

LEVY 2020 FACTS



On November 3, 2020, Owatonna School District residents will be asked to vote on two school funding requests to maintain quality academic programs and support services for students.

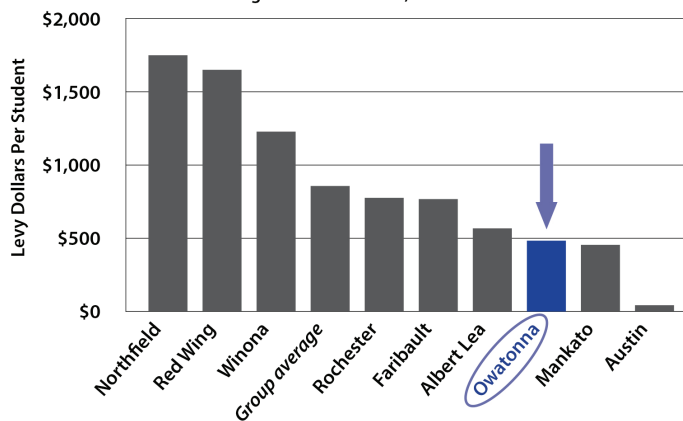
- **Q1 - Renew.** Requests a straight renewal of the district's existing operating levy which is about to expire. Operating levies provide critical funding for classrooms, instruction and other operating costs.
- **Q2 - Reinvest.** Requests a phased-in increase to the district's operating levy in 2022 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 several years. *Q2 is contingent and can only pass if voters first approve Q1.*

A shared approach

The School Board unanimously approved a shared approach that **combines budget cuts on the district side... and a request to voters to increase the operating levy on the community side.** This balance acknowledges the community impact of COVID-19 by reducing the levy request through budget cuts and using a phased-in levy to only ask for what is needed, when it's needed.

Voter Approved Operating Levies

Big 9 School Districts, 2020-21



Owatonna Public Schools' 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.

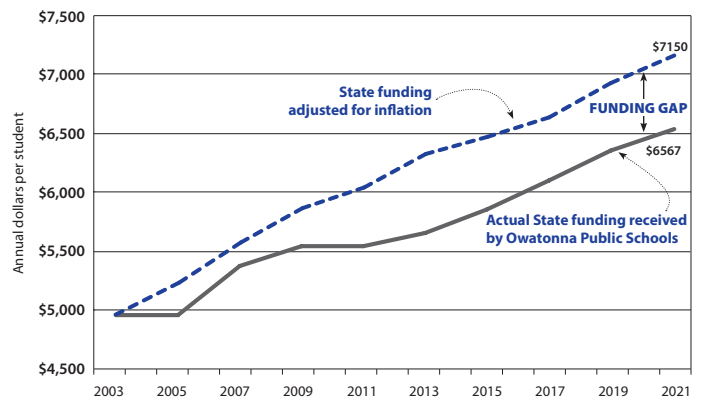
Why now?

The decision to request support from district voters was based on a thorough review of district long-term financial projections and discussions about inadequate state funding and unfunded mandates that are putting pressure on an already stretched budget.

Finance facts

- State funding is not keeping pace with inflation or increasing educational costs, resulting in a \$3 million gap.

State Basic General Education Funding per Student



Source: Minnesota Department of Education, Feb 2020 inflation estimates

- Required academic and support programs **cost the district nearly \$7 million more than it receives** each year from the state and federal governments.
- To balance the budget, the district already cut \$500,000 in 2019-20 and \$2 million in 2020-21.
- If the operating levy is not renewed in November 2020, the **district will lose \$2.5 million per year**, requiring additional cuts to programs and services.
- If voters renew the levy, **the state will match every three local dollars with one state dollar** through state equalization aid. This additional money will only come to Owatonna Public Schools if voters renew the levy and reinvest in the schools.

How does a phased-in levy work?

A phased-in levy increases the levy over time, rather than ask for the full amount all at once. This means the resulting tax increase is also phased-in over time. Because the levy increase being requested would only occur in 2022 and 2025, the tax increase for this levy only happens in 2022 and 2025. The School Board saw this as a **fiscally conservative and respectful approach**—only asking for what is needed, when it's needed.

Bonds are for building, levies are for learning

In 2019, the community approved bonds to build a new high school—but **bond funds can't be used for school operating costs**. These 2020 ballot requests are to maintain and increase the district's operating levy, which is a legally separate funding stream from building bonds. Unlike with bonds, agricultural land is not taxed on an operating levy question—only the house, garage and one acre.

Our community recognizes that **strong schools help build strong communities***:

94% rate the job performance of teachers and instructional staff as excellent or good

93% rate quality of Owatonna Public Schools education as excellent or good

91% agree the community receives a good value from its investment in our schools

*Fall 2018 community survey

Estimated Monthly Tax Increase*

	2021	2022	2025
Q1: Renew existing levy	+\$0.50	+\$0.50	+\$0.50
Q2: Reinvest by increasing levy	\$0	+\$10	+\$10

*School tax increase estimates are for this referendum only and are based on the \$175,000 average home value in the district. An online tax impact calculator is available at isd761.org/levy.

What if both questions fail?

If voters do not approve the two ballot questions, the **district will face a total of at least \$8.5 million in budget cuts from 2020-21 through 2022-23**, resulting in class size increases through teacher and staff layoffs, cuts to school and district support services, and cuts to academics, activities, athletic and music programs.

Voting Information

Polls will be open 7:00 a.m. to 8:00 p.m. on November 3, 2020—but **you can avoid lines and any health concerns by voting early**. Absentee/early voting begins September 18 and can be done in-person at the Steele County Auditor's Office located at 630 Florence Avenue or by applying for your ballot online at www.mnvotes.org and then mailing it in before Election Day. Learn more about where and how to vote at www.isd761.org/levy.

Learn more

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