



BHM
SCHOOLS

INSIDER

Sept
2019

Buffalo-Hanover-Montrose

Vol. 46 No. 1

The place to dream, believe and achieve.

VOTE

BHM Operating Referendum | Tuesday, November 5, 2019

Meet the Matters

Meet Bob H. Matters.

He is married to Shelly.

They have three kids—Archie is 16, Betsie is 12 and Charlie is 8.

They are relocating and need to find a new home.

They scope out the area school districts.

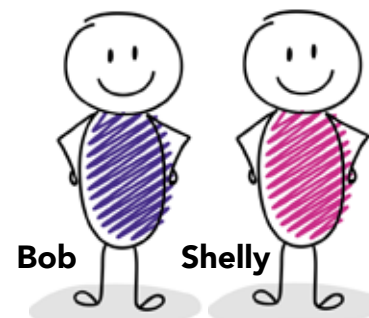
They discover the opportunities that are available for their kids in BHM Schools.

They also discover the lakes, shopping and restaurants in the area.

They talk to “locals” who have lived in the area for 20 or more years.

They learn about their experiences.

They decide that the BHM School District is a great place to raise their family.



Bob

Shelly



Archie

Betsie

Charlie

The Situation

The Matters family loves  their new schools and community.

But, the school district is in financial trouble.

The last voter-approved operating referendum was in 2002.

That helped pay salaries, supplies, utilities, programs, activities and more.

They needed more funds and had to go out in 2007 and 2008 for an operating referendum election.

Those elections failed.

The district made over \$3 million in cuts from 2008-2010.


After the reductions, BHM received one-time federal and state funding.

This freed up money  in the district's general fund.

BHM Schools was able to build up their fund balance (savings).

With the savings, over the last 3 years, BHM was able to hire back more teachers and support staff.

This helped reduce class sizes.

But sadly,  state funding is not keeping up with inflation and the district's savings are running low.

The BHM budget increases \$1-\$1.5 million annually (inflation/operating costs).

That does not include the increasing annual funding deficit for special ed mandates—(currently at \$5.9 million).



Continued, p. 2

What BHM Schools Needs

The Matters wonder how much money the district needs.
The district is asking for an operating referendum that would generate \$750 per student.
That is **NOT** the tax impact for each property owner (see p. 3).
It would last for five years and generate \$4.5 million on an annual basis.
The district's expenses will grow each year.
However, this amount will help to maintain the high-quality programs and services already in place.

We are Not Alone

The Matters family knows BHM Schools is not alone.
They know area districts are in the same situation as BHM Schools.
Many of them have been able to put voter-approved operating referendums in place to avoid budget cuts. (See chart below.)

