

Public Hearing Agenda

- .Overview by Superintendent
 - .Facilities Committee Findings
 - .Community comments
-

Ground Rules

- .Look at the Big Picture
- .Keep and Open Mind
- .Respect Other Peoples' Opinions
- .Keep to the Time Limit—3 minutes
- .Not Question and Answer—Information
- .We can record your questions and investigate



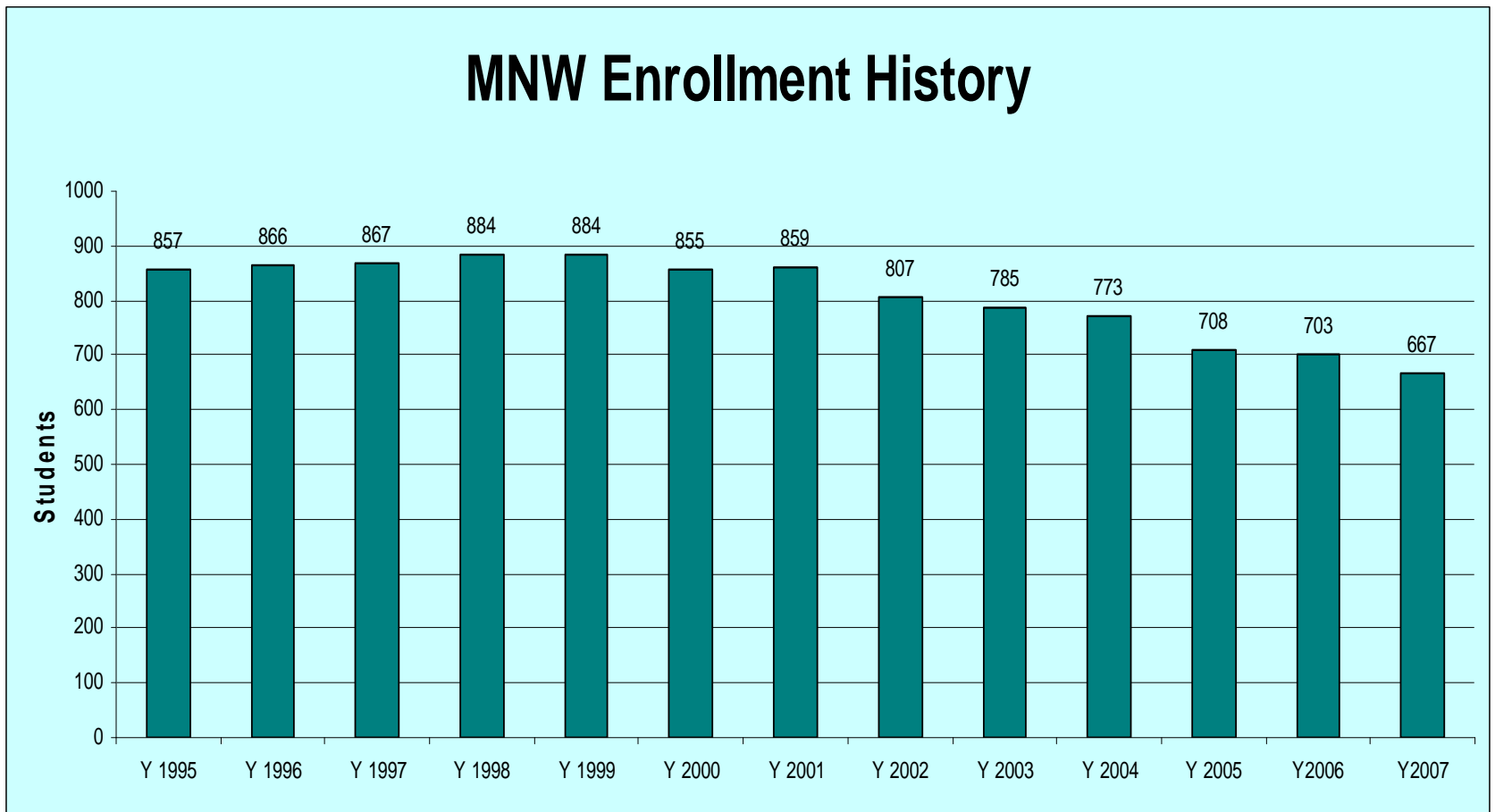
The Best Education Possible

It is important to remember that we are not here to discuss matters of convenience. What is convenient for me is inconvenient for someone else.

Neither are we necessarily intent upon finding the cheapest alternative possible.

What is at the heart of the matter is how to provide the best education possible for all students of Manson Northwest Webster Community School District within the restrictions of budget providing the best combination of personnel and facilities.

Current Issues: Declining Enrollment





Class Sizes 2008-09

In the seats September 2008

Grade	OK	K	1	2	3	4	5	6	7	8	9	10	11	12	
Students	7	51	37	38	42	39	51	36	62	50	54	66	54	70	656



Future Decline

Budget Enrollment—not the same as in the seats

	2009	2010	2011	2012	2013	2014	2015	Projected Loss
Std. Pop.	659	634	625	604	595	580	573	
Graduates	70	54	66	54	60	52	36	
Kinder.	<u>45</u>	<u>45</u>	<u>45</u>	<u>45</u>	<u>45</u>	<u>45</u>	<u>45</u>	
Std. Loss	25	9	21	9	15	7	+9	112
Std. Pop.	634	625	604	595	580	573	582	



Loss of Students = Loss of \$\$\$

- The loss of 217 students between 1999 and 2007 amounts to $217 \times \$5,606 = \$1,216,502$ lost from the current General Fund budget authority in the current year alone.
- Even though nearly \$1,000,000 in personnel costs have been cut over that time, it is impossible to carry on “business as usual” with such an erosion of the Operating Fund.



BUDGET AUTHORITY

- Amount of dollars a school district can spend.
- Derived from the school funding formula.
- Authority is generated by the number of students X state's cost per student (\$5,828).
- Allowable growth = yearly increase in student cost (recently lowered to 2%).
- If school population is declining by greater % than the annual increase in allowable growth, the school district's budget authority also declines.

