

Albert Lea Area Schools

Operating Levy Referendum
November 6th, 2007

Our Children
Our Community
Our Future

Give Every Child, Every Chance, Every Day



Stable Local Funding for a Quality Education

On Tuesday, November 6, 2007 our school district residents will decide what kind of education we want for our children and our community.



Local Funding will help provide the Resources needed to:

- Reduce class sizes, especially at the lower elementary level
- Restore elementary bussing to the one mile limit
- Continue to improve student academic success in reading, math and science
- Keep the All-Day-Every Day Kindergarten program

(Continued on the next slide)



Local Funding will help provide the Resources needed to:

- Keep all four elementary buildings open as dictated by enrollment
- Keep our music and athletic programs strong
- Keep student technology up to-date
- Allow our students daily access to our libraries



Explanation of Ballot Questions

Ballot Question #1

To increase the school district's general education revenue by replacing the current operating levy, that will end in June 2008, with a \$869 per pupil levy for the next seven years. The average valued home (\$100,000) would have a \$96 per year increase if question #1 is approved

Ballot Question #2

Increase the per pupil amount in Question 1 by \$89, for a total of \$958 per pupil unit . The average valued home (\$100,000) would have a \$125 per year increase if question 2 is approved.

Ballot question #2 will pass ONLY if ballot question #1 passes with a majority of YES votes, AND ballot question #2 passes with a majority of YES votes.

You must vote on question one before you can vote on question two.



Estimated Tax Impact if Both Proposed Levy Questions are Approved

For the average valued property (\$100,000), residential, commercial/industrial or apartments, the tax increase would be \$125 per year or \$10.42 per month

Taxable Market Value:

- *\$50,000 property, \$64/year - \$5.34/month*
- *\$175,000 property, \$220/year - \$18.33/month*
- *\$250,000 property, \$316/year - \$26.33/month*

** Farm Land is Not Taxed, only homestead.*

Unpredictable State Funding

- In 2001, state lawmakers increased the state's responsibility for funding schools.

The State's share went from 74% to 90%, and as a result your school taxes dropped significantly.

- However, the following year the State froze the primary school funding formula for the next two years.
- The state also froze inflationary increases to Special Education funding for the next 5 years.

- With the cost of SpEd services continuing to increase, our general fund was forced to make up the difference. As a result, the strain on the District's financial condition increased dramatically.
- Spending more of the general fund on SpEd needs, meant spending less money on regular education students.
- In the 2007 legislative session the increase to the general fund formula was 2% for the 2007-2008 year and only 1% for the 2008-2009 school year.



Increasing Reliance on Local Levies for Funding Basic Programs

- **Starting in 2002** the State severely reduced its level of funding for schools thereby forcing that responsibility back onto the local tax payers
- **The State Legislature** has increased the maximum local operating levy amounts from \$856 per pupil in 2005 to \$1,476 per pupil in 2007
- **Confirming** the expectation that local funding is needed to meet the **basic operating needs** of the local school districts

- Our current operating levy will end in June of 2008.
- If the community does not replace this levy and increase the level of per pupil funding, many wonderful student programs will have to be eliminated.
- Our ability to prepare students for their next stage in life would be greatly impaired.



Reduction Plan Considerations

Final details of a 2008-2009 budget reduction plan have not yet been determined by the School Board, but there is clear agreement that if the operating levy referendum fails, a Two Million Dollar reduction will have to be made.

The following two slides provide a list of budget deficit reductions that the Board is seriously considering:



Reduction Plan Considerations

- Reduce grades 7-12 enrichments and elective classes
- Close one elementary building
- Reduce music and art opportunities grades K-12
- Reduce/eliminate some non-athletic activities
- Reduce/eliminate some sports programs
- Increase class sizes grades K-12



Reduction plan considerations continued:

- Eliminate the all-day-every day kindergarten program
- Reduce technology and tech support staff
- Eliminate the jobs of several teachers and administrators
- Eliminate the jobs of several custodians and secretaries
- Implement the Four Day Week

Recent History of Reductions to Projected Expenses

"Cutting to live within our means"

