

F I N A L R E P O R T
AREA SCHOOL FUNDING SUBCOMMITTEE
OF THE
JOINT BUDGET SUBCOMMITTEE ON EDUCATION

December, 1978

The Area School Funding Subcommittee of the Joint Budget Subcommittee on Education was established to study the funding and governance of the area vocational schools and area community colleges which were established in 1965 by the General Assembly.

Members of the Subcommittee are:

Senator Bass Van Gilst, Co-chairperson
Representative Wally Horn, Co-chairperson
Senator C. W. Hutchins
Senator John Nystrom
Representative Myron Oxley
Representative John Pelton

The Legislative Council authorized three meetings for the Subcommittee and two meetings were used.

Representatives from the Area School Division of the Department of Public Instruction provided Subcommittee members with detailed information about the development of the area schools and their funding. It was explained that Chapter 286A of the Code prescribes a funding method for the area schools specifying a uniform reimbursement rate based upon the schools' full-time equivalent enrollment, but this formula has not been used. It was also noted that the funding formula used for the last four years was criticized by some of the area school superintendents.

Several area school superintendents addressed the Subcommittee emphasizing the differences in programs and populations served in each of the fifteen area schools and advocating a flexible formula to meet varying needs.

Presentations were also given by representatives from the Iowa Council of Area School Boards and the Iowa State Education Association.

The Department of Public Instruction was asked to provide the Subcommittee with proposed alternatives for future area school funding. The representatives from the Department met with the Subcommittee at its second meeting and outlined a list of concerns about area school funding which had been received from the area school superintendents. In addition, the representatives from the Department explained that seven committees had been established to study the advantages and disadvantages of each of seven different funding alternatives.

The seven funding alternatives are:

1. Refinement of the current formula.
2. Isolation of salary and fringe benefits from all other allowable costs in the funding formula.
3. Budget growth based on prior budgets.
4. Block grants appropriated to the Department of Public Instruction to be distributed to the area schools.
5. Unit funding based on the concept that certain costs are present regardless of institutional differences including enrollments.
6. Accommodation support program using an allowable cost basis of instructional program direct costs and the initiation of an index factor for indirect cost functions.
7. Use of a formula similar to the present foundation aid formula for elementary and secondary school districts.

The representaives from the Department explained that the reports made by each of the seven committees were studied by the Area School Superintendents' Funding Committee which determined that there was not sufficient time to develop a specific recommendation to the General Assembly prior to the 1979 Session. A temporary plan was developed for funding for the 1979-1980 biennium while the study for a permanent funding method continues.

The Subcommittee discussed the information received from the Department and concluded that it does not seem advisable for it to make recommendations relating to area school funding prior to the completion of the study by the Area School Superintendents' Committee. The Subcommittee asked to be kept informed of the work of the Superintendents' Committee and urged that the Superintendents' Committee seek the viewpoints of faculty members as well as administrators at the institutions.