

# Algona/Lu Verne Reorganization FAQ Document

Updated: 1/31/2022

## 1. How long have Algona and Lu Verne been sharing?

Algona and Lu Verne (the old Corwith-Wesley CSD) started sharing sports during the 2014-2015 school year. In 2015-2016 Lu Verne (Corwith-Wesley was dissolved at the end of the 2014-2015 school year) moved grades 7th-12th to Algona and a couple of years later added 6th grade to Algona.

## 2. Why didn't Lu Verne and Corwith-Wesley reorganize instead of Corwith-Wesley dissolving?

State law requires any districts that are looking at the reorganization process to have a combined student population of 500 students or more. The combined CWL district did not have that many students. Because Corwith-Wesley was in front of the School Budget Review Committee (financial reasons) they decided the best way to continue to help their sharing partner district (Lu Verne CSD) was to dissolve the Corwith-Wesley CSD. By doing this over 87% of the assets and property of the Corwith-Wesley CSD went to the Lu Verne CSD.

## 3. So if we aren't reorganizing because of financial reasons, why are we looking to do it now?

Both districts are in very good financial shape so that is NOT the reason for reorganization. The three big reasons for reorganization are: loss of students, struggle to hire qualified staff and the increase in requirements - basically what is best for ALL of our students in both districts.

In 2005 Algona and Lu Verne had a combined student population of 1399 students, in 2020 state data shows the Algona and Lu Verne CSD had a combined enrollment of 1408 students. During those 15 years Titonka and Corwith-Wesley also joined Algona and Lu Verne. So that means by even adding two more districts we have only increased our student population by 9 students. Rural Iowa is losing students.

At the beginning of the 2021 school year Algona had two teaching positions that were not filled and Lu Verne had one position not filled (both districts employed long term subs, Algona has found new staff for the second semester). Many districts in Iowa started the year having open teaching positions and we do not see it getting better with time. Our colleges are not producing as many teachers and not as many young people are going into the education field. This is especially true for specialized teachers (math, biology, chemistry, industrial technology, special education, etc). Even districts in the Des Moines metro area are having a tough time filling positions and it is twice as hard to convince young teachers to come to rural Iowa. Unless we get some help from the state with incentives and alternate ways of licensing of teachers this problem will only continue to get worse.

Every year we have more requirements from the state and federal government and it has only escalated with the onset of COVID. Every year we have new requirements for our students and new reporting requirements to the state and federal government. We consider it like a puzzle, at the end of the school year we feel that we have the puzzle put together and it is complete but by the beginning of the next year there are more pieces that have been given to us (from the state and federal government) and we have to figure out how to fit those into the puzzle we already have. As you can see this takes a considerable amount of time and energy to complete these new tasks.

Basically it is about what is best for kids.

#### **4. What is the difference between whole-grade sharing and reorganization?**

Whole-grade sharing is done between school boards and students move between the sharing districts. Some districts send students both ways (both districts send and receive these students) and some districts only send students one way (which is what we do- 6th-12th grade goes to the Algona MS and HS). These districts negotiate all of the terms of this agreement.

Reorganization is the combining of two districts and is usually done by a vote of the public in both school districts. Once it is completed the combined districts join together to form a “new” school district. This is NOT driven by the board of education of both districts but they are involved in this process (including having 2 members each on the reorganization committee). Once the petition is completed the process is then handled by our local Area Education Agency (Prairie Lakes AEA). The law states that a vote of the public must take place in the calendar year BEFORE the reorganization takes place. The state also only has certain dates when a special election can be held. Therefore we hope to have this vote take place in September of 2022 for the reorganization to begin on July 1, 2023. The state also includes three years of financial incentives for districts to reorganize and an additional three years of incentives once the reorganization is approved.

#### **5. Who are the members of the reorganization committee?**

The members were appointed by both boards and they come from both school districts:

Community Members: Lara Kleier, Justin Davis and Haley Offerman

Board Members: Rodney Davis, Andrea Vinci, Lany Mitchel and Charles Legler

Staff Members: Kira Carroll, Peter Waltz, Nicole Studer, Joe Carter and Jon Hueser

#### **6. Where are we in this process if we are looking at reorganization?**

We started the process two years ago by applying for Joint Employment (which is financial incentives). Joint employment is where both district's have to show that we are working towards reorganization (doesn't mean you have to reorganize but does mean you are working towards it). Our plan that we presented to the state, had to show what we share: joint Teacher Leadership Program, Transportation Director, Buildings and Grounds Director, Music Instructor (and in the past have shared an Instructional Coach and TAG Instructor), Title IX program, Emergency Operations Plan, aligned handbooks, shared school calendar, and shared professional development. This has allowed the two districts to receive \$800,000 in financial support from the state in year one. Year two we proved that we are working towards reorganization by appointing a reorganization committee to prepare the petition for a vote of the public. This allowed us to receive another \$800,000 in incentives. In order to receive year 3 funding (for a three year combined incentive of \$2.4 million) we need to show our progress towards reorganization and the final step is for this petition to come to the voters of the public in both districts. If it is approved by the voters the state will continue (after reorganization) for 3 more years with financial incentives worth another \$2.4 million.

