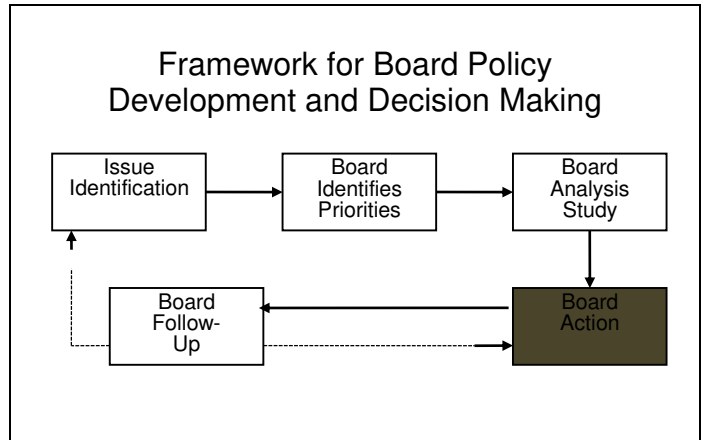


Iowa State Board of Education

Executive Summary

November 18, 2015



Agenda Item: Deaccreditation – Farragut Community School District

Iowa Goal: All PK-12 students will achieve at a high level.

State Board Role/Authority: Iowa Code § 256.11

Presenters: Jeff Berger, Deputy Director
Division of School Finance and Support Services

Amy Williamson, Chief
Bureau of School Improvement

Attachments: 2

Recommendation: The Iowa Department of Education recommends that the State Board of Education deaccredit Farragut Community School District (CSD), effective June 30, 2016. From November 18, 2015, through the effective date of deaccreditation, the Iowa Department of Education further recommends that Farragut CSD be placed in receivership of Green Hills Area Education Agency for the purposes of day-to-day operations and making final financial and program arrangements for the district.

Background: See previous State Board meeting and minutes for further background information – March 26, 2015, and September 17, 2015. A final visit was conducted on August 19, 2015, and noncompliance issues continued. See attached summary for follow-up information.

Recommendation to Deaccredit Farragut Community School District

November 18, 2015

Recommendation

The Iowa Department of Education (Department) recommends that the State Board of Education deaccredit Farragut Community School District (CSD), effective June 30, 2016. From November 18, 2015, through the effective date of deaccreditation, the Department further recommends that Farragut CSD be placed in receivership of Green Hills Area Education Agency for the purposes of day-to-day operations and making final financial and program arrangements for the district.

Rationale

Farragut CSD's local board entered into an agreement with the State Board of Education granting the district conditional accreditation status in March 2015. The conditions stated:

1. No building or part of a building closed by the district to meet accessibility standards under the Americans with Disabilities Act (ADA) may be used or reopened for any purpose other than cold storage. This prohibits the use of a closed building by staff or community members as well. Entry to any part of a closed building must be restricted to the facilities manager, janitor, superintendent, and a realtor, as needed for the purpose of showing the property to prospective buyers.
2. Substantial compliance with state and federal code and regulations must be maintained. Compliance is considered substantial when there are few instances of noncompliance, the noncompliance is not itself substantial in nature, and the noncompliance is not systemic.
3. The district will be placed into an intensive level of support under the Department's differentiated accountability model for the 2015-2016 school year. Pursuant to this designation, Department staff members will conduct quarterly visits to the district, and the district will be placed on an action plan for which quarterly progress reports will be required. The required elements of the action plan, as well as the content and focus of each visit, will be determined by Department staff. Department staff will also provide district staff and board members with technical assistance required to maintain compliance with all requirements. Quarterly visits will not be limited to compliance and may address issues including but not limited to assessment, data-based decision-making, universal instruction, intervention, and continuous improvement.
4. Any violation of the above requirements will result in immediate revocation of conditional accreditation status. Upon any such violation, the State Board will convene to determine a date upon which the district's accreditation will be

permanently revoked and the territory of the district merged with one or more contiguous school districts.

