

## **District 742 Building and Improvement Bond Questions and Answers**

Since 1980, the population of the City St. Joseph has nearly doubled from 2,994 to 5,438 city residents in 2004 and 2,227 St. Joseph township residents in 2003. That growth continues to accelerate. The school population at Kennedy Elementary has experienced the same significant increase in enrollment and is now bursting at the seams with 440 students attending the Preschool - Grade 6 building during this current school year. To accommodate this increase in enrollment, six portable classrooms have been rented and they, too are filled. Area planners project continued major growth in the area. Adding more portable classrooms or a building addition are not options.

In 2005, the District invited a community-wide task force, city and regional planners, and parents to complete a comprehensive long-term facilities plan with the District. That task force strongly recommended that the district resolve this growth issue by building a "new Kennedy". The District 742 Board of Education has approved going forward with a 35.5 million dollar bond referendum on September 12th to build a new school near St. Joseph and to make needed improvements in other district buildings. If there is no primary election on September 12, 2006, the bond referendum will be held on Tuesday, November 7, 2006.

Questions and answers about the bond referendum are listed below and can be found on the district's <http://isd742.org> web site. This document includes contact information for District 742 officials and Referendum Committee chairs Barclay Carrier, Mark Chlan, and Linda Snowberg.

### **New School**

#### ***1. Where will the new school be built?***

The District has purchased property 1½ miles south of the existing Kennedy Elementary School site at the junction of County Road 121 and Jade Road.

#### ***2. Why isn't the District adding on to Kennedy Elementary School?***

In order to expand at the existing Kennedy site, the District needed to acquire the land adjoining Kennedy, which is owned by the College of St. Benedict. Our very first effort was to attempt to acquire the adjoining space from the College.

However, the College informed us that they cannot sell the property because of future development plans for that site. The existing Kennedy Elementary School site does not meet the State recommendations for an addition, and is clearly inadequate to meet the long term needs for St. Joseph and surrounding townships.

#### ***3. What will happen with the Kennedy Building?***

Several parties are interested in the purchase of the building. It will most likely be sold. We will be working with the City St. Joseph as the sale goes forward.

#### ***4. Why not continue to use portable classrooms?***

Portable classrooms are a temporary solution. They don't meet long-term building codes; they aren't designed to last; they are more expensive to heat, and they

don't provide the quality classroom space that we expect from a permanent facility. The District has added six portable classrooms to Kennedy in the past three years because of the overcrowding problem. There are insufficient grounds to add additional portable classrooms. Moreover, portable units would not address problems with common space (such as the parking, kitchen, and lunchroom areas) at the elementary school. Portable units are expensive to purchase or lease. In addition, the school district would need to spend money extending utilities to the units, adding handicapped accessible ramps, connecting the units to the existing facility and other changes. Continued leasing is not a wise use of taxpayer dollars, because eventually the District will be forced to replace portables with permanent classrooms, and the construction costs will only get higher.

**5. *What is the timeline for opening a new school in the St. Joseph area if the bond election is successful?***

If the September bond issue is successful, the target date would be September of 2008.

**6. *How does construction fit with the District's overall strategic planning.***

Building the new Kennedy is a critical component of the District's long term goals which include:

**A. Educational Excellence:** The District is committed to providing the highest quality education for all of its students. This goal represents our central mission. The Board and Superintendent believe that building the new Kennedy is an important component of that mission.

**B. Increasing Enrollment:** The District is committed to attracting every resident family who wants a public education to our district . We will do this through dedication to excellence, continuous improvement, quality service, responsive governance, and providing quality community based facilities.

**C. Maintaining Fiscal Stability through Sustainable Budgets:** The ability to attract families to our school district is critical to this mission. If we lose students to neighboring districts, it inflicts a significant financial penalty on the district's budget. We must retain and attract resident families in order to keep the district on a sound financial footing.

**D. Strong Community Based Schools:** The District believes that central to our mission of educational excellence is maintaining community based schools. A school centered community makes for a stronger community and for stronger schools as well.

**7. *What will a new school in St. Joseph cost?***

The architect's estimate is \$25.5 million dollars.