#### **7. So what type of timelines do we have?**

We must have the petition completed with enough signatures from eligible voters to have it placed on the ballot for September of 2022. The Lu Verne CSD area will need a minimum of 210 signatures (which is 20% of eligible voters - but we need more than that to be sure) and Algona will need 400 signatures (maximum number required by law). The signatures must be completed by March 1, 2022 in order for it to be filed with the Prairie Lakes AEA Board of Directors. Within 10 days of the petition being filed the AEA fixes a date for filing objections to

the petition (and publishes notice of the call for objections) and they then set a hearing date on those objections (final objections due by May 9, 2022 and hearing on approximately May 19, 2022). The AEA rules on the objections and enters an order fixing the boundaries for the proposed district or dismisses the petition (which must be published) by May 29, 2022. The AEA will then notify the county commissioner of elections of the special election at least 46 days before the election (no later than July 29, 2022) and the county commissioner of election will publish the notice of special election before September 9, 2022. The election would then take place on September 13, 2022. As you can see we have specific dates to meet in order to have the petition placed on the ballot for the September 13 special election.

**8. What will people potentially object to since they can vote on the petition yes or no for reorganization?**

Most of the objections come from property owners along the boundaries of the new district. We have a rough draft of a map of the combination of both school districts (this was done with the Iowa Department of Education and our attorney's). Property owners that have property that touch a contiguous district can request to have their property moved to a different district (as long as their property is touching that district). The AEA Board Of Directors will make the decision on whether that property can leave the proposed newly formed school district. Keep in mind that if you are a property owner and you want your property to go to one of the neighboring districts, your property must physically be touching that district's boundaries. So that means if you have property that does not touch the neighboring district you can not request your property be allowed to join a different school district.

There might also be some objections because of taxes. We project a savings of \$700,000 in property taxes but in time they both have to even out. Right now Lu Verne's property taxes are some of the lowest in the state (Algona in the lowest 15% as well). Over a 4 year period the two former districts property taxes would even out (basically 25% per year until even). Keep in mind that many times the newer district will lower its property taxes because it has more property. That is determined when the new district works on its initial budget.

**9. What will be included on the petition?**

Iowa Code Chapter 275 specifically states what is mandatory to have on the petition and what is optional. This is what the reorganization committee will work on. Items that are mandatory are: legal description of the proposed boundary lines (this is done with the help of the Iowa Department of Education and our local legal team), conformance to the AEA (Prairie Lakes AEA) reorganization plans, name of proposed district, number of directors (either 5 or 7) and method of elections of the directors (district or at-large). Optional items are (usually most of these are included in the petition): no passage of bond election within the past 6 months for both districts (neither district has passed any bonds in the past 6 months), voter approved physical plan and equipment levy and revenue purpose statement, plan for division of assets and liabilities and alternate method of election of initial board.

**10. So what of those petition items do we already have?**

Algona presently has a 7 member board who are all voted at-large. Lu Verne has a 5 member board and they are also voted at-large (meaning no districts). Both school districts have the board approved Physical Plant and Equipment Levy (which is at \$0.33). Both districts also receive funding from the State-Wide 1% Sales Tax (otherwise known as SAVE). Algona presently has the voter approved Physical Plant and Equipment Levy (PPEL) at \$0.67 (can have a maximum of \$1.34). In order for "new" district (combined Algona and Lu Verne) to

continue to receive the voter approved levy it must be again approved by the voters of the new district (that is why it will need to be on the same ballot as the petition). Both districts have a voter approved revenue purpose statement which allows us to spend the SAVE dollars we receive from the state, but because we would become a “new” district, the voters must approve a revenue purpose statement for the “new” district. So what does this mean? Both districts have the board approved PPEL levy (\$0.33), both districts have and use the SAVE dollars (just need the new revenue purpose statement for the new district) and we would then need to also approve the \$0.67 voter approved PPEL (because both districts don’t have this levy) so the “new” district can continue to receive this revenue. Voter approved PPEL (and board approved) supports in Algona new buses, building repairs, roofs, technology (all 1:1 computers are bought through this), security enhancements, classroom furniture, building updates, facility updates, etc.

