



Independent School District #146  
Special School Board Meeting  
7:00 PM on July 1, 2024  
Barnesville High School  
302 3rd Street South  
Barnesville, MN 56514

1. Call to Order

Call meeting to order at 7:00 PM

2. Roll Call

Dion Bredman: Present

Marla Field: Present

Crystal Henderson: Present

David Herbranson: Absent

Ryan Lindbom: Present

Andrew Maier: Present

Jacob Thompson: Present

Present: 6, Absent: 1.

Dr. Jon Ellerbusch - Superintendent: Present

Mr. Bryan Strand - HS Principal: Absent

Mr. Todd Henrickson - Elementary Principal: Present

Mr. Aaron Schindler - Director of Student Activities and Community Education Coordinator: Absent

Ms. Jodi Samuelson - Finance Officer: Present

Guests Present: Ley Bouchard, Josh Schroeder, Jerry Tenderholt

3. Pledge of Allegiance

4. Approval of Agenda

5. Recognition of Citizens for Input Purposes

Jerry Tenderholt - There to listen to the board discussion on the November 2024 referendum.

6. New Business

A. 2024 Operating Referendum and Capital Project Levy

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# **Operating Referendum and Capital Project Levy Review**

Barnesville Public Schools, ISD No. 146  
June 17, 2024 School Board Meeting

# Tax Base by Property Type

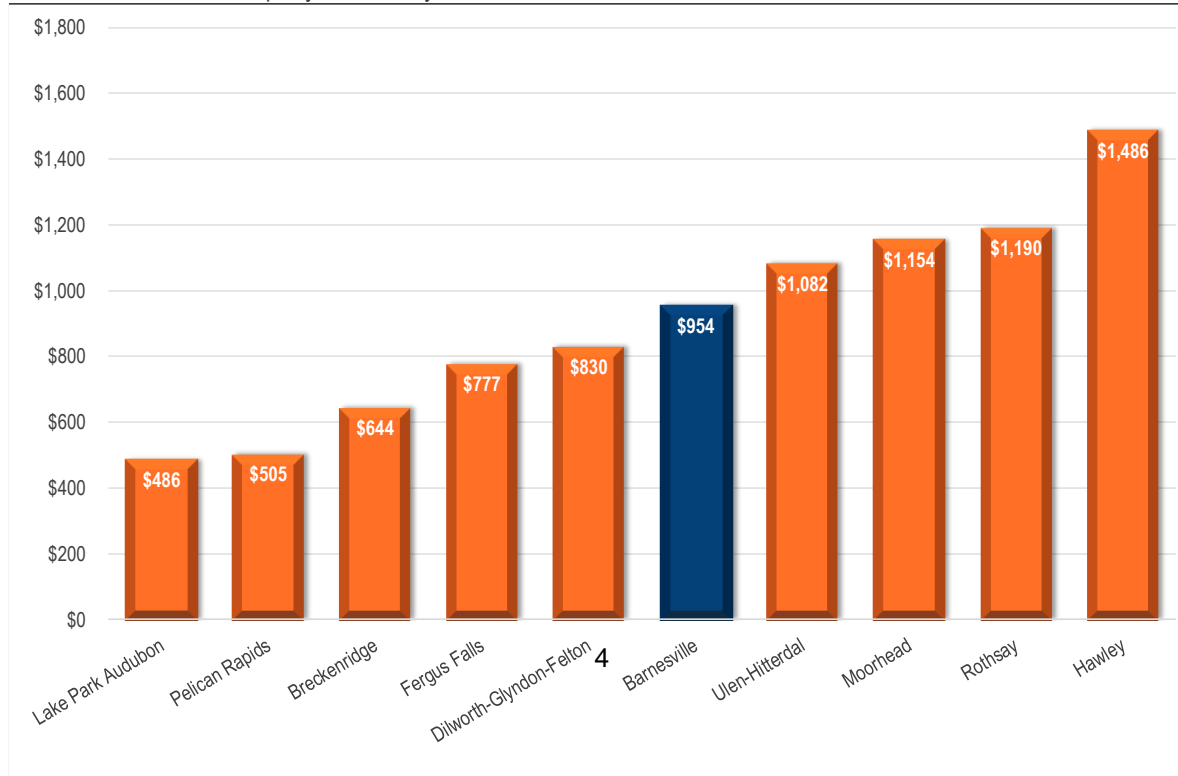
Assessment Year 2022 (Taxes Payable 2023) Tax Base by Property Type

