



Howard Lake • Waverly
Winsted Public Schools

School Board

August 21, 2023

Theme
Key Messages
Talking Points

Overall Theme, Key Message and Talking Points

Goals: To tell your story in a few words, a few sentences, and a few paragraphs, depending on how much time you are given by your audience.

HLWW Referendum Theme

Goals: positive, localized, aspirational message, bonus:
includes a call to action

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PROPOSED THEME OPTIONS

Join the Journey

We're all Lakers Together, we're all Lakers

District-wide, Laker Pride

Schools thrive, communities (Lakers) thrive

Key Messages

Goals: positive, memorable, describes how the funds will be used

WE'RE ALL LAKERS THEME:

- We're all about building
 - Attract and retain quality staff
- We're all about learning
 - Keep class sizes low
 - Restore teaching positions that were recently cut
 - Update and enhance reading curriculum, and
 - increase music and art offerings, among other priorities
- We're all in this together
 - Community-based strategic planning process
 - Long-term opportunities with new leadership, a new approach, and new possibilities

JOIN THE JOURNEY; DISTRICT-WIDE, LAKER PRIDE THEMES:

- Learn with us
 - Attract and retain quality staff
- Grow with us
 - Keep class sizes low
 - Restore teaching positions that were recently cut
 - Update and enhance core curriculum, and
 - increase music and art offerings, among other priorities
- Live with us
 - Community-based strategic planning process
 - Long-term opportunities with new leadership, a new approach, and new possibilities

What's New?

- New Leadership
 - Superintendent
 - 2 new board members
- New Approach - Referendum
 - One question, not two
 - An amount that asks for less than the average of neighboring schools
 - Provides funds to sustain district for X years
- New Possibilities
 - Strategic planning with community engagement component later this year
 - Long-term opportunities

Talking Points

- Howard Lake-Waverly-Winsted School District will hold a one question referendum on the November 7 ballot: an operating levy for a revenue increase of \$600 per pupil, indexed to inflation for 10 years.
- Our fund balance, or savings account, will be zero in 2026 if nothing is done due to:
 - expiration of previous operating levies
 - state funding increases don't keep pace with inflation
 - end of COVID/ESSER funds
 - high cost of special education

Talking Points

- The district has been a good steward of its resources, but state funding has not kept pace with inflation. If it had, the district would have received more than \$1,250 more per pupil in 2023 - equal to \$1.6 million this year alone.
- Our taxes are low. Our operating levy expired last year and compared to the state average, HLWW is collecting \$874 less per pupil in operating levy funds - equal to \$1.1 million this year alone.
- We have the third lowest total school taxes of our 10 neighbors

Talking Points

- The revenue from the operating levy could:
 - Retain high quality staff
 - Keep class sizes low
 - Restore teaching positions that were recently cut
 - Update and enhance reading curriculum, and
 - increase music and art offerings, among other priorities
- If the referendum is approved the average priced home would see a tax increase of about \$17 monthly (\$206 annually on a \$300,000 home).

Talking Points

- Even with the approved increase in state funding and the \$550,000 in budget reductions we have already made, our budget has had a deficit the last two years, and we will be deficit spending again next year.
- If the referendum is not approved, significant budget reductions will be required for each of the next several years.
 - (List of reductions)
 - SOD - loss of local control, state tells us what to do
 - Enrollment could suffer as class sizes increase and programs and activities are cut

Talking Points

- Agricultural property will only pay this increase on one acre on which a house sits.
- The Ag2School tax credit rose from 50% in 20XX to 70% in 20XX - overall school ag taxes have been decreasing.

Let's make it better

Let's make it better

Annual General Fund Balances

Do we have a graphic?

**Update w/2024
projected**

General Fund Revenues and Expenditures

Do we have a graphic?

**Update w/2024
projected**

Why Situation Exists

Enrollment - Actual and Projected

Do we have a graphic?

