

December 6, 2002

Dear Citizens,

Your Lovejoy Independent School District Board of Trustees has spent numerous months studying important issues regarding the future of Lovejoy students. As a result of recent legislation affecting how schools are financed, the financial relationship of Lovejoy ISD with the Allen ISD will change in the near future, and this financial relationship change has brought to the forefront a need to assess the future of the overall relationship between the two districts. Since the Summer of 2002, the Board has studied whether the District should consolidate with the Allen ISD, or move forward with a school construction program that would eventually result in Lovejoy ISD being a completely self sufficient school district, providing curriculum in grades K-12.

The Board reviewed data received from public meetings, citizen workshops, joint Lovejoy ISD/Allen ISD workshops, district staff and consultant studies, analysis and projections. The information that was reviewed by the Board included both quantitative financial analyses, as well as information pertaining to curriculum and other qualitative information that bears upon this decision. They concluded that it would be financially feasible for Lovejoy to build its own secondary schools and that there would be no significant difference in tax rates if Lovejoy builds its own schools or consolidates with Allen ISD. In summary, they concluded that the financial considerations are relatively neutral, and that the decision as to whether to recommend consolidation or separation turns on other, more subjective issues, such as local control, quality of education and the relative benefits of a small school district as compared to membership in a larger entity. The Board has concluded that Lovejoy as an independent school district could offer its secondary students an exemplary educational experience in a 3-A setting. Because of these conclusions, the Board of Trustees voted unanimously to remain an independent school district and build its own high school and middle school.

Originally, the Board intended to submit a referendum to the Lovejoy voters on the question of whether to issue bonds to build secondary schools, which, if the voters determined not to issue bonds for that purpose, would have been followed by a joint referendum with Allen ISD on the question of consolidating the two districts. However, during the process of studying the issues, the Allen ISD Board of Trustees, because of its own facility needs, accelerated the decision and election calendar. By doing so, and given the State election laws, the option of holding the bond election prior to the consolidation referendum was lost. While the Board has made its decision, the Lovejoy ISD Board has called for a consolidation election on February 1, 2003, to be held in conjunction with an Allen ISD consolidation election, to insure that the Lovejoy voters have the right to vote on this important matter. Should the consolidation election fail in either district, the Board anticipates that immediately after the consolidation election, it will call an election for approval to issue bonds to build secondary schools, and that that election would be held before the end of April 2003.

For more detailed information please see the Lovejoy ISD official website at www.lovejoyisd.net.

Sincerely,

Rich Hickman
Board President

COMMONLY ASKED QUESTIONS AND ANSWERS ABOUT LOVEJOY ISD/ALLEN ISD DECISION

As a matter of full and fair disclosure, the Board notes the financial estimates and projections described in this document are based on studies that it believes to be sound, unbiased and factual, and that are based upon current State school finance law. However, all projected information is based upon assumptions. Any future financial estimate is subject to changes in the economic and legal environments and other uncertainties that could cause actual results to differ somewhat from those contemplated in the studies, as is true for all public schools in Texas.

WHAT CREATED THE NEED FOR CHANGE?

Recent state legislation changed the way K-6th grade districts and districts that receive their secondary transfer students are financed. This created additional recapture costs for Lovejoy ISD and a significant loss of revenue to Allen ISD. While the districts were able to delay the impact of this legislation with passage of H.B. 2879, the changes are scheduled for implementation in 2004. At the same time, growth of enrollment in each district will make planning for secondary facilities and providing for increased operating costs a challenge for both districts.

WHAT ACTION HAS THE LOVEJOY ISD BOARD TAKEN?

Following a thorough study of all data from many sources, the Lovejoy ISD Board of Trustees, at the regularly scheduled school board meeting on November 19, 2002, voted, unanimously, to remain an independent school district and build its own secondary schools.