**8. What kind of school will be built? Grade levels? Program? Square feet? Number of students?**

The new school will be Preschool – Grade 8. The building will accommodate 750 students and will occupy 135,000 square feet. (Currently, Kennedy Elementary School is K-6 with 395 students, plus an additional 40 pre-school students.) As programming becomes defined, additional information will be placed on the web site.

**9. How will the District fund operating costs for the new school?**

St. Joseph already has a Preschool – Grade 6 in operation that the District is currently funding. Results of a professional survey conducted by the City of St. Joseph, as well as information we have received from families, indicate that the new school will attract families to our school district in substantial numbers. Increasing our enrollment in this area will provide a significant financial benefit to the entire district. Enrolling an additional 200 students realizes an increase in revenue for the District of \$500,000 over growth expenditures. This makes the increasing number of students in the St. Joseph area a stabilizing financial factor for the entire district.

**10. To what extent does the planning involve local vendors in construction of the building?**

The Board of Education has expressed a strong desire to involve local contractors as much as possible in the construction. To that end, the Board has taken steps to deliver construction in a manner that will offer local contractors maximum opportunities to participate in the bidding.

**Bond Referendum**

**1. What is the current state of the District's bonded indebtedness?**

Our District has a very low bonded indebtedness. This low bonded indebtedness, combined with a relatively strong property tax base, means that the property tax burden for buildings is significantly lower than many school districts. The District's last construction bonds will be fully paid in 4 years. As a result, the District will be able to maintain its history of very low bonded indebtedness even after building the new school.

For comparison purposes, the following table displays the annual expenditure on School District debt service per student for our school district and several surrounding districts.

School District	Annual debt service per student*	Rank out of 159 school districts with over 1,000 students* (159 being the lowest indebtedness)	Bonded indebtedness per \$1,000,000 referendum market valuation as of 6/30/05**
-----------------	----------------------------------	--	---

St. Cloud	\$274	149	\$2,213
Rocori	\$498	125	\$7,577
Sartell	\$1745	29	\$78,338
Sauk Rapids	\$3935	10	\$60,460

\*Source: Minnesota State Auditor's Office

\*\*Source: Minnesota Department of Education

As you can see, District 742 is in the very bottom ranks of annual debt service per student. Because the last building bond issues are about to expire, passage of the Kennedy bond issue will leave our school district still at approximately the same rank, and will not materially increase the annual debt service per student in the school district.

While it is wonderful to have such a low bonded indebtedness, there is grave danger to the long term future of our school district, and our community, if we fail to address capital building needs. A school district that fails to stay current on its school building needs, cannot sustain itself into the future.

**2. What funding strategy does the district intend to use to pay off the bond?**

District 742 is recommending a payment plan that attempts to keep the annual levies for debt service and building maintenance as stable as possible for the life of the bond (20 years). The plan recommended neutralizes the tax increase evenly over the next 20 years.

**3. What are the purposes of the bond referendum to be presented to the voters on September 12, 2006?**

The primary purpose is to build a new school in an area of rapid growth. The Board of Education has approved a resolution for a Building and Improvement Bond Referendum for \$35.5 million dollars to include:

- A Preschool – Grade 8 school in the St. Joseph area (\$25.5 million)
- District-wide building improvements (\$8 million)
- Purchase of land (\$2 million)

The district-wide improvements specified in the bond have risen to the top of the “need” list because of their impact on educational programs, student safety and security, and building energy efficiency. Recent years of budget cuts have made it impossible for District 742 to accomplish the identified improvements out of the annual budget. When there is insufficient operating capital to make building improvements, a community referendum is the only method that our state provides to keep our buildings, and the programs operating within those buildings, in sound condition. The building improvements are listed below:

