



STATE OF IOWA

CHESTER J. CULVER, GOVERNOR
 PATTY JUDGE, LT. GOVERNOR

DEPARTMENT OF EDUCATION
 JUDY A. JEFFREY, DIRECTOR

August 10, 2009

Superintendent Dwight Widen
 Woden-Crystal Lake Community School District
 346 Howard Ave.
 Box 135
 Woden, IA 50484

Dear Superintendent Widen:

The following feasibility report was developed at the request of the Woden-Crystal Lake Community School District as it plans for the future. Data for the study were gathered from the Department of Education, the Department of Management, and from visits to the Titonka and Woden-Crystal Lake districts. Data from neighboring districts have been included for comparison.

I. Enrollment

The following table illustrates the enrollment trends since 1999 as reported by each district.

Woden - Crystal Lake (BEDS K-12)

| | K | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 | 11 | 12 | Total |
|---------|----|----|----|----|----|----|---|---|---|----|----|----|----|-------|
| 1999-00 | 17 | 14 | 14 | 6 | 9 | 13 | 0 | 0 | 0 | 45 | 30 | 36 | 31 | 215 |
| 2000-01 | 18 | 13 | 14 | 12 | 6 | 9 | 0 | 0 | 0 | 28 | 46 | 26 | 37 | 209 |
| 2001-02 | 8 | 11 | 10 | 11 | 10 | 0 | 0 | 0 | 0 | 24 | 28 | 41 | 26 | 179 |
| 2002-03 | 13 | 10 | 13 | 9 | 11 | 11 | 0 | 0 | 0 | 29 | 21 | 28 | 42 | 187 |
| 2003-04 | 5 | 11 | 7 | 12 | 9 | 13 | 0 | 0 | 0 | 20 | 30 | 19 | 29 | 155 |
| 2004-05 | 9 | 4 | 11 | 7 | 12 | 9 | 0 | 0 | 0 | 24 | 17 | 29 | 20 | 142 |
| 2005-06 | 11 | 8 | 3 | 10 | 7 | 12 | 0 | 0 | 0 | 22 | 23 | 19 | 26 | 141 |
| 2006-07 | 8 | 10 | 9 | 3 | 9 | 7 | 0 | 0 | 0 | 18 | 20 | 23 | 19 | 126 |
| 2007-08 | 10 | 5 | 11 | 6 | 3 | 7 | 0 | 0 | 0 | 29 | 21 | 21 | 23 | 136 |
| 2008-09 | 7 | 16 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 28 | 32 | 23 | 25 | 145 |

Titonka Consolidated (BEDS K-12)

| | K | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 | 11 | 12 | Total |
|---------|----|----|----|----|----|----|----|----|----|---|----|----|----|-------|
| 1999-00 | 20 | 16 | 16 | 20 | 20 | 13 | 38 | 30 | 31 | 0 | 0 | 0 | 0 | 204 |
| 2000-01 | 14 | 19 | 15 | 16 | 16 | 20 | 22 | 33 | 31 | 0 | 0 | 0 | 0 | 186 |
| 2001-02 | 15 | 14 | 19 | 16 | 15 | 20 | 28 | 23 | 29 | 0 | 0 | 0 | 0 | 176 |
| 2002-03 | 13 | 13 | 15 | 20 | 16 | 15 | 22 | 30 | 23 | 0 | 0 | 0 | 0 | 167 |
| 2003-04 | 14 | 14 | 14 | 16 | 22 | 17 | 22 | 20 | 28 | 0 | 0 | 0 | 0 | 167 |
| 2004-05 | 10 | 14 | 13 | 16 | 15 | 21 | 28 | 22 | 18 | 0 | 0 | 0 | 0 | 157 |
| 2005-06 | 12 | 9 | 15 | 13 | 14 | 13 | 30 | 28 | 21 | 0 | 0 | 0 | 0 | 155 |
| 2006-07 | 7 | 12 | 8 | 14 | 13 | 14 | 22 | 28 | 29 | 0 | 0 | 0 | 0 | 147 |
| 2007-08 | 11 | 6 | 13 | 9 | 15 | 14 | 19 | 24 | 26 | 0 | 0 | 0 | 0 | 137 |
| 2008-09 | 9 | 12 | 12 | 23 | 13 | 15 | 18 | 20 | 24 | 0 | 0 | 0 | 0 | 146 |

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Woden-Crystal Lake/Titonka Combined Enrollment Data

| | K | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 | 11 | 12 | Total |
|-----------------------------|----|----|----|----|----|----|----|----|----|----|----|----|----|-------|
| 1999-00 | 37 | 30 | 30 | 26 | 29 | 26 | 38 | 30 | 31 | 45 | 30 | 36 | 31 | 419 |
| 2000-01 | 32 | 32 | 29 | 28 | 22 | 29 | 22 | 33 | 31 | 28 | 46 | 26 | 37 | 395 |
| 2001-02 | 23 | 25 | 29 | 27 | 25 | 20 | 28 | 23 | 29 | 24 | 28 | 41 | 26 | 348 |
| 2002-03 | 26 | 23 | 28 | 29 | 27 | 26 | 22 | 30 | 23 | 29 | 21 | 28 | 42 | 354 |
| 2003-04 | 19 | 25 | 21 | 28 | 31 | 30 | 22 | 20 | 28 | 20 | 30 | 19 | 29 | 322 |
| 2004-05 | 19 | 18 | 24 | 23 | 27 | 30 | 28 | 22 | 18 | 24 | 17 | 29 | 20 | 299 |
| 2005-06 | 23 | 17 | 18 | 23 | 21 | 25 | 30 | 28 | 21 | 22 | 23 | 19 | 26 | 296 |
| 2006-07 | 15 | 22 | 17 | 17 | 22 | 21 | 22 | 28 | 29 | 18 | 20 | 23 | 19 | 273 |
| 2007-08 | 21 | 11 | 24 | 15 | 18 | 21 | 19 | 24 | 26 | 29 | 21 | 21 | 23 | 273 |
| 2008-09 | 16 | 28 | 12 | 26 | 16 | 18 | 20 | 21 | 26 | 28 | 32 | 23 | 25 | 291 |
| Projected Enrollment | | | | | | | | | | | | | | |
| 2009-10 | 20 | 14 | 29 | 12 | 26 | 16 | 17 | 21 | 21 | 26 | 28 | 33 | 24 | 287 |
| 2010-11 | 22 | 18 | 14 | 29 | 12 | 25 | 15 | 17 | 20 | 21 | 26 | 29 | 34 | 282 |
| 2011-12 | 21 | 20 | 18 | 14 | 28 | 11 | 23 | 15 | 17 | 20 | 21 | 27 | 30 | 265 |
| 2012-13 | 21 | 19 | 20 | 18 | 14 | 27 | 11 | 24 | 15 | 17 | 20 | 21 | 28 | 255 |

Source: Basic Educational Data Survey

- Enrollment for Woden-Crystal Lake/Titonka has shown a downward trend. Enrollment for the 2008-09 school year indicated 128 fewer students served than in 1999-00.

