it is expected that, for the following years, allowable growth will again be determined by use of the school aid formula. However, full controlled budget growth, being built on a per pupil basis, will be experienced only by stable or increasing enrollment schools. (17) The cash flow problem created by these political decisions accounts for the following types of responses to question 1: All schools (should) receive the full allowable growth disregarding size and which direction enrollment is moving; (Appendix L:124) state pay aid payments when due; (Appendix L:142) appropriate and deliver amounts as promised! (Appendix L:140)

Effects of Controlled Budgets and
Alternatives for Providing
Delivery of Educational
Programs

The restraints imposed upon school districts by the controlled budget are exacerbated in the case of the small, declining enrollment district because of the lack of financial growth. The local communities, however, continue to expect and demand suitable educational programs for their youngsters. Dean Meier, superintendent at Wellsburg wrote:

So much of our budget is a fixed cost. Even salaries! Many of our teachers teach required courses

and could not be terminated even if we wanted. For our system, they represent a fixed cost. After a school gets so small, per pupil cost is ineffective. Our budget must grow at the maximum growth rate or we slowly die. I believe our patrons want their school and are willing to fund it if only allowed to do so." (Appendix L:127)

Mandated school district reorganization was last considered in 1977 by the Iowa State Legislature and was defeated. (34) The superintendent at Lost Nation, Bob Steele, responded:

Have managed to balance budget each year but present finance plan will have a "dying on the vine" effect if present enrollment decrease continues. Distance, pupil sparsity per square mile, and time make reorganization in extremely "rural" areas a born loser idea. (Appendix L:128)

Stephen Swanson, in his doctoral dissertation prepared for Drake University, considers the "Preferences Toward Alternative Educational Programming in Rural K-12 Public School Districts." (38) The participants of his survey, which included different members of the school community ranging from pupils to administrators, were to rank their preferences toward six alternative choices available to Iowa school districts. He discovered the following pattern of preference ranking from most to least preferred:

1. Sharing teachers;
2. sharing administrators;
3. sharing facilities or programs;
4. increasing local taxes;
5. and voluntary reorganization. (39:8)

He concluded that:

How small rural Iowa school districts respond to the effects of declining enrollments, spiraling operational costs, legislatively controlled budgets, and minimum curriculum standards will continue to depend upon the number of alternatives available and the educational leadership of the school boards and the effectiveness of the school administrator as a change-agent. Much more constructive research and dissemination of information is needed for those responsible for making the decisions regarding alternative educational programming and the relative impact it may have on the local district. (39:13)

Educational researchers William S. Carlsen and Faith Dunne write:

It is interesting, if not surprising, to see the level of commitment communities have to retaining their schools, even when merger seems relatively convenient. . . .The difference between the percentage of people who see 'no advantage' in consolidation (37.6%) and those who see 'no disadvantage' (4.6%) is striking. It would be worth examining the reasons given for and against consolidation to get a sense of the reasons behind this tenacious commitment. The advantages of consolidation tend to be perceived as fiscal and curricular, related to broader tax base and higher pupil population levels. The sacrifices are stated in community and personal terms -- cohesion and control, attention to students as individual (both in the class-room and in the corridors). Even increased transportation problems most frequently mentioned as a disadvantage of consolidation, was often stated in terms of hardship on the children, rather than on the taxpayer. . . .In summary, small rural communities seem often intent on retaining their schools, even in the face of pressure, even in the face of apparent financial advantage if consolidation takes place. The reasons for this commitment warrant far more exploration if policy-makers are to make wise and balanced decisions about reorganizing the remaining schools in small rural communities. (5:303)

The article, "Developing Positive Parent/Community Involvement in the Schooling Process" by James Jess emphasized that:

The residents want an educational program that places an equal amount of emphasis on a child's mental, social, physical and emotional development. They believe that a student's educational needs are best served when a close and cooperative relationship exists between the home and school. They feel that this partnership is best nourished in a local community setting. Along with the demands that they place on their school, the residents of the community pledge both their personal and financial support to assist the school in accomplishing the goals that they have set out for it. (28:285)

Daryl Hobbs examined the subject in "Rural Education: The Problems and Potential" and he noted that:

Generally getting bigger through consolidation to afford those specialized services is not the viable option it once was, as the financial cost of transportation increases and the educational cost of travel time becomes greater. Consequently most rural schools are likely to remain small. . . . Rural education may need to explore alternative instructional methods and sources. Perhaps instead of rural schools trying to catch up with their urban counterparts on all conventional measures of educational input, ways need to be devised to provide educationally relevant services without their necessarily being bound to the school. The rural school with limited opportunities for enhancing educational services through further expansion may represent opportunities for educational innovation which may prove to have broader application. (14:295)

Legislative Responsibilities

Education In Rural America: A Reassessment Of Conventional Wisdom, edited by Jonathan P. Sher, was one of the first of the current resource books on the state of rural education. He proposed five basic guidelines for rural education reform:

1. The primacy of local circumstances must be respected.
2. The linkages between school and community must be expanded and the bonds between them strengthened.

3. The balance between outside regulation and local control must be more equitable.
4. Structural reforms and substantive reforms must be treated as separate and distinct issues.
5. Reform efforts must capitalize upon the strengths, as well as correct deficiencies, of rural schools. (35:274-276)

In his booklet, "The Case for the Smaller School," Weldon Beckner summarized basic considerations for maintaining locally-based schools:

New York City is building smaller schools! That recently reported fact may surprise some, but it is another indication of the reviving interest in smaller schools. . . . Changing educational philosophy, new teaching strategies and instructional technology, environmental policies, land costs, and population shifts are some of the factors of modern life that lead many to think that the small school is alive and well, making its own contributions to young people and their communities. . . . 'Better' too often meant 'like urban schools' instead of 'better' in meeting the needs of children and youth in rural and other small-school settings. (2:7)

In Rural Education -- Partners for Accountability: Legislators; School Boards; Administrators; Teachers; Parent; Community (or Citizens); Students (33), compiled by the National Institute of Education, it is stated that all these entities have their particular contribution to make to the educational partnership. "Legislators should be accountable for state laws that provide sufficient money for schools so that every child -- regardless of race, color, creed, economic status or ability to learn -- has an equal opportunity for a formal education," (33:13) is a premise most people would tend to approve in principle. However, in

practice, that partnership between small schools with declining enrollment and the Iowa legislature has been the subject of much debate in the legislature since the establishment of the Iowa Foundation Plan.

As indicated by the included excerpts, there is a lack of understanding about the relationship of small schools and their communities by many policy-makers and there is much competition for limited tax dollars. Widely divergent opinions are strongly held by people who support each side of the reorganization issue. "Conventional wisdom" that reorganization would automatically solve all problems and provide a better education has begun to be questioned in these years since the formation of the Iowa Foundation Plan. By showing the actual effects of this funding policy on small, declining enrollment schools and presenting examples of research findings, the discussions of pros and cons can be founded on reality, not just suppositions.

All of these sources have examined different aspects of the small rural school and its concerns. The two most closely related to this paper are the Dean Meier study "A Case Study of Inflationary Pressures Upon a Selected Iowa School District" which considered the use of the Consumer Price Index to control Iowa school budget growth, and the dissertation by Stephen Swanson "Preferences Toward Alternative Educational Programming in Rural Iowa K-12

Public School Districts" which investigated the popularity of the alternate methods of providing education in rural areas. This present study is concerned both with the impact of the controlled budget on the locally-based school and the choices available for the delivery of education in the rural areas of Iowa and also with the importance of related legislation. None of the sources cited above have treated the subject matter in quite this same manner.

Chapter 3

RESEARCH PROCEDURES

METHODOLOGY

The research pattern chosen for this educational study is descriptive research. Data will be examined to determine just which Iowa school districts fit the description of small, declining enrollment schools. By gathering data about the fiscal choices made by the administrators of selected small school districts, this paper will indicate the effects of the controlled budget growth on these districts and also "ascertain prevailing conditions. . .of the results of certain (educational) innovations under practical conditions." (30:1) The responses to the question about legislative priorities will be studied for formulating legislative proposals.

PROCEDURES

To Find Small, Declining Enrollment School Districts

To determine which school districts in Iowa fit the criteria of small, declining enrollment category with 325 or fewer pupils, the aforementioned actual school enrollments for 1980 will be examined. (18) These population figures

will then be compared with the 1971 enrollments of the same districts to check for the direction of change. (20)

This enrollment data will be found at the Department of Public Instruction. There are several types of enrollment lists. The enrollment numbers to be used for 1980 are the actual number of students enrolled in each district. These will be compared with the actual number of students enrolled in these same districts in 1971 to discover the enrollment trend.

To Determine Actual Controlled Growth
Percentages of Small School Budgets

The 1981 controlled budgets of these selected school districts will be compared with the 1972-73 controlled budgets in order to compute the actual percentage of growth realized for each school district budget during this time span. The term "controlled budget" will be consistently defined as "the school district's regular program cost per pupil times the district's budget enrollment." This will be important because under other definitions "controlled budget" may include such items as AEA costs. (21:7) The 1980-81 budget information is available at the State Comptroller's Office in the General Budget Fund Aid in Levy Report. (18) This report is compiled from statistics provided annually by K-12 administrators.

The budget information for 1972-73 will be computed by taking the enrollment figure for 1971 times the maximum cost per pupil as listed in the 1971-72 School Budget Review

Committee Report. (20:64-67) No other records are available for this period, but it was stated by researchers in the Department of Public Instruction that this computation would provide the comparable regular program costs for use in this study.

To Collect Information on the Effects
of Budget Constraints

Information will be collected from the superintendents of K-12 school districts with 325 or fewer pupils to determine how the actual controlled budget growth affected their administrative decisions. The survey instrument designed to elicit this information will be accompanied by an explanatory letter and submitted to the superintendents of the school districts included in the research sample. (Appendix K)

All respondents will be asked to list the administrative procedures which are being employed in their small, declining enrollment school districts to survive under the continuing controlled budget restraints. To provide depth and individual reactions, comments about each particular school and its situation will be solicited through the use of the open-ended questionnaire. (Appendix L) The data will be compiled in table form with a narrative summary of the responses. The responses to question one will be tabulated and the percentage of school districts responding to each category will be calculated to determine

which methods are being used by the majority of small, declining enrollment schools.

To Evaluate Recommendations
for Alternative Methods
of Funding

The responses to question two will be assembled into these general categories:

1. Looking at the budget from the pupil/program base;
2. Looking at the budget from the fixed cost angle;
3. Consideration of regulatory factors; and
4. Miscellaneous.

These groupings will then be organized to demonstrate the popularity of different solutions to the funding and program delivery problems of small schools with declining enrollments.

The procedures for collecting data and evaluating the responses will be discussed in the next chapter as the information is examined to determine if it supports the underlying assumptions. It is expected that this material will show that:

1. Controlled budget growth depends upon the number of students enrolled in a school district. Where there is declining enrollment, yearly school budgets do not reach the potential allowable percentage of growth.

2. School districts must find methods to compensate for lack of financial growth to provide suitable educational opportunities for their current enrollment.

3. In order for schools to provide suitable educational opportunities, the legislature must allow school districts to choose alternative educational delivery systems and provide them with adequate funding.

Chapter 4

RESEARCH FINDINGS

DATA GATHERING PROCESS

The research data were obtained in two basic ways. First, statistics were gathered to determine (1) how many of the Iowa school districts had reached the level of 325 or fewer pupils through declining enrollment since 1971; and (2) the actual percentage of budget growth for each school since the inception of the school aid formula in 1971.

The second method for obtaining information was to send an open-ended questionnaire to each of the superintendents in the 77 school districts which were found to be in the category of small, declining-enrollment schools. The survey instrument was designed to ascertain what administrative decisions had occurred for the individual districts in order to maintain their identity as locally-based schools.

When the data were complete, the findings were arranged so that percentages could be determined and the results could be obtained about the impact of the actual controlled budget growth upon the administrative decisions for each selected small school district with declining enrollment.

FINDINGS AND RESULTSSchool District Enrollment and Allowable Growth Change

The pertinent items concerning enrollment and budget growth were tabulated as shown in the following data collection informal table. While the 1971 head count times the cost per pupil equals the 1972-73 regular program budget, because of changes in the formula for setting the budget enrollment, the 1980 actual head count is smaller than the budget enrollment.

<u>School District CAL</u>	<u>Actual Head Count</u>		<u>Regular Program Cost-per-Pupil</u>	=	<u>Program Controlled Budget</u>	<u>Allowable Growth Change</u>
1971	446					
1972-73		x	\$1284	=	\$572664	
1980 Enrollment Decline	<u>277</u>				654983	14.3%
	169					

The statistics for all the school districts included in this study are found in Appendix H . These selected schools as stated below in the informal table were grouped according to enrollment size and one from each division was chosen at random to illustrate the findings:

<u>Group Size</u>	<u>Number of Schools</u>	<u>Name of Sample School</u>
276-325	23	Cedar-Valley (C.V.)
226-275	37	Fox Valley (F.V.)
176-225	7	Havelock-Plover (H.-P.)
175 and under	10	Collins (C.)

These sample school districts represent different geographical areas of the state as well as size. The random sampling indicates that variations were shown in the percentage changes of budget growth in the school districts' regular program controlled budgets.

<u>SAMPLE SCHOOL NAME</u>	<u>HEAD COUNT 1971</u>	<u>COST PER PUPIL</u>	<u>CONTROLLED BUDGET 1972-73</u>	<u>HEAD COUNT 1980</u>	<u>CONTROLLED BUDGET 1980-81</u>	<u>TOTAL GROWTH CHANGE</u>
C.V.	429	\$1298	\$556842	330	\$709170	27.2%
F.V.	304	1103	335312	246	540555	61.2%
H.-P.	283	1108	313564	184	441646	40.8%
C.	246	1015	249690	172	349258	39.8%

The total percentage of allowable growth for the State of Iowa's regular program cost from 1972-1981 was 75.16%. (Appendix B) Of the 77 selected school districts, 73, or 95%, did not equal that percentage rate of allowable growth in their controlled budgets. Only 4, or 5%, surpassed the state's percentage of allowable growth. (Appendix H) According to these findings, the actual growth percentages in the controlled budgets of the small, declining-enrollment school districts ranged from -7.9% to 91.8% for this time span. A further study might examine why the great variations exist in controlled budget growth percentages, especially why 4 declining enrollment school districts rated above the state's percentage of controlled budget growth.

The subject of this descriptive research paper is the impact of the actual controlled budget growth on the chosen school districts. The legislative decisions to restrict the percentage of allowable growth, (20:1) and the governor's reduction of state aid to schools through Executive Order Number 38 (20:2) led to responses to survey question 2 such as: "Increase funding level," (Appendix L:132) and "We need a guaranteed per cent of growth. State to provide all funds for state mandated courses." (Appendix L:126)

Changes in Administrative Procedures
Under the Controlled
Budget Constraints

The superintendents of 44 of the selected small school districts or, or 57%, responded to this questionnaire. (Appendix L) Forty-three of the responding administrators listed in some detail the changes that had occurred in their individual districts as a result of controlled budget restraints. Only one superintendent stated that the lack of maximum controlled budget growth "has not been a factor so far." (Appendix L:114) Thus, 98% of the responding administrators had been forced to make fiscal adjustments in their school administrative procedures since 1971.

The responses to question one on the questionnaire "How has your school district compensated for the lack of maximum allowable growth in its controlled budget under the

Iowa School Foundation Plan?" were grouped into four general categories in order to determine the percentage of small, declining enrollment schools which had made each type of administrative procedural choice.

1. Reduced people and/or programs which includes reduction of administrative, staff, and support personnel and the elimination of or reduced time for academic and/or co-curricular courses.
2. Reduced spending, lower salaries which includes responses that indicated reduction of both general and/or capital expenditures as well as the mention that salaries were lower than in other districts and that, in some cases, there was a voluntary agreement to "freeze" salaries.
3. Sharing, use of volunteers, extra duties which includes sharing of teachers, students, and/or facilities; the use of community volunteers and also, interest groups who support special projects; teachers who teach outside their major fields and assume extra responsibilities.
4. Innovative financing which involves using the school district's unspent balance; charging students for supplies and activities; employing energy-conserving measures; passing and utilizing special levies such as the enrichment tax, the schoolhouse levy or the site levy.

Table 1

COMPILATION OF PRIMARY RESPONSES TO QUESTION 1

<u>CATEGORY UTILIZED</u>	<u># of SCHOOLS</u>	<u>% of SCHOOLS</u>
1. <u>Reduced people/programs:</u>	32	72.7%
2. <u>Reduced spending/salaries:</u>	25	56.8%
3. <u>Sharing/volunteers/ex.duties:</u>	20	45.4%
4. <u>Innovative financing:</u>	16	36.3%

As Carlsen and Dunne observed in their article on small schools quoted in Chapter 1, (5) the commitment to maintaining the local, community-centered school is strong. With all the problems facing the school districts, only four of the responses were concerned with the choice of reorganization at this time. Two of the research sample school districts had completed a merger, a third one had reorganized with a larger school and a fourth superintendent reported a failed reorganization effort. His remaining hope for budget improvement was for the community to pass the enrichment tax. (Appendix L:147)

Recommendations for Alternative Approaches to Small School Funding

The recommendations made by the responding administrators to question two for changes to help school budget funding were grouped as follows:

1. Looking at the budget from a pupil/program base.
2. Looking at the budget from the fixed cost angle.

3. Consideration of regulatory factors.
4. Miscellaneous.

Table 2

COMPILATION OF RESPONSES TO QUESTION 2

1. Looking at the budget from the pupil/program base:

Guaranteed Budget-to-Budget + state's allowable growth-----	15	=	37%
Guaranteed Budget-to-Budget with minimum 3 - 5% allowable growth----	5	=	12%
Legislation to help declining enrollment schools-----	14	=	34%
Weighting factor--declining enrollment/low population-----	4	=	10%
Incentives/full funding for special programs/sharing-----	3	=	7%
	---		---
	41		100%
for a 91% respondent choice			

2. Looking at the budget from the fixed cost angle:

Expand the use of present special tax levies, especially for energy/ transportation costs-----	13	=	34%
Pass enrichment tax by school board vote only-----	1	=	3%
Remove transportation/energy costs from the formula-----	13	=	34%
Put controls on utility cost-----	1	=	3%
Fully fund any new requirements and/or mandates-----	4	=	10%
Fully fund present formula and pay on time-----	5	=	13%
Base funding on number of courses offered-----	1	=	3%
	---		---
	38		100%
for an 86% respondent choice			

Table 2 (continued)

3. Consideration of regulatory factors:

Flexible school year from 180 days to 1080 hours-----	6	=	35%
Close school from mid-December to mid-January-----	1	=	6%
Eliminate, not expand scope of bargaining-----	5	=	29%
Have state salary guidelines and funding-----	4	=	24%
Teach specialized courses alternate years-----	1	=	6%
	---		---
	17		100%
for a 39% respondent choice			

4. Miscellaneous:

No tuition tax credits and/or aid to non-public schools-----	1	=	33 1/3%
Reduce inequity in assessed land values-----	1	=	33 1/3%
Redistribute students living close to small schools to increase pupil/teacher ratio and cut transportation costs-----	1	=	33 1/3%
	---		---
	3		100%
for a 4% respondent choice			

The results of this study support the assumptions made earlier that:

1. Most of the small schools with declining enrollment have not had the maximum allowable growth in their controlled budgets since the inception of the school foundation formula in 1971.