**Update w/2024
projected**

Special Education Budget

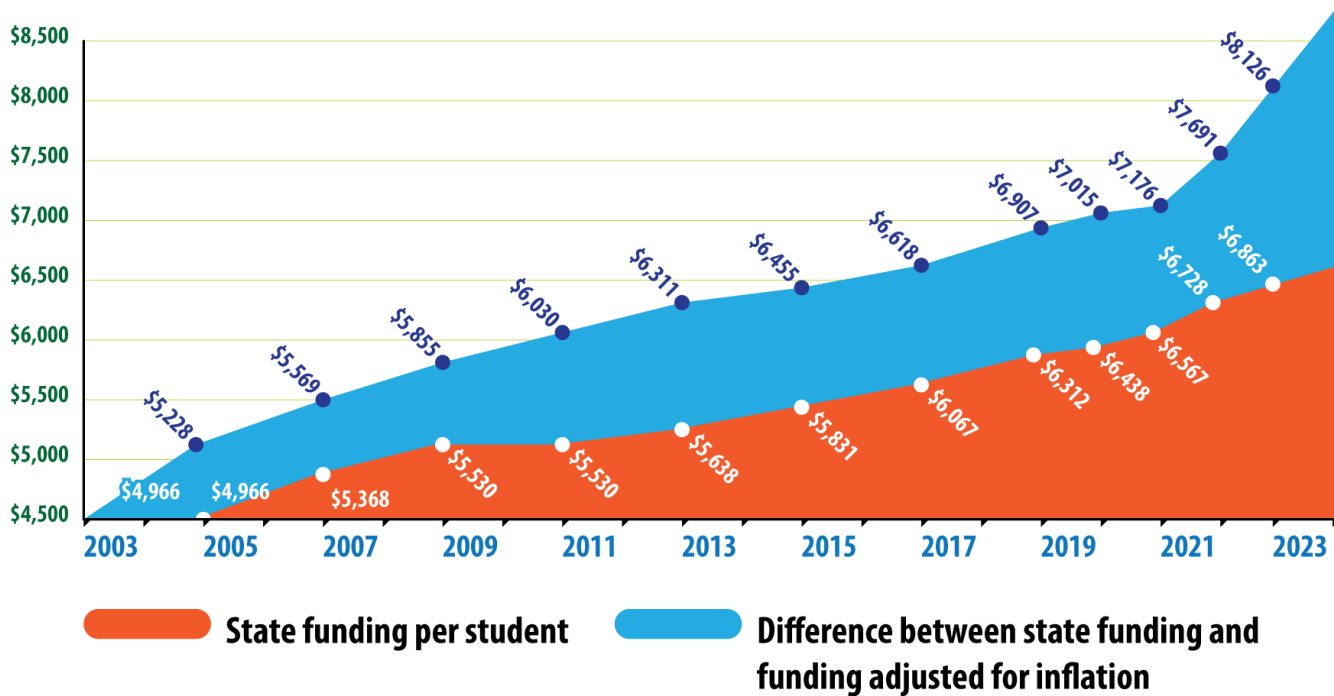
Add SE Budget over last 5 years

English Learners Budget

Add EL Budget over last 5 years

The Basic Education Formula Continues to Lag Behind Inflation

Had state funding increased by the rate of inflation each year since 2003, 2023 funding would be \$8,126 per student, \$1,263 more than actual



Source: MDE June 2022 Inflation Estimates

Our Situation: Legislative Impact

- Legislative impact
 - Summer Unemployment: Up to \$XXX - How much of the \$135 million are you getting?
 - Unfunded or not fully funded mandates - Specific impact on HLWW

