

**Reorganization
Committee
Meeting**

December 6, 2021

AGENDA

1. Introductions
2. What the Districts Currently Share
3. Study to Reorganize (Joint Employment)
4. STEPS TO FOLLOW (Timeline)
5. Reorganization vs. Whole Grade Sharing
6. Petition
7. Revenue Purpose Statement (SAVE or Statewide 1% Sales Tax)
8. Physical Plant and Equipment Levy (PPEL)
9. Tax Rate Implications
10. Next Steps/Questions

INTRODUCTIONS

COMMUNITY MEMBERS:

- Lara Kleier
- Justin Davis
- Haley Offerman

BOARD MEMBERS:

- Rodney Davis
- Andrea Vinci
- Lany Mitchell
- Chick Legler

STAFF MEMBERS:

- Kira Carroll
- Peter Waltz
- Nicole Studer
- Joe Carter
- Jon Hueser

What The District Currently Shares

- The Algona Community School District and the Lu Verne Community School District Share a number of programs and staff currently.
 - Joint Teacher Leadership and Compensation Program
 - Transportation Director
 - Buildings and Grounds Director
 - Shared Music Instructor (in the past we have also shared TAG and Instructional Coach)
 - Shared District Calendar
 - Title IX Program
 - Shared District Emergency Operations Plan/ELL Plan
 - Aligned Handbooks
 - Whole Grade Share all students in Grade 6-12 (attend Algona Middle and High School)

Benefits of Sharing

- What causes the need for the Districts to share?
 - Loss of Students
 - Ability to hire quality staff
 - Lack of funding
 - New requirements of students (what is needed to best meet the needs of students)
 - New requirements from the state/federal government (new reporting, testing, etc)

Study to Reorganize (Joint Employment)

- In May, 2020, both Boards of Education (Algona CSD and Lu Verne CSD) passed resolutions to study reorganization over the next three school years (2020-2021, 2021-2022, 2022-2023).
- Joint Employment was selected because of the ability for it to bring in an extra \$2.4 million (around \$800,000 per year) in spending authority to our combined districts over a 3 year period.
- Iowa Administrative Code required:
 - Joint Resolution (Passed in May, 2020 by both Boards of Education)
 - Joint Teacher Evaluation Instrument
 - One Single Salary Schedule
 - Professional Development Plan
 - Movement towards reorganization??????????????

Steps to Follow (Timeline)

1. Take actions needed as a prerequisite to reorganization, such as checking that the proposed district conforms with the plans developed by the AEA, conducting studies and surveys, etc. **(PRIOR TO DRAFTING PETITION)**
2. Appoint Reorganization Committee with a purpose to develop petition and gather signatures for the petition. **(PRIOR TO DRAFTING PETITION)**
3. Draft petition for reorganization with elements required by Iowa Code Chapter 275 (including legal descriptions of the area to be included in the proposed district) and any other matters desired (such as provisions that voter-approved PPEL and revenue purpose statement be voted on at the election, or a plan for division of assets and liabilities) **(COMPLETE BY APPROXIMATELY MARCH 1, 2022)**

Steps to Follow (Timeline)

4. Collect signatures on the petition of eligible electors residing in each existing district, equal to the smaller of 20% of the number of registered voters in the district or 400 eligible electors. **(COMPLETE BY APPROXIMATELY MARCH 1, 2022)**

5. File the petition with the area education agency, along with an affidavit showing the number of registered voters living in each existing district **(APPROXIMATELY MARCH 1, 2022)**

6. Within 10 days after the petition is filed, the area education agency fixes a date for filing objections to the petition, with the final date for filing objections being not more than 60 days after the petition is filed, and fixes a date for the hearing of the objections to the petition. **(APPROXIMATELY MAR. 20, 2022 (FINAL OBJECTIONS DUE APPROXIMATELY MAY 9, 2022 AND HEARING DATE APPROXIMATELY MAY 19, 2022)**

Steps to Follow (Timeline)

7. The area education agency publishes notice of the call for objections and of the hearing at least 10 days prior to the final date for filing objections. (**APPROXIMATELY APRIL 29, 2022**)
8. The area education agency receives objections through the final date for filing them. (**APPROXIMATELY MAY 9, 2022**)
9. The area education agency hold the hearing on the objections to the petition within 10 days of the final date set for filing objections. (**APPROXIMATELY MAY 19, 2022**)

Steps to Follow (Timeline)

10. The area education agency rules on the objections and enters an order fixing the boundaries for the proposed district, or dismisses the petition, within 10 days following the hearing and publishes its decision. (**APPROXIMATELY MAY 29, 2022**)
11. The area education agency notifies the county commissioner of elections of the special election at least 46 days before the election (**NO LATER THAN JULY 29, 2022**)
12. The county commissioner of elections publishes notice of the special election not less than 4 nor more than 20 days prior to the election (**AUG 24, 2022 - SEPT 9, 2022**)
13. Special election on the reorganization held (**SEPTEMBER 13, 2022**)
14. Reorganization effective (**JULY 1, 2023**)

Reorganization vs. Whole Grade Sharing

- Whole Grade Sharing is decided by Boards of Education with students going another direction with partial funding following students (two districts)
- Reorganization is decided by the constituents of Districts with all assets of each district being combined into one (one district). This results in a "new" district.