2. A majority of Iowa schools in this selected research sample have been forced to make fiscal adjustments in their school administrative procedures since 1971.

3. Either sufficient funding for small schools with declining enrollments and/or alternative methods of delivering educational services should be developed as state legislation.

The compilation of actual percentages of allowable controlled budget growth shows that the majority of declining enrollment schools have not attained the state's maximum level of possible allowable growth in their budgets. The schools have differed in selecting ways of meeting that lack of growth. The most widely used method was to reduce employment of personnel and the number of programs offered. The second choice was to reduce capital spending and salary increases. Other solutions were to share programs, facilities and students, use volunteers, assign extra duties to personnel, and to employ innovative financing programs.

A 91% response rating of some type of funding based on the pupils served and the number of programs offered, including budget-to-budget funding plus guaranteed allowable growth, was the most popular approach to school financing. Special treatment of fixed cost expenditures rated an 86% favorable response. Only 39% were in favor of regulatory measures to assist with the problems of the small, declining enrollment school and 4% of the suggestions fit into the miscellaneous category.

The results of the responses to this questionnaire strongly indicated the perceived need for changing the funding formula to show an understanding and appreciation for the special problems facing small rural declining-enrollment school districts. The majority of the administrators comprehended the interrelationships of school and community and concurred with the importance of the locally-based school while a few questioned retaining this unit without question of the costs.

Chapter 5

SUMMARY, CONCLUSIONS, AND RECOMMENDATIONS

SUMMARY

This descriptive educational research study of the effect of controlled budget growth on selected small, declining-enrollment Iowa school districts demonstrated how these districts are coping under the constraints of legislation and mandatory regulations along with ever-increasing expectations for providing comprehensive education for all people.

The narrative responses to the survey questionnaire indicated basic frustration with the current state of school district funding and the continuous efforts that must be made to meet the expectations of students, parents, teachers, and communities, as well as the policy-making bodies, for the local declining enrollment district to provide excellence in education under the constraints of the controlled budget. An example of this reaction is expressed by small school superintendent, Dr. James Jess, writing in the High School Journal:

Since 1971 the state has determined how much each district in the state can spend on its yearly program. Now school districts must wait until the state determines their budget and then local boards of education can determine their district's priorities to

fit the budget that they are given. From 1971-72 to 1980-81, CAL's state-controlled budget has been limited in growth to less than 15 percent over the nine year period. This has occurred because of two reasons. First, there has been an inadequate allowance in the state's formula for declining enrollment, especially in small rural districts (those with K-12 enrollments below 350-500). Second, the state's formula for declining enrollment, especially expenditures statewide between rural and urban districts has been done without providing any kind of mechanism to compensate for the higher cost associated with small size, population sparsity or rural isolation. During this same nine-year period (1971-72 to 1980-81), the state average expenditure for education rose 105 percent, and some districts experienced budget increases in excess of 150 percent. (27:287-288)

This observation was supported by the replies of other small school administrators in their responses to the survey questionnaire. Even with all the fiscal problems in maintaining the small, community-centered schools, only 4 superintendents opted for reorganization at this time. Some of the remaining 40 small school administrators indicated that, without changes in school district funding, reorganization might be considered as a solution in the future. (Appendix L)

The most widely employed solutions to compensate for limited controlled budget growth were to reduce personnel and/or programs as indicated by 72.7% of the responses. In many cases the concept of sharing in some form was used to continue to offer needed course work. The educators expressed concern that implementing these measures should enhance and not curtail the education of their pupils. The second largest category for continuing to operate under the budget constraints was to reduce or defer spending. In this

area delaying capital improvements and retaining school buses for a longer period of time were mentioned as fiscal choices and/or necessities.

The most favored legislative approach to alleviate the fiscally-caused problems of the small school with declining enrollment was found to be budget-to-budget funding, either with the state's allowable growth (37%) or with a minimum guarantee of 3 to 5% allowable growth (5%) for a total of 42% making this choice. The second most popular approach was to either expand the use of present tax levies for energy/transportation costs (13%) or to remove those costs from the formula (13%) for a total of 26% choosing this method.

CONCLUSIONS

The controlled budget has worked a hardship on these small schools with declining enrollments because the number of pupils determined the amount of money available for the district operation. As Dr. Tack stated in his Recommendation V of the "Summary of State Equalization Project Findings," such "school districts have very little opportunity to effect savings without cutting programs. Most of the costs continue to increase." (40:33)

The interests of communities and schools are so intertwined that, as Superintendent Jack Sapp of Hedrick wrote in response to question two, "The worst thing that can happen is for small towns to lose their schools. If

they reach less than 200 pupils then I think the district is compelled to think of merging." (Appendix L:143) But of the administrative procedures adopted to maintain or improve education in small, declining enrollment schools, reorganization is the least popular measure.

These results will be used in lobbying for changes in the present school finance funding that will take into account the unique problems of small rural schools with declining enrollments. These include the fixed costs, the population density of the area served, the higher cost of delivery of services, and the importance of the community-school relationship. For, as Superintendent Dean Meier states, "The state legislature needs more information on the....pressures faced by rural Iowa schools." (32:4)

The findings will also be distributed to community members through newsletters and speeches, because, as Marilyn Watkins states in her 1981 doctoral thesis for the University of Wisconsin, "Parents have a right to be fully responsible and involved in their children's education." (42:17) But without background knowledge of the problems faced by their schools and the available alternatives, the public is reluctant to become involved.

RECOMMENDATIONS

Overall, the administrators made concrete suggestions that can be formulated into concepts for lobbying statements. As a result of this survey, the

following recommendations, either for new legislation or for rewriting the old school finance formula, will be offered when the new legislature convenes:

1. To provide budget-to-budget funding preferably with the state's allowable growth added but with at least a minimum guaranteed allowable growth of 5% of the state's cost per pupil.
2. To consider a weighted funding factor based on population sparsity and declining enrollment.
3. To expand the use of present special tax levies to include energy and/or transportation costs.
4. To review the impact of non-teaching expenditures upon teacher salaries, such as utilities and transportation costs with the goal of removing them from the formula.
5. To propose using the classroom unit as the basis for funding rather than the current per pupil basis.

The adoption of any one of these recommendations would alleviate some of the financial problems faced by small, declining-enrollment Iowa school districts. But before any of these propositions will be considered for legislative action, information on just how the controlled budget has affected these schools must be disseminated in such a manner that it will be considered with understanding. The perception of the problems encountered by these school districts need to be made more apparent for both the members

of the public who must pay for any changes in school funding, and also for members of the bureaucracy who make the policies that must be enforced. This knowledge will help to shape the attitudes that determine the future survival of these small rural, declining-enrollment school districts through proposed legislation and resultant community action. Thus, the results of this study will be used in formulating small school legislative proposals for the coming 1985-1986 session.

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APPENDIX A

THE IOWA SCHOOL FOUNDATION PLAN

INTRODUCTION

The Iowa School Foundation Program, Chapter 442, Code of Iowa, was enacted in 1971. Prior to 1971, school districts drew up budgets based upon the previous year's expenses, projected enrollments, and anticipated changes; property taxes were levied to meet most of this budget. Some state aid was forthcoming and there were budget guidelines. However, it appeared that communities supported education to whatever financial level their local school boards deemed appropriate.

The original school foundation program addressed increasing enrollments and expenses, increasing property taxes, and a tightening of the economy amid nationwide cries that rich schools in rich districts produced better-educated graduates than did poor schools in poor districts - an obvious case of unequal opportunity.

In seeking to help districts finance education, to relieve property taxes, and to narrow the spending gap between districts, the legislature enacted the school foundation program which provides that the State of Iowa would guarantee a state foundation base, the minimum amount to be spent on each child in Iowa public schools. The program applies only to the instruction portion of the budget - the general (operating) fund. The state foundation base includes two components:

1. A uniform property tax to be levied on all taxable property in all districts for funding schools and
2. State aid, to be paid from state revenues, equal to the difference between the foundation base and the uniform property tax for a district, guaranteeing the foundation base amount for each child.

Above this foundation base, additional property taxes may be levied on all taxable property in a district to fund the budget that is larger than the foundation minimum.

The foundation program also provides for special considerations such as enrollment changes, unusual needs and costs, economic changes, specially mandated programs and enrichment expenses, as well as other sources of income.

I. THE BASIC DESIGN OF THE IOWA FOUNDATION PROGRAM

A. Foundation Base

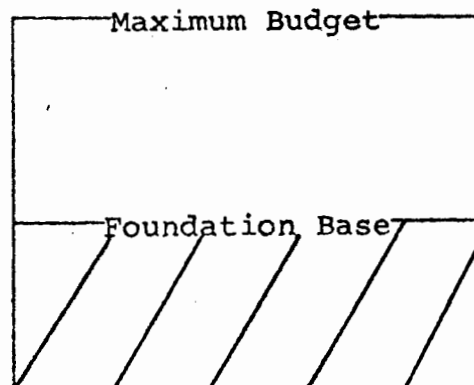
1. How the Foundation Base Is Determined

The Iowa foundation base, the minimum amount to be spent on each child, was established for the 1972-73 school year at 70% of the average cost per pupil in Iowa in 1972-73. The average cost per pupil became the basic figure for all future computations and is known as the state cost per pupil. The percentage of the state cost per pupil was designed to increase by 1% each year until 1982, to a maximum of 80%.

IN 1972-73	State cost/pupil = \$903
	State foundation base = 70% x \$903 = \$632/pupil

IN 1978-79	State cost/pupil = \$1470
	State foundation base = 76% x \$1470 = \$1117/pupil

Each district could calculate its own foundation base by multiplying its enrollment* by the state foundation base per pupil. The cost per pupil in each district was different; districts spending above the average were kept at the 1971-72 level plus \$45 for 1972-73. Districts then developed their instruction budget with limitations on spending: the district cost per pupil in the current operating year (base year) would be the district cost per pupil in the year being planned (budget year).



--442.3, 442.8

If costs and state revenues increased, an allowable growth dollar amount would be declared by the State Comptroller to

*The determination of enrollment has changed continually. An explanation of these changes and the present determination of enrollment follows on pages 8-9.

be added to the base year cost, increasing the budget year cost per pupil. The state cost per pupil for each subsequent year was derived by adding the allowable growth dollars to the previous year's state cost per pupil.

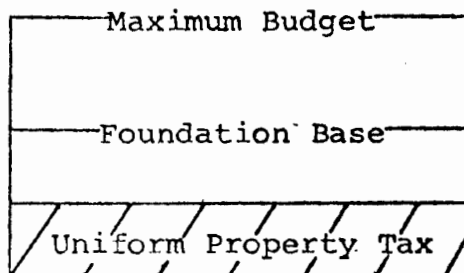
--442.7

FOUNDATION BASE =

District enrollment x State cost/pupil + Allowable growth

2. Iowa's Uniform Property Tax

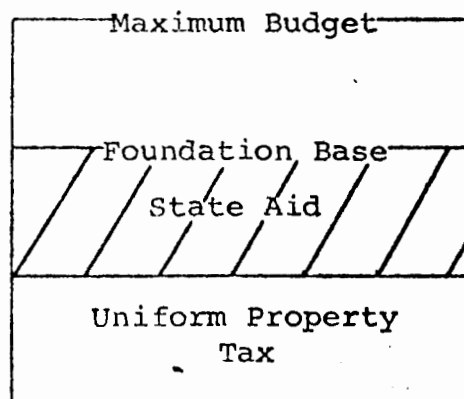
Every school district in Iowa is required to levy a uniform tax on all taxable property. In 1972-73 this levy was established at 20 mills based on 27% valuation. This has been translated to \$5.40 for every \$1000 based on 100% valuation.



--442.2

3. State Aid

Once the foundation base is determined and the amount of money the uniform property tax would raise is known, state aid can be calculated. State aid is the difference between the amount of the foundation base and the amount collected using the uniform property tax.



--442.1

STATE AID =

Foundation base per pupil - Uniform property tax levy

The code provides that each district shall be allowed a \$200 minimum aid per pupil, except that this minimum shall not result in an increase in the controlled budget or a levy less than the uniform requirement.

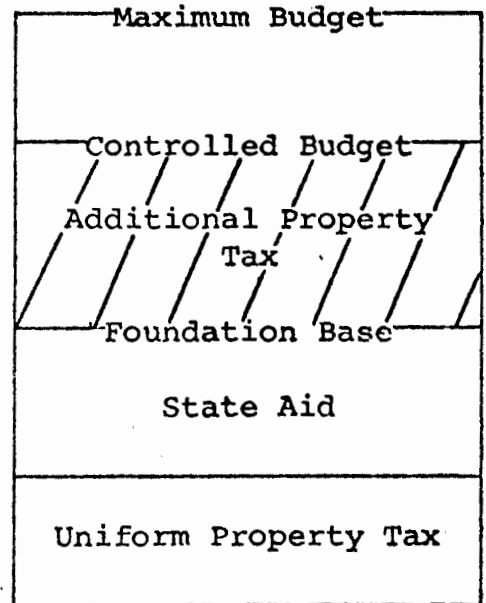
--442.2

All children, thus, are guaranteed at least the foundation level of support through the uniform tax revenues and state aid.

B. Levying Additional Property Taxes

The total allowable instruction budget for a school district is equal to the budget year cost per pupil times total enrollment. If the foundation base does not provide the total dollars needed, then additional funds may be collected by a local property tax levy. The additional revenue is applied on top of the foundation base to reach the controlled budget. The controlled budget is actually the district cost per pupil times total enrollment.

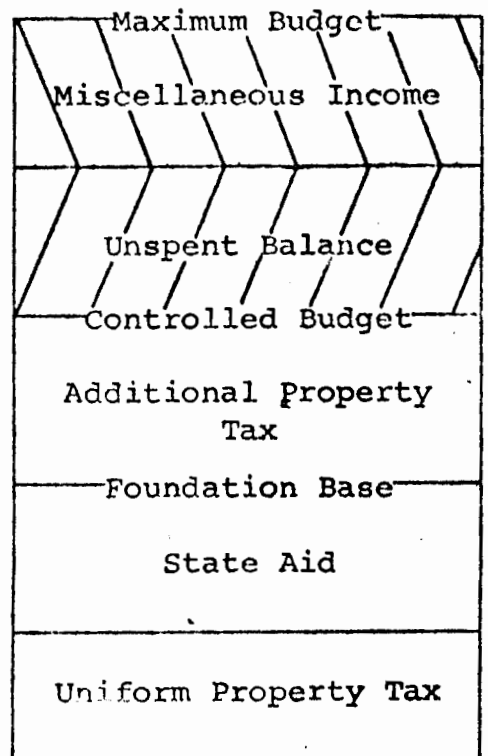
--442.9



C. The Unspent Balance

If a school district has a portion of its authorized budget remaining at the end of the base year, this unspent balance can be applied to the budget for the coming year. The unspent balance does not replace tax money or state aid but can be added over and above the controlled budget.

--442.5



D. Miscellaneous Income

All receipts deposited to the general fund of a school district which are not obtained from state aid or from property tax are listed as miscellaneous income and are applied on top of the controlled budget to reach the maximum instruction budget which a

school district can certify. These sources include, but are not limited to: tuition; building rental; student fees; mobile home tax; semi-annual apportionment (traffic and overweight truck fines); grants and special programs, including federal, state and private funds; gifts and donations.

--442.5

MAXIMUM BUDGET =

Controlled Budget + Unspent Balance + Miscellaneous Income

Source: Judy Dolphin, Ann Bovbjerg and Jane Halliburton, School Finances, The Iowa Foundation Plan. League of Woman Voters of Iowa, September, 1979. pp 2-6.

APPENDIX B

EDUCATIONAL EXPENDITURES IN IOWA'S PUBLIC SCHOOLS

Table 1

Educational Expenditures in Iowa's Public Schools

Year	State Cost Regular Program Per Pupil	AEA Per Pupil	Found- ation Support Per Pupil	Allow- able Growth Per Pupil	% Change Per Pupil	General Fund Total Per Pupil	% Change Per Pupil	Actual General Fund Expenditures (SAR) Total for All Iowa Schools (Without AEA)	% Change Total	Dist- ricts Below State Av.	No. of Dist- ricts
1970-71	-	-	-	-	-	\$ 859	-	\$ 562,903,476	-	-	451
1971-72	-	-	-	-	-	\$ 927	7.92%	\$ 602,841,671	7.10%	-	450
1972-73	\$ 903	-	\$ 632	\$ 45	-	\$ 953	2.80%	\$ 609,024,670	1.03%	157	450
1973-74	\$ 948	-	\$ 673	\$ 45	4.98%	\$1033	8.39%	\$ 644,600,352	5.84%	146	449
1974-75	\$1024	-	\$ 737	\$ 76	8.02%	\$1171	13.36%	\$ 715,739,426	11.04%	116	449
1975-76	\$1134	\$40	\$ 857	\$110	10.74%	\$1347	15.03%	\$ 815,404,696	13.92%	27	448
1976-77	\$1245	\$48	\$ 957	\$111	9.79%	\$1493	10.84%	\$ 888,414,458	8.95%	52	448
1977-78	\$1343	\$55	\$1049	\$ 98	7.87%	\$1641	9.91%	\$ 949,153,341	6.84%	37	447
1978-79	\$1470	\$55	\$1157	\$127	9.46%	\$1832	11.64%	\$1,023,703,494	7.85%	11	445
1979-80	\$1609	\$74	\$1296	\$139	9.45%	\$2059	12.39%	\$1,110,561,467	8.48%	3	445
1980-81	\$1848	\$86	\$1489	\$239	14.85%						443

Sources: Iowa State Department of Public Instruction, General Fund Expenditure Computation (Des Moines: State of Iowa, 1971, 1972, 1973, 1974, 1975, 1976, 1977, 1978, 1979, 1980).