<b>PRIORITIZED ITEMS</b>	<b>VALUE</b>	<b>COST</b>
Science Labs	Program	1,800,000
Keyless Entry	Security	130,000
Energy Management/Alternative Energy	Energy Efficiency	1,375,000
Westwood Renovation/Expansion (Media Center/Classrooms)	Program	1,500,000
Gym Floors (\$12/sq.ft.)	Safety/Program	150,000
Pool Covers	Energy Efficiency	30,000
Parking (50 stalls @ 4 sites)	Safety/Program	250,000
Auditorium Upgrades (lights, sound, stage)	Program	550,000
Wireless	Program	100,000
Lighting (15-yr. Payback) X=Indoor, O=Outdoor	Energy Efficiency	600,000
Bathrooms	ADA Approved	50,000
Sinks/CounterTops	Program	40,000
Lockers (\$165/Locker)	Safety	225,000
Window/Entry Door Replacements	Energy Efficiency	250,000
Roof Replacement	Energy Eff./Maintenance	350,000
Ventilation - Music Rm	Program	100,000
Library Books	Program	500,000
	<b>TOTAL</b>	<b>8,000,000</b>

The building improvements listed above respond to and support the guiding principles of the Long-Range Facilities Plan, created in 2005 by a community-based task force. The new school, building improvements and land purchases demonstrate the district's commitment to community stakeholders by:

- Providing appropriate facilities that will accommodate educational programs and services
- Considering on-going capital and deferred maintenance
- Considering additions when appropriate
- Planning ahead to comply with maintenance standards and land purchases
- Creating efficiencies by locating schools in areas where families with children reside, maximizing district-wide operational expenses and

considering grade configurations that are compatible with the community needs/desires

- Providing optimal flexibility to meet educational program needs and maximize building capacity, accommodate community needs and respond to changes in student enrollment
- Responding to neighborhoods by involving stakeholders in the process
- Responding to population change, utility, and transportation “triggers”

***4. How many questions will appear on the ballot?***

Two questions will appear on the September 12<sup>th</sup> ballot. They are as follows:

Question 1: Shall the school board of Independent School District No. 742 (St. Cloud Area Schools) be authorized to issue general obligation school building bonds in an amount not to exceed \$33,500,000 to provide funds for the acquisition and betterment of school sites and facilities, including the acquisition of land for and the construction and equipping of a new Pre-Kindergarten through 8<sup>th</sup> grade school facility, and the renovation, repair, remodeling, upgrading, equipping and construction of improvements to existing school sites and facilities.

Question 2: If the School District Ballot Question 1 is approved, shall the school board of Independent School District No. 742 (St. Cloud Area Schools) also be authorized to issue general obligation school building bonds in an amount not to exceed \$2,000,000 to provide funds for the acquisition of land for future sites.

***5. How would referendum approval benefit those with no direct connections to District 742?***

We know that the citizens of St. Cloud—all of them—recognize the importance of providing quality schools to children as critical to the future of our community. The ultimate payoff to all of us comes from meeting our obligation to educate young people so that they can make a positive contribution to their country and community. A vibrant, high-quality school system enhances the economic strength of the entire community and boosts property values throughout the area. Excellent schools attract families to our community who value education and hard work. There is no better way to build a strong community than to develop a reputation as a community that cares enough for its children to invest in quality schools. Failure to fulfill our facilities plan for accommodating growth will create significant financial difficulties for the school district over the long run.

***6. What timelines must be followed prior to holding a bond election on September 12, 2006?***

- a. *Review and Comment* must be submitted to the Commissioner of Education by June 21, 2006.
- b. *Review and Comment* must be published at least 20 days prior to the bond referendum (August 23, 2006).

***7. How much will the bond referendum cost home and commercial property***

owners?

The amount of school tax added to residential taxes for the entire \$35.5 million dollar bond is illustrated in the chart below for both residential and commercial properties.

