

# Q & A Levy referendum questions

## Dr. Ed Richardson, Superintendent, Pelican Rapids Schools responds to common questions about the November 5<sup>th</sup> operating levy vote

The upcoming operating levy referendum is extremely important to our schools and our community.

Since the announcement of the referendum, I've heard from friends, neighbors, parents, and community members living in our school district.

I appreciate the willingness of folks to share their thoughts, ask questions, and talk about this issue. Here are questions asked by several people over the last few weeks along with my responses.

### **Why is the school district asking us to vote for an operating levy?**

Over the last 17 years,

- the state of Minnesota has not kept up with inflation in school funding;
- the cost of lights, heat, transportation, supplies, equipment, and staff has increased at rates greater than inflation.

Accounting for inflation, Pelican Rapids Public Schools received less per pupil in funding for this school year than we did in 2003.

### **Aren't we already paying extra in taxes?**

Voters approved a building bond in 2013 for the Al Siegle Activities Center, Fine Arts Auditorium, and updates around schools including science labs. Building bonds are for buildings, bricks and concrete.

A building bond takes into account taxes on agricultural land. Farmers will begin seeing a reduction in their taxes through the Ag2School Bond Credit which is increasing from 40% to 50% in 2020, to 55% in 2021, to 60% in 2022, and to 70% in 2023.

An operating levy is for learning. The school district is asking for an operating levy to help with day to day expenses like staff, supplies, and utilities.

### **Who pays for the operating levy?**

There is a difference between a building bond and an operating levy regarding who pays. Agricultural land is not taxed as part of an operating levy.

In an operating levy, farms are levied on referendum market value of the farmhouse, one garage, and one acre of land. Additional buildings, land, and equipment are not taxed through an operating levy.

Seasonal recreation property (i.e. lake cabin) is not taxed through an operating levy.

### **Why not ask for more?**

The school board made the decision to ask for \$315 per pupil based on survey results of taxpayers living within the school district boundary. Survey respondents felt the option of \$315 per pupil would be the most affordable option for our community and school district.

As a district, we made over \$1,000,000 in budget reductions going into this school year, over the last several months we developed processes in our school system to be more efficient, and we made the decision to address our needs rather than our wants.

**What will we use the money raised by the operating levy?**

The money raised will be used to maintain our programs. Total budget reductions of more than \$1,050,000 for the 2019-2020 school year included staff reductions (administration, certified, and non-certified). This led to some course offerings being limited however no programs were eliminated. Significant budget reductions for the 2020-2021 school year will impact programs.

**Will this bring back the 5-day school week?**

The operating levy will not bring back the 5-day school week. While there is interest amongst school board members to return to a 5-day school week, we need to stabilize our finances and build our fund balance in order to consider options which will carry a major ongoing financial impact. The 5-day school week should be considered permanent rather than an annual decision based on budget projections.

**How much will the levy cost me?**

The average referendum property market value in the Pelican Rapids Public Schools area is \$142,000 for a home. The tax increase for property with a referendum property market value of \$150,000 is \$69.44 per year. This equates to \$5.79 per month.