Iowa State Department of Public Instruction, Public School Finance in Iowa (Des Moines: State of Iowa, July, 1980).

APPENDIX C

PUBLIC SCHOOL FINANCE IN IOWA

State Of Iowa
DEPARTMENT OF PUBLIC INSTRUCTION
Administration and Finance Division
Grimes State Office Building
Des Moines, Iowa 50319

PUBLIC SCHOOL FINANCE IN IOWA

DATA ANALYSIS AND STATISTICS SECTION

JULY 1981

Iowa School Finance History

Iowa's current school finance law dates back to the mid 1960's when the 62nd General Assembly took steps to provide for general property tax replacements, equalization of the method of taxation of property for school purposes and allocation of state funds for aid to schools. They also provided for agricultural land tax credits, personal property tax credits and additional homestead credit for the aged. The 62nd General Assembly in 1967 created county tax units for equalizing the education tax burden of districts within the county by spreading 40 percent of each district's property tax asking across all districts within the county. Also, 40 percent of the income tax dollars paid by county residents was distributed on an equal per pupil basis across all pupils in the county. The 62nd General Assembly also created a school budget review committee to consider unique and unusual school budget circumstances.

Between 1970 and 1972 the General Assembly modified the 1967 law to achieve the present type of foundation plan. The basic features included a uniform levy requirement, establishing a state foundation base, establishing a maximum growth on each budget, providing for a leveling up of low spending districts, providing for a minimum state aid and budgeting on the basis of the number of students enrolled.

SUMMARY OF LEGISLATION

Understanding the school finance law of today requires a knowledge of the current history of school finance in Iowa. Although changes have been made frequently by the Iowa Legislature, some basic features of the law have remained intact. All public school districts' budgets were frozen for the 1971-72 school year at the 1970-71 level plus \$45 per pupil. The state cost per pupil was set at \$920 for 1972-73 (Later adjusted to \$903). The state cost was defined for succeeding years as the previous year's state cost plus allowable growth. The allowable growth is a dollar amount per pupil determined by multiplying the state cost by the percent change in the consumer price index or more recently the gross national product implicit deflator. A state foundation base was established at 70 percent of the state cost per pupil in 1972-73. This base was to increase 1 percent per year up to a foundation base of 80 percent (Table 1). However, the foundation base has been frozen at the 1979-80 base for the 1980-81, 1981-82, and 1982-83 budgets.

The General Assembly established controlled budgets by statutorially setting budget growth and establishing budgets based upon local district cost per pupil multiplied by the current number of pupils. The budget growth was determined by state cost per pupil times the average percent change of state revenues and the consumer price index. The 1980-81 budget growth was based upon the percent change in the consumer price index. The 1981-82 growth was to be based upon the percent change in state revenues and the gross national product implicit deflator unless the change in revenue was less, if the change was less, then the revenue growth rate was to be used. However, for the school years 1981 and 1982 the percent growth was set by the General Assembly at five percent and seven percent respectively.

In addition to the legislative changes which are described on the following pages, the Governor through Executive Order number 38 reduced the general fund appropriations (state aid) during the 1980-81 school year by 4.6 percent. This reduction did not reduce authorized budgets but did result in a reduction of state aid receipts.

Table 1
State Cost, Foundation Level and Expenditures

Year	State Cost Regular Pupil	AEA Support Cost	Total Cost	Foundation Support Level	Foundation Support Percent
1971-72	--	--	--	--	--
1972-73	903	--	903	632	70
1973-74	948	--	948	673	71
1974-75	1,024	--	1,024	737	72
1975-76	1,134	40	1,174	857	73
1976-77	1,245	48	1,293	957	74
1977-78	1,343	55	1,398	1,049	75
1978-79	1,470	55	1,525	1,157	76
1979-80	1,609	74	1,683	1,296	77
1980-81	1,848	88	1,934	1,489	77
1981-82	1,940	88	2,028	1,562	77
1982-83	2,083	94	2,177	1,676	77

CURRENT STATE AID CHRONOLOGY

Year	General Assembly	Session	Bill	Major Feature
1967	62nd	Regular	HF686	<ol style="list-style-type: none"> 1. Established 99 basic school tax units. 2. Forty percent of school property tax raised uniformly across basic school tax unit. 3. Forty percent of income taxes paid within a school taxing unit paid back to individual districts on an equal per pupil basis. 4. State allocations were based upon actual expenditures adjusted by a financial support factor. 5. A school budget review committee was established.
1970	63rd	2nd	SF640	<ol style="list-style-type: none"> 1. Established the budget certification date as February 15. 2. Redefined allowable reimbursable expenditures. 3. Distribution of money based upon fall enrollment. 4. Redefined state allocation procedures and financial support factor.
1971	64th	1st	HF121	<ol style="list-style-type: none"> 1. Froze 1971-72 expenditures at 1970-71 levels plus \$45 per pupil using 1971 fall enrollments.
			HF654	<ol style="list-style-type: none"> 1. Created Chapter 442, Code of Iowa, basic provisions were <ol style="list-style-type: none"> a. required each district to levy a 20 mill foundation property tax. b. established a state foundation base at 70 percent of the state cost per pupil, increasing 1 percent annually to 80 percent. c. established each district's foundation base. d. established a state foundation aid base equal to the difference between the amount the uniform levy would raise plus miscellaneous income and the state foundation base. e. established a \$200 per pupil minimum aid except the tax rate could not be less than 90 percent of the 1970-71 tax rate. f. enrollment was based on the second Friday in September. g. the state cost was set at \$920 for 1971-72.

CURRENT STATE AID CHRONOLOGY (CONT.)

Year	General Assembly	Session	Bill	Major Feature
			HF654	<ul style="list-style-type: none"> h. maximum tax rates could not exceed 1970-71 rates. i. established an income surtax to allow districts to increase maximum budget via elections.
1972	64th	2nd	HF1269	1. Redefined Chapter 442 but no concept changes.
1973	65th	1st	HF359	<ul style="list-style-type: none"> 1. Established two alternate dates, September or January, for determining enrollment. 2. Removed miscellaneous income from the formula and established the 1972-73 state cost at \$903. 3. Limited the 1973-74 state percent of growth to a maximum of 5 percent. 4. Provided greater equalization by increasing the district cost of districts below the state cost through 125 percent growth. 5. Clarified Chapter 442 through technical and procedural changes.
1974	65th	2nd	HF1121	<ul style="list-style-type: none"> 1. Established a declining enrollment provision. 2. Repealed the maximum tax reduction. 3. Established the state percent of growth at 8 percent for 1974-75 and 1975-76.
			HF1163	<ul style="list-style-type: none"> 1. Established area education agencies designed to provide special education support services, media services and other education services. 2. Established weighted pupil counts for special education children.
1975	66th	1st	HF558	<ul style="list-style-type: none"> 1. Removed driver education as a categorical aid. 2. Redefined the declining enrollment provision. 3. Established the state percent of growth at 10.7 percent for 1975-76 school year. 4. Set the state percent of growth based upon changes in the Consumer Price Index and the state's revenues. 5. Expanded the enrichment levy to be funded by property taxed and an income surtax. 6. Provided for advanced state aid to increasing enrollment districts.

CURRENT STATE AID CHRONOLOGY (CONT.)

Year	General Assembly	Session	Bill	Major Feature
1977	67th	Extra	SF415	<ol style="list-style-type: none"> 1. Repealed maximum tax limitation. 2. Repealed guaranteed state aid provision.
1979	68th	1st	HF660	<ol style="list-style-type: none"> 1. Redefined the declining enrollment provision beginning with the 1980-81 budget year. 2. Established the allowable growth to be based upon changes in the Consumer Price Index for the 1980-81 thru 1982-83 budget years. 3. Adjusted the state cost by adding \$20, \$6, \$7 and \$8 per pupil for the budget years beginning July 1, 1980, 1981, 1982 and 1983 respectively. 4. Added a weighting plan for children taught by a jointly employed teacher and/or attending classes in another district. 5. Repealed the restrictions on the use of the enrichment amount.
1980	68th	2nd	HF2551	<ol style="list-style-type: none"> 1. Redefined allowable growth calculation to be based upon change in state revenues and gross national product implicit deflator. However, if revenues are less than deflator changes will be based upon revenues only. 2. Froze the state foundation base for one year. 1980-81 will be the same as 1979-80. 3. Removed School Budget Review decisions in determining if a district is eligible for 110% allowable growth. Retroactive to 1977-78 school year. 4. Permits the School Budget Review Committee to grant additional budget growth for gifted and talented programs. 5. Removed the \$6 per pupil adjustment to state cost scheduled for 1981-82 budget year. 6. Changed area education agencies special education support services from budget to budget to a per pupil basis with allowable growth added on a per pupil basis.
1981	69th	1st	HF414	<ol style="list-style-type: none"> 1. Permitted districts to levy for a cash reserve not to exceed 7.5 percent of total expenditures. 2. Freeze the foundation base for the 1981-82, 82-83 school years at the 1979-80 level.

CURRENT STATE AID CHRONOLOGY (CONT.)

Year	Assembly	Session	Bill	Major Feature
				3. Established 1982 budgets at a minimum of 100 percent of 1981 budgets.
				4. Established allowable growth for the 1981-82, and 1982-83 years at five and seven percent.
				5. Freeze the AEA special education support costs per pupil and the educational services budget at the 1980-81 level for the 1981-82 year.
				6. Established educational services and media service budget growth as a per pupil amount based upon the state allowable growth rate and established the respective budgets as an amount per pupil times the enrollment in an AEA.
				7. Provided for a supplement school income surtax not to exceed \$75 per pupil on the budget enrollment.

THE IOWA FOUNDATION AID PROGRAM

Iowa's school foundation aid program for financing public elementary and secondary education is very straightforward in concept. All children are guaranteed a basic financial support level by having all districts tax themselves at \$5.40/\$1,000 valuation and the state providing aid up to the basic support level. For each district the total foundation level equals the state foundation support level times the district's total weighted enrollment.

The state supports the foundation program at an increasing percentage each year with the 1981-82 and 1982-83 budgets supported at 77 percent of the state cost. This percentage will increase 1 percent each year up to 80 percent.

The foundation aid program can be depicted as follows:

Foundation Support - Local Effort = State Aid

or

(State Cost X Percent of Support) - Uniform Levy = State Aid

or for 1981-82

(1,940 X 77%) - \$5.40/\$1,000 X Assessed Valuation = State Aid

State Cost

The use of the term cost has caused much confusion when state cost is used. For the 1971-72 school year, a state average cost was determined by dividing budgets, less miscellaneous income, by the total number of pupils. In that year, the state cost was averaged; however, since that year, an allowable growth amount has been added each year establishing a new state cost figure used for support level purposes. The 1980-81 regular program state cost figure was \$1,848 and is \$1,940

for 1981-82. The state cost amount has two purposes: 1) to determine the dollar amount of allowable growth and 2) to determine the foundation support level.

For the budget years 1982-83 and 1983-84 the state cost will be the state cost of the previous year plus allowable growth plus \$7 and \$8 respectively.

Minimum Aid

Some school districts have wealth bases such that the uniform levy of \$5.40/\$1,000 generates more money than the state support level. For these districts, a guaranteed minimum aid provision was established granting them \$200 minimum aid per pupil, except that the \$200 minimum aid shall not result in an increase in the controlled budget or a levy less than \$5.40/\$1,000 assessed valuation.

SCHOOL BUDGETS

The maximum generated fund budget for a school district consists of four parts: controlled portion, enrichment portion, miscellaneous income and balance carried forward.

The controlled budget is as follows:

District	Allowable	+	AEA Sp. Ed.					
Cost Per	+ Growth		Support	X	Formula	Enrollment		
Pupil			Services					
	AEA Media		AEA Other		District	Resident		Controlled
+	Cost Per	+	Services	X	Headcount	+ Nonpublic	=	Budget
	Pupil		Per Pupil		Enrollment	Pupils		

Enrollments

The number of students in a district basically determines the district's budget. Pupils multiplied by local district cost per pupil establishes the controlled budget, and it is the controlled budget which is supported in part by the state aid.

The pupils count used for budget purposes if AEA costs are excluded has four parts: actual certified pupils, a compensation for declining enrollment, supplementary weighting, and a special education weighting. If the AEA costs are included, then nonpublic students are included to determine media and educational services costs.

Prior to the 1979-80 budget year, compensation for declining enrollment was determined by calculating the difference between current enrollments and enrollments one year previous. If a district was declining, then 50 percent of the enrollment loss up to 5 percent of the base year enrollment was forgiven or added to the actual enrollment. For any loss over 5 percent, 25 percent of the loss was forgiven. For the 1979-80 budget year, 2.5 percent of the base year enrollment was completely forgiven and any loss over this was forgiven at the 50 percent level. Starting with the 1980-81 budget year, school districts calculated their budget enrollments as follows:

25% X September 1978 enrollments + 75% X larger of current September or previous September enrollments

For example:

.25 X September 1978 enrollments = .75 X (September 79 or September 80)

and 1982-83 budgets will be:

.25 X September 78 + .75 (September 80 or September 81)

However, if a district's enrollment is increasing, then the actual enrollment in the year the budget is implemented will be used. Budget enrollments also were adjusted if the budget for 1980-81 was not at least 4 percent larger than the 1979-80 budget. Then the budget enrollment was adjusted to assure a 4 percent growth. In 1981-82 a 3 percent growth was assured and in 1982-83 the previous year's budget will be assured.

The special education weighting depends upon the needs of the student and the type of program to which the student is assigned. Special education students who remain in a regular program but who receive some instruction in regular classrooms are weighted 1.7. Students receiving instruction in a special education self-contained classroom who receive little or no integration into a regular class are weighted 2.0. Pupils requiring special education who are severely handicapped or who have multiple handicaps or who are chronically disruptive are weighted 4.0.

The supplementary weighting plan is a .1 weighting times the percent of time in a shared time program. Pupils attending classes in another school district, attending classes taught by a teacher jointly employed, or attending classes taught by a teacher who is employed by another school district are all eligible for shared time weighting.

Historical enrollments used for budget purposes, which include certified budget enrollments, formula enrollments, declining enrollment weightings, special education weightings, nonpublic enrollments and AEA service enrollments are presented in Table 2

Table 2
Budget Enrollment 1971-72 - 1981-82

Year	Certified Budget Enrollment	Formula Enrollment	Declining Enrollment Weighting	Special Education Weighting	Non-Public Enrollment	AEA Service Enrollment
1971-72	652,518	652,518	--	--	--	--
1972-73	646,949	646,949	--	--	--	--
1973-74	630,722	643,391	12,669	--	--	--
1974-75	619,856	637,479	17,623	--	--	--
1975-76	616,633	654,362	10,064	27,665	--	--
1976-77	610,087	648,977	5,237	33,699	58,245	668,335
1977-78	601,591	641,216	5,932	32,125	56,507	658,098
1978-79	586,029	627,324	8,354	32,921	55,857	641,892
1979-80	571,049	619,793	16,014	32,730	53,345	624,394
1980-81	551,330	605,485	20,091	34,012	51,307	602,647
1981-82	536,979	600,017	25,647	37,300	50,538	588,153

District Cost Per Pupil

Local district costs per pupil were established in 1971-72 and are used to establish the controlled budget. The terms local district cost per pupil, district cost per pupil and controlled budget per pupil can be used interchangeably. The local cost figures have been modified annually by the allowable growth calculated using the state cost. For some districts additional allowable growth has been granted by the School Budget Review Committee. All districts annually increase their per pupil cost amount by the state per pupil allowable growth. However, if a district is below the state cost per pupil, then it may increase its cost per pupil up to the state cost so long as the allowable growth does not exceed 125 percent (1979-80). As of 1980-81, the 125 percent figure was reduced to 110 percent. This leveling up provision was designed to reduce disparity between high and low expenditure districts.

Allowable Growth

Budgets are annually increased by a state allowable growth which permits each district to increase its expenditures by a fixed dollar amount per pupil. The increase has been based upon changes in the Consumer Price Index and the general revenues of the state. The average of the percent of change in the two has been used; however, for the 1980-81 budget years, the allowable growth was based upon changes in the Consumer Price Index only. Starting with the 1981-82 budget year, the allowable growth was to be based upon the average change in the gross national product implicit deflator and the revenues of the state unless the revenue change is less than the deflator change. If the revenue change is less, then the allowable growth was to be based upon the revenue change only. However, the 69th General Assembly established the allowable growth rate at five percent and seven percent for the 1981-82 and 1982-83 budget years respectively.

Supplemental School Income Surtax

For the 1981-82 school year school boards could call for a special election to determine whether to impose a supplemental school income surtax on individual state income tax for the calendar year beginning January 1, 1981. The surtax amount could not exceed the difference between the five percent allowable growth and the nine and twenty-six thousandths percent growth or \$75 times the budget enrollment. A simple majority was required for passage.

School boards had between April 2, 1981 and July 1, 1981 to hold an election to gain approval for the surtax.

Enrichment Levy

The enrichment levy has allowed districts to increase their budgets by up to 5 percent of the state cost per pupil for the purpose of educational research curriculum maintenance or development of innovative programs. The additional enrichment amount must be approved at the local level by a majority of those voting.

