

Reorganization Questions, Concerns as of February 22, 2016:

In recent weeks several questions or concerns have been raised regarding the proposed reorganization of the Odebolt-Arthur and Battle Creek-Ida Grove Community School Districts into one merged school district. The questions or concerns were raised following the action taken by each of the school boards to approve language for the petition for reorganization.

The following are the answers or responses to the majority of questions/concerns raised:

A concern was raised that the Battle Creek-Ida Grove School Board publicly stated that consolidation was necessary because the Battle Creek-Ida Grove School District had maxed out its bonding limit to fund the elementary additions and access to the Odebolt-Arthur bank accounts would be handy.

Yes, it was stated at the February 8, 2016 Board Meeting that one of the issues facing the two school districts is adequately addressing any and all facility needs in regards to both the Odebolt-Arthur Middle School Building, facilities and grounds and the Battle Creek-Ida Grove High School Building, facilities and grounds. In order to appropriately address all of the needs it may be necessary to seek approval in the future of the issuance of general obligation bonds through a vote of the patrons of the school district. As a combined school district the ability to fund the needs of all of those buildings and facilities would be enhanced.

The concern raised creates a couple of questions that require answers:

1. What is the bonding capacity of the Battle Creek-Ida Grove Community School District? Is the district maxed out?

The Battle Creek-Ida Grove Community School District is not maxed out when it comes to bonding capacity.

The Battle Creek-Ida Grove Community School District bonding capacity using general obligation bonds that would need to be approved by the voters of the BCIG school district was approximately \$12,425,000.00 as of March 2014 based on a fiscal study completed by Piper Jaffray of Des Moines on behalf of the school district. That capacity most likely has grown somewhat in the past two years but Piper Jaffray would need to complete another fiscal study to determine what the capacity might be today.

The Battle Creek-Ida Grove Community School District has used revenue sharing bonds to help fund the construction of the new additions to the elementary building and the renovation of the existing classrooms that is part of the current project. Revenue sharing bonds are paid for out of the SAVE/Sales Tax Fund which is based on the sales tax receipts the district receives each year from the State of Iowa. The revenue sharing bond capacity remaining for BCIG using the SAVE/Sales Tax Fund would be minimal.

2. If the two districts were to consolidate or merge into one new district what process could they use to levy for general obligation bonds?

The only process a new school district could utilize to levy general obligation bonds is to call for a general obligation bond referendum which is a special election that all eligible voters in the newly reorganized school district could participate in. It would take a 60% plus 1 vote in favor of issuing the general obligation bonds to pass the referendum.

The new school board of a newly reorganized district, or a school board of an existing school district does not have the authority to issue general obligation bonds without the consent of the patrons of the school district through a special election that requires the 60% plus 1 vote in favor.

3. What happens to bank accounts and/or fund balances when school districts consolidate or merge into one new district?

When two or more school districts merge or consolidate into one new school district all bank accounts, assets and fund balances are merged together as are all liabilities. The only exception would be any existing long term general obligation bond debt that would remain the liability of the former school district taxpayers unless otherwise addressed in the reorganization ballot language. In this case neither district has existing long term general obligation bond debt.

4. As whole grade sharing partners how have the districts paid for the cost of providing programs, purchasing materials, paying for staff expenses, etc. since the partnership began?

As partner schools the Odebolt-Arthur Community School District and the Battle Creek Ida Grove Community School District have shared their funds and resources to provide programs, equipment, materials, and staff for the programs the two school districts offer to its students in grades 6-12.

From the 2009-2010 school year through the 2015-2016 (estimated) school year the Odebolt-Arthur Community School District has spent \$4,462,137.02 of its funds to pay for whole grade sharing expenses.

From the 2009-2010 school year through the 2015-2016 (estimated) school year the Battle Creek-Ida Grove Community School District has spent \$5,804,148.77 of its funds to pay for whole grade sharing expenses.

By combining the resources of the two school districts it has been possible to offer the students and families the two school districts serve with the best possible learning opportunities despite the challenging financial constraints that all school districts face.

5. Since the two school district entered into this partnership how have they funded the cost of maintaining their school buildings, facilities and grounds?

From 2009-2010 through the 2014-2015 school year the school districts have worked to maintain and upgrade their school facilities and grounds for the benefit of the students they serve.

The Odebolt-Arthur Community School District expended \$2,574,862 to maintain and upgrade its facilities from 2009-2010 through 2014-2015.

The Battle Creek-Ida Grove Community School District expended \$5,345,458 to maintain and upgrade its facilities from 2009-2010 through 2014-2015.

Another concern or questions raised: Ida Grove would always maintain a majority vote in a consolidated district.

On Monday, February 8 the Odebolt-Arthur and Battle Creek-Ida Grove Community School District School Boards met in a Joint Regular Meeting. During the meeting the board members discussed at length different methods of selecting the new board that would represent a reorganized district and the language to include in paragraph 4 in the petition document that would eventually be distributed throughout the communities of the two school districts.