	Market Value	Percent of Total	Referendum Market Value	Percent of Total	Net Tax Capacity*	Percent of Total
<b>Totals</b>	<b>1,140,781,103</b>	<b>100.0%</b>	<b>472,418,648</b>	<b>100.0%</b>	<b>10,481,894</b>	<b>100.0%</b>
Residential Homestead	300,822,040	26.4%	294,271,506	62.3%	2,741,494	26.2%
Other Residential	61,272,000	5.4%	61,156,350	12.9%	632,039	6.0%
Commercial / Industrial	69,659,900	6.1%	69,659,900	14.7%	1,320,130	12.6%
Non Qualifying Agricultural	47,855,392	4.2%	47,330,892	10.0%	442,213	4.2%
Qualifying Agriculture	659,282,471	57.8%	-	0.0%	5,327,126	50.8%
Seasonal Recreational	1,889,300	0.2%	-	0.0%	18,893	0.2%
			- Operating Referendum		All other school taxes including building bonds	
			- Local Optional Revenue		Capital Project Levy	
			3 Equity			

# Total School Tax Comparison - Residential

## Barnesville Public Schools, ISD #146

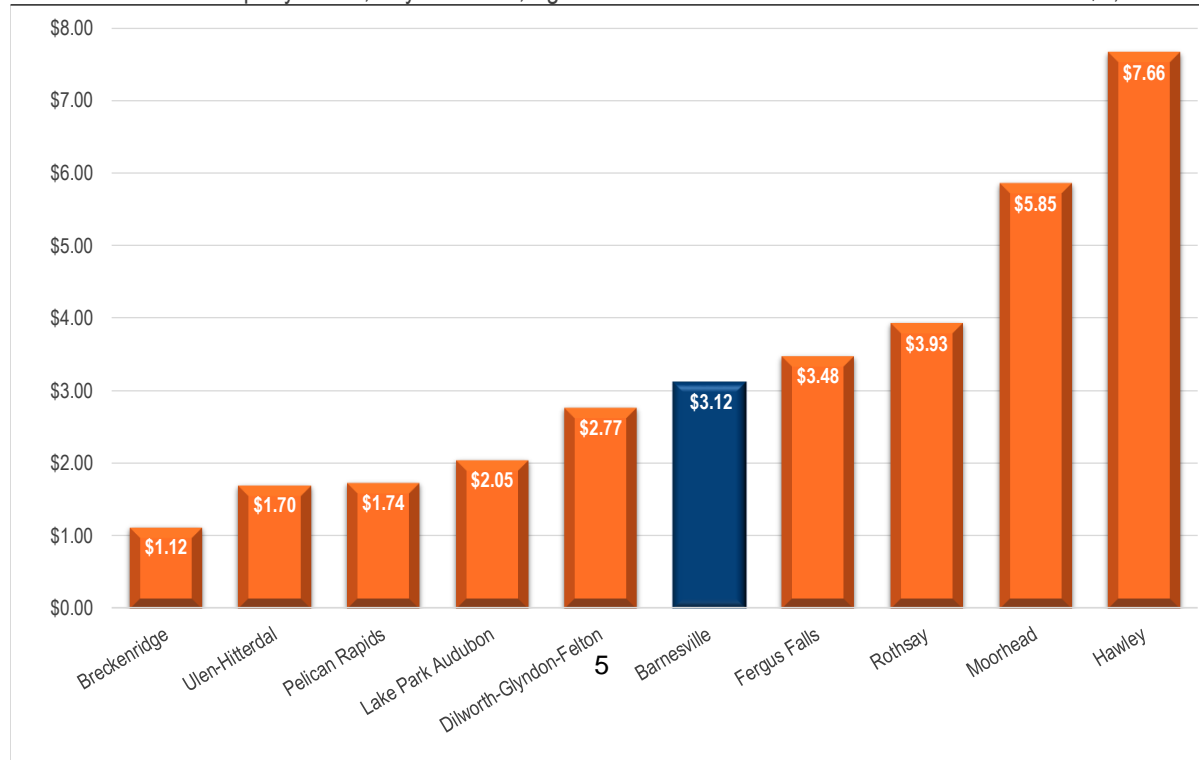
Total School Property Taxes, Payable 2024, on a Home with an Estimated Market Value of \$250,000