The tax used for the enrichment amount is a combination of income surtax and property. The proportion of the tax is a property tax of 27¢/\$1,000 of assessed valuation for each 2.5 percent of income surtax. The maximum tax is a 5 percent income surtax and a 54¢/\$1,000 of assessed valuation.

Beginning with the 1979-80 school year, a district may increase its budget by up to 10 percent of the state cost per pupil through the enrichment levy. The combination of property tax and income surtax was changed to the proportion of a property tax of 27¢/\$1,000 of assessed valuation of taxable property in the district for each 5 percent of income surtax. The maximum tax for the enrichment amount was changed to \$1.08/\$1,000 of assessed valuation and an income surtax of 20 percent. Also beginning with the 1979-80 school year, the enrichment amount was no longer restricted to expenditures for educational research, curriculum maintenance, or development of innovative programs.

Miscellaneous Income

Miscellaneous income includes all income not included in the controlled budget. The major source of this revenue is federal funds; however, other sources of revenue also are included in miscellaneous income such as semi-annual apportionment, interest on securities, and supplemental income surtax.

Unspent Balance

The unspent balance from the previous year is added to a district's budget and can be spent the following year. The controlled budget plus actual miscellaneous income minus actual expenditures determine the unspent balance.

SCHOOL BUDGET REVIEW COMMITTEE

The School Budget Review Committee (SBRC) was established in 1967 and included as an integral part of the current finance law adopted in 1971. The committee, consisting of the superintendent of public instruction, the state comptroller and three appointed members, has the authority to review districts' budgets and modify a budget because of unique and unusual circumstances. For example, an unusual circumstance may be caused by enrollment changes, natural disasters, transportation or staffing needs. Chapter 442.13, Code of Iowa, enumerates 16 unique or unusual circumstances but does not limit a district from appearing before the SBRC for other unique and unusual budget circumstances.

The SBRC has also been given the authority to grant a school district additional allowable growth for gifted and talented programs. However, a maximum of 75% of the dollars needed can be obtained from the additional allowable growth. The other 25% must be from the general fund. Funds for the gifted and talented program from other sources must be subtracted from the total budget prior to computing the 25%, 75% mix of dollars. No more than 3% of the enrollment may be identified as gifted funding purposes.

AREA EDUCATION AGENCY

The Area Education Agency (AEA) does not have its own taxing authority and hence relies upon the Local Education Agency (LEA) to generate dollars for its operation. The services and the budget of an AEA can be divided into three parts: special education support services, media services and other education services.

The special education support services are supported by the foundation formula while media and other education services are completely supported by property taxes. Prior to the 1981-82 budget year, the AEA determined its budgetary needs in each of these three areas and translated these into dollar amounts per pupil. These were then used by each district to determine the amount of money to be generated by the district to "flow through" the district to the AEA.

In the 1981-82 budget year the special education support service budget was determined by using the 1980-81 per pupil cost times the weighted enrollment. The education service budgets for 1981-82 were frozen at their 1980-81 level and the budgets for media services were increased by five percent. For 1982-83 the special education support service cost per pupil will be based upon the 1981-82 cost per pupil plus an allowable growth per pupil. Budgets for media and education services will be determined in a similar fashion by calculating a 1981-82 cost per pupil plus an allowable growth per pupil times the enrollment served.

SOURCES OF REVENUES

The primary sources of revenues to support public elementary and secondary education in Iowa are property taxes and state aid. The state aid is derived from the general revenues of the state, primarily income and sales taxes. The percent of revenues derived from property taxes has decreased, while the state's contribution has increased considerably. In 1970-71 the state's direct contribution to schools was \$116.4 million; by 1978-79 it has grown to \$482.0 million. In addition to the direct contribution of state aid, tax credits are given such as homestead exemption and agriculture land tax credits. These credits currently result in \$115.1 million in state aid being indirectly given to schools. This is indirect aid in that the state dollar is replacing the revenue lost when a credit is given. Table 3 presents the sources of the school dollar as determined from school budgets.

Table 3

Sources of the School Dollar (In Millions)

	<u>1970-71</u>		<u>1975-76</u>		<u>1980-81*</u>	
Property Taxes	\$337.5	56.3%	\$345.8	39.1%	\$ 487.0	36.1%
State Aid	166.4	27.8%	402.6	45.6%	596.4	44.3%
State Credits	59.5	9.9%	67.0	7.6%	113.2	8.4%
Miscellaneous	<u>36.1</u>	<u>6.0%</u>	<u>68.1</u>	<u>7.7%</u>	<u>150.8</u>	<u>11.2%</u>
	\$599.5	100.0%	\$883.5	100.0%	\$1,347.4	100.0%

Source: Office of the State Comptroller

*Estimates published as of October 3, 1980

GENERAL AND SCHOOLHOUSE FUND

Revenues and expenditures of public school districts are either for a general purpose which is the general fund or for the school building or site which is the schoolhouse fund. The general fund is for the general day to day operation of the school district, while the schoolhouse fund is for specific items statutorially established. Most revenues for the schoolhouse fund are derived through five levies; playground levy, site levy, schoolhouse tax levy, lease-purchase levy, and a levy for general obligation bonds.

Major construction is usually undertaken through the use of general obligation bonds approved by the voters. A 60 percent "yes" vote is required to approve the property levy necessary to pay the principal and interest on these bonds. A school district has a maximum bonded indebtedness of 5 percent of its assessed valuation and a maximum tax rate \$2.70/\$1,000 or \$4.05/\$1,000 with voter approval.

The schoolhouse tax may not exceed \$.67½ per thousand dollars of assessed valuation in any one year. This money can be used for the purchase of school grounds; construction; payment of debts incurred in construction of schools or buildings, but not including interest on bonds; for acquisition of libraries; for purchase of equipment for buildings; for repair, remodeling, reconstruction, improvement or expansion of schools; for landscaping, paving or building and/or grounds improvement for rental of specific facilities. Voter approval is required to levy the tax.

The playground levy tax also requires voter approval. The tax, in any one year, may not exceed \$.13½ per thousand dollars of assessed valuation. The tax may be used to establish and maintain, in public school buildings and on school grounds, public recreation places and playgrounds.

The Board of Directors may initiate, each year, a site levy, not to exceed \$.27 per thousand dollars of assessed valuation. The tax levied is placed in the schoolhouse fund and used for the purchase of sites and site improvements including grading, landscaping, seeding and planting, sidewalk construction, roadways, retaining walls, sewers and storm drains, etc. The levy may also be used for major building repairs including the reconstruction, improvement or remodeling of an existing schoolhouse and additions to an existing schoolhouse or expenditures for energy conservation. Legal costs relating to acquisition, surveys and relocation costs may also be paid for with revenues raised through this tax.

The rental of buildings or lease-purchase option agreements for the acquisition of buildings may be undertaken by a district with sixty percent approval of the voters. The tax for renting, leasing, or lease purchasing buildings may not exceed \$1.35 per \$1,000 of valuation.

APPENDIX D

SCHOOL DISTRICTS WITH ENRICHMENT TAX

Name of School	Enrichment Tax Levy 1981-82
MALVERN-----	4%
CORWITH-WESLEY-----	5%
DUMONT-----	5%
GILMORE CITY-BRADGATE-----	5%
GOLDFIELD-----	5%
HAVELOCK-PLOVER-----	5%
KANAWHA-----	5%
LAKOTA-----	5%
LINCOLN CENTRAL-----	5%
LOHRVILLE-----	5%
NORTHEAST HAMILTON-----	5%
SIOUX VALLEY-----	5%
STEAMBOAT ROCK-----	5%
STRATFORD-----	5%
TITONKA-----	5%
WODEN-CRYSTAL LAKE-----	5%
ALDEN-----	10%
AMANA-----	10%
AYRSHIRE-----	10%
BUFFALO CENTER-RAKE-----	10%
BURT-----	10%
CAL-----	10%
CLEARFIELD-----	10%
COLLINS-----	10%
DIAGONAL-----	10%
EAST MONONA-----	10%
KLEMME-----	10%
LYTTON-----	10%
MESERVEY-THORNTON-----	10%
SCHALLER-----	10%
THOMPSON-----	10%
WELLSBURG-----	10%

Source: Department of Public Instruction Statistical Print-out.
July 1981

APPENDIX E

SENATE CONCURRENT RESOLUTION 39

INTRODUCTION OF RESOLUTION

SENATE CONCURRENT RESOLUTION 39

By: Carr and Hultman

1 *Whereas*, approximately seventy-five percent of the
 2 existing school districts in this state have an
 3 average daily attendance of less than one thousand,
 4 and since the system of funding schools is closely
 5 related to enrollments, the financial capability of
 6 these school districts is severely limited; and
 7 *Whereas*, statistics show that these smaller
 8 districts spend a smaller portion of their revenues
 9 on instructional costs, require higher per pupil
 10 financing from the state's general fund, and devote
 11 more of their overall budget to administrative costs
 12 in comparison to larger districts; and
 13 *Whereas*, the governor's economy committee's pro-
 14 jections indicate that consolidation of administrative
 15 functions would allow the elimination of approximately
 16 one thousand administrative positions for a savings of
 17 eight point eight million dollars in state and almost
 18 eight point two million dollars in local funds; and
 19 *Whereas*, consolidation of administrative functions
 20 would permit local school districts to attain maximum
 21 educational returns from available tax dollars; and
 22 *Whereas*, the cost effectiveness of these small school
 23 districts would be improved if centralized administrative
 24 units were created to reduce expenditures in non-
 25 instructional areas; *Now Therefore*,
 26 *Be It Resolved by the Senate, the House Concurring*,
 27 That the department of public instruction is directed
 28 to consolidate currently independent administrative
 29 functions of school districts into approximately one
 30 hundred twenty offices in relative parity with the

Page 2

1 present county structure; and
 2 *Be It Further Resolved*, That existing boards of
 3 school districts should be maintained and repre-
 4 sentatives from each district be selected to serve
 5 on the consolidated administrative district board;
 6 and
 7 *Be It Further Resolved*, That the Legislative Council
 8 is directed to appoint a reorganization committee to
 9 coordinate efforts of local organizations working to
 10 develop viable administrative consolidation plans.
 11 The reorganization committee would be responsible
 12 for formulating guidelines, presenting the proposed
 13 program to the General Assembly for its review and
 14 coordinating statewide implementation efforts.

Read first time and passed on file.

Source: Iowa State Senate Journal, Friday, May 22, 1981. pp. 1855-6.

APPENDIX F

HOUSE FILE 414

HOUSE FILE 414

BY COMMITTEE ON EDUCATION

(As Amended and Passed by the House)

Passed House, Date 2.25.81 Passed Senate, Date 3.12.81

Vote: Ayes 55 Nays 45 Vote: Ayes 27 Nays 23

Approved 9 signed 3.23.81

Became law 4.3.81

A BILL FOR

1 An Act relating to funds available to school districts,
 2 including authorizing the levy of a tax for cash
 3 reserve, and the imposition of an income surtax
 4 retroactive to January 1, 1981, and including the
 5 computation of state school foundation aid, and
 6 providing that the Act takes effect upon its
 7 publication.

8 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

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_____ House Amendments
 * Language Stricken

1 Section 1. Chapter 298, Code 1981, is amended by adding
2 the following new section:

3 NEW SECTION. LEVY FOR CASH RESERVE. If a school district
4 has a cash reserve of less than seven and five-tenths percent
5 of its total district expenditures for a school year remaining
6 on June 30 of that school year, including salaries encumbered
7 under contract for the next following July and August, the
8 board of directors may certify for levy by the following March
9 15, a tax on taxable property in the school district at a
10 rate that will provide a cash reserve, pursuant to section
11 8.6, subsection 4, paragraph c, of not to exceed the seven
12 and five-tenths percent amount. The tax levy authorized in
13 this subsection is in addition to any other tax levy authorized
14 for a school district.

15 Sec. 2. Section 442.3, Code 1981, is amended to read as
16 follows:

17 442.3 STATE FOUNDATION BASE. The state foundation base
18 for the school year beginning July 1, 1972, is seventy percent
19 of the state cost per pupil. For each succeeding school year
20 the state foundation base shall be increased by the amount
21 of one percent of the state cost per pupil, up to a maximum
22 of eighty percent of the state cost per pupil. However, for
23 the school year years beginning July 1, 1980, July 1, 1981,
24 and July 1, 1982, the state foundation base shall be the same
25 as the state foundation base for the school year beginning
26 July 1, 1979. The district foundation base is the larger
27 of the state foundation base or the amount per pupil which
28 the district will receive from foundation property tax and
29 state school foundation aid.

30 Sec. 3. Section 442.4, subsection 1, unnumbered paragraph
31 5, Code 1981, is amended to read as follows:

32 A school district shall certify its basic enrollment to
33 the department of public instruction by September 25 of each
34 year, and the department shall promptly forward the information
35 to the state comptroller. For purposes of determining whether

1 a district is entitled to an advance for increasing enrollment
2 a determination of actual enrollment shall be made on the
3 second Friday of September in the budget year by counting
4 the pupils in the same manner and to the same extent that
5 they are counted in determining basic enrollment, but
6 substituting the count in the budget year for the count in
7 the base year. In addition, a school district shall determine
8 its additional enrollment because of special education defined
9 in section 442.38, on December 1 of each year and if the
10 district is entitled to an advance or reduction for special
11 education, it shall certify its additional enrollment because
12 of special education to the department of public instruction
13 by December 15 of each year, and the department shall promptly
14 forward the information to the state comptroller.

5 Sec. 4. Section 442.4, subsection 4, Code 1981, is amended
6 to read as follows:

7 4. For the school years beginning July 1, 1980, and July
8 1, 1981, and July 1, 1982 only, if an amount equal to the
9 district cost per pupil for the budget year minus the amount
10 included in the district cost per pupil for the budget year
11 to compensate for the cost of special education support
12 services for a school district times the budget enrollment
13 of the school district for the budget year is less than one
14 hundred four percent for the budget school year beginning
15 July 1, 1980, and one hundred three percent for the budget
16 school year beginning July 1, 1981, and one hundred percent
17 for the budget school year beginning July 1, 1982, times an
18 amount equal to the district cost per pupil for the base year
19 minus the amount included in the district cost per pupil for
20 the base year to compensate for the cost of special education
21 support services for a school district times the adjusted
22 enrollment of the school district for the base year beginning
23 July 1, 1979 or times the budget enrollment of the school
24 district for the base year beginning July 1, 1980 or July
25 1, 1981, the state comptroller shall increase the budget

1 enrollment for the school district for the budget year to
2 a number which will provide that one hundred four percent
3 amount for the budget school year beginning July 1, 1980,
4 and that one hundred three percent amount for the budget
5 school year beginning July 1, 1981, and that one hundred
6 percent amount for the budget school year beginning July 1,
7 1982.

8 Sec. 5. Section 442.7, Code 1981, is amended by adding
9 the following new subsection after subsection 4:

10 NEW SUBSECTION. Notwithstanding subsections 1 through
11 4, for the school year beginning July 1, 1981, the state
12 percent of growth, including the recomputations required under
* 13 subsection 4, is five percent, and for the school year
14 beginning July 1, 1982, the state percent of growth, including
15 the recomputations required under subsection 4, is seven
16 percent.

* 17 Sec. 6. Section 442.7, subsection 6, Code 1981, is amended
18 by adding the following new paragraphs:

19 NEW PARAGRAPH. For the school year beginning July 1, 1981
20 and succeeding school years, the amount included in the
21 district cost per pupil in weighted enrollment for special
22 education support services costs for each district in an area
23 education agency for a budget year is the amount included
24 in the district cost per pupil in weighted enrollment for
25 special education support services costs in the base year
26 plus the allowable growth added to state cost per pupil for
27 special education support services costs for the budget year.
28 Funds shall be paid to area education agencies as provided
29 in section 442.25.

30 NEW PARAGRAPH. For the school year beginning July 1, 1981
31 and succeeding school years, the state board of public
32 instruction may direct the state comptroller to reduce the
33 allowable growth added to district cost per pupil in weighted
34 enrollment for a budget year for special education support
35 services costs in an area education agency in the base year.

1 based upon special education support services needs in the
2 area.

3 Sec. 7. Section 442.7, Code 1981, is amended by adding
4 the following new subsection after subsection 6:

5 NEW SUBSECTION. For the school year beginning July 1,
6 1981 and succeeding school years, the allowable growth added
7 to state cost per pupil for special education support services
8 costs is the amount included in state cost per pupil for
9 special education support services costs for the base year
10 times the state percent of growth for the budget year.

11 However, for the school year beginning July 1, 1981, no
12 allowable growth shall be added, except as provided under
13 subsection 7.

14 Sec. 8. Section 442.25, Code 1981, is amended to read
15 as follows:

16 442.25 SPECIAL-EDUCATION-SUPPORT-SERVICES AREA EDUCATION
17 AGENCY PAYMENTS. The state comptroller shall deduct the
18 amounts calculated for special education support services,
19 media services, and educational services for each school
20 district from the state aid due to the district pursuant to
21 this chapter and shall pay the amounts to the respective area
22 education agencies on a quarterly basis during each school
23 year. The state comptroller shall notify each school district
24 of the amount of state aid deducted for ~~this purpose~~ these
25 purposes and the balance of state aid shall be paid to the
26 district. If a district does not qualify for state aid under
27 this chapter in an amount sufficient to cover its amount due
28 to the area education agency as calculated by the state
29 comptroller, the school district shall pay the deficiency
30 to the area education agency from other moneys received by
31 the district, on a quarterly basis during each school year.

32 Sec. 9. Section 442.27, subsection 2, Code 1981, is amended
33 to read as follows:

34 2. For the school year beginning July 1, 1978 and each
35 succeeding budget year through the budget year beginning July

1 1, 1981, the total amount funded for each area for media
2 services excluding the cost for media resource material shall
3 be the total amount funded in the area for media service in
4 the base year times the sum of one hundred percent plus the
5 state percent of growth plus the costs for media resource
6 material for the budget year.