Open enrollment also impacts the number of students served. The following tables illustrate enrollment data from the past six years, disaggregated for Titonka and Woden-Crystal Lake.

| Woden-Crystal Lake | Open Enrolled Out | Open Enrolled In | K-12 Students Served | Percent OE Out | Statewide Percent OE Out |
|--------------------|-------------------|------------------|----------------------|----------------|--------------------------|
| 2003-04 | 38.10 | 4.00 | 126.00 | 23.95% | 4.45% |
| 2004-05 | 36.80 | 6.00 | 121.00 | 23.77% | 4.57% |
| 2005-06 | 31.80 | 3.00 | 138.00 | 21.37% | 4.79% |
| 2006-07 | 27.00 | 7.00 | 126.00 | 20.30% | 5.03% |
| 2007-08 | 36.00 | 6.00 | 132.00 | 26.47% | 5.18% |
| 2008-09 | 42.00 | 5.00 | 110.00 | 30.66% | 5.12% |

Source: Certified Enrollment

| Titonka | Open Enrolled Out | Open Enrolled In | K-12 Students Served | Percent OE Out | Statewide Percent OE Out |
|---------|-------------------|------------------|----------------------|----------------|--------------------------|
| 2003-04 | 30.00 | 7.00 | 201.00 | 13.22% | 4.45% |
| 2004-05 | 38.00 | 7.00 | 177.00 | 18.01% | 4.57% |
| 2005-06 | 32.00 | 5.00 | 155.00 | 15.46% | 4.79% |
| 2006-07 | 36.00 | 3.00 | 145.00 | 18.65% | 5.03% |
| 2007-08 | 25.00 | 4.00 | 138.00 | 13.23% | 5.18% |
| 2008-09 | 15.00 | 2.00 | 149.00 | 8.57% | 5.12% |

Source: Certified Enrollment

- The open enrollment trends reflect an overall loss of students served. Though funding is based on resident student counts, tuition is due on all open enrollment out students; therefore the budget available to expend for the programs at Titonka and Woden-Crystal Lake is better reflected by served student counts rather than resident student counts. The loss of per pupil funding due to the downward trend-line will continue to be a concern for the districts into the future.
- In 2008-09 the percent of resident students at Titonka choosing to attend another district, at 8.57 percent, is higher than the statewide percent at 5.12 percent.
- In 2008-09 the percent of resident students at Woden-Crystal Lake choosing to attend another district, at 30.66 percent, is substantially higher than the statewide percent at 5.12 percent.

II. Educational Program

The following tables were created to show the students scoring at proficient or above in grades 3 – 8 and grade 11 in Reading, Mathematics, and Science as measured by the Iowa Test of Basic Skills (ITBS) and the Iowa Test of Educational Development (ITED) for 2007-08. These are the grade levels and curricular areas required for state and federal reporting.

| Grade 3 | Reading | Math | Science |
|--------------------|----------------|-------------|----------------|
| Woden-Crystal Lake | * | * | * |
| Titonka | 100% | 88.89% | 0% |
| Iowa | 74.56% | 75.03% | 78.35% |
| AEA 267 | 75.77% | 77.5% | 81.27% |
| Grade 4 | Reading | Math | Science |
| Woden-Crystal Lake | * | * | * |
| Titonka | 73.33% | 80% | 86.66% |
| Iowa | 76.7% | 79.03% | 83.5% |
| AEA 267 | 76.02% | 78.9% | 85.1% |
| Grade 5 | Reading | Math | Science |
| Woden-Crystal Lake | * | * | * |
| Titonka | 78.57% | 78.5% | 57.14% |
| Iowa | 76.32% | 79.39% | 82.02% |
| AEA 267 | 75.67% | 78.68% | 82.11% |
| Grade 6 | Reading | Math | Science |
| Woden-Crystal Lake | * | * | * |
| Titonka | 57.9% | 63.16% | 73.68% |
| Iowa | 68.29% | 76.26% | 79.56% |
| AEA 267 | 69.06% | 77.14% | 79.74% |
| Grade 7 | Reading | Math | Science |
| Woden-Crystal Lake | - | - | - |
| Titonka | 65.22% | 60.87% | 82.61% |
| Iowa | 69.55% | 75.7% | 79.86% |
| AEA 267 | 69.61% | 76.1% | 81.59% |

| Grade 8 | Reading | Math | Science |
|--------------------|---------|--------|---------|
| Woden-Crystal Lake | - | - | - |
| Titonka | 76.92% | 80.76% | 84.61% |
| Iowa | 70.04% | 74.44% | 79.17% |
| AEA 267 | 72.59% | 75.75% | 80.34% |
| Grade 11 | | | |
| Woden-Crystal Lake | 89.48% | 89.48% | 94.74% |
| Titonka | - | - | - |
| Iowa | 76.45% | 76.82% | 79.91% |
| AEA 267 | 76.54% | 77.91% | 82.9% |

Source: 2007-08 Annual Progress Report

- * Fewer than 10 students at this grade level.
- This grade level combined as part of WGS agreement

- Proficiency is defined as those students scoring at or above the 40th percentile on the ITBS or the Iowa Tests of Educational Development ITED.
- Interviews with parents and teachers in both districts indicated a belief that each provides a strong educational program for its students. Many spoke of the opportunities for participation and one-on-one attention that a small school setting provides. None, however, spoke of the low percentages of students who are proficient in academic areas.

Core Curriculum Units Taught

In order to maintain state accreditation, high schools are required to offer and teach a minimum number of units in each core curricular area. The following table illustrates high school core Curriculum units taught by Woden-Crystal Lake-Titonka. The numbers of required units are noted in parentheses.

| Subject | Language Arts (6) | Math (6) | Science (5) | Social Studies (5) | Total |
|----------------------------|-------------------|----------|-------------|--------------------|-------|
| Woden-Crystal Lake-Titonka | 11.31 | 7.99 | 7 | 6.66 | 60.25 |
| Algona | 14 | 11 | 6 | 9 | 92 |
| Forest City | 9.61 | 11.43 | 5.98 | 6.28 | 77.99 |
| North Iowa | 6.5 | 6.5 | 4.5 | 5.5 | 46.25 |
| North Kossuth | 7 | 8.5 | 5 | 5.5 | 69.85 |
| West Hancock | 9 | 8 | 8 | 5 | 67.75 |
| Iowa | 8.91 | 8.77 | 6.87 | 6.55 | 71.17 |

Source: Basic Educational Data System

- To meet the “offer and teach” accreditation requirements, Woden-Crystal Lake-Titonka has utilized a number of ICN and online options for students. These Iowa Communications Network (ICN) and online courses are included in the above numbers.

