



MINUTES

School Finance Formula Review Committee

December 15, 2014

MEMBERS PRESENT:

Senator Herman C. Quirnbach, Co-chairperson	Representative Ron Jorgensen, Co-chairperson
Senator David Johnson	Representative Cecil Dolecheck
Senator Brian Schoenjahn	Representative Greg Forristall
Senator Amy Sinclair	Representative Patti Ruff
	Representative Cindy L. Winckler

MEETING IN BRIEF

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School Finance Formula Review Committee

I. Procedural Business

Call to Order. The School Finance Formula Review Committee was called to order by temporary Co-chairperson Quirmbach at 10:03 a.m. on Monday, December 15, 2014, in Room 116 at the State Capitol Building in Des Moines, Iowa.

Election of Permanent Co-chairpersons. Members of the committee elected, by voice vote, temporary Co-chairpersons Quirmbach and Jorgensen as permanent co-chairpersons.

Adoption of Rules. Members of the committee adopted, by voice vote, the proposed rules for the committee that had been previously distributed.

Opening Remarks. Co-chairperson Quirmbach welcomed the committee members, stakeholders, and press in attendance. In his opening remarks, Co-chairperson Jorgensen reiterated the purpose of the review and the committee's charge, and suggested that the committee work to improve the formula and remove inequity from the formula. Co-chairperson Quirmbach noted that Iowa's students need an education that makes them competitive and if Iowa's students do not receive such an education, they are not being treated equitably. Co-chairperson Quirmbach opined that fundamental to delivery of that education is the discussion about resources and whether the state is getting an adequate return on its investments in education.

Adjournment. The meeting was adjourned at 3:05 p.m.

II. School Finance Formula Review Committee Background Report

Mr. Michael Duster, Legal Services Division, Legislative Services Agency (LSA), provided a brief background on Iowa's School Finance Formula Review Committee and described the legislation enacted in 2000, SF 2252, that established the periodic five-year review. The review must be based upon a school finance formula status report prepared with the assistance of the Department of Education (DE), in association with the Department of Management (DM) and the Department of Revenue. The first report was required to be submitted to the General Assembly by January 1, 2005, and subsequent reports by January 1 at least every five years thereafter. Mr. Duster also summarized the presentations heard by previous School Finance Formula Review Committees during the 2004 and 2009 Legislative Interims and provided a list of the recommendations approved by each of those interim committees. Senator Johnson noted that the recommendations of the 2004 School Finance Formula Review Committee (which was authorized to meet for three days) were much more specific than the recommendations made by the 2009 School Finance Formula Review Committee (which was authorized one meeting date).

III. School Finance Formula Overview

Ms. Lisa Oakley, DM, Mr. John Parker, Fiscal Services Division, LSA, and Dr. Jeff Berger, DE, provided a comprehensive overview of the basic operation of Iowa's current school finance formula, discussed changes to the formula over the previous five years, analyzed various per pupil funding amounts, provided comparison data from other states, discussed inequities in the formula and the current sources of school district funding, and discussed categorical supplement funding.



Ms. Oakley provided the committee with statewide school district funding data for FY 2015 for Iowa's 338 school districts, including information on statewide budget enrollment (478,920.9) and the amounts of funding received through state foundation aid (\$2,873,761,313), foundation property tax (\$1,349,340,006), total property tax (\$2,122,027,702), and income surtax (\$103,055,261). She noted that the tool used by the DM is the Aid and Levy Worksheet (which for FY 2015 is available at <http://www.dom.state.ia.us/local/schools/>).

Ms. Oakley described the statutory goals of Iowa's school finance formula under Code section 257.31 and detailed the components used to determine each school district's spending authority, including regular program cost (district cost per pupil multiplied by the enrollment count), budget adjustment (the 101 percent budget guarantee, which acts as a one-year cushion for school districts with decreasing enrollment), weighted enrollment funding (for special education, English language learners, operational function sharing, at-risk populations, and for reorganization incentives), state categorical supplements, Area Education Agency (AEA) program funding, and discretionary funding such as the instructional support program and the Statewide Preschool Program for Four-Year-Old Children.

