



Steps in a School Bond Election

Purpose

This publication is intended to serve as a guide for Iowa schools to follow in school bond elections. The guidelines refer to the Code of Iowa in cases where the law requires certain specified procedures. Laws change and opinions of the attorney general's office may change the interpretations of laws. Therefore, thoroughly investigate all laws and opinions relating to school bond elections.

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Steps

Step One: Determine Need for the Project

Who determines the need?

- A. The school board
- B. The administrative staff
- C. The teaching staff
- D. The nonprofessional staff
- E. The PTA or PTO
- F. Concerned citizens' groups
- G. The student body
- H. Any individual in the district
- I. Others

Why is there a need?

- A. Buildings are unsafe
- B. Buildings are outdated
- C. Buildings cannot be modernized because of design or cost
- D. Special facilities are needed
- E. A better educational program is needed
- F. Over-crowdedness
- G. Buildings are destroyed
- H. Technology
- I. Other

Step Two: Assess Needs

The school board assumes its responsibility (legally by a motion in its minutes) to investigate the reported need. The board appoints a chairperson to head a citizens' committee composed of a cross-section of the community. The chairperson appoints subcommittees to investigate areas that are thought to be important.

The chairperson of each subcommittee and the chairperson of the citizens' committee will act as a steering committee for the board. After the investigation, the steering committee compiles its report and makes recommendations to the board.

There are many areas that the committee may wish to investigate, including the following:

- A. Present and future enrollments.

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- B. How well the facilities serve the needs of the present educational program.
- C. Planned changes in the educational program and related changes in facility requirements.
- D. The physical condition of the building(s).
- E. The financial status and the bonding capacity of the district.
 - The bonding capacity of a school district is based on the actual valuation of the property within the district. Districts may become indebted to a figure equal to five percent of their actual valuation less the present indebtedness. The actual valuation figure for each district is available from the office of the county auditor. (Iowa Code section 296.1)
 - A school board may certify an amount, not to exceed \$2.70 per \$1,000 of assessed valuation, to pay the principal and interest owed in any one year. (Iowa Code section 298.18)
 - If the amount of money required to pay the principal and interest exceeds the above limitation, the board may ask the voters to approve an increase in the levy of up to \$4.05 per \$1,000 of assessed valuation. (Iowa Code section 298.18)
 - The proposition to exceed the \$2.70 limit and the proposition specifying the needed increase may be voted on at the same time. Sixty percent of those voting must approve both measures before the additional amount can be levied.
 - Interest on invested monies made available by the bond issue shall be used to pay principal and interest as it comes due or to fund the construction of the project made possible by bond issue. (Iowa Code section 12C.9)
- F. New approaches to educational methodology, technology and the kinds of space required for each.
- G. Other special areas, such as a new site, additional course offerings, expanded extracurricular activities, or possibilities of remodeling.

If the committee concludes that new or different spaces are needed, the board accepts the recommendations in its minutes.

Step Three: Educational Specifications

District educators must prepare educational specifications describing the spaces needed to house the adopted educational program. They may wish to secure the services of an educational consulting firm for assistance in this step.

The Board must employ an architectural firm to study the specifications, determine the kinds of new spaces needed, and help develop preliminary sketches of a building that will accommodate the specifications. Architectural, landscape architectural, or engineering design services for school construction are not subject to competitive bids for public improvement contracts. (Iowa Code section 26.4)

Refer to [Appendix A](#) for guidelines for the selection of an architect.

Refer to [Appendix B](#) for guidelines for selection of a construction manager (not required by statute).

Step Four: The Amount of Bonds to be Issued

Before a petition to election can be called, the board must project the dollar figure total cost of the project. This dollar figure must be included on the petition to call the election. The amount of bonds to be issued should be based on a construction cost estimate from the architect (and construction manager, if one is used) and the District's financial advisor (based on bonding capacity).

Step Five: The Bond Petition

The board should employ a legal consultant to draw up the petition and to take charge of all legal proceedings to safeguard procedures concerning the bond issue and the subsequent building program. Be sure the petition is stated in broad, general terms so it doesn't limit the action of the local board in determining the site or kind of building, but the petition needs to be specific enough to apprise the voters of the project they are voting upon.

Arrange information meetings for all petition takers or circulators before they begin circulating petitions to gain the necessary signatures. These meetings should emphasize the necessary legal information, facts and figures about the needed building program.

Circulate the petition in all parts of the district so residents have a chance to sign the petition and petition takers inform all residents of the district about the project. The well-known political block system ensures excellent coverage. Make sure petitioners use their given names when signing (e.g., Raymond J. Jones versus “Red” Jones; Arlene Selma John verses Mrs. Elmer John). The street address, of the petitioner, must also be included.