7 Each-year-subsequent-to For the school year beginning July
8 1, 1980 1981, the total amount to be funded for media services,
9 including the costs for media resource material which shall
10 only be used for the purchase or replacement of material
11 required in section 273.6, subsection 1, paragraphs "a", "b",
12 and "c", shall be equal to the budget in the base year in
13 the area times the sum of one hundred percent plus the state
14 percent of growth.

15 Sec. 10. Section 442.27, Code 1981, is amended by adding
16 the following new subsection after subsection 3:

17 NEW SUBSECTION. For the school year beginning July 1,
18 1982 and succeeding school years, the total amount funded
19 in each area for media services in the budget year shall be
20 computed as provided in this subsection. For the school year
21 beginning July 1, 1982, the total amount funded in each area
22 for media services in the base year, including the cost for
23 media resource material which shall only be used for the
24 purchase or replacement of material required in section 273.6,
25 subsection 1, paragraphs a, b, and c, shall be divided by
26 the enrollment served in the base year to provide an area
27 media services cost per pupil in the base year, and the state
28 comptroller shall compute the state media services cost per
29 pupil in the base year which is equal to the average of the
30 area media services costs per pupil in the base year. For
31 the year beginning July 1, 1982 and succeeding school years,
32 the state comptroller shall compute the allowable growth for
33 media services in the budget year by multiplying the state
34 media services cost per pupil in the base year times the state
35 percent of growth for the budget year, and the total amount

1 funded in each area for media services cost in the budget
2 year equals the area media services cost per pupil in the
3 base year plus the allowable growth for media services in
4 the budget year times the enrollment served in the budget
5 year. Funds shall be paid to area education agencies as
6 provided to section 442.25.

7 Sec. 11. Section 442.27, subsection 5, Code 1981, is
8 amended to read as follows:

9 5. For each succeeding budget year through the budget
10 year beginning July 1, 1980, the total amount funded in each
11 area for educational services shall be the total amount funded
12 in the area for educational services in the base year times
13 the sum of one hundred percent plus the state percent of
14 growth. For the school year beginning July 1, 1981, the total
15 amount funded in each area for educational services is the
16 total amount funded in the area for educational services in
17 the base year.

18 Sec. 12. Section 442.27, Code 1981, is amended by adding
19 the following new subsection after subsection 5:

20 NEW SUBSECTION. For the school year beginning July 1,
21 1982 and succeeding school years, the total amount funded
22 in each area for educational services in the budget year shall
23 be computed as provided in this subsection. For the school
24 year beginning July 1, 1982, the total amount funded in each
25 area for educational services in the base year shall be divided
26 by the enrollment served in the area in the base year to
27 provide an area educational services cost per pupil in the
28 base year, and the state comptroller shall compute the state
29 educational services cost per pupil in the base year, which
30 is equal to the average of the area educational services costs
31 per pupil in the base year. For the year beginning July 1,
32 1982 and succeeding school years, the state comptroller shall
33 compute the allowable growth for educational services by
34 multiplying the state educational services cost per pupil
35 in the base year times the state percent of growth for the

1 budget year, and the total amount funded in each area for
2 educational services for the budget year equals the area
3 educational services cost per pupil for the base year plus
4 the allowable growth for educational services in the budget
5 year times the enrollment served in the area in the budget
6 year. Funds shall be paid to area education agencies as
7 provided in section 442.25.

8 Sec. 13. Section 442.27, subsection 6, Code 1981, is
9 amended to read as follows:

10 6. Of For school years prior to the school year beginning
11 July 1, 1982, of the total amounts funded in each area each
12 year for media services and educational services, a portion
13 shall be allocated to each district in the area. The portion
14 to be allocated to each district in an area shall be the same
15 percentage of the total amount that the enrollment served
16 in the budget year in the district is of the enrollment served
17 in the budget year in the area.

18 Sec. 14. Section 442.27, subsection 7, Code 1981, is
19 amended to read as follows:

20 7. The For school years prior to the school year beginning
21 July 1, 1982, the portion allocated to each district in an
22 area each budget year for media services and educational
23 services shall be added to the district cost of that district
24 for the budget year as provided in section 442.9.

25 Sec. 15. Section 442.27, subsection 8, Code 1981, is
26 amended to read as follows:

27 8. The For school years prior to the school year beginning
28 July 1, 1982, the state board of public instruction and the
29 state comptroller shall determine the total amounts funded
30 in each area for media services and educational services each
31 year, and the amounts to be allocated to each district. The
32 state comptroller shall deduct the amounts so calculated for
33 each school district from the state aid due to the district
34 pursuant to this chapter and shall pay the amounts to the
35 districts' area education agencies on a quarterly basis during

1 each school year. The state comptroller shall notify each
2 school district the amount of state aid deducted for this
3 purpose and the balance which will be paid to the district.
4 If a district does not qualify for state aid under this chapter
5 in an amount sufficient to cover the amount due to its area
6 education agency as calculated by the state comptroller, the
7 school district shall pay the deficiency to its area education
8 agency from other moneys received by the district, on a
9 quarterly basis during each school year.

10 Sec. 16. Chapter 442, Code 1981, is amended by adding
11 the following new section after section 442.38:

12 NEW SECTION. REDUCTION FOR ENROLLMENT LOSS. For the
13 school year beginning July 1, 1981 and succeeding school
14 years, if a school district's additional enrollment because
15 of special education determined by the district on December
16 1 in the budget year is less than its additional enrollment
17 because of special education determined by the district on
18 December 1 in the base year, the state aid payments to the
19 school district shall be reduced by an amount equal to its
20 district cost per pupil for the budget year less the amount
21 included in district cost per pupil for special education
22 support services for the budget year multiplied by the
23 district's decrease in additional enrollment because of special
24 education. A district's additional enrollment because of
25 special education shall be computed as provided in section
26 442.38.

27 If a district has a reduction under this section for a
28 budget year, the state comptroller shall determine the amount
29 of the reduction which would have been local property tax
30 revenues if the additional enrollment because of special
31 education in the budget year had been used for that budget
32 year in determining district cost and shall increase the
33 district's total state school aids available under this chapter
34 for the next following budget year by the amount so determined,
35 and shall reduce the district's tax levy computed under section

1 442.9, for the next following budget year by the amount
2 necessary to compensate for the increase in state aid, so
3 that the local property tax for the next following year will
4 be reduced only by the amount which it would have been reduced
5 in the budget year if the additional enrollment because of
6 special education in the budget year could have been used
7 to establish the levy.

8 Sec. 17. Chapter 442, Code 1981, is amended by adding
9 the following new section:

10 NEW SECTION. SUPPLEMENTAL SCHOOL INCOME SURTAX.

11 1. For the budget school year beginning July 1, 1981,
12 if the board of a school district wishes to spend more than
13 the amount permitted under sections 442.1 through 442.13,
14 the board may call a special election to determine whether
15 to impose a supplemental school income surtax on individual
16 state income tax for the calendar year beginning January 1,
17 1981. The supplemental school income surtax for the school
18 district shall not exceed an amount equal to the difference
19 between the portion of district cost of the district
20 attributable to regular program costs for the school year
21 beginning July 1, 1981 if the state percent of growth had
22 been nine and twenty-six thousandths percent and the portion
23 of the actual district cost of the district attributable to
24 regular program costs for the school year beginning July 1,
25 1981. Any income derived from the supplemental school income
26 surtax is miscellaneous income.

27 2. The board shall determine the amount needed, within
28 the limits of this section, and shall set the date of a special
29 election, which shall not be later than July 1, 1981. The
30 board shall direct the county commissioner of elections to
31 submit the question of whether to raise that amount to the
32 qualified electors of the school district. If a majority
33 of those voting on the proposition at the special election
34 favors the imposition of the supplemental school income surtax,
35 the board may amend its certified budget to include the amount

1 imposed.

2 3. Following approval at the special election, the board
3 shall certify to the state comptroller that the required
4 procedures have been carried out and the state comptroller
5 shall establish the amount of supplemental school income
6 surtax to be imposed based upon the most recent figures
7 available for the district's individual state income tax paid.
8 The state comptroller shall certify to the director of revenue
9 the amount of supplemental school income surtax to be imposed.

0 The supplemental school income surtax shall be imposed
1 on the state individual income tax for the calendar year
2 beginning January 1, 1981, or for a taxpayer's fiscal year
3 ending during the second half of that calendar year or the
4 first half of the succeeding calendar year, and shall be
5 imposed on all individuals residing in the school district
6 on the last day of the applicable tax year. As used in this
7 section, "state individual income tax" means the tax computed
8 under section 422.5, less the deductions allowed in section
9 422.12.

0 4. Sections 442.16, 442.17, 442.19, and 442.20 apply to
1 the supplemental school income surtax established in this
2 section. The director of revenue shall deposit all moneys
3 received as supplemental school income surtax to the credit
4 of each district from which the moneys are received, in a
5 "supplemental school income surtax fund" which is established
6 in the office of the treasurer of state.

7 5. This section takes effect retroactive to January 1,
8 1981.

9 Sec. 18. Notwithstanding section 24.14, and notwithstanding
0 the March 15 certification date in section 1 of this Act,
1 for the school year beginning July 1, 1981, the board of
2 directors of a school district may direct the state comptroller
3 not later than April 15, 1981 to provide for the tax levy
4 for the cash reserve in section 1 of this Act.

5 Sec. 19. This Act, being deemed of immediate importance,

1 takes effect from and after its publication in the Lenox Time-
2 Table, a newspaper published in Lenox, Iowa, and in The
3 Republic Appeal, a newspaper published in Albert
4 City, Iowa.

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APPENDIX G

INCOME TAX SURCHARGE VOTE

Clearfield OKs tax surcharge for schools

6.24.81

The Register's Iowa News Service

CLEARFIELD, IA. — Voters in the Clearfield Community School District Tuesday approved an income tax surcharge aimed at raising an additional \$9,356 for the district.

Clearfield, the second smallest school district in the state with 125 students, approved the measure by a vote of 127 to 56. A simple majority was required for the measure to pass.

Clearfield is apparently the only school district to pass the proposal. Voters in school districts in Waterloo, Cedar Falls, Marion, Blairsburg and Cresco earlier defeated similar proposals. But Clearfield voters, with the possibility of consolidation with neighboring Lenox Community School District looming, overwhelmingly approved the 7.46 percent surtax.

Lawmakers added this financial safety valve to a school spending bill passed earlier this year that limits school budget increases in 1981-82 to 5 percent instead of the 9 percent that had been promised earlier. The surtax allows districts, with voter approval, to make up the difference or some lesser amount.

Clearfield Superintendent Richard Hunter has said that the surtax would enable the district to pay for repairs of several school buses and buy some supplies.

Most school boards have given the surtax the cold shoulder because school officials say people are suffering from the recession and the surcharge is paid only by individuals, not corporations.

Source: The Des Moines Register, Des Moines, Iowa. June 24, 1981.

APPENDIX H

ENROLLMENT DECLINE AND BUDGET PERCENTAGE GROWTH

OF SELECTED SCHOOL DISTRICTS

AEA SCHOOL NAME	HEAD COUNT 1971	COST PER PUPIL	CONTROLLED BUDGET 1972/73	HEAD COUNT 1980	CONTROLLED BUDGET 1980/81	%age GROWTH CHANGE
I Fayette	452	\$1057	\$477764	295	\$701988	46.9%
II CAL	446	1284	572664	277	654983	14.3
Corwith-Wesley	416	1187	493792	296	690064	39.7
Dumont	355	1051	373105	269	508833	36.3
Kanawha	328	1166	382448	230	521118	36.2
Klemme	339	1062	360018	235	475173	31.9
Meservey-Thornton	381	1060	403860	254	492288	21.8
Thompson	364	1171	426244	245	590758	38.5
Woden-Crystal Lake	335	1182	395970	240	537207	35.6
III Arnolds Park	331	1007	333317	271	589697	76.9
Ayrshire	316	983	310628	175	411180	32.3
Burt	288	1011	291168	233	482363	65.6
Lakota	247	1308	323076	150	366325	13.3
Lincoln Central	342	1172	400824	263	583154	45.4
LuVerne	253	1209	305877	184	429318	40.3
Mallard	347	1081	375107	235	518018	38.0
Ruthven	330	1160	382800	274	517251	35.0
Sioux Valley	448	1057	473536	261	555961	17.4
South Clay	404	1180	476720	308	696836	46.1
Terril	411	1242	510462	322	676336	32.4
Titonka	502	1057	530614	304	660468	24.4
IV Little Rock	346	1025	354650	239	497328	40.2
Melvin	254	1262	320548	103	287499	-10.3
Meriden-Cleghorn	476	1057	503132	264	615870	22.4
Ocheyedan	290	1263	366270	194	483684	32.0
Primghar	380	1035	393300	266	545402	38.6
Sanborn	434	969	420546	299	567521	34.9
V Boone Valley	371	1271	471541	231	543873	15.3
Cedar Valley	429	1298	556842	330	709170	27.2
Crestland	364	1235	449540	265	565320	25.7
Dayton	350	1058	370300	285	631214	70.4
Dows	391	1278	499698	293	668436	33.7
Fonda	340	1046	355640	228	528989	48.7
Goldfield	301	1110	334110	171	386496	15.6
Havelock-Plover	283	1108	313564	184	441646	40.8
Lohrville	346	1240	429040	233	520128	21.2
Lytton	290	1191	345390	197	474318	37.3
Palmer	228	1185	270180	173	390260	44.4
Rolfe	400	1129	451600	292	660042	46.1
Schaller	431	1054	454274	274	612034	34.7
Scranton	397	1132	449404	274	625968	39.2
Stratford	444	929	412476	256	602448	46.0
VI Garwin	322	1022	329084	273	533960	62.2
Green Mountain	262	1113	291606	245	505938	73.5
Hubbard	421	1086	457206	289	615174	34.5
Steamboat Rock	206	1204	248024	161	346752	39.8
Union-Whitten	386	1104	426144	287	611010	43.3
Wellsburg	405	995	402975	270	566191	40.5

AEA SCHOOL NAME	HEAD	COST	CONTROLLED	HEAD	CONTROLLED	%age GROWTH CHANGE
	COUNT 1971	PER PUPIL	BUDGET 1972/73	COUNT 1980	BUDGET 1980/81	
IX Calamus	348	\$ 971	\$337908	308	\$648324	91.8%
Lost Nation	357	1016	362712	280	616475	69.9
X Amara	334	1157	444288	266	586336	31.9
Deep River/Millersburg	340	1138	386920	267	551567	42.5
Oxford Junction	303	1154	349662	238	485893	38.9
Urbana	367	934	342778	297	630353	83.8
XI Bayard	305	1284	391620	227	500364	27.7
Central Dallas	401	1114	446714	282	617010	38.1
Collins	246	1015	249690	172	349258	39.8
Colo	365	1057	385805	324	610790	58.3
Grand Community	311	1057	328727	217	443530	34.9
Mingo	334	939	313626	255	541649	72.7
XII Battle Creek	372	1078	401016	320	660468	60.3
East Monona	331	1327	439237	276	579632	31.9
Westfield	340	816	277440	241	513005	84.9
Whiting	335	1057	354095	248	502516	41.9
XIII Walnut	371	1057	392147	297	582861	48.6
XIV Clearfield	211	1309	276199	127	254221	-7.9
Diagonal	240	1178	282720	161	340736	20.5
Grand Valley	305	1089	332145	230	502516	51.2
New Market	321	1059	339939	268	565117	66.2
Prescott	246	1274	313404	183	442232	41.1
Stanton	345	1046	360870	295	599290	66.0
XV A-C-L	183	1285	235155	137	318780	35.5
Fox Valley	304	1103	335312	246	540555	61.2
Fremont	234	1140	266760	221	439570	64.7
Hedrick	331	987	325704	264	538535	65.3
Russell	337	869	292853	237	473088	61.5
XVI Morning Sun	343	1078	369754	277	512173	38.5

Sources: Iowa State Comptroller, General Budget Fund Aid in Levy Report, 1980-81.

Iowa State Department of Public Instruction, 1971-72 School Budget Review Committee Report, 1973.

