



# ROCKFORD AREA SCHOOLS

INDEPENDENT SCHOOL DISTRICT 883  
BOARD OF EDUCATION

*A Tradition of Excellence, One Student at a Time*

Agenda for May 15, 2023

5:30 PM

District Board Room

6051 Ash Street

Rockford, MN 55373

- 1. **CALL MEETING TO ORDER**
  - A. Board Roll Call
- 2. Operating Referendum Review 2
- 3. Budget Forcast 28
- 4. **BOARD AND SUPERINTENDENT UPDATES AND ANNOUNCEMENTS**
  - A. Regular Meeting of the Board of Education: Monday, May 15, 2023 at 6:30 pm in the District Office Board Room
- 5. **ADJOURNMENT**

**Our Mission:** *In partnership with our communities and families, Rockford Area Schools provides challenging opportunities to engage, inspire, and educate globally-minded citizens.*

**Our Vision:** *Rockford Area Schools provides a supportive, rigorous, and relevant learning culture producing courageous learners prepared to enter a global society.*

## **Rockford Board of Education**

Jamie Hillstrom

Eric Gordee

Jenny Kneeland

Amy Edwards

Jessica Johnson

Beth Praska

Superintendent Rhonda Dean



**PMA**<sup>TM</sup>  
SECURITIES

May 3, 2023

ISD 883,  
Rockford Area Schools

Operating Referendum &  
Capital Projects Levies

**Michael Hart**

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**Steve Pumper**

Vice President

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# Operating Referendum



## Operating Referendum Question

- ▶ Question includes a dollar amount per pupil
  - ▶ Enrollment will impact amount of funding generated
- ▶ May include inflationary increase
- ▶ May have more than one defined increase/decrease built into question(s)
- ▶ 10-year limit
- ▶ Implementation can be delayed one year
- ▶ One or multiple questions on the same ballot
- ▶ Election held in November except if using mail in ballot or District in SOD



# 2018 Operating Referendum Authority

**November 6, 2018**

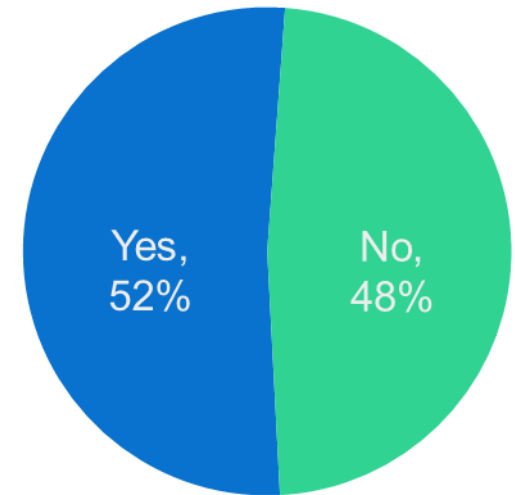
SCHOOL DISTRICT QUESTION 1 (ISD #883)

Approval of School District Referendum Revenue Authorization

The board of Independent School District No. 883 (Rockford Area Schools) has proposed to increase its general education revenue by \$750 per pupil. The proposed referendum revenue authorization would increase each year by the rate of inflation and be applicable for seven years unless otherwise revoked or reduced as provided by law. Shall the increase in the revenue proposed by the board of Independent School District No. 883 be approved? BY VOTING "YES" ON THIS BALLOT QUESTION, YOU ARE VOTING FOR A PROPERTY TAX INCREASE.

## ▶ Results

- ▶ 2,481 Yes (52%)
- ▶ 2,271 No (48%)
- ▶ Expires after taxes payable in 2025
- ▶ Question 2 Failed (Cap Projects)





# Operating Referendum History

## ISD 883, Rockford

### Operating Referendum History

Year Held	Start Pay	Net \$/Pupil Unit (PU)	# Years	Pass?		
				No=0	Yes=1	# No Votes
1994	1995	303.88	5	Pass	961	574
1998	2000	230.00	10	Pass	1,697	1,583
2003	2004	592.00	10	Fail	584	942
2004	2005	437.00	5	Fail	2,426	2,567
2004	2005	109.00	5	Fail	2,286	2,683
2004	2005	54.00	5	Fail	2,293	2,590
2004	2005	36.00	5	Fail	1,724	3,137
2005	2006	597.00	5	Fail	1,428	1,588
2008	2009	912.00	10	Fail	2,114	3,123
2009	2010	395.00	5	Pass	1,070	680
2016	2017	1142	9	Fail	2,046	3,048
2017	2018	1142	10	Fail	1,031	1,309
2018	2019	750	7	Pass	2,481	2,271