At least 25 percent of the number of voters voting in the last election of school officials must sign the petition. (Iowa Code section 296.2) When enough signatures have been obtained, a legal voter of the district must file the petitions with the president of the board. It is the Board Secretary’s responsibility to examine the petition before it is accepted for filing.

Be sure the proposition to be voted on conforms to the petition submitted by the electorate. If the amount of the bond issue is less than one and one-fourth percent of the assessed value of the school district, the board may call an election without the presentation of a petition. (Iowa Code sections 296.2 and 298.21); however, if petitions are not circulated, the board loses a good means of distributing information.

Once the petition begins to circulate, no district (public) funds or resources (such as email system, teacher mailboxes, postage meter, phones, etc.) may be used for the express advocacy to support or oppose a ballot issue, such as “vote yes” or “vote no” documents, signs, or brochures. All such items must be funded from an outside, non-district source. A common example is a capital improvement plan committee. District funds and resources may be used for communicating factual information about the project, such as tax implications, and encourage people to vote without any suggestion as to how the district believes someone should vote. The local school board may also express an opinion on a ballot issue through passage of a resolution or proclamation. (Iowa Code section 68A.505)

Step Six: Call the Election

This may be done at the same meeting at which the Board receives the petition. If it is not, within ten days after the board president receives the petition, the president shall call a meeting of the board to set the time, date, and place of the election, which may be a special election or may be held at the regular election. The Secretary of the Board shall file a signed copy of the resolution calling the election, which shall include the date of the election, with the Controlling County Auditor. (Iowa Code section 296.3)

Each county conducting an election, in which the District has territory, shall publish notice at least four days and not more than 20 days before the election in a newspaper published in the district, or if there is none, in a general circulation newspaper published in the county. (Iowa Code section 49.53)

All special elections which are authorized or required by law, unless the applicable law otherwise requires, shall be held for a school district, in the odd-numbered year, the first Tuesday in March, the second Tuesday in September, or the first Tuesday after the first Monday in November. For a school district, in the even-numbered year, the first Tuesday in March, or the second Tuesday in September. (2019 Iowa Acts Chapter 148, HF 692)

Step Seven: Campaign for Passage

The district must inform the voting public about the bond election, identifying why the bond is needed to improve educational opportunities for present and future children in the school district. Sharing information during public forums and community groups can assist with this task, as can print items such as leaflets, brochures, pamphlets, and newspaper ads. District communication should be limited to providing factual information. No district-funded documents should include any “vote yes” or “vote no” suggestions; however, they may include general encouragement to participate in voting.

On the day of election, ensure compliance with the letter of the law governing election procedures. A bond election for school buildings and/or sites must be approved by at least 60 percent of those voting. All ballots cast and not counted as a vote for or against the proposition shall not be used in computing the total votes cast on the issue. If the bond issue fails, such proposal, or any proposal which incorporates any portion of the defeated proposal, shall not be submitted again to the voters for six months (Iowa Code section 75.1).

Step Eight: Approve Preliminary Plans

When a bond election passes, the board will need to work with the Architect/Engineer to have a complete set of Construction Documents to submit to contractors for bidding. This means the Board will need to approve Schematic Drawing, Design Development, and ultimately, the final Construction Documents. These actions should be recorded in the board minutes. The final preliminary plans must be a translation of the educational specifications to a tangible building that will serve the educational needs of students today, as well as in the future.

All newly constructed buildings and structures of which are paid for in whole or in part with moneys appropriated by the state, but which are not wholly owned by the state are subject to the plan review and inspection requirements of the State Building Code Commissioner's office. If a city within the school district has adopted a building code, electrical code, mechanical code, and plumbing code and performs inspections pursuant to such codes, such buildings or structures shall be built to comply with such codes. However, if a city has not adopted a building code, electrical code, mechanical code, and plumbing code, or does not perform inspections pursuant to such codes, such buildings or structures shall be built to comply with the state building code and shall be subject to a plan review and inspection by the commissioner or an independent building inspector appointed by the commissioner. A fee shall be assessed for the cost of plan review and the cost of inspection (Iowa Code section 103A.10A).

The State Building Code Commissioner's Office will make sure the building is accessible to the physically disadvantaged and that it meets state energy efficiency standards.

The board must submit the final plans to the state fire marshal for approval. (Iowa Code, chapter 100)

If applicable, the board must submit plans in accordance with the Life Cycle Cost Analysis requirements of Iowa Code section 470.