Iowa School Funding Formula

Fiscal Year 2008

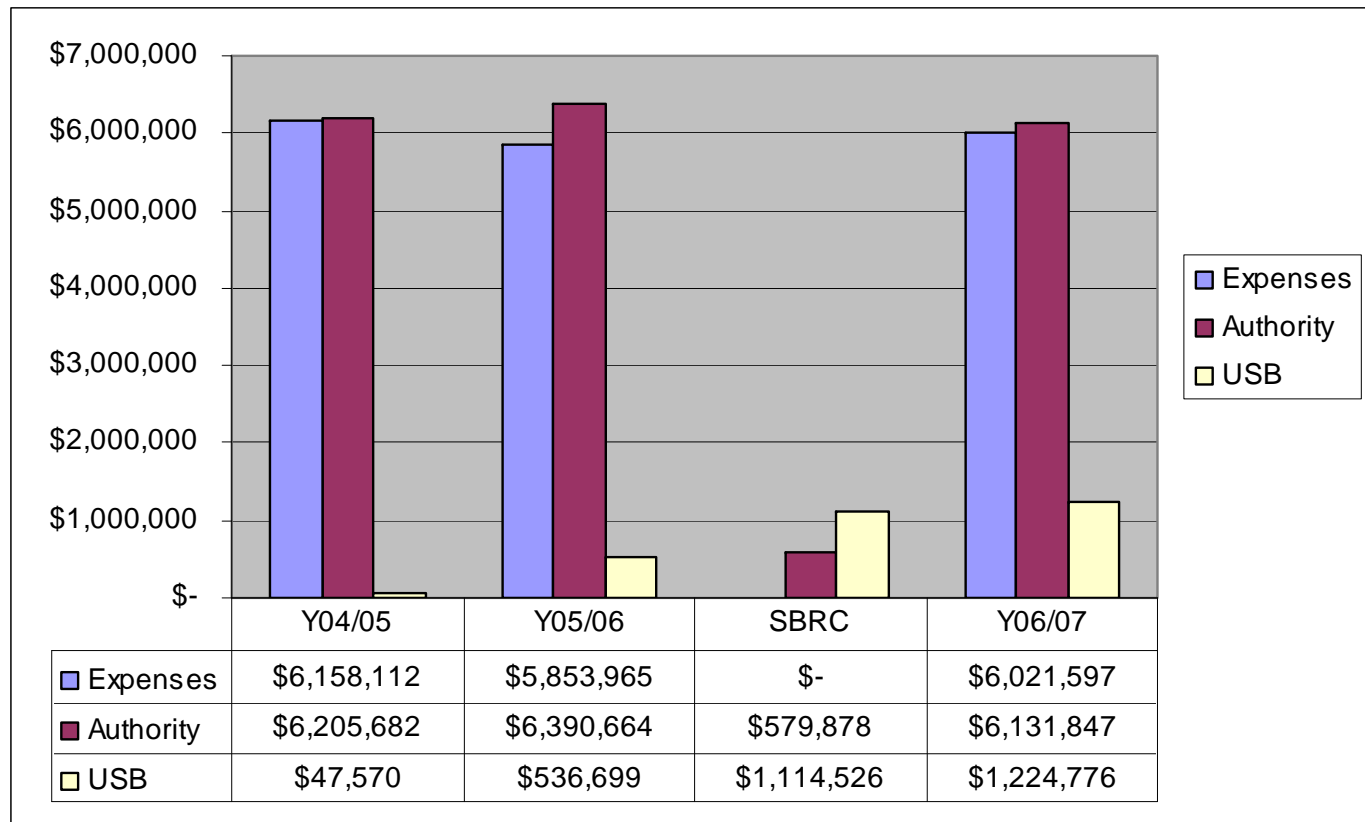
• Regular Program District Cost (student cost x enrollment)	3,897,511
• 703 x 5396 + 104,123 (guaranteed budget adj)	
• +Supplementary Weighting (for shared students/dual enrolled students)	74,008
• +AEA costs (media, ed services)	93,940
• +Special Ed District Costs	454,711
• +SBRC Allowable Growth	10,256
• +Dropout Prevention	180,498
• = Maximum District cost	4,710,924
• +Instructional Support Levy	334,092
• +Miscellaneous Income (Title programs, fees, tuition, open enrollment)	1,053,207
• = Generated Budget Authority	6,098,223
• Combination of Property Tax and State Foundation Aid	
• +Unspent Budget Authority	1,218,553
• = Maximum Authorized Budget (Spending Authority)	7,316,776
• -Expenditures	6,318,871
• = Unspent Authorized Budget (Unspent Balance)	997,905
• +Rabiner Adjustment 06-07	212,608
• Total USB	1,210,513



Creating/Increasing Unspent Balance

- Spending less than what the funding formula generates will create/increase **Unspent Budget Authority**.
- Unspent Budget Authority also known as **Unspent Balance** can be carried forward and accumulated from year to year.
- Similar to a savings account if the district has a cash balance to match.