# Operating Referendums – Statewide History

## Results By Year of Election

	Pass	Fail	Total	% Pass All ?s	% Pass Renewal	% Pass Increase
<b>2009</b>	49	29	78	63%		
<b>2010</b>	48	61	109	44%		
<b>2011</b>	107	40	147	73%		
<b>2012</b>	33	15	48	69%		
<b>2013</b>	61	8	69	88%		
<b>2014</b>	31	11	42	74%	100%	54%
<b>2015</b>	57	6	63	90%	100%	85%
<b>2016</b>	24	10	34	71%	100%	50%
<b>2017</b>	51	11	62	82%	100%	74%
<b>2018</b>	26	15	41	63%	100%	55%
<b>2019</b>	41	12	53	77%	100%	72%
<b>2020</b>	20	20	40	50%	100%	26%
<b>2021</b>	42	17	59	71%	100%	61%
<b>2022</b>	26	17	43	60%	93%	45%
<b>Total</b>	<b>616</b>	<b>272</b>	<b>888</b>	<b>69%</b>	<b>99%</b>	<b>61%</b>

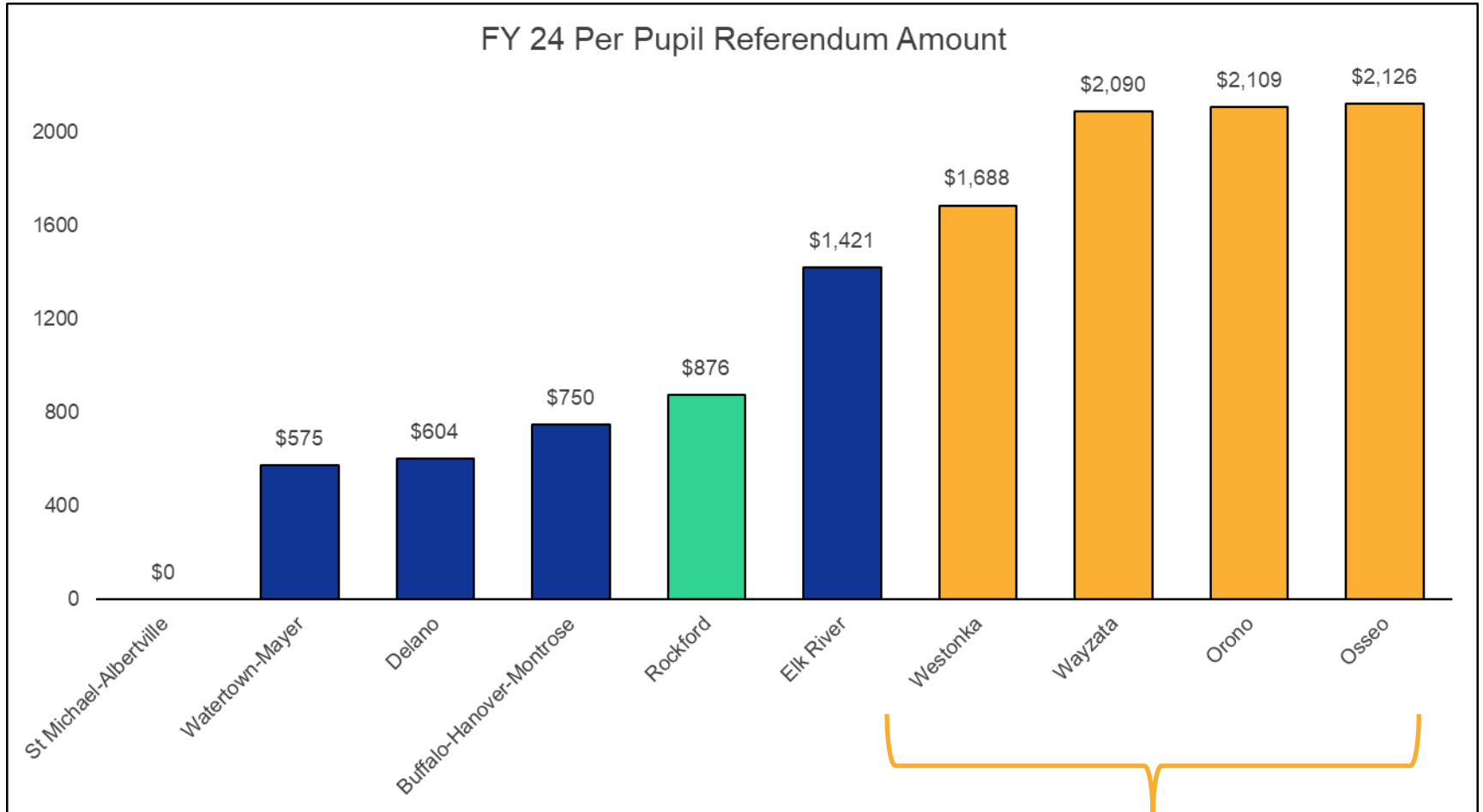
## Results Since 1991

	Pass	Fail	Total	% Pass
<b>Odd Years</b>	1,040	375	1,415	73.5%
<b>Presidential</b>	247	205	452	54.6%
<b>Other Even Years</b>	311	256	567	54.9%

Source: Minnesota Department of Education



# Operating Referendum



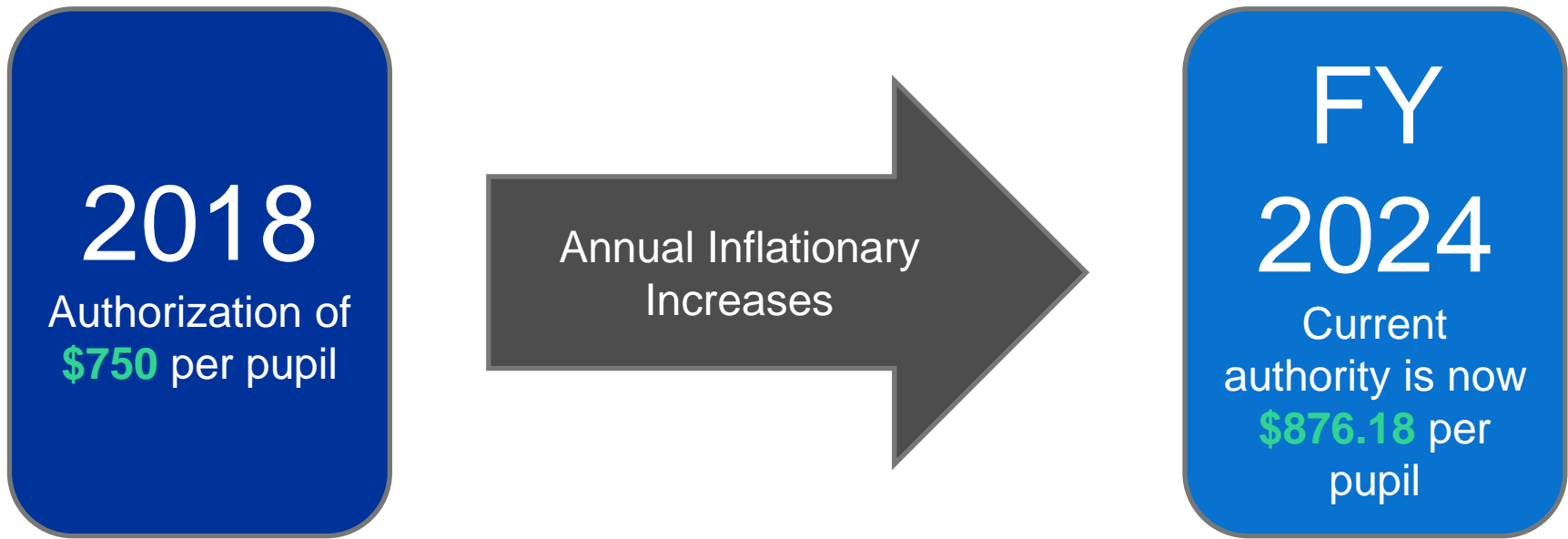
• Data sourced from Minnesota Department of Education website

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These districts also have a capital projects levy in place.