Districts with More Funding than BHM Schools by the Amounts Listed

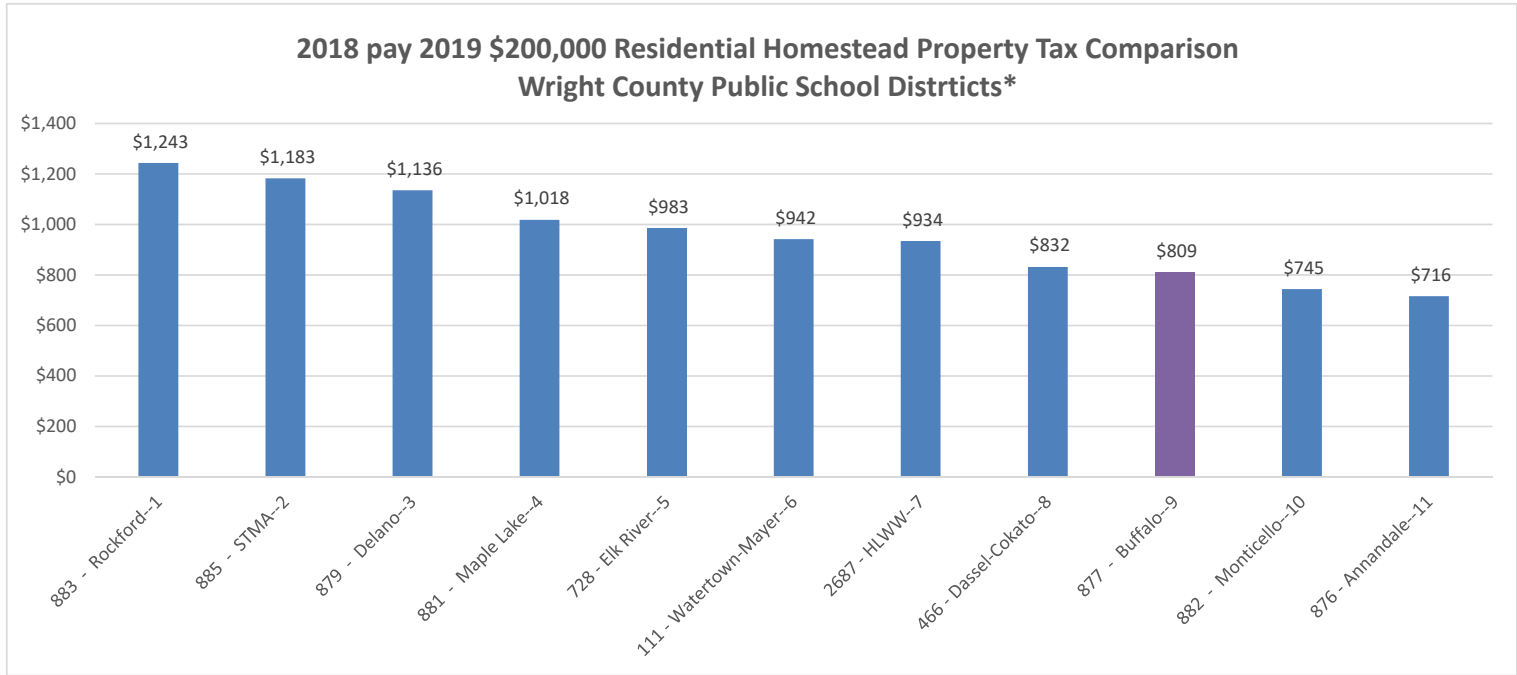
- Delano—\$358
- Elk River (Rogers)—\$467 (*\$750)
- Maple Lake—\$600
- Monticello—\$510
- Howard Lake-Waverly-Winsted—\$70 (*\$250)
- Osseo (Maple Grove)—\$1,457
- Rockford—\$750
- Watertown-Mayer—\$67 (*\$425)
- **BHM Schools—\$0**



**The amount districts are asking for in an operating referendum election this fall.*

BHM Tax Rates Compared to the Surrounding Districts

The Matters want to know how much other surrounding districts are spending in property taxes compared to BHM Schools.
The chart below is what BHM Schools shared with them.



*Source - Wright County, Minnesota Auditor/Treasurer's Office Property Taxes, Values, Levies, and Rates
<https://www.co.wright.mn.us/780/Property-Taxes-Values-Levies-and-Rates>

BHM Schools Operating Referendum Election ✓

The Tax Impact

The Matters review their property tax statement to find the estimated value of their home.

Their home is valued at about \$250,000.

The impact the BHM operating referendum will have on their property tax is \$312 per year or \$26 per month.

The chart below outlines the tax impact for the estimated market value of property in the BHM School District.

The new tax the district is requesting will generate \$750 per student, each year, for five years.



BHM Operating Levy Tax Impact

**Estimated Market Value
Rates, Taxes Payable in 2020
(for Referendum Only)**

**Taxes for
Proposed Levy
0.12466%**

Property Type

**Estimated
Market Value**

**Estimated Taxes for
Referendum Only**

**Residential,
Homesteads,
Apartments,
Commercial-
Industrial
Property**

\$150,000

\$187

\$15.58 per month

\$200,000

\$249

\$20.75 per month

\$250,000

\$312

\$26.00 per month

\$300,000

\$374

\$31.17 per month

\$350,000

\$436

\$36.33 per month

\$400,000

\$499

\$41.58 per month

\$450,000

\$561

\$46.75 per month

\$500,000

\$623

\$51.92 per month

\$800,000

\$997

\$83.08 per month

\$1,000,000

\$1,247

\$103.92 per month

*Amounts in the table are based on school district taxes for the operating referendum only and do not include tax levies for other purposes. Tax increases shown above are gross increases, not including the impact of the Minnesota Homestead Credit Refund ("Circuit Breaker") program. Many owners of homestead property will qualify for a refund, based on their income and total property taxes. This will decrease the net effect of the referendum levy for many property owners.

