

Relationship between Budget Function Expenditure Percentage and Enrollment Size
Correlation Analysis of Significant Functions FY09 LEA Budgets

	Budget Functions					
	Student Support	Admin General	Admin BLDG	OpMaint	Trans	Noninstructional
Significance	Highly (.01 significance level)	Highly (.01 significance level)	Highly (.01 significance level)	Highly (.01 significance level)	Highly (.01 significance level)	Highly (.01 significance level)
Strength of relationship	Strong (.335)	Strong (-.503)	Moderate (.139)	Moderate (.146)	Moderate (-.217)	Moderate (.134)
Direction of the relationship	Positive (Enrollment increases = % of budget increases)	Negative (Enrollment increases = % of budget decreases)	Positive (Enrollment increases = % of budget increases)	Positive (Enrollment increases = % of budget increases)	Negative (Enrollment increases = % of budget decreases)	Positive (Enrollment increases = % of budget increases)
Account Codes	2100 Support Services-Students 2110 Attendance and Social Work 2111 Supervision of Attendance 2112 Attendance/Truancy 2113 Social Work 2114 Student Accounting 2115-2118 Temporarily 2119 Other Attendance and Social 2120 Guidance Services 2121 Supervision of Guidance 2122 Counseling 2123 Appraisal 2124 Information 2125 Record Maintenance 2126 Placement 2127 Temporarily 2128 Temporarily 2129 Other Guidance Services 2130 Health Services (Header only) 2131 Supervision of Health Services 2132 Medical 2133 Dental 2134 Nursing 2135 Wellness 2136 Temporarily Available 2137 Temporarily Available 2138 Temporarily Available 2139 Other Health Services 2140 Psychological Services 2141 Supervision of Psychological Services 2142 Psychological Testing 2143 Psychological Counseling 2144 Psychotherapy 2145-2148 Temporarily Available 2149 Other Psychological Services	2300 Support Services-General 2310 Board of Education 2311 Supervision of Board of 2312 District Secretary/Clerk (Will 2313 District Treasurer (Will not be 2314 Election Services 2315 Tax Assessment and Collection 2316 Staff Relations and 2317 Legal Services 2318 External Audit Services 2319 Other Board of Education Services 2320 Executive Administration Services 2321 Office of the Superintendent 2322 Community Relations 2323 State and Federal Relations 2324-2328 Temporarily 2329 Other Executive Administration 2330 Special Area Administration 2331 LEA/AEA Special Education 2332 AEA Media Services Director 2333 AEA Educational Services Director 2334-2339 Temporarily Available	2400 Support Services—School 2410 Office of the Principal 2411-2419 Temporarily 2490 Other Support 2491 Temporarily 2492 Full-time Department Chairs 2493 Graduation Expenditures 2494-2499 Temporarily	2600 Operation and Maintenance 2610 Supervision of Operation & 2620 Operation and maintenance 2630 Care and Upkeep of Grounds 2640 Care and Upkeep of 2650 Vehicle Operation and 2660 Security 2670 Safety 2680 2690 Other Operation and	2700 Student Transportation 2710 Supervision of Student 2720 Vehicle Operation 2730 Monitoring Services 2740 Vehicle Servicing and 2790 Other Student Transportation	Operation of Non-Instructional 3100 Food Services Operations 3110 School lunch/breakfast 3130 Special food functions 3140 Summer food programs 3150-3189 Invalid 3190 Other Food Service Operation 3200 Other Enterprise Operations identified as enterprises are Funds 3300 Community Services already identified as community services are Funds 62, 63, and 65- 67.)

Account Codes	<p>2150 Speech Pathology and Audiology Services (Header only) - Invalid (Generally used with program 2XX);</p> <p>2151 Supervision of Speech Pathology and Audiology Services</p> <p>2152 Speech Pathology/Language Impairment</p> <p>2153 Hearing Impaired/Audiology</p> <p>2154-2158 Temporarily Available</p> <p>2159 Other Speech Pathology and Audiology Services</p> <p>2160 Occupational Therapy Related Services (Generally used with program 2XX)</p> <p>2161 Supervision of Occupational Therapy Services</p> <p>2162 Occupational Therapist</p> <p>2163-2169 Temporarily Available</p> <p>2170 Physical Therapy Related Services (Generally used with program 2XX)</p> <p>2171 Supervision of Physical Therapy Services</p> <p>2172 Physical Therapist</p> <p>2173-2179 Temporarily Available</p> <p>2180 Visually Impaired/Vision Services</p> <p>2181 Supervision of Visual Impairment Services</p> <p>2182 Vision Impairment Services</p> <p>2183-2189 Temporarily Available</p> <p>2190 Other Support Services—Students</p> <p>2191-2199 Temporarily Available</p>					
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**Minimum District Size for Financial Viability Calculation
Minimum Staff Requirements
FY 08 Budget Estimate**