Other Educational Data

The next table illustrates the additional state indicators reported for Woden Crystal Lake-Titonka.

| | ACT Average Composite over 20 | Graduation Rate (Class of '06) | Drop-out percentage | Students Completing core program | Students intending to pursue post-secondary education | Average Daily Attendance (K-12) |
|----------------------------|-------------------------------|--------------------------------|---------------------|----------------------------------|---|---------------------------------|
| Woden-Crystal Lake-Titonka | 70.83% 17 / 24 | 95% | 0 | 100% | 90% 18 / 20 | 94.41% |
| Algona | 80% 24 / 30 | 89.6% | 2.11% | 74.75% | 84.04% 79 / 94 | 95.76% |
| Forest City | 69.51% 57 / 82 | 96.91% | .45% | 100% | 85.57% 83 / 97 | 94.67% |
| North Iowa | 61.29% 19 / 31 | 92.86% | 1.45% | 64.71% | 84% 42 / 50 | 95.53% |
| North Kossuth | 71.43% 15 / 20 | 97.22% | 0 | 100% | 85.71% 18 / 21 | 95.47% |
| West Hancock | 62.5% 25 / 40 | 97.44% | 1.34% | 55.32% | 91.49% 43 / 47 | 95.82% |

Source: 2005-06 Annual Progress Report

- The ACT exams are an indicator of success in post-secondary education. Twenty-four Woden-Crystal Lake/Titonka students took the test, with 17, or 70.83 percent, scoring above 20.
- 100 percent of seniors completed the core curriculum recommended to prepare for post-secondary success.
- Interviews with students, parents, and teachers noted that anecdotal reports from recent graduates indicate that some feel they are not properly prepared for the rigor of college.

III. Facilities

Both districts have made efforts to maintain their facilities and provide pleasant, safe learning environments. With declining enrollment and the accompanying financial implications, it will very likely become difficult if not impossible to continue maintenance and upgrade buildings for prolonged use as K-12 educational facilities.

IV. Geographical considerations

Woden Crystal-Lake is located in Hancock & Winnebago counties, with the major portion of the district in Hancock County in north-central Iowa. The district is in the boundaries of AEA 267. Schools within reasonable driving distance include:

| School District | City | School | Mileage |
|-----------------|---|----------|------------|
| Forest City | Forest City | HS/MS | 12.3 miles |
| | Forest City | Elem | 9.8 miles |
| Garner-Hayfield | Garner | HS | 19.3 miles |
| | Garner | MS/Elem | 19.0 miles |
| North Iowa | Buffalo Center | HS/ Elem | 19.2 miles |
| | Thompson | MS | 12.0 miles |
| Titonka | Crystal Lake (Woden-Crystal Lake & Titonka currently share grades 9-12 at the school in Crystal Lake) | HS | 0 Miles |

| | | | |
|--------------|--|---------|------------|
| | Titonka (Woden-Crystal Lake & Titonka currently share grades 2-8 at the school in Titonka) | MS/Elem | 13.9 miles |
| West Hancock | Britt | HS | 9.4 miles |
| | Kanawha | MS | 20.1 miles |
| | Britt | Elem | 9.5 miles |

| Average Transportation Costs 2007-08 | Per Mile | Per Student, 2007-08 |
|--------------------------------------|---------------|----------------------|
| Woden Crystal-Lake | \$1.97 | \$431.60 |
| Titonka | \$1.57 | \$487.80 |
| Forest City | \$2.97 | \$361.58 |
| Garner-Hayfield | \$3.16 | \$736.31 |
| North Iowa | \$1.64 | \$637.77 |
| West Hancock | \$2.45 | \$1072.97 |
| Iowa | \$2.83 | \$503.07 |

Source: Annual Transportation Report

Titonka is located in Kossuth county in north-central Iowa. The district is in the boundaries of Prairie Lakes Area Education Agency (AEA) #8. Schools within reasonable driving distance include:

| School District | City | School | Mileage |
|--------------------|---|---------------------|------------|
| Algona | Algona | HS | 21.3 miles |
| | Algona | MS | 21.8 miles |
| | Algona | Bertha Godfrey Elem | 20.6 miles |
| | Algona | Bryant Elem | 21.6 miles |
| | Algona | Lucia Wallace Elem | 22.1 miles |
| Corwith-Wesley | Corwith | HS | 23.5 miles |
| | Luverne (Corwith-Wesley currently share grades 5-8 at the school in Luverne) | MS | 25.2 miles |
| | Wesley | Elem | 14.4 miles |
| North Iowa | Buffalo Center | HS/ Elem | 14.8 miles |
| | Thompson | MS | 24.6 miles |
| North Kossuth | Swea City | HS/ Elem | 24.9 miles |
| | Fenton (North Kossuth currently shares grades 6-8 with Sentral) | MS | 21.7 miles |
| West Hancock | Britt | HS | 23.8 miles |
| | Kanawha | MS | 35.7 miles |
| | Britt | Elem | 23.9 miles |
| Woden Crystal-Lake | Crystal Lake (Woden-Crystal Lake & Titonka currently share grades 9-12 at the school in Crystal Lake) | HS | 13.9 miles |
| | Titonka (Woden-Crystal Lake & Titonka currently share grades 2-8 at the school in Titonka) | MS/Elem | 0 Miles |
| | Crystal Lake | Elem | 13.9 miles |

| Average Transportation Costs 2007-08 | Per Mile | Per Student, 2007-08 |
|--------------------------------------|---------------|----------------------|
| Titonka | \$1.57 | \$487.80 |
| Woden Crystal-Lake | \$1.97 | \$431.60 |
| Algona | \$1.61 | \$319.75 |
| Corwith-Wesley | \$2.32 | \$701.25 |
| North Iowa | \$1.64 | \$637.77 |
| North Kossuth | \$1.87 | \$693.99 |
| West Hancock | \$2.45 | \$1072.97 |
| Iowa | \$2.83 | \$503.07 |

Source: Annual Transportation Report

- Consideration of financial resources for transporting students, time needed for travel, and convenience for students and families must be included in discussions for the future of Titonka and Woden-Crystal Lake.
- Both districts have been able to keep average per-mile and per-pupil costs below the state average.

V. Economic factors

Legislation that passed during the 2001 legislative session changed the Budget Adjustment (Guarantee) significantly. Beginning in 2004-2005 the 100-percent budget guarantee had begun to be phased out. In place of the 100 percent budget guarantee, an eligible district could receive a scaled adjustment based on the 2004 total regular program district cost or a 101 percent budget adjustment that is based on the previous year's regular program district cost without any adjustment. The scale-down portion of the budget adjustment will end by FY2014. Each district can calculate its budget adjustment through 2014 by entering estimated allowable growth percentages and estimated budget enrollments on the spreadsheet called "Budget Guarantee Calculator" located on the Department's website.