NOTE: Agriculture property will pay taxes for the proposed referendum based only on the value of the house, garage and one acre. Seasonal recreational residential property (i.e. cabins) will pay no taxes for the proposed referendum.

Did you know...

BHM does **NOT** have a **voter approved operating referendum** on the books. The last one was in **2002**. The **2014 bond referendum** could only be used for **building expenses, NOT operating expenses**. The district was **financially stable in 2014** and a healthy fund balance (savings) covered the district's operating expenses. The school board intentionally spent that down to help **reduce class sizes**.

Did you know...

ONLY 20% of the funds from the **2014 bond** referendum went towards **activity fields**. The **MAJORITY** of the \$33 million bond went towards **new entrances** at Discovery, Hanover and Tatanka Elementary Schools, **classroom additions, building repairs** and the **Buffalo High School roof replacement**.

Did you know...

At least **43 school districts across Minnesota** will be asking voters to approve an **operating referendum** on Tuesday, November 5, 2019.

BHM Schools Operating Referendum Election ✓

Spending Money

The Matters wonder where the money 🏠 will go and if it will be used wisely.

The funding 😊 will help MAINTAIN the high-quality programs and services the district already has to offer.

The funding 😊 will ONLY go towards operating costs such as salaries, supplies, utilities, programs and activities.

The funding 😊 will AVOID the list of cuts outlined below.

Operate Like a Business

Since they are new to the district, Bob and Shelly Matters question ? if the school is operating efficiently and effectively. "Operate like a business," is what people around town say.

The district does operate like a business.

But unlike most businesses, BHM Schools has to provide services that are required, but are not fully funded.

Special education services for BHM Schools is at a deficit of about \$5.9 million this year and will increase annually.

The district cannot raise fees to cover the cost of these services like a regular business would.

BHM Schools is in the business of educating EVERYONE.

2019 BHM Operating Referendum–Your Choice

Bob and Shelly Matters have a choice to make.

They moved to BHM Schools because they liked the opportunities available for their kids.

They know strong schools mean strong communities.

They also know if those two things are strong, property values will improve.

If the BHM Operating Referendum is Approved

The high-quality programs and services BHM provides will be maintained.

This referendum will **NOT restore** any of the cuts made for the 2019-20 school year.

If the BHM Operating Referendum Fails

If the operating referendum fails, BHM Schools will need to make **\$2.9 million in budget reduction**:

The BHM School Board has identified a list of cuts for the 2020-21 school year.

Some of the reductions include:

- Cut 22 teachers, 1 administration and 11 other staff members
- Close Phoenix Learning Center
- Close Discovery Elementary
- Cut Quest (gifted program)
- Cut wRight Choice (alternative for out-of-school suspension)
- Cut 6 activities at Buffalo High School
 - Boys Lacrosse
 - Girls Lacrosse
 - Boys Swim and Dive
 - Dance
 - Pegasus (magazine)
 - Business Professionals of America (BPA)
- Cut ALL middle school activities
- Cut 3 regular bus 🚌 routes (longer ride times and longer walking distances)
- Increase Buffalo High School activity and parking fees
- Increase Buffalo High School activity passes, tickets and gate prices
- Reduce College in the Schools offerings
- Reduce supply 📚📎📂 budgets district-wide by 11%



Find the complete list of reductions under the election information on the BHM website at www.bhmschools.org or scan the code to go directly to the website to see the complete list of reductions and more election information.

Committed to Doing What's Best for Kids

When I was first elected to the school board in 2005, I was committed to doing what was best for all kids attending the district. Now, 14 years later, I still maintain that commitment. I'm fortunate to serve with six other members who feel the same. Although we sometimes disagree on issues, we always base our decision on what's best for the students.