The accreditation and finance teams from the Department visited the district on August 19, 2015. At that time, the district was found to be out of compliance with a number of state and federal requirements, as summarized in the September 2015 report to the State Board. Based on available financial information, the team also predicted that the district would close the fiscal year with a negative balance, as well.

As of October 23, 2015, the status of the noncompliance issues discovered in August is as follows:

Findings - Continued Noncompliance

1. It was reported during interviews with district staff that the weight room at Farragut is still being used by members of the community. The weight room is not accessible per ADA requirements. The superintendent and members of the Farragut school board were directed in February 2015 to ensure that the weight room was no longer used by students, staff, or members of the community. Board policy 905.3 states that the superintendent is the coordinator of the weight room schedule and has keys to the weight room. The weight room was scheduled to have the locks changed on August 21, 2015, following an additional reminder from the accreditation team that use of the building is not permissible. *Update August 28, 2015: The weight room locks have been changed.*
2. The Phase II report from the department stated the following:
Based on the meeting between the Iowa Department of Education, Superintendent Tom Hinrichs', School Board President Jenny Varellas', and representatives of Facilities Cost Management Group, the following action steps will be taken to address accessibility citations by the first day of school in August of 2015:
 - *Farragut CSD will educate both Farragut and Hamburg students in grades PK-6 in the Marnie Simons Building and the Farragut CSD will educate both Farragut and Hamburg students 7-12 in the Nishnabotna Junior/Senior High Building as part of their whole grade sharing agreement in the 2015-2016 school year.*
 - *The Nishnabotna VoAg and Farragut Elementary Buildings will be closed to any use by the school district; and*
 - *Farragut CSD will complete construction of additional space at the Nishnabotna Junior/Senior High School Building during the 2015-2016 school year, which will include accessible shower rooms and address all other accessibility citations remaining.*

If the Farragut CSD follows the action plan discussed above, all accessibility issues within the Farragut School District will be addressed.

The grade levels and buildings in each district have been reconfigured, the VoAg Building in Farragut has been closed, and the Farragut Elementary Building has been closed. Farragut CSD is not on track to complete construction of additional space at the junior/senior high school building during the 2015-2016 school year, however. No bids have been solicited for construction, the funds have not yet been secured, and the soonest construction could begin is spring of 2016. At this time, the district is planning for an addition to the junior/senior high school that would remedy the ADA issues and add space to the building. The proposed addition is approximately \$1.2 million. The district is depending on a September 8, 2015, Physical Plan and Equipment Levy (PPEL) vote to pass in order to fund the project. It is the understanding of the accreditation team that there is an alternate proposal that would correct ADA issues for around \$250,000. The accreditation team also provided the district with a proposed no-cost solution of closing the showers and shower rooms.

Interviewees reported that if the PPEL vote fails in September, it is the intention of the district to return to the public for another vote(s) again during the school year. The superintendent indicated that the backup plan, should the PPEL vote ultimately fail, is to remodel/retrofit the existing building, which will cost approximately as much as a new addition. *Update October 23, 2015: The PPEL did not pass. The shower rooms have been closed.*

3. Farragut CSD does not meet the following offer and teach requirements for the 2015-2016 school year. These results are preliminary until a class enrollment list is final; more items may be added at that time.
 - a. Short one unit of physics - *Update September 2, 2015: Physics has been added with two students enrolled, but the teacher is not properly endorsed.*
 - b. Short one unit of family consumer science.
 - c. Spanish 3/4 are on the schedule, but no students are enrolled. The district does not have a waiver.
 - d. Concern about career and technical education (CTE) program: a single student is currently enrolled in intro to auto, auto mechanics, and advanced auto.

The accreditation team also has concerns that because so many staff were hired very late, the district is having difficulty matching the appropriate courses to the new teachers and their endorsements. The master schedule is in constant flux with only one week remaining until school starts. Course names differ between the course catalog and course master schedule. This is a critical time when staff are matching instructional materials and instructional strategies to the Iowa Core standards and the 21st Century Skills required by Iowa Code. The accreditation team anticipates that staff will have difficulty providing appropriate instruction and meeting requirements in Iowa Code under these circumstances. Hamburg board members also expressed concern about the rigor and college preparatory capacity of courses provided at Farragut CSD. *Update October 23, 2015: The*

physics teacher acquired a Class B endorsement; a waiver for Spanish 3 and 4 was requested and granted.