# State Law Changes to Operating Referendum





## Current Operating Referendum (Pay 2023 / FY 2024)

**\$876.18 per Pupil**

X

1,751.60 Pupils

=

**\$1,534,717**

**No state aid under current law**



# MDE Phaseout Report

Select district

**883** <-- Enter District Number (1.2 for Minneapolis)  
0883-01 Rockford



CPI updated for December 31, 2022

## Phase Out Report With 2022 Elections

Authority After 2021 Elections (see detail below)	860.00	882.68	899.68	918.50	-
Elections Before 2019	FY 2023	FY 2024	FY 2025	FY 2026	FY 2027



## Referendum Renewal Language

- ▶ Extends current referendum amount for up to additional 10 years.
- ▶ No tax impact
- ▶ Eligible for favorable language in 2024 or 2025 elections

### Sample Ballot Language

**BY VOTING “YES ON THIS BALLOT QUESTION, YOU ARE VOTING TO EXTEND AN EXISTING PROPERTY TAX REFERENDUM THAT IS SCHEDULED TO EXPIRE**



## Increase Referendum Amount

- ▶ Revoke and Replace Referendum at higher amount
  - ▶ If fails, current referendum remains until it expires
- ▶ If 2024 or 2025 election
  - ▶ 1 Question renewal or 1 question increase
  - ▶ Multiple question with combination of renewal and increase

### Sample Ballot Language

**BY VOTING “YES ON THIS BALLOT QUESTION,  
YOU ARE VOTING FOR A PROPERTY TAX  
INCREASE**

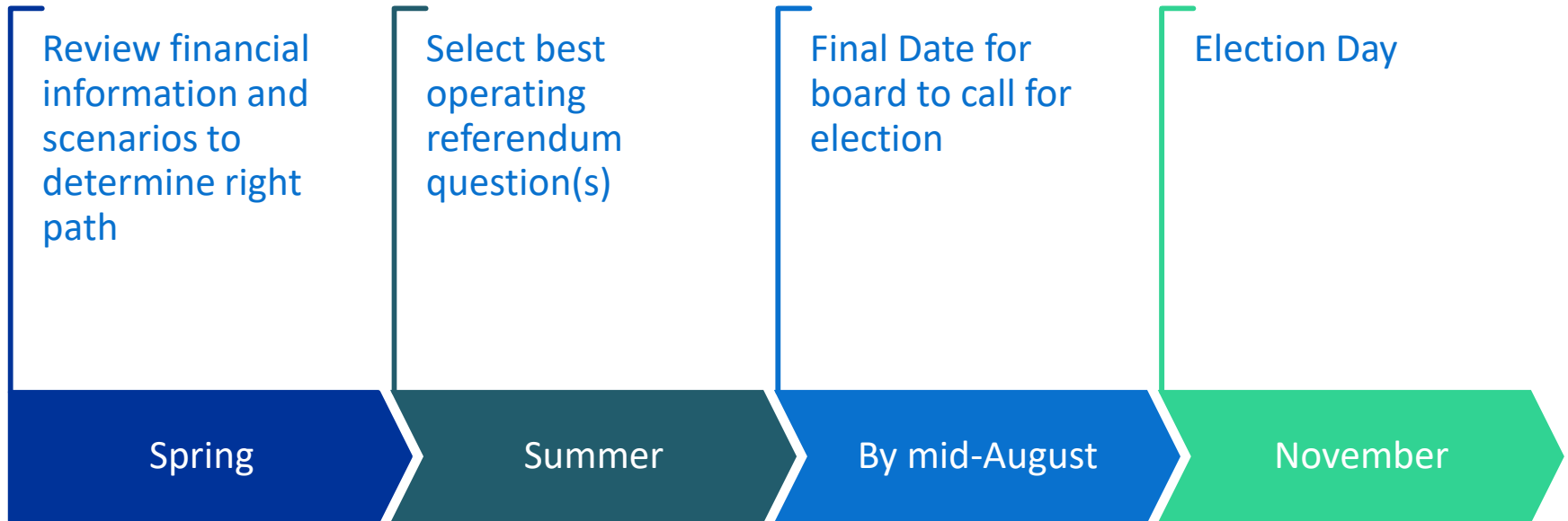


## Operating Referendum Question

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# Process/Timeline





## Current Legislative Action

- ▶ Current legislative proposals would allow the school board to renew operating referendums without going back to voters
- ▶ Not yet approved but continue to be included as we enter late stages of legislative process.