The following tables illustrate pertinent budgetary data, including other area districts for comparison.

| Budget Enrollment | FY04 Actual | FY05 Actual | FY06 Actual | FY07 Actual | FY08 Actual | FY09 Actual |
|--------------------|----------------|----------------|----------------|----------------|----------------|----------------|
| Woden-Crystal Lake | 159.1 | 154.8 | 148.8 | 133.0 | 136.0 | 137.0 |
| Titonka | 227.0 | 211.0 | 207.0 | 193.0 | 189.0 | 175.0 |
| Algona | 1,298.2 | 1,251.9 | 1,212.4 | 1,196.1 | 1,220.1 | 1,230.9 |
| Forest City | 1,391.9 | 1,388.6 | 1,316.6 | 1,278.7 | 1,260.9 | 1,242.9 |
| North Iowa | 624.0 | 622.6 | 598.8 | 569.7 | 572.0 | 539.9 |
| North Kossuth | 399.6 | 356.8 | 351.0 | 370.7 | 309.5 | 331.3 |
| West Hancock | 666.6 | 657.0 | 641.5 | 621.0 | 631.7 | 616.1 |
| State Total | 483,243.7 | 482,388.2 | 482,558.4 | 482,050.9 | 480,233.6 | 477,019.0 |

- The budget enrollment is used for funding through the Iowa School Foundation Formula Program. The budget enrollment is the same number as the certified enrollment in the previous school year.
- Budget enrollments have declined in all districts. Titonka and Woden-Crystal Lake have reached numbers which can adversely affect budgeting to support the educational programming.

| District Cost Per Pupil (DCPP) | FY04 Actual | FY05 Actual | FY06 Actual | FY07 Actual | FY08 Actual | FY09 Actual |
|---------------------------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|
| Woden-Crystal Lake | \$4,717 | \$4,810 | \$5,000 | \$5,197 | \$5,402 | \$5,615 |
| Titonka | \$4,648 | \$4,741 | \$4,931 | \$5,128 | \$5,333 | \$5,546 |
| Algona | \$4,685 | \$4,778 | \$4,968 | \$5,165 | \$5,370 | \$5,583 |
| Forest City | \$4,648 | \$4,741 | \$4,931 | \$5,128 | \$5,333 | \$5,546 |
| North Iowa | \$4,757 | \$4,850 | \$5,040 | \$5,237 | \$5,442 | \$5,655 |
| North Kossuth | \$4,685 | \$4,778 | \$4,968 | \$5,165 | \$5,370 | \$5,583 |
| West Hancock | \$4,666 | \$4,759 | \$4,949 | \$5,146 | \$5,351 | \$5,564 |
| State Total | \$4,648 | \$4,741 | \$4,931 | \$5,128 | \$5,333 | \$5,546 |

- The District Cost Per Pupil (DCPP) is the amount of budget authority that each student will generate under the School Finance Formula. The DCPP for every district is between 100 percent and 105 percent of the state cost per pupil. For FY09 Titonka is at the state cost per pupil while Woden-Crystal Lake is slightly above.

| Regular Program District Cost (Without Budget Adjustment) | FY05 Actual | FY06 Actual | FY07 Actual | FY08 Actual | FY09 Actual |
|--|--------------------|--------------------|--------------------|--------------------|--------------------|
| Woden-Crystal Lake | \$765,271 | \$774,000 | \$773,314 | \$718,466 | \$763,640 |
| Titonka | \$1,076,207 | \$1,040,441 | \$1,061,496 | \$1,029,269 | \$1,048,194 |
| Algona | \$6,202,800 | \$6,219,439 | \$6,262,046 | \$6,423,057 | \$6,811,818 |
| Forest City | \$6,598,998 | \$6,847,187 | \$6,751,525 | \$6,819,307 | \$6,992,951 |
| North Iowa | \$3,026,400 | \$3,137,904 | \$3,135,916 | \$3,100,307 | \$3,234,660 |
| North Kossuth | \$1,909,289 | \$1,772,582 | \$1,812,915 | \$1,990,659 | \$1,727,939 |
| West Hancock | \$3,172,349 | \$3,251,493 | \$3,301,159 | \$3,322,971 | \$3,514,779 |
| State Total | \$2,309,632,072 | \$2,393,226,421 | \$2,487,125,702 | \$2,583,244,388 | \$2,676,877,821 |

- The Regular Program District Cost (RPDC) is calculated by multiplying the budget enrollment times the DCPP.

| Budget Adjustment (Guarantee) Adopted | FY04 Actual | FY05 Actual | FY06 Actual | FY07 Actual | FY08 Actual | FY09 Actual |
|--|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|
| Woden-Crystal Lake | \$88,407 | \$142,665 | \$119,830 | \$105,332 | \$123,193 | \$80,074 |
| Titonka | \$0 | \$0 | \$46,528 | \$0 | \$42,842 | \$5,775 |
| Algona | \$420,633 | \$539,766 | \$466,481 | \$378,346 | \$227,690 | \$0 |
| Forest City | \$9,444 | \$0 | \$0 | \$164,134 | \$0 | \$0 |
| North Iowa | \$0 | \$147,499 | \$3,656 | \$0 | \$66,968 | \$0 |
| North Kossuth | \$7,771 | \$106,006 | \$184,425 | \$133,139 | \$7,472 | \$282,627 |
| West Hancock | \$234,141 | \$120,918 | \$44,167 | \$3,880 | \$11,200 | \$0 |
| State Total | \$27,220,006 | \$30,694,493 | \$19,463,208 | \$13,723,186 | \$10,283,048 | \$12,123,808 |

- The effects of the budget adjustment decline and the decline in enrollment create a budgetary position that must be closely monitored by both districts.

| Combined District Cost | FY04 Actual | FY05 Actual | FY06 Actual | FY07 Actual | FY08 Actual | FY09 Actual |
|-------------------------------|------------------------|------------------------|------------------------|------------------------|------------------------|------------------------|
| Woden-Crystal Lake | \$1,207,077 | \$1,128,245 | \$1,172,189 | \$1,153,552 | \$1,076,387 | \$1,079,046 |
| Titonka | \$1,305,343 | \$1,346,817 | \$1,385,709 | \$1,344,664 | \$1,331,029 | \$1,325,948 |
| Algona | \$8,745,125 | \$8,636,850 | \$8,612,144 | \$8,519,530 | \$8,566,458 | \$8,945,114 |
| Forest City | \$8,177,982 | \$8,359,596 | \$8,778,152 | \$8,820,672 | \$8,778,995 | \$9,004,776 |
| North Iowa | \$3,868,892 | \$3,926,187 | \$3,844,976 | \$3,824,246 | \$3,870,200 | \$3,931,642 |
| North Kossuth | \$2,547,730 | \$2,545,279 | \$2,392,161 | \$2,400,851 | \$2,464,031 | \$2,493,599 |
| West Hancock | \$4,166,136 | \$4,107,470 | \$4,171,896 | \$4,165,562 | \$4,144,945 | \$4,354,833 |
| State Total | \$2,868,580,316 | \$2,904,673,510 | \$3,011,098,096 | \$3,136,231,749 | \$3,263,632,118 | \$3,385,922,280 |

- The Combined District Cost is the sum of a district's regular program cost, budget guarantee adjustment, weighted funding including special education, AEA flow through funding, and modified allowable growth for dropout prevention programs.

