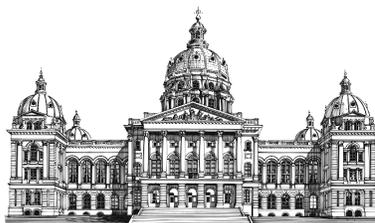


# Iowa Legislative Fiscal Bureau

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State Capitol  
Des Moines, IA 50319  
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## New Iowa Schools Development Corporation (NISDC)

### ISSUE

Should the Department of Education continue to contract with the New Iowa Schools Development Corporation (NISDC) to provide school transformation design and implementation projects?

### AFFECTED AGENCIES

Department of Education

### CODE AUTHORITY

Section 294A.25(8), Code of Iowa

### BACKGROUND

The NISDC is a private, nonprofit corporation established in 1991 as a collaborative effort of the Iowa education groups listed below to act as a catalyst to accelerate educational improvement in Iowa. The 17-member Board of Directors consists of the following representatives:

- Area Education Agencies - Bob Steele, Chief Administrator, Green Valley AEA 14
- Colleges and Universities - Steven Yussen, Dean, College of Education, University of Iowa
- Community Colleges - Robert Dunker, President, Western Iowa Tech Community College
- House and Senate Education Committee Chairs - Representative Don Gries and Senator Don Redfern
- Iowa Association of Business and Industry - Robert Wersen, President, Panel Components
- Iowa Association of School Boards - Ron Rice, Director and Don Williams, President
- Iowa Business Council - Thomas Hobson, Manager of Communications and Public Affairs, Rockwell International
- Iowa Department of Education - Ted Stilwill, Director
- Iowa Parent Teacher Association - Laurie Musel, President
- Iowa State Education Association - Fred Comer, Executive Director, and Bob Gilchrist, President
- Office of the Governor - Jodie Butler, Governor's Assistant for Education
- School Administrators of Iowa - Gaylord Tryon, Executive Director, and Thomas Williams, President
- State Board of Education - Sally Frudden

The staff of NISDC consists of 10 positions including the Executive Director. Employees of NISDC are not State employees. The Executive Director of NISDC is Gerald Ott. Mr. Ott is an employee of the Iowa State Education Association (ISEA) who is on loan to NISDC. Mr. Ott works full-time for NISDC with NISDC reimbursing ISEA for a portion of his salary.

The Corporation provides the following services and technical assistance:

- Regional Leadership Team Meetings - district level leadership teams are provided information on school improvement.
- School-based Improvements:
  - School Improvement Training - four to six days of regional training to address organizational structure, community services, and learning environment.
  - Organizational Assessment - based on criteria related to leadership development, school-based improvements, and community collaboration.
  - Leadership Training - four to six days of regional training provided to increase leadership skills.
  - Action Research - on-site technical assistance in gathering data, needs identification, action planning, implementation, and evaluation.
  - Principal Leadership Development - regional seminars to address the unique role of the principal as a facilitator of change and improvement.
  - Community Collaboration - technical support to help educators build community support for educational excellence.
  - Facilitator Training - individuals receive education and training and acquire new skills to help schools with continuous improvement.
  - NISDC Reflections Newsletter.
  - Publications and Information - on school improvement provided by NISDC and partners.
  - Site Visits - NISDC staff make periodic visits to assist districts in meeting program goals.
  - Partnerships - with various stakeholders to support initiative in local school districts.
  - Electronic Communications - web page and listserv.

### NCREL Evaluation

The North Central Regional Educational Laboratory (NCREL) evaluated NISDC during the 1996-1997 fiscal year. The evaluation focused on the following questions:

1. Are participants satisfied with NISDC events and school-based initiatives?
2. How does the work of NISDC help students?
3. What are the enduring needs of students for NISDC services?

NCREL found that overall, participants are very satisfied with the information they have received as well as with the content and structure of the events. Most participants also believed that events sponsored by NISDC will have a positive impact on students. However, other than interviews with participants there is no research or measure to prove this. Many educators indicated they are more reflective in their teaching methods and more aware of their techniques' effect on student learning. Participants also expressed a need for continued school improvement efforts.

### CURRENT SITUATION

The funding for NISDC operations is provided by a contract with the Department of Education. The Department is allocated \$1,250,000 from Phase III of the educational excellence standing appropriation to pay the contract. If this contract were eliminated, \$1,250,000 would remain in Phase III to be allocated on a per pupil basis to all school districts. While the NCREL evaluation

indicates that participating schools are satisfied with NISDC services, not all school districts in Iowa are receiving services.

Members of the General Assembly, while virtually all in agreement on education as a priority, are struggling with where best to focus funding to achieve the desired outcome of improved quality of education in Iowa. Are schools better off utilizing the services of NISDC, or can they accomplish the same things with additional funding that would become available if the State contract with NISDC were eliminated?