Increasing Unspent Balance

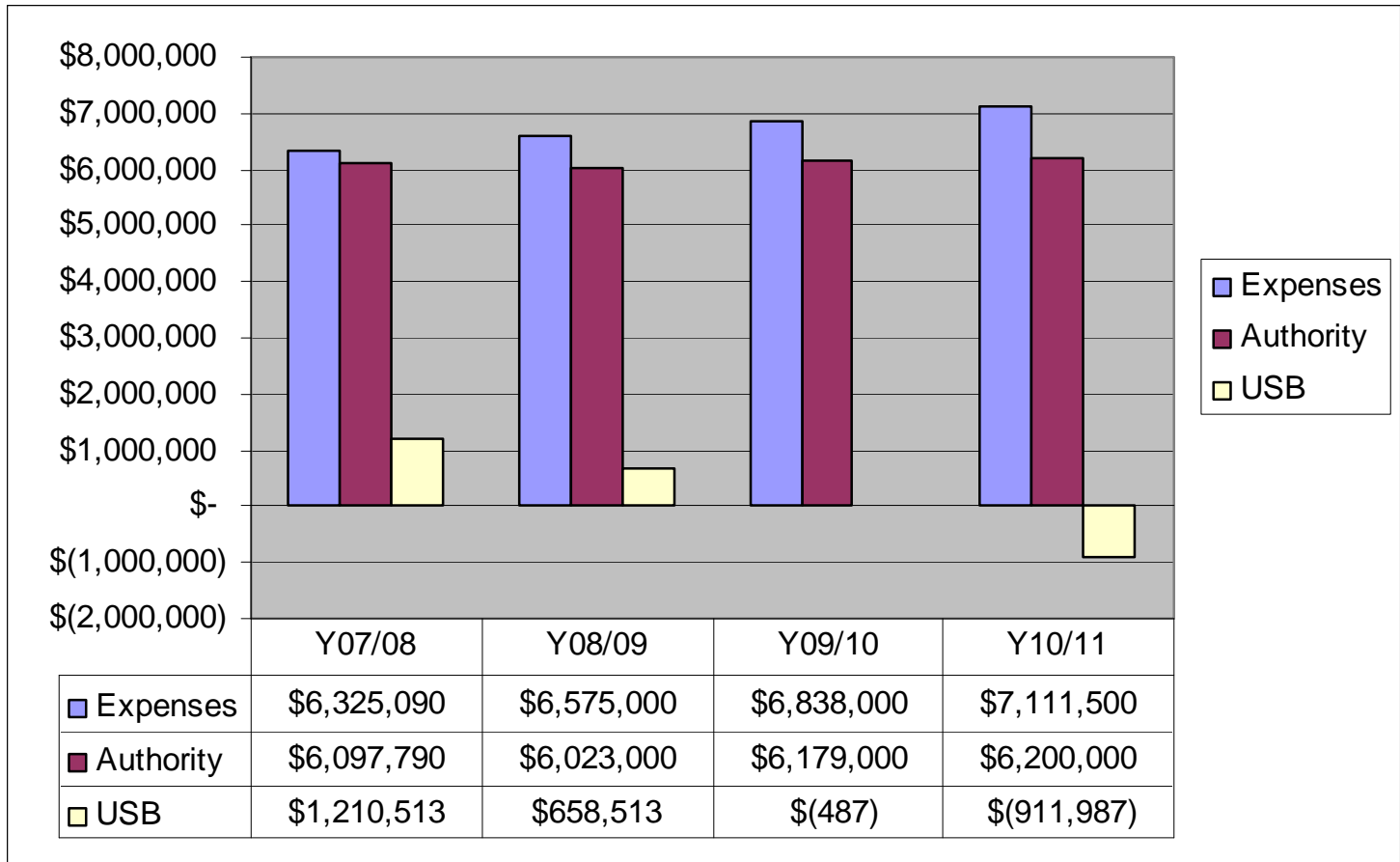




Using Up Unspent Balance

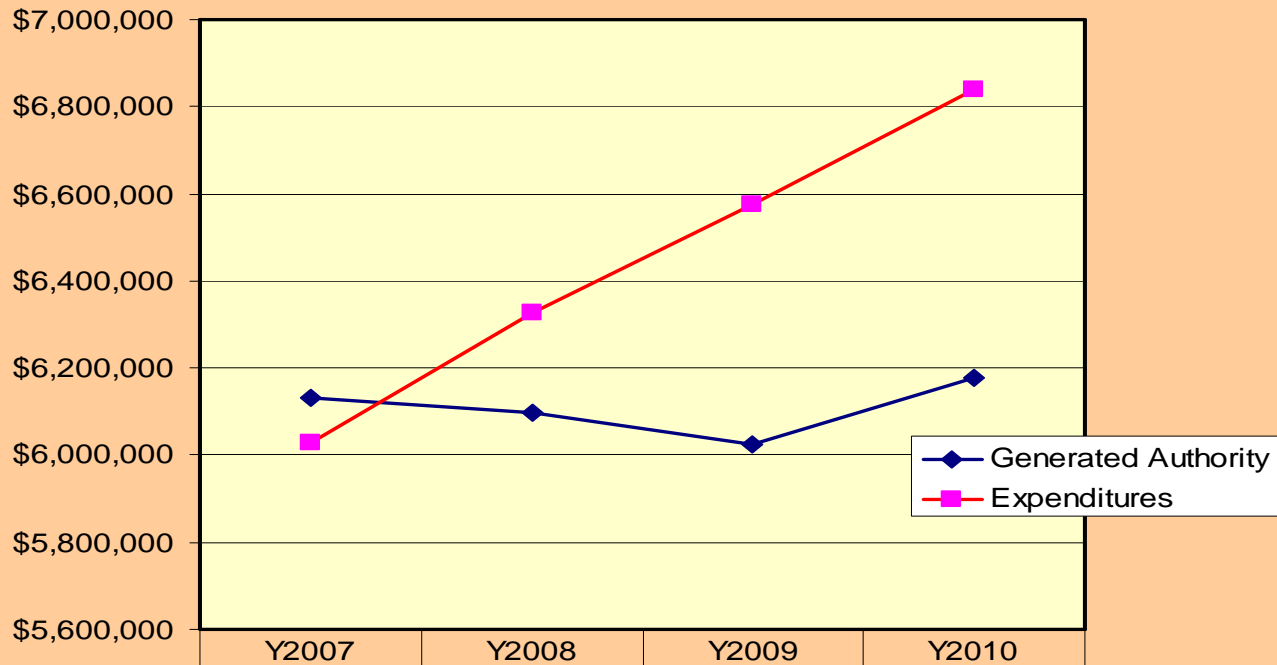
- As the District's enrollment declines, the funding formula generates less authority to spend. If expenses rise due to salary increases and inflation, without commensurate cuts, **Unspent Balance** will be used up as the District spends above its **Generated Budget Authority**. (The district is using its "Savings" for general operations)
- In the 2008 example, Expenditures exceeded **Generated Budget Authority** by \$221,148.