| Combined District Cost Per Budget Enrollment | FY04 Actual | FY05 Actual | FY06 Actual | FY07 Actual | FY08 Actual | FY09 Actual |
|---|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|
| Woden-Crystal Lake | \$7,587 | \$7,288 | \$7,878 | \$8,673 | \$7,915 | \$7,876 |
| Titonka | \$5,750 | \$6,383 | \$6,694 | \$6,967 | \$7,042 | \$7,577 |
| Algona | \$6,736 | \$6,899 | \$7,103 | \$7,123 | \$7,021 | \$7,267 |
| Forest City | \$5,875 | \$6,020 | \$6,667 | \$6,898 | \$6,962 | \$7,245 |
| North Iowa | \$6,200 | \$6,306 | \$6,421 | \$6,713 | \$6,766 | \$7,282 |
| North Kossuth | \$6,376 | \$7,134 | \$6,815 | \$6,477 | \$7,961 | \$7,527 |
| West Hancock | \$6,250 | \$6,252 | \$6,503 | \$6,708 | \$6,562 | \$7,068 |
| State Total | \$5,936 | \$6,021 | \$6,240 | \$6,506 | \$6,796 | \$7,098 |

Source: IA Department of Management Budget Files

- Combined District Cost is the sum of a district's regular program cost, budget adjustment, weighted funding including special education, AEA flow through funding, and modified allowable growth for dropout prevention programs.

| Taxable Valuation Per Pupil | FY04 Actual | FY05 Actual | FY06 Actual | FY07 Actual | FY08 Actual | FY09 Actual |
|------------------------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|
| Woden-Crystal Lake | \$387,662 | \$354,086 | \$366,131 | \$440,954 | \$432,993 | \$439,508 |
| Titonka | \$302,458 | \$270,317 | \$275,947 | \$312,824 | \$319,537 | \$356,243 |
| Algona | \$304,447 | \$297,424 | \$312,834 | \$324,767 | \$320,673 | \$334,332 |
| Forest City | \$146,208 | \$140,182 | \$150,377 | \$160,016 | \$166,667 | \$183,098 |
| North Iowa | \$372,403 | \$326,057 | \$339,170 | \$358,131 | \$356,470 | \$405,339 |
| North Kossuth | \$410,710 | \$398,554 | \$422,865 | \$425,175 | \$525,055 | \$485,936 |
| West Hancock | \$286,777 | \$255,260 | \$264,141 | \$300,518 | \$309,368 | \$323,221 |
| State Total | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |

Source: IA Department of Management Budget Files.

- Taxable Valuation per pupil is a reflection of both the pupil enrollment in the district and its relative property wealth. It is calculated by dividing the Taxable Valuation for the Budget Year by the Budget Enrollment for that Budget Year. On average, districts with smaller enrollments have higher per pupil taxable valuations than larger districts.

| General Fund Tax Rate | FY04 Actual | FY05 Actual | FY06 Actual | FY07 Actual | FY08 Actual | FY09 Actual |
|------------------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|
| Woden-Crystal Lake | \$11.82276 | \$13.33369 | \$12.52240 | \$12.96518 | \$13.13303 | \$11.98796 |
| Titonka | \$9.33624 | \$10.89608 | \$11.37869 | \$10.70830 | \$11.59934 | \$11.85490 |
| Algona | \$10.68246 | \$11.62267 | \$10.70793 | \$10.30560 | \$10.54148 | \$11.19521 |
| Forest City | \$12.27013 | \$12.64619 | \$12.80550 | \$12.78972 | \$13.35944 | \$13.38591 |
| North Iowa | \$7.89728 | \$9.03132 | \$8.94128 | \$9.42518 | \$8.86698 | \$9.12423 |
| North Kossuth | \$9.78588 | \$11.05502 | \$11.56021 | \$9.49161 | \$7.97926 | \$10.99096 |
| West Hancock | \$11.28230 | \$11.42471 | \$10.49150 | \$10.75840 | \$10.04480 | \$9.33469 |
| Iowa | \$4,076.63816 | \$4,322.20288 | \$4,281.16935 | \$4,291.96830 | \$4,360.09298 | \$4,369.53363 |
| Iowa (calculated average) | \$11.26143 | \$11.93979 | \$11.82643 | \$11.85627 | \$12.04446 | \$12.07053 |

- The General Fund (GF) tax rate reflects the levy necessary to fund the combined district cost and the optional instructional support and educational improvement levy programs. In addition, the levy can be increased or decreased by the local board by including a cash reserve levy or by requesting on its certified budget to use fund balance on hand to reduce the levy, and thereby the tax rate.
- Both Woden-Crystal Lake and Titonka have a lower general fund tax rate than the state average in each of the past two years shown above.

| Cash Reserve Levy | FY04 Actual | FY05 Actual | FY06 Actual | FY07 Actual | FY08 Actual | FY09 Actual |
|---|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|
| Woden-Crystal Lake | \$132,976 | \$135,065 | \$112,215 | \$174,601 | \$183,665 | \$161,198 |
| Titonka | \$9,024 | \$45,000 | \$28,000 | \$59,000 | \$84,448 | \$150,512 |
| Algona | \$189,596 | \$338,140 | \$100,000 | \$87,928 | \$335,152 | \$771,707 |
| Forest City | \$200,000 | \$100,000 | \$102,354 | \$62,880 | \$350,000 | \$444,660 |
| North Iowa | \$0 | \$0 | \$151,150 | \$255,722 | \$67,718 | \$172,117 |
| North Kossuth | \$246,023 | \$240,194 | \$336,383 | \$92,246 | \$0 | \$90,525 |
| West Hancock | \$253,048 | \$237,795 | \$137,184 | \$231,000 | \$136,961 | \$0 |
| Iowa | \$93,327,384 | \$96,284,506 | \$97,565,951 | \$119,320,737 | \$133,382,552 | \$154,418,943 |
| District cash reserve levy per budget enrollment - Titonka | \$39.75 | \$213.27 | \$135.27 | \$305.70 | \$446.81 | \$39.75 |
| District cash reserve levy per budget enrollment – Woden-Crystal Lake | \$835.80 | \$872.51 | \$754.13 | \$1,312.79 | \$1,350.48 | \$1,176.63 |
| Iowa average per budget enrollment of those levying cash reserve | \$193 | \$200 | \$202 | \$248 | \$278 | \$324 |

Source: IA Department of Management Budget Files.

- The cash reserve levy generates local property tax revenue to be used for cash flow or to put cash behind budget authority. Budget authority could exceed actual budget revenues generated due to delinquent property taxes, programs funded by law off the top of state aid such as Juvenile Homes, and requests for modified allowable growth from the School Budget Review Committee (SBRC) for unique or unusual circumstances or for special education deficits. The cash reserve levy does not increase budget authority.
- Although cash reserve levy is within the limits set by the SBRC, it must be emphasized that the cash reserve levy does not increase budget authority.

| Instructional Support Authority | FY04 Actual | FY05 Actual | FY06 Actual | FY07 Actual | FY08 Actual | FY09 Actual |
|--|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|
| Woden-Crystal Lake | \$83,317 | \$81,625 | \$80,074 | \$78,970 | \$76,183 | \$75,722 |
| Titonka | \$93,947 | \$92,718 | \$93,975 | \$91,626 | \$92,825 | \$90,890 |
| Algona | \$600,157 | \$592,467 | \$587,674 | \$581,371 | \$579,666 | \$589,501 |
| Forest City | \$247,204 | \$247,847 | \$254,338 | \$257,014 | \$253,826 | \$261,712 |
| North Iowa | \$283,728 | \$283,450 | \$278,527 | \$276,862 | \$279,566 | \$285,083 |
| North Kossuth | \$182,550 | \$181,827 | \$175,846 | \$177,318 | \$160,326 | \$183,512 |
| West Hancock | \$291,757 | \$283,768 | \$282,727 | \$285,188 | \$288,926 | \$300,851 |
| Iowa total | \$134,715,231 | \$143,231,465 | \$151,201,350 | \$162,290,714 | \$173,067,458 | \$181,318,070 |