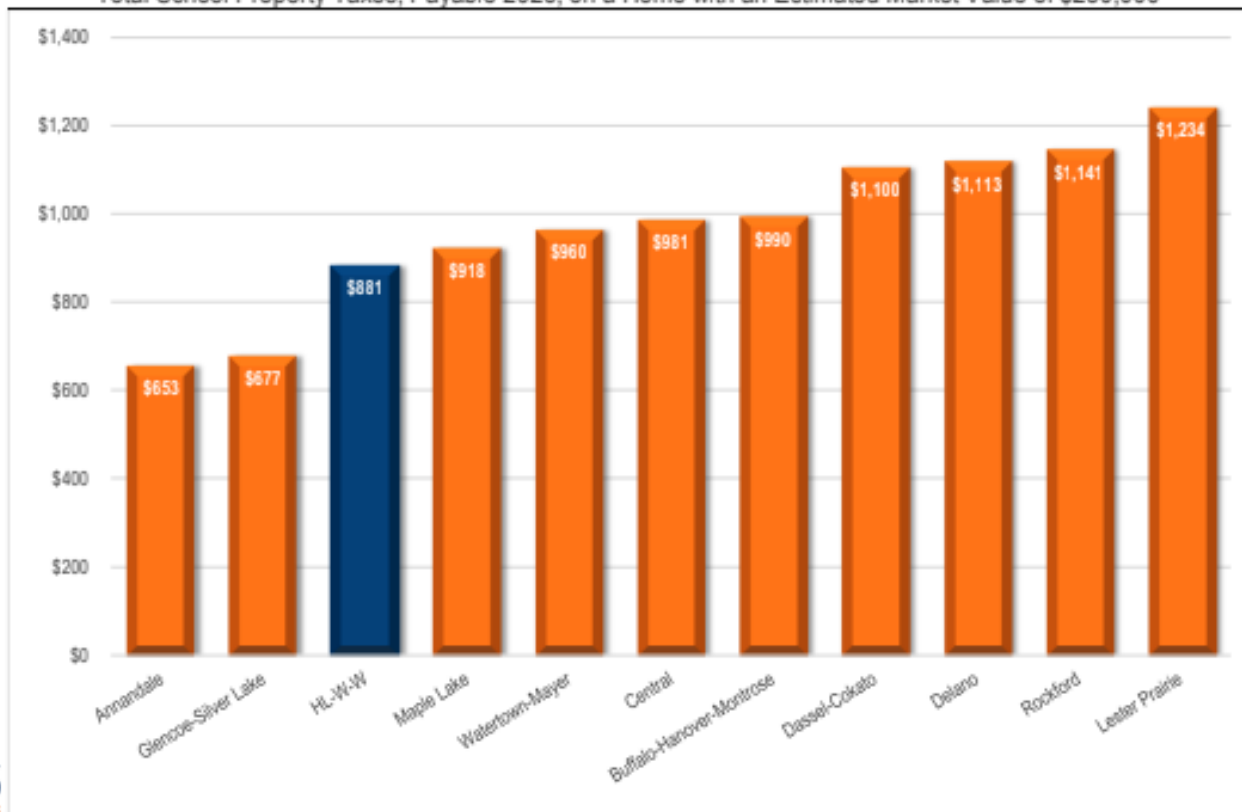
Our Situation: Legislative Impact

- Legislative impact
 - NEW SLIDE: Our district is better off than last year/worse off than last year
 - Specific Willmar Example

Other Inputs

Total School Tax Comparison

Total School Property Taxes, Payable 2023, on a Home with an Estimated Market Value of \$250,000



Financial Solutions

Financial Solutions: Current Situation

- Decreased revenue
 - Enrollments decreasing
 - State funding not keeping pace with inflation
- Increased expenses
 - Special education
 - English learner

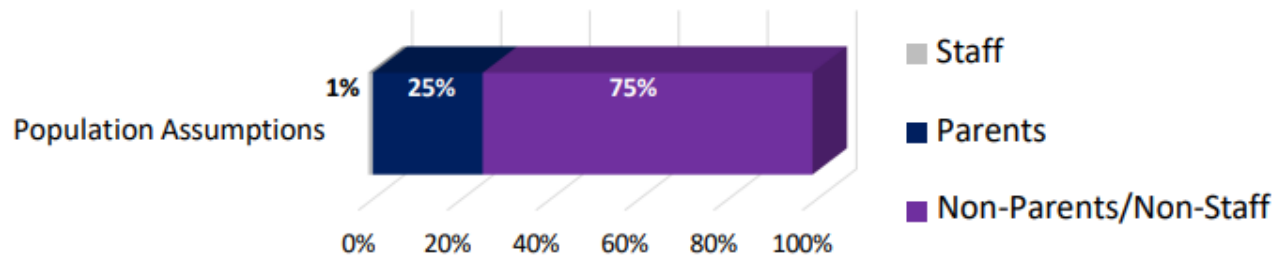
Financial Solutions

- Reduce expenses
- Increase revenue
- Combination of the two

Financial Solutions

- Reduce Expenses
 - \$2 million budget reduction for FY 24
 - Deferred maintenance

Operational Funding: Weighted Support



Weighted support for levy referendum:

