



# Referendum Considerations #3

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School Board Work Session  
March 25, 2021

# Purpose of Tonight's Discussion

## Direction Needed Now:

- Would board like to consider lease levy option for Brookview?
- What is the board's timeline for a bond?
  - November 2021?
  - Sometime in 2022?  
*(Possible dates Feb, April, May, Aug, Nov)*

## Future decision points:

By this summer, the board will need to determine:

- What is included in referendum
- Number of ballot questions
- Total amount of referendum request
- How new funding will be invested

# Decision-Making Process

- **Administration:**  
Provides information and offers recommendations for board consideration
- **School board:**  
Makes final decisions

## Key Board Decision Points:

- What is included in referendum:
  - levy renewal?
  - additional operating levy?
  - capital projects/technology levy?
  - bond?
- Number of ballot questions
- Amount of referendum request
- How new funding will be invested

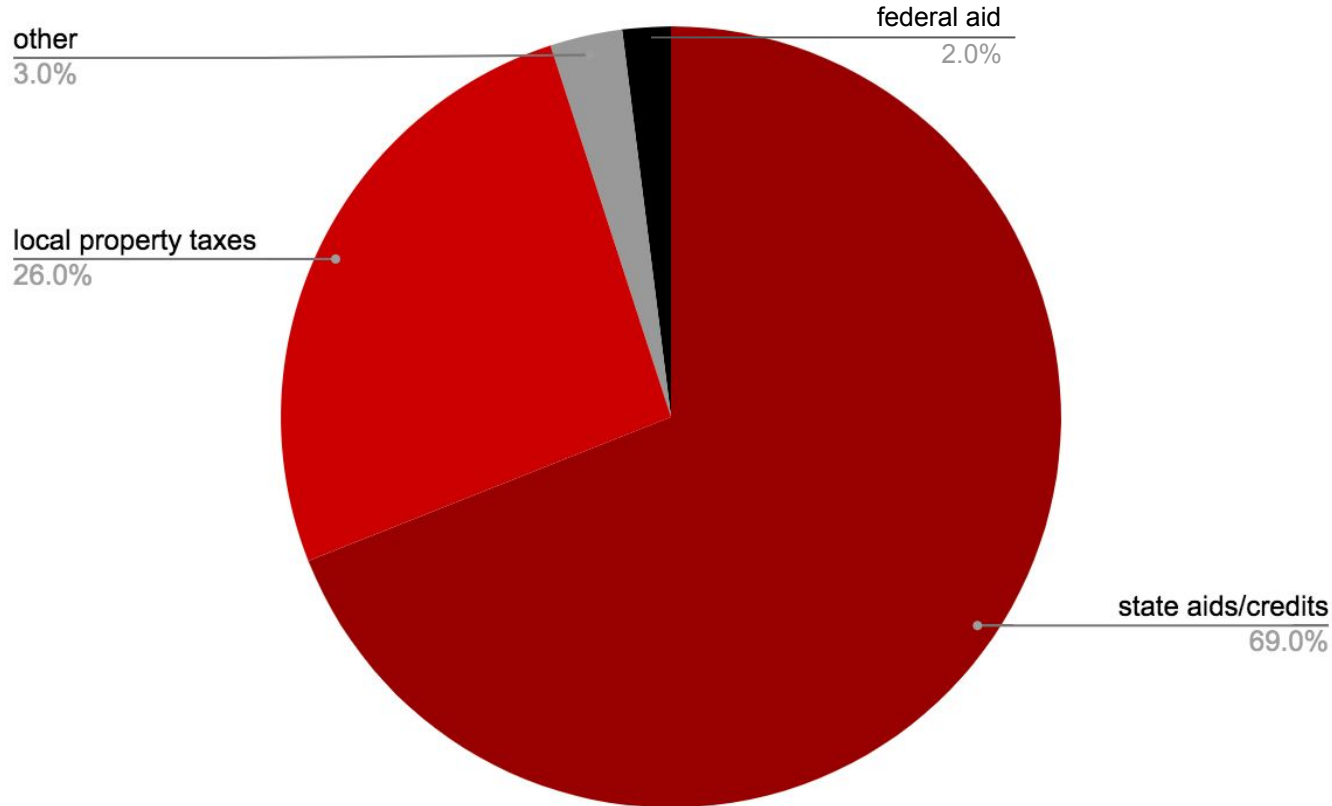
*Funding Needs =*  
**Levy For Learning**



