

FAQs

About Lewiston-Altura Public Schools



BUDGET

HOW MUCH ARE ANTICIPATED BUDGET CUTS FOR THE 2024-25 SCHOOL YEAR?

Lewiston-Altura Public Schools currently has a budget deficit due to rising costs, declining enrollment, and state funding that has not kept pace with inflation and is targeting a minimum of \$771,000 in budget adjustments for the 2024-25 school year. The district has experienced increased operating costs in the areas of:

- Unfunded state and federal mandates.
- Recruiting & retaining staff.
- Providing competitive wages.
- Transportation.
- Utility costs.
- Technology access costs.

HOW DID THE SCHOOL DISTRICT REDUCE THE BUDGET FOR 2024-25?

At their June 10, 2024, meeting, the L-A School Board adopted the district's budget for fiscal year 2025 which included \$771,000 in expenditures adjustments (reductions) in staff, extra-curricular activities and bus routes and revenue increases in activity fees, booster club donations and the sale of land. These adjustments are necessary to address the district's budget deficit due to rising costs, declining enrollment, and state funding that has not kept pace with inflation.

WHAT IS THE SCHOOL DISTRICT DOING TO BALANCE THE BUDGET?

The school board and district leaders are rightsizing the budget for the 2024-25 school year with budget reductions, fee increases, and donations.

A list of proposed budget adjustments (both reductions and fee increases) is reviewed and discussed at each school board meeting (see District website at www.lewalt.k12.mn.us to view agendas/minutes and access links to recordings of the meetings). The Board is scheduled to act on the final budget adjustments for the 2024-25 school year in June.

The school district is working with a community task force to discuss the district's continued financial, and facility needs as it considers running another operating levy and building bond referendum in November 2024.

WHAT ARE SOME OF THE REVENUE INCREASES?

Revenue increases will include but not limited to higher admission costs for activities and athletic events, increased student participation fees and a one-time donation of \$15,000 from The Booster Club.



WHAT ARE SOME OF THE REDUCTIONS?

The largest reductions are moving the high school academic schedule to a 7-period day which facilitates a reduction in teaching positions. Moving forward, field trips must be fully funded by outside resources. There will also be reductions in supplies, technology licensing, bus routes and elimination of some coaching positions to name a few.

WHERE IS THE DISTRICT SEEKING DONATIONS?

The district is actively seeking donations from community members and businesses. District leaders are excited about the formation of The Cardinal Foundation, formed by parents and community members determined to support the district and students in the long-term.

WHAT IS STATUTORY OPERATING DEBT (SOD)?

Under Minnesota state law (MN statute 123B.81), a school district is in SOD when it reports a year-end net negative general fund balance that is more than 2.5% of its previous fiscal year's operating expenditures.

This is a simple calculation of dividing the district's general fund balance by its general fund expenditures. For example, if a district has an unreserved general fund balance of -\$483,601 and a general fund expenditure of \$4,950,567. Its net general fund balance is -9.77%, exceeding more than -2.5%.

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WHAT HAPPENS WHEN A DISTRICT IS IN SOD?

A district is notified of its SOD status by the state. Once a district is in SOD, it is required to submit a detailed operating plan to the Minnesota Department of Education (MDE) outlining both steps and a time frame for getting out of debt. This plan must be approved by the Commissioner and the district is obligated to comply with the plan to continue to receive state aid.

Being in SOD is not desirable for any district but is also not uncommon. There are districts that have spent several years in SOD or have exceeded the -2.5% threshold more than once. For example, in Southeast Minnesota, Kenyon-Wanamingo School District is currently in SOD, and has also previously been in SOD during fiscal years 2004, 2005, 2022, and 2023. The same with Alden-Conger school district in fiscal years 2010, 2011, 2012, 2013, and 2023. Also, the St. Charles school district starting in fiscal year 2023.

IS THE L-A SCHOOL DISTRICT IN SOD?

No. While the district currently has a budget deficit, it has not reached the threshold of qualifying for SOD. In fiscal 2023, the L-A Public Schools net general fund balance was 3.20%. While low, it is still above the state's SOD qualifier. If the district

expenditures continue to exceed its revenues, this percentage lowers. For example, the district is currently spending in excess of \$356,141 over revenue for fiscal year 2024 and projecting a lower net general fund balance of 1.98% for the close of fiscal year 2024. To keep this percentage from lowering, the district is proposing budget adjustments, revenue increases and potentially an operating levy this fall to balance the budget for fiscal year 2025.

WHAT IS CONSOLIDATION?

Consolidation is a permanent reorganization of a school district and is considered by school boards as a "last resort" for districts who are unable to sustain themselves independently. It is an all-encompassing process that requires years of planning, collaboration from neighboring districts, approval from both potential consolidating communities and the Minnesota Department of Education.