Chapter Ref	Position		Salary	FICA/IPERS	Health #	Dental^	Total Sal & Ben
12.3(11)	Counselor	*	\$39,284	\$5,382	\$4,200	\$304	\$49,170
12.3(12)	Librarian	*	\$39,284	\$5,382	\$4,200	\$304	\$49,170
12.4(4)	Superintendent	*	\$76,484	\$10,478	\$4,200	\$304	\$91,467
12.4(4)	Principal	*	\$66,360	\$9,091	\$4,200	\$304	\$79,956
12.4(12)	Nurse	**	\$20,872	\$2,859	\$4,200	\$304	\$28,236
12.5(3)	K-1	*	\$39,284	\$5,382	\$4,200	\$304	\$49,170
12.5(3)	2-3	*	\$39,284	\$5,382	\$4,200	\$304	\$49,170
12.5(3)	4-5	*	\$39,284	\$5,382	\$4,200	\$304	\$49,170
12.5(3)	6	*	\$39,284	\$5,382	\$4,200	\$304	\$49,170
12.5(4)	7	*	\$39,284	\$5,382	\$4,200	\$304	\$49,170
12.5(4)	8	*	\$39,284	\$5,382	\$4,200	\$304	\$49,170
12.5(4)	CTE	*	\$39,284	\$5,382	\$4,200	\$304	\$49,170
12.5(5)	English	*	\$39,284	\$5,382	\$4,200	\$304	\$49,170
12.5(5)	Social Studies	*	\$39,284	\$5,382	\$4,200	\$304	\$49,170
12.5(5)	Mathematics	*	\$39,284	\$5,382	\$4,200	\$304	\$49,170
12.5(5)	Science	*	\$39,284	\$5,382	\$4,200	\$304	\$49,170
12.5(5)	Health/PE	*	\$39,284	\$5,382	\$4,200	\$304	\$49,170
12.5(5)	Fine Arts	*	\$39,284	\$5,382	\$4,200	\$304	\$49,170
12.5(5)	Foreign Language	*	\$39,284	\$5,382	\$4,200	\$304	\$49,170
12.5(5)	CTE	*	\$39,284	\$5,382	\$4,200	\$304	\$49,170
12.5(5)	CTE	*	\$39,284	\$5,382	\$4,200	\$304	\$49,170
12.5(9)	Special Ed	*	\$39,284	\$5,382	\$4,200	\$304	\$49,170
12.5(12,13)	TAG/AR	*	\$39,284	\$5,382	\$4,200	\$304	\$49,170
	Secretary	***	\$27,312	\$3,742	\$4,200	\$304	\$35,558
	Business Manager	>	\$35,366	\$4,845	\$4,200	\$304	\$44,715
	Custodian	***	\$22,806	\$3,124	\$4,200	\$304	\$30,435
Total Sal & Ben			80% assumption				\$1,293,768
Other Expenditures			20% assumption				\$323,442
							\$1,617,210

Minimum Pupils to fund budget **303.25**
 (Using State Cost Per Pupil = \$5,333)

*Minimum salaries from 2009 Condition of Education Report
 **Average salary from salary.com
 ***Average salary from salaryexpert.com
 >From a smaller school system - CAR
 #Assumes \$350/month for 12 months
 ^Assumes \$25.35/month for 12 months

THE EFFECTIVENESS OF SHARING IN BRIEF

Historically Reorganizations and Prior Sharing

In 2001, the DE conducted a “School District Reorganization and Sharing Incentive Study.” There were 438 school districts in 1983-84. By 2000-01, 121 of the 438 districts had reorganized and two districts had dissolved.

- Of the 121 districts that reorganized, 103 (85%) were involved in whole grade sharing prior to reorganizing and 106 (88%) were involved in administrative sharing prior to reorganizing.
- Of the 149 districts that were whole grade sharing, 103 (69%) districts had reorganized as of July 1, 2000.
- Of the 302 districts that were involved with administrative sharing, 106 (35%) districts had reorganized and of these 106 districts, 94 were also whole grade sharing prior to reorganizing.

From these historical data, it appears that whole grade sharing not administrative sharing, is the driver in leading to reorganization. Granted, the greatest success for reorganization comes when both types of sharing occurred simultaneously. However, when these two types of sharing existed independently, it is clear that only a very small percentage of administrative sharing (7%) ever led to reorganization.

Activity During Fiscal Years 1983-84 to 2000-01		
(438 Districts in FY 1983-84)		
Activity	Number of Districts	
	Reorganized	Did NOT Reorganize
Participated in Whole Grade Sharing	9	12
Participated in Administrative Sharing	12	162
Participated in Both	94	34
Participated in Neither	6	107

NOTE: Two districts dissolved in this period, one of which participated in administrative sharing.

