

# Information on the Referendum Questions

*By Paul Durand, Superintendent*

As we near Election Day, most of us are carefully reviewing facts about the options on the ballot and deciding which candidates and what issues we will support.

The Rockford School Board and administration work hard each year to uphold Rockford Area Schools' mission—*A Tradition of Excellence, One Student at a Time*. Excellence requires careful planning and analysis of the district as a whole, including fiscal oversight. The district's enrollment and development of future budget projections have been a main focus, especially given small state aid increases each year. The responsibility for fiscal oversight of the district's resources while maintaining a Tradition of Excellence has led our Board members to place two referendum questions on the November 8th, 2016, general election ballot.

In Minnesota, general funding for public education comes from three sources: state aid, federal aid and local support. According to our most recent audit report in June 2016, the school funding breakdown is 63% from state sources, 34% from county and local sources, and 3% from federal sources. Since 2003, the state General Education Revenue formula has not kept pace with inflation or rapidly rising costs such as health insurance and special education—costs that are increasing at a rate greater than inflation. For fiscal year 2016 and 2017, the State Legislature increased the school funding formula for state aid 2% per year. However, even with no changes in programming or staffing in the district, expenses in the district increase at approximately 5% per year, leaving us a 3% shortfall annually. (Source: Ehlers and Associates) The education funding shortfall, coupled with unpredictable costs in health insurance and special education, has made local referendum funding a critical and necessary piece of our budget planning.

Rockford Area Schools' voters last approved a five year local operating referendum (61% in favor, 39% opposed) in November 2009. This operating levy generated approximately \$750,000 per year, allowing the school board to meet the basic costs of operating our schools, including teachers, staff, programming, supplies, heating and lighting, etc. The 2009 local levy expired in June 2015. We currently do not have a voter-approved local levy to support our schools.

**Spending where it counts—in our classrooms.** Through strategic financial planning, our district has been able to direct over 90% of the general operating budget into instructional and pupil support services. Some of the financial efficiencies that allow funds to be channeled into the classroom include participating in a solar panel project and Xcel Energy's curtailment program to lower electricity costs in the long-term; promoting enrollment growth to increase revenues, and refinancing long-term debt to lower interest rates and save local taxpayer money.

**Spending less on administration and debt service.** Rockford Area Schools spends less on district administration, school administration and central office support (\$824 per pupil) than other school districts our size in the 1000-1999 total student enrollment category that average at \$962 per pupil. We also spend less than the state average of \$991 per pupil.

Since July 2010, our district has refunded three different bonds, saving Rockford Area Schools' taxpayers over \$3 million dollars of total debt service costs on the bonds.

**Per-pupil spending in Rockford.** The Rockford School Board and administration are fiscally conservative and work to operate the district as efficiently as possible. Rockford spends less per pupil than the state average, while still offering award-winning, quality programs and services. In fact, the district spends \$785 less per pupil than the state average.

**Local revenue.** In the chart below, we can see that Rockford has a total local revenue authority of \$724, the amount allowed without a voter-approved operating levy referendum.

**Total Revenue Authority Annual School Tax**

	(per pupil unit)	on a \$200,000 home
Osseo	\$2,043	\$637
Orono	\$1,912	\$410
Wayzata	\$1,870	\$435
Delano	\$1,084	\$406
St. Michael-Albertville	\$724	\$254
<b>Rockford</b>	<b>\$724</b>	<b>\$238</b>
Buffalo	\$724	\$213

This compares with area school districts total local revenue authority with a voter-approved operating levy, and the impact on school property tax on a \$200,000 home. In fact, 99.4% of districts have referendum revenue plus local optional revenue authority averaging \$1,141 per pupil. (Source: Ehlers and Associates)

There are 221 Minnesota school districts with voter referendum authority in excess of \$724 per pupil. Rockford is currently not one of them. Rockford Area Schools ranks 294th for revenue out of 333 school districts in the state, according to the 2016-17 State of Minnesota Revenue Rankings.

Please feel free to stop in, call (office: 763-477-9165 x4002) or send me an email ([durandp@rockford.k12.mn.us](mailto:durandp@rockford.k12.mn.us)) anytime you have a question or concern. Thank you for your continued support of our students of Rockford Area Schools!

