



OFFICE OF AUDITOR OF STATE

STATE OF IOWA

State Capitol Building
Des Moines, Iowa 50319-0004

Telephone (515) 281-5834 Facsimile (515) 242-6134

Mary Mosiman, CPA
Auditor of State

NEWS RELEASE

Contact: Mary Mosiman
515/281-5835
or Tami Kusian
515/281-5834

FOR RELEASE January 23, 2017

Auditor of State Mary Mosiman today released a report on a review of the open enrollment process established by the General Assembly of Iowa and overseen by the Iowa Department of Education for the period of July 1, 2013 to June 30, 2014.

The review was performed as a result of concerns raised regarding school districts not following the established policies and procedures for open enrollment, such as meeting application deadlines and maintaining required documentation. Open enrollment is established pursuant to Chapter 282.18 of the *Code of Iowa* and Chapter 17 of Section 281, the Iowa Department of Education's Iowa Administrative Code. Mosiman reported school districts are not properly notifying parents/guardians by September 30 of each school year of certain open enrollment information as required by the *Code of Iowa*. Mosiman also reported school districts are allowing open enrollment applications for good cause exemptions after the allowable deadline established in the *Code of Iowa*.

The report includes recommendations to strengthen policies and procedures and overall oversight of the open enrollment process and procedures, including the Iowa Department of Education working with the Legislature to include monitoring mechanisms by the Department in the *Code of Iowa* and consequences for noncompliance by a school district.

A copy of the report is available for review in the Office of Auditor of State, the Iowa Department of Education and on the Auditor of State's website at <https://auditor.iowa.gov/reports/1460-2820-B0P1>.

###

**REPORT ON A REVIEW OF THE
OPEN ENROLLMENT PROCESS
AS OVERSEEN BY THE
IOWA DEPARTMENT OF EDUCATION**

**FOR THE PERIOD
JULY 1, 2013 TO JUNE 30, 2014**

Table of Contents

	<u>Page</u>
Auditor of State's Report	3
Review Summary:	
Background Information	4-7
Review Scope and Methodology	7-8
Findings and Recommendations	9-11
Staff	12



OFFICE OF AUDITOR OF STATE

STATE OF IOWA

Mary Mosiman, CPA

Auditor of State

State Capitol Building
Des Moines, Iowa 50319-0004

Telephone (515) 281-5834 Facsimile (515) 242-6134

Auditor of State's Report

To Ryan Wise, Director of the
Iowa Department of Education:

As a result of concerns brought to our attention regarding certain school districts not following established policies and procedures for the open enrollment process, we have applied the following tests and procedures for the period of July 1, 2013 to June 30, 2014.

- (1) Reviewed Chapter 282.18 of the *Code of Iowa*, Iowa Administrative Code Section 281, Chapter 17 and the Iowa Department of Education's Open Enrollment Handbook applicable to the 2013-2014 school year to identify the established guidance, policies and procedures in place for the open enrollment process.
- (2) Interviewed personnel from the Iowa Department of Education (Department) to gain an understanding of the Department's involvement in the open enrollment process and to determine how the established policies and procedures are enforced by the Department.
- (3) Selected certain school districts to visit to determine if open enrollment policies and procedures were being complied with and whether open enrollment documentation was maintained.
- (4) Reviewed certified enrollment data for the 2013-2014 school year for selected school districts which was obtained from the Department's website to determine the number of students open enrolled in to and out of each school district selected. This data also contains the other school district involved.
- (5) For the school districts selected, we performed site visits and interviewed the school district's key personnel in the open enrollment process to determine and document the school district's open enrollment procedures, and whether they complied with the policies and procedures established by the Department.
- (6) For the school districts selected, we examined open enrollment documentation for certain students to determine whether the requests for open enrollment were maintained, submitted by the deadline, considered, and if notification of the approval or denial was documented and maintained.

These procedures identified several weaknesses. Our detailed findings and recommendations are presented in the Detailed Findings and Recommendations section of this report.

The procedures we performed do not constitute an audit of financial statements conducted in accordance with U.S. generally accepted auditing standards. Had we performed additional procedures, or had we performed an audit of financial statements of the Department, other matters might have come to our attention that would have been reported to you.