Ms. Oakley additionally described the state categorical supplements provided to school districts and the state categorical supplements for AEA funding. The school aid formula includes categorical supplements for teacher salary, professional development, class size and early intervention, and, beginning with FY 2016, teacher leadership. State categorical supplements can have their own state percent of growth, but for FY 2015 the state percent of growth and the categorical state percent of growth were both set at 4 percent. AEA program funding is pupil driven and provides for special education support, media, and educational services; operational function sharing; and for teacher salary and professional development.

Ms. Oakley also provided information on the instructional support program authorized in Code section 257.18. Currently under that discretionary program, 328 school districts collect approximately \$211.5 million from a combination of property tax and income surtax. In the early 1990s, 25 percent of instruction support dollars were state dollars and 75 percent were derived from local funds. The program has not been fully funded since 1993, when a statutory limit on state funding for the program was enacted under Code section 257.20(2). Representative Winckler pointed out that in lieu of the amount appropriated in Code section 257.20, the amount appropriated for the program for each fiscal year since FY 2012 has been zero. If fully funded and not subject to the FY 1993 limitation, in FY 2015 the state portion would be \$80,832,538 in unadjusted state aid. To fund the program under Code section 257.20(2), the cost would be \$14.8 million for FY 2016.

Ms. Oakley described the funding formula for the statewide preschool program, which is totally state funded. The funding is calculated by multiplying 50 percent of the eligible enrollment by the state cost per pupil. For FY 2015, 310 school districts are participating in the program, and 21,926 students are enrolled in the programs for which those districts are responsible. Statewide funding for the programs totals approximately \$70 million. She noted that the weighting assigned for preschool students was reduced in FY 2012 from 60 percent to 50 percent.

Ms. Oakley further described the ability of school districts to carry forward unused spending authority to the following year to be used for one-time expenditures, the unspent authorized budget



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report maintained by the DM to track school districts that exceed their authorized budget or carry a negative unspent balance, and the authority of the School Budget Review Committee (SBRC) to make certain adjustments to spending authority for purposes of dropout prevention and on-time funding.

Dr. Berger outlined the consequences for school districts that exceed their authorized budget or that have a negative unspent balance for two or more consecutive years, including implementation of specified corrective actions. The SBRC asked the DE to track unspent spending authority. The DE sends out an “early warning” to a school district a year in advance if it appears that the school district will likely be in a negative position, which gives the school district one year to make adjustments. In the past year, 35 school districts received early warnings. If a school district exceeds its authorized budget or carries a negative unspent balance, the district has to submit a corrective action plan to the SBRC. On average, approximately 12 school districts are operating under corrective action plans each year. It normally takes one to two years to get a school district back on track, but it depends largely on how the school district’s enrollment is trending. When multiyear efforts for and on behalf of the school district do not result in a positive balance, the school district may reorganize or dissolve.

Ms. Oakley discussed the revenues received by school districts from the utility replacement excise tax and state commercial and industrial property tax replacement payments, and noted the adjustments made in the school aid formula to account for those revenue sources and hold school districts harmless. Ms. Oakley also described four sources of property tax relief provided to school districts: (1) property tax adjustment aid (which is gradually being phased out as valuations grow); (2) property tax replacement payments; (3) adjusted additional property tax levy aid; and (4) foundation level increase for excess moneys in the Property Tax Equity and Relief Fund. Representative Winckler asked Ms. Oakley to provide committee members with supplemental information relating to the portion of property taxes that is attributable to special education deficit and budget adjustments.

Ms. Oakley provided a general description of some additional funding sources for schools, including the cash reserve levy, income surtaxes, management levy, physical plant and equipment levy, public education and recreation levy, and debt service levy. In addition, she identified several of the legislative changes to the school finance formula, including exclusion of the instructional support levy from tax increment financing, a reduction in the cash reserve levy limit from 25 percent to 20 percent, modifications to dropout prevention funding, property tax replacement payments, terminology changes relating to the state percent of growth, extension of English language learner supplementary weighting from four years to five years, changes to and extension of supplementary weighting for certain shared operational functions, teacher leadership program funding, and modification of the school infrastructure sales tax allocation to the Property Tax Equity and Relief Fund.

