

OREGON-DAVIS SCHOOL CORPORATION
Special Board Meeting
November 28, 2011 / 6:30 PM
Cafeteria, Jr/Sr High School

The Board of School Trustees of the Oregon-Davis School Corporation met in Special Session on Monday evening, November 28, 2011, at 6:30 p.m. in the Cafeteria of the Jr/ Sr High School, pursuant to the rules of the Board.

Chris Lawrence, President of the Board of School Trustees, who presided, called the meeting to order. Mr. Seth Huitt led the Pledge of Allegiance. Mr. Mike Keiper gave prayer.

Present: Mrs. Shirley Budka
Mr. Christopher Lawrence
Mr. Seth Huitt
Mr. Jerry Pearish
Mr. Mike Keiper

Others Present: Dr. Steven Disney - Superintendent,
Mrs. Julie McLiver - Recording Secretary, Mr.
Ed Volk, School Attorney, many citizens of the
community

Recognition of Visitors - Introduction of Mr. Jim Jessup, former teacher and insurance agent, as facilitator for the evening meeting.

Mr. Jessup explained the format for the evening and asked those in attendance to share the facts presented this evening and share with friends and neighbors. He stated one of the goals for the evening was to understand the situation, gather information and have an open discussion to help the board make decisions on the next step to take. No decisions have been made, but all the alternatives need to be explored.

Mr. Jessup then laid out the format. He would be giving an overview of the big picture, Dr. Disney will give specifics for this school district. He stated Oregon-Davis is innovative and successful and the school board and community were to be commended for being pro-active. He did mention that they would be considering 3 choices tonight: Referendum to raise more funds, Consolidation, and Do Nothing and continue with the trends as they are now.

Doing things as they have been done in the past will not work anymore. He gave four specific points:

1. Discussions like this are taking place all over the state.
2. In 2007 Gov. Daniels commissioned a study on "Streamlining Local Government" also known as the Kernan-Shepherd Report or "We've Got to Stop Governing Like This". It is about reform, restructuring and lowering cost. Consolidating schools with less than 2000 students was a big point of this study. Very little has happened in the legislature in response to this study.
3. Major changes in the legislature have occurred in the tax structure and school funding formula which has caused much lower income for all small schools.
4. We should not expect the Federal or State government to help as in the past.

We need to solve our own challenges. Mr. Jessup then turned the time over to Dr. Disney to discuss the specifics of Oregon-Davis School Corporation. Dr. Disney had prepared a handout illustrating the changes in funding to our corporation and when those cuts have occurred. He explained what cuts have been made and what another \$500,000.00 in cuts would look like. A copy of the handout is attached to these minutes.

The time was then turned back over to Mr. Jessup for questions and comments.

Questions were then posed by audience members with Mr. Jessup, Dr. Disney, school board members and some audience members answering.

Is the \$2.87/acre increase based on the new assessed values? Yes

Can the .19 increase in tax rate be higher or lower? The minimum needed to generate \$400,000 would be .19. If it goes for referendum the resolution from the board would be to allow up to .19 maximum on the spring ballot.

What will be done with the \$400,000.00? It would go in the General Fund which pays salaries, insurance, utilities.

What is the current situation with bond issues, and when is the pay off for these bonds? Currently the corporation is waiting to refinance these in January; with the lower interest rate, a 2-3 cent savings in the tax rate will be realized. The bonds will be paid off sometime around 2020-2025.

A question was asked about how long the General Fund Levy would last. It is for 7 years. If the referendum is passed, the 19 cent increase would raise \$400,000.00 each year for 7 years that will be added into the annual budget for general fund. If enrollment continues to decrease other measures will need to be considered.

A discussion about tax rates if OD were to consolidate with Knox would cause the tax rate to increase to the Knox tax rate.

Has the board had any preliminary discussions about consolidation? Two years ago talks were conducted with Knox and North Judson and the decision was not to proceed at that time.

Mr. Miller brought up questions about how much the corporation is actually paying out in insurance and utilities. Dr. Disney gave figures for what is normally paid out per year.

Another question was asked if there is any marketing going on to keep students in the district. This is definitely an area the board would like to pursue.

A question was asked in relation to the 1% cap--will there be enough? Mr. Jessup answered that the referendum is an option to the voters to choose if they want to go above that cap to increase funding.

What is the timeframe for a referendum? Seven years. After six years, depending on finances, work would need to start if another referendum was to be considered.

How many students did we lose from the voucher program? With the open enrollment we gained about 10, lost 30 so we had a net loss of 20.

Has the board gone to the teachers union and asked for concessions? Three years ago the contract was settled that froze teachers salaries for two years. This past spring another contract was settled for five years that froze salaries for this year and two more years and also that the teachers would not take their step increases this year.

What if the levy fails? Then the cuts outlined in the handout will have to be implemented.

Comments were also made about the inequality of the funding in large schools vs. small schools; cost of educating students; the need for more business and jobs in area; education vs athletics; other options.

Mr. Jessup then asked if he could conduct a straw poll just to get a feeling of where the community members were after this evening. When asked for a show of hands on who would back a referendum, a majority of the room raised their hands. When asked who would be in favor of some form of consolidation, there were a few hands raised. When asked who would like to do nothing, there were 1 or 2 hands raised.

Mr. Jessup concluded the evening by asking the audience what can the community do to bring all facets together to support education. He suggested having discussions with others and taking the facts from tonight to share with friends and neighbors. Keep the discussion going.

Dr. Disney thanked all for coming. Mr. Lawrence also thanked those for taking the time to come.

There being no further business to come before the Board Mr. Jerry Pearish made a motion to adjourn the meeting. Mrs. Shirley Budka seconded the motion. Motion carried 5-0. Meeting adjourned at 8:08 PM.

Michael Keiper, Secretary

Minutes recorded by Julie McLiver