Findings - Previously Corrected Noncompliance

4. The district continues to have compliance issues regarding equity. The nondiscrimination statement is not found on the Nishnabotna home page, though this was an item that was previously corrected. There are three different and conflicting nondiscrimination notifications provided in which three different names are given as the district's equity coordinator.
5. While all staff members had current evaluations when the team visited the district in February 2015, as of August 19, 2015, two staff members did not have current evaluations.

Findings - New Noncompliance

6. Every district in the state is required to have a designated equity coordinator. The website for Farragut CSD designates the principal, Lisa Spencer, as the equity coordinator. Tom Hinrichs, the Superintendent, also told team members that Dr. Spencer is the equity coordinator. When interviewed, Lisa Spencer was unaware that she was to serve as the equity coordinator. She told the team she does not have any background in equity or maintaining any of the district's documentation or compliance on equity issues. In addition, grievances are not reported to Lisa Spencer.
7. Farragut CSD is renting space at Sidney CSD to hold auto and ag classes. The space is not ADA compliant, as it is not fully accessible. It is the responsibility of Farragut CSD to ensure that the building they send students to for classes is accessible. It is also the responsibility of Sidney CSD to ensure accessibility of the facility, since they are the owner of the facility and are sending students there. The facility needs to have a complete accessibility review and the deficiencies need to be corrected. *Update October 23, 2015: Facility issues will be addressed when Sidney has a full visit.*
8. The district does not have a certified English language learners (ELL) teacher at this time. *Update August 28, 2015: Lisa Spencer has obtained a conditional endorsement in ELL.*
9. Farragut CSD currently employs the following teachers who are not properly licensed and/or endorsed as of August 20, 2015:
 - a. [REDACTED] to teach high school math. *Update August 28, 2015: License obtained.*
 - b. [REDACTED] to teach family consumer science (expired 6/15). *Update August 28, 2015: Conditional license obtained.*
 - c. [REDACTED] to teach high school business. *Update August 28, 2015: Conditional license obtained.*

- d. ██████ to teach physics. *Update October 23, 2016: Conditional license obtained.*

While most instances of noncompliance were minimally corrected, the accreditation team has determined that the number and substance of the noncompliance constituted *substantial noncompliance* and violated the second condition of the agreement with the State Board of Education:

Substantial compliance with state and federal code and regulations must be maintained. Compliance is considered substantial when there are few instances of noncompliance, the noncompliance is not itself substantial in nature, and the noncompliance is not systemic.

While individual instances of noncompliance were corrected, that after-the-fact correction comes too late. This wide array of noncompliance should never have occurred in the first place. Previously corrected noncompliance resurfaced. The number of offer-and-teach violations increased from last school year to this school year. As a whole, the instances of noncompliance were numerous, the types of noncompliance relate to the basic educational mission of the district, and the pattern of violations demonstrate a systemic failure to attend to preventing noncompliance.

Finance

In addition to compliance failures with state and federal code and regulations, Farragut CSD has finished fiscal year 2015 with a negative unspent balance for the fifth consecutive year in the amount of \$93,000. Although this represents significant progress over the prior year's negative balance, it comes too late. The School Budget Review Committee (SBRC), having already granted Modified Supplemental Amount (MSA) for multiple years and ordered a Phase II visit for finance, does not have any further action available to it.

Authority

The State Board of Education is authorized by Iowa Code sections 256.11(11) and 256.11(12) to remove a district's accreditation following a Phase II process.