# Total School Tax Comparison - Agricultural

## Barnesville Public Schools, ISD #146

Total School Property Taxes, Payable 2024, Ag Homstead Acre with an Estimated Market Value of \$7,000

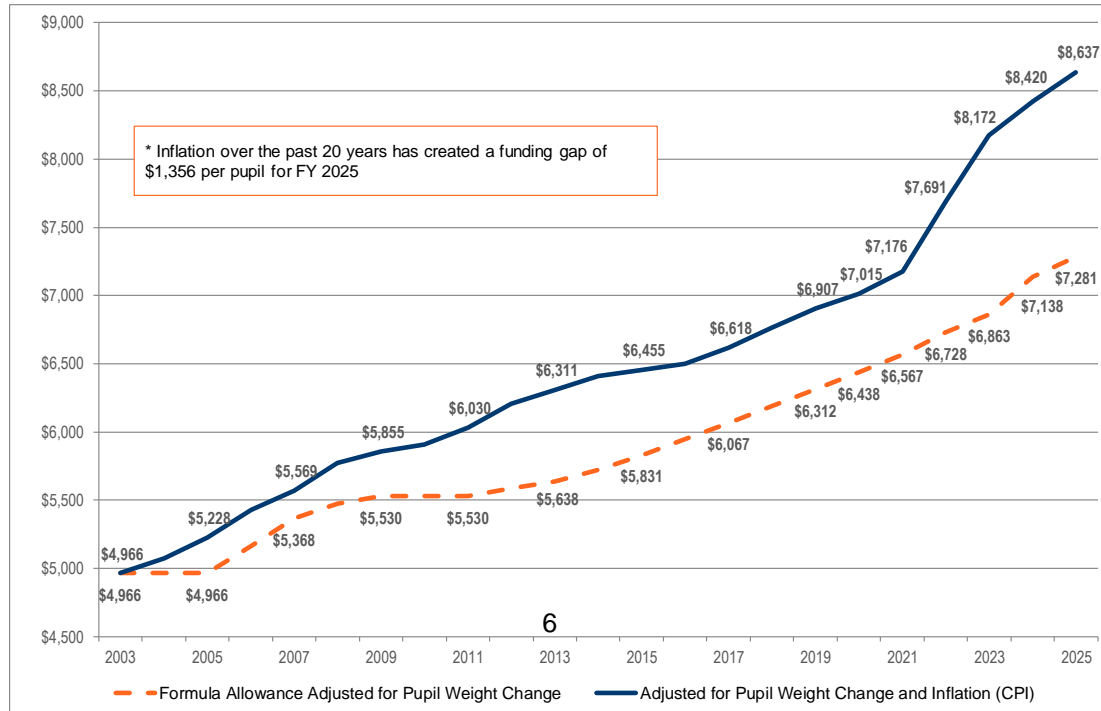


Source: Pay 2024 School Tax Report

# General Education Formula Allowance

## Impact of Inflation on MN School District Funding

General Education Formula Allowance, 2003-2025



Source: MDE June 2023 Inflation Estimates and Minnesota Laws 2023

# Reliance on Referendums

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- Other funding sources (e.g., special education) also have not kept pace with inflation or costs of providing services
- Only options for districts to bridge funding gap are to cut budgets or request operating referendum and/or capital project levy revenue authority from voters; most districts have done both