The board must also be in compliance with the Minimum Plumbing Facilities for all places of public gathering. (Iowa Code section 104B)

Step Nine: Sell Bonds

Between the time the board approves the preliminary and final plans, it should prepare to sell the voted bonds by:

- A. Contracting with a competent bonding attorney to handle the transaction. No commission may be paid in connection with the sale of school bonds; the only allowable expenses are those incurred in advertising. (Iowa Code section 75.6) *See Additional Note B below.*
- B. Preparing an official statement, subject to federal securities laws, for potential bond buyers, which contains information about the district.
- C. Publishing a notice of sale at least once, not less than four nor more than 20 days prior to the scheduled bond sale date in at least one newspaper located in the county. The time and place of the sale, the amount to be offered and other pertinent information must be included. (Iowa Code section 75.2)

Bonds may be sold at a price not less than ninety-eight percent of par, plus accrued interest from the date of the bonds to the date of delivery of the bonds. (Iowa Code section 75.5)

Public bonds issued by school districts may be in one or more denominations as provided in the proceedings of the governing authority. (Iowa Code section 75.10) The interest rate established must conform to the rules as provided in Iowa Code section 74A.6.

Bidders may submit sealed bids any time before the call for open bids. The board may call for open bids only after all sealed bids are filed. Sealed bids should be opened with the best sealed bid noted in the minutes. (Iowa Code section 75.3) The board may accept the lowest bid or may reject any or all of the bids and advertise a new sale. (Iowa Code section 75.4)

Bonds shall not run for more than twenty years per series and be payable semiannually (Iowa Code section 298.22).

Expenses for printing and engraving bonds may be paid from the general fund (Iowa Code section 298.22). When the bonds are issued, the secretary of the board registers them in a book kept for that purpose and delivers them after they have been properly countersigned. The president of the board must sign the bonds and the secretary must countersign them. (298.22) *See Additional Note A below.*

Additional Note A: The Board President and Board Secretary may electronically sign the bonds, but the district may contract with a corporate paying agent, registrar and transfer agent who shall keep the record of ownership of the bonds. Most bonds are registered in the name of Cede & Co., who tracks the actual owners of the bonds..

Additional Note B: Paying the bond lawyer, financial advisor, bond rating agency, corporate registrar and paying agent, underwriting expenses, and other expenses are legal uses of the bond proceeds.

Step Ten: Approve Final Plans, Specifications, and Bidding Requirements

Approval of the final plans and specifications should be recorded in the minutes of the board of education. The board must:

- A. Adopt proposed plans and specifications and a proposed contract form for any improvement costing more than \$139,000, and set a time and place for hearing.

The board must hold a hearing to enter into a contract for the public improvement costing more than \$139,000. Notice of the hearing must appear in at least one general circulation newspaper at least 10 days before the hearing. (Iowa Code section 73A.2) At the hearing, any person interested may appear and file objections to the proposed plans, specifications or contract for, or cost of such improvement. The school district shall hear objections and evidence for or against and enter the record of its decision. (Iowa Code section 73A.3)

The procedures for dealing with objections and appeals are discussed in the Iowa Code sections 73A.4 to 73A.15.

- B. Comply with Iowa Code Chapter 26 Public Construction Bidding.

If the estimated total cost of the construction project exceeds \$100,000, or the adjusted competitive bid threshold¹ (\$139,000 for 2019), the school district must advertise for sealed bids for the proposed public improvement by publishing a notice to bidders. (Iowa Code section 26.3)

Notice to bidders must be published at least once, not less than 13 days and not more than 45 days before the date for filing bids, in a newspaper published at least once weekly and having general circulation in the school district. Additionally, the school district may publish a notice in a relevant contractor organization publication and a relevant contractor plan room service with statewide

¹ The current competitive bid threshold is available on the Department of Transportation website (https://iowadot.gov/local_systems/publications/Bid-and-quote-thresholds)

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circulation, provided that a notice is posted on a website sponsored by either a governmental entity or a statewide association that represents the school district. (Iowa Code section 26.3)

School district shall not divide the public improvement project into separate parts, regardless of intent. (Iowa Code section 26.5)

The notice to bidders shall adequately notify a potential bidder of a proposed bid and shall include the following items:

- The time and place for filing sealed proposals.
- The time and place sealed proposals will be opened and considered on behalf of the school district.
- The general nature of the public improvement on which bids are requested.
- In general terms, when the work must be commenced and completed.
- That each bidder shall accompany the bid with a bid security and as specified by the school district.
- Any further information which the school district deems pertinent.

The notice to bidders may provide that bids will be received for the furnishing of all labor and materials and furnishing or installing equipment under one contract, or for parts thereof in separate sections. (Iowa Code section 26.7)

C. Require bid security.

Each bidder shall accompany its bid with a bid security as security that the successful bidder will enter into a contract for the work bid upon and will furnish after the award of contract a faithful performance of the contract, in an amount equal to 100% of the amount of the contract. The bid security shall be in an amount fixed by the school district and shall be in the form of a cashier's check or certified check drawn on a state-chartered or federally chartered bank, or a certified share draft drawn on a state-chartered or federally chartered credit union, or the school district may provide for a bidder's bond with corporate surety satisfactory to the school district. (Iowa Code section 26.8) The bidder's bond shall contain no conditions except as provided in this section of Iowa Code.