# Capital Projects Levy



# 2018 Capital Projects (Tech) Levy Question

**November 6, 2018**

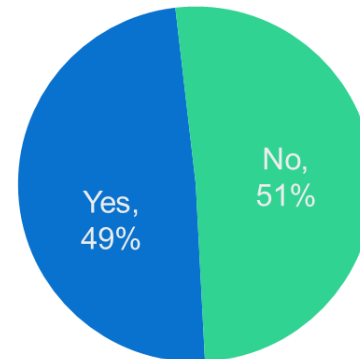
SCHOOL DISTRICT QUESTION 2 (ISD #883)

Approval of Capital Project Levy Authorization to Fund Technology

The board of Independent School District No. 883 (Rockford Area Schools) has also proposed a capital project levy authorization in the amount of 3.576% times the net tax capacity of the school district. The proposed capital project levy authorization will raise approximately \$400,000 for taxes payable in 2019, the first year it is to be levied, and would be authorized for nine years. The estimated total cost of the projects to be funded over that time period is approximately \$4,000,000. The money raised by this authorization will provide funds for the acquisition, installation, replacement, support and maintenance of software, computers, mobile devices, improved technology, technology systems, networks, infrastructure, office and instructional technology, and related training. Shall the capital project levy authorization to fund technology proposed by the board of Independent School District No. 883 be approved? BY VOTING "YES" ON THIS BALLOT QUESTION, YOU ARE VOTING FOR A PROPERTY TAX INCREASE.

## ▶ Results

- ▶ 2,329 Yes (49%)
- ▶ 2,425 No (51%)



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## Capital Projects Levy

- ▶ Use of funds can include:
  - ▶ Constructing, repairing and improving school buildings
  - ▶ **Technology**
    - ▶ Telecommunications, hardware and software
  - ▶ Lease or purchase of vehicles
- ▶ Revenues **CANNOT** be used for general operations outside of specifically defined purposes





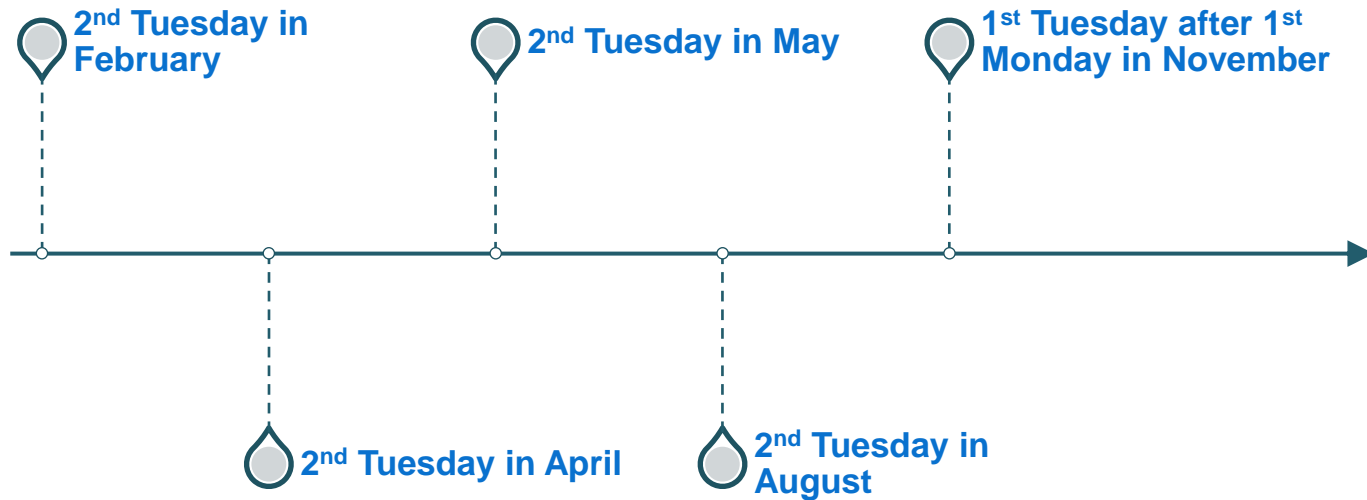
## Capital Projects Levy

- ▶ Question includes proposed tax rate & specific dollar amount
- ▶ Not based on pupil units
  - ▶ Future enrollment will not change amount of funding
  - ▶ If tax base increases, funding increases also
- ▶ All property types included in tax
  - ▶ Taxed on Net Tax Capacity
- ▶ No state aid component