Source: IA Department of Management School Budget Files

- The Instructional Support Program provides additional funding to a district's General Fund. Additionally, the Instructional Support Program increases budget authority in the General Fund.
- The Instructional Support must be approved through board action or a referendum. If the instructional support program is approved through a referendum, it may be imposed for up to ten years.
- The Instructional Support Program can be no more than 10 percent of the regular program district cost (shown in an earlier table). The program is partially funded through state aid with the balance funded by either property tax or a combination of property tax and income surtax.
- In 2008-2009, nearly 90 percent of all Iowa school districts had implemented the Instructional Support Program. Board enactment will allow the program to be in place for up to five years.

| Income Surtax Rate | Woden-Crystal Lake FY07 Actual | Woden-Crystal Lake FY08 Actual | Woden-Crystal Lake FY09 Actual | Titonka FY07 Actual | Titonka FY08 Actual | Titonka FY09 Actual |
|---|---------------------------------------|---------------------------------------|---------------------------------------|----------------------------|----------------------------|----------------------------|
| Instructional Support Income Surtax Rate | \$0.17 | \$0.17 | \$0.16 | \$0.10 | \$0.10 | \$0.10 |
| Educational Improvement Income Surtax Rate | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 |
| Voter-Approved PPEL Income Surtax Rate | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 |
| Total Income Surtax Rate (cannot exceed 20 percent) | \$0.17 | \$0.17 | \$0.16 | \$0.10 | \$0.10 | \$0.10 |

Source: IA Department of Management School Budget Files

- Income surtax is a funding source that is used by a majority of school districts, especially those with enrollments below 2,500. A surtax is a tax on a tax. The income surtax rate is a percentage of tax applied on the income tax liability reported on the Iowa individual income tax form.

- Neither district currently has a Voter-Approved Physical Plant and Equipment Levy (PPEL), which is funded with an income surtax component, with the rate set annually by the board.
- The Educational Improvement Program is a program authorized by the voters and only available in a school district where the regular program district cost per pupil for a budget year is 110% of the regular program state cost per pupil for the budget year, or the district had adopted an enrichment levy of 15% prior to July 1, 1992, and the district participates in the Instructional Support Program. If a district is eligible to implement the Education Improvement Program, it may be expended for any purpose allowed from the General Fund

| District Income Taxes Paid Per Budget Enrollment | FY04 | FY05 | FY06 | FY07 | FY08 | FY09 |
|---|---------------|---------------|---------------|---------------|---------------|---------------|
| Actual | Actual | Actual | Actual | Actual | Actual | Actual |
| Woden-Crystal Lake | \$2,231 | \$2,563 | \$2,825 | \$3,309 | \$3,060 | \$3,242 |
| Titonka | \$1,938 | \$2,135 | \$2,414 | \$2,643 | \$2,586 | \$3,164 |
| Algona | \$3,490 | \$3,851 | \$4,367 | \$4,671 | \$4,848 | \$5,338 |
| Forest City | \$2,859 | \$3,179 | \$3,363 | \$4,030 | \$3,649 | \$3,947 |
| North Iowa | \$2,319 | \$2,311 | \$2,646 | \$2,987 | \$2,893 | \$3,648 |
| North Kossuth | \$2,298 | \$2,478 | \$2,962 | \$2,900 | \$3,696 | \$4,035 |
| West Hancock | \$2,638 | \$2,543 | \$3,132 | \$3,462 | \$3,203 | \$3,581 |
| Iowa Total | \$3,597 | \$3,671 | \$3,930 | \$4,326 | \$4,602 | \$4,987 |

Source: IA Department of Management School Budget Files

| Special Ed Deficit Modified Allowable Growth (Positive Balance Reduction) | FY03 | FY04 | FY05 | FY06 | FY07 | FY08 |
|--|---------------|---------------|---------------|---------------|---------------|---------------|
| Actual | Actual | Actual | Actual | Actual | Actual | Actual |
| Woden-Crystal Lake | \$54,751 | \$2,129 | \$90,314 | \$37,591 | \$24,100 | \$52,345 |
| Titonka | \$38,309 | \$28,157 | \$12,969 | (\$33,153) | (\$1,230) | (\$13,164) |
| Algona | \$138,140 | \$0 | \$0 | (\$11,469) | (\$54,477) | \$0 |
| Forest City | \$0 | \$63,311 | \$62,880 | \$85,967 | \$0 | \$206,084 |
| North Iowa | \$178,930 | \$164,412 | \$255,722 | \$100,333 | \$142,117 | \$109,612 |
| North Kossuth | \$90,194 | \$144,551 | \$32,959 | \$91,106 | \$70,525 | \$84,519 |
| West Hancock | (\$40,327) | \$0 | \$148,072 | \$83,144 | \$2,445 | \$154,104 |
| Iowa Total | \$21,074,238 | \$21,990,637 | \$29,887,035 | \$21,593,178 | \$24,400,960 | \$36,613,487 |

Source: IA Department of Management, Unspent Budget Authority History Report

- A district that has a negative special education balance (deficit) may request supplemental aid and modified allowable growth to the extent of the deficit. Most districts request the full amount of the deficit in modified allowable growth so that regular education funding is not used for special education costs. A few districts request less than the full deficit or do not request any modified allowable growth for the deficit. The district must make the request at the close of the fiscal year with the deficit balance rather than in a subsequent year. A district that has a positive special education balance may carryover 10 percent of its special education receipts from weighting into the next budget year. Any positive balance that is in excess of the 10 percent allowable carryover is reduced from budget authority, and state aid and property taxes are adjusted accordingly.
- A negative special education deficit balance will never harm a district as long as the district makes a request to the SBRC for modified allowable growth. For the last six years Woden-Crystal has not had a positive balance in excess of the ten percent carryover.

