



Tiger Pride News and Notes Troy Giest School Board Director

Bond Referendum 2023: Seize the Savings

Hello! This is Troy Giest and I am writing to you as a member of the Stewartville School Board.

On November 7, the School District is seeking voter approval of two questions on a bond referendum. Question #1 is for the construction of a new K-2 school facility, new science classrooms at the High School, renovated science, STEM and general purpose classrooms at the Middle School and High School, secure entrances and offices at the Middle School, High School, and Bonner in the amount of \$55,670,000. Question #2 includes the construction of a second athletic court at the K-2 facility, a new community fitness center and weight room at the High School, and renovation of the weight room into a classroom at the Middle School in the amount of \$7,250,000.

Continued increases in inflation and the costs of borrowing are impacting the overall cost of the proposed projects. The increases in building materials per square foot directly impact the costs of construction. The increase in interest rates have also raised the costs of any building project. By investing now we would be saving money in the long-run. Waiting will cost even more.

Parents and community members have stated that it makes sense to build a new K-2 building north of Bear Cave Intermediate. Having grades K-2 and 3-5 in close proximity creates efficiencies for families and staff. The logistics for parent drop-off/pick-up will be easier for families to navigate. All students in Kindergarten through Grade 5 will be able to learn in a modern and safe learning environment. After-school programming may be consolidated for all K-5 students.

For district residents who own agricultural land, the Ag2School Tax Credit will reduce the property tax for the bond by 70%. The house, garage, and one acre will be taxed the same as residential property. This tax credit reduces the burden for agricultural property owners on existing and future school building bonds. This is not a tax deduction - it is a dollar-for-dollar credit. There is no application to receive the Ag2School tax credit. It is reduced automatically on the agricultural landowner's property tax bill.

Our school district qualifies for Debt Service Equalization, which provides state aid to help repay debt used to construct or renovate school buildings. This state aid helps to offset or "equalize" variations in school district property taxes. This equalization will directly benefit all property tax payers and is automatically applied to the debt.

The State of Minnesota will pay 27% of the proposed total bond project costs through the Ag2School Tax Credit and Debt Service Equalization. For these projects, the State would pay approximately \$16,988,400.

If you have any questions about the bond referendum, please contact any School Board member and/or Mrs. Selfors, Superintendent of Schools. You can also find additional information about the bond referendum at our school district website (ssd.k12.mn.us) under the **2023 Bond Referendum** tab.

Go Tigers!