Mr. Parker provided historical data on the state percent of growth and the state cost per pupil for fiscal years 1994 through 2015. He also identified the legislation in each fiscal year since 2000 that established the state percent of growth and whether that legislation met the statutory requirements contained in Code section 257.8.



Mr. Parker provided the committee with information on the regular program state cost per pupil for FY 2015 as well as the amounts of the categorical costs per pupil for school districts and AEAs. He discussed the differences in the district cost per pupil among school districts and the reasons for those differences, and noted that those differences have existed since the district cost per pupil amounts were originally established and will continue under the current formula because of the method used to calculate supplemental state aid. For FY 2015, there is a range of \$175 between the lowest and highest district cost per pupil. He provided multiple data sets and maps showing Iowa's expenditures per pupil, the national average for expenditures per pupil, and Iowa's national rank for expenditures per pupil. According to the National Center for Education Statistics, Iowa ranked 28th nationally in expenditures per pupil for FY 2011. According to National Education Association statistics, Iowa ranked 35th nationally in estimated expenditures per pupil for FY 2014. The expenditure comparisons with other states do not include infrastructure dollars.

Co-chairperson Quirnbach asked Mr. Parker to provide a histogram showing the distribution of the district cost per pupil; Representative Forristall asked Mr. Parker to provide supplemental information regarding the state's rankings in comparison with the state's National Assessment of Educational Progress (NAEP) scores; and Representative Winckler asked that Mr. Parker also include statewide ACT scores and dropouts in the information he subsequently provides to the committee.

Dr. Berger addressed issues relating to equity in the school finance formula. He noted that Iowa's formula is widely considered to be a very stable and equitable formula, but noted that complexities in the formula have caused unintended consequences. He identified different district costs per pupil, certain categorical supplements, transportation costs, certain discretionary property tax levies, supplementary weightings, and the budget guarantee as sources of inequity within Iowa's education funding system. However, he observed that due to complexities in the formula, solutions to current inequities can have unintended consequences and create other inequities. In response to a question, Ms. Oakley stated that the budget guarantee is an automatic calculation, but the local school board must approve a resolution in order to receive the budget adjustment.

Dr. Berger identified Iowa's use of multiple funding sources to fund education as being critical to the formula's overall stability and equity, but he deferred to policymakers to determine the correct balance of those sources. He described the advantages of Dillon's Rule to legislators. Dillon's Rule limits the power and authority of school districts to those expressly given in the Iowa Code. He concluded his presentation with an analysis of the current use limitations for categorical funding and questioned the advantages and disadvantages for removing some of those limitations.

During committee discussion, Ms. Oakley noted that unspent spending authority is not cash; it is the authority to expend moneys. Co-chairperson Quirnbach observed that a school district may have less cash than authority. A district may carry forward its authority, so if the state provides more funding at a later date, the school district still has the authority to spend the state aid received. Co-chairperson Jorgensen noted that if the additional modified amounts raised through the cash reserve levy were rolled into the formula, it would cost the state approximately \$25 million. Dr. Berger suggested that a less costly alternative would be to provide supplement aid to only those school districts whose transportation costs are above the statewide average.



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Representative Winckler observed that kindergarten is not compulsory, but is funded as if students are enrolled in a full-day program. She noted that 26 school districts in Iowa maintain only half-day kindergarten programs. She also noted that statewide preschool programs get funding for one-half day and there is more accountability required under the statewide preschool program.

IV. Task Force Report: Fairness and Equity in Iowa's Schools

Ms. Patti Schroeder, Finance Director, Iowa Association of School Boards (IASB), presented the committee with a November 2013 report prepared by the Iowa School Foundation Formula Task Force. The task force consisted of various stakeholders and state agency representatives. The task force sought to define how equity and inequity are measured and to identify areas within the school funding formula that are inequitable between school districts.