_____. Enrollment statistics for 1971 and 1980.

APPENDIX I

LOCATION OF SELECTED SCHOOL DISTRICTS

0707	A CL	0622	BAYARD	1071	CENTERVILLE	1503	CRESTON	1978	EASTWOOD	2620	GLIDDEN HALLSTON	3178	INTERSTATE 26
0708	ACKLEY GENEVA	0623	BEAMAN CONRAD LISCOMB	1078	CENTRAL LEE	1504	CRESTON	1980	EDFVILLE	2626	GOLDFIELD	3141	IOWA CITY
0709	ADAMS CASEY	0640	BEDFORD	1079	CENTRAL CLAYTON	1576	DALLAS	1989	EDGEWOOD-COLESBURG	2556	GRAETTINGER	3160	IOWA FALLS
0710	ADAMS GOSOTO	0678	BELLE PLAINE	1082	CENTRAL CLINTON	1902	DANVILLE	2007	ELDORA	2670	GRAND	3154	IOWA VALLEY
0711	AIRBORN	0686	BELLEVUE	1089	CENTRAL CITY	1811	DAVENPORT	2018	ELK HORN & HAMBALTON	2802	GRAND VALLEY	3166	IRWIN
0712	ALBERT CITY-TRUESDALE	0694	BELMONT	1090	CENTRAL DALLAS	1818	DAVIS COUNTY	2064	EMMETTSBURG	2864	HARRISBURG	3168	JANESVILLE
0713	ALBIA	0693	BENNETT	1093	CENTRAL DECATUR	1829	DAYTON	2087	ENGLISH VALLEYS	2873	GREENFIELD	3195	JEFFERSON
0714	ALBURNETT	0908	BENTON	1096	CENTRAL LYON	1838	DEORAH	2113	ESSEX	2882	GREEN MOUNTAIN	3204	JESUP
0715	ALDEN	0708	BETTENDORF	1087	CENTRAL WEBSTER	1847	DEORAH	2124	ESTHERVILLE	2708	GRINNELL NEWBURG	3231	JOHNSTON
0716	ALGONA	0647	BLAKESBURG	1107	CHARLTON	1875	DELRWOOD	2133	EVERLY	2718	GRIBWOLD	3078	KANAWHA
0717	ALLAMAKEE	0720	BONDURANT FARRAR	1118	CHARLES CITY	1701	DENISON	2151	EXIRA	2727	GRUNDY CENTER	3212	KEOKUK
0718	ALLISON-BRISTON	0729	BOONE	1134	CHARTER OAK UTE	1718	DENVER	2188	FAIRFIELD	2754	GUTHRIE CENTER	3230	KEOTA
0719	ALTA	0731	BOONE VALLEY	1182	CHEROKEE	1737	DESMOINES	2208	FARRASBURG	2762	GUTTENBERG	3248	KINGSLEY PIERSON
0720	AJAMA	0747	BOYDEN HULL	1186	CLARENCE LOWDEN	1770	DESFIELD	2223	FAYETTE	2766	H V	3264	KLEMMER
0721	AMES	0792	BRIDGEWATER FONTAVELLE	1187	CLARINDA	1782	DIGONAL	2258	FLOYD VALLEY	2772	HAMBURG	3276	KNOXVILLE
0722	AQUANOSA	0818	BRITT	1208	CLARION	1791	DIME	2273	FONDA	2781	HAMPTON	3411	LAKE CITY
0723	ANDREW	0246	BROCKLYN GUERNSEY MALCOM	1211	CLARKE	1846	DOV CITY-ARION	2295	FOREST CITY	2828	HARLAN	3420	LAUREL
0724	ANITA	0873	BUFFALO CENTER RAKE	1215	CLARKSVILLE	1864	DOVS	2313	FORT DOGGE	2834	HARMONY	3447	LAKE VIEW AUBURN
0725	ANKLEY	0882	BURLINGTON	1218	CLAY CENTRAL	1863	DUBOUQUE	2322	FORT MADISON	2848	HARRIS LAKE PARK	3456	LAKOTA
0726	ANTHONY-OTO	0900	BURT	1221	CLAY CREEK	1872	DUMONT	2327	FOX VALLEY	2852	HARTLEY	3465	LAMON
0727	APLINGTON	0814	C AND M	1224	CLEARFIELD	1908	DUNKERTON	2348	FREDERICKSBURG	2869	HAYLOCK FLOVER	3501	LA PORTE CITY
0728	ARRESTON-RINGBETD	0818	CAL	1233	CLEAR LAKE	1817	DUNLAP	2367	FREMONT	2943	HEDRICK	3637	LAUREN-MARATHON
0729	AR HILLS PARK	0818	CALAMIS	1278	CLINTON	1928	DUFAYT	2389	FREMONT MILLE	2977	HIGHLAND	3655	LAWTON BRONSON
0730	AR WEVA	0936	CAMANCHE	1332	COLFAX	1936	DYSART GENESED	2376	GALVA	2988	HINTON	3682	LD F
0731	ATLANTIC	0877	CARDINAL	1337	COLLEGE COMMUNITY	1944	EAGLE GROVE	2384	GARNAVILLO	3008	HOLSTEIN	3690	LE MAR
0732	AUDUBON	0881	CARLSLE	1350	COLLINS	1953	EARTHAM	2403	GARNER-HAYFIELD	3028	HOWARD WINNESHIEK	3648	LEMOX
0733	AURELIA	0908	CARROLL	1359	COLO	1963	EAST BUCHANAN	2421	HUBBARD	3032	HURON	3659	LEWIS CENTRAL
0734	AVONA	1008	CARSON MACEDONIA	1364	COLUMBUS	1985	EAST CENTRAL	2467	GEORGE	3042	HUDSON	3661	LINCOLN
0735	AZURE	1044	CEDAR FALLS	1413	COON RAPIDS	1987	EAST GREENE	2458	GILBERT	3060	HUMSLDT	3700	LINCOLN CENTRAL
0736	BATTLE CREEK	1053	CEDAR RAPIDS	1431	COUNING	1988	EAST IOWA	2478	GLADSTONE CITY BRADGATE	3066	IDA GROVE	3718	LIN-MAR
0737	BAXTER	1058	CEDAR VALLEY	1448	COURT WESLEY	1970	EAST UNION	2502	GLASSBROOK	3106	INDPENDECE	3744	LISBON
0738		1062	CENTER POINT	1478	COUNCIL BLUFFS	1478	EASTERN ALLAMAKEE	2511	GLENWOOD	3114	INDIANOLA	3771	LITTLE ROCK
3738	LOGAN MADONIA	4734	MILFORD	4778	NORTH MAHASKA	5296	PLEASANTVILLE	5826	SEMAUR	6346	TERHILL	8867	WEBSTER CITY
3807	LOH RVILLE	4347	NORTH	4777	NORTH LINN	5283	POCAHONTAS	5822	SHEFFIELD-CHAPIN	6363	THOMPSON	8884	WELLSBURG
3818	LONE TREE	4264	MISSOURI VALLEY	4778	NORTH KOSSUTH	5301	POMERoy	5831	SHELBY	6438	TIPTON	8921	WEST END
3834	LOST NATION	4419	M EL	4779	NORTH POLK	5310	POSTVILLE	5849	SHELDON	6417	TITONKA	8930	WEST LANCAN
3841	LOUISA MUSCATINE	4428	MONROE	4784	NORTH SCOTT	5318	PRAIRIE CITY	5867	SHELLSBURG	6463	TREYNOR	8937	WEST BURLINGTON
3897	LUVERNE	4437	MONTZUMA	4785	NORTH TAMA	5323	PRAIRIE	5878	SHENANDOGAH	6468	TRICENTER	8943	WEST CENTRAL
3906	LYNNVILLE SULLY	4446	MONTICELLO	4786	NORTHWEST WEBSTER	5328	PRESCOTT	5884	SIBLEY	6482	TRICOUNTY	8950	WEST DELAWARE
3915	LYTTON	4481	MORAVIA	4787	NORTH WINNESHIEK	5337	PRESTON	6003	SDNEY	6471	TRIPOLI	8957	WEST DES MOINES
3942	MADRID	4505	MCDONALD TRAIL	4788	NORTHWOOD KENSETT	5348	FRANCHER	6012	SIGOURNEY	6509	TURKEY VALLEY	8961	WESTERN DOBROULE
3959	MALLARD	4508	MCKINLEY SUN	4789	NORWALK	5348	FRANCHER	6012	SIOUX CENTER	6513	TWIN CEDARS	8968	WESTFIELD
3978	MALVERN	4618	MOULTON UDELL	4806	NORWAY	5463	RED OAK	6030	SIOUX CITY	6518	TWIN RIVERS	8969	WEST HARRISON
3998	MANILLA	4627	MOUNT AYR	4824	OAKLAND	5472	REINBECK	6048	SIOUX RAPIDS-REMBRANDT	6534	UNDERWOOD	8975	WEST LIBERTY
4014	MANNING	4636	MOUNT PLEASANT	4825	OAKHURST	5478	REINBECK	6050	SIOUX FALLS	6542	UNION WHITTEN	8982	WEST LYNCH
4023	MANSION	4654	MOUNT VERNON	4850	ODEBOLT ARTHUR	6038	RICEVILLE	6062	SOUTH CLAY	6561	UNITED	8988	WEST MARSHALL
4033	MAPLE VALLEY	4672	MURRAY	4859	ODWELIN	6067	ROCK VALLEY	6063	SOUTH CLAY	6570	URBANA	8987	WEST MCGONNA
4041	MADDOCKETA VALLEY	4681	MUSCATINE	4878	ODGEN	6081	ROCK VALLEY	6084	SOUTHEAST WARREN	6578	URBANDALE	8990	WEST SIOUX
4043	MADDOCKETA VALLEY	4699	NASHUA	4904	OLIN	6096	ROCKWELL CITY	6096	SOUTH HAMILTON	6581	VALLEY	8992	WESTWOOD
4058	MARCUS	4807	NECO	4978	ORIENT MACKSBURG	5643	ROLAND STORY	6087	SOUTH PAGE	6582	VAN BUREN	8993	WHEATLAND
4086	MARION	4817	NEVADA	4995	OSAGE	5732	ROLF	6098	SOUTH TAMA	6615	VAN METER	9002	WHITING
4095	MAR MAC	4844	NEWELL PROVIDENCE	5013	OSKALOUSA	5837	RUDOLPH ROCKFORD MARBLE ROCK	6100	SOUTH WINNESHIEK	6623	VENTURA	9008	WEST JAMESBURG
4104	MARSHALLTOWN	4862	NEW HAMPTON	5049	OTTUMWA	5718	RUSSILL	6101	SOUTHWEST POLK	6601	VILLisca	9012	WILLIAM
4122	MARTINSALE ST. MARYS	4671	NEW HARTFORD	5078	OXFORD JCT.	5724	RUTHVEN	6102	SPENCER	6590	VINTON	9028	WILTON
4131	MASON CITY	4688	NEW LONDON	5103	PALMER	5742	SAC	6120	SPRINT LAKE	6700	WACO	9047	WINFIELD MT UNION
4149	MAURICE ORANGE CITY	4749	NEW MARKET	5121	PANORAMA	5751	ST ANSGAR	6138	SPRINGVILLE	6741	WALL LAKE	9054	WINNEMOON
4158	MAXWELL	4707	NEW PROVIDENCE	5130	PARKERSBURG	5798	SANBORN	6165	STANTON	6750	WALNUT	9053	WOODRIDGE
4203	MEDICAPOLIS	4725	NEWTON	5139	PATON CURDAN	5826	SAVOEL	6178	STAR MOUNT	6759	WAPPELO	9062	WOODBINE
4212	MELCHER-DALLAS	4751	NISHNA VALLEY	5187	PALLINA	5823	SCHALLER	6182	STEAMBOAT ROCK	6782	WAPSHIE VALLEY	9088	WOODRIDGE CENTRAL
4280	MELVINE	4781	NOVA SPRINGS ROCK FALLS	5183	PEKIN	5832	SCHLESWIG	6219	STORM LAKE	6788	WASHINGTON	9118	WOODWARD-JEWELL
4248	MERIDEN-CLAYTON	4772	NORTH CENTRAL	5166	PELLA	5841	SCRANTON	6246	STUART GROVE	6796	WATERLOO	9128	YALE JAMAICA SAGELEY
4266	MESERVEY-THORNTON	4773	NORTHEAST	5184	PERRY	5868	SEMCO	6264	STUART MENLO	6822	WAUKEE		
4268	MIDLAND	4774	NORTH FAYETTE	5238	PLAINFIELD	5868	SENTRAL	6273	SUNAR	6840	WAYNE-SHELL ROCK		
4271	MID PRAIRIE	4775	NORTHEAST HAMILTON	5280	PLEASANT VALLEY	5877	SERGEANT BLUFF LAUTON	6281	BUTHERLAND	6864	WAYNE	1979-80	

APPENDIX J

HOUSE FILE 2509

MAR 6 1980

HOUSE FILE 2509

Place On Calendar

By COMMITTEE ON EDUCATION

(Formerly Study Bill 561)

Passed House, Date 3. 19. 80 Passed Senate, Date _____
 Vote: Ayes 61 Nays 37 Vote: Ayes _____ Nays _____
 Approved _____

A BILL FOR

1 An Act to allow certain school districts to raise an
 2 additional school district operation amount following
 3 approval at an election.

4 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

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1 Section 1. Chapter four hundred forty-two (442), Code
2 1979, is amended by adding the following new section:

3 NEW SECTION. ADDITIONAL SCHOOL DISTRICT OPERATION AMOUNT.

4 For the budget year beginning July 1, 1981, and each succeeding
5 school year, if an eligible school board wishes to spend more
6 than the amount permitted under sections four hundred forty-
7 two point one (442.1) through four hundred forty-two point
8 thirteen (442.13) of the Code, the school board, subject to
9 annual approval at an election as provided in this section,
10 may raise an additional school district operation amount equal
11 to the difference between the district's budget enrollment
12 for the school year in which the initial election is held
13 and the district's budget enrollment for the budget year
14 multiplied by the district's district cost per pupil for the
15 budget year. If the levy of an additional school district
16 operation amount is disapproved for one or more years at an
17 election and subsequently approved, the budget enrollment
18 for the school year in which the subsequent approval takes
19 place shall be used as the school year in which the initial
20 election is held to determine the additional school district
21 operation amount.

22 If a school district's budget enrollment for the school
23 year in which the initial election is held is three hundred
24 twenty-five or less, the board of directors may direct the
25 commissioner of elections to submit the question of whether
26 to allow the board to raise the additional school district
27 operation amount for the budget year in the manner provided
28 in this section and to levy additional property tax for the
29 budget year to provide funds equal to the additional school
30 district operation amount, to the qualified electors of the
31 school district at a regular school election held during
32 September of the base year. The proposition shall include
33 an estimate of the proposed property tax levy in dollars and
34 cents per thousand dollars of assessed valuation in the
35 district which will raise the additional school district

1 operation amount for the budget year based upon the base
2 year's assessed valuation in the district, and a listing of
3 the amounts which have been levied for previous years, if
4 any. If a majority of those voting on the proposition favors
5 raising the additional school district operation amount, the
6 board may include the amount determined by the state
7 comptroller or a lesser amount than the amount so authorized
8 in its certified budget for the budget year.

9 If the board votes to include an additional school dis-
10 trict operation amount in its certified budget for a budget
11 year, the board shall certify to the state comptroller that
12 the required procedures have been carried out, and the state
13 comptroller shall determine the additional school district
14 operation amount as voted by the board for that budget year
15 and establish the amount of additional school district
16 operation property tax to be levied for that budget year.
17 The state comptroller shall determine these amounts based
18 upon the most recent figures available for the district's
19 valuation of taxable property and shall certify to the
20 district's county auditor the amount of additional school
21 district operation property tax.

22 EXPLANATION

23 This bill allows the boards of directors of school districts
24 with a budget enrollment for a base year of 325 or less to
25 submit to a vote of the electorate annually a proposition
26 allowing the board to raise an additional amount of property
27 tax. The additional school district operation amount for
28 a budget year is based upon the difference between a district's
29 budget enrollment for the initial year in which an election
30 is held and its budget enrollment for the budget year. The
31 bill takes effect July first following its enactment and
32 applies to school years beginning July 1, 1981 and subsequent
33 years. If the bill is enacted in 1980, the first election
34 could be held in September, 1980.

35

APPENDIX K

LETTER TO SUPERINTENDENTS

RR #1, Box 35
Kamrar, Iowa 50132
December 15, 1982

Dear Small School Superintendent:

In the fall of 1981 you received and returned a questionnaire which requested information about how the Iowa School Foundation Program had affected your school. This data was to be used for an educational research paper and also for forming small schools proposals for the 1982 legislature to consider. A summary of the findings was sent to you earlier this year.

The time will soon be here when a newly elected legislature convenes. To follow through on the initial research, would you please send me your response to the following two questions?

1. How has your school district compensated for the lack of maximum allowable growth in its controlled budget under the Iowa School Foundation Plan?
2. What would be your priorities in legislative action to assist in the survival of small schools and to help them maintain or initiate sound educational programs?

Thank you.

Sincerely,

Joyce Losure
Joyce Losure

1. How has your school district compensated for the lack of maximum allowable growth in its controlled budget under the Iowa School Foundation Plan?

2. What would be your priorities in legislative action to assist in the survival of small schools and to help them maintain or initiate sound educational programs?

Do you want a copy of the survey summary? Yes No

Name:

School District:

Please return by January 10, 1983, to: Joyce Losure, RR #1, Box 35
Kamrar, Iowa 50132

APPENDIX L

QUESTIONNAIRES FROM SURVEY

1. How has your school district compensated for the lack of maximum allowable growth in its controlled budget under the Iowa School Foundation Plan?

Cut staff and programs

2. What would be your priorities in legislative action to assist in the survival of small schools and to help them maintain or initiate sound educational programs?

Budget to Budget growth

Do you want a copy of the survey summary? Yes No

Name:

School District:

Please return by January 10, 1983, to: Joyce Losure, RR #1, Box 35
Katarar, Iowa 50132

1. How has your school district compensated for the lack of maximum allowable growth in its controlled budget under the Iowa School Foundation Plan?

- Reduced Staff
- Cut Programs
- RAN bases longer than normal before trading
- Looking into "Sharing" with neighboring district

2. What would be your priorities in legislative action to assist in the survival of small schools and to help them maintain or initiate sound educational programs?

- Increase usage of 6 7/8 % Schoolhouse Fund - Site Levy
 1. Energy Cost (Heating & Lights)
 2. Transportation Costs
- Teach courses on alternate year basis

Do you want a copy of the survey summary? Yes No

Name: Richard Cornick

School District: Klemme

Please return by January 10, 1983, to: Joyce Losure, RR #1, Box 35
Kamrar, Iowa 50132

RR #1, Box 35
Kamrar, Iowa 50132
December 15, 1982

Dear Small School Superintendent: *Robert L. Watt*

In the fall of 1981 you received and returned a questionnaire which requested information about how the Iowa School Foundation Program had affected your school. This data was to be used for an educational research paper and also for forming small schools proposals for the 1982 legislature to consider. A summary of the findings was sent to you earlier this year.

The time will soon be here when a newly elected legislature convenes. To follow through on the initial research, would you please send me your response to the following two questions?

1. How has your school district compensated for the lack of maximum allowable growth in its controlled budget under the Iowa School Foundation Plan?
2. What would be your priorities in legislative action to assist in the survival of small schools and to help them maintain or initiate sound educational programs?

Thank you.

Sincerely,

Joyce Losure
Joyce Losure

Declining enrollment:

School Closed

Remove from mailing list.

1. How has your school district compensated for the lack of maximum allowable growth in its controlled budget under the Iowa School Foundation Plan?