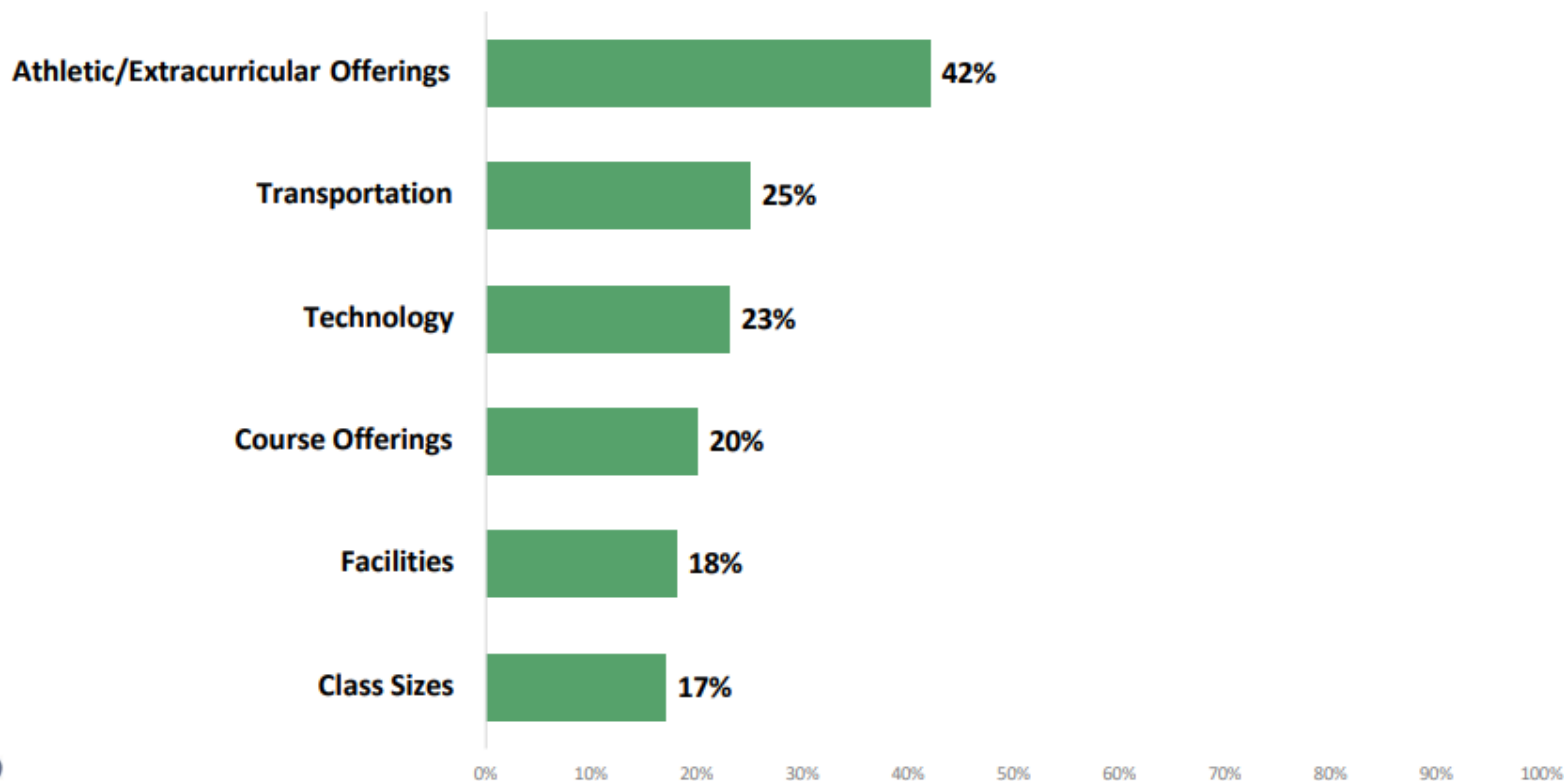
$$0.75 (32\%) + 0.25 (69\%) = \underline{\mathbf{41.3\%}}$$

Weighted support for levy referendum (w/ 1/3 of "Undecided"):

$$0.75 (39\%) + 0.25 (73\%) = \underline{\mathbf{47.5\%}}$$

Preference for Cost-Cutting Options

(Percent of respondents who answered "Yes")



Cost-Cutting Options: Priority Scores



	Staff	Parents/Caregivers	Non-Parents/Non-Staff
Athletic/Co-Curricular Offerings	3.81	4.10	6.84
Transportation	3.40	2.71	4.86
Technology	1.99	2.71	4.46
Course Offerings	2.03	2.10	4.08
Class Sizes	1.73	1.82	3.94
Facilities	1.97	2.43	3.71

Yes = 10 No = 1 Median = 5.5

Financial Solutions

Operating Levy History

YEAR	TYPE	AMOUNT	DURATION
1994/1995	Initial	\$425.64 AMCPU	3 Years
1997/1998	Renewal	\$315.00 AMCPU	5 Years
2001/2002	Replacement	\$495.00 AMCPU	10 Years
2008/2009	Additional	\$201.51 AMCPU - Total \$700.00 AMCPU	10 Years
2011/2012	Renewal	\$498.49 AMCPU	9 Years
2018/2019	Renewal	\$45.10 PPU	10 Years

What Happens if Operating Levy Doesn't Pass?

- Continued budget reductions
- General fund depleted

Summary

Summary

- Expenditures are unsustainable
- General fund will continue to be depleted
- To address financial situation, we must increase revenue/cut budget/some combination of the two
- **In conclusion: Our district is better off/worse off than last year**