# Capital Projects Levy

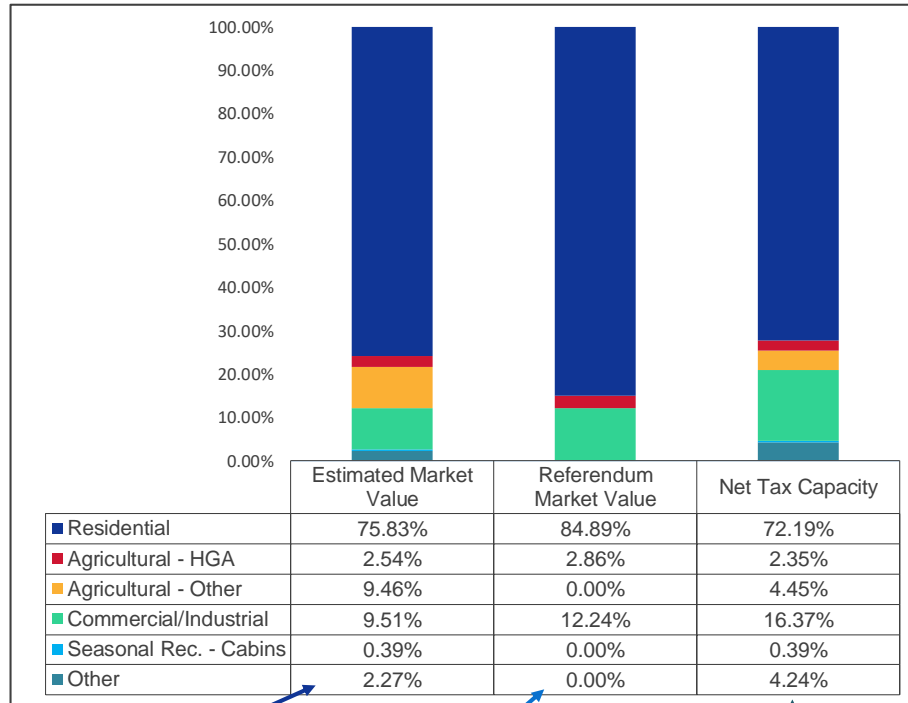
▶ Election can be held:





# Valuations – Tax Base Differences

Valuation Data by Classification for Pay 2022 Taxes



Property valuation established by County through assessment process.

Tax base for operating referendum, local optional, equity and transition revenues.  
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Tax base for Debt, LTFM, OPEB, Operating Capital, Achievement and Intergration, Community Ed and many others.



# Operating Referendum vs Capital Projects Levy

Capital Projects Revenue  
Referendum Revenue

<b>Capital Projects Levy</b> \$500,000	<b>Operating Referendum</b> \$500,000
<b>Estimated Annual Tax Increase</b>	

Property Type	Est. Market Value	Capital Projects Levy	Operating Referendum
Residential Homestead	\$200,000	\$47	\$62
	400,000	104	124
	600,000	162	185
Commercial / Industrial	\$200,000	\$84	\$62
	400,000	188	124
	600,000	292	185



# Review

## Operating Referendums

Wide range of uses

Vote on amount per pupil

State aid for many districts

Taxed on referendum market value

Most elections in November

Authority up to 10 years

## Capital Projects Levy

Capital related items including technology

Vote on tax rate/\$ amount

No state aid

Taxed on net tax capacity

Elections can be held 5 dates throughout the year

Authority up to 10 years

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## Next Steps

- ▶ What funding level required to support desired programming?
- ▶ What kind of referendum best meets needs of district and taxpayers?
- ▶ When to run the referendum?



