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School Finance

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The Midland Community School District is in the process of communicating and educating its community to pass a bond issue to update and build onto their Elementary School that is in need of additional space and repairs. A community member stated on FaceBook this week, “The teachers don’t need any more of his taxpayer money to pad their pockets.” This is a sad comment in many ways, but more importantly it portrays the lack of knowledge that the general public has in regards to school finance. School finance is indeed complex and for the purposes of this paper, a superintendent, a school board secretary and a school board member were interviewed to clarify and share personal experiences. Each of the interviewees were asked financial questions with the goal of gathering insight and understanding into the unique and challenging world of school finance.

John Carver, an educational leader in public schools for over forty years, is someone I deeply admire and respect. Larry Siegel, of Iowa School Finance Information Services (ISFIS), speaks of John as an educational leader that, “*Was always years ahead in school financial thinking.*” I worked for John at Howard-Winneshiek Community School District where I served as principal and director of special education. John is a great story teller, and one story that I revisited with him during our interview was to relate what were his most creative use of educational resources as well as the most challenging experience he encountered. Mr. Carver related they were one in the same.

John served as the superintendent for Van Meter Community School District when technology integration was on the brink of exploding in Iowa public schools. One of the district’s chief concerns at the time was that many of their students were open enrolling into Waukee because of new facilities and great programming. To combat this outflow, knowing and believing

that technology was the new “frontier” in American schools, Mr. Carver reached out to other districts who were implementing 1:1 technology in their schools. The board adopted the mindset that technology was indeed the future and their students deserved every opportunity to be marketable in a global workforce. The board utilized Physical Plant Equipment Levy to lease the computers and the equipment needed. As students returned to the home district of Van Meter, and additional students open-enrolled in, John Carver did what he does best, “*He told the district’s story,*” through tweets, FaceBook and weekly Google Blogs sent out into social media and throughout the community. Schools across Iowa came to visit the district and to replicate the model and pay for it with PPEL funds. After approximately three years, this came to the attention of the Department because schools were not focusing on constructing buildings, but on buying or leasing computers for students. The Home Builders Association of Iowa filed a complaint against the use of PPEL funds for technology. At the time, Van Meter was in the 3rd year of leasing computers and if PPEL could not be used, John was very concerned and in his words, “*Couldn’t sleep at night.*”

As fate would have it, and every good story needs, an interesting turn of events occurred a few days after Mr. Carver and the district received this disturbing news. John and his family were taking a family spring break vacation to San Francisco and were flying out of Omaha, Nebraska. There were few families in the airport, except for Terry Branstad, Iowa Governor. John approached Governor Branstad and relayed his concern about Iowa schools being able to access technology without the use of PPEL funds. Governor Branstad agreed with John, and gave him a person to contact to address the concern. Months following, hearings were held to address the issues. Jason Glass, Director of the Iowa Department of Education declared an order that PPEL could be used to purchase technology equipment in April 2011. More on the

declaration is outlined in [Frequently Asked Questions \(FAQs\) Regarding the Physical Plant and Equipment Levy \(PPEL\) Fund](#)

A declaratory order was issued on technology in the PPEL Fund in April 2011. Although this declaratory order should no longer be considered the defining document. The Code section on which the declaratory order was based was amended with different language, effective July 1, 2011. Subsequently, Iowa Administrative Code (IAC) was also amended. Parts of the declaratory order were adopted in Iowa Code and IAC, but other parts were not. Districts should follow Iowa Code and IAC as the authoritative sources on technology expenditures in the PPEL Fund.

Financial challenges are not always overcome in such outstanding fashion, but to be financially sound with a strong spending authority is a goal of every school district. Returning to the conversation regarding Midland, it was very important to interview Megan Frankfurt, the School Business Official who has been in the role for the past eight years. It is my understanding that the district was in trouble financially at this time and had to go before the School Board Review Committee (SBRC). Ms. Frankfurt relays that this was extremely difficult, not only because she was new to the position, but it was also a rude awakening to understand that her alma mater was in trouble. During her eight years as the S.B.O. Megan has worked with four superintendents, and despite the turnover, her tenacity and commitment to the district has helped communicate and educate the school board to be in a strong financial position at this time. However, Ms. Frankfurt is well aware of the challenges that lay ahead for Midland in the next five years. Megan was kind enough to share the following with me in a Google Doc:

1. **Enrollment** - Enrollment has dropped since the pandemic. There have been lower birth rates. Midland's district is 241 square miles so families choose to go to other districts that work better for them for many different factors.
2. **Funding** - With changes in the 2023 legislative session. Those supporting ESA and dissolution of public schools are trying to tear down public schools. Private schools can reject any student based on any reason. Private schools are not required to have ADA accessibility or support students with disabilities. This is going to hurt smaller/rural schools. Less funding means fewer resources and services for students.
3. **Staff Shortages** - We understand that this is an issue across the state, but we have really struggled to find licensed math and science teachers.
4. **Mental Health** - There were challenges before the pandemic, but the pandemic has presented its challenges (isolation, uncertainty, stress) with mental health. We are fortunate to have a mental health counselor on staff.
5. **Poverty** - Midland has a high transit population due to HUD housing within our district and proximity to the prison in Anamosa. Many factors are considered and we understand and do our best to support students who are transient, don't have enough food, get proper sleep or live in alcoholic/drug-addicted families.

As listed, it is evident that these challenges are those facing the majority of schools in Iowa, but especially the rural population. Midland is fortunate to have an SBO who works diligently to keep the school board and the community informed on the current health of the district. She is also integral in keeping the local residents, businesses and agricultural farms (57% of property tax) informed in understanding the impact of bond issues on their property tax.

Helping the community understand public school financing and its challenges is also important to the school board president of Midland, Sarah Fishwild. Ms. Fishwild's full-time job is in finance and she manages several branches of a bank out of Maquoketa. She shared, "School finance is totally different from mortgages or savings accounts. Most community people do not understand that." As a member of Midland's school board for five years and now as the board president, for the past two, she states there have been many interesting challenges along the way. The most recent has been the ESSR funding provided to schools after Covid. She related the rules and what could be spent and where it could be spent got very confusing. One important

piece that the Midland School Board worked hard on was to ensure that they had a good transition plan for the district when the money was no longer provided. Another challenge that Sarah mentioned is that she is disappointed that the district is not able to pay the teachers a higher wage. She knows they work hard and often sees teachers at school on the weekends or late at night, working hard for kids. This is a refreshing perspective, especially in light of negotiations on the table in the next few weeks.

Negotiations at Midland, according to Sarah, have not been too difficult as over 61% of their staff are Midland graduates and have always worked at the district. The community support and the belief in the school is very important to the teaching staff. She is concerned, however, of what the future holds for the teachers and the community with the declining enrollment and decrease in state funding. During the next year, one of her goals is to educate the community on the silos of school finance and to work hard as the school board president she does everything to build trust and vision for the Midland Community School District.