The petition must be signed by 20% of each of the school district's registered voters or 400 registered voters, whichever is less, in order for the petition to move forward to the Northwest Area Education Agency Board of Directors for consideration to be placed on a special election ballot. At the meeting on February 8 the two school boards reviewed and debated the pros and cons of several options that could be included in the petition language regarding how a new board would be constructed. After considerable discussion it was determined that:

The Battle Creek-Ida Grove School Board supported the following language for the petition:

Selecting all directors as representatives of four (4) director districts in the following manner, one (1) multi-member district (2 directors) that would represent the Odebolt area, one (1) single member district (1 director) that would represent the Arthur area, one (1) multi-member district (3 directors) that would represent the Ida Grove area and one (1) single member district (1 director) that would represent the Battle Creek area.

The Odebolt-Arthur School Board supported the following language for the petition:

Selecting four (4) directors as representatives of four (4) single member director districts with three (3) directors selected as at large representatives in the following manner. Four (4) single member director districts would be created and matched to equally represent the 2010 census numbers across the district and three (3) directors selected as at large representatives.

When utilizing director districts the district/director must represent a relatively equal proportion of the population of the entire district using the most recent census numbers which was 2010. The 2010 census numbers indicate that there were 5,911 residents in the combined districts, with the Odebolt-Arthur CSD having 2,006 residents and the Battle Creek-Ida Grove CSD having 3,905 residents as of 2010.

Any at large directors would represent the entire district and the only stipulation is that they live in the school district.

It is not possible to construct a new board for a newly reorganized district that would guarantee equal representation on the board for each of the former school districts. By statute school boards have to be comprised of 5 or 7 members. With an odd number of board members the breakdown will always be uneven.

Following additional discussion the two school boards reached a compromise that reads:

Selecting six (6) directors as representatives of six (6) single member director districts that would be created and matched to equally represent the 2010 census numbers across the district and one (1) director selected as an at large representative.

With this language each director district and its one director would need to represent approximately 985 residents in order to be proportional to the 2010 census count of 5,911 combined residents.

Theoretically the new board of the reorganized district would have two board members representing the former territory of the Odebolt-Arthur school district in separate director districts, one board member would represent part of Arthur and a portion of the eastern side of the former Battle Creek-Ida Grove school district, three board members from separate director districts would represent the remaining territory of the former Battle Creek-Ida Grove school district and one board member would be elected at large and could reside anywhere in the new district.

A questions or concern that has been raised: The residents of the former Odebolt-Arthur school district would no longer have control of taxing levies, budget or priorities on school district spending.

In fact, the school board of the newly reorganized school district would have the authority to make all decisions on budget, revenues, expenditures, tax levies and also make decisions on spending priorities in the place of the former Odebolt-Arthur school board and the former Battle Creek-Ida Grove school board. Each of the former school districts would lose control of the decision making process.

The new board would have the authority to approve an annual budget of revenues and expenditures and develop the priorities as to how those funds would be used on behalf of the patrons, students and families of the new school district. The new board members would have the shared responsibility to ensure that the approved budget and the tax levies that they approve adequately addresses the learning needs of each student the district serves.

Each geographical area of the new school district would have representation on the school board and their elected representatives would be making the decisions on their behalf. It would be the collective responsibility of the members of the new school board to create the foundation that will keep the new district viable financially and academically for the long term for the good of all of the students.

The new board members would also need to establish a district that will have the ability to attract and retain the highest quality faculty and staff. In addition the new board would have the responsibility to maintain the facilities and grounds of the new district in a manner conducive to providing the very best learning opportunities for all students and plan for the upgrades and improvements to all of the facilities in the district so that they will be adequate to properly serve students and families for the next fifty years.

A question or concern that was raised: It would appear that the new superintendent was directed that his number one priority was to get consolidation done. Is that due to the fact that Battle Creek-Ida Grove holds the contract?

When the Odebolt-Arthur Community School District and the Battle Creek-Ida Grove Community School District entered into a search for a new superintendent last spring they did so as a joint effort. The two districts selected Dr. Jeff Herzberg, the Chief Administrator of Prairie Lakes AEA to lead the search and Dr. Herzberg worked with the two boards, community members, faculty, staff and students to establish the criteria for what the two school districts were looking for in a new superintendent.

The recruitment criteria focused on, an experienced school superintendent, with experience as a shared superintendent, with experience in whole grade sharing, with experience in school reorganization and experience with school facility improvements and building projects. The application process included questions related to each of those areas.

The interview process was designed to truly find out the depth that each candidate had in each of these areas and a number of questions asked by each group centered on school reorganization.

At the conclusion of the interview process each school board agreed to offer the position to the new superintendent. It is true that the contract is held by the Battle Creek-Ida Grove Community School District, by Iowa Statute, no Board of Educational Examiners Licensed Educator may hold a contract with more than one district at the same time, but the contract can be and is shared

50/50 with the Odebolt-Arthur Community School District through a 28E agreement as provided for in statute. The new superintendent is responsible to fulfill the responsibilities of superintendent for each school district and he does split his time in the two districts each day rotating mornings and afternoons each week.

When the two school boards met jointly to work on establishing goals for the superintendent the reorganization was an approved priority performance goal for the new superintendent.