1990-91 Reduction	\$610,474
1991-92 Reduction	\$1,003,700
1992-93 Reduction	\$331,582
1993-94 Reduction	\$31,362
1994-95 Reduction	\$806,838
1997-98 Reduction	\$521,727
1998-99 Reduction	\$950,000
1999-00 Reduction	\$265,659
2000-01 Reduction	\$763,288
2002-03 Reduction	\$1,100,000
2004-05 Reduction	\$420,000
2007-08 Reduction	<u>\$1,000,805</u>
Total	\$7,796,435

Information Source: ISD 241 School Board Resolutions

General Fund Expenditures for the past Ten years with % +/-

1996-97	\$25,383,833	
1997-98	\$25,165,533	-0.86%
1998-99	\$25,033,848	-0.52%
1999-00	\$25,217,540	0.73%
2000-01	\$26,617,042	5.55%
2001-02	\$27,465,567	3.19%
2002-03	\$27,234,270	-0.84%
2003-04	\$30,206,413	10.91%*
2004-05	\$30,720,669	1.70%
2005-06	\$31,612,295	2.90%
	average	2.53%
	average w/out 2003-04	1.48%

* approved referendum implemented:

- added all-day-K and reduced class sizes
- health insurance costs increased by 14%



How the Albert Lea Area Schools
Compares to:
Other Freeborn County School
Districts
&
Other Like Sized Big Nine School
Districts



% of budget spent on Administration

Spending less on administration and more on classroom needs

■ Freeborn County School Districts

- Alden / Conger 10.9%
- Glenville / Emmons 8.8%
- **Albert Lea** **7.4%**

- State Average = 8.1%

*source: MN Department of Ed. web site



% of budget spent on Administration

Spending less on administration and more on classroom needs

Like Sized Big Nine School Districts

■ Austin	8.8%
■ Owatonna	8.2%
■ Winona	7.6%
■ Faribault	7.5%
■ <u>Albert Lea</u>	7.4%

■ **State Average = 8.1%**

*source: MN Department of Ed. web site



Focusing the Budget on Student Needs (% of budget spent on instruction and transportation)

Freeborn County School Districts

- **Albert Lea** **78.0%**
- Glenville / Emmons 77.4%
- Alden / Conger 73.4%

*source: MN Department of Ed website



Focusing the Budget on Student Needs (% of budget spent on instruction and transportation costs)

