Comments by the Iowa Association of School Boards to Members of the Program Elimination Committee
December 11, 2002

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The Iowa Association of School Boards represents all of Iowa's 371 public schools and the 2,100 democratically elected local school board members that make up the membership of those 371 school boards.

The recommendations of the Program Elimination Committee concerning reorganization for districts with secondary schools under 100 enrollment and school districts with total enrollment below 250 were initially on the right track. We agree with the Program Elimination Commission discussion principles behind many of your considered recommendations, that increasing educational opportunity for students should be the primary motivator for reorganization and consolidation discussions. Reorganization incentives have historically brought Iowa from over 4,000 to 371 school districts, and there are more reorganization discussions under way today. The current 10-year phase-out of budget guarantee now in Iowa law (and low allowable growth), combined with the promise of reorganization incentives contained in SF 203 enacted in the 2001 Legislative Session, have sparked new discussions and should be allowed to run their course without further state action.

The latest recommendation to accelerate the phase-out of budget guarantee from 10 years to 5 years for districts without an approved plan is problematic:

- It adds an unnecessary layer of bureaucracy beyond the local district. Local school boards are the entity closest to the needs of children and taxpayers.
- 21 of the 31 districts with enrollment below 250 already have sharing agreements to educate their high school students in a larger high school.
- 6 of the 31 districts below 250 enrollment aren't eligible for budget guarantee and would be left with no financial incentive to reorganize.
- It is unknown how many districts actually levy taxes for and receive the cash for the budget guarantee authority to which they are entitled. If a district does not levy the tax, acceleration of the phase-out would not motivate changed behavior.
- Reorganization and consolidation decisions are often emotional and difficult issues, well beyond financial considerations. School districts need support and encouragement, not threats, to continue to reorganize successfully as Iowa has already demonstrated the ability to accomplish.
- Disparate school property tax rates between contiguous districts are a key barrier to reorganization. The range of school general fund property tax rates for Iowa's smallest districts (below 250) is a low of $8.09 to a high of $15.77 per $1,000 of net assessed taxable property value. (The high for this group is the highest general fund property tax rate for the state.) Phase-out of a budget guarantee does not provide any incentive for a neighboring district to adopt the school with declining enrollment and a lower tax base. Only targeted incentives or broader policy addressing tax equity will overcome this major barrier to reorganization. Phase-out of the budget guarantee is problematic.
guarantee at an accelerated pace would actually increase the gap between tax rates if the district seeking reorganization already had a lower property tax rate than a possible reorganization partner since budget guarantee dollars are property tax dollars.

* The ACT score data categorized by school district size is not conclusive. It may not control for sharing agreements (the size of the high school in which a student is educated). Smaller districts have fewer drop outs and the highest rate of students intending to continue with post secondary education, thus a larger population taking the ACT test than in comparison district size groups. Until there is conclusive data on achievement differences, the presumption of local authority and voluntary incentives should continue.

* There is no state general fund impact associated with the reorganization recommendations. Budget guarantee is funded with local property tax dollars.

The membership of IASB has historically supported voluntary incentives to encourage reorganization or consolidation. The IASB Delegate Assembly, Nov. 20, 2002, continued commitment to the following:

The school board and the citizens of a school district should assess the quality and extent of its educational program and determine whether the school district should continue to operate within its present geographical boundaries. School boards are encouraged to initiate discussions with other school boards. In order to reduce costs, to maintain, or to enrich quality education, IASB encourages school districts to share administrators, teachers, equipment, facilities and transportation, including the scheduling of joint classes and extracurricular activities.

IASB believes school district consolidation or sharing may be in the best interests of Iowa's public school students when:

* The best interest of students is the most important factor considered. The best interest of students is measured by expanded educational opportunities.
* The consolidation is voluntary - initiated and voted upon by the citizens of the school districts involved.
* The state offers sufficient incentives to make the consolidation or sharing financially attractive to school districts involved.
* Geographical issues are considered including minimizing the amount of travel time by students and allowing for continued community participation by the communities involved.

Thank you for the opportunity to comment. Please feel free to contact me with any questions, concerns or for further information. I can reached at the IASB office 1-800-795-4272 or locally in Des Moines 288-1991, or by email mbuckton@ia-sb.org.

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