# Contact Us



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# 2023 – 2024 Budget Assumptions

As of May 4, 2023



*In partnership with our communities and families, Rockford Area Schools provides challenging opportunities to engage, inspire, and educate globally minded citizens*

# Enrollment Projections

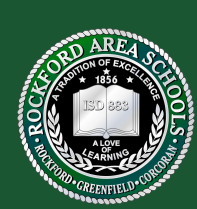
1,559 Students Served in RAS Schools

20 Students Served Out of District on Tuition

1,579 Total Students for Funding

*11 less students than FY2023 Revised Budget*

School	Grade Level	2022-2023 Students	2023-2024 Students
REAMS	Early Childhood	24	24
<i>Change from Previous Year</i>		3	0
REAMS	Kindergarten	122	110
REAMS	1st Grade	121	122
REAMS	2nd Grade	96	121
REAMS	3rd Grade	124	96
REAMS	4th Grade	100	124
<b>Totals</b>		<b>563</b>	<b>573</b>
<i>Change from Previous Year</i>		-5	10
RMS	5th Grade	125	100
RMS	6th Grade	125	125
RMS	7th Grade	108	125
RMS	8th Grade	140	108
<b>Totals</b>		<b>498</b>	<b>458</b>
<i>Change from Previous Year</i>		18	-40
RHS	9th Grade	122	140
RHS	10th Grade	115	122
RHS	11th Grade	127	115
RHS	12th Grade	111	127
<b>Totals</b>		<b>475</b>	<b>504</b>
<i>Change from Previous Year</i>		-5	29
<b>Totals All Schools</b>		<b>1,560</b>	<b>1,559</b>
<i>Change from Previous Year</i>		11	-1

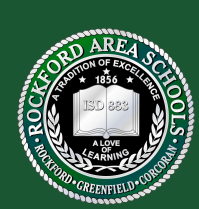


# Revenue Changes

- General Education Revenue Formula Increase: 4%
- **No provision for cost of new mandates has been projected**
- Compensatory Revenue Restored: \$379,184
- Federal Title Grants Revenue Reduced : (\$21,796) 10% less
- Federal ESSER Grants Revenue: (\$707,341)
- IB Grant Revenue Reduced: (\$344,601)

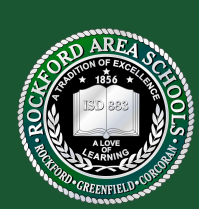
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Overall General Fund Revenue Change: +\$331,656



# Program and Expense Changes

- Personnel and Program Changes
  - Tech Support Costs Moved from Operating Capital Funds
  - 1.0 FTE MTSS Coordinator position reduced
  - 1.0 FTE Human Resources Director position reduced
  - 3.0 FTE School Counselor positions reduced
  - 1.0 FTE Middle School Teaching Position reduced
  - 0.5 FTE High School Media Specialist Position reduced
  - Tech Assistant and Support Time reduced

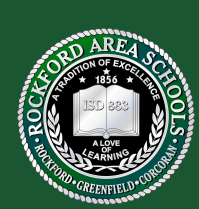


- Personnel Salaries/Wages and Benefit Assumptions
  - Salary/Wage Increase for All Staff
  - Related increase for Staff Benefits (FICA/Medicare, TRA, PERA, Work Comp, etc.)
  - Projected increase for Health Insurance

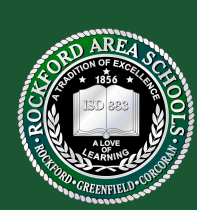


- Other Budget Areas Adjusted

- Achievement and Integration Grant Budgets Reduced to accommodate expenses from IB Grant
- IB Grant Budgets reduced based on funds available for final year of the Grant
- IB Grant Travel Costs moved to Reserve for Staff Development
- Contracted Services reduced for District Office

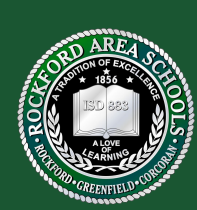


- Non-Salary/Benefit Increases
  - Utilities +7%
  - Property/Liability/Cyber Insurance +8%
  - Transportation Contracts Increase +4.5%
  - No Increases in Supply Budgets / Discretionary Spending