Dave Wilson

inflation increase and costs increase most years. During this time period, with costly cuts in programs and services and by spending down our fund balance, we have been able to keep the ship afloat as they say. This is pretty impressive in light of failing to pass operating levies in 2007, 2008 and 2018. In fact, we haven't passed an increase in an operating levy since 2002. On top of that, our main revenue sources (state and federal governments) are continually adjusting the amounts they give us and then underfund mandated programs. This requires us to pay for these programs and services out of our general funds. This would be like a homeowner having to pay for expensive home repairs each year without the

ability to save for those unexpected and unforeseen needs.

I enjoy serving on the school board, but it's getting more and more difficult when I have to make decisions to cut valuable programs and services. I am very thankful to those of you who show your support for the district by your volunteer hours. I appreciate all you are doing to keep this district among the top school districts in the state. This school district has tremendous support from parents and employees. Buffalo-Hanover-Montrose Schools is truly, "The place to dream, believe and achieve!"

Since being elected to the board in 2005, I have seen our enrollment decrease,

Sample Ballot Question


This is a preview of how the district's operating referendum question will look on the ballot. This will be the only question on the ballot when you go to the polls to vote on Election Day, Tuesday, November 5, 2019.

Special Election Ballot

Independent School District No. 877
(Buffalo-Hanover-Montrose)

November 5, 2019

Instructions to Voters:

To vote, completely fill in the oval(s) next to your choice(s) like this: .

To vote for a question, fill in the oval next to the word "Yes" on that question.
To vote against a question, fill in the oval next to the word "No" on that question.

School District Question 1 Approval of School District Referendum Revenue Authorization

The board of Independent School District No. 877 (Buffalo-Hanover-Montrose) has proposed to increase its general education revenue by \$750 per pupil. The proposed referendum revenue authorization would be applicable for five years unless otherwise revoked or reduced as provided by law.



Yes

Shall the increase in the revenue proposed by the board of Independent School District No. 877 be approved?



No

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

Survey Says...

BHM Schools conducted a community-wide survey in the spring of 2019. Almost 3,000 participated (16% of the population). This is a good return rate. Surveys were made available to all residents through the *Insider* newsletter and online.

The Results...

71% of the respondents said the district should explore another operating referendum election.

43% of the respondents said they would support \$850 per student to maintain programs and services and reinstate some of the 2019-20 cuts.

22% of the respondents said they would support \$750 per student to maintain programs and services.

The district decided to ask for \$750 per student.

Survey results on www.bhmschools.org.



**Buffalo
Hanover
Montrose**
BHM SCHOOLS

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RESIDENT DISTRICT 877

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Voting Basics

When and Where to Vote

Voting will take place on Election Day,
Tuesday, November 5, 2019, from 7 a.m.-8 p.m.

Polling Places

Buffalo High School
877 Bison Blvd, Buffalo, MN

Hanover City Hall
11250 5th St NE, Hanover, MN

Montrose Community Center
200 Center Ave S, Montrose, MN

Poll Finder



Early Voting

Out of town November 5?
Don't want to forget to vote?
Driving your kids all over and won't have time to vote?

Consider voting early. It's easy to do.

Scan the code to the right or go online to:
www.bhmschools.org under Election Information

Fill out the form and mail or email it to the address listed.
Once ballots are available, one will be mailed directly to you.

Early voting in person begins on Friday, September 20.
Watch the district website and Facebook pages for more information.

Early Voting



More Information www.bhmschools.org

Transparency-Schedule a Visit

Want to know more about the election, school finance or exactly how the district spends the budget? Call 763-682-8706 to have someone meet with you and your neighbors, friends, family and colleagues. All your questions can be answered in person. No group size is too small!



School Board

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INSider Editor:

Laura (Barta) Lindquist, Communications Coordinator
763-682-8783 | lbarta@bhmschools.org

Reader comments or questions welcome!

Public Meetings

Attend one of three public meetings to hear more about the operating referendum, why it's needed and ask questions.

Buffalo Discovery Center Board Room

Tuesday, October 1 at 7 p.m.

Montrose Elementary School of Innovation Media Center

Thursday, October 3 at 7 p.m.

Hanover Elementary Media Center

Thursday, October 10 at 7 p.m.

Referendum Questions

Call-763-682-0877

Email- election@bhmschools.org