

WEST CLARK COMMUNITY SCHOOLS REORGANIZATION PLAN

EFFECTIVE JULY 1, 2019

DRAFT

West Clark Community Schools

Board of School Trustees

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I. Executive Summary

Pursuant to Indiana Code § 20-23-4-38(b), the West Clark Community Schools (“West Clark”) presents this plan for reorganization. The plan is to divide West Clark into two new school corporations—Silver Creek School Corporation and Borden/Henryville School Corporation. This plan achieves a critical education need—the need to eliminate internal competition for resources.

Since the mandatory reorganization in the 1960’s that consolidated three communities (Borden, Indiana; Henryville, Indiana; and Silver Creek Township) into one school corporation, three communities with divergent educational perspectives have chafed under one school corporation governing body. Various solutions have been proposed to unify the communities, but none have succeeded. Instead, the communities would prefer to retain more autonomy to pursue different, but laudable, educational goals.

The difference in opinions and goals reached a boiling point in 2017. Opposition to West Clark’s \$95 million capital projects referendum largely driven by residents of Borden and Henryville defeated the ballot measure. The overwhelming majority of the projects would have made necessary construction and program improvements to Silver Creek schools that would have serviced growing needs caused by enrollment growth. Without any other way to bridge this generational impasse, the West Clark Board of Trustees unanimously voted to move forward with reorganization.

This plan not only achieves the important educational objectives—eliminating internal competition for resources and localizing control of educational decisions—but does so without causing adverse financial impacts. Tax rates would remain the same as school aid bonds would be divided pro rata based upon assessed value. Similarly, assets would also be equitably distributed based upon enrollment figures. In the end, the division is amicable since it enjoys unanimous support of the West Clark Board of Trustees.

In conclusion, this reorganization is necessary to improve educational opportunities for students in Clark County, Indiana. This improvement is also achieved without adversely affecting taxpayers or jeopardizing the financial viability of the new school corporations. In the end, students (and their families) benefit.

II. History of Public School Reorganization in Indiana

The School Consolidation Act of 1959 created the State Commission for the Reorganization of School Corporations. The law's purpose was to improve education by providing more equalized education opportunities for publicly enrolled students in grades 1 through 12 in the school corporations of Indiana.

The State Commission for the Reorganization of School Corporations was charged to establish minimum standards to be followed by individual county committees for school

reorganization, to conduct statewide hearings, to approve or reject county school reorganization plans developed by the county committees, and to develop county plans in the event that the county committee failed to act. Two standards which were regularly applied were:

1. No proposed school corporation will have less than 1,000 resident pupils in average daily attendance in grades 1 through 12.
2. No proposed school corporation will have less than \$5,000 adjusted valuation per resident student.

The state commission, directed by J.B. Kohlmeier of Purdue University, also gave approval of proposed school construction projects.

The School Consolidation Act of 1959 reduced the number of school corporations in Indiana from 966 to 402 and reduced the number of corporations with less than 1,000 resident pupils in grades 1 through 12 from 801 to 156.

The December 11, 2007 *Report of the Indiana Commission on Local Government Reform* by Former Governor Joseph Kernan and Chief Justice Randall T. Shephard (more commonly known as the “Kernan-Shephard Report”) presented Recommendation No. 11: “Reorganize school districts to achieve a minimum student population of 2,000. Establish state standards and a county-based planning process similar to that established in 1959 legislation.” The General Assembly, however, did not adopt that recommendation.

The Act still resides in Chapter 20-23-4 of the Indiana Code, as amended.

III. Reorganization Efforts in Clark County, Indiana

Since 1959, reorganization has never been popular in Clark County and has consistently been resisted. As mandated by the Act, Clark County set out in 1959 to reorganize public school corporations. But it would take years and several defeats at the polls before reorganization was accomplished.

In 1959, the Clark County Judge appointed a nine-member committee to prepare a reorganization plan as set forth in the Act. The first committee recommended reorganization of the then-present fourteen (14) public school corporations¹ into one county-unit. That plan was defeated at the polls in the May primary election of 1962 by an overwhelming vote of 5,900 to 1,200.

