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April 11, 1988

Speaker Don Avenson
Chairperson
Iowa Legislative Council

Dear Chairperson Avenson:

As the Chairpersons of the School Finance Study Committee, we respectfully request that the Legislative Council approve the procedure adopted by the Study Committee for Phase II of the study of school finance in Iowa.

On September 2, 1987, the Legislative Council authorized the expenditure of \$40,000 from moneys appropriated to the general assembly in section 2.12 of the Code for the execution of a contract between the School Finance Study Committee and the Education Commission of the States to conduct Phase I of the study. The Council also authorized the expenditure of \$100,000 from moneys appropriated in section 2.12 of the Code for the hiring of an independent consultant to conduct Phase II of the study but asked the Study Committee to obtain approval from the Council for the specific consultant and method of proceeding.

Following that authorization, the Study Committee did sign a contract with the Education Commission of the States (ECS) and the ECS, in turn, signed subcontracts with the National Conference of State Legislatures and Augenblick, Van de Water & Associates.

The ECS completed the following tasks as required by the contract:

1. Reviewed previous studies of school finance and related issues in Iowa.

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2. Conducted interviews with personnel from various state agencies and departments to understand the resources available in Iowa.

3. Conducted interviews in a sample of Iowa school districts, visiting with school district board members, superintendents, business managers and others.

4. Conducted interviews with education, business, and taxpayer interest groups to clarify their positions on the issues.

5. Developed a draft set of specifications which the Study Committee could use to conduct its study of school finance.

Mr. Kent McGuire of the Education Commission of the States met with the members of the School Finance Study Committee at a meeting on January 26, 1988. At that meeting he suggested that the Study Committee might consider using a negotiation process with potential contractors rather than using a bidding process. Mr. McGuire stated that he, and others who helped him in Phase I of the study, were impressed with the qualifications and expertise of individuals available in Iowa that could assist the Study Committee. He suggested that the work of the study could begin more quickly and at less cost using Iowa experts as an in-state consortium to perform a detailed analysis of data and other information. Mr. McGuire then suggested that the Study Committee employ a panel of school finance and fiscal capacity experts to assist in structuring and interpreting the information collected and analyzed by the in-state consortium.

The results of the study conducted by the Education Commission of the States and the National Conference of State Legislatures indicated that the study should focus on two major areas - the fiscal impact of declining enrollment and economies of scale on school districts and alternative definitions of the fiscal capacity of school districts. Mr. McGuire reviewed with the Study Committee a series of questions he had developed in each of these areas.

We asked the Study Committee for approval to proceed with the study in the manner recommended by Mr. McGuire. The Study Committee agreed with the proposal but withheld final approval of the recommended procedure until the members had viewed the membership and study questions for the in-state consortium and until the members had reviewed the qualifications and role of the national panel members.

On February 12, the Study Committee members were sent information about the qualifications of proposed members of the in-state consortium and a list of study questions that they would complete. They were also sent information about the qualifications of proposed members of the national panel. It was proposed that Ms. Terri Johnson of the Legislative Fiscal Bureau serve as coordinator of the study. The Study Committee members overwhelmingly approved the proposals we submitted to them.

We are asking you for specific approval to offer contracts to the individuals named at the amounts listed so that Phase II of the school finance study can begin.

IN STATE CONSORTIUM

1. Dr. Thomas Pogue - Professor, Department of Economics, University of Iowa.

\$35,000 to study school district fiscal capacity.
2. Dr. George Chambers - Professor of Educational Administration, University of Iowa.

17,500, to study the use of phantom pupils, school district staff by enrollment level, and cooperative efforts by school districts.
3. Dr. Lee Tack, Chief, Bureau of Planning, Research, and Development, Department of Public Instruction.

Reimbursement for actual extraordinary costs incurred in providing staff services to the Study Committee. These costs may include the cost of retaining a part-time graduate assistant. Dr. Tack will conduct studies of changes in school districts because of changes in enrollment levels and variations in school district expenditures.

4. Dr. Mark Edelman, Associate Professor and Public Policy Economist, Department of Economics, Iowa State University.

\$7,000 to work with the Department of Education and conduct a review of literature and study fixed and variable costs and marginal costs of school districts.

NATIONAL PANEL

1. Dr. John G. Augenblick, Partner, Augenblick, Van de Water & Associates.
Denver, CO
2. Dr. Steven D. Gold, Director of Fiscal Studies, National Conference of State Legislatures.
Denver, CO
3. Mr. Paul M. Nachtigal, Senior Professional, Mid-continent Regional Educational Laboratory.
Aurora, CO

Members of the national panel would be paid \$300 per day plus expenses for not more than fifteen days each for a maximum total cost of \$20,000.

In addition, Mr. Kent McGuire would be paid up to \$7,000 for technical assistance to the Study Committee.