The task force issued its first report, *Task Force Report on School Districts — State School Foundation Program* in November 2013. The report had multiple purposes: to identify elements of the funding formula for greater simplification and transparency, to highlight areas of inequity, and to provide a comprehensive analysis of options to address current funding disparities. The task force decided not to include specific policy recommendations or address adequacy of funding in its November report.

Ms. Schroeder identified three overarching findings contained in the task force's report: (1) the regular program foundation formula is relatively equitable; (2) other programs that have been merged into the formula have added inequity concerns between districts; and (3) equity concerns between school districts range from 2.9 percent to 221.9 percent for areas that are quantifiable. The specific programs and areas that exhibit equity concerns were identified as the district cost per pupil, the teacher salary categorical supplement, the professional development categorical supplement, the early intervention categorical supplement, the instructional support program and levy, transportation costs, and sparsely populated districts.

Ms. Schroeder provided a detailed breakdown of the frequency of school districts across the range of district cost per pupil amounts and district transportation cost per student. In addressing transportation costs, Ms. Schroeder presented data on the disparity among school districts as it relates to students per square mile. She observed that a school district whose average transportation cost per student enrolled is higher than the state average has less money to expend for instructional purposes and, she opined, the length of time a district's students spend on a bus morning and night can be too long. The task force report contains options to address disparity in district transportation costs, including creation of a separate funding formula, appropriation of funds to the SBRC for assistance, and authorizing the use of the physical plant and equipment levy for transportation costs. The report also contains options to address funding inequities for sparsely populated districts, including adding a "student per square mile" factor to the formula and adding a "minimum number of teachers" funding factor to offer a basic program.

Following issuance of the November 2013 report, additional committee work was conducted by some members of the task force in the form of a "solutions committee" to advocate for changes to the formula to improve adequacy and equity of funding and to provide recommendations to the School Finance Formula Review Committee. Ms. Schroeder noted that Iowa is one of only five states to have never had its school funding approach challenged in court. The solutions



committee's core beliefs were identified as: adequate and equitable resources allocated to kindergarten through 12th grade education regardless of zip code, education funding must be the state's highest priority, and education funding must be a mix of property taxes and state money, as well as locally voted, enhanced funding. In addition, the solutions committee recommends that new categorical sources of funding be incorporated into the formula within three years, that the formula be easier to understand, and that all school districts should gain resources without removing resources from other districts.

On the issue of adequacy of school district funding, the solutions committee identified four recommendations: (1) establish a long-term financial commitment to fund the kindergarten through 12th grade program to a level that surpasses the national average, and restore AEA funding to levels prior to the permanent and annual cuts made annually since 2001; (2) remove transportation costs from the formula and finance those costs separately; (3) create a new school finance formula without transportation costs that combines the current multiple funding streams, provides sufficient funding to minimize the difference between district cost per pupil among districts, and considers changes to the uniform levy rate and foundation level and the impact on the mix of state aid and property taxes; and (4) provide substantial, dedicated, and long-term additional resources for low socio-economic status students. Other recommendations for consideration include the possibility of "necessarily small schools," the creation of enrichment funding to encourage innovation, and creating a school finance policy center.

Co-chairperson Jorgensen asked if Iowa's national ranking in per capita income versus per pupil expenditure includes the state aid added under the education reform legislation enacted in 2013 and 2014. Ms. Schroeder responded that the data will include those dollars in the future, but the addition of those dollars will not bring the state up to the national average.

V. Timing and Adequacy of Funding

Dr. Jeff Anderson, President of both the IASB and the Boone Community School District Board of Directors, addressed concerns relating to equity and the timing of school funding decisions at the state level. Dr. Anderson identified the complexities of the school district budgeting process, including the deadlines districts must adhere to, and noted that uncertainty of state funding decisions creates problems for school boards negotiating collective bargaining contracts and determining staffing levels. He noted that a school district cannot submit an accurate budget until the certified enrollment and the resulting funding, which is based on the certified enrollment, are known. Boone's school district has declining enrollment and the district needs to know how large its cuts will be so it can set staffing levels and inform teachers whether their contracts will be continued. Last year's state funding uncertainty disproportionately impacted the district's newer teachers. The district could not renew some teacher contracts by the statutory deadlines, and by the time additional state dollars were appropriated, some of those teachers were no longer available because they had moved on to other jobs.