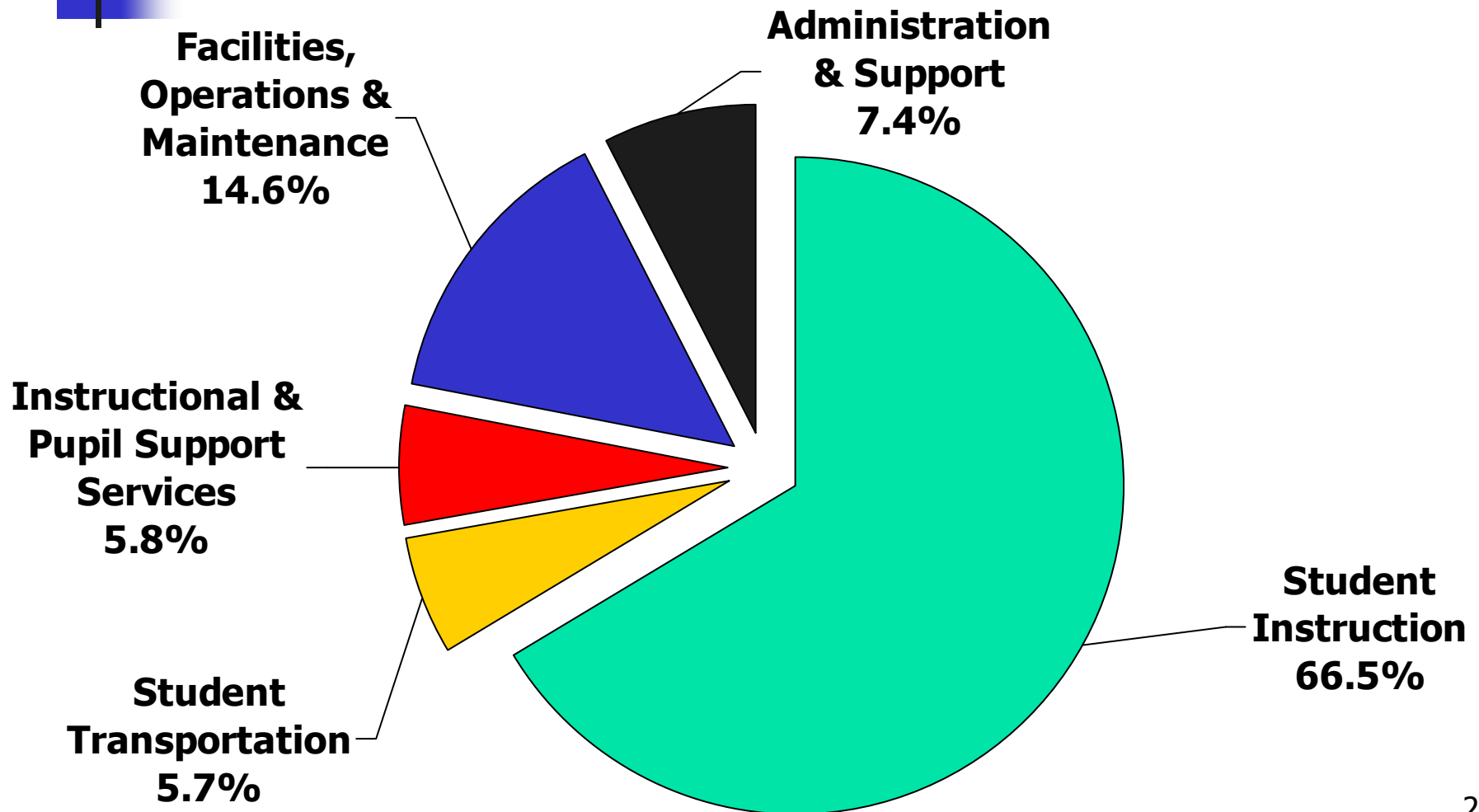
Like Sized Big Nine School Districts

■ <u>Albert Lea</u>	78.0%
■ Winona	77.6%
■ Owatonna	77.5%
■ Faribault	77.5%
■ Austin	75.5