Merger after Removal of Accreditation by the State Board

Steps in the process:

- (1) The State Board votes to remove accreditation from a school district.
- (2) The State Board chooses a date upon which the removal of accreditation is effective. This is the date on which the district no longer exists as a school corporation.
 - a. Prior to the effective date the district must:
 - i. Execute quit claim deeds to merge territory.
 - b. Prior to the effective date or as soon as possible after the effective date, the district or its successors in interest must:
 - i. Make final payments and prepare for a final audit of accounts
 - ii. Prepare and submit a final Certified Annual Report (CAR) to the Iowa Department of Education.
- (3) The State Board determines whether to place the district in the receivership of the area education agency (AEA) for the remainder of the year.
- (4) At the end of the school year, the territory of the district is merged with one or more contiguous districts, as determined by the State Board. The State Board may designate the director of the Iowa Department of Education to perform this task.
- (5) The assets and liabilities of the district are divided per Iowa Code sections 275.29 – 31.
 - a. A school district receiving the assets/liabilities of the dissolved district may use the equalization levy, but may only tax the territory that composes part of the former district. The equalization levy shall be used if necessary to equalize distribution.

Iowa Code 275.31:
If necessary to equalize the division and distribution, the board or boards may provide for the levy of additional taxes, which shall be sufficient to satisfy the mandatory levy required in section 76.2 or other liabilities of the districts, upon the property of a corporation or part of a corporation and for the distribution of the tax revenues so as to effect equalization.
 - b. Income surtax revenue and revenue from property taxes are to be distributed proportionately based on the taxable value of the territory received by districts receiving assets.
 - c. Revenues based on student enrollment are to be distributed based on percentages of students from the dissolved district residing in territory received by districts receiving assets/liabilities.
 - d. The Boards of the districts receiving assets and liabilities and those affected by the reorganization meet for the purpose of reaching mutual agreement regarding the division of assets and liabilities; this occurs between July 1-20.
 - i. If the boards disagree they may settle the dispute in arbitration.
- (6) If the merger with contiguous districts results in the creation of new director districts, the provisions of Iowa Code section 275.57 apply.
- (7) School districts receiving new property resulting from the dissolution will have to determine a method for retiring any portion of a debt received as a result of the dissolution.

- (8) If the asset distribution that occurs as a result of the dissolution includes any revenue bonds, capital leases, or loans, each school district receiving new property resulting from the dissolution will need to determine a method for repayment of the portion of those debts received as well.

The Iowa Department of Education, AEA, and successor districts are responsible for ensuring that the CAR is finalized and a final audit is completed, even if beyond the date on which the dissolved district no longer exists as a corporation.

The Iowa Department of Education's full Reorganization, Dissolution, and Sharing Guide is available at the following link:

<https://www.educateiowa.gov/documents/reorganization-dissolution-sharing/2015/01/reorganization-dissolution-sharing-guide>

Choices for operation for the remainder of the school year:

(1) Operation under receivership of the AEA

If the State Board chooses to place the deaccredited district in the receivership of the AEA for the remainder of the year, the following apply:

- The local board technically exists until formal dissolution of the district, but has no authority for decision-making.
- Day-to-day operations of the district are assumed by the AEA Chief Administrator or his/her appropriately licensed designee. This includes personnel and finance decisions.
- The Iowa Department of Education and AEA divide the assets and liabilities of the district.

(2) Operation by the school board

If the state board chooses to allow the school board to continue to operate the district, the following apply:

- The local board remains in operation with decision-making authority.
- Any decisions made must in all respects be consistent with the accreditation report and with decisions made by and conditions imposed by the State Board.
- The Iowa Department of Education and AEA divide the assets and liabilities of the district in consultation with the local board and the school districts that will be receiving new territory.