Dr. Anderson also described the specific actions taken by the Boone Community School District Board when it had to formulate a budget without knowing the full state funding levels. He noted that increases in funding have not addressed the increasing costs incurred by school districts, including teacher compensation settlements. Dr. Anderson acknowledged the additional funding



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sources approved by the Legislature in recent years, including the teacher leadership supplement, but noted that the additional funding does not replace supplemental state aid. To achieve a world-class education, districts need adequacy in funding. Dr. Anderson stated that the one recent budget year when the district did have increased enrollment, the state percent of growth was set at zero. The district is receiving less than 2 percent now, and therefore needs to continue to make cuts. The Boone Community School District has submitted an application to implement a framework or comparable system in order to receive the teacher leadership supplement foundation aid. If the DE approves the application, Boone can hire seven more teachers. However, because of declining enrollment, the district is going to have to cut seven teaching positions. Dr. Anderson recommends that the state percent of growth for the coming school year be set at 6 percent.

Ms. Margaret Buckton, on behalf of the Urban Education Network, identified property tax valuation differences, differences in the district costs per pupil, and state funding for the instructional support program as sources of inequality within Iowa's education funding system. She also presented the committee with data relating to the tax burden per capita in Iowa, expenditures per student, and performance on the NAEP and how Iowa's data compares nationally.

Ms. Buckton asserted that Iowa's current level of funding is no longer sufficient to promote achievement and noted Iowa's national rank in teacher salaries and overall education spending per student. Ms. Buckton also noted that in 1998, Iowa ranked tenth in expenditures per pupil controlled for cost of living. By 2010, Iowa ranked twenty-fifth in expenditures per pupil controlled for cost of living. With regard to Iowa's report card under the NAEP, in 1996 Iowa ranked sixth in fourth grade math and tied for first in eighth grade math. In 1998, the first time Iowa could be ranked in reading, Iowa's ranking was eighth in fourth grade reading. Iowa's rankings in 2013 were: Twenty-first in fourth grade reading, fourteenth in fourth grade math, twentieth in eighth grade reading, and twenty-fifth in eighth grade math. She stated that the states making academic gains increased their education funding.

Co-chairperson Jorgensen asked if Iowa's late adoption of statewide standards could account for some of the drop in NAEP scores in comparison with other states. Ms. Buckton agreed that dollars do not equate with achievement; however, she suggested that Iowa has lowered its expenditure level so much that the state has a number of opportunities for investment in its educational future. She stated that other states have made progress in academic achievement and caught up to Iowa.

Co-chairperson Quirnbach observed that the trends in education spending and academic achievement rankings are highly correlated and he suggested that the state needs to provide state aid in a timely fashion and provide resources that are adequate to support districts' plans. He also noted that Iowa's schools are generally performing well, but have been enrolling student populations with greater needs. Senator Schoenjahn noted that the Des Moines school district serves an enrollment that includes 110 different languages, and these English language learners are taking the NAEP assessments. Representative Winckler observed that when funding was at a more adequate level, more schools employed curriculum specialists. Now, as funding was decreased, districts rely on AEAs for their curricular needs, but AEAs have also lost resources. Whole content areas are without content specialists as the DE has also had to reduce staffing. Senator Johnson noted that an inequitable funding formula also affects rural schools.



Ms. Buckton stressed the need to have state funding decisions, including the state percent of growth, completed during the statutorily required period in order to give school districts appropriate time to budget, bargain, and make staffing decisions.