*This information is prepared and paid for by Independent School District No. 883 (Rockford Area Schools), 6051 Ash Street, Rockford, MN 55373. This document is not prepared on behalf of any candidate or ballot question.*

## On the Ballot

<p style="text-align: center;"><b>School District Question 1</b> <b>Approval of School District</b> <b>Referendum Revenue Authorization</b></p> <p>The board of Independent School District No. 883 (Rockford Area Schools) has proposed to increase its <b>general education revenue</b> by <b>\$1,142 per pupil</b>. The <b>proposed referendum revenue authorization</b> would be <b>applicable for nine years</b> unless otherwise <b>revoked or reduced as provided by law</b>.</p> <p>Shall the increase in the revenue proposed by the board of Independent School District No. 883 be approved?</p> <p style="text-align: center;">YES</p> <p style="text-align: center;">NO</p> <p>BY VOTING "YES" ON THIS BALLOT QUESTION, YOU ARE VOTING FOR A PROPERTY TAX INCREASE.</p>	<p><b>Question 1 –What it means</b></p> <p><b>General education revenue:</b> This means the money the district receives to pay for the general costs of educating students: teachers, books, heat, lights, transportation, etc.</p> <p><b>\$1,142 per pupil:</b> This is the total amount of referendum levy dollars the district would receive for each student. This is not your annual tax increase.</p> <p><b>Proposed referendum revenue authorization:</b> This simply means the proposed levy question. When the majority of voters vote “YES” on a referendum levysag question, they give their elected officials, the School Board, the “authority” to include the voter-approved amount in the tax levy the board approves annually.</p> <p><b>Applicable for nine years:</b> If approved, the levy will be billed to resident property taxes for nine years.</p> <p><b>Revoked or reduced as provided by law:</b> The school board or State Legislature may choose to discontinue or reduce a levy before it expires. There is also a process to recall a levy by petition.</p>
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<p style="text-align: center;"><b>School District Question 2</b>  <b>Approval of Capital Project Levy</b>  <b>Authorization to Fund Technology</b></p> <p>The board of Independent School District No. 883 (Rockford Area Schools) has also proposed a <b>capital project levy</b> authorization in the amount of <b>3.834% times the net tax capacity</b> of the school district. The proposed capital project levy authorization will raise approximately \$395,100 for taxes <b>payable in 2017</b>, the first year it is to be levied, and would be <b>authorized for nine years</b>. The estimated <b>total cost of the projects to be funded over that time period is approximately \$3,555,900</b>. The money raised by this authorization will provide <b>funds for the acquisition, installation, replacement, support and maintenance of software, computers, mobile devices, improved technology, technology systems, networks, infrastructure, office and instructional technology, and related training</b>.</p> <p>Shall the capital project levy authorization to fund technology proposed by the board of Independent School District No. 883 be approved?</p> <p style="text-align: center;">YES</p> <p style="text-align: center;">NO</p> <p>BY VOTING "YES" ON THIS BALLOT QUESTION, YOU ARE VOTING FOR A PROPERTY TAX INCREASE</p>	<p><b>Question 2 –What it means</b></p> <p><b>Capital project levy:</b> This is a term used in state law enabling school district to seek voter authorization to provide funds for an approved project, in this case, technology.</p> <p><b>3.834% times the net tax capacity:</b> This is the proposed tax rate of the net tax capacity of our community.</p> <p><b>\$395, 100 for taxes payable in 2017:</b> The technology/capital project levy will generate approximately \$395,100 each year of the life of the levy, with the first year applied to the taxes payable in 2017.</p> <p><b>Authorized for nine years:</b> If approved, the levy will be applicable for nine years.</p> <p><b>Total cost of the projects to be funded over that time period is approximately \$3,555,900:</b> This is the estimated 9-year amount of \$395,100 each year.</p> <p><b>Funds for the acquisition, installation, replacement, support and maintenance of software, computers, mobile devices, improved technology, technology systems, networks, infrastructure, office and instructional technology, and related training:</b> This language describes how Rockford Area Schools will use revenue from the technology/capital projects levy.</p> <p>Terms used on the ballot must conform exactly to state law.</p>
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## A Note about State Property Tax Refunds

The State of Minnesota has two tax refund programs and one tax deferral program available for owners of homestead property.

The first refund program is Minnesota Property Tax Refund (aka “Circuit Breaker” Refund); the second program is a special property tax refund that is available for all homestead properties with a gross tax increase of at least 12% and the last one is a property tax deferral for senior citizens. These programs may reduce the net tax burden for local taxpayers, but only if you take time to complete and send in the form(s) - State Tax form M-1PR.

Be sure to consult your tax professional, or visit the Department of Revenue web site at [www.taxes.state.mn.us](http://www.taxes.state.mn.us) for help with the forms and instructions.