Using Up Unspent Balance



Expenditures Exceed Generated Authority

Generated Authority vs. Expenditures



Generated Authority	\$6,131,848	\$6,097,790	\$6,023,000	\$6,179,000
Expenditures	\$6,027,821	\$6,325,090	\$6,575,000	\$6,838,000



Spending Beyond Budget Authority

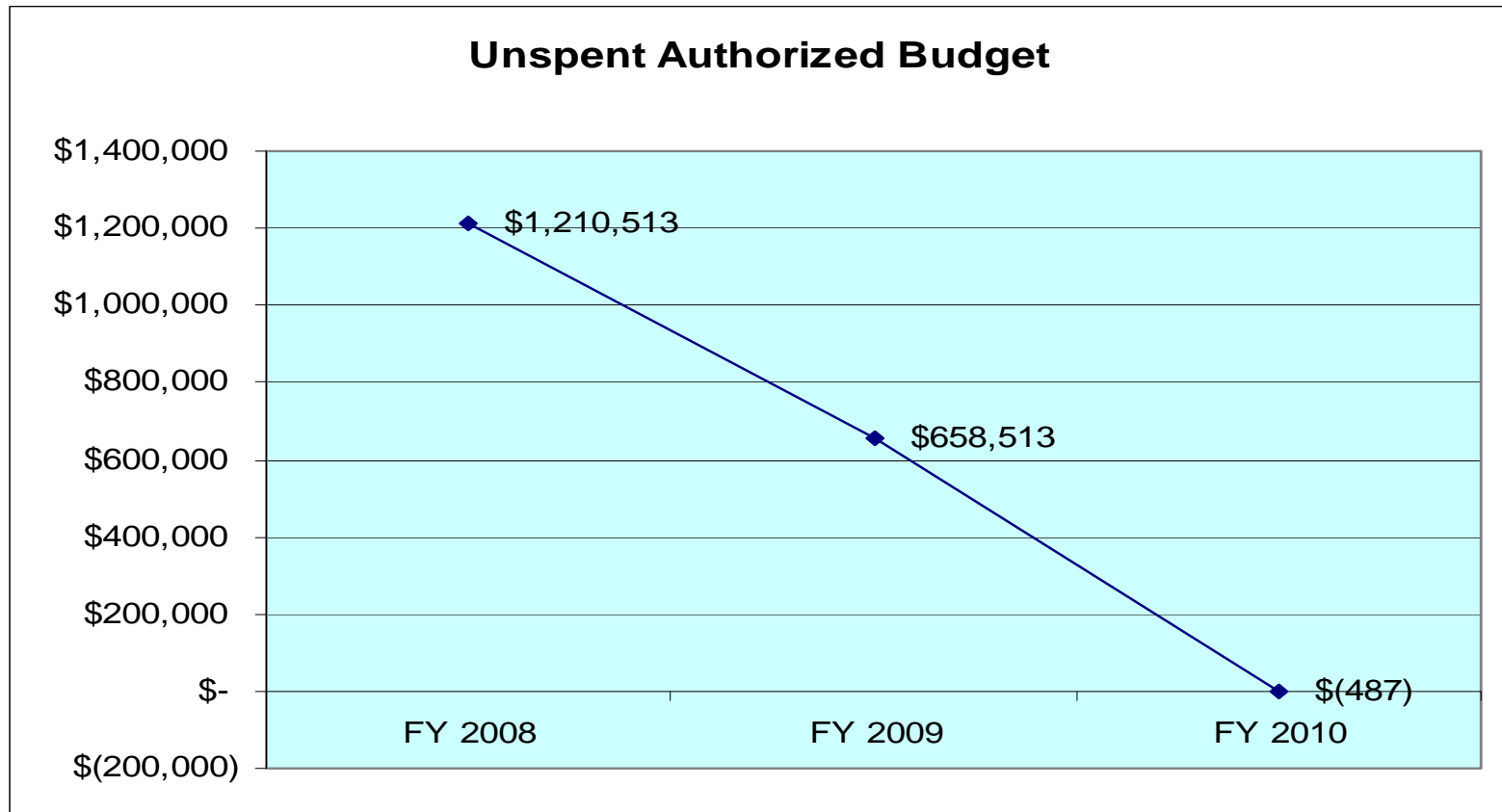
- A District that is operating beyond the scope of its **Generated Budget Authority** as determined by the funding formula will have to utilize whatever **Unspent Budget Authority** it has accumulated in previous years.
- Failing to reduce expenses, the problem will increase geometrically as spending increases (such as salaries) are incurred on top of the prior year's increases.
- Spending beyond a district's **Maximum Budget Authority** (incurring a negative **Unspent Balance**) is a breach of state law and must be corrected with a work-out plan before the School Budget Review Committee.



Unspent Balance Falls Rapidly

- Using a multiplier of 4% inflationary increase, General Fund expenditures rise as Unspent Balance falls.
- The combined effect on Unspent Balance will cause it to plummet rapidly as can be seen in the graph following this slide.
- Accumulated Unspent Balance will be exhausted in another two years, creating a negative USB in 2010.
- A negative Unspent Balance is a breach of state law and requires a workout plan to be presented to the School Budget Review Committee (SBRC).

Depletion of Unspent Balance





Letter from Dept of Education

February 20, 2009

Mark Egli, Superintendent
Manson Northwest Webster Comm School District
1227 16th St
Manson, Iowa 50563-5018

Dear Superintendent Egli,

As a courtesy, the Finance, Facilities and Operation Services, Department of Education has projected unspent balances for local districts for the end of fiscal year 2010. Department of Education is notifying those districts whose projections are negative. Using the average of the previous three years' funding sources and increasing expenditures only three percent, our projections indicate your district could have a negative Unspent Balance of \$-712,751 at fiscal year 2010 end.

The intent of this notification is to provide your district with information, so that you might act proactively and take available steps to preserve a positive Unspent Balance at fiscal year end. Proactive steps to address the situation now could mitigate spiraling negative unspent balances and could be facts in evidence should a district choose to appear before the School Budget Review Committee (SBRC). They are only projections based on history that has been filed with the Department as of February 19, 2009, and do not include any actions the district may have taken since filing its last CAR.