Ms. Mary Jane Cobb, Executive Director, Iowa State Education Association, acknowledged the importance of the school finance formula, but noted that funding decisions through the formula are also important. Ms. Cobb raised concerns over the instability of the state percent of growth in recent years and noted that school districts have been forced to make decisions based on guesses, which ultimately impact students. She urged the committee to give consideration to the recommendations of the solutions committee, in particular the equity piece, and expressed support for a state percent of growth of 6 percent to help cover previous shortfalls in funding. She called it remarkable that all of the education stakeholders comprising the solutions committee are advocating for the same things.

Mr. Dan Smith, School Administrators of Iowa, stated that school districts have slowly been starved by the low state percent of growth rates and funding unpredictability. Mr. Smith discussed the larger impact of education funding on smaller communities in the state, due in part to the higher percentage of individuals in those communities who are employees of the school district. He described the tough budgeting decisions being made by school districts in response to the ongoing uncertainty. Mr. Smith noted that over two-thirds of Iowa's school districts are experiencing declining enrollment, and recommended that the state percent of growth be set predictably and set at 6 percent.

VI. Committee Discussion and Recommendations

Co-chairperson Jorgensen recommended the book *The Smartest Kids in the World: and How They Got That Way*, by Amanda Ripley. The book compares America's education system with other countries' education systems — countries such as Finland, Korea, and Poland, which he said are not rich, but their results are better than the results of America's system. The key point, he stated, is that the amount of money spent is not as important as how the moneys are spent. As examples, he noted that Idaho and North Dakota spend less but get greater performance from their students. Legislators must face budgeting realities. While other state agencies have lost money, education spending in Iowa continues to rise by, he said, \$650,000,000 over the past four years. The state must honor its commitments, which include \$60 million in new funding for education in the coming fiscal year, he noted. He also noted that 1 percent of state percent of growth is equivalent to approximately \$40 million. He told members that he supports more spending, but the state cannot spend more than it takes in as revenue. He identified equity as his district's biggest education issue. The Sioux City legislative district he represents feels it is overtaxed and failed to approve a voter-approved physical plant and equipment levy, so his area must do more with less than other communities that have authorized such levies. His district does not have high pupil transportation costs, but sympathizes with districts that do. He indicated that removing transportation from the formula would likely not happen, but suggested there may be other measures that could be taken to help districts with high transportation costs.

Senator Johnson observed that not all members of the education community attended the meeting — noting that he represents 24 public schools and a dozen private schools that represent the kind



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of choice available to the citizens of northwest Iowa. He suggested that the state may need to address transportation funding by providing assistance based upon a graduated tier system.

Co-chairperson Quirnbach advised committee members to pay attention to per pupil expenditures and the fourth grade NAEP reading results graph. Iowa competes against other states for business and Iowa's kids compete against other states' kids in the labor market. As compared to other states, Iowa has reduced its per pupil funding. If the state does not heed these numbers, he remarked, the state will descend into lifeboat ethics where some will be saved and others sacrificed. Without equitable funding, he argued, Iowa and its students will come in last in the business world and in the labor market.

Representative Forristall suggested that legislators may need to address the amount school districts receive for students enrolled in half-day kindergarten programs, and over the next five years address increased funding for transportation and for school districts enrolling greater numbers of students with low socio-economic backgrounds.

Representative Dolecheck identified transportation costs as the highest issue for rural school districts, of higher importance than setting the state percent of growth at 6 percent. However, he recommended against providing full state funding for transportation, reasoning that fully funding transportation costs with state moneys could lead to issues with accountability. He recommended a partnership in which local voters approve additional local funding for transportation, with the state providing matching moneys in a percentage to be determined.

Representative Winckler responded that she hoped that the committee would not recommend funding inequities in transportation in lieu of making a decision regarding supplemental state aid. She noted that the unintended consequence of setting the state percent of growth at zero percent is that it makes 228 school districts eligible for the budget guarantee, while 4 percent makes 139 school districts eligible for the budget guarantee. She suggested that when the state refills the Iowa Economic Emergency Fund, it may be a better use of \$60 million in state dollars to provide for taxpayer relief to allocate those moneys to education funding. She indicated that it would be her hope that legislators would be able to attend a number of working sessions to arrive at solutions to education equity and adequacy issues.