Such planning includes, but is not limited to, the formation of a new board of directors, extensive debt analysis of both districts and comprehensive building and space capacity studies. In some cases, a district will need to build or add on space to accommodate additional students.

IS THE DISTRICT CONSIDERING CONSOLIDATION?

No. The Lewiston-Altura school district is far from needing to close its schools. The board and administration have been diligent over the past two years in working to balance the school budget and under current Minnesota law, districts are only required to merge if they do not meet state standards for an operating school district.

Although L-A Public Schools has been impacted by declining enrollment and lack of state funding that has not kept pace with inflation, it continues to remain an independent district by making budget adjustments, increasing revenues and its appeal to families through marketing and fundraising.

The board is continuing to look at all viable options including an operating levy election this fall, that will put Lewiston-Altura in a more financially stable position now and into the future. Providing students with a strong education continues to be the board's number one priority.

WILL I HAVE TO PAY TAXES IF THE DISTRICT CONSOLIDATES OR DISSOLVES?

There unfortunately isn't a scenario where property owners will not pay school taxes. In fact, residents could potentially pay more taxes as consolidation or dissolution involves re-districting of property. If L-A Public Schools consolidates, residents would not only be accountable for existing L-A Public Schools debt until maturity, but also potentially any new debt generated and all other school levies of the new consolidated district.



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ACADEMIC EXCELLENCE

WHAT IS ACADEMIC EXCELLENCE IN L-A PUBLIC SCHOOLS?

Academic excellence can be measured by achievement as well as active involvement in lifelong learning activities. In L-A Public Schools, students experience a variety of engaging academics. Achievement is measured through local and state assessments from preschool to graduation, as well as hands-on learning. Students experience an engaging and well-rounded education that prepares them for college and career success academically, emotionally, and socially.

WHAT ARE SOME INDICATORS OF STUDENT SUCCESS IN THE L-A PUBLIC SCHOOLS?

The school district is proud that the middle school Math curriculum has some of the highest rigor in the state. L-A Students in Grades 3-6 score above state averages in Reading and Math in the Minnesota Comprehensive Assessments (MCAs); and higher than many neighboring school districts:

- Reading: 58% L-A / 52% State
- Math: 57% L-A / 51% State

Students at L-A High School can access rigorous courses in the school via concurrent enrollment, where they gain college-level learning – and credit (for free) – and in Post Secondary Enrollment Options (PSEO), both while enrolled in high school.

The students at L-A public schools continue to exceed the state graduation rate average, excel statewide in FFA, and regionally in Art, Band/Choir, and Athletics. Local participation rates in activities and athletics are high for all students.

ENROLLMENT

WHAT IS THE LONG-TERM ENROLLMENT FORECAST FOR L-A PUBLIC SCHOOLS?

Currently at 559 K-12 students, ISD 857's total enrollment is projected to decline by roughly 14 percent to 483 students over the next 5 years but stabilize in fiscal year 2030. This is reflected by the decrease in birth rates in Lewiston, Altura, and surrounding communities. In 2023, the birth-to-4-year-olds census reported 201 children, down 93 children from 1994 where 294 children were reported. Unfortunately, Lewiston-Altura Public Schools are not alone in experiencing this loss as 65 percent of MN Public Schools had declining enrollment in 2022 compared to 2019.

HOW MANY POTENTIAL K-12 RESIDENT STUDENTS ARE THERE IN THE L-A PUBLIC SCHOOL DISTRICT ATTENDANCE BOUNDARY?

During the 2022-23 school year, 729 students were eligible for school in kindergarten through 12th Grade in the L-A Public Schools. The school district served 443 students (60.7%).

HOW MANY L-A RESIDENT STUDENTS ENROLL IN LOCAL NON-PUBLIC SCHOOLS?

During the 2022-23 school year, roughly 156 students (21.3%) enrolled in local, non-public schools.

HOW MANY STUDENTS OPEN ENROLL OUT OF L-A PUBLIC SCHOOLS ANNUALLY TO OTHER PUBLIC SCHOOLS?

During the 2022-23 school year, 85 students (11.6%) open enrolled out of L-A Public Schools to another public school district (e.g. St. Charles, Rushford-Peterson, Winona).

HOW MANY STUDENTS OPEN ENROLL INTO L-A PUBLIC SCHOOLS ANNUALLY?

During the 2022-23 school year, L-A Public Schools gained 151 students through open enrollment (a net increase of 66 students). These students predominantly travel from Winona Area Public Schools.

WHAT REASONS DO STUDENTS/FAMILIES PROVIDE WHEN THEY OPEN ENROLL OUT OF OR INTO L-A PUBLIC SCHOOLS?