We would like to acknowledge the assistance and many courtesies extended to us by the officials and staff of the Iowa Department of Education and the personnel at various school districts throughout the State during the course of our review.


MARY MOSIMAN, CPA
Auditor of State

December 22, 2016

Report on a Review of the
Open Enrollment Process
as Overseen by the
Iowa Department of Education

Background Information

The Iowa Department of Education (Department) is empowered to exercise general supervision over the State system of education, including all Iowa local community school districts, merged area schools, area education agencies and other local agencies, and nonpublic schools, to the extent necessary to ascertain compliance with Iowa school laws.

According to Section 282.18 of the *Code of Iowa*, “It is the goal of the general assembly to permit a wide range of educational choices for children enrolled in schools in this state and to maximize ability to use those choices. It is therefore the intent that this section be construed broadly to maximize parental choice and access to educational opportunities which are not available to children because of where they live.” Open enrollment allows a parent or guardian residing in one school district to enroll their child in a public school in another school district. Section 282.18(17) of the *Code of Iowa* requires the Director of the Department (Director) to recommend rules to the State Board of Education (State Board) for the orderly implementation of this *Code* section and the State Board shall adopt rules as needed for the implementation of this section. The Department has adopted Section 281, Chapter 17 of the Iowa Administrative Code and the Open Enrollment Handbook which is updated each school year as the Department’s rules.

Section 282.18(2)(a) of the *Code of Iowa* requires the parent or guardian to send notification to the resident school district (the school district in which they reside) **and** the receiving school district (the school district which they want to attend), on forms prescribed by the Department, that they intend to enroll their child in a public school in another school district. The *Code* requires the notification be made by March 1 of the preceding school year for students entering grades one through twelve and September 1 of the current school year for students entering kindergarten. If a parent or guardian fails to send this notification by the deadlines specified, Section 282.18(4) of the *Code of Iowa* will apply. This section requires the parent or guardian to identify a good cause exemption exists for the failure to meet the specified deadlines. Examples of a good cause exemption include the following:

- 1) a change in the student’s residence due to a change in family residence, a change in the state in which the family residence is located, a change in the student’s parents’ marital status, a guardianship or custody proceeding, placement in foster care, adoption, participation in a foreign exchange program or participation in a substance abuse or mental health treatment program.
- 2) a change in the status of a student’s resident school district such as removal of accreditation by the State Board, surrender of accreditation, permanent closure of a nonpublic school or revocation of a charter school contract.
- 3) the failure of negotiations for whole grade sharing, reorganization, dissolution agreement or the rejection of a current whole grade sharing agreement or reorganization plan.

If the good cause exemption relates to a change in status of a student’s school district of residence, action by a parent or guardian must be taken to file the notification within 45 days of the school district’s last board action or within 30 days of the certification of the election, whichever is applicable to the circumstances.

Section 282.18(4)(a) of the *Code of Iowa* states after March 1 of the preceding year and until the enrollment date, which is defined by Section 257.6(1)(a) as October 1, or the first Monday in October if October 1 falls on a Saturday or Sunday, the parent or guardian shall send notification

to the school district of residence and the receiving school district, on forms prescribed by the Department, that a good cause exemption exists for failure to meet the March 1 deadline. The Board of Education (Board) of a receiving school district may adopt a policy granting the Superintendent of the school district authority to approve open enrollment applications submitted after the March 1 deadline. The Board of the receiving school district shall take action to approve the request if a good cause exemption exists. If the request is granted, the Board shall transmit a copy of the form to the parent or guardian and the school district of residence within 5 days after Board action. A denial of a request by the Board of a receiving school district is not subject to appeal.

Section 282.18(2)(b) of the *Code of Iowa* requires the Board of the receiving school district to enroll the student in a school in the receiving school district for the following year unless the receiving school district has insufficient classroom space for the student. Section 282.18(2)(c) of the *Code of Iowa* requires every school district to adopt a policy which defines the term insufficient classroom space. The Board of the receiving school district may adopt a policy granting the Superintendent of the school district the authority to approve open enrollment applications. If the open enrollment application is approved, the Board shall transmit a copy of the approved application to the parent or guardian and the school district of residence within five days after Board action, but no later than June 1 of the preceding school year. A parent or guardian may withdraw the request at any time prior to the start of the school year.