TAX IMPACT

Homestead Residential Market Value	Annual Tax Increase for Residential Property	Commercial/Industrial Market Value	Annual Tax Increase for Commercial Property
\$50,000	\$1	\$100,000	\$4
\$70,000	\$2	\$150,000	\$6
\$85,000	\$2	\$250,000	10
\$100,000	\$2	\$500,000	\$23
\$125,000	\$3	\$1,000,000	\$47
\$150,000		\$4	
\$200,000		\$5	
\$250,000		\$6	
\$300,000		\$7	

The reason that the District can accomplish these objectives without materially changing the tax incidence on households stems from several important factors. First, as explained above, *the district has one of the lowest annual debt services per student in the State of Minnesota*. Because we are a large district, we have been able to phase our capital expenditures over time in a way that does not impose a major tax burden on citizens all at one time. Smaller school districts often are forced to impose very significant tax obligations on their citizens when a major facility is constructed. Second, the District is structuring the bonds so that they will be coordinated with the current bond issue that is about to expire. Third, the District is coordinating the facilities improvement expenditures with a reduction in its alternative facilities assessment. As a result, some of the tax burden of the bond is being compensated for by a corresponding tax reduction on the alternative facilities levy

**8. Can any of the funds from a bond referendum be used for District operating costs?**

No, these funds are dedicated to building a school or school improvements as specified.

**9. With an operating levy expected on the 2007 ballot, is this a good time for a bond referendum?**

Yes. District 742's most recent bond issue was for construction of Talahi, Oak Hill and Discovery schools, some 17 years ago. We now need to build a new school in a rapidly growing area. The current operating levy went into effect in 2004. Voters will be asked to renew it in November 2007.

**10. How does the bond referendum relate to an operating referendum? Will the School District pursue an operating levy referendum to operate the additional building space?**

Regardless of whether or not a new school is built in the St. Joseph area, our District, like many other Districts in Minnesota, will need to renew its operating levy under Minnesota current funding formulas. However, failure to pass the bond issue will make our district's financial condition worse over the long run, because our financial future depends upon maintaining and attracting students. Our next levy renewal will be November, 2007.

**11. Could boundary changes solve increasing enrollment problems in the St. Joseph area?**

Not in the long run. Most of our schools were built at a time when population was concentrated in a northern crescent centered in St. Cloud at a time when families were much larger. Our original complement of schools was built in the right place for the 1940's and 1950's, because each school was in the center of a neighborhood proud to be associated with that local school. But demographic changes left us with too many schools in the wrong places. More and more, families are moving to the more rural parts of our school district. They look to neighboring school districts and expect that they will have community based schools, just like they do. People value community based elementary schools because they know that when parents and the entire community are involved in their local school, children perform better, and schools are significantly more accountable. If families don't find a community based elementary school, they locate in another community, or opt for some other alternative to their local public schools. Boundary changes could put off the date of construction for a few years, perhaps. But postponement will simply mean that the District would be required to buy land and build a school in St. Joseph at a time when property and the cost of construction are much greater. Boundary changes will also result in longer bus rides for students and more families opting to send their children to another district.

**12. Is a high school being considered in St. Joseph at this time?**

No, there are no current plans for building a high school in St. Joseph, although land is available if that decision would be made in the future.

**13. Where will the new school be built?**

In February, 2006, the District purchased 71.4 acres of land 1.5 miles south of the existing Kennedy site at the junction of County Road 121 and Jade Road.

**14. Is the District contemplating additional land acquisition?**

Yes, for the following reasons:

- a. *Facility Needs in the Future* The School District anticipates the need for additional facilities in the future based on planning and growth projections
- b. *Interest Rates* – Interest rates are at historically low levels.

c. *Inflation Factor* – District and community leaders and planners strongly recommended that district property should be acquired now. Land prices continue to escalate so purchasing land now will be beneficial to the School District and taxpayers. Acquiring property now before areas are developed will save taxpayers millions of dollars in the long run.

**15. *If enrollment is decreasing, why are we building a new school?***

Enrollment is not decreasing in all areas of the District. As stated previously, the complement of schools that we had in the 1940's, 1950's and 1960's was built in the right place for those days. But there has been a tremendous demographic change in central Minnesota, with a population shift away from the northern crescent that was served by Lincoln, Washington, Jefferson, McKinley and the old downtown Central School. Our parents and grandparents expected to have community based schools located where families live. Young families of today also expect to send their children to community based schools. Meeting this need is a central component of our strategy to reverse declining enrollment. In each of the areas where previous elementary schools have been closed, the students have been accommodated in other elementary schools without significantly increasing their transportation time. In areas of declining enrollment, schools were closed to create greater operational efficiencies, while still providing quality programming in nearby schools. The St. Joseph area is growing rapidly, with expanding enrollment resulting in overcrowding at Kennedy Elementary School. In a district that covers 250 square miles, the district must continually respond to its mission of providing the best possible educational program in the most efficient manner. Scheduling transportation, while trying to minimize the amount of travel time for all students, remains an area of intense planning.