Obviously, the districts have better information about their finances than the State does: districts' information is more granular, and they may be aware of particular circumstances the state may not be privy to. So, if you believe your district's unspent balance calculation is not accurate, please contact the Department of Education. Initially, DE will want to know what you believe the amount the calculation should have yielded and the reason for the difference between the DE estimate and your district's estimate. Ultimately, there may need to be considerable time spent reconciling any difference.

We are encouraging you to visit the Department of Education website (<http://www.iowa.gov/educate>), School Business and Finance link, Financial Management link, School Finance Tools link, and make use of the Unspent Balance Projection Calculator to enter your projections and analyze the future financial position of the district. Use the pull-down menu to find the correct district and fill in the blue areas to arrive at the projections. Since this spreadsheet reflects the means by which the Unspent Balance is determined for the district, it can be a useful tool for districts in tracking the effects of financial decisions. Included with this letter is a list of possible talking points for making decisions that will affect the financial position of the district in a positive way.

Please feel free to contact Joyce M. Thomsen, Consultant, with any questions at 515-242-5612 or by email at joyce.thomsen@iowa.gov.

Sincerely,

Jim Addy, Administrator
Division of School Support and Information
Cc: School Board President



Major Budget Reductions Necessary

- Current year projects to be \$500,000 over generated budget authority.
- Building closing savings

Building closing alone is not the majority of savings—utilities and maintenance.

Allows a 7-12 alignment of instructional staff.

Reduction of personnel—admin, secretarial, custodial, instructional.



Unneeded Space

- MNW District currently has over 5 acres of facilities.
- New construction allows for an average of 150-225 square feet per student.
- MNW currently at 360 square feet/stdt

Elem	59,870 (16,500 add)
------	---------------------

M School	87,986
----------	--------

HS	89,650
----	--------



Facilities Use Committee

- Costs—Maintenance and utilities, transportation
- Upgrade/Improvement Costs
- Structural Condition—environmental hazards, projected life
- Alternative Uses--marketability
- Effect on District--effect on parents/community; likely gain/loss of students
- Educational Opportunities—classroom space, use of technology, gymnasiums, auditorium, and other extra-curriculars.



Committee Findings

Elementary Site Strengths

- Largest community would have the elementary school
- Connection to the west side of the district
- Future sharing options might be enhanced
- Would have one campus
- Vital services and businesses are nearby
- High school students can participate in elementary ed classes

Elementary Site Weaknesses

- Crowded—not enough space for PK-6 and specials
- Lack of gyms and auditorium
- Loss of connection to east side of district
- Remodeling costs high due to asbestos (ceilings, floors, pipes)
- Building has no long-term future; would have to consider replacing



Architect's Findings

FACILITIES COST MANAGEMENT GROUP

- 1950's segment of the elementary site is a building suited more to Arizona or California and 19 cents per gallon gas.
- Structural problems (roof) along with asbestos content make remodeling of the Manson elementary site unwise and prohibitively expensive largely because of asbestos removal and poor design.
- Enforcement of national fire codes would result in major remodeling in the Manson elementary building at high cost.
- Design is inefficient and hard to heat and cool.
- Elementary building is not a building the District should include in future planning.
- The 70's addition of the gym and supt office is reasonably well built and serves a valid purpose for the future. (Would also keep multi-purpose room and kitchen for school and community access)



Architect's Findings

FEH ASSOCIATES Sioux City, IA

- The plan configuration would be considered unusual for this section of the country . . . Obviously designed in a period of cheap energy.
- Consideration should be given to stripping the existing roofing system, increasing the r-value of the insulation and providing a new membrane system. (+\$500,000)
- Asbestos is a problem in the facility—ceilings, floor tile and pipes.
- Building systems are showing age-related problems—boiler, piping, classroom and wall heaters.
- There are a number of deficiencies relative to 2006 Intl. fire code. Fire marshall may never require full compliance, although that is always a possibility and a concern and may be a liability issue for the district. Glass separation in hallways is the most obvious violation.



Committee Findings

Barnum Site Strengths

- Bigger, better, more efficient building
- More student program opportunities in specific areas (science, at risk, art, etc)
- Connection to east side—bigger pool of students
- Room for expansion of early childhood, daycare and after-school programs
- Site is on a main route to major work center (Fort Dodge)
- Will not be leaving a nice building empty

Barnum Site Weaknesses

- Higher utilities
- Preschool transportation problems—grant would provide busing
- Shuttle transportation costs
- Loss of connection to west side
- No access to vital services and business partnerships
- Poor access for high school elementary ed classes
- Spaces would be under-utilized

Both Sites: Loss of Middle School Concept



Architect's Findings

FACILITIES COST MANAGEMENT GROUP

- The Barnum middle school building is a combination of older and more recent construction.
- Although the elementary wing is similar in construction to the Manson elementary building, it is better constructed and more amenable to remodeling.
- The Barnum site is a better choice to project into a two-building format with the high school building because of more recent construction and less problems with remodeling of the old.