# Projected Fund Balances – Reserved Funds

	Projected	2023-2024	2023-2024	2023-2024	Projected
	Fund Balance	Original Budget	Original Budget	Annual	Fund Balance
	06/30/23	Revenue	Expenditures	Change	06/30/24
<b>General Fund (Fund 01)</b>					
<b>Restricted/Reserved Funds:</b>					
Long Term Facilities Management (LTFM)	\$179,407	\$404,151	\$333,558	\$70,593	\$250,000
Staff Development	\$241,507	\$240,425	\$282,815	(\$42,390)	\$199,117
Operating Capital	\$250,993	\$210,351	\$211,344	(\$993)	\$250,000
Safe Schools	\$0	\$59,380	\$59,380	\$0	\$0
Learning and Development	\$0	\$357,702	\$357,702	\$0	\$0
Basic Skills	\$0	\$665,619	\$665,619	\$0	\$0
Achievement & Integration	(\$0)	\$217,295	\$217,295	\$0	(\$0)
Medical Assistance - 3rd Party Billing	\$18,000	\$18,000	\$18,000	\$0	\$18,000
Student Activity Fund	\$111,038	\$90,000	\$90,000	\$0	\$111,038
<b>Total Restricted/Reserved Fund Balance</b>	<b>\$800,945</b>	<b>\$2,262,923</b>	<b>\$2,235,713</b>	<b>\$27,210</b>	<b>\$828,155</b>



# Projected Fund Balances – Unreserved Funds

	Projected	2023-2024	2023-2024	2023-2024	Projected
	Fund Balance	Original Budget	Original Budget	Annual	Fund Balance
	06/30/23	Revenue	Expenditures	Change	06/30/24
<b>General Fund (Fund 01)</b>					
Assigned-Future Capital Projects	\$402,451	\$50,000	\$0	\$50,000	\$452,451
Alternative Compensation/Q Comp	\$334,592	\$410,251	\$410,251	\$0	\$334,592
Covid Relief Funds	\$0	\$0	\$0	\$0	\$0
IB Program	\$0	\$75,000	\$75,000	\$0	\$0
Scholarships	\$11,241	\$0	\$1,200	(\$1,200)	\$10,041
Machine Shop	\$1,175	\$0	\$1,175	(\$1,175)	(\$0)
Unreserved/Unassigned Funds	\$3,103,572	\$19,907,326	\$19,738,263	\$169,063	\$3,272,635
<b>Total Unreserved Fund Balance</b>	<b>\$3,853,031</b>	<b>\$20,442,577</b>	<b>\$20,225,889</b>	<b>\$216,688</b>	<b>\$4,069,719</b>
		36			
<b>Grand Total General Fund</b>	<b>\$4,653,976</b>	<b>\$22,705,500</b>	<b>\$22,461,602</b>	<b>\$243,898</b>	<b>\$4,897,873</b>

	Projected Fund Balance 06/30/23	2023-2024 Original Revenue	2023-2024 Original Expenditures	2023-2024 Annual Change	Projected Fund Balance 06/30/24
<b>Grand Total General Fund</b>	\$4,653,976	\$22,705,500	\$22,461,602	\$243,898	\$4,897,873
	<i>\$4,653,976</i>	<i>\$22,705,500</i>	<i>\$22,461,602</i>		
<b>Food Service (Fund 02)</b>	\$398,272	\$955,806	\$903,246	\$52,560	\$450,832
<b>Community Education (Fund 04)</b>					
Reserved for Community Education	\$378,309	\$940,522	\$860,789	\$79,733	\$458,042
Reserved for Early Childhood/Family Educ.	\$56,703	\$102,927	\$115,753	(\$12,826)	\$43,877
Reserved for School Readiness	(\$18,774)	\$283,947	\$283,947	\$0	(\$18,774)
Reserved for Adult Basic Education	\$0	\$11,078	\$11,078	\$0	\$0
<b>Total Community Education</b>	\$416,238	\$1,338,474	\$1,271,567	\$66,907	\$483,145
<b>Building Construction (Fund 06)</b>	\$2,205,186	\$10,000	\$2,000,000	(\$1,990,000)	\$215,186
<b>Debt Service (Fund 07)</b>	\$349,698	\$5,095,983	\$4,903,319	\$192,664	\$542,362
<b>OPEB (Fund 45)</b>	\$1,050,737	\$6,000	\$71,350	(\$65,350)	\$985,387
<b>Grand Total All Funds</b>	\$9,074,106	\$30,111,763	\$31,611,084	(\$1,499,321)	\$7,574,785
	<i>\$9,074,106</i>	<i>\$30,111,763</i>	<i>\$31,611,084</i>		<i>\$7,574,785</i>
<b>General Fund Unreserved Fund Balance as a Percent of Total General Fund Expenditures</b>					<b>18.12%</b>



**Thank You.**