Timeline:

November 18, 2015	State Board votes to remove accreditation, sets date for final dissolution and merger
November 18, 2015	District placed in receivership of AEA OR allowed to operate through the remainder of the year under the direction of the local board
November 2015 – June 2016	District/AEA make final financial arrangements, including resolving outstanding debts and ensuring that debts are accounted for appropriately when budgets are certified in April 2016
November 2015 – March 2016	The Iowa Department of Education determines new district boundaries
November 2015 – June 30, 2016	The Iowa Department of Education/AEA divide assets and liabilities of the district
June 30, 2016	Date of final dissolution

Relevant Iowa Code Sections

76.2 MANDATORY LEVY — OBLIGATIONS IN ANTICIPATION OF LEVY.

1.a. The governing authority of a political subdivision specified in section 76.1, subsection 1, before issuing bonds shall, by resolution, provide for the assessment of an annual levy upon all the taxable property in the political subdivision sufficient to pay the interest and principal of the bonds within a period named not exceeding the applicable period of time specified in section 76.1. A certified copy of this resolution shall be filed with the county auditor or the auditors of the counties in which the political subdivision is located; and the filing shall make it a duty of the auditors to enter annually this levy for collection from the taxable property within the boundaries of the political subdivision until funds are realized to pay the bonds in full. The levy shall continue to be made against property that is severed from the political subdivision after the filing of the resolution until funds are realized to pay the bonds in full.

b. If the resolution is filed prior to April 1 or May 1, if the political subdivision is a school district, the annual levy shall begin with the tax levy for collection commencing July 1 of that year. If the resolution is filed after April 1 or May 1, in the case of a school district, the annual levy shall begin with the tax levy for collection in the next succeeding fiscal year. However, the governing authority of a political subdivision may adjust a levy of taxes made under this section for the purpose of adjusting the annual levies and collections for property severed from the political subdivision, subject to the approval of the director of the department of management.

2. If funds, including reserves and amounts available for temporary transfer, are found to be insufficient to pay in full any installment of principal or interest, a public issuer of bonds may anticipate the next levy of taxes pursuant to this section in the manner provided in chapter 74, whether the taxes so anticipated are to be collected in the same or a future fiscal year.

256.11 EDUCATIONAL STANDARDS.

11. The accreditation committee shall revisit the school district or nonpublic school and shall determine whether the deficiencies in the standards have been corrected.

a. The accreditation team shall make a report and recommendation to the director and the state board. The committee recommendation shall specify whether the school district or nonpublic school shall remain accredited. For a school district, the committee report and recommendation shall also specify under what conditions the district may remain accredited. The conditions may include but are not limited to providing temporary oversight authority, operational authority, or both oversight and operational authority to the director and the state board for some or all aspects of the school district in order to bring the school district into compliance with minimum standards.

b. The state board shall review the report and recommendation, may request additional information, and shall determine whether the deficiencies have been corrected.

c. If the deficiencies have not been corrected, and the conditional accreditation alternatives contained in the report are not mutually acceptable to the state board and the local board, the state board shall deaccredit the school district and merge the territory of the school district with one or more contiguous school districts at the end of the school year. The state board may place a district under receivership for the remainder of the school year. The receivership shall be under the direct supervision and authority of the area education agency in which the district is located. The decision of whether to deaccredit the school district or to place the district under receivership shall be based upon a determination by the state board of the best interests of the students, parents, residents of the community, teachers, administrators, and school district board members and upon the recommendations of the accreditation committee and the director.

d. In the case of a nonpublic school, if the deficiencies have not been corrected, the state board may deaccredit the nonpublic school. The deaccreditation shall take effect on the date established by the

resolution of the state board, which shall be no later than the end of the school year in which the nonpublic school is deaccredited.

12. If the state board deaccredits a school district and merges the territory of the school district with one or more contiguous school districts, the deaccredited school district ceases to exist as a school corporation on the effective date set by the state board for deaccreditation. Notwithstanding any other provision of law, the contiguous school districts receiving territory of the deaccredited school district are not considered successor school corporations of the deaccredited school district.

a. Division of assets and liabilities of the deaccredited school district shall be as provided in this paragraph “*a*” and in sections 275.29 through 275.31.

(1) If one or more of the contiguous school districts receiving assets and liabilities of the deaccredited school district utilizes the equalization levy, only that territory in the school district imposing the equalization levy that comprises territory of the deaccredited school district shall be taxed.

(2) Income surtax revenue and revenues generated by property taxes shall be distributed proportionately based on taxable value of the territory received by one or more school districts contiguous to the deaccredited school district.