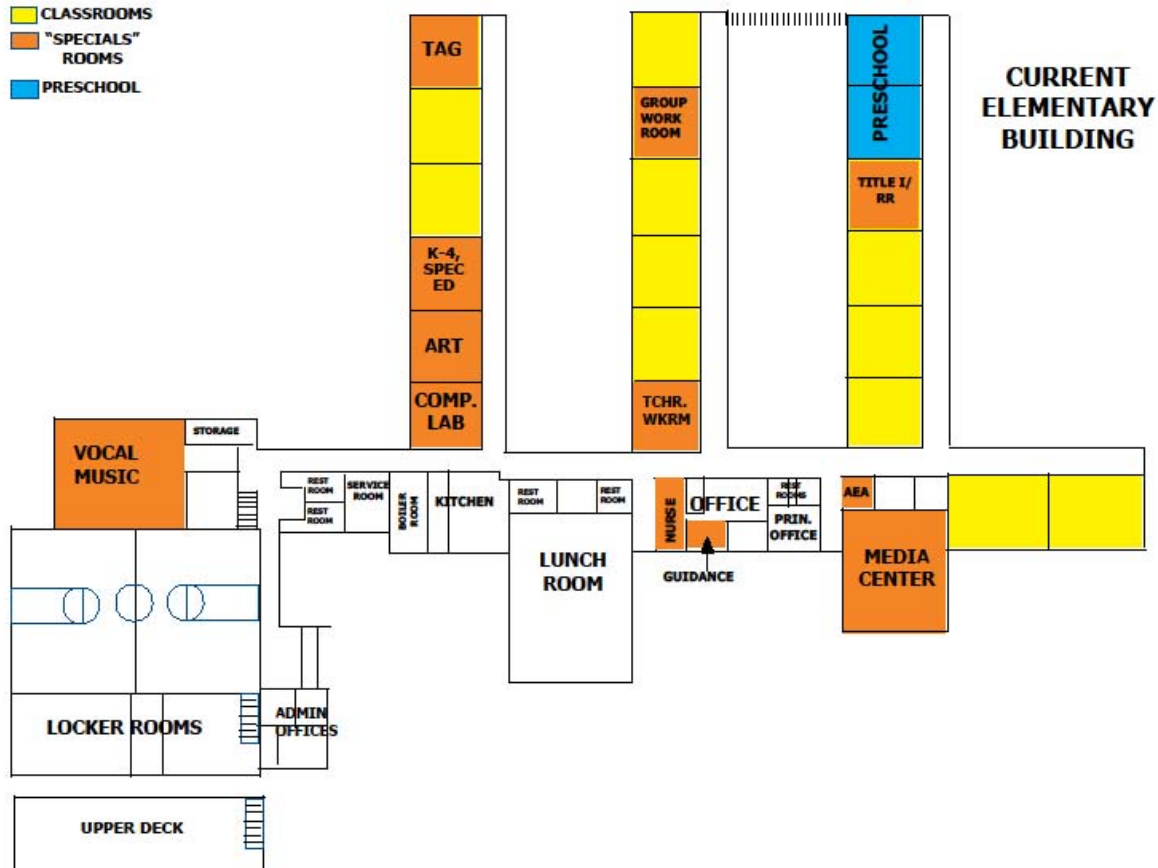
Architect's Findings

FEH ASSOCIATES Sioux City, IA

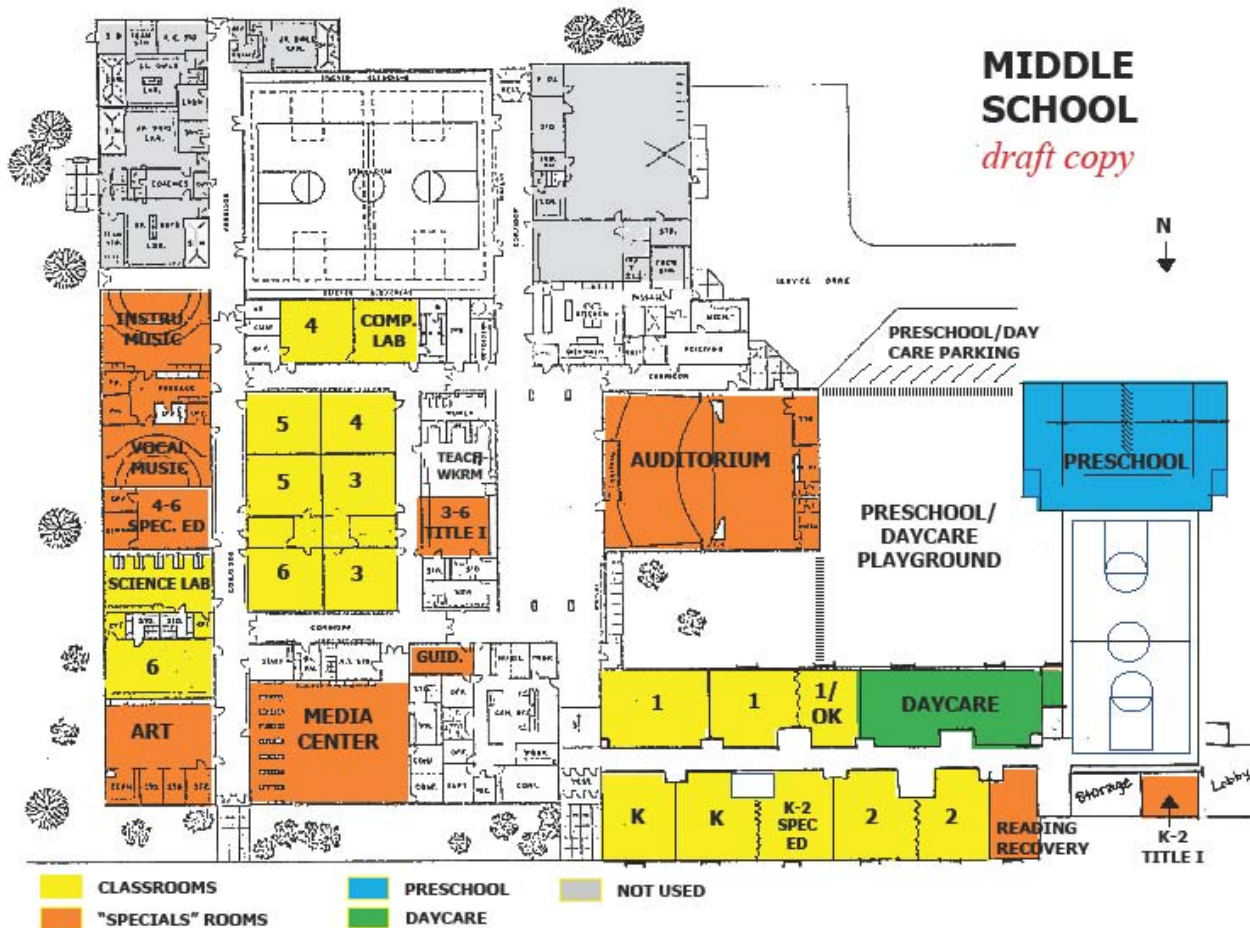
If the decision were to be made solely on building condition and quality, it (the Barnum building) would be a “gimmie.”

- It is in better physical condition, comes much closer to being in compliance with both fire codes and ADA,
- It is generally constructed from lower maintenance materials and should cost less to maintain on a square foot basis.
- In addition, it is approximately 20 years newer, is air conditioned and it would seem to have a definite advantage.

