



Operating Referendum Discussion - Board Renewal of Expiring Authority

Buffalo-Hanover-Montrose, ISD No. 877

School Board Workshop

March 11, 2024

Operating Referendum

November election ballot question, stated per pupil, estimated cap for Taxes Payable 2024 / Fiscal Year 2024-25 is \$2,202.89
(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 (BHM ISD 877 does not qualify for any aid)

Annual levy, maximum length of 10 years

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)

Referendum Allowances

Election Year	Taxes Payable	Fiscal Year	Voter Approved		Board Renewal *	
			Operating Referendum	Renewal Years for Expiring Authorities	First Date	Deadline
2021	2022	2023	750.00			
2022	2023	2024	750.00			
2023	2024	2025	750.00	**	May 23, 2023	June 15, 2024
2024	2025	2026	0.00	***		
2025	2026	2027	0.00			
2026	2027	2028	0.00			
2027	2028	2029	0.00			
2028	2029	2030	0.00			
2029	2030	2031	0.00			

Estimated Revenue for Fiscal Year 2025

Operating Referendum \$ 4,193,850

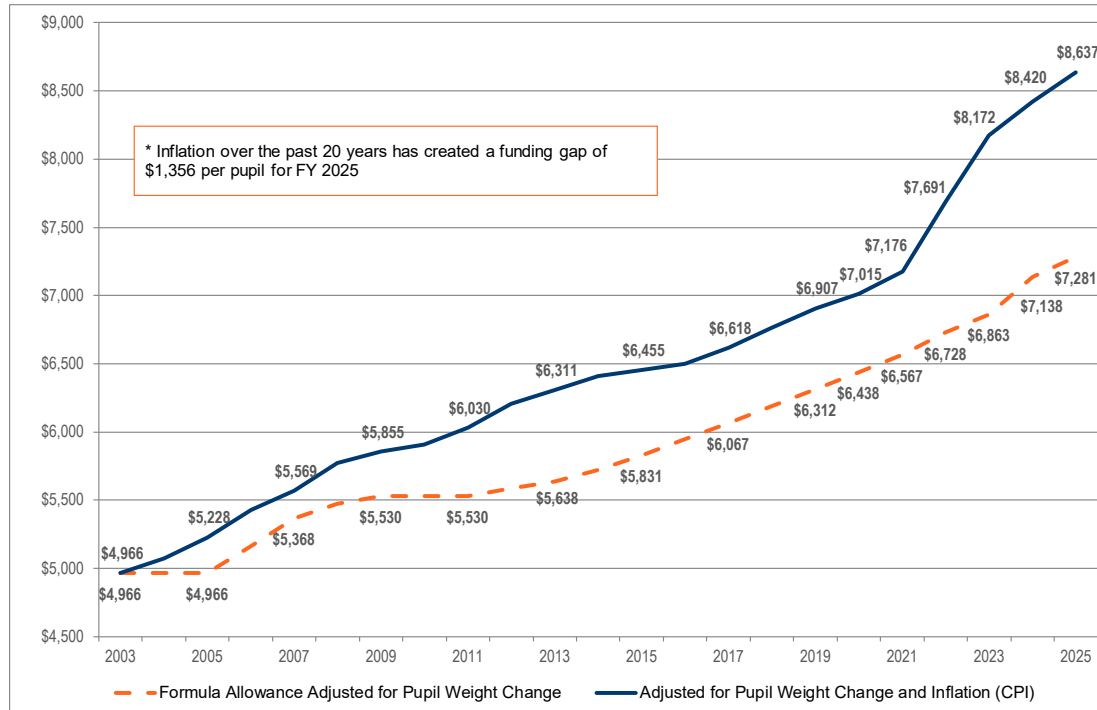
Notes:

- * Minnesota Statute, Section 126c.17 allows school boards to renew an existing operating referendum one-time for the same term and same amount
- ** First year voters can renew expiring voter approved referendum authority
- *** Last year voters can renew expiring voter approved referendum authority

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

- 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

School Board Renewal of Operating Referendum

- Renew authority up to the same authority and length
 - ✓ Time frame for Board renewal is May 25, 2023 through June 15, 2024
 - ✓ Original authority of \$750 per pupil was approved for a 5 year term
- Must allow for public comment (can be at same meeting)
- Board approves a resolution and submits to MDE and counties

School Board Renewal Information

Expiration	Timeframe to Renew	# Authorities	# Board Renewed	# Ask Voters	# No Action To-Date
FY24	5/25/23-6/15/23	13	13	0	0
FY25 (BHM)	5/25/23-6/15/24	16	7	1*	8
FY26	7/1/23-6/15/25	49	7	0	42

*District requested longer term and an inflationary factor that was not included in the original authority.