¹ The fourteen school corporations were (1) Metropolitan School District of Charlestown Township, (2) Jeffersonville School City, (3) Clarksville School Town, (4) Bethlehem School Township, (5) Carr School Township, (6) Jeffersonville School Township, (7) Monroe School Township, (8) Oregon School Township, (9) Owen School Township, (10) Silver Creek School Township, (11) Union School Township, (12) Utica School Township, (13) Washington School Township, and (14) Wood School Township.

Two years later, the voters again defeated a reorganization plan in the May 1964 primary election. The 1964 plan proposed a three-unit plan. Again the vote was overwhelming—7,497 to 3,155.

Six months later at the November 1964 general election, the voters defeated for a second time a county-unit plan. The vote was 10,164 to 6,289.

On November 8, 1966, at the general election, voters were presented with a county-unit plan. This time, the plan was defeated, but only narrowly—3,912 to 3,500.

On August 1, 1967, the State Commission for the Reorganization of School Corporations approved a three-unit reorganization plan. The plan was then presented to the voters during the fall election and passed.

Since reorganization, West Clark has sought other consolidation efforts to effectuate the impact of reorganization. For example, in 1994 board members sought to consolidate the three high schools into one high school. Certain constituents responded by lodging threats of personal violence against school board members. Several school board members resigned, and no high school consolidation plan has been considered since.

IV. Reorganization is Necessary to Improve Educational Opportunities for the Students in Clark County, Indiana

Through reorganization, three communities—Borden, Indiana; Henryville, Indiana; and Silver Creek Township (including Sellersburg, Indiana)—were consolidated into one school corporation—West Clark Community Schools. But the consolidation did not, however, produce complete uniformity. Since reorganization, the different values held by the three different communities have strained West Clark’s abilities to meet the education needs of families in Clark County.

Further crystalizing the institutional differences, the three communities have maintained separate facilities since the 1967 reorganization. Borden children attend Borden Elementary School (grades K-6; enrollment 311²) and Borden Jr./Sr. High School (grades 7-12; enrollment 337). Henryville children attend Henryville Elementary (grades K-6; enrollment 672) and Henryville Jr./Sr. High School (grades 7-12; enrollment 521). And Silver Creek children attend Silver Creek Primary School (grades K-1; enrollment 484), Silver Creek Elementary School (grades 2-5; enrollment 836), Silver Creek Middle School (grades 6-8; enrollment 689), and Silver Creek High School (grades 9-12; enrollment 918).

The three campuses have faced divergent results in terms of enrollment since the 2013-2014 school year:

² Enrollment figures based on Indiana Department of Education *DOE Compass* data.

	School Years				
	13-14	14-15	15-16	16-17	17-18
Borden Elementary School	394	341	334	328	311
Borden Jr./Sr. High School	349	339	338	348	337
Total	743	680	672	676	648
Henryville Elementary	730	647	610	640	672
Henryville Jr./Sr. High School	506	539	534	525	521
Total	1236	1186	1144	1165	1193
Silver Creek Primary School	443	433	408	478	484
Silver Creek Elementary School	846	826	850	850	836
Silver Creek Middle School	687	709	676	669	689
Silver Creek High School	800	890	932	923	918
Total	2776	2858	2866	2920	2927

Since the 2013-2014 school year, the Silver Creek campus has grown from 2,776 students to 2,927 students for the most recent 2017-2018 school year. Conversely, the Borden campus enrollment declined 13% from 743 students to 648 students during the same time period. Similarly, the Henryville campus enrollment dropped 3% from 1,236 students to 1,193.

The different needs driven by the different enrollment trajectories have created friction among the different campuses—and communities—as to priorities. The Silver Creek community is focused on expanding its facilities to meet future need, as well as updating facilities to expand current programming. Presently, Silver Creek campus schools face overcrowding. Students attend schools in temporary, makeshift classrooms. The declining enrollment at the Borden and Henryville campuses do not, however, present these same challenges.