Denials of open enrollment applications can only be completed by the action of the Board. A denial of a request by the Board of a receiving school district is not subject to appeal.

Section 282.18(5) of the *Code of Iowa* states if the open enrollment applications are filed after the March 1 deadline and do not qualify for a good cause exemption, the application is subject to the approval of both the Board of the resident school district and the Board of the receiving school district. Section 282.18(14) also states an application for open enrollment may be granted at any time with approval of both school districts. Section 281.17.3(2) of the Iowa Administrative Code specifically states the Board of the resident school district will only be required to take action on the approval or denial of an open enrollment request if the parent or guardian is filing the request after the established deadline due to the child being the victim of repeated acts of harassment, due to the child having a serious health condition which the resident school district is unable to address or the school district has a voluntary diversity plan or court-ordered desegregation plan. The section also requires school districts to notify parents or guardians by September 30 of each school year the following open enrollment information: open enrollment deadlines, transportation assistance, details of the appeal process, and the possible loss of athletic eligibility. This notification may be published in a school newsletter, a newspaper of general circulation, or a parent handbook which is provided to all patrons of the school district.

Section 282.18(3)(a) of the *Code of Iowa* states the Superintendent of a school district subject to a voluntary diversity or court-ordered desegregation plan, as recognized by rule of the State Board, may deny a request for transfer if the Superintendent determines enrollment or release of a student will adversely affect the school district's implementation of the desegregation order or diversity plan, unless the transfer is requested by a student whose sibling is already participating in open enrollment to another school district, or unless the request for transfer is submitted to the school district in a timely manner as noted above, which is prior to the adoption of a desegregation plan by the school district. If a transfer request would facilitate a voluntary diversity or court-ordered desegregation plan, the school district shall give priority to granting the request over other requests.

Section 282.18(3)(b) of the *Code of Iowa* allows a parent or guardian, whose request has been denied because of a desegregation order or diversity plan, to appeal the decision of the Superintendent to the Board of the school district where the request was denied. The Board may either uphold or overturn the Superintendent's decision. A decision of the Board to uphold the denial of the request is subject to appeal to the district court in the county where the primary

business office of the school district is located. The State Board shall adopt rules establishing definitions, guidelines, and a review process for school districts who adopt voluntary diversity plans.

Chapter 257 of the *Code of Iowa* defines the requirements and provisions of the school aid formula for Iowa which provides funding to school districts and area education agencies. Funding allocations are calculated by the Iowa Department of Management and are generally based on per pupil costs multiplied by enrollments and weighted enrollments for specific programs. School districts receive state aid payments over a 10 month period beginning in September of each school year. For state school foundation aid purposes, a student participating in open enrollment shall be counted in the student's resident school district. According to Section 282.18(7) of the *Code of Iowa*, the Board of the resident school district shall pay to the receiving school district the state cost per pupil for the previous school year, plus any moneys received for the pupil as a result of non-English speaking weighting under Section 280.4(3) of the *Code of Iowa*, for the previous school year multiplied by the state cost per pupil for the previous year.

The Department's Open Enrollment Handbook requires school districts to maintain open enrollment documentation for three years after the student graduates or stops attending the school district.

Section 282.18(4)(c) of the *Code of Iowa* states if a resident school district believes a receiving school district is violating these *Code of Iowa* sections, the resident school district may, within fifteen days after Board action by the receiving school district, submit an appeal to the Director. Section 282.18(4)(d) of the *Code of Iowa* goes on to state the Director or the Director's designee shall attempt to mediate the dispute to reach approval by both Boards. If approval is not reached under mediation, the Director or the Director's designee shall conduct a hearing and shall hear testimony from both Boards. Within ten days following the hearing, the Director shall render a decision upholding or reversing the decision by the Board of the receiving school district. Within five days of the Director's decision, the Board may appeal the decision of the Director to the State Board.