(3) Revenues that are based on student enrollment shall be distributed based on percentages of students who were enrolled in the deaccredited school district in the school year immediately prior to deaccreditation and who now reside in territory received by one or more school districts contiguous to the deaccredited school district.

(4) If the deaccredited school district has a negative fund balance in its general fund at the time it is deaccredited by the state board, the director may order that the positive balance from one or more other funds of the deaccredited school district be transferred to the deaccredited school district’s general fund.

b. Prior to the effective date set by the state board for deaccreditation, the school district shall remain responsible for, and may retain such authority as is necessary to complete, all of the following:

(1) Execution of one or more quitclaim deeds, in fulfillment of the merger of territory received by one or more contiguous school districts from the deaccredited school district.

(2) Preparation of and payment for a final audit of all the district’s financial accounts.

(3) Preparation and certification of a final certified annual report to the department.

c. The provisions of section 275.57 apply when deaccreditation of a school district and merger of the territory of such school district with a contiguous school district that is currently divided into director districts leads to the formation of new director districts.

275.29 DIVISION OF ASSETS AND LIABILITIES AFTER REORGANIZATION .

Between July 1 and July 20, the board of directors of the newly formed school district shall meet with the boards of the school districts affected by the organization of the new school corporation, including the boards of districts receiving territory of the school districts affected, for the purpose of reaching joint agreement on an equitable division of the assets of the several school corporations or parts of school corporations and an equitable distribution of the liabilities of the affected corporations or parts of corporations. In addition, if outstanding bonds are in existence in any district, the initial board of directors of the newly formed school district shall meet with the boards of all school districts affected prior to April 15 prior to the school year the reorganization is effective to determine the distribution of the bonded indebtedness between the districts so that the newly formed district may certify its budget under the procedures specified in chapter 24. The boards shall consider the mandatory levy required in section 76.2 and shall assure the satisfaction of outstanding obligations of each affected school corporation. If the petition includes plans for the distribution of the bonded indebtedness, the exclusion of territory from the reorganized district does not require action pursuant to this section.

275.30 ARBITRATION.

If the boards cannot agree on such division and distribution, the matters on which they differ shall be decided by disinterested arbitrators, one selected by the initial board of directors of the newly formed district, one by each of the boards of directors of the school districts affected, and one selected jointly by the boards of directors of contiguous districts receiving territory of the school district affected. If the number of arbitrators selected is even, a disinterested arbitrator shall be added by the area education agency administrator. The decision of the arbitrators shall be made in writing and filed with the secretary of the new corporation, and a party to the proceedings may appeal the decision to the district court by serving notice on the secretary of the new corporation within twenty days after the decision is filed. The appeal shall be tried in equity and a decree entered determining the entire matter, including the levy, collection, and distribution of any necessary taxes.