*Facility Needs =*  
**Bond and/or  
Lease Levy**

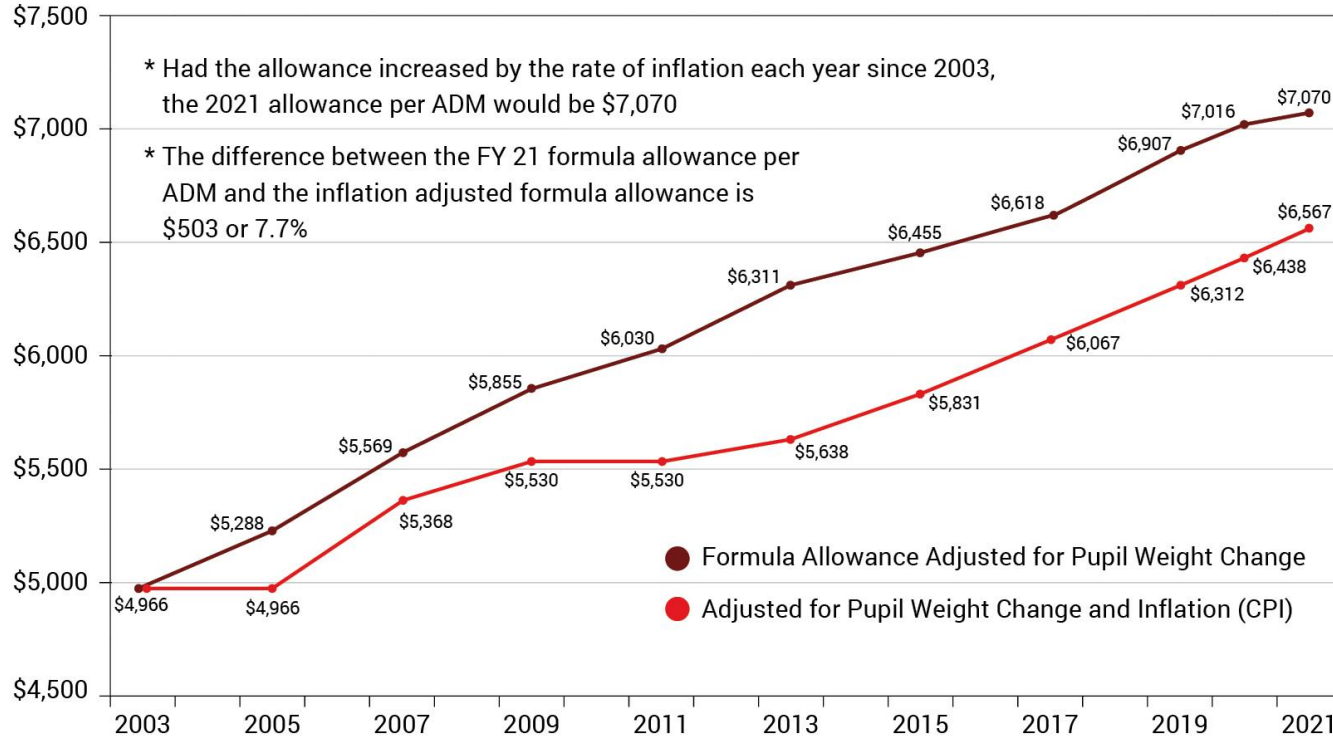


# Where Our Money Comes From



# General Education Formula Allowance, 2003-2021

Adjusted for Pupil Weight Change and Inflation (CPI)



Funding Gap  
= \$503/pupil

Source: MDE June 2020 Inflation Estimates

## **Current Reality:**

School districts  
across the state  
are facing a  
significant funding  
shortfall

## **Why the funding shortfall?**

- State funding is not keeping pace with inflation or increasing costs, resulting in a nearly \$4 million gap each year.
- Unfunded mandates - for things like Special Education, testing, teacher evaluations - cost the district millions of dollars each year.

## **New challenge:**

We've lost 3% of our student enrollment this year as a result of COVID-19. That's a loss of \$3 million in state aid.

## Renewing existing levy isn't enough

- Existing levy does not maintain current programming
  - We've cut our budget 3 times (totaling \$7 million) since levy was approved in fall 2013
- Even with levy renewal, we'd face ongoing budget reductions of \$1.5 - \$2 million annually based on inflation and enrollment

## Additional levy dollars are needed

- New funds are needed to maintain current programming and cover ongoing inflationary costs
- Any additional funds from a levy increase could support new initiatives, such as:
  - Academic support/intervention = \$1.3 million
  - Career Pathways and High school schedule = about \$2 million
  - Mental Health support = \$550,000
- New funding from Capital Projects/Technology levy could:
  - Free up \$2.8 million in general fund dollars
  - Support a 1:1 technology program



# Facility Needs

## Top Priorities *(as identified by Community Design Team)*

- Expand Brookview Elementary to address crowding
- Replace Lake Elmo Elementary to address crowding and equity concerns

*See full list of priorities identified by Community Design Team [online](#)*

## Considerations:

What will enrollment look like next year and beyond?