In addition to a need for expanding space to hold a growing number of students, additional space is needed at the Silver Creek campus to address expanded programming. The academic strength of the Silver Creek High School, as reflected in the previous letter-grade system used by the Indiana Department of Education, is a natural draw to families:

	School Years			
	11-12	12-13	13-14	14-15
Borden Elementary School	C	B	B	B
Borden Jr./Sr. High School	C	B	C	C
Henryville Elementary	N/A	B	B	B
Henryville Jr./Sr. High School	N/A	C	C	C
Silver Creek Primary School	B	B	C	C
Silver Creek Elementary School	B	B	C	C
Silver Creek Middle School	B	D	A	A
Silver Creek High School	A	A	A	A

These performances also fuel the need for additional resources.

Toward that end, in 2017 West Clark presented a capital projects referendum that sought \$95 million. Of the \$95 million, over \$82 million was for infrastructure elements, construction, and program elements at the Silver Creek campus—close to \$65 million for Silver Creek high school alone. A majority of voters in the Borden and Henryville communities opposed the referendum. Without the support of the Borden and Henryville communities, the referendum failed at the polls at the November 6, 2017 general election.

Putting aside the capital projects interests, the three communities also have different viewpoints on educational objectives. Borden and Henryville schools would like to dedicate more resources to vocational training. These communities believe that vocational training is more helpful to their students, thus it occupies a greater priority. Through reorganization, Borden and Henryville schools could reallocate resources to meet this objective.

Moreover, reorganization would allow the new school corporations to separately solicit grants and other funding sources for vital programs such as 1-1 technology programs. Presently, such grant dollars are spread throughout West Clark.

Additionally, the timing of the reorganization—July 1—is anticipated to mitigate if not eliminate any disruption to the educational environment. Standardized testing is not anticipated to be impacted, transportation is anticipated to be unaffected, and extracurricular opportunities should continue (assuming that the respective new school corporations continue the same programs) without change.

Overall, the internal competition for resources negatively impacts the students within West Clark and the county. The competing interests of the different communities deprive Silver Creek of needed resources for increased capacity without diminishing academic achievement. Reorganization of West Clark eliminates the competing interests. Moreover, reorganization allows Silver Creek families—and not families attending other schools—to chart the course for

Silver Creek schools. Likewise, Borden and Henryville families control the educational mission of Borden and Henryville schools. In the end, Clark County students benefit.

V. Names of New School Corporations

The two new school corporations will be the Silver Creek School Corporation and the Borden/Henryville School Corporation.

VI. Boundaries of New School Corporations

Presently, the intradistrict boundaries within West Clark are as outline in Exhibit A. The Silver Creek School Corporation's boundaries would largely follow the blue lines in Exhibit A, and the Borden/Henryville School Corporation would generally include the red and yellow areas marked in Exhibit A. However, the triangular area in between Carr Township, Union Township, and Silver Creek Township will be divided as outlined in Exhibit B.

VII. Board Structure of New School Corporation

Each new school corporation board of trustees would be comprised of five members with three members from resident districts and two members at-large. The five interim members of each school corporation's board of trustees will be appointed at a public meeting of the West Clark board following approval of this Plan by voters and prior to the Plan's effective date. The resident districts will be created by the interim board members for the respective school corporations. The interim board members will serve until the next general election and then, at which point permanent board members will be selected. The permanent at-large members will serve an initial term of two years and then a term of four years thereafter. The permanent resident district members will serve terms of four years, respectively.

Board members must reside within their respective school corporation boundaries, and within their district boundaries if representing a resident district, for at least twelve months prior to holding office.

Board members of the new school corporations will receive each year a basic compensation of \$2,000 per annum. Expenses of a board member will be reimbursed when incurred in the performance of his/her duties or in the performance of functions authorized by the board and duly vouchered. The following guidelines have been established by the board to ensure appropriate and proper reimbursement of expenses for Board members. Expenses will be reimbursed only for activities authorized by the Board. Reimbursement for mileage will not exceed the current rate established for Corporation employees. When attending a Board-approved conference, all fees, parking, mileage, meals, and lodging will be reimbursed.

VIII. Disposition or Allocation of Assets, Human Resources and Liabilities of West Clark Community School Corporation

The intent of the Plan is to distribute or allocate West Clark assets, human resources and liabilities equitably among the new school corporations based upon enrollment of students. Each new school corporation shall assume the assets and liabilities associated with buildings and grounds within the geographic boundaries of the new school corporations. With respect to West Clark personal property servicing all West Clark schools (*e.g.*, buses, maintenance equipment), such assets will be divided among the new school corporations pro rata. For example, buses will be divided based upon enrollment amounts most recently reported to the Indiana Department of Education. However, maintenance equipment will be divided based upon facility needs.