Petition

- Iowa Code Chapter 275, particularly section 275.12, lists several components that must be included in a reorganization petition. These items, along with a few optional elements are listed in the next slide. The first 5 are mandatory.

Petition (Mandatory)

- Legal description of the proposed boundary lines (usually done with the help of the Department of Education and the district(s) attorney's)
- Conformance to area education reorganization plans
- Name of proposed district
- Number of directors (5 or 7)
- Methods of elections of the directors

Petition (Optional)

- No passage of bond election within past 6 months
- Voter approved physical plan and equipment levy and/or revenue purpose statement
- Plan for division of assets and liabilities
- Alternate method of election of initial board

PETITION EXAMPLE

LEGAL DESCRIPTION OF BOUNDARIES

Revenue Purpose Statement

Example of Lu Verne's 2016 Updated Statement:

The monies received by the LuVerne Community School District from the penny sales, services and use tax for schools beginning immediately upon approval after election and thereafter (as well as such funds currently then on hand) shall be used until this revenue purpose statement is amended or replaced for school infrastructure purposes and needs of the school district and/or property tax relief as now or hereafter authorized by the Code of Iowa. Such school infrastructure purposes include but are not necessarily limited to the construction, reconstruction, repair, purchasing, or remodeling of schoolhouses, stadiums, gyms, field houses and bus garages and the procurement of schoolhouse construction sites, the making of site improvements, demolition work and for equipment, transportation equipment, and public recreation or other activities for which revenues under Iowa Code sections 298.3 or 300.2 may be spent, i.e. the physical plant and equipment tax levy and the public educational and recreational tax levy and for a joint infrastructure project with one or more school districts or one or more school districts and a community college for which buildings are constructed or leased for the purpose of offering classes under a district-to-community college sharing agreement or concurrent enrollment program. Additionally, school infrastructure includes the payment or retirement of outstanding bonds previously issued for school infrastructure purposes and the payment or retirement of bonds issued for school infrastructure purposes under section 423E.5 and 423F.4, Code of Iowa. If the measure is not approved, this shall not be construed to terminate or restrict previous authority granted by the voters to expend receipts from the secure an advanced vision for education fund.

Physical Plant and Equipment Levy (PPEL)

- Both Districts have the Board Approved Physical Plant and Equipment Levy (33 cents/per thousand).
- The Algona Community School District also has the 67 cent voter approved PPEL (maximum is \$1.34).
- When Reorganization occurs, the two districts have to have matching voter approved PPEL.
- Currently both districts use PPEL dollars for:
 - Buses (Transportation)
 - Technology (1 to 1 and teacher technology)
 - All facility upgrade and improvements

Tax Rate Implications

- When a reorganization occurs, the district with the lower tax rate (Lu Verne) has their Uniform Levy Rate (every school district has the same uniform live rate of \$5.40/per thousand) lowered to \$4.40 (\$1.00 per thousand savings in year 1). In year 2, the rate goes to \$4.90 and in year 3 it goes to \$5.15 before it goes back to \$5.40 in year 4. The savings amount that occurs from that reduction of the uniform levy (which would be \$222,000 in year 1) is also applied to the other district (Us!). As a result, Algona's uniform rate would go down to \$5.12 in year 1, \$5.26 in year 2 and \$5.33 in year 3 to produce the same savings of \$222,000 in year one.
 - Year 1 Savings for each district: \$222,107
 - Year 2 Savings for each district: \$111,054
 - Year 3 Savings for each district: \$55,527
- Overall, the property owners of the Algona Community School District and the Lu Verne Community School district would save over \$777,000 dollars in property taxes over the first three years of reorganization. That is something that we need to make sure everyone understands

Next Steps/Questions

1. How will this impact my tax rate?
 - a. The tax rate will be combined over a 4 year time period to match the higher tax rate (\$7.80 to \$10.63)
 - b. In most instances, the higher tax rate decreases slightly due to the additional property.
2. What will happen to the building in Lu Verne?
 - a. Decision of the combined Districts in the future.
3. What happens if the petition does not pass?
 - a. Continue to Whole Grade Share
 - b. Dissolution of one district
 - c. New petition in the spring
4. What will happen to Lu Verne employees?
 - a. Become part of the new district

Next Steps/Questions

5. Is there extra funding for reorganization?

- a. Yes, the district will receive .10 x the number of students for three additional years.
- b. The new district will receive full funding for all students.
- c. PPEL Funds increase with additional property
- d. Per Pupil SAVE (sales tax) increase

6. Questions?

NEXT STEPS:

- Dec 20 Meeting to finalize petition - PAC Board Room @ 5:30 pm