**11. So what do we use PPEL (voter approved physical plant and equipment levy) and SAVE (State 1% sales tax - revenue purpose statement) dollars for?**

PPEL and SAVE funds can be used for a variety of projects. It can NOT be used for salary or staffing of schools. Presently these funds have been used to purchase buses and vehicles, buying technology for both districts (laptops, touch screen tv’s, cameras, technology infrastructure, etc), furniture, updating heating and cooling systems, roofing repairs, updating restrooms, LED lighting, etc. Algona is also using these funds to build the new softball field and entrance to the outdoor sports complex.

SAVE dollars can be used for anything that PPEL money can be spent on. Lu Verne presently sends to Algona ½ of the SAVE money it receives to support our students in Algona (this was negotiated with our whole-grade sharing agreement). Algona is using its SAVE dollars to pay off the bonds for the middle school addition.

**12. So what would happen to my taxes if this is approved?**

Lu Verne in 2021 has a property tax rate of \$7.80 and Algona has a property tax rate of \$10.63. When reorganization happens the district with the lower tax rate gets its uniform levy (which is the amount every district receives from the state = \$5.40) lowered over a three year period. So Lu Verne’s rate in year one would drop to \$4.40, \$4.90 in year two, \$5.15 in year three and then back to \$5.40 in year four. This is a savings of around \$222,000 in year one, \$111,000 in year two, and \$55,000 in year three. Algona would also see a savings but because their rate is higher their savings equals the same amount for each year from Lu Verne (or \$222,000 in year one, \$111,000 in year two and \$55,000 in year three). This combined amount would save the new district approximately \$777,000 in property taxes over the three years. The property tax savings has nothing to do with the additional three years of extra incentives from the state after reorganization (approximately \$2.4 million).

Keep in mind that many times the overall property tax rate of the higher taxed district drops. This is because of the addition of more property into the new district and the addition of the assets of the smaller district. The property tax rate is controlled by the school board and the state and is done during our budget processing/hearing time (Feb-April).

If the PPEL gets passed it would increase the Lu Verne districts taxes by \$0.67 and Algona would see no change because of PPEL (they already have the voter approved PPEL in place).

**13. So what would happen with the staff in Lu Verne and Algona?**

Reorganization states just what it means. This is a combining of two districts so those employees from Lu Verne would become employees of the newly combined district, just like those employees of Algona would become employees of the new district. The master contract from the larger district will be followed. Now not everyone will be teaching or working at exactly what they were doing, but that would be a decision made by the administration of the newly formed district (in school districts the building administrators always have the final say on teaching assignments). Administrators of school districts every year make adjustments to where staff are teaching based on what is needed in the building and district. Remember right now there is a huge teacher and support staff shortage in Iowa and this will help us weather some of this shortage. According to the Iowa State Teacher Association (ISEA) there are over 1300 unfilled teaching positions in Iowa during the Fall of 2021 term.

**14. Would the Lu Verne building be used?**

That is not a question for the reorganization committee to make because their focus is just on the specifics of the petition (must follow Iowa Code 275). That will be a decision of the newly formed board after the reorganization vote. Lu Verne has taken a cue from the former Corwith-Wesley school board and has saved enough in our PPEL and SAVE funds to remove the building if that is what is needed (so that amount would not be a burden to the combined districts). But that decision has NOT been made and it will be up to the newly formed board to discuss the uses of the Lu Verne building. Presently Algona has room to handle the students that would be coming from the Lu Verne CSD.

**15. What happens if the petition does not pass?**

If the petition doesn't pass the districts really have three choices: continue to whole-grade share, dissolution of one district, or try for a new petition in the spring (but this would bump out reorganization to July 1, 2024).

**16. How was the proposed boundary formed?**

The proposed boundary is ONLY the combining of the Lu Verne (including the old Corwith-Wesley district) and the present Algona district. No other changes were done on the map. If anybody who owns property along the border would like to move their property to a contiguous district then they will be able to petition the Prairie Lakes Board to have their property moved to another district (ONLY if their property is presently touching the district they want to move to). The Prairie Lakes board will have the final say on if that property is allowed to move or not.

**17. If Approved how would the boards work?**

There would actually be 3 boards running at the same time for the 2022-2023 school year. Lu Verne would continue to meet, Algona would continue to meet and then the new board would also start meeting because they must plan for the following year (like negotiations, fuel purchases, consortium items, budget for new district, staffing, updates, etc).

**18. What items are we voting separately on?**

You will have three items to vote on. First one is the petition to reorganize, the second one the voter approved PPEL and the final one is the Revenue Purpose Statement. They are all a separate item on the ballot.

**19. Would Algona transport the 3 year olds and 4 year olds?**

Yes we transport 3 and 4 yo Preschool students 3 times a day. Morning students would ride a regular route bus into school and then at dismissal we would transport back home. During our

transport back home depending on student location we would pick up and return to Algona for the afternoon session. At afternoon dismissal they would board a bus that would return them to home.