Current Elementary



Proposed Barnum Site Floor Plan



Shuttle Transportation

(Prairie Valley and Southern Cal)



- Run shuttles from multiple sites so everyone is not crowded into one place.
- Label the buses and make name/bus tags for the kids (color coded) for first week.
- Pick up pre-schoolers in a.m. on regular routes, and take them home with an associate on the bus.



Teacher Feedback

Teaching and Learning Benefits

	Manson	Barnum
• Space and confidentiality priorities for specials		X
• Quality music programs		X
• Expansion of Technology		X
• Storage areas		X
• Daycare Possibility		X
• Group Work accessibility		X
• Extra teaching areas available such as auditorium, Science lab, extra gym space		X
• Guidance area that allows for counseling groups, conflict resolution, etc.		X
• Enough computer labs for both 5/6 and elementary		X
• Efficient office space		X



Student Demographics

HIGH SCHOOL								
Town	Residents	Open Enrolled In	Rabiner Students	Foreign Exchange	Total		EAST SIDE	%
Badger		1			1			
Knierim	1				1			
Somers	2				2			
Moorland	1				1			
Humboldt	2	1			3			
Clare	29	3			32			
Barnum	20				20	60		
Fort Dodge	27	8	6		41	41	101	
Manson	122			1		123		
Palmer	4	5				9		
Pomeroy	1					1		
Rockwell City*	1	3				4		
Rolfe		2				2		
Sioux Rapids**		1				1		
TOTALS						240	101	42.08%



Student Demographics

	A	B	C	D	E	F	G	H	I
23	MIDDLE SCHOOL								
24	Town	Residents	Open Enrolled In	Rabiner Students	Foreign Exchange	Total		EAST SIDE	%
25	Badger					0			
26	Knierim	2				2			
27	Somers	1				1			
28	Moorland		5			5			
29	Humboldt	1				1			
30	Clare	19				19			
31	Barnum	22				22	50		
32	Fort Dodge	16	10	4		30	30	80	
33	Manson	109	1				110		
34	Palmer	1	3				4		
35	Pomeroy	1					1		
36	Rockwell City*		3				3		
37	Otho		1				1		
38	Rolfe		2				2		
39	Sioux Rapids**						0		
40	TOTALS MS						201	80	39.80%



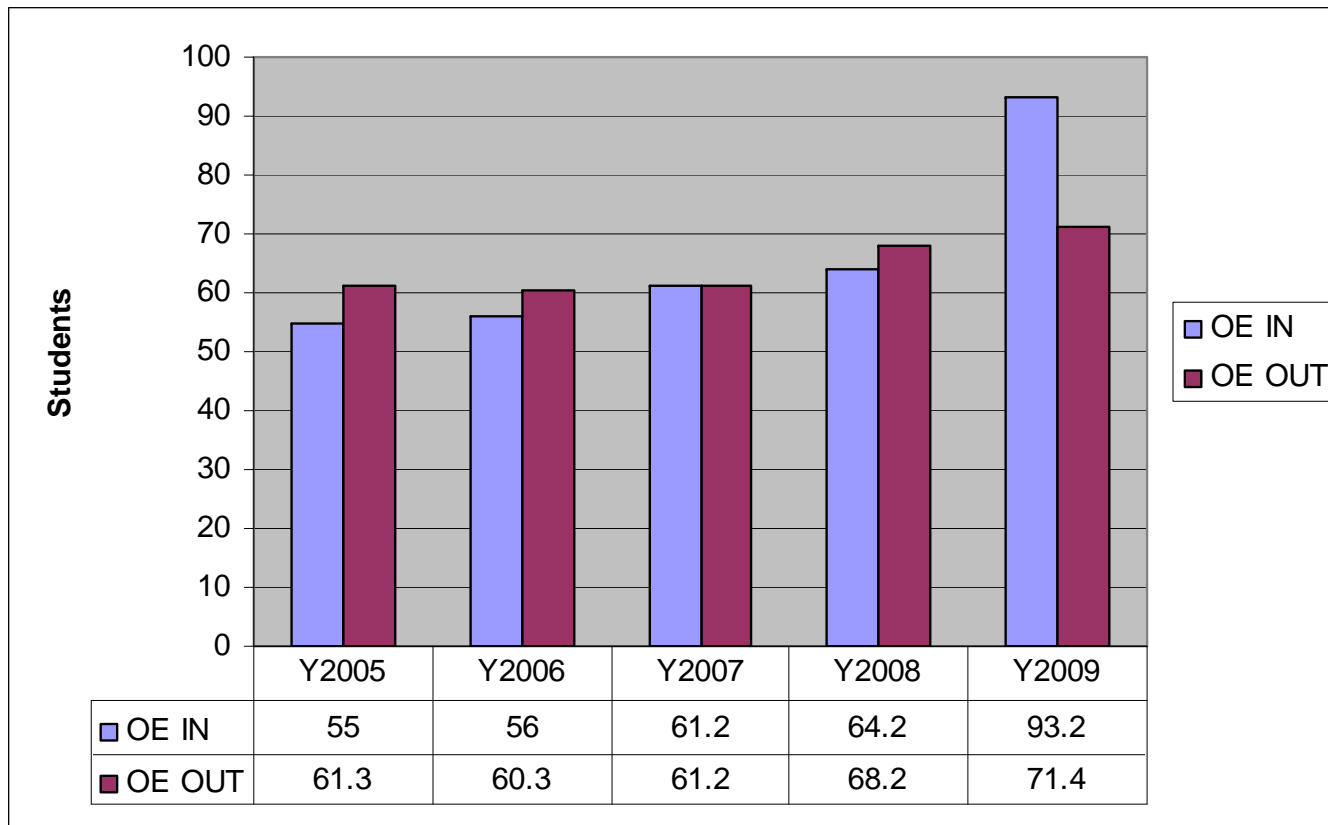
Student Demographics

	A	B	C	D	E	F	G	H	I
43	ELEMENTARY								
44	Town	Residents	Open Enrolled In	Rabiner Students	Foreign Exchange	Total		EAST SIDE	%
45	Badger		0			0			
46	Knierim	3	2			5			
47	Somers	2	1			3			
48	Moorland					0			
49	Humboldt					0			
50	Clare	15				15			
51	Barnum	24				24	48		
52	Fort Dodge	12	5			17	18	66	
53	Manson	138	2				139		
54	Palmer	1	4				5		
55	Pomeroy						0		
56	Rockwell City*	2	2				3		
57	Otho						0		
58	Rolfe						0		
59	Sioux Rapids**						0		
60									
61	TOTALS ELEM						213	66	30.99%
62	DISTRICT TOTALS						654	247	37.77%