- Titonka has had a positive balance in excess of 10 percent of its special education receipts from weighting each year since 2006-2006. The table above reflects the amount that was reduced from the district's budget authority. Consistently losing budget authority and funding for special education should be of concern to the district.

| Other SBRC Modified Allowable Growth (FY06 includes one-time GAAP hold-harmless) | FY04 | FY05 | FY06 | FY07 | FY08 | FY09 |
|--|---------------|---------------|---------------|---------------|---------------|---------------|
| | Actual | Actual | Actual | Actual | Actual | Actual |
| Woden-Crystal Lake | \$13,671 | \$45,086 | \$154,769 | \$6,074 | \$87,998 | \$5,615 |
| Titonka | \$13,671 | \$0 | \$154,583 | \$39,448 | \$20,512 | \$5,333 |
| Algona | \$18,228 | \$0 | \$821,004 | \$0 | \$185,865 | \$140,040 |
| Forest City | \$39,043 | \$39,043 | \$0 | \$0 | \$0 | \$0 |
| North Iowa | \$0 | \$84,350 | \$355,364 | \$0 | \$12,517 | \$0 |
| North Kossuth | \$0 | \$41,832 | \$182,415 | \$101,750 | \$0 | \$121,709 |
| West Hancock | \$37,795 | \$37,184 | \$534,938 | \$33,213 | \$57,256 | \$15,999 |
| Iowa Total | \$38,915,632 | \$61,400,419 | \$240,240,563 | \$48,781,076 | \$56,169,939 | \$61,596,372 |

Source: School Budget Review Committee Database

- In FY06 there was a one-time hold-harmless amount of modified allowable growth granted to districts in the exact amount of the difference between budgeting on the cash basis and budgeting on the GAAP basis. This was provided to implement Administrative Rules that require all districts to budget on the GAAP basis here forward. Although this modified allowable growth increased budget authority, the increase is only temporary because the FY06 unspent balance calculation will show increased expenditures to be taken from budget authority in the same amount to complete the budget basis conversion.
- Districts could also request an additional amount of modified allowable growth, if necessary, to complete the budget basis conversion. These requests are included in the FY06 column with other requests that the districts made to the SBRC. Other requests to the SBRC would include the application form for modified allowable growth for increased enrollment, open enrollment out not on the prior year's count, and excess costs of providing a Limited English Proficient program. Requests would also include unusual or unique circumstances in the district for which it needs modified allowable growth. Although Returning Dropout and Dropout Prevention Programs and special education deficits are also funded by Modified Allowable Growth, those two items are not included in the above table.
- Modified allowable growth, other than for Returning Dropout and Dropout Prevention Programs, is not granted until the budget year begins for which the growth is requested.
- The request for increasing enrollment and open enrollment out students not on the previous count are actually "on-time" budget authority for which the subsequent year's budget is no longer adjusted. In effect, this results in the district receiving budget authority for these students in the first year of enrollment, as well as in subsequent years' budget. This is one more year of budget authority for a resident student than is normally provided.

Federal Maintenance of Effort

When a district has to reduce expenditures, whether due to exceeding budget authority, economic conditions, declining enrollment, or local decisions, this can result in a failure to maintain local effort related to federal funding. Maintenance of Effort regulations require a district to maintain state and local effort (expenditures) from year to year in order to receive the full allocation of federal funding. The federal regulations require Maintenance of Effort at the 90 percent level either in total expenditures or on a per pupil basis.

Property Tax Levies

Other than the General Fund Levies, a district may also have a Management Levy and a Regular PPEL levy (maximum 33 cent per \$1000 valuation) implemented by the board as well as a Voter-Approved PPEL (VPPEL) levy (maximum \$1.34 per \$1000 valuation), PERL (Playground) levy (maximum 13.5 cents per \$1000 valuation), and Debt Service levy approved by the district patrons

| Property Tax Levies FY10 | General Fund Actual | Management Actual | VPPEL Actual | PPEL Actual | PERL Actual | Debt Service Actual |
|--------------------------|---------------------|-------------------|--------------|-------------|-------------|---------------------|
| Woden-Crystal Lake | \$13.29545 | \$1.32231 | \$0.67000 | \$0.00000 | \$0.00000 | \$0.00000 |
| Titonka | \$11.53549 | \$1.19882 | \$0.66999 | \$0.33000 | \$0.13500 | \$2.30921 |
| Algona | \$11.14233 | \$0.91710 | \$0.00000 | \$0.33000 | \$0.00000 | \$0.00000 |
| Forest City | \$13.67913 | \$0.83052 | \$0.00000 | \$0.32976 | \$0.00000 | \$0.59363 |
| North Iowa | \$1.07786 | \$0.00000 | \$0.00000 | \$0.33000 | \$0.13500 | \$1.17106 |
| North Kossuth | \$1.21274 | \$0.00000 | \$0.71644 | \$0.33000 | \$0.00000 | \$0.00000 |
| West Hancock | \$0.94976 | \$0.00000 | \$0.00000 | \$0.33000 | \$0.13500 | \$1.86543 |
| Iowa Total | \$331.74862 | \$0.00000 | \$169.56962 | \$109.81522 | \$2.43000 | \$318.51693 |

Source: IA Department of Management Final K-12 School Taxation Rates and Taxes Report

- In the event of a reorganization, the Voted PPEL (VPPEL), PERL, and Instructional Support Programs are continued in the newly reorganized district at the least number of years remaining, the lowest percent for the instructional support program or the lowest property tax rate for VPPEL or PERL, and the lowest percent of income surtax of the former districts that are a party to the reorganization. If there is a debt obligation against the VPPEL, then it will continue in the newly reorganized district without regard to the previous information until the debt is paid.
- In the event of reorganization, debt service is a negotiable issue. Generally, it remains as a levy on the property that was in the former school district with the debt service levy. However, it can be spread across all property in the newly reorganized district if that is what the reorganization referendum indicates. The debt service levy continues until the debt is paid.
- In the event of a dissolution, the debt service levy (or the VPPEL if there is a debt obligation against it) continues against the property in the former district until the debt is paid; in addition areas of a dissolved school district which are attached to a school district that is levying a debt service tax will also be liable for that tax. All other levies cease to exist in the dissolved district. Patrons residing in the dissolved school district will pay the levies that are implemented (current and future) in the school district to which their properties are attached.

| Unspent Balance (of Authorized General Fund Budget) | FY04 Actual | FY05 Actual | FY06 Actual | FY07 Actual | FY08 Actual |
|---|-------------|-------------|-------------|-------------|-------------|
| Woden-Crystal Lake | \$21,510 | \$62,127 | \$131,548 | \$1,862 | -\$120,333 |
| District unspent balance as a percent of expenditures | 1.23% | 3.76% | 7.31% | 0.11% | -7.09% |
| Iowa unspent balance as a percent of expenditures | 14.60% | 14.51% | 18.24% | 17.24% | 15.60% |

| Unspent Balance (of Authorized General Fund Budget) | FY04 Actual | FY05 Actual | FY06 Actual | FY07 Actual | FY08 Actual |
|--|--------------------|--------------------|--------------------|--------------------|--------------------|
| Titonka | \$446,509 | \$407,718 | \$343,489 | \$381,707 | \$360,207 |
| District unspent balance as a percent of expenditures | 23.14% | 18.73% | 19.87% | 19.37% | 15.34% |
| Iowa unspent balance as a percent of expenditures | 14.60% | 14.51% | 18.24% | 17.24% | 15.60% |

| Fund Balances in Selected Funds | General Fund Actual | Management Actual | PPEL Actual | PERL Actual | Capital Projects Actual | Debt Service Actual |
|--|----------------------------|--------------------------|--------------------|--------------------|--------------------------------|----------------------------|
| WODEN-CRYSTAL LAKE | | | | | | |
| Fiscal Year 2003 | -\$133,312 | \$26,753 | -\$18,320 | \$0 | \$0 | \$15,745 |
| Fiscal Year 2004 | -\$189,889 | \$33,274 | \$34,379 | \$0 | \$49,007 | \$14,779 |
| Fiscal Year 2005 | -\$182,486 | \$17,930 | \$47,414 | \$0 | \$76,956 | \$15,108 |
| Fiscal Year 2006 | -\$182,761 | \$28,406 | \$50,568 | \$0 | \$129,477 | \$14,996 |
| Fiscal Year 2007 | -\$178,190 | \$57,088 | \$74,618 | \$0 | \$176,291 | \$15,489 |
| Fiscal Year 2008 | -\$250,731 | \$61,680 | \$120,124 | \$0 | \$165,600 | \$15,692 |