The school district shall fix the amount of bid security prior to ordering publication of the notice to bidders and such amount must equal at least 5%, but shall not exceed 10%, of either the estimated total contract cost of the public improvement or the amount of each bid. (Iowa Code section 26.8)

When opening and considering bids, the date and time that each bid is received by the school district, together with the name of the person receiving the bid, shall be recorded on the envelope containing the bid. All bids received after the deadline for submission of bids as stated in the project specifications shall not be considered and shall be returned to the late bidder unopened. The school district shall open, announce the bid amount, and file all proposals received, at the time and place specified in the notice to bidders. (Iowa Code section 26.10)

By resolution, the school district will award the contract for the public improvement project to the lowest responsive, responsible bid submitting a sealed proposal. All bids may be rejected if not satisfactory and new bids requested. (Iowa Code sections 26.9, 26.10 and 73A .18)

The school district shall report the results of the bidding with the school board's recommendation to the next regular school board meeting or at a special meeting called for that purpose. (Iowa Code section 26.11)

Step Eleven: Complete the Project

Project procurement in the public sector for the state of Iowa is based on a design / bid / build process, in which the lowest responsible and responsive bidder is awarded the contract. Bidding guides and manuals are available on the Master Builders of Iowa (MBI) website (refer to the [Bidding and Project Procurement](#) section).

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The board should request a preconstruction meeting with all contractors to be facilitated by the architect, as well as, regular and frequent inspections and progress meetings by the architect as part of their contract. No changes in the plans or specifications should be made without a written change order signed by the architect.

On large projects, the board may contract a construction manager to work with the contractors and architects to see that the plans and specifications are being followed.

Finally, the board should approve payment for work completed, for materials received per the contract, and for applications as approved by the architect.

Step Twelve: Hold Post-completion Activities

Once the project has reached substantial completion, when the work is complete in general accord with the contract and can be safely used by the school district for its intended purpose, the board should hold an open house to give the public a chance to view and experience the new facility.

Appendix A – Selecting an Architect

Design Competition

The district compensates several architectural firms for designing and planning a building before any firm is hired. This method is time-consuming and expensive, thus is rarely used.

Direct Appointment

The board selects an architectural firm on the basis of its knowledge of the firm's reputation, experience, ability and past performance.

Comparative Selection

The board contacts a number of architectural firms and informs them of the general nature of the project and inquires whether an architect from the firm is interested in competing for the commission. All interested architects are asked to submit detailed information about their firms to the selection committee for review.

The information submitted should include:

- The name, address and type of organization.
- A brief history of the firm, its record of growth, types of work, and any specialties.
- A list of key staff members and the professional background of each.
- A list of projects completed in recent years, including type, size, cost, location, and date.
- A list of references, including clients, contracts, and financial institutions.
- A statement of policy for the handling of the project, participation of key staff, assignment of personnel, engineering services, and other special services.
- A copy of the firm's brochure, plus plans and photos of completed projects.

After reviewing the submitted information, the board should select three or four architects for personal interviews. The interview schedule, allotting the same amount of time for each architectural firm, should be available to all concerned parties.

After the interviews are conducted, the selection committee should visit the home office and the completed projects of each architect before it makes the final selection.

Additional resources concerning architect selection, including an [Architect Finder](#) are available from [The American Institute of Architects](#).

Appendix B - Selecting a Construction Manager

Direct Appointment

The board selects a construction management firm on the basis of its knowledge of the firm's reputation, experience, ability and past performance.

Comparative Selection

The board contacts a number of construction management firms, informs them of the general nature of the project, and inquires whether an architect from the firm is interested in competing for the commission.

All interested construction management firms are asked to submit detailed information about their firms to the selection committee for review. The information submitted should include, but not be limited to:

- The name, address and type of organization.
- A brief history of the firm, its record of growth, types of work, and any specialties.
- A list of the key staff members, with the professional background of each.
- A list of educational projects completed in recent years, including type, size, cost, location, and date.
- A list of references, including clients, contracts, financial institutions, and architects.
- A statement of their construction management approach and proposed services, including the assignment of personnel and other special services.
- Past record of performance of the firm regarding quality of work, ability to work within budget constraints, ability to meet schedules, and follow-up on building problems after substantial completion.
- A copy of the firm's brochure, plus plans and photos of completed projects.

After reviewing the submitted information, the board should select three or four construction management firms for personal interviews. The interview schedule, allotting the same amount of time for each firm, should be available to all concerned parties.

After the interviews, the selection committee should visit the home office and the completed projects of each construction manager before it makes the final selection.

Additional resources regarding construction management are available through the [Construction Management Association of America](#).