# Operating Referendum

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November election ballot question, stated per pupil, estimated cap for Taxes Payable 2025 / Fiscal Year 2025-26 is \$2,247.80  
(no cap for sparsity districts)

Allows districts to generate additional general education revenue

Revenue can be a combination of local property tax levies & state aid

Annual levy, maximum length of 10 years  
Can be renewed by school board one time

Taxes spread on Referendum Market Value  
(most property types pay same taxes per dollar of property value)

Revenue may be used for any operating or capital expenses  
(e.g. staff salaries & benefits, utilities, supplies, technology)

# Current Barnesville Operating Referendum

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- Authority was renewed by voters in November 2014
  - ✓ Started with taxes payable in 2016 for ten years
  - ✓ Authority of \$552.17 per pupil at time of election
  - ✓ Legislative changes reduced authority by \$300.00, resulting in current authority of \$252.17
  - ✓ Generates about \$237,000 in annual revenue
- School Board approved renewed on February 26, 2024
  - ✓ Authority now through taxes payable in 2035

# School Board Renewal – Other MN Districts

Expiration	Timeframe to Renew	# Authorities	# Board Renewed	# Ask Voters	In Progress
FY24	5/25/23-6/15/23	13	13	0	0
FY25	5/25/23-6/15/24	16	15	1*	0
FY26 (Barnesville)	7/1/23-6/15/25	49	12	0	37

\*West Central Area Schools – district was seeking a longer term and inflation on operating referendum authority

# Capital Project Levy Referendum

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Election ballot question,  
stated tax rate

Allows districts to generate  
additional revenue for  
technology and capital  
projects

Revenue provided through  
local property tax levies

Annual levy, maximum  
length of 10 years

Taxes spread on Net Tax  
Capacity  
(All taxpayers pay, but may pay  
different amounts based on the type  
of property)

Revenue may be used for  
items consistent with the  
ballot language

# Operating Referendum vs Capital Project Levy

	Operating Referendum	Capital Project Levy
<b>Tax Levy Based On</b>	Referendum Market Value	Net Tax Capacity
<b>Funding Source</b>	Tax Levy / State Aid	Tax Levy
<b>Authority</b>	Per Pupil	Tax Rate
<b>Inflationary Factor</b>	Optional / CPI	No / Changes with Tax Base
<b>Maximum Amount</b>	\$2,203 per pupil	No maximum
<b>Allowable Uses</b>	Any Operating Expenditure	Technology / Capital Expenditures
<b>Election Dates</b>	November	Feb, Apr, May, Aug, Nov
<b>Maximum Length</b>	10 years	10 years
<b>School Board Renewal</b>	Yes (on <del>1</del> <sup>2</sup> time)	No

# Potential Referendum - Considerations

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- Number of questions
- Amount for each question
- Inflation for operating referendum questions
- Term (number of years)
- If multiple questions, are subsequent questions contingent on previous questions

# Potential Referendum - Considerations

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- To hold a November 5, 2024 referendum, the School Board must call for the election by August 13, 2024
- School districts are allowed one operating referendum per calendar year (includes mail ballot elections)
- Nov 2024 referendum = first year of revenue is 2025-26

# Estimated Tax Impact Example

	Question 1 Operating Referendum	Question 2 Operating Referendum	Question 3 Capital Project Levy	Total
Operating Referendum Revenue Per Pupil	\$500.00	\$250.00		
Capital Project Levy Rate			2.083%	
Estimated Annual Change in Net Revenue	\$435,101	\$217,550	\$300,000	\$952,651