Likewise, the division of the various funds will be on a pro rata basis as follows:

- **Capital Projects Fund**: The Capital Projects Fund (CPF) will be combined with the Transportation Fund, part of the General Fund and the Bus Replacement Fund in 2019 and the combined funds will be named the Operations Fund. Since the splits have not been determined for 2019, the data presented here will reflect the current budget laws. The Tax rate of \$0.2337 (current maximum rate, a lesser rate was used for 2018) will be applied to both school corporations.
- **Transportation Fund**: The split for the Transportation Fund and the Bus Replacement Fund will be based on the two new corporation's proportional share of the enrollment since services are provided based on student demand.
- **Bus Replacement Fund**: Like the Transportation Fund, the rates and levies will be based on each corporation's share of the total enrollment.
- **Other Funds**: The remaining funds should be split based on the proportion of students enrolled in each program for both the cash balances at the time of the split and for future funding. It should be noted that most of the special funds such as Food Service, all of the Title Grants and any other State or Federal program will need new and separate applications to continue the program funding. Misc. Revenues will be split in proportion to tax rates – Excise, Commercial Vehicle Excise and Financial Institution Taxes.

The final division of assets and liabilities will be formally made at a public meeting of the West Clark Board of Trustees following approval of the plan by voters and prior to the effective date of the plan.

Similarly, West Clark intends to allocate certificated and classified employees based on enrollment needs within the schools. For employees serving district-wide needs, West Clark will equitably reassign them among the new school corporations based upon need and fit.

In regards to collective bargaining, the new school corporations will be responsible for complying with applicable collective bargaining laws.

IX. Disposition of School Aid Bonds of West Clark Community School Corporation

The division of school aid bonds shall be in proportion to assessed value within each new school corporation since the current debt was created by West Clark and proceeds from debt used to benefit the entire West Clark School Corporation. The current Debt Service Tax Rate is \$0.4763 and that rate will be the initial Debt Service Tax Rate for each of the two new corporations. Any new debt by the new school corporations will add to the rate of the respective new school corporation creating the new debt.

The existing debt service for West Clark is as set forth in Exhibit C.

The debt service for the new school corporations will be as set forth in Exhibit D.

X. Assessed Valuation Analysis

For the period of property taxes due and payable in 2018, the present assessed values of West Clark and the new school corporations are as set forth in Exhibit E.

XI. Other Considerations

Special education services will be determined by the interim boards of the new school corporations. Joint services between the new school corporations through interlocal cooperation agreements, managing special education services in-house, or joining special education co-ops should be evaluated by these respective board members.

