



PRESS RELEASE

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CONTACT: Jeff Elstad

jelstad@isd761.org

507-444-8601

Owatonna School Board will place two school funding requests on Nov. 3 ballot

July 13, 2020 -- The Owatonna School Board voted unanimously to place two school funding requests on the November 3, 2020 ballot, citing the need to maintain quality programs and services as the top priority for the community's children.

The Board's decision is considered a "shared approach," because it combines budget cuts on the district side with a request for an operating levy increase on the community side. And because the levy increase would not occur until 2022, the corresponding tax increase - approximately \$10 per month on the average priced home of \$175,000 - would not occur until 2022 either.

The **first question** asks 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. Due to an inflation adjustment, the average homeowner would see a tax increase of about 50 cents per month in 2021.

The **second question** asks for a phased-in increase 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 are very conscious of both the financial needs we have as a school district and the financial challenges that COVID-19 has placed on our community," said School Board Chair Mark Sebring.

“This solution that combines budget cuts with a phased-in levy allows us to partner with our residents, and keep both our schools and our community strong.”

The decision to request support from district voters was based on a thorough review of district long-term financial projections and extended planning discussions about 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.

If voters do not approve the two ballot questions, the district will face a total of at least \$8.5M in budget cuts from 2020-21 through 2022-23, resulting in class size increases through teacher layoffs, cuts to school and district support services, and cuts to academics, activities, athletic and music programs. In 2019, the community approved bonds to build a new high school - but bond funds can’t be used for school operating costs.

“Schools are an important part of our community fabric, and educating our kids is our number one priority,” said Superintendent Jeff Elstad. “Last fall our community supported building a new high school by approving bonds. These two requests are to maintain and increase the separate funding stream that operates all our schools, and will benefit every school and every student.”

Learn more about the district’s Finance Facts [here](#).

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