The Department has limited involvement in the open enrollment process. All open enrollment request forms are to be maintained by the individual school districts and are not submitted to the Department. Department staff do not perform monitoring visits to ensure the accuracy of open enrollment supporting information. The individual school districts are responsible for investigating which students live in their school districts. The Department would get involved to review the accuracy of open enrollment numbers if a parent or guardian complains. Department staff would consider what has been done in the past for similar situations, discuss the situation with the school districts involved, and work to determine the best possible situation for the student.

Typically, the Department does not get involved in a parent or guardian's appeal unless the basis for appeal meets the good cause exemption of either a serious health condition or the student experienced pervasive harassment. In this case, the parent or guardian submits an appeal letter to the Department within 30 days of the Board action being appealed. Department staff then compare the reason for appeal to the *Code of Iowa* and the Open Enrollment Handbook to determine compliance and make a decision. Once a decision is reached by the Department, a letter is sent to the applicable school districts and the parents or guardians.

Appeals to the Department may also be made by the resident school district within 15 days of the action if the school district feels the receiving school district Board approved a late filed enrollment request. The Director works with both school districts to mediate the dispute to reach approval by both school districts. If approval is not reached by both Boards, the Director will hold a hearing with testimony by both Boards. The Director then makes a decision within 10 days of the hearing. Either Board may appeal the decision to the Director of the State Board within five days of the decision.

The Auditor of State's Office was contacted by the Superintendent of Belmond-Klemme Community School District (CSD), who raised various concerns regarding the open enrollment practices occurring at neighboring school districts, including the following:

- 1) Open enrollment applications being completed and received for preschool age students. Section 282.18(2)(a) of the *Code of Iowa* applies to students entering kindergarten in the current school year to students entering twelfth grade. Therefore, open enrollment is not necessary for preschool age as they are allowed to attend any preschool program. The concern was Garner-Hayfield CSD was allegedly promising free preschool if the students would attend Kindergarten at the school district.
- 2) Belmond-Klemme CSD was informed 2 students were enrolled at Garner-Hayfield CSD and listed as residents of that school district when they are residents of Belmond-Klemme CSD, without the open enrollment application being completed and submitted. After discussions between both school districts, Garner-Hayfield CSD agreed to conduct an internal review: they found 9 students enrolled at Garner-Hayfield CSD which were actually Belmond-Klemme CSD residents, with paperwork not properly completed or maintained. The Superintendents came to an agreement where Garner-Hayfield CSD would complete the paperwork, count them as open enrolled, and not bill Belmond-Klemme CSD for these students for the 2013-2014 school year. Garner-Hayfield CSD sent paperwork for 7 of the 9 students. The other 2 students were found to have moved to Garner prior to the start of school, but had failed to update their addresses with the school. However, no date of the move was provided.
- 3) The open enrollment invoice initially received by Belmond-Klemme CSD included students noted above, which based on the agreement, should not have been included or billed. This was disputed and a revised invoice was received. The revised invoice included 2 students who had graduated, 1 student attending Belmond-Klemme CSD, and 2 students attending Ventura Unified School District. The third invoice sent was correct.
- 4) The Belmond-Klemme CSD Board is concerned Garner-Hayfield CSD is not informing parents or guardians of Belmond-Klemme CSD resident students that a formal open enrollment request is required for the students to attend Garner-Hayfield CSD.

The majority of the school personnel interviewed stated they had good working relationships with their neighboring schools and communicated on a regular basis regarding open enrollment issues.

Review Scope and Methodology

We determined selected school districts would be reviewed to determine whether the open enrollment sections of the *Code of Iowa* and the rules were properly followed. We selected Belmond-Klemme CSD and Garner-Hayfield CSD. We also selected Forest City CSD to determine if the same concerns as Belmond-Klemme CSD were noted. We selected CAL CSD, Clear Lake CSD, and United CSD which had open enrolled students between the school districts to test open enrollment documentation.

For the school districts selected, we examined open enrollment documentation for certain students to determine whether the policies and procedures were being followed. The students were selected from the certified enrollment data for the 2013-2014 school year, which was obtained from the Department's EDInfo website. The website includes data/details for open enrollment ins and outs of each school district in the state. We selected 94 students who had

open enrolled into various school districts. The number of students selected from each school district was:

- 1) 5 from Belmond-Klemme CSD,
- 2) 5 from CAL CSD,
- 3) 14 from Clear Lake CSD,
- 4) 10 from Forest City CSD,
- 5) 40 from Garner-Hayfield CSD and
- 6) 20 from United CSD.