Co-chairperson Jorgensen asked whether the state should consider allowing more flexibility in the expenditure of statewide school infrastructure funds. Senator Schoenjahn noted that a similar discussion is taking place regarding adding flexibility under the physical plant and equipment levy to allow revenues to be used for utilities. Co-chairperson Jorgensen added that it may be time to make preschool funding more flexible. Co-chairperson Quirnbach stated he would be willing to have a conversation regarding flexibility in program expenditures, and would like to give school districts more time to make their decisions. Co-chairperson Jorgensen indicated that he would like the stakeholders to compile the projected costs and the positives and negatives of the solutions they presented as recommendations to the committee, and possibly make another presentation to the committee. Co-chairperson Quirnbach agreed that the committee needs further information, but Representative Dolecheck reminded members that the Legislative Council only authorized one meeting date for the committee.



Representative Ruff noted that no two districts are the same, so the state should consider rolling the categorical funding into the school aid formula.

Representative Dolecheck moved that the committee receive additional information and meet again to address the transportation costs and the funding for pupils enrolled in half-day kindergarten programs, which Senator Johnson seconded.

Senator Sinclair suggested that the committee should focus on six areas: (1) determining the percentage of supplemental state aid, (2) addressing transportation costs, (3) increasing flexibility in categorical supplements, (4) determination of the costs of the proposals, (5) addressing property tax-poor districts, and (6) funding half-day kindergartens. Members of the committee suggested that Senator Sinclair's proposals be added to Representative Dolecheck's motion.

Co-chairperson Quirnbach then proposed that Representative Dolecheck's motion be amended to add a recommendation that per pupil funding be increased to the national average; seconded by Senator Schoenjahn, the motion failed. Senator Sinclair moved that her proposals for additional information be added to Representative Dolecheck's motion; seconded by Senator Schoenjahn, her motion passed unanimously. Representative Dolecheck's motion also passed unanimously. The committee also unanimously approved Representative Winckler's motion for the committee to meet again within two weeks after the start of the legislative session to review the information received from the stakeholders.

The committee's recommendations to the General Assembly are summarized as follows:

In order to facilitate additional review by the committee, those individuals and stakeholders who submitted funding options or recommendations to the committee during the committee's December 15, 2014, meeting related to any of the following are requested to provide the committee with additional information and analysis, including cost estimates, prior to the beginning of the 2015 Legislative Session:

1. Funding of school district transportation costs.
2. Funding of half-day kindergarten programs.
3. Adherence to the statutory requirements for establishing the state percent of growth used for calculating supplemental state aid.
4. Increasing school district flexibility for the use of funds received through categorical funding supplements.
5. Increasing equity in funding for school districts with low property tax valuations.

Pursuant to the interim committee scheduling guidelines adopted by the Legislative Council and in order to review the information and analysis requested from individuals and stakeholders in the committee's first recommendation, the committee recommends that Co-chairpersons Quirnbach and Jorgensen submit a request to legislative leadership in the House of Representatives and Senate to hold one additional committee meeting on or before Friday, January 23, 2015.



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VII. Materials Filed With the Legislative Services Agency

The following materials listed were distributed at or in connection with the committee's meeting and are on file with the Legislative Services Agency. The materials may be accessed from the Committee Documents link on the committee's Internet web page:

<https://www.legis.iowa.gov/committees/committee?qa=85&groupID=21383>

1. School Finance Formula Review Committee Background, Legislative Services Agency.
2. School Finance Formula Overview — Ms. Oakley, DM; Mr. Parker, LSA; Dr. Berger, DE.
3. School Finance Formula Overview Maps, Mr. Parker, LSA.
4. Fairness and Equity in Iowa's School's Presentation, Ms. Schroeder, IASB.
5. School Finance Formula Task Force Report, Ms. Schroeder, IASB.
6. Task Force Solutions Committee Recommendations, Ms. Schroeder, IASB.
7. Urban Education Network (UEN) Comments, Ms. Buckton, UEN.
8. NAEP and Expenditure Comparison, Ms. Buckton, UEN/Iowa School Finance Information Services.

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