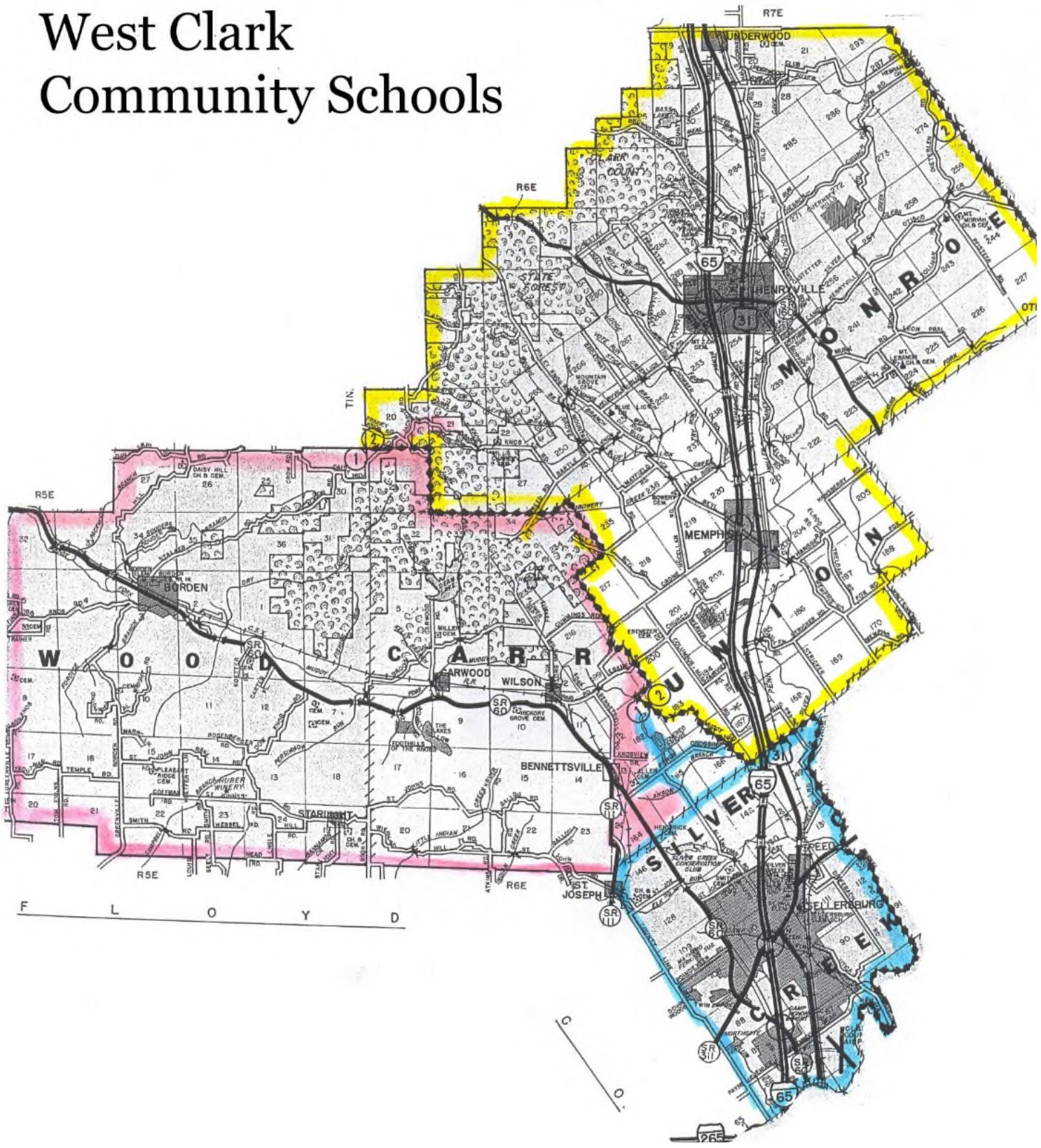
Since transportation services will be allocated based upon enrollment, it is not anticipated that the reorganization will caused any disruption.