* source: MN.Department of Ed. website

How the Money is Spent

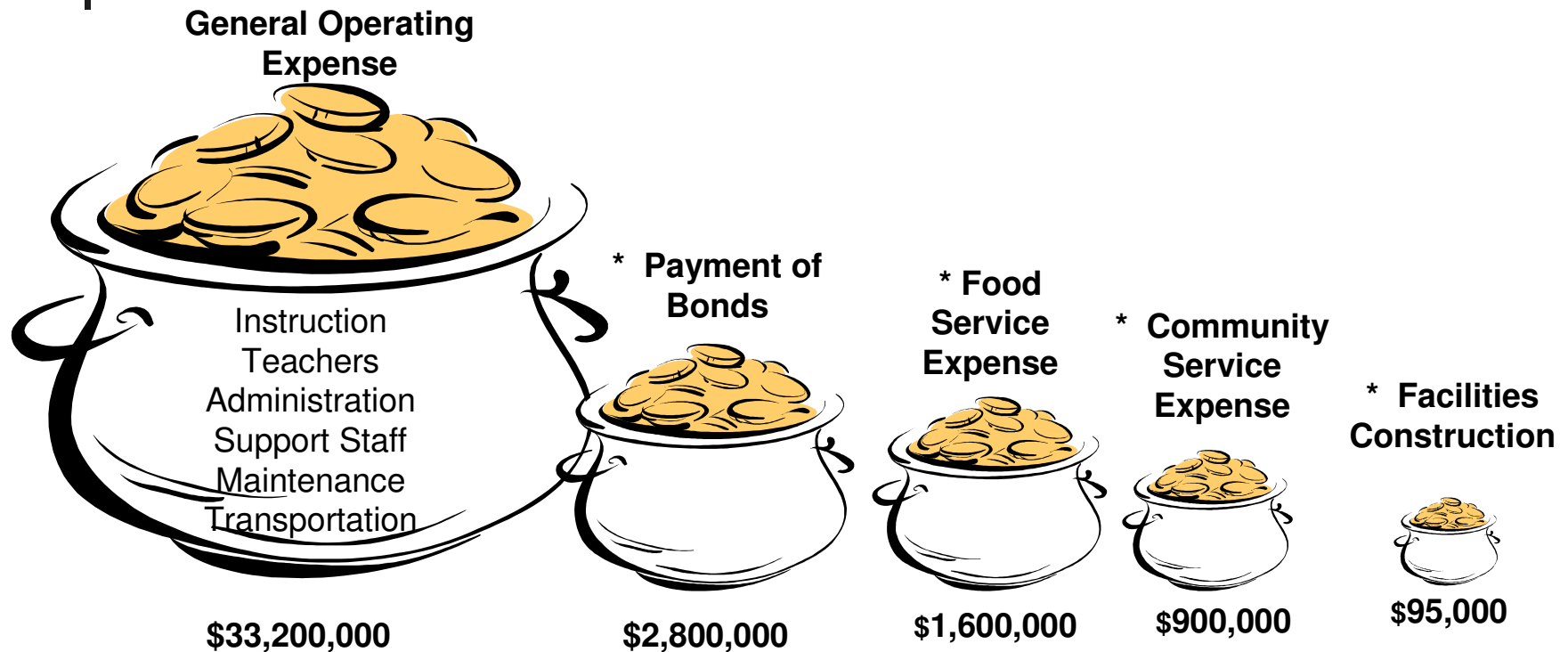
2005-2006 Expenditures



Albert Lea Area Schools

Total 2007 – 2008 Budget: \$38,000,000

This money is required by law to be spent as shown



***Money from these funding pots cannot be used for general operating expenses.**



Local Funding Support of Schools

Comparison of Freeborn County School Districts

% of Total General Fund Revenue

Glenville-Emmons	12.7%
Alden-Conger	9.6%
<u>Albert Lea</u>	<u>7.3%</u>
State Average	11.8%

Source: MN Department of Ed website



Local Funding Support of Schools

Comparison of Like Sized Big Nine School Districts

% of Total General Fund Revenues

Winona 11.5%

Austin 9.6%

Owatonna 8.9%

Faribault 8.0%

Albert Lea 7.3%

State Average 11.8%

source: MN Department of Ed website



Comparison of local Operating Levies (amount per pupil unit)

Freeborn County School Districts

- Glenville/Emmons \$882
- Alden/Conger \$504
- **Albert Lea** **\$498**

source: MN Department of Ed website



Comparison of local Operating Levies (amount per pupil unit)

Like Sized Big Nine School Districts

■ Winona	\$1,550
■ Austin	\$720
■ Owatonna	\$691
■ <u>Albert Lea</u>	<u>\$498</u>
■ Faribault	\$385

source: MN Department of Ed website



If Question One is Approved:

The two million dollar budget deficit reduction process that the staff and school board are developing would be stopped for 2008-2009.

Unfortunately, approving question one alone would not restore any significant student program reductions currently in place this school year.



If both Question One and Question Two are Approved:

The two million dollar budget deficit reduction process would be stopped. Plus the extra funding would allow us to restore some of the current student program cuts.

Assuming the state will provide adequate inflationary funding increases each year, the district would expect to maintain and enhance the quality of our educational program for students.

Our Children

need the best educational opportunities we can give them.

Our Community

needs a quality public education system to grow and prosper.

Our Future

depends on all of us accepting the responsibility for educating our children.

Thank you for your support

Vote on November 6, 2007

This presentation was prepared and paid for by Independent School District #241 (Albert Lea Area Schools), 211 West Richway Dr., Albert Lea, MN. The presentation is not on behalf of any candidate or ballot question.