However, because the Allen ISD board accelerated the decision and election calendar, Lovejoy citizens would not have an option for consolidation if a bond election to build Lovejoy's own secondary schools were held before a consolidation election. In order for citizens to have a vote, the Lovejoy ISD Board of Trustees voted to have a consolidation election first. The election is to be held on February 1, 2003.

It is the intent of the board to immediately call for a bond election to build its own secondary schools if the consolidation election fails.

WHO WILL MAKE FINAL DECISIONS ON THESE TWO OPTIONS?

The voters of Lovejoy ISD will make the final decision.

If a majority of voters in both districts vote FOR consolidation, the districts will become one district by July 1, 2003.

If a majority of voters in either or both districts vote AGAINST consolidation, then the districts will remain independent and Lovejoy ISD will immediately call for a bond election to build its own high school and middle school.

WHAT ARE THE FINANCIAL COSTS OF CONSOLIDATION?

If the districts choose to consolidate, studies indicate that costs will increase for the new consolidated district. Additional facilities will be needed as the district continues to grow. Allen ISD is currently studying a bond proposal for fall of 2003. Current projections indicate that the Allen ISD expected tax rate with consolidation will be in the mid to high \$1.90s. Because of current bond costs, Allen ISD expects to be in the low \$1.90s next year, whether or not the two districts consolidate.

WHAT ARE THE FINANCIAL COSTS OF LOVEJOY ISD BUILDING ITS OWN SECONDARY SCHOOLS?

If Lovejoy ISD remains independent and builds its own schools, studies show that the district will have approximately the same amount of revenue per pupil for operating expenses that Allen ISD or other similar districts will have.

Lovejoy ISD taxpayers can expect increased tax rates to pay for needed secondary schools and increased operating costs. The current tax rate for Lovejoy ISD is \$1.60. Current studies indicate that the tax rate is expected to begin climbing in the 2004-2005 school year and would be in the \$1.90s by 2006-2007. There would be no significant difference in the tax rate and the length of time that tax rate would be in effect with consolidation or with Lovejoy ISD building its own schools. The exception being that Allen ISD's tax rate would rise more rapidly under consolidation than Lovejoy ISD's would while building its own schools.

WHAT KIND OF SECONDARY EDUCATION WOULD LOVEJOY ISD BE ABLE TO OFFER?

When Lovejoy ISD has all four high school grade levels, it will be a large 3A high school, with over 700 students. The Board believes that under these circumstances, the District can offer a high quality secondary program similar to the core program students currently receive in Allen ISD, but in a smaller, community-based setting. Further, the Board anticipates that Lovejoy will be able to offer the Distinguished Achievement Program required by TEA, as well as numerous Advanced Placement classes, and that competitive athletics, band, drill team, choir, drama, fine arts, and other activities would be available for students.

IF LOVEJOY ISD BUILDS ITS OWN SECONDARY SCHOOLS, WHAT DOES A TRANSITION PLAN LOOK LIKE?

A transition plan would make every effort to provide a seamless flow from Allen ISD to Lovejoy ISD. If a bond election passes in the spring of 2003, a middle school/high school would be ready by fall of 2006.

The probable plan would be that the first year of operation in 2006-2007, Lovejoy would open with 6th, 7th, 8th, and 9th grades in the new facilities. That would mean bringing year 2005-2006 7th and 8th graders back from middle school to be 8th and 9th graders when the new school opens. The 9th grade of the opening year would be the first senior class to graduate in 2010.

WHAT ARE FUTURE TIMELINES OF CRITICAL EVENTS?

December 2002 and January 2003---community meetings, information sharing
January 13, 2003---informational meeting at Lovejoy Elementary School Gym, 7:00 PM
January 14, 2003---informational meeting at Hart Elementary School Cafeteria, 7:00 PM
February 1, 2003---consolidation election
March or April 2003--- if the consolidation election fails, a bond election will be held

If you have additional questions or comments, those questions may be clarified at a public meeting or directed to district officials on the website at www.lovejoyisd.net.