EXHIBIT A

West Clark Community Schools Current Intradistrict Boundaries

West Clark Community Schools

S C O T I



F L O Y D



EXHIBIT B

Division of Area Between Carr Township, Union Township and Silver Creek Township

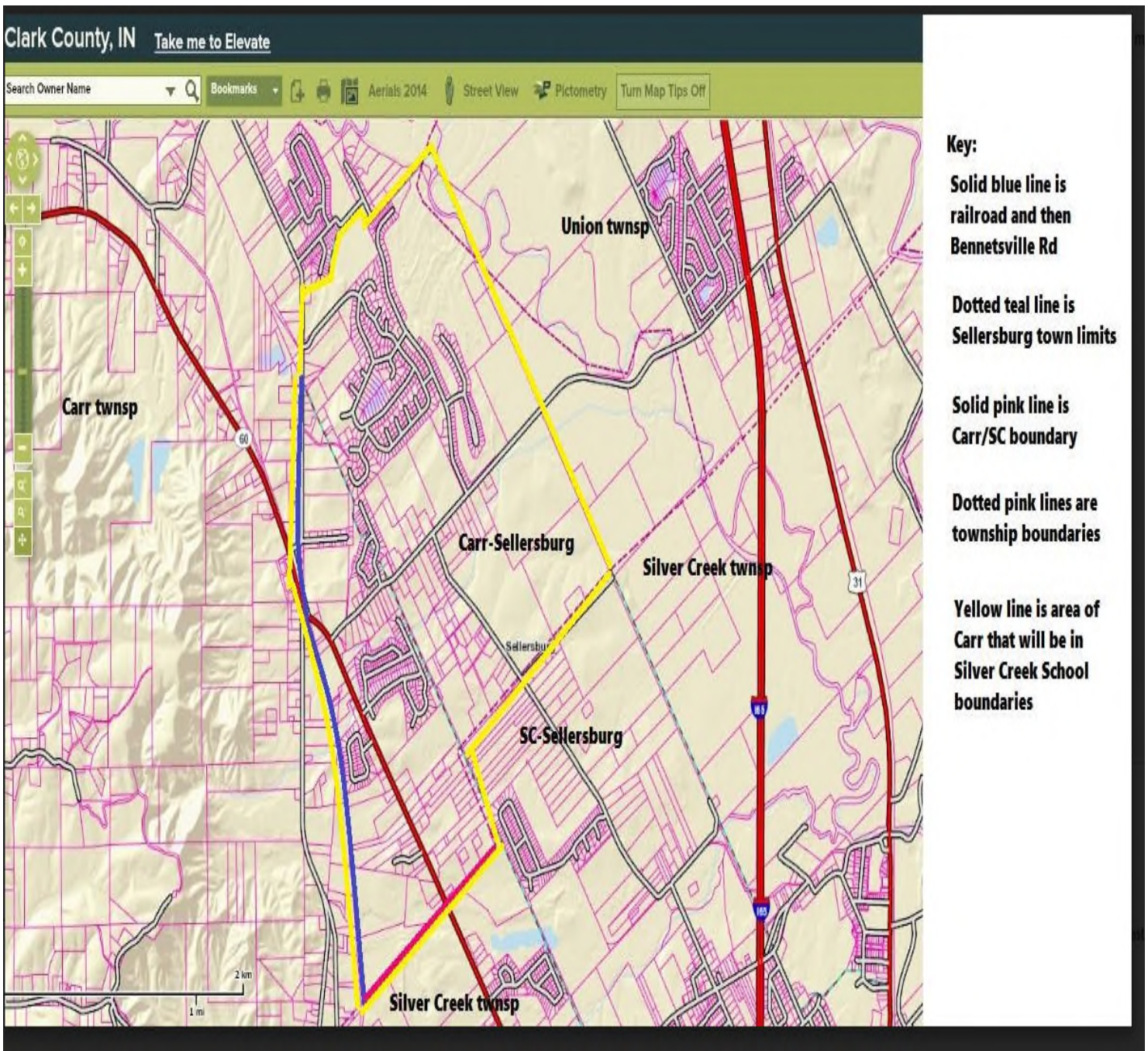


EXHIBIT C
Existing Debt Service

	Common	Common	Common	Common	Common	Common	Common	Common			Fees	
	School	School	School	School	School	School	School	School	2005	2007	Interest on Temp	
	A1539	A1602	A1645	A1707	A1753	A1853	A1912	A1959	Bonds	Bonds	Textbook	TOTAL
2017	78,300	79,764	82,393	83,170	86,919	91,366	91,366	94,436	4,152,000	2,203,500	100,338	7,143,552.00
2018	-	39,587	40,891	82,357	86,073	90,486	90,486	93,216	4,208,000	2,080,000	108,791	6,919,887.00
2019		-	-	40,873	85,227	89,606	89,606	92,317	4,263,000	2,080,000	108,791	6,849,420.00
2020				-	-	88,725	88,725	91,419	4,320,000	2,080,000	108,791	6,777,660.00
2021						-	-	90,520	4,377,000	2,080,000	108,791	6,656,311.00
2022								-	4,442,000	2,080,000	108,791	6,630,791.00
2023									2,240,000	2,080,000	108,791	4,428,791.00
2024									-	2,080,000	108,791	2,188,791.00
2025										2,080,000	108,791	2,188,791.00
2026										2,080,000	108,791	2,188,791.00
2027										2,080,000	108,791	2,188,791.00
2028										2,080,000	108,791	2,188,791.00
2029										2,080,000	108,791	2,188,791.00
2030										2,080,000	108,791	2,188,791.00
2031										2,080,000	108,791	2,188,791.00
2032										2,080,000	108,791	2,188,791.00
2033										1,040,000	108,791	1,148,791.00
2034										-	-	-

