



PRESS RELEASE

June 23, 2020

CONTACT: Jeff Elstad

jelstad@isd761.org

507-444-8601

Owatonna Public Schools leadership recommends placing two school funding requests on November 2020 ballot

June 23, 2020 - Based on a thorough review of district long-term financial projections and extended planning discussions with the School Board and staff, Owatonna Public Schools leadership recommended the School Board place two school funding requests on the November 3, 2020 ballot.

The first question would ask for a simple renewal of the district's existing operating levy which is about to expire. Operating levies provide critical funding for classrooms, instruction and other operating costs. The second question would phase-in increases to the district's operating levy in 2022 and 2025. By phasing in the increase over time, it also phases in the tax impact with no tax increase until 2022. The additional revenue provided if question two is approved would enable the district to maintain quality programming and activities, appropriate class sizes and career-technical education programs, while providing financial stability for the next decade. Question two is contingent and can only pass if voters first approve question one.

"We looked at a number of options for maintaining the quality education our students deserve and our community expects, while being conscious of the economic impacts of COVID-19 on our residents," said Superintendent Jeff Elstad. "We feel this is a financially respectful and conservative approach that provides needed funding with no real tax increase until 2022."

The district's recommendation is based on inadequate state funding and unfunded mandates putting pressure on an already stretched budget:

- State funding is not keeping pace with inflation or increasing educational costs. If state funding had kept pace with inflation since 2003, Owatonna Public Schools would have received an additional \$3 million last school year alone.

- Required academic and support programs cost the district nearly \$7 million more than it receives each year from the state and federal governments.
- If the operating levy is not renewed in November 2020, the district will lose \$2.5 million per year, requiring cuts to programs and services.
- Owatonna's voter-approved operating levy is in the bottom third of the Big 9 schools - and lower than Faribault and Northfield. These levies are one way local communities support their schools and help pay for school operating costs.

These school funding requests are different than the high school bond that was approved last November. Budgets for buildings are legally separated from budgets for operations. Bonds can't be spent on programs - and operating levy dollars are used to support classroom learning and related expenses.

The School Board is scheduled to vote whether to pursue the two-question referendum at its July 13 meeting. More information about the district's financial situation is on its [Finance Facts](#) website.

###