



December 9, 2004

IOWA GENERAL ASSEMBLY  
**LEGISLATIVE SERVICES AGENCY**

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**Memorandum**

**To:** Chairpersons Senator Nancy Boettger and Representative Jodi Tymeson and Members of the School Finance Formula Review Committee

**From:** Rick Nelson, Senior Legal Counsel

**RE:** Third Meeting Agenda

Attached is the agenda for the third and final meeting of the School Finance Formula Review Committee, scheduled for Thursday, December 16, 2004, at 10:00 a.m. in Room 24 at the State Capitol.

As discussed at the conclusion of the November 23<sup>rd</sup> meeting, the objective of the final meeting will be to discuss and finalize recommendations to the General Assembly and the Legislative Council. Also during the November 23<sup>rd</sup> meeting, the Department of Education was requested to prepare and present options relating to school finance formula adjustments or enhancements at the upcoming meeting, and Committee members were requested to compile their own list of possible recommendations for discussion purposes and bring it to the meeting. To assist in developing that list, the following items were mentioned during Committee discussion in the two previous meetings as possible recommendation areas. They are in no particular order, and not intended as a conclusive list:

- Raise foundation level to 100%, increase uniform levy, eliminate additional levy.  
(Might consider adjustments to equalize impact of property tax shifts)
- Incorporating categoricals (Phase I, II, Teacher Quality, Class Size) and/or levies (Instructional Support, PPEL) into formula.
- Converting LOST to statewide sales tax with no restrictions on purposes for which it can be used.
- Allowing school districts to set own levy rates.
- Consider alternative approaches to establishing allowable growth and the timeline for establishing it.
- Reduce extent to which SBRC authorization constitutes additional allowable growth, fully fund special education deficit.

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- Increase the amount of or duration of supplementary weighting for ESL.
- Fully fund the Instructional Support Levy.
- DOM facilitate dialogue between school districts, cities, and counties regarding resolving TIF issues.
- Transportation -- Increase funding for transportation, either exclusively to high cost districts exceeding the statewide average transportation cost, or to all districts. Might consider utilizing a formula whereby assistance given to districts with costs exceeding a specified percentage of the statewide average.
- Eliminate old/out-of-date levies.
- Encouraging a seamless system with increased partnering between school districts and community colleges/promoting more community colleges to follow NIACC's lead.
- Community College recommendations – increase funding, protect supplementary weighting, allow supplementary weighting for ICN – possibly on a pilot program basis, remove post-secondary enrollment options barriers, increase vocational-technical grants, develop community college entrepreneurial centers, support Iowa Learns Council recommendations.

Additionally, written comments regarding the school finance formula were solicited from various interest groups. Responses were received from the Iowa Association of School Boards, the Iowa State Education Association, the Iowa Association of School Business Officials, the Urban Education Network, and from Mr. Wayne Haddy regarding area education agencies, and have been included in this mailing, along with the Minutes from the November 23<sup>rd</sup> meeting.

If you have any questions or concerns in advance of the meeting, please contact me at 515-242-5822, or in the alternative, Kathy Hanlon at 515-281-3847 or Mike Goedert at 515-281-3922.