Senate File 549 (Education Appropriations Act for FY 1998) requires NISDC to make a concerted effort to increase the number of school districts served and to analyze the services provided to determine the average amount of time necessary to adequately serve a district. A report is to be provided to the General Assembly by December 31, 1997. This study was requested to encourage NISDC to extend services to more schools rather than continuing to serve schools that have already received services for a number of years. Since NISDC's purpose is to be a catalyst for school improvement, once a school has established and implemented a plan, there should be a decreased need for NISDC services to that particular school district.

### ALTERNATIVES

1. Eliminate the Department of Education contract with NISDC - this would free up \$1,250,000 in Phase III funds that would be distributed to schools on a per pupil basis. Schools could contract individually with NISDC if services were needed or viewed as a priority.
2. Limit the amount of administrative expense that NISDC can expend from the funds allocated to maximize funds for local districts.
3. Require more in-kind contributions and financial support from other education groups that make up the membership of NISDC. In the collaborative effort of NISDC's formation, the State of Iowa is providing virtually all the hard funding. Some soft match is provided by ISEA in the form of salary and benefits for part of three NISDC employees, including the Executive Director.
4. Require that the number of schools served be expanded. While NISDC claims a total of more than 150 participating schools and districts, the bulk of the Corporation's staff time and financial resources are focused on a few districts.

### BUDGET IMPACT

The Department of Education's contract with NISDC is currently funded from Phase III of the Educational Excellence standing appropriation at \$1,250,000 for FY 1998. The funding has increased over time since the Corporation's inception as follows:

- FY 1991 - \$250,000
- FY 1992 - \$250,000
- FY 1993 - \$250,000
- FY 1994 - \$1,000,000
- FY 1995 - \$1,000,000
- FY 1996 - \$1,250,000
- FY 1997 - \$1,250,000

The FY 1998 operating budget for NISDC is provided as **Attachment A**. A total of \$597,500 (43.8%) of the total budgeted expenditures are designated as direct aid to school districts.

Expenditures of \$139,800 are budgeted to reimburse ISEA for a portion of three employees and for office rent.

STAFF CONTACT: Mary Shipman (Ext. 14617)

**NEW IOWA SCHOOLS DEVELOPMENT CORPORATION**  
**Budget Comparison**

	<b>FY97</b>	<b>FY98 PROPOSED</b>
	<b>BUDGETED</b>	<b>BUDGET</b>
	<b>AMOUNT</b>	<b>BUDGET</b>
<b>REVENUE:</b>		
State Contract	\$ 1,250,000.00	1,250,000.00
Private funding	4,500.00	0.00
Other Income	125,500.00	0.00
<b>Total Revenue</b>	<b>\$ 1,380,000.00</b>	<b>1,250,000.00</b>
<b>SUPPORT FOR SITES:</b>		
Direct Funding/Sites	\$ 350,000.00	348,000.00
Special School-Community Programs	150,000.00	249,500.00
Consultant Fees	88,837.00	108,500.00
Evaluation (NCREL)	27,000.00	33,500.00
Evaluation Support for Sites	25,000.00	30,000.00
Consultant Travel	27,500.00	10,000.00
Materials & Publications	10,000.00	10,000.00
Participants Meals & Lodging	50,000.00	30,000.00
Travel for Facilitators	8,000.00	3,000.00
Travel for Staff	30,000.00	35,000.00
Out-of State Travel for Staff	2,500.00	2,500.00
Professional Staff	296,363.00	299,862.00
Professional Staff Payroll Taxes		
Office Secretary		
Office Secretary Payroll Taxes		
Employee Pension Plan		
Program Consultants		
Professional Staff Benefits		
Office Secretary Benefits		
<b>ADMINISTRATIVE EXPENSE:</b>		
Accounting	4,200.00	4,300.00
Audit	4,500.00	4,000.00
Board Meetings	1,800.00	2,000.00
Director's Secretary	26,500.00	27,100.00
Executive Director	52,500.00	53,500.00
Insurance	3,500.00	4,500.00
Legal	1,000.00	1,000.00
Office/Rental	16,800.00	17,200.00
Custodial	1,500.00	1,200.00
Other	1,000.00	1,000.00

**COMMUNICATIONS & DEVELOPMENT:**

Brochures	10,000.00	4,000.00
ICN & Electronic Communication	4,000.00	2,500.00
Newsletter	2,500.00	3,000.00
Publications & Reports	1,500.00	6,500.00
Stationary, Folders, Envelopes, etc.	6,500.00	2,500.00
Video Production	5,000.00	5,000.00
Membership Fees/Dues	2,000.00	2,500.00
Equipment Repair	2,500.00	2,000.00
Photocopying	10,000.00	10,000.00
Postage	10,000.00	7,000.00
Supplies	6,000.00	6,000.00
Telephone	9,000.00	9,000.00
Office Operations	2,500.00	2,000.00

Total Expenditures Before Depreciation 1,250,000.00 1,337,662.00

**DEPRECIATION:**

Leaseholds and Office Equipment	20,000.00	25,000.00
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Total Expenditures \$ 1,270,000.00 1,362,662.00