Reorganizations and Prior Sharing in Recent History

For K-12 districts, there have been six reorganizations, two dissolutions, and one involuntary merger. In five of the six reorganizations, both partners were involved in sharing prior to reorganization. In the sixth, one of the two partners was involved in sharing. (As a point of clarification, sharing can go in “multiple directions” with multiple partners, but reorganizations rarely involve more than two districts.) Two other reorganizations between two sets of whole grade sharing partners have been approved: one occurred in July 1, 2009, and the other for July 1, 2010.

The last year of administrative sharing was in FY 1997-98. Operational sharing, which is equivalent to administrative sharing in its composition, was not in effect until FY 2007-08. Therefore, comparisons between the two type's effectiveness in resulting in reorganization would not be meaningful. Whole grade sharing has been the only supplementary weighting in place since the study to incent districts into reorganization.

Operational Sharing

The use of operational sharing has grown significantly since it was reinstated:

	Districts Participating	Supplementary Weighting Cost
FY 08	48	\$2.7 million
FY 09	77	\$5.0 million
FY 10	133	\$8.3 million
FY 11	131	\$11.7 million

Observations

- Whole grade sharing appears to be the type of sharing that needs to be present to have the highest probability of reorganization – it's the best incentive. Historical data support this observation.
- Conjecture is that operational sharing or administrative sharing between superintendents, the leaders at the top, most often leads to reorganization in these types of sharing arrangements. Other sharing may help, but it does not have the same impact.
- One possible addition to whole grade sharing to improve its effectiveness would be to commit those boards that enter into this agreement to a reorganization vote upon taking the third and final year of sharing money that is available prior to reorganization. Currently, districts must only show progress toward reorganization to continue to receive the whole grade supplementary weighting that is available prior to reorganization.

Comparison of School Restructuring

	Putting Together		Taking Apart	
	Whole Grade Sharing	Reorganization	Dissolution	Merger Resulting from Phase II (Loss of Accreditation)
Authority	Iowa Code 282.10, 282.7	Iowa Code 275.1 - 275.41	Iowa Code 275.51	Iowa Code 256.11(b)
Effect	Normally a prelude to reorganization. East district retains its board and remains an independent school district. Local policy applies to "served" students rather than "resident" students.	Joining of entire districts (usually two – and may follow a whole grade sharing agreement)	Dissolving of a district and attaching the territory to contiguous districts with division of assets and liabilities. If 95 percent or more of the territory is attached to a single district, it becomes reorganized.	A state of receivership Division of a district and attaching the territory to contiguous districts and includes a division of assets and liabilities
Motivation	Voluntary Districts – locally motivated	Voluntary Districts – locally motivated	Voluntary Districts – locally motivated	Involuntary State Board of Education
Document	Legal agreement between boards of sharing districts	Petition calling for a vote by patrons of the district	Proposal by dissolution committee and amended by the board calling for a patron vote	Proposal by merger committee and approved by the State Board of Education
Authority to Initiate and Vote	Local boards initiate Local boards vote All boards involved	Local boards or citizens initiate District patrons vote Patrons of all districts involved	Local boards or citizens initiate District patrons vote Patrons of dissolving district only	State Board of Education
Boundaries	Boundaries do not change	Boundaries may change Authority is given to the AEA	Dissolution committee assisted by the AEA and DE, subject to opportunity for objection in Iowa Code 275.53	Department of Education which may choose to consult with the appropriate AEA and districts contiguous to affected districts
Finance	Per legal agreement Each district maintains its own finances	Joined –newly formed district	Division of assets and liabilities to contiguous districts receiving attached territory by the dissolution committee and approved by the local board of education	Division of assets and liabilities to contiguous districts receiving attached territory by recommendation of the merger committee and approved by the State Board of Education
Feasibility Study	May be requested by districts involved	Requested by the district	Requested by the district or the dissolution committee	Completed as a part of the merger proposal (data collection)
Minimum District Size	No minimum size; however, future viability and reorganization must be kept in mind (minimum enrollment of 300 students)	Must create a district with a minimum enrollment of 300 students	Does not apply	Does not apply
Timing (districts are encouraged to begin the process early and take longer periods of time as needed)	90 days minimum	Approximately 90 days, but must be completed prior to deadlines related to employment and public votes	Approximately 6-9 months normally, but could be up to a year or longer if the original dissolution committee cannot reach a decision and a board decides to form a second committee	Varies according to local circumstances
School Board	Each district maintains its board	A new board is formed to serve the new district	The district maintains its board until the effective date of the dissolution	See Iowa Code 256.11(12)
Policy	District policy applies to students served in the district regardless of resident district	District policy applies to students served in the district regardless of resident district	District policy applies to students served in the district regardless of resident district	District policy applies to students served in the district regardless of resident district