Type of Property	Estimated Market Value	Estimated Taxes for Operating Referendum and Capital Project Levy* Taxes Payable in 2025			
Residential Homestead	\$100,000	\$85	\$43	\$13	\$141
	150,000	128	64	24	216
	200,000	170	85	36	291
	250,000	213	106	47	366
	300,000	255	128	58	441
	350,000	298	149	70	517
	400,000	341	170	81	592
	450,000	383	192	92	667
	500,000	426	213	104	743
Commercial / Industrial	\$250,000	\$213	\$106	\$89	\$408
	500,000	426	213	193	832
	750,000	639	319	297	1,255
Agricultural Homestead ** (average value per acre of land & buildings)	\$4,000	\$0.00	\$0.00	\$0.42	\$0.42
	5,000	0.00	0.00	0.52	0.52
	6,000	0.00	0.00	0.62	0.62
	7,000	0.00	0.00	0.73	0.73

## Six Primary Reasons Behind \$450,000 Budget Savings for School Year 2024-2025

The school district has identified six primary reasons for implementing budget savings of \$450,000 for the 2024-2025 school year. These factors, listed without any particular order of importance, are as follows:

1. **Rising Inflation Rates:** The increasing cost of goods and services has put additional financial pressure on the district, necessitating careful budget adjustments.
2. **Conclusion of ESSER Funds:** The Elementary and Secondary School Emergency Relief (ESSER) funds, which provided significant financial support during the pandemic, will no longer be available after the 2023-2024 school year.
3. **Limited Increase in State Funding:** For the 2024-2025 school year, the state formula provides only a 2% increase in per-pupil funding, which is insufficient to cover rising costs and inflation.
4. **Decline in Student Enrollment:** The district experienced a decline of 31 students between the end of 2022-2023 and 2023-2024 school years, leading to reduced funding and the need for budget adjustments.
5. **Employee Contract Settlements:** School employee contract settlements have been higher than average across the state.
6. **New State Mandates:** Recent state mandates, including requirements for summer unemployment insurance, have introduced additional costs that the district must accommodate within its budget.

These factors combined have made it necessary for the district to implement significant budget savings to ensure financial stability and continued provision of quality education.

Barnesville Public School  
Student Enrollment  
SY 2023-2024

	2022-23 Oct 1 Count	2022-23 End-of-Year	2023-24 Projection	Sep 8	Oct 1	Nov 1	Dec 1	Jan 1	Feb 1	Mar 1	Apr 1	May 1	May 25
Grade K	81	81	70	56	56	56	56	56	56	56	56	56	56
Grade 1	71	70	76	74	74	74	74	75	75	75	76	76	76
Grade 2	76	78	75	72	72	72	72	71	71	71	71	71	71
Grade 3	68	68	73	76	76	76	76	76	76	76	76	75	75
Grade 4	76	76	72	72	72	72	72	73	73	73	73	73	73
Grade 5	71	70	66	76	76	76	76	75	74	73	73	73	73
Grade 6	60	61	69	68	68	68	68	68	67	68	68	68	68
	<b>503</b>	<b>504</b>	<b>502</b>	<b>494</b>	<b>494</b>	<b>494</b>	<b>494</b>	<b>494</b>	<b>492</b>	<b>492</b>	<b>493</b>	<b>492</b>	<b>492</b>
Grade 7	75	75	71	59	59	59	59	59	60	60	59	59	59
Grade 8	64	63	69	74	74	74	74	74	74	74	73	73	73
Grade 9	64	61	66	60	60	60	60	60	59	59	59	60	60
Grade 10	65	62	68	58	58	58	58	57	56	56	57	57	57
Grade 11	74	72	67	59	59	60	60	60	60	60	60	60	60
Grade 12	64	62	58	68	68	68	68	68	67	67	67	67	67
	<b>406</b>	<b>395</b>	<b>399</b>	<b>378</b>	<b>378</b>	<b>379</b>	<b>379</b>	<b>378</b>	<b>376</b>	<b>376</b>	<b>375</b>	<b>376</b>	<b>376</b>
Grades K-12	<b>909</b>	<b>899</b>	<b>901</b>	<b>872</b>	<b>872</b>	<b>873</b>	<b>873</b>	<b>872</b>	<b>868</b>	<b>868</b>	<b>868</b>	<b>868</b>	<b>868</b>

## 7. Adjournment