- ① PASSAGE OF ENRICHMENT LEVY AND CONTINUATION OF 67½ LEVY
 - ② TEXTBOOK FEES CHARGED TO ALL STUDENTS
 - ③ FIELD TRIP EXPENSES CHARGED BACK TO STUDENTS
 - ④ REDUCTION OF STAFF (COULDO WITH SHARING TWO INSTRUCTORS
 - ⑤ SHARING AGREEMENT ON EXTRA CURRICULAR ACTIVITIES
 - ⑥ SHIFTING EQUIPMENT AND BUILDING REPAIR COSTS OUT OF GENERAL FUND INTO 67½ LEVY FUNDS
 - ⑦ VOLUNTARY COOPERATION BY STAFF TO LIMIT SALARY INCREASES. (FREEZING FACULTY ON STEPS)
 - ⑧ Spearheaded development of I.D.E.A.S. COUNCIL INVESTIGATION AND DISSEMINATION OF EDUCATIONAL ALTERNATIVES FOR SCHOOLS) WHICH PROVIDES INFORMATION AND ASSISTANCE TO AREA III SCHOOLS WITH INNOVATIVE AND COST SAVING PROGRAMS
 - ⑨ POLICY OF REPAIR, REWORK, REUSE FOR BUILDINGS AND EQUIPMENT
2. What would be your priorities in legislative action to assist in the survival of small schools and to help them maintain or initiate sound educational programs?

- ① PERMISSIVE LEGISLATION ON FLEXIBLE CALENDAR (1080 HOURS) SO THAT 4 DAY WEEK MIGHT BE TRIED OR OTHER OPTIONS MIGHT BE TRIED
- ② HELP WITH FUNDING FOR EDUCATIONALLY INNOVATIVE PROGRAMS (COMPUTERS, MICRO WAVE INTERACTIVE T.V.,
- ③ MAINTAIN AT LEAST A BUDGET FLOOR SO THAT NO SCHOOL WOULD HAVE TO DEAL WITH LESS MONEY THAN THEY HAD THE YEAR BEFORE
- ④

Do you want a copy of the survey summary? Yes No

Name: LYNN C. "CHRIS" RICHARDSON School District: BURT COMMUNITY SCHOOLS

Please return by January 10, 1983, to: Joyce Losure, RR #1, Box 35
Kamrar, Iowa 50132

1. How has your school district compensated for the lack of maximum allowable growth in its controlled budget under the Iowa School Foundation Plan?

Laid off personnel, have not replaced typewriters school busses, other capitol items.

2. What would be your priorities in legislative action to assist in the survival of small schools and to help them maintain or initiate sound educational programs? Change the state aid formula.

We can afford to operate a school as we only have a 9 mill tax rate and no debt. The present state aid formula is strangling the small schools in northern Iowa that have a declining population. If we could increase the property tax by $\frac{1}{2}$ mill, most of us could operate. The state aid formula could be changed so that the lower 20 or 25% in property tax mills could go to that percentage or lower quartile and we would have all kinds of money to operate. The dirty thirty in the legislature hurt the small schools which are the ones that sent them to the legislature. The November elections should have been a warning to them that the rank and file of the voters are opposed to their negativism.

Do you want a copy of the survey summary? Yes No

Name: Kermit Miller, Supt.

School District: Lakota Consolidated
Box 44, Lakota, Iowa

Please return by January 10, 1983, to: Joyce Losure, RR #1, Box 35
Kamrar, Iowa 50132

1. How has your school district compensated for the lack of maximum allowable growth in its controlled budget under the Iowa School Foundation Plan?

- Utilized special levies: site, enrichment, and schoolhouse
- Shared programs: guidance, special transportation, telecommunications with another district
- Initiated energy conservation measures

2. What would be your priorities in legislative action to assist in the survival of small schools and to help them maintain or initiate sound educational programs?

- Remove transportation and energy costs from general fund.
- Purchase buses from schoolhouse site buy.
- Provide a 100% budget.

Do you want a copy of the survey summary? Yes No

Name: Paul Kamick

School District: Wabasha CSD

Please return by January 10, 1983, to: Joyce Losure, RR #1, Box 35
Kamrar, Iowa 50132

1. How has your school district compensated for the lack of maximum allowable growth in its controlled budget under the Iowa School Foundation Plan?

We have about 4.1% new money for 1983-84. We are considering reducing staff by ~~20-25%~~ the equivalent of 1 full time position. Further reductions may be necessary the following year depending upon available funding.

2. What would be your priorities in legislative action to assist in the survival of small schools and to help them maintain or initiate sound educational programs?

1. Minimum of 3% growth
2. Base growth on previous year's budget without regard to enrollment
3. Remove transportation from General Fund Budget
4. Allow purchase of school buses from $67\frac{1}{2}\%$ level
5. Consider allowable growth for energy costs if they increase beyond a certain level. Say they increase more than the ~~area~~ National Cost of Living

Do you want a copy of the survey summary? Yes No

Name: John Graham

School District: Lincoln Central

Please return by January 10, 1983, to: Joyce Losure, RR #1, Box 35
Kamrar, Iowa 50132

1. How has your school district compensated for the lack of maximum allowable growth in its controlled budget under the Iowa School Foundation Plan?

*We reorganized with
Ayrshire Cons.*

2. What would be your priorities in legislative action to assist in the survival of small schools and to help them maintain or initiate sound educational programs?

*Go to 105 per cent
minimum on controlled
budget from year to year*

Do you want a copy of the survey summary? Yes No

Name: *W H Logan* School District: *Ruthven Cons.*

Please return by January 10, 1983, to: Joyce Losure, RR #1, Box 35
Kamrar, Iowa 50132

1. How has your school district compensated for the lack of maximum allowable growth in its controlled budget under the Iowa School Foundation Plan?

We have passed the schoolhouse levy. We are sharing programs, reducing staff, cutting a very few programs. Salaries are not as high as other districts.

2. What would be your priorities in legislative action to assist in the survival of small schools and to help them maintain or initiate sound educational programs?

Higher guaranteed base budget, at least 3% or higher growth. Take transportation out of the controlled budget. These high cost are eating up the small districts.

Do you want a copy of the survey summary? Yes No

Name: *Raymond J. Doherty*

School District: *Swain Valley Comm.*

Please return by January 10, 1983, to: Joyce Losure, RR #1, Box 35
Kamrar, Iowa 50132

1. How has your school district compensated for the lack of maximum allowable growth in its controlled budget under the Iowa School Foundation Plan?

- (1) use volunteer Elementary Librarians
16 elementary Mothers run our elem. library
- (2) Cut two teachers from our staff
- (3) reduced bus routes from 5 to 4
- (4) reduced purchase of supplies
- (5) Did not buy needed bus

2. What would be your priorities in legislative action to assist in the survival of small schools and to help them maintain or initiate sound educational programs?

- (1) Get them to allow 6 1/2% levy to purchase school buses.
- (2) Help with Energy needs.
- (3) Do not expand the scope of bargaining
- (4) Remove transportation cost from the controlled budget

Do you want a copy of the survey summary? Yes No

Name:

Louis D Doty

School District:

South clay

Please return by January 10, 1983, to: Joyce Losure, RR #1, Box 35
Kamrar, Iowa 50132

1. How has your school district compensated for the lack of maximum allowable growth in its controlled budget under the Iowa School Foundation Plan?

It has not been a factor so far.

2. What would be your priorities in legislative action to assist in the survival of small schools and to help them maintain or initiate sound educational programs?

1. Help in energy costs
2. Wider use of the $67\frac{1}{2}$ cent levy
3. " " of the 27 cent levy
4. a different way of paying transportation costs

Do you want a copy of the survey summary? Yes No

Name: Rodger Ritchie, Supt School District: Terrel

Please return by January 10, 1983, to: Joyce Losure, RR #1, Box 35
Kamrar, Iowa 50132

1. How has your school district compensated for the lack of maximum allowable growth in its controlled budget under the Iowa School Foundation Plan?

RECONFIGURATION OF HARTLEY COMMUNITY SCHOOL AND MELWIN COMMUNITY SCHOOL, EFFECTIVE 7-1-81, RESULTED IN A LARGE STAFF REDUCTION AND CLOSING OF BUILDINGS IN MELWIN. WE HAVE ALSO RESTRICTED BUILDING MAINTENANCE AND PURCHASES OF SUPPLIES.

2. What would be your priorities in legislative action to assist in the survival of small schools and to help them maintain or initiate sound educational programs?

SOME KIND OF ALLOWABLE GROWTH IN CONTROLLED BUDGET IS NEEDED, REGARDLESS OF LOSS OF ENROLLMENT. (GUARANTEE)
NEED FLEXIBILITY IN RAISING LOCAL TAXES IF COMMUNITY SUPPORT IS EVIDENT.

Do you want a copy of the survey summary? Yes No

Name: School District:

Please return by January 10, 1983, to: Joyce Losure, RR #1, Box 35
Kamrar, Iowa 50132

1. How has your school district compensated for the lack of maximum allowable growth in its controlled budget under the Iowa School Foundation Plan?

*Lower teacher salaries
Teachers teaching in areas other than their ^{major} ~~major~~
Working do without new equipment*

2. What would be your priorities in legislative action to assist in the survival of small schools and to help them maintain or initiate sound educational programs?

busses & utilities have to be supported outside the regular budget. Let the growth be for teacher salaries as well as support salaries

Do you want a copy of the survey summary? Yes No

Name: *T.R. Crangford* School District: *Cedar Valley*

Please return by January 10, 1983, to: Joyce Losure, RR #1, Box 35
Kamrar, Iowa 50132

1. How has your school district compensated for the lack of maximum allowable growth in its controlled budget under the Iowa School Foundation Plan?

Crestland has reduced staff in the last 4 years.

1 PE Teacher

1/2 Music teacher

1 Social Studies Teacher

1/2 English Teacher

Crestland passed Schoolhouse Tax and "feed" about \$8500. from General Fund to be used for Salaries.

Crestland used Schoolhouse Monies to insulate bldgs. (Windows + attics) to allow less for energy, thus more for Salaries.

Crestland has just passed an enrichment tax.

2. What would be your priorities in legislative action to assist in the survival of small schools and to help them maintain or initiate sound educational programs?

1. Eliminate Collective Bargaining.

2. Set guidelines for teachers to earn which would apply statewide to urban areas and rural areas.

Do this by comparing professionals (teachers) w/ others of similar preparatious. -- Business, Lawyers, Psychologists, etc. Then provide taxing base to adequately pay them.

Do you want a copy of the survey summary? Yes No

Name: James A. Kerns

School District: Crestland

Please return by January 10, 1983, to: Joyce Losure, RR #1, Box 35
Kamrar, Iowa 50132

1. How has your school district compensated for the lack of maximum allowable growth in its controlled budget under the Iowa School Foundation Plan?

Used money from unexpent balance of previous years.

2. What would be your priorities in legislative action to assist in the survival of small schools and to help them maintain or initiate sound educational programs?

Supply money for experimental sharing arrangements at a sufficient level to induce involvement, above average curriculum development and guarantee of continued support from legislature.

Do you want a copy of the survey summary? Yes No

Name: *Dr. R. L. Reeves, III* School District: *Dayton*

Please return by January 10, 1983, to: Joyce Losure, RR #1, Box 35
Kamrar, Iowa 50132

1. How has your school district compensated for the lack of maximum allowable growth in its controlled budget under the Iowa School Foundation Plan?

1. Staff reduction and the use of volunteers
2. the High School Principal is the Athletic Director and he teaches a class.
3. Sharing teachers with W. E. Hamilton and CAH.
4. We passed a 5% enrichment tax
5. We purchase more equipment with our school house funds.
6. We have eliminated the purchase of some items and we have reduced field trips.

2. What would be your priorities in legislative action to assist in the survival of small schools and to help them maintain or initiate sound educational programs?

1. Pass a funding plan that would allow for the funding of every course that is taught.
2. Re-distribute state side to school districts that have less than \$50,000 average carry-over during the past three years. Stop giving state side to districts that have over a million dollars of carry-over.

Do you want a copy of the survey summary? Yes No

Name:

A. J. Edwards

School District:

Dows Comm. Schools

Please return by January 10, 1983, to: Joyce Losure, RR #1, Box 35
Kamrar, Iowa 50132

1. How has your school district compensated for the lack of maximum allowable growth in its controlled budget under the Iowa School Foundation Plan?

By sharing with another school district.

2. What would be your priorities in legislative action to assist in the survival of small schools and to help them maintain or initiate sound educational programs?
 1. Liberalize use of School House Fund.
 2. Fully fund any new requirements.
 3. Budget to Budget Funding.
 4. Weighted Funding to enable small schools to "Catch Up" in Salaries.

Do you want a copy of the survey summary? Yes No

Name: Goldfield

School District:

Please return by January 10, 1983, to: Joyce Losure, RR #1, Box 35
Kamrar, Iowa 50132

1. How has your school district compensated for the lack of maximum allowable growth in its controlled budget under the Iowa School Foundation Plan?

- A) Reduction of teaching staff
- B) Reduction of administrative staff
- C) Passage of enrichment, site levy, and 2½ mill levy
- D) Reduction in maintenance and transportation costs.
- E)

2. What would be your priorities in legislative action to assist in the survival of small schools and to help them maintain or initiate sound educational programs?

- A) Guaranteed budget growth of 5% for the next 5 years
- B) Change required "days" to "hours".
- C) Close school for one month - 2 weeks Christmas & New Year
2 weeks of January
- D) Increase state aid to small schools (less than 500) with declining enrollments.
- E) More money support for TAB programs.

Do you want a copy of the survey summary? Yes No

Name: James R. Gilpin

School District: Lytton

Please return by January 10, 1983, to: Joyce Losure, RR #1, Box 35
Kamrar, Iowa 50132

1. How has your school district compensated for the lack of maximum allowable growth in its controlled budget under the Iowa School Foundation Plan?

- *staff reduction*
- *cut back on programs*
- *Sharing with another school*

2. What would be your priorities in legislative action to assist in the survival of small schools and to help them maintain or initiate sound educational programs?

Not sure as I am new to the Superintendency.

Do you want a copy of the survey summary? Yes No

Name:

Ralph Community

School District:

Please return by January 10, 1983, to: Joyce Losure, RR #1, Box 35
Kamrar, Iowa 50132

1. How has your school district compensated for the lack of maximum allowable growth in its controlled budget under the Iowa School Foundation Plan?

1. Reduced staff but not programs
2. Have held off on new bus purchases
3. No fuel enrichment Sur-Tax (\$4000)
4. Doubled up on administrator
district (Supt - Elem Principal)

2. What would be your priorities in legislative action to assist in the survival of small schools and to help them maintain or initiate sound educational programs?

1. provide adequate allowable growths each year.

Do you want a copy of the survey summary? Yes No

Name: *Walter Blake*

School District: *Schaller*

Please return by January 10, 1983, to: Joyce Losure, RR #1, Box 35
Kamrar, Iowa 50132

1. How has your school district compensated for the lack of maximum allowable growth in its controlled budget under the Iowa School Foundation Plan?

By initiating both the enrichment tax and 6 7/8 cent levies. Without these we would be in serious trouble.

2. What would be your priorities in legislative action to assist in the survival of small schools and to help them maintain or initiate sound educational programs?

All schools receive the full allowable growth disregarding size and which direction enrollment is moving.

Set an equitable figure for each student in the state and allow all schools to receive this amount.

Do you want a copy of the survey summary? Yes No

Name: *Wayne E. Larson* School District: *Stratford*

Please return by January 10, 1983, to: Joyce Losure, RR #1, Box 35
Kamrar, Iowa 50132

1. How has your school district compensated for the lack of maximum allowable growth in its controlled budget under the Iowa School Foundation Plan?

We have reduced in the number of supplies that we buy each year. Also, we cut our bus routes from four to three routes. We cut back on our music teacher from 5/7 time to 1/2 time in the elementary.

2. What would be your priorities in legislative action to assist in the survival of small schools and to help them maintain or initiate sound educational programs?

Don't put any more regulations on the school. Change the teacher certification requirements in the Science and Math areas. Fund the current State Aid Formula.

Do you want a copy of the survey summary? Yes No

Name: *Ferry Mullins*

School District: GARWIN COMMUNITY SCHOOL DISTRICT
GARWIN, IOWA 50632

Please return by January 10, 1983, to: Joyce Losure, RR #1, Box 35
Kamrar, Iowa 50132

1. How has your school district compensated for the lack of maximum allowable growth in its controlled budget under the Iowa School Foundation Plan?

The staff has been reduced, at the present we have 19.1 teachers, plus 1 Chapter I .8 time and Multi-Catagorical full time.

Lack of allowable growth is just catching up to us for the 1983-1984 school year we shall have only \$3,180 new money.

2. What would be your priorities in legislative action to assist in the survival of small schools and to help them maintain or initiate sound educational programs?

We need a guaranteed per cent of growth. State to provide all funds for state mandated courses.

Negotiations is definitely a problem and there is talk of broadening the scope, which will be more of a problem.

Do you want a copy of the survey summary? Yes No

Name:

School District:

Please return by January 10, 1983, to: Joyce Losure, RR #1, Box 35
Kamrar, Iowa 50132

1. How has your school district compensated for the lack of maximum allowable growth in its controlled budget under the Iowa School Foundation Plan?

- A. Reduced purchasing of supplies and equipment. Replacement of equipment is seriously behind schedule.
- B. Salary increases are falling behind CPI or even blue collar or white collar private sector increases. Soon further staff cuts will be necessary.

2. What would be your priorities in legislative action to assist in the survival of small schools and to help them maintain or initiate sound educational programs?

So much of our budget is a fixed cost. Even salaries! Many of our teachers teach required courses and could not be terminated even if we wanted. For our system, they represent a fixed cost. After a school gets so small, per pupil cost is ineffective. Our budget must grow at the maximum growth rate or we slowly die. I believe our patrons want their school and are willing to fund it if only allowed to do so.

Do you want a copy of the survey summary? Yes No

Name: Dean Meier

School District: Wellsburg

Please return by January 10, 1983, to: Joyce Losure, RR #1, Box 35
Kamrar, Iowa 50132

1. How has your school district compensated for the lack of maximum allowable growth in its controlled budget under the Iowa School Foundation Plan?

1. Continuous programs + personnel cutting over last five years. Share Teachers with 3 other districts. large scale sharing operation. we all meet each other on the road. Share exp with another district. principal now K-12.
- Have managed to balance budget each year but present finance plan will have a "dying on the vine" effect if present enrollment decrease continues. Distance, pupil density on my side, and time make reorganization in extremely "rural" areas a non loser idea. an agricultural district resists enrollment taxes.