Where should our specialized programs live?

- ALC, Transitions, Dual Language Spanish Immersion, etc.

How might boundary changes impact facility needs?

What about other facility needs?

# Lease Levy Option for Brookview

- Project cost = \$6.9 million for an 8 classroom addition
- Funded with Certificates of Participation (COP) for 16 years
- **Taxpayer impact: \$15/year on \$350,000 home\***
- Taxes payable in 2022

\*Could offset with proceeds from sale of properties

## Opportunities:

- Addresses the top priority of the CDT
- Fastest way to add space in a high- growth area of the district
- Helps alleviate space issues at both Brookview and Lake Elmo Elementary
- Potential to impact fewer families in boundary changes
- Takes advantage of favorable bidding market

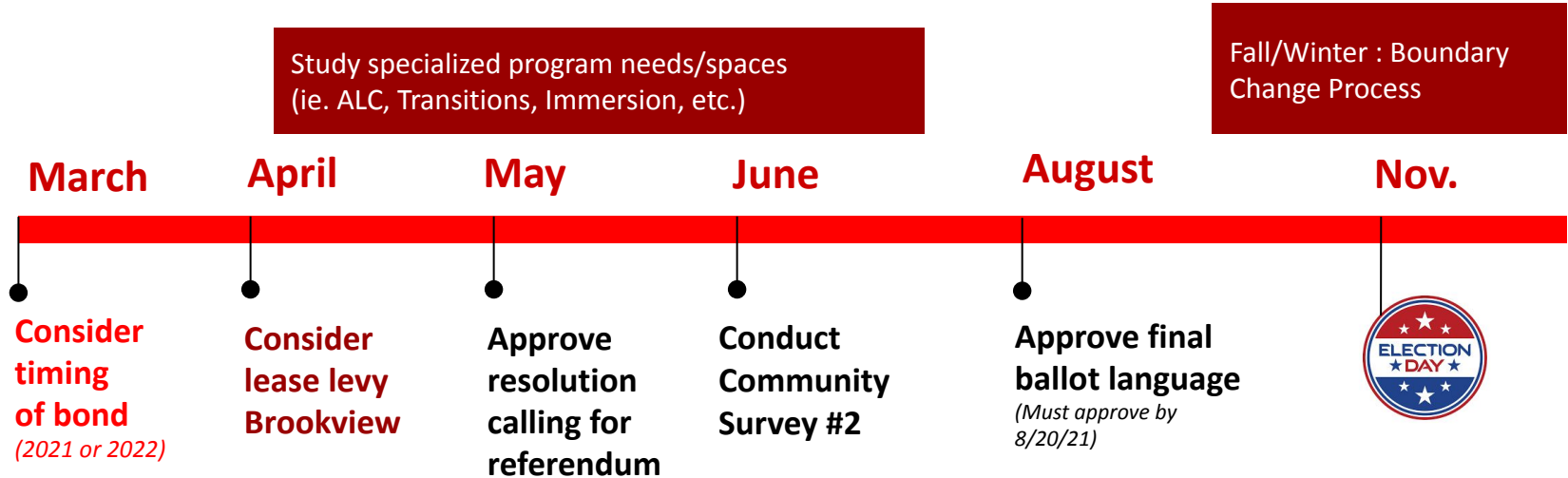
## Considerations:

- Timing with other referendum asks
- Does not require a public vote
- Doesn't address equity issues at Lake Elmo Elementary or other district facility needs

# Funding Options: Facility Improvements

	Spring 2021 Lease Levy	Fall 2021 Bond	2022 Bond <i>Special Election could be held in February, April, May, August or November</i>
Projects	Brookview addition only	<ul style="list-style-type: none"><li>• Brookview addition (if not part of lease levy)</li><li>• New Lake Elmo</li><li>• Other projects TBD</li></ul>	<ul style="list-style-type: none"><li>• Brookview addition (if not part of lease levy)</li><li>• New Lake Elmo</li><li>• Other projects TBD</li></ul>
Timeline	Open mid-year 2021-22 or Fall 2022	Open Fall 2024	Open Fall 2024 (assuming a Feb., April or May 2022 bond referendum)

# Timeline & Key Dates



*\*Items contingent on board action related to lease levy and/or 2021 bond*

## Next Steps

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# Board Discussion