| Fund Balances in Selected Funds | General Fund Actual | Management Actual | PPEL Actual | PERL Actual | Capital Projects Actual | Debt Service Actual |
|--|----------------------------|--------------------------|--------------------|--------------------|--------------------------------|----------------------------|
| TITONKA CONSOLIDATED | | | | | | |
| Fiscal Year 2003 | \$373,112 | \$4,809 | \$100,543 | \$185 | \$0 | \$0 |
| Fiscal Year 2004 | \$294,897 | -\$2,100 | \$129,037 | \$152 | \$36,494 | \$0 |
| Fiscal Year 2005 | \$227,030 | -\$10,777 | \$167,868 | \$131 | \$104,787 | \$0 |
| Fiscal Year 2006 | \$169,987 | -\$21,176 | \$201,683 | \$183 | \$233,250 | \$0 |
| Fiscal Year 2007 | \$134,065 | -\$5,851 | \$177,729 | \$200 | \$1,983,124 | \$0 |
| Fiscal Year 2008 | \$129,248 | \$23,997 | \$187,079 | -\$8,023 | \$1,185,917 | \$457 |

- Iowa school districts are funded under a school foundation finance formula. Iowa is unique compared to other states in that maximum spending authority is controlled in each district through the foundation plan. The funding sources include state aid, property taxes, unspent balances from the prior year plus actual miscellaneous income. Once spending authority has been granted, it generally is not removed even if authorized state aid or property taxes revenues are not actually received. A district may levy for a cash reserve (property taxes) to replace any revenues not received, but this does not increase budget authority. It only provides cash to fund the budget authority. The district may request modified allowable growth from the SBRC, which if granted, will increase budget authority, but does not increase cash to the district. At the end of the fiscal year, the amount the district actually expended in its General Fund is subtracted from its total authorized budget authority in the General Fund to determine the amount that is unspent.
- It is illegal for any district to spend more than its authorized budget authority. Negative unspent balance is a serious financial situation for a school district and is a violation of Iowa Code subsection 257.7(1).
- If a district spends less than its authorized budget authority in the General Fund, it may carryover that amount to be added to its authorized budget authority in the following budget year. The table above shows the amount of carryover authority, called unspent balance, in the district.

- Woden-Crystal Lake was required to present to the School Budget Review Committee (SBRC) a Corrective Action Plan to eliminate its negative unspent balance. Following is an excerpt of the SBRC response: “The Committee advised the district to approach other sharing partners that could lead to a viable reorganization and that will ensure that the district will be able to offer appropriate educational opportunities for all of its students and will have a positive unspent balance by the end of fiscal year 2009-2010.”

VI. Options

Discussions about the future of school districts are often difficult as enrollment declines, facilities age, and fiscal trends become more urgent. However this can be a positive experience if the focus remains on the future and the expanded opportunities for students.

In view of the data and the onsite visit, the following options might be considered for the Woden-Crystal Lake and Titonka Community School Districts.

Re-organization

With the history of sharing, reorganization might seem like a logical solution. Upon closer examination, however, the projected enrollment for the combined district will not be at 300 students, the baseline number for a reorganized district. This is not an option for Woden-Crystal Lake and Titonka without including other districts in the reorganization conversations.

Sharing Agreements

Continuing the current sharing agreements would be a short-term solution. Sharing with other districts is a distinct possibility, but there might be geographical and transportation complications to do this with the current combined Woden-Crystal Lake / Titonka middle and high schools - in light of the distance students would have to travel from the farthest borders of the district. Woden-Crystal Lake could logically share with Forest City, North Iowa, or West Hancock. Titonka could logically share with Algona or North Kossuth. In these arrangements, it might be possible to maintain elementary buildings in each district for the immediate future. Long-term viability, however, might require all grade levels to be shared.

Whole Grade Sharing Leading to Reorganization With a Contiguous District

The districts might consider ending the current sharing arrangements and creating new Whole Grade Sharing agreements with the intent to reorganize with districts that would achieve more than the minimum threshold of 300 students and could provide a long-range sustainable student enrollment number. The districts mentioned above would also be logical choices for this option.

Dissolution

Dissolution might be considered by one or both districts. While this is seldom the first choice, in this case it might worth serious consideration as it would allow families to attend districts located closest to them and allowing a new identity focused on looking to the future rather than struggling for survival.

Continue Current Arrangement

The current arrangement seems to be providing an adequate educational program for the students in each district. Enrollment trends, facilities needs, and the accompanying financial issues, however, indicate that at some time in the near future will no longer be able to maintain the status quo and will have to make organizational changes, in order to continue to meet accreditation standards. It is the opinion of the feasibility team that some changes, particularly concerning the high schools, would be better made sooner rather than later.

VII. CONCLUSION

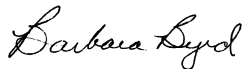
As noted earlier in this report, Titonka and Woden-Crystal Lake requested this feasibility study in order to apply for modified allowable growth funding from the School Budget Review Committee. Upon visiting the districts, there can be no doubt that the faculty and staff of both are caring and dedicated. However, the lack of resources and the need to cut expenditures as enrollment continues to decline hamper efforts to improve or even maintain the educational program. If no pro-active steps are taken to address impending financial issues and the resulting impact, there will be implications for cutting back curricular offerings, instructional materials, supplies, and for maintaining and attracting qualified staff.

Regardless of the decisions the districts make for the future, it is important to recognize that change is a difficult process. Every community is proud of its school and the role it plays in community identity. As discussions concerning the options progress, the districts need to define a vision for the future and be willing to create a cohesive, positive plan to guide students into the 21st century, eliminating emotional conversations about school colors, mascots, and former rivalries.

It is important to remember that above all, the mission of an Iowa school district is to provide a strong educational program for all students of the community as they move from kindergarten to graduation. Titonka and Woden-Crystal Lake are encouraged to directly address the difficult questions about the future. When the districts are ready to engage in these discussions they may wish to consider contacting outside facilitators from the Area Education Agency or the Iowa Association of School Boards. There are also private providers who can provide these services for a fee.

Thank you for the opportunity to visit with you in your districts. Pride in the schools was evident in each district and in each community. Stakeholders are anxious to make sound decisions for the future of the district. The visiting team is confident you are prepared to put the needs of the students first. You are to be commended for continuing your look into the future, and seeking input from unbiased observers. We wish you the best of luck. If you have any questions, please contact Barbara Byrd at barb.byrd@iowa.gov or 515-250-5345

Sincerely,



Barbara Byrd, Consultant
Iowa Department of Education



Del Hoover, Deputy Administrator
Iowa Department of Education