

2017 Blooming Prairie Schools Operating Levy Information

What is the purpose of this operating referendum?

Operating referendum dollars are used to support the General Fund for the Blooming Prairie School District. We have had an operating levy in place since 2001. The current operating levy is due to expire after Fiscal year 2020, since they can only be for a term of 10 years. The School Board has decided to ask the community to support renewing the current levy and also asking if they would support two additional questions. The current total levy is for \$831.28 for each pupil unit. This \$831.28 is now composed of \$424 of Local Option Revenue Authority allowed by the state, and the remaining \$407.28 being operating referendum revenue. The inflation factor will increase this to \$436 per pupil unit in taxes payable in 2019 which is the amount we are asking the community to support. There will be NO additional tax increase for Question 1. For more information on Question 2 and Question 3 please continue reading.

Why do we need to vote for it this year?

The Blooming Prairie School Board is trying to be proactive in securing their finances for future years. The last year of the current operating levy will be used for Fiscal Year 2020 or for the 2019-2020 school budget year. If this levy is authorized, the School Board will be able to plan on the funds continuing for ten years beginning with the 2019 taxes payable year, and be first used for Fiscal Year 2020 or the 2019-2020 school budget year. The main reason to have the vote early is to guarantee this funding mechanism for years to come and the School Board will be able to plan accordingly.

What is the Financial Stability of the Blooming Prairie School District?

The BP School District is in a solid financial situation. Our fund balance continues to be steady and strong. Current audit information puts our General Fund at approximately \$1,112,000 which is where the auditors like to see it. The operating levy supports this fund with about a \$790,000 contribution each year in the form of local levy and state aid.

What is the difference between an Operating Referendum and a Bonding Referendum?

The operating referendums provide monies for the General Fund. Bonding referendums are typically used for land acquisition and facility improvements. The operating referendum is taxed on the referendum market value of your property. The impact will be the same for a \$200,000 home and a \$200,000 commercial industrial property. Agricultural land beyond the dwelling value (house garage and 1-acre) and seasonal recreational property is exempt from this referendum market value levy. The bonding referendum levy is spread on the net tax capacity of the District. To arrive at this figure, class rates are applied to all the various property types. Impacts will vary based on property type for the same value of property. Even with the new Ag2School tax law, the impact with bonding referendums affects the farm and commercial property owners more.

What is Question 2 and why is it needed?

Question 2 is asking the community to support funding for technology. This question, if approved, will provide an additional \$74,751.31 to the General Fund dedicated to helping fund technology. We are a one-to-one school for grades 7 through 12. This means we have iPads for all students in grades 7 through 10, and Macbook Air laptops for all students in grades 11 and 12. We also have classroom sets of iPads for grades 4 through 6, and grade level sets of iPads for all other grades. The payment for the lease of this equipment is \$65,000 a year plus an additional \$40,000 for other technology expenses. This levy would help Blooming Prairie Schools continue to be a school with great technology support.

What is Question 3 and why is it needed?

One of the main goals for the Blooming Prairie School District is to keep class sizes small. Question 3, if passed, would provide an additional \$44,847.11 to the General Fund for the purpose of keeping class sizes small. An example of this is that this year's third grade has an enrollment of 56 students. The School Board decided to put them into 3 sections of 18/19 students instead of two sections of 28 students. This costs the district over \$50,000 to implement but the School Board feels very strongly that this money is very well spent. Question 3 would help make sure that the BP District continues to offer smaller class sizes. Another concern that we have with class sizes is that the Federal Government is reducing Title II grant funding. This year we lost approximately \$22,000 and next year we expect this funding to go away. This funding is directly linked to reducing class size.