Some of the reasons families choose other schooling options include, but are not limited to, homeschooling, geography, religion and/or family beliefs, parent/family work location, childcare, specific curriculum/program offerings or personal preferences.

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HOW MUCH REVENUE DOES THE DISTRICT RECEIVE PER STUDENT?

The L-A school district receives roughly \$11k per student enrolled. This is for both students who are residents and those who are open enrolled into L-A Public schools.

DO OPEN ENROLLED PARENTS/FAMILIES PAY SCHOOL PROPERTY TAXES?

Yes. While parents who open enrolled their students do not pay L-A taxes, they do pay taxes for the school district for which they reside. Similarly for L-A parents who open enroll their students out of the district; they still pay school property taxes in the L-A school district.

WHAT IS THE SCHOOL DISTRICT DOING TO INCREASE ENROLLMENT?

The school district is employing a variety of strategies to recruit and retain students. On March 26, the school district held Kindergarten Registration for the 2024-25 school year. By implementing a variety of communications, 36 of 38 kindergarten age-eligible current resident students were registered. Elementary school staff members have plans in place to pursue the remaining two families. Please note, this does not include potential kindergarten student families who already have older siblings enrolled in local private schools or families who have informed L-A Public Schools of their intention to enroll their incoming kindergarten student in private school.

Additionally, the school district is increasing communications with staff, parents, and the greater community for increased transparency specifically in the areas around academic excellence, student success and financial management.

HOW IS THE DISTRICT INCREASING ENGAGEMENT AND BUILDING CARDINAL PRIDE?

Emphasizing “Cardinal Pride” is a top priority for the district to both attract new families and build excitement around our schools in the community. The district has increased the frequency and expanded the types of communications to reach all residents. Website updates and Facebook posts have increased. Other activities in motion include:

- Continued publication of News from the Nest (printed and mailed school district newsletter for all residents).
- Beverages with the School Board (monthly meet and greet opportunity to talk to school board members).
- Public and Private Schools board member discussions to build relationships.
- “Did You Know?” articles, social posts, and documents.
- Cardinal Strong eNewsletter sent monthly to all enrolled families with opportunities for alumni and community to register to receive as well.

During the 2024-25 school year, the school district plans to research, plan, and implement a full enrollment and marketing plan for the school district.



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OPERATING LEVIES AND BOND REFERENDA

WHAT IS AN OPERATING LEVY?

When communities support an operating levy, they are providing the district general funds to use for teachers' salaries, textbooks, co-curricular programs, transportation, computers, utilities and the general operation of the district. The average operating levy in Minnesota per pupil has increased: in 1993 it was \$332 per pupil and in Fiscal Year (FY) 2021-22 it was approximately \$850 per pupil unit.

WHY IS THE DISTRICT CONSIDERING AN OPERATING LEVY?

The district's current voter-approved operating levy of \$52 per pupil unit (/PU) is due to expire in FY 2026. The Lewiston-Altura Public Schools currently has a budget deficit due to rising costs, declining enrollment, and state funding that has not kept pace with inflation. The failed November 2023 operating levy was proposed to help address this deficit.

In the past three years, the district has filled some budget gaps with federal and state pandemic dollars. However, these are one-time funds that will not be available to the district in the future.

As enrollment declines, the district receives less revenue from the state to maintain curriculum, course offerings and staff. Roughly \$255,000 of annual operational savings has been realized by closing the Altura building and downsizing to two school sites. However, additional funds are still needed to adequately provide quality education, maintain current opportunities for students, and reduce future budget cuts.



WILL A SUCCESSFUL OPERATING LEVY HELP KEEP THE DISTRICT OUT OF SOD?

The recent post-referendum survey shows support of an operating levy amount of \$760 per pupil unit. If the district proposes an operating levy for this amount in a November 2024 election, and it is successful, it will help but unfortunately not be enough to prevent budget adjustments. The district is forecasting that with these additional dollars it will likely still need to make budget adjustments in future years.

WHAT IS A BOND REFERENDUM?

A bond referendum provides school districts dollars to only be used to make significant improvements to facilities and building infrastructure. Bonds can be used for major construction such as renovation, building an addition, building new schools or for projects such as addressing deferred maintenance and ventilation deficiencies. Bonds, however, cannot be used to pay staff, buy textbooks, pay utilities or for the general operation of the district.

WHY IS THE DISTRICT CONSIDERING A BOND REFERENDUM?

The elementary school and the high school are both aging and have infrastructure and renovation needs. Addressing facility needs will also reduce annual maintenance and operating costs, allowing the district to redirect the savings to student programming. Additionally, updating our facilities will ensure the buildings will be safer and provide improved educational spaces for 21st-century learning.

