

Considering Reorganization with Preston

Change is difficult

It is important to remember that above all, the mission of an Iowa school district is to provide a strong educational program for all students of the community.

Barbara Byrd, Iowa Department of Education (May 5, 2006 feasibility report)

Commitment to what's best for kids...

- Past feasibility studies
 - Opposition to reorganization
 - Moving forward to provide solutions for long-term sustainability
 - Cannot maintain curriculum w/out sharing
- 28E Sharing Agreements
 - With Preston and NE
 - 3 years ago: focus on NE's curriculum
 - 69% EC students take class at NE
 - 9% EC students take class at Preston
 - Would reorganization impact 28E agreement w/ NE?
- Moving forward
 - Pro-active vs reactive

Relationship

- Positive, professional academic relationship with NE
 - Scheduling
 - Calendar
 - Staff development
 - Extra curricular
 - Joint school board meetings
 - Alternative school

What hasn't changed?

- Jim's office
- Student needs: FR/IEP/low SES
- Facilities
- Focus on doing what's best for kids

So what's changed?

- Economics
- Enrollment
- Curriculum requirements
- Costs
- Funding

Contributing factors

1. Declining enrollment

funding formula: # students x \$6000
 $400 \times \$6000 = \$2,400,000$

2% "allowable growth": $\$6000 \times .02 = \120 per student

if enrollment stays the same:
 $400 \times \$120 = \$48,000$ [more than previous year]

if enrollment declines by 10 students:
 $10 \times \$6120 = \$61,200$ [less funding received]

Enrollment

BOTTOM LINE: budget is pupil driven -- each student lost = approx. \$6000 less funding

	2007-08	2008-09	2009-10	2010-11	2011-12
EC	382	395	387	380 [projected]	363 [projected]
Preston	332	346	330.5	320 [projected]	??

Source: DE Certified Enrollment
http://www.iowa.gov/educate/index.php?option=com_content&task=view&id=1348&Itemid=2410

Contributing factors

2. Budget cuts

state-funded portion: $400 \times \$3000 = \$1,200,000$

10% cut = **\$120,000**

2009-10 budget shortfall: **\$220,000**

2010-11 projected budget shortfall: **\$135,000**

State's Underfunding

	2009-10	2010-11
EC	\$220,000	\$135,000
Preston	\$180,000+	\$110,000

Spending Authority

	2007	2008	2009	2010
EC	\$1,139,618	\$985,708	\$587,348	\$287,348 [projection]
Preston	\$245,513	\$176,213	\$31,261	??

Source: Dept of Management

State's Underfunding

- Forecast: doom and gloom
 - Governor Culver has used stimulus \$\$ and reserves to balance the state's current budget. Those revenue sources are not sustainable and the state's economy may further impact school funding in the immediate future.

Financial Impact

- Tax Rates (currently)
 - EC = \$13.49
 - Preston = \$16.697
- Reorganization: EC's tax rate would increase and Preston's would decrease
- Whole Grade Sharing: EC maintains and controls its own tax rate

Source: public hearing, county Auditor

Financial Impact

- Reorganization would provide a property tax reduction (over 3 years)
 - \$173,000 (est.) combined Preston & EC
 - Would not increase spending authority
- Whole Grade Sharing offers a 10% increase in student-generated revenue for 3 years
 - EC = \$315,000 (est.)
 - Preston = \$297,000 (est.)
 - To be used toward students' education

Source: Dept. of Education

Financial Impact - questions for the experts

- Combining budgets and unspent balances: an accurate indicator of feasibility?
- Going "negative"
- Timeline for reorganization?
 - Who carries the debt while the process unfolds?
 - How would the curriculum be filled w/out hiring staff or utilizing NE (28E)?
 - What if the money runs out?
- Other questions?

Facilities

- EC's buildings are partially handicap accessible and would not meet ADA compliance
- Preston's HS may be handicap accessible and meet ADA compliance but their elementary building would not

Source: DE site visit, AEA Equity Coordinator's mtg

Facilities

- Reorganization would necessitate an ADA compliance plan for all facilities and services
- Who would decide what facilities are maintained and in what capacity?
- How would facility changes, additions, and/or new construction be funded?

Curriculum

- Combining EC and Preston 7-12 staff
 - Some savings could likely be realized through reduction of common staff (elementary), but additional certified staff would need to be hired to fulfill required minimal course offerings (high school)
 - Scheduling concerns
 - 60 students don't necessarily fit into 2 sections

Curriculum

- Projection of additional staff needed in order to meet minimal Chapter 12 requirements

Science	• cover both JH and HS	1 FTE
Health/PE	• 5 HS blocks • 2 JH blocks • elem	1/2 to 1 FTE
Fine Arts	• 7 HS blocks • 2 JH exploratory • all elem art	1 FTE
Voc. Ed. [must fulfill 3 of 5]	• Fam. Cons. Sci. • Industrial Ed. • Marketing Ed. • Health Occupations • JH exploratories • Business/Office Ed.	3 to 4 FTE

Things to consider

- Inequalities
 - Tax rates
 - Unspent balances
 - Student population
 - Master contract/salary schedules
- Timeline
 - 2 or 3 years to reorganize
- Long-term impact

Why not reorganize?

1. Working relationship w/ NE
2. Finances (or lack of)
 - a) Can't build a new district with two unspent balances near \$0
 - b) State funding forecast - not optimistic
3. Declining enrollment trend
4. Today's curriculum - requires more, not less
5. Timing - this cannot wait

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