**16. *Can residents register to vote on election day?***

Residents can register at their polling place on election day. They need one of the following to verify their residence:

- Minnesota driver's license, learner's permit, identification card, or receipt for one, with their current address.
- Tribal ID
- If the Minnesota license, Tribal ID or MN State ID has a former address, they may bring a recent utility bill\* to use with their license.
- "Notice of Late Registration" postcard.
- U.S. passport with utility bill.\*
- U.S. military photo ID card with utility bill.\*
- Prior registration listed on roster at former address in precinct.
- Oath of a registered voter in precinct ("vouching").
- If a student, they can use . . .
  - Student ID, registration, or fee statement with their current address.
  - Student photo ID with utility bill.\*
  - Student ID if they are on a student housing list on file at the polling place.

- Someone who is registered in the precinct where they live who will vouch for their residence.

\*Note: The utility bill must have their name, current address, and be due within 30 days of the election. Utility bills may be for electric, gas, water, solid waste, sewer, telephone, or Cable TV.

## **Program (Curriculum, Activities, Configuration)**

### ***1. How would a new Preschool – Grade 8 school in St. Joseph affect North Junior High’s enrollment?***

The Board firmly believes that building a Preschool – Grade 8 school will benefit North by attracting students to the district and adding to the district’s financial stability. That is because the future financial stability of our school district depends upon attracting to the district all families who want a public education. We do not expect that all St. Joseph students will want a Preschool – Grade 8 environment, and those students will be able to continue to enroll at North. At the very worst, enrollment at North could decline by about 100 students.

### ***2. What does the Facilities Plan say about middle level education in St. Joseph?***

Each of the short, mid-, and long-term scenarios in the Facilities Plan calls for the purchase of land near St. Joseph and make recommendations for a new school. Land purchase has been accomplished. The plans Preschool – Grade 8 school will accommodate a middle level program.

## **Community Involvement**

### ***1. How do you involve the community in giving community members a chance to voice their concerns or preferences?***

- *Community Representatives on Long-Range Facilities Task Force* – The committee that shaped the long-range plan and initial recommendation to the School Board included students, parents, community members, School Board members and employees.
- *Coverage* in the St. Cloud Times and St. Joseph Newsleader.
- *Community Input at School Board Meetings* – The School Board has invited community participation at School Board meetings and has held special linkage meetings throughout the year
- *Visioning and Planning Meetings* – Kennedy Principal Diane Moeller hosted a visioning meeting on May 11, 2006, to discuss 21<sup>st</sup> Century educational concepts related to the building project. Additional meetings will be scheduled throughout the summer. Watch the district’s web site for meeting information.

***2. How can I learn more about the project?***

Follow news articles, attend public meetings, communicate with building Principal Diane Moeller, and/or contact committee members.

***3. Who can I contact to get involved in a citizens committee to promote passage of this bond referendum?***

Bond Referendum Committee Chairs

Barclay Carrier: [barclay.g.carriar@ampf.com](mailto:barclay.g.carriar@ampf.com)

Mark Chlan: [mchlan@mywdo.com](mailto:mchlan@mywdo.com)

Linda Snowberg: [snowberg@msn.com](mailto:snowberg@msn.com)

Diane Moeller, Principal, District 742

[diane.moeller@isd742.org](mailto:diane.moeller@isd742.org)

363-7791

Bruce Watkins, Superintendent, District 742

[bruce.watkins@isd742.org](mailto:bruce.watkins@isd742.org)

253-9333

Dr. Marj Hawkins, Director of Communications, District 742

[marjorie.hawkins@isd742.org](mailto:marjorie.hawkins@isd742.org)

253-5828

---