2. What would be your priorities in legislative action to assist in the survival of small schools and to help them maintain or initiate sound educational programs?

1. Free administrative leadership time.
- district not exceed mandatory regulation limits.
 - establish a set % of existing new money on state level which goes towards certified salary/benefits each year. this can be negotiated, but on a state level.
2. The quality of education depends on leadership. School administrators spend an inordinate amount of time in the complex area of labor relations. The process is too costly in lost hours, hired attorneys, and bitter relationships.
- 1-b above works in other states. If a district receives X \$, 85% of which apply to certified staff, the negotiation process would be a matter of getting agreement on which benefits package part to receive what \$.

Do you want a copy of the survey summary? Yes No

Name: Bob STEELE

School District: LOST NATION COMM
CAIAMUS COMM

Please return by January 10, 1983, to: Joyce Losure, RR #1, Box 35
Kamrar, Iowa 50132

3. I would like to see a sparsity index

	7 kids per sq. mile	1.0	X	not on pupil.
e.g.	5 kids per sq. mile	1.1	X	not on pupil.
	3 kids per sq. mile	1.2	X	" " "

or any other formula that took into account the "rural" problem.

1. How has your school district compensated for the lack of maximum allowable growth in its controlled budget under the Iowa School Foundation Plan?

- ①. REDUCTION IN STAFF (3 FTE THIS YEAR).
- ②. SOME PROGRAM CUT BACKS IN SOCIAL SCIENCES AND READING AND GUIDANCE
- ③. REDUCED ACCESS TO BUILDING IN NON-SCHOOL HOURS.

2. What would be your priorities in legislative action to assist in the survival of small schools and to help them maintain or initiate sound educational programs?

- ①. ALLOW ^{SCHOOLHOUSE/} .675 LEVY FUNDS TO BE USED FOR UTILITY PAYMENTS AND OTHER ON-GOING BUILDING NEEDS.
- ②. PULL TRANSPORTATION OUT OF GENERAL FUND AND ALLOW RESTRICTED TAXATION
- ③. BASE LEVEL 90% OF PER PUPIL COSTS RAISED BY LEA TO STAY IN LEA.
- ④. SPECIAL TAXING AUTHORITY TO ENCOURAGE SCHOOL/COMMUNITY USE OF LIBRARIES AND FACILITIES OVER THE PRESENT CONTINUING EDUCATION/PAYGROUND LEVY.

Do you want a copy of the survey summary?

Yes

No

Name: AMANDA _____
DANIS SCHAB
Supt.

School District:

Please return by January 10, 1983, to: Joyce Losure, RR #1, Box 35
Kamrar, Iowa 50132

1. How has your school district compensated for the lack of maximum allowable growth in its controlled budget under the Iowa School Foundation Plan?

Cut Programs

2. What would be your priorities in legislative action to assist in the survival of small schools and to help them maintain or initiate sound educational programs?

① Increase allowable growth

② keep the floor at present level

③ allow boards to use 67½ level

Millage to be use in the general fund
to keep programs operating (such as teacher salary)

④ allow board of Ed to vote in
an enrichment level instead of taking it
through a general election by district patrons

Do you want a copy of the survey summary? Yes No

Name: Charles S. Starling, Supt. School District: Deep River, Miller

Please return by January 10, 1983, to: Joyce Losure, RR #1, Box 35, Miller
Kamrar, Iowa 50132

1. How has your school district compensated for the lack of maximum allowable growth in its controlled budget under the Iowa School Foundation Plan?

1. CUT TEACHING STAFF
2. CUT PROGRAM
3. SHARED TEACHERS

WE ARE NOW PREPARING TO PRESENT AN ENRICHMENT TAX PROPOSAL TO THE VOTERS

2. What would be your priorities in legislative action to assist in the survival of small schools and to help them maintain or initiate sound educational programs?

1. INFLATION FACTOR IN BUDGET
2. TAKE TRANSPORTATION OUT OF GEN. FUND BUDGET
3. EXPAND USE OF 67½ SCHOOL HOUSE LEVY
4. MAINTAIN A MINIMUM BUDGET GROWTH

Do you want a copy of the survey summary? Yes No

Name:

School District:

Please return by January 10, 1983, to: Joyce Losure, RR #1, Box 35
Kamrar, Iowa 50132

1. How has your school district compensated for the lack of maximum allowable growth in its controlled budget under the Iowa School Foundation Plan?

*Reduction in staff
Delay on non-necessity purchases*

2. What would be your priorities in legislative action to assist in the survival of small schools and to help them maintain or initiate sound educational programs?

Increase funding level

Do you want a copy of the survey summary? Yes No

Name: *Owen Rentschler*

School District:

Please return by January 10, 1983, to: Joyce Losure, RR #1, Box 35
Kamrar, Iowa 50132

1. How has your school district compensated for the lack of maximum allowable growth in its controlled budget under the Iowa School Foundation Plan?

Passed budget which will
raise approximately \$42,000 annually

2. What would be your priorities in legislative action to assist in the survival of small schools and to help them maintain or initiate sound educational programs?

Permit strong athletic programs in that strong
academics

Do you want a copy of the survey summary? Yes No

Name:

School District:

Please return by January 10, 1983, to: Joyce Losure, RR #1, Box 35
Kamrar, Iowa 50132

1. How has your school district compensated for the lack of maximum allowable growth in its controlled budget under the Iowa School Foundation Plan?

Cut staff

Conserved Energy use

2. What would be your priorities in legislative action to assist in the survival of small schools and to help them maintain or initiate sound educational programs?

Fund Foundation Plan 100%

Eliminate Collective Bargaining

Fight against Tuition Tax credit for Non-public Schools

Oppose State aid in any form to Non-public schools

Allow Local boards to Levy Extra Taxes without
Vote of People.

Do you want a copy of the survey summary? Yes No

Name: Dieth V. Adlock School District: Colo Community

Please return by January 10, 1983, to: Joyce Losure, RR #1, Box 35
Kamrar, Iowa 50132

1. How has your school district compensated for the lack of maximum allowable growth in its controlled budget under the Iowa School Foundation Plan?

yes. we have reduced three staff members to part time. we have also eliminated some sports and coaching assignments.

2. What would be your priorities in legislative action to assist in the survival of small schools and to help them maintain or initiate sound educational programs?

(a.) Give schools money to take care of utilities and transportation costs and then allot all other monies on a per pupil basis.

(b.) Put controls on utility rates.

(c.) Allow budgets to be built up and beyond AEA, Special Education, and Title monies.

Do you want a copy of the survey summary? Yes No

Name: Supt. Clay Groff

School District: Grand Community

Please return by January 10, 1983, to: Joyce Losure, RR #1, Box 35
Kamrar, Iowa 50132

1. How has your school district compensated for the lack of maximum allowable growth in its controlled budget under the Iowa School Foundation Plan?

Staff reduction.
Bus route reductions
Sharing administrators with another school district.

2. What would be your priorities in legislative action to assist in the survival of small schools and to help them maintain or initiate sound educational programs?

I feel that the school district budget needs to be figured some way other than through the present system of using the September budget.

However, I do have some reservations concerning how long schools should be allowed to "survive" and how small they should be allowed to get before they have to reorganize with another district!

Do you want a copy of the survey summary? Yes No

Name: *Dave Seala*

School District:

Please return by January 10, 1983, to: Joyce Losure, RR #1, Box 35
 Kamrar, Iowa 50132

1. How has your school district compensated for the lack of maximum allowable growth in its controlled budget under the Iowa School Foundation Plan?

1. Staff reduction: 2.6 instructional staff + .5 support staff this year.
2. Less capital outlay expenditure

2. What would be your priorities in legislative action to assist in the survival of small schools and to help them maintain or initiate sound educational programs?

1. Remove the costs of transportation from the foundation formula
2. Allow restructuring of the school day and school week.

Do you want a copy of the survey summary? Yes No

Name: LeRoy Ortman

School District: Battle Creek Com

Please return by January 10, 1983, to: Joyce Losure, RR #1, Box 35
Kamrar, Iowa 50132

1. How has your school district compensated for the lack of maximum allowable growth in its controlled budget under the Iowa School Foundation Plan?

We absorbed the decreases through unspent balances. We can no longer absorb this cost and our current cash flow problem will create a borrowing situation.

We bought a new bus this year. It was the first in three years. We are running our buses as long as the body will hold together.

We cut back on all purchases of building maintenance materials. We staff reduced two instructors and went to combination grades.

Our secretaries balance seems to be dwindling away slowly.

2. What would be your priorities in legislative action to assist in the survival of small schools and to help them maintain or initiate sound educational programs?

1. Legislative action concerning a four day week
 2. HELP in transportation because of sparseness compared to more urban areas.
 3. Reduction in the inequality concerning state aid created because of inequality in assessed land valuations.
 4. We need some attempt to create a just salary system as there are great disparities from district to district.
- ① This could be done through earmarking the sales tax increase solely for salaries.

Do you want a copy of the survey summary? Yes No

Name: William Mullinger

School District: Grand Valley Community
Sc Sch, Kellerton IA 5073

Please return by January 10, 1983, to: Joyce Losure, RR #1, Box 35
Kamrar, Iowa 50132

1. How has your school district compensated for the lack of maximum allowable growth in its controlled budget under the Iowa School Foundation Plan?

The past 2 years we have received 0% growth.
 We have ① cut back on staff ② delayed purchase of materials + new textbooks ③ repaired old buses even though they are past their normal life expectancy

2. What would be your priorities in legislative action to assist in the survival of small schools and to help them maintain or initiate sound educational programs?

At the very minimum we should retain the 0% guarantee. I am in favor of some sort of state salary schedule. Since our budget is controlled, and salaries account for the major portion of the budget, we may as well have salaries controlled.

Do you want a copy of the survey summary? Yes No

Name: *Craig Okenburg*

School District: *Prescott*

Please return by January 10, 1983, to: Joyce Losure, RR #1, Box 35
 Kamrar, Iowa 50132

1. How has your school district compensated for the lack of maximum allowable growth in its controlled budget under the Iowa School Foundation Plan?

REDUCED SPENDING IN NON-SALARY BUT
CONTROLLABLE AREAS!

2. What would be your priorities in legislative action to assist in the survival of small schools and to help them maintain or initiate sound educational programs?

1. APPROPRIATE AND DELIVER AMOUNTS AS PROMISED!
2. ELIMINATE PHANTOM STUDENTS!
3. USE AMOUNT SAVED FROM #2 TO INCREASE
CONTROLLED BUDGET BASE!

Do you want a copy of the survey summary? Yes

No

Name: Jim Poole

School District: Stanton

Please return by January 10, 1983, to: Joyce Losure, RR #1, Box 35
Kamrar, Iowa 50132

1. How has your school district compensated for the lack of maximum allowable growth in its controlled budget under the Iowa School Foundation Plan?

1. Teacher lay-off ; combination of some positions.
2. Reduce course offerings
3. School Site Levy
4. Eliminate bus routes
5. Minimal Salary increases

2. What would be your priorities in legislative action to assist in the survival of small schools and to help them maintain or initiate sound educational programs?

1. Continue guarantee level of funding
2. Increased certification for teacher is not needed (see reading)

Do you want a copy of the survey summary? Yes No

Name: Ron Bet Harde

School District: ACL

Please return by January 10, 1983, to: Joyce Losure, RR #1, Box 35
Kamrar, Iowa 50132

1. How has your school district compensated for the lack of maximum allowable growth in its controlled budget under the Iowa School Foundation Plan?

Had smaller raises for teachers. Reduced staff

2. What would be your priorities in legislative action to assist in the survival of small schools and to help them maintain or initiate sound educational programs?

*Increase allowable growth
allow at least a 3% increase in
controlled budget each year even if
enrollment decreases*

State pay and payments when due

Do you want a copy of the survey summary? Yes No

Name: *Roger H. Darr*

School District:

Fox Valley

Please return by January 10, 1983, to: Joyce Lore, RR #1, Box 35
Kamrar, Iowa 50132

1. How has your school district compensated for the lack of maximum allowable growth in its controlled budget under the Iowa School Foundation Plan?

1. Shared staff with adjoining district.
2. Cut back on other categories of budget. Delayed purchases.
3. Used SH Fund levy to maximum, 67.5¢ per \$1,000 etc.
4. Held quite firm in Collective Bargaining on salary increases. Attempted to stay within allowable growth.

I might comment that we have for all practical purposes exhausted these above options. Our budget does not have any further reductions in it. We are falling behind in teacher salaries etc. Our SH levy expires next year.

2. What would be your priorities in legislative action to assist in the survival of small schools and to help them maintain or initiate sound educational programs?

Our mix is about 60%-40% local tax to State Aid. Last district I administered was just reverse 40%-60%. State Aid making up 60% of the resources. As long as maximum budget is based on enrollment & enrollment is declining would like to see mix about 50%-50%.

The worst thing that can happen is for small towns to lose their schools. If they reach less than 200 pupils then I think the district is compelled to think of merging, etc.

Do you want a copy of the survey summary? Yes No

Name:

Jack Sapp

School District:

Hedrick

Please return by January 10, 1983, to: Joyce Losure, RR #1, Box 35
Kamrar, Iowa 50132

1. How has your school district compensated for the lack of maximum allowable growth in its controlled budget under the Iowa School Foundation Plan?

- A. Passed enrichment TAX
 B. Cut back in operation + MAINT. + paid for these items from Schoolhouse FUND. 67 1/2% levy + site levy.
 C. NO New School buses
 D. Cut out practically ALL Capital outlay
 E. Dropped School Nurse
 F. Kindergarten every Day - ~~Four~~ ^{Four} Days A week

ALSO have been fortunate to have a growth in students last year. Also saved money by making up lost days due to weather by extending the length of school days. NO buses traveled on make up days + Drivers were not paid as well as COONS + Teacher Aides.

2. What would be your priorities in legislative action to assist in the survival of small schools and to help them maintain or initiate sound educational programs?

- A. Establish weighting formulae sufficient to compensate small schools in sharing concept. Especially in Vocational Subjects.
 B. The Adoption of alternative School Day, NOT requiring 179 Days but an alternative by hours.
 C. Rectify this farce of such things as legal guardianships. This is costing small schools students whose parents think that the larger systems are better. The small school system is getting the students that are slow learners or problem students + the good students are sent to the large school system because of their large curriculum offerings.
 D. Remove transportation from the controlled budget + give aid to each transportation student.
 E. Re-distribute students who live closer to small schools who have low per pupil ratios. This would give more students to smaller schools + save tax payers money as far as transportation is concerned.

Do you want a copy of the survey summary? Yes No

Name: Ervin L. Burton

School District: Russell Community

Please return by January 10, 1983, to: Joyce Losure, RR #1, Box 35
 Kamrar, Iowa 50132

1. How has your school district compensated for the lack of maximum allowable growth in its controlled budget under the Iowa School Foundation Plan?

1. Special Levies:

Passage of Enrichment Measure- 5% from 1976-1981
10% from 1981-1986

Passage of Schoolhouse 67 $\frac{1}{2}$ % Levy-1973-1982
1983-1992 (Renewed)

Schoolhouse Site Levy - 1982-83

Tort Liability Levy - 1979-Present (Levied annually to cover tort liability premiums.)

Unemployment Compensation Levy - 1979-80 (Balance maintained in a Savings Account.)

2. Local Organizations have helped raise money for special projects

3. Volunteers are offering their services in place of paid aides.

4. Staff reductions are made where it is feasible: (a) Bus routes have been reduced. (b) Secretarial Staff has been reduced. (c) FTE Administrative Staff has been reduced.

5. See below

2. What would be your priorities in legislative action to assist in the survival of small schools and to help them maintain or initiate sound educational programs?

1. Guaranteed allowable growth to be set at the State determined annual allowable growth level for all districts.

2. Open up uses of the Schoolhouse Fund to include the purchase of energy for heating and/or cooling of school buildings.

3. Flexible school year calendar - from 180 days to 1080 hours.

4. Building into the Finance Formula a weighting factor for low enrollment and/or population sparsity.

5. From above:

Shared instructional & support staff services:

a. Foreign Language Program w/Dows Community School

b. Industrial Arts Program w/Rockwell-Swaledale School

c. Bus Mechanic Services w/Meservey-Thornton School

d. Considering shared extra-curricular activities in Football, Softball, Golf, and Track w/Dows Community School in 1983-84 & 1984-85.

Do you want a copy of the survey summary? Yes No

Name: James D. Jess

School District: CAL Community School
Latimer, IA 50452

Please return by January 10, 1983, to: Joyce Losure, RR #1, Box 35
Kamrar, Iowa 50132

1. How has your school district compensated for the lack of maximum allowable growth in its controlled budget under the Iowa School Foundation Plan? *Sharing Program with Lu Vene*

2. What would be your priorities in legislative action to assist in the survival of small schools and to help them maintain or initiate sound educational programs?

Energy expenses are going to be the primary problem.

Do you want a copy of the survey summary? Yes No

Name: *Wale Lorenson*

School District: *Corwith - Wesley*

Please return by January 10, 1983, to: Joyce Losure, RR #1, Box 35
Kamrar, Iowa 50132

1. How has your school district compensated for the lack of maximum allowable growth in its controlled budget under the Iowa School Foundation Plan?

Staff reduction:

1982-83 - 1 1/2 teaching positions
 2 teacher associates (certificated)
 2 teacher aides (non-certificated)

1983-84 - 1 3/4 teaching positions
 1 support staff

Reduction in spending in general; major projects curtailed, etc.

Attempted reorganization, Nov. 23, 1982 - Failed.
 Will probably try enrichment tax in Fall.

2. What would be your priorities in legislative action to assist in the survival of small schools and to help them maintain or initiate sound educational programs?

regulation to help avert enrollment decline

Do you want a copy of the survey summary? Yes No

Name: Richard T. Gladden

School District: FAYETTE

Please return by January 10, 1983, to: Joyce Losure, RR #1, Box 35
 Kamsar, Iowa 50132