These students were selected in order to determine whether open enrollment applications were complete, accurate, submitted in accordance with the *Code of Iowa* requirements, and maintained by the receiving school district. The following criteria were tested:

- 1) The correct resident school district was noted on the open enrollment application and included in the certified enrollment data based on the student's address listed on the open enrollment application.
- 2) The open enrollment application was submitted by the appropriate deadline.
- 3) If the open enrollment application was submitted after the appropriate deadline, an acceptable good cause exemption was documented.
- 4) The open enrollment application was approved or denied by the receiving school district within the required timeframe.
- 5) The approval or denial of the open enrollment application was completed by the proper authority.
- 6) The receiving school district properly notified parents or guardians of the approval/denial within the required timeframe.
- 7) If required, the resident school district properly approved the application if they have a diversity plan, the student alleges pervasive harassment, or the student has a severe health condition.
- 8) Open enrollment applications included a physical address and not only a post office box.

For the school districts tested, we also selected 42 students to determine whether the school district maintained open enrollment applications for those students who open enrolled out of the school district. The number of students selected from each school district was:

- 1) 21 from Belmond-Klemme CSD,
- 2) 2 from CAL CSD,
- 3) 6 from Clear Lake CSD,
- 4) 5 from Forest City CSD,
- 5) 3 from Garner-Hayfield CSD and
- 6) 5 from United CSD.

In addition to the school districts listed above, we also selected and visited AHSTW CSD, Denver CSD, Harlan CSD, IKM-Manning CSD, Janesville Consolidated School District, and Waverly-Shell Rock CSD to interview school district personnel to obtain information about the enrollment process at each of the school districts.

As a result of these procedures, we identified the following findings and related recommendations.

Findings and Recommendations

A. Parent or Guardian Notification – Iowa Administrative Code, Chapter 281, section 17.3(2) requires school districts to notify parents/guardians by September 30 of each school year the following open enrollment information: open enrollment deadlines, transportation assistance, details of the appeal process and the possible loss of athletic eligibility. Of the school districts visited, we asked for documentation of this notification from 11 of the school districts and the following were identified:

- 1) AHSTW CSD, Clear Lake CSD, Forest City CSD, Garner-Hayfield CSD, Harlan CSD, and IKM-Manning CSD provided open enrollment information in the school districts' newsletters; however, the newsletters did not address or include information related to the appeal process for a denied open enrollment request.
- 2) Belmond-Klemme CSD, CAL CSD, Denver CSD, and Janesville Consolidated School District were unable to provide any documentation showing they made the parents/guardians aware of the required open enrollment elements.

Recommendation – The school districts should properly notify parents or guardians by September 30 of each school year the following open enrollment information: open enrollment deadlines, transportation assistance, details of the appeal process, and the possible loss of athletic eligibility. The school districts should maintain documentation of the notification.

B. Approval or Denial Notification – After the receiving school district approves or denies an open enrollment application, notification is to be made to both the parent or guardian and the resident school district. Per discussions with various school district personnel, the procedures followed to address this requirement are not consistent. The parent or guardian and resident school district are notified by a variety of methods, such as a phone call, a letter, or email. Documentation does not appear to be maintained by the school districts to substantiate or document they notified the parent or guardian or resident school district. For 48 of the 94 students selected, the notification to the parent or guardian and resident school district was not maintained or documented.

Recommendation – The receiving school districts should develop policies and procedures for notification of the approval or denial of the open enrollment applications to the parent or guardian and the resident school district. Documentation of this notification should also be maintained.

C. Application Documentation – The Department's Open Enrollment Handbook requires school districts to maintain open enrollment documentation for 3 years after the student graduates or stops attending the school district. However, of the 94 students tested, the following open enrollment in applications were not located:

- 1 from Belmond-Klemme CSD,
- 2 from Forest City CSD, and
- 1 from Clear Lake CSD.

Also, of the 42 open enrollment out applications tested, the following open enrollment out applications were not located:

- 1 from Belmond-Klemme CSD,
- 5 from Forest City CSD, and
- 2 from Clear Lake CSD.