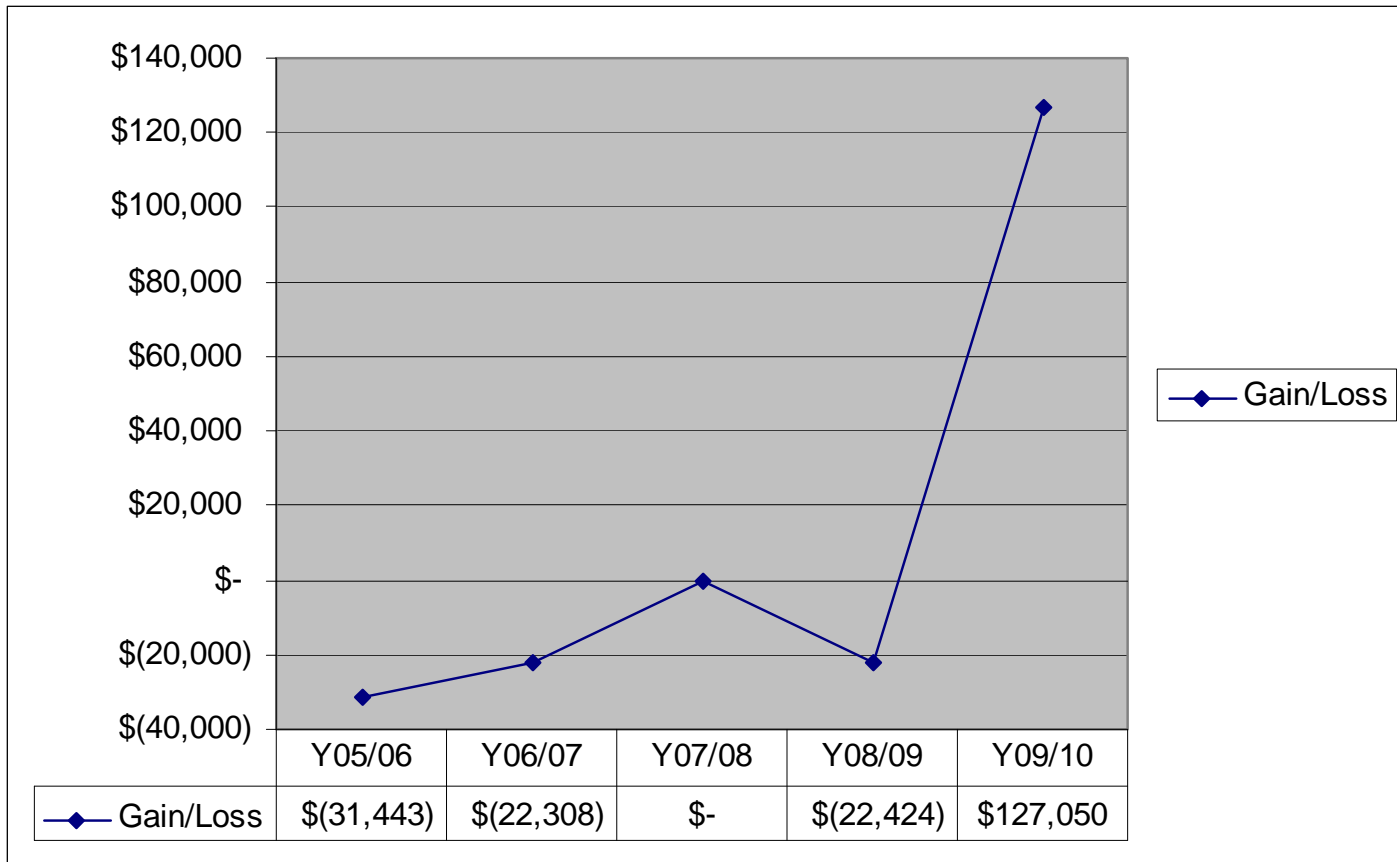
Operation/Closing Costs

MANSON NORTHWEST WEBSTER						
OPERATION AND MAINTENANCE COSTS						
FISCAL YEAR 2007-2008						
		Est. Supplies	Heat	Electricity	Est Misc. Exp	TOTAL
MIDDLE SCHOOL		\$ 12,000	\$ 67,120	\$ 31,861	\$ 8,000	\$ 118,981
						1.35 sq ft.
ELEMENTARY		\$ 6,574	\$ 47,927	\$ 22,165	\$ 6,000	\$ 82,666
						1.38 sq ft.
SHUTTLE COST	5 BUSES DRIVER COST		13.67 per trip			\$ 24,469
	PROJECTED FUEL					\$ 7,500
Personnel Savings						\$ 300,000
CLOSING SAVINGS						
MIDDLE SCHOOL						\$ 418,981
ELEMENTARY						\$ 350,697

MNW Open Enrollment



Open Enrollment \$ Gain/Loss





Key Building Factors

	Elem	Barnum
Structural condition		X
Ability to comply with fire and ADA codes		X
Ability to incorporate technology		X
Compatibility with educational program		X
Politics of location within the District		X
Relationship to student population (avoiding losses)		X
Transportation	X	
Maintenance and Utilities Costs	X	



RCL Connection

- Meetings with RCL continue
- MNW and RCL have 3 main centers of population: Manson, Barnum/FD, RC
- A two-way share could not afford large losses from either district.



What's Next

- Public meeting in Barnum, March 23, 7 p.m.
- At an open meeting, the Board of Education will take action to close either the elementary building located in Manson, or the current middle building located in Barnum.