WHAT WERE THE RESULTS OF THE NOVEMBER 2023 ELECTION?

The election was unsuccessful by a small margin:

Question 1 (Operating levy at \$760/PU) failed by 12 votes.

Question 2 (Facilities Bond – highest priority facilities needs including mechanical, HVAC, plumbing and electrical infrastructure improvements, safety and security upgrades and improvements to existing classrooms) failed by 8 percent points.

Question 3 (Facilities Bond - performing arts space & competition gym) failed by 20 percentage points.

WHAT WERE THE RESULTS OF THE POST-REFERENDUM SURVEY?

Based on the data received in February 2024, the stakeholders stated that the district should consider rerunning the election with an operating levy at \$760/PU and a bond referendum amount under \$20M. The data showed there is not enough support for a bus garage, multipurpose space, replacement gym, and band/choir addition.

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✓ FINANCIAL

WILL THE DISTRICT RECEIVE ANY ASSISTANCE FROM THE STATE FOR A POTENTIAL PROJECT?

A proposed bond project will receive aid from the Ag2School credit. The Ag2School credit provides agricultural property owners a credit for school district debt service. This is an automatic reduction of property taxes paid and 62 percent of the L-A district's tax base qualifies for this credit. The legislature successfully passed this legislation in the 2017 session. The current credit is 70 percent and permanent law.



WHY IS THE DISTRICT HOLDING A VOTE IN THE GENERAL ELECTION AND NOT THE SPRING OF 2025?

A district can only pursue an operating levy in a general election unless it is in SOD or does a mail ballot. Lewiston-Altura Public Schools is not in SOD, so a November election is the only option for pursuing a levy. On the other hand, there are five opportunities in a year to pursue a bond election – February, April, May, August, and November.

The district could move just the bond election to the spring, however, holding the bond election with the operating levy not only minimizes confusion between the two, but also minimizes the costs to the district, proposed project, and the taxpayers. When districts hold votes in the general election, the governing of the voting process, election duties and costs are the responsibility of local townships, city clerks and the county auditor. The district will have responsibilities in a general election, but those are limited.

On the other hand, if the district were to hold a special election, the district becomes responsible for the governing and managing all election duties which include hiring election judges, equipping and operating the polling places, and compiling the results - all added expenses.

The Lewiston-Altura School district understands the tax burden of a potential operating and bond election. Moving the bond election to spring 2025 would also increase construction costs, as the district would need to account for inflation, as well as put the district at risk for an increase in interest rates, both which would increase the tax burden.

✓ DISTRICT NEEDS

WHY DOESN'T THE DISTRICT USE FUNDS FROM ITS CAPITAL BUDGET TO ADDRESS NEEDS?

Lewiston-Altura School District has significant facility needs, including equipment that is past its useful life and needs replacement. The district receives Long-term Facilities Maintenance Revenue (LTFMR) from the state, however, there are far more needs than LTFMR funds available. The district receives less than \$250,000 of LTFMR annually and over half of this budget is committed to current bonded facility projects.

WHY NOT ADDRESS FACILITY NEEDS A LITTLE AT A TIME?

The plan proposed would address the most pressing and basic needs for the districts buildings while minimizing the tax burden. With inflation and construction costs, doing a little at a time would not only limit the amount of needs that can be addressed but also be more expensive for taxpayers.

Completing scopes together as a larger project allows the district to take advantage of economies of scale. In addition to inflation and construction costs, implementing projects separately over time would also cost the district more due to separate mobilization fees and having to complete work twice to gain access to areas for work to be completed. An example of this would be removing ceilings to gain access for ventilation work and then having to do it again to replace plumbing systems later. It is less expensive to have a contractor there once than twice.

All the identified scopes are high priority needs that need to be addressed; completing them together is the most efficient and cost-effective route.

WHAT HAPPENS IF THE OPERATING LEVY AND BOND QUESTIONS BOTH FAIL?

The district needs success on both questions to have financial stability and avoid statutory operating debt by fiscal year 2028. The operating levy is vital to maintain existing programs and if unsuccessful, significant cuts will need to be made to not only programs but also to teachers and staff, athletics and activities and administration. Additionally, as the district's annual funding for building needs is limited, any emergency improvements must come from existing revenue negatively impacting the operating budget. The district currently has over \$700,000 of crucial roofing needs that must be addressed immediately. Due to the age of the roofs (20-27 years old), the district has been notified that they, like many school districts in the state, are at high risk of their insurance not being renewed. If coverage is not renewed, the district will be considered "high risk" and could seek coverage with another provider, however it will be at a much higher premium.