Recommendation – All school districts should maintain open enrollment applications as required by the Department's Open Enrollment Handbook.

- D. Open Enrollment Applications – Section 282.18(2)(a) of the *Code of Iowa* requires the parent or guardian to send notification to the resident school district and the receiving school district they intend to enroll their child in a public school in another school district. The *Code* requires the notification be made by March 1 of the preceding school year for students entering grades one through twelve and September 1 of the current school year for students entering kindergarten. Section 282.18(5) of the *Code of Iowa* also states if the application is filed late and does not qualify for a good cause exemption, the application requires the approval of both the Boards of the resident school district and receiving school district. In addition, Section 282.18(14) of the *Code of Iowa* states an application for open enrollment may be granted at any time with approval of the resident and receiving school districts. The Department’s Open Enrollment Handbook also includes this statement.

For 17 of the 90 open enrollment applications found and tested, the application was not filed by the specified deadlines and an element of a good cause exemption was not included on the form. Of the 17, 13 were at Garner-Hayfield CSD, 3 were at Forest City CSD, and 1 was at CAL CSD.

Recommendation – All school districts should follow and enforce the rules regarding the open enrollment applications, ensuring they are filed by the specified deadline unless a good cause exemption was identified on the form. If an application without a good cause exemption is received after the specified deadline, the districts should follow the applicable rules for this situation.

- E. Date of Application – Of the 90 open enrollment applications found and tested, 2 open enrollment applications for Garner-Hayfield CSD, 1 open enrollment application for Belmond-Klemme CSD, 1 open enrollment application for Clear Lake CSD, and 1 open enrollment application for United CSD did not include the date the application was received by the receiving school district. Without documentation of this date, it is not possible to determine if the application was received by the required deadline.

Recommendation – All school districts should include in their policies and procedures a requirement the date the application was received be documented on the application as documentation it was received by the required deadline.

- F. Approval or Denial Documentation – Of the 90 open enrollment applications found and tested, 2 open enrollment applications for Garner-Hayfield CSD, 3 open enrollment applications for Forest City CSD, 2 open enrollment applications for Clear Lake CSD, and 1 open enrollment application for United CSD did not include a signature documenting either the approval or denial of the application and/or the date of such approval/denial.

Recommendation – All school districts should include in their policies and procedures a requirement the application specifically include a signature documenting the approval or denial of the application and the date of the decision.

- G. Physical Address – Of the 90 open enrollment applications found and tested, 2 for Garner-Hayfield CSD, 1 for Forest City CSD, and 1 for CAL CSD included only a PO Box number, not a physical address. Therefore, we were unable to verify whether the correct resident school district was included on the application.

Recommendation – All school districts should include in their policies and procedures a requirement a physical address of the student be included on the application. The policies and procedures should also specify a PO Box number will not be accepted as a valid application.

- H. Monitoring and Consequences – The *Code of Iowa*, Section 282.18(1)(a) states, “It is the goal of the general assembly to permit a wide range of educational choices for children enrolled in

schools in this state and to maximize ability to use those choices. It is therefore the intent that this section be construed broadly to maximize parental choice and access to educational opportunities which are not available to children because of where they live.” However, this can lead to the policies and procedures not being complied with for which there are no consequences.

Although the Iowa Department of Education has adopted Section 281 Chapter 17 of the Iowa Administrative Code and the Open Enrollment Handbook, which is updated each school year, they are not actively involved with ensuring the school districts are properly complying with requirements. In addition, the *Code of Iowa* does not including language for enforcement nor does it include consequences for noncompliance.

Recommendation – The Department should work with the Legislature to include in the *Code of Iowa* monitoring mechanisms by the Department and consequences for noncompliance by a school district. This may include a requirement all applications and supporting documentation should be submitted to the Department within a specified period after the open enrollment deadline. Department staff could then compare those students listed as open enrolled during the annual certified count to the applications on file at the Department.

Report on a Review of the
Open Enrollment Process
as Overseen by the
Iowa Department of Education

Staff

This review was performed by:

Pamela J. Bormann, CPA, Manager
Tammy A. Hollingsworth, CIA, Manager



Tamera S. Kusian, CPA
Deputy Auditor of State