PROPOSED BUDGET

\$35,000	Dr. Pogue
\$17,500	Dr. Chambers
\$ 7,000	Dr. Edelman
\$ 7,000	Mr. McGuire
\$20,000	National Panel
<u>\$13,500</u>	Contingency Funds
\$100,000	Total

The contingency funds would be used to pay cost overruns and to make payments to the Department of Education.

We ask the Legislative Council to act quickly to approve the procedure adopted by the School Finance Study Committee. The members of the in-state consortium need definite assurance of funding in order to hire research assistants to assist them during the summer.

Thank you.

Senator Larry Murphy
Co-chairperson
School Finance
Study Committee

Representative C. Arthur Ollie
Co-chairperson
School Finance
Study Committee

C.C.
Senator Bill Hutchins
Senator Calvin Hultman
Representative Delwyn Stromer

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REPORT OF THE SERVICE COMMITTEE
OF THE LEGISLATIVE COUNCIL

April 12, 1988

The Service Committee of the Legislative Council met on April 12, 1988 and makes the following recommendations regarding employees of the Legislative Service Bureau:

1. That Ms. Leslie Workman start employment at step 2 of grade 30 due to her experience of 3 years as a practicing attorney.

2. That Mr. Kent Peterson start employment at step 2 of grade 15 due to his education and experience, both of which are considerably above the minimum requirements for the position.

3. That the appointment of Ms. Kitty Miklus to the position of Assistant Administrator be approved. This involves a reclassification from her current position of Senior Bill Clerk and involves a salary change from grade 18, step 6, to grade 23, step 2.

4. That Ms. Kathy Bates be reclassified from Editorial Assistant at grade 20, step 2, to Assistant Editor I at grade 24, step 1. With the reorganization of the Iowa code Office and the retirement of Ms. Laverne Swanson, Ms. Bates has assumed greatly increased responsibilities.

The Committee also received reports on personnel actions not requiring legislative approval from the Legislative Service Bureau and the Computer Support Bureau.

Respectfully Submitted,

SENATOR JOE WELSH, Chairperson

R E P O R T

of the

CAPITOL SPACE ALLOCATION COMMITTEE

The Capitol Space Allocation Committee of the Legislative Council met on January 6, 1988 in the Speaker's Conference Room of the State House with representatives of the Department of General Services to discuss space allocation plans and following the meeting the members of the Committee toured the Old Historical Building.

The Capitol Space Allocation Committee directed the Department of General Services to provide information to the Committee relating to the amount of space currently occupied by the Legislative Service Bureau and the Legislative Fiscal Bureau and the amount of space presently available in the Old Historical Building. The Committee directed the Department to determine the amount of space available in the Old Historical Building with the state library remaining in the building and the amount of space available if the state library moves from the building. The Department of General Services shall also prepare an estimate of the costs of providing direct tunnel access between the Old Historical Building and the State House, including alternatives available as it relates to the tunnel access, and that any proposals prepared by the Department of General Services be submitted to the Capitol Planning Commission for its approval.

The Capitol Space Allocation Committee recommends to the Legislative Council that the Legislative Council enter into discussions with the Auditor of State concerning the possible vacation of the Auditor of State's offices located on the east side of the first floor of the State House to permit this area to be used for legislative committee rooms.

Respectfully submitted,

Senator Bill Hutchins
Co-Chairperson

Speaker Donald D. Avenson
Co-Chairperson

R U L E S

IOWA LEGISLATIVE COUNCIL

1987-1988

1. Eleven members shall constitute a quorum.
2. Not less than eleven affirmative votes are required for final action on any motion except a motion to recess or adjourn.
3. A substitute motion may be offered in lieu of a pending motion at any time unless the question has been called on the pending motion. A substitute motion takes precedence over any pending amendment to the original motion and, if adopted, disposes of the original motion and any pending amendments to the original motion.
4. Whenever Mason's Manual of Legislative Procedure does not conflict with the rules specifically adopted by the Council, Mason's Manual of Legislative Procedure shall govern the deliberations of the Council.
5. Meetings shall be set by motion before adjournment, or by call of the Council Chairperson with the approval of the Vice Chairperson if meetings are necessary before the date set in the motion.
6. Rules may be changed by a majority vote of the Council as provided in Rule 2.
7. The Council upon its motion may create committees in addition to those provided by statute to carry out its duties and shall designate the members of these committees. The committees shall include members of both political parties. The actions of the committees shall be reported to the Council at each meeting.

In addition, the Chairperson and Vice Chairperson may suggest to the Council the membership and chairpersons of study committees authorized.

The chairpersons of standing committees of the Senate and House shall recommend to the Legislative Council the membership of joint subcommittees of their standing committees.

All appointments suggested to the Council under this Rule shall be approved as provided in Rule 2.

Adopted: March 25, 1987