275.31 TAXES AND APPROPRIATION TO EFFECT EQUALIZATION.

If necessary to equalize the division and distribution, the board or boards may provide for the levy of additional taxes, which shall be sufficient to satisfy the mandatory levy required in section 76.2 or other liabilities of the districts, upon the property of a corporation or part of a corporation and for the distribution of the tax revenues so as to effect equalization. When the board or boards are considering the equalization levy, the division and distribution shall not impair the security for outstanding obligations of each affected corporation. Any owner of bonds of an affected corporation may bring suit in equity for adjustment of the division and distribution in compliance with this section. If the property tax levy for the amount estimated and certified to apply on principal and interest on lawful bonded indebtedness for a newly formed community school district is greater than the property tax levy for the amount estimated and certified to apply on principal and interest in the year preceding the reorganization or dissolution for a school district that is a party to the reorganization or dissolution, that had a certified enrollment of less than six hundred for the year prior to the reorganization or dissolution, and that approved the reorganization or dissolution prior to July 1, 1989, the board of the newly formed district shall inform the department of management. The department of management shall pay debt service aid to the newly formed district in an amount that reduces the rate of the property tax levy for lawful bonded indebtedness in the portion of the newly formed district where the new rate is higher, to the rate that was levied in that portion of the district during the year preceding the reorganization or dissolution. For the school year beginning July 1, 1987, and succeeding school years, there is appropriated from the general fund of the state to the department of management an amount sufficient to pay the debt service aid under this section. Debt service aid shall be paid in the manner provided in section 257.16. Not later than May 1 of each year, the department of management shall inform the board of the newly formed school district the amount of debt service aid that the district will receive and the rate of the property tax levy for the amount estimated and certified to apply on principal and interest on lawful bonded indebtedness in the portion of the newly formed district where the new rate would have been higher, and for the remainder of the newly formed district. The department of management shall notify the county auditor of each applicable county of the amount, in dollars and cents per thousand dollars of assessed valuation, of the property tax levy in each portion of each applicable newly formed school district in the county for the amount estimated and certified to apply on principal and interest on lawful bonded indebtedness, and the boundaries of the portions within the newly formed district for which the levies shall be made. The county auditor shall spread the applicable property tax levy for each portion of a school district over all taxable property in that portion of the district.

275.57 CHANGING DIRECTOR DISTRICT BOUNDARIES FOLLOWING DISSOLUTION.

1. If a school district accepting attachments of a dissolved district is currently divided into director districts as provided in section 275.12, subsection 2, paragraph “b”, “c”, “d”, or “e”, the board of directors of the district shall draft a proposal to incorporate the newly received territory into existing contiguous director districts. If the attached territory is contiguous to more than one director district, the board may divide the territory and attach it to more than one director district. If necessary to comply with the population equality standards prescribed in section 275.23A, the board shall redraw the boundaries of all director districts according to the standards provided in section 275.23A, subsection 1, paragraphs “a”, “c”, and “d”.

2. A public hearing on the proposed changes to director districts shall be held no later than May 15 following the dissolution. Not less than ten nor more than twenty days before the public hearing, the board shall publish notice of the time and place of the hearing.

3. The final plan for the assignment of attached lands and any other boundary changes made shall be adopted by resolution of the board. The resolution shall contain a legal description of the new director district boundaries and a map of the director district boundaries changed by the resolution. A copy of the resolution shall be filed with the county commissioners of elections of each county in which a portion of the school district is located. The resolution shall also be filed with the state commissioner of elections not later than June 15. The boundary changes shall take effect upon approval by the state commissioner of elections for the next regular school election, but not later than July 1.

76.2 MANDATORY LEVY — OBLIGATIONS IN ANTICIPATION OF LEVY.

1.a. The governing authority of a political subdivision specified in section 76.1, subsection 1, before issuing bonds shall, by resolution, provide for the assessment of an annual levy upon all the taxable property in the political subdivision sufficient to pay the interest and principal of the bonds within a period named not exceeding the applicable period of time specified in section 76.1. A certified copy of this resolution shall be filed with the county auditor or the auditors of the counties in which the political subdivision is located; and the filing shall make it a duty of the auditors to enter annually this levy for collection from the taxable property within the boundaries of the political subdivision until funds are realized to pay the bonds in full. The levy shall continue to be made against property that is severed from the political subdivision after the filing of the resolution until funds are realized to pay the bonds in full.

b. If the resolution is filed prior to April 1 or May 1, if the political subdivision is a school district, the annual levy shall begin with the tax levy for collection commencing July 1 of that year. If the resolution is filed after April 1 or May 1, in the case of a school district, the annual levy shall begin with the tax levy for collection in the next succeeding fiscal year. However, the governing authority of a political subdivision may adjust a levy of taxes made under this section for the purpose of adjusting the annual levies and collections for property severed from the political subdivision, subject to the approval of the director of the department of management.

2. If funds, including reserves and amounts available for temporary transfer, are found to be insufficient to pay in full any installment of principal or interest, a public issuer of bonds may anticipate the next levy of taxes pursuant to this section in the manner provided in chapter 74, whether the taxes so anticipated are to be collected in the same or a future fiscal year.