EXHIBIT D
Projected New Debt Service

West Clark Community Schools						Borden/Henryville School Corporation					Silver Creek School Corporation				
						Share 0.4354					Share 0.5646				
Net						Net					Net				
Tax Year	Assessed Value	Existing Debt	Misc. Income	Existing Levy	Existing Rate	Assessed Value	Existing Debt	Misc. Income	Existing Levy	Existing Rate	Assessed Value	Existing Debt	Misc. Income	Existing Levy	Existing Rate
2017	1,187,189,615	7,143,552	-1,338,195	5,805,357	0.4890										
2018	1,284,914,155	6,919,887	-799,841	6,120,046	0.4763	559,491,133	3,013,132	-348,275	2,664,856	0.4763	725,423,022	3,906,755	-451,566	3,455,190	0.4763
2019	1,284,914,155	6,849,420	-799,841	6,049,579	0.4708	559,491,133	2,982,448	-348,275	2,634,173	0.4708	725,423,022	3,866,972	-451,566	3,415,406	0.4708
2020	1,284,914,155	6,777,660	-799,841	5,977,819	0.4652	559,491,133	2,951,202	-348,275	2,602,926	0.4652	725,423,022	3,826,458	-451,566	3,374,893	0.4652
2021	1,284,914,155	6,656,311	-799,841	5,856,470	0.4558	559,491,133	2,898,362	-348,275	2,550,087	0.4558	725,423,022	3,757,949	-451,566	3,306,383	0.4558
2022	1,284,914,155	6,630,791	-799,841	5,830,950	0.4538	559,491,133	2,887,250	-348,275	2,538,975	0.4538	725,423,022	3,743,541	-451,566	3,291,975	0.4538
2023	1,284,914,155	4,428,791	-534,224	3,894,567	0.3031	559,491,133	1,928,432	-232,618	1,695,814	0.3031	725,423,022	2,500,359	-301,607	2,198,753	0.3031
2024	1,284,914,155	2,188,791	-264,024	1,924,767	0.1498	559,491,133	953,067	-114,964	838,103	0.1498	725,423,022	1,235,724	-149,060	1,086,665	0.1498
2025	1,284,914,155	2,188,791	-264,024	1,924,767	0.1498	559,491,133	953,067	-114,964	838,103	0.1498	725,423,022	1,235,724	-149,060	1,086,665	0.1498
2026	1,284,914,155	2,188,791	-264,024	1,924,767	0.1498	559,491,133	953,067	-114,964	838,103	0.1498	725,423,022	1,235,724	-149,060	1,086,665	0.1498
2027	1,284,914,155	2,188,791	-264,024	1,924,767	0.1498	559,491,133	953,067	-114,964	838,103	0.1498	725,423,022	1,235,724	-149,060	1,086,665	0.1498
2028	1,284,914,155	2,188,791	-264,024	1,924,767	0.1498	559,491,133	953,067	-114,964	838,103	0.1498	725,423,022	1,235,724	-149,060	1,086,665	0.1498
2029	1,284,914,155	2,188,791	-264,024	1,924,767	0.1498	559,491,133	953,067	-114,964	838,103	0.1498	725,423,022	1,235,724	-149,060	1,086,665	0.1498
2030	1,284,914,155	2,188,791	-264,024	1,924,767	0.1498	559,491,133	953,067	-114,964	838,103	0.1498	725,423,022	1,235,724	-149,060	1,086,665	0.1498
2031	1,284,914,155	2,188,791	-264,024	1,924,767	0.1498	559,491,133	953,067	-114,964	838,103	0.1498	725,423,022	1,235,724	-149,060	1,086,665	0.1498
2032	1,284,914,155	2,188,791	-264,024	1,924,767	0.1498	559,491,133	953,067	-114,964	838,103	0.1498	725,423,022	1,235,724	-149,060	1,086,665	0.1498
2033	1,284,914,155	1,148,791	-138,573	1,010,218	0.0786	559,491,133	500,219	-60,339	439,880	0.0786	725,423,022	648,572	-78,234	570,338	0.0786
		66,254,322		57,867,913			25,738,647		22,669,638			33,372,123		29,392,918	

