Orono CARE says Vote No-No-No-No Tuesday November 8!
The Largest Referendum In Orono’s History. What Do You Really Know About it? Does the Orono School District really NEED a 40% increase in School Property Taxes?

As long time residents of Orono, many whose children have attended and graduated from the school district, we are not in favor of the proposed referendum. We have grave concerns about the excessive amounts of the two 20 year bond referendums totaling $31.2 million dollars (Ballot Q’s 3 & 4) and $1.54 million (avg.) per year for 10 years in revenue and technology levies (Ballot Q’s 1 & 2). It is more than twice the amount of the largest referendum we have ever passed. It will increase our school tax amount by 40% for the next 20 years.

If all four ballot questions would pass, we taxpayers will be responsible to pay $70+ million dollars total over the next 20 years in order to pay off the principal and interest. When added to the already-existing $29 million dollars owed on previous bonds including interest, our total repayment obligations will be at least $98.4 million dollars. Given today’s economic stressors and our steadily increasing taxation, this will be a significant burden for many of the area’s residents.

Please read our newsletter to learn of the many concerns that present themselves. Check out the references provided, then use your good judgment to vote on TUESDAY, NOVEMBER 8.

Referendums Keep Coming. When Will This End?
This is the 4th referendum in the past 6 years that the school district has proposed; the last three have passed. A $4 million general maintenance and technology levy passed in 1992. Two building bonds passed in 1998 & 99 for the middle school, etc. totaling $19.1 million. This is the 3rd referendum asking for technology money. The 2002 technology referendum authorized the spending of $230,000 per year (with 7 years left). If this referendum passes our total tax liability will equal $98.4 million over 20 years.

In 2004 a new 10 year school tax of approximately $3,000,000 was approved by a narrow margin. This levy was indexed with the Consumer Price Index (CPI). Recently the Bureau of Labor Statistics announced that the increase in CPI effective 1/1/06 will be 4.1%. This means that the tax levy approved last year automatically will go up by 4.1% next year. It also means that the tax levy will increase each of the next nine years by a minimum of 4.1%. It probably will be even higher because inflation probably will not be zero. At this rate by 2014 this annual levy amount will have grown to at least $4.3 million.

While the administration and board of education should carefully weigh the needs and related financial costs in providing an excellent education to our children, it also has an obligation to be financially responsible and to limit the taxation of our citizens.

What Are Some of The Facts of This Referendum?

$4,300 If Approved, Our Total Future Obligations Will Exceed $70 Million $4,300

This is the proposed school tax increase and does not include the upcoming increase in Hennepin County and most cities’ property taxes, along with the additional fees. Nor does it address the rising fuel costs and proposed 77% increase in natural gas this winter. What will the referendum cost you if passed? School taxes on residences are as follows.

<table>
<thead>
<tr>
<th>Taxable Market Value</th>
<th>$250,000</th>
<th>$500,000</th>
<th>$1,000,000</th>
<th>$2,000,000</th>
</tr>
</thead>
<tbody>
<tr>
<td>School Taxes Payable 2005</td>
<td>$529</td>
<td>$1,058</td>
<td>$2,264</td>
<td>$4,676</td>
</tr>
<tr>
<td>Increase School Tax 2006</td>
<td>$215</td>
<td>$429</td>
<td>$943</td>
<td>$2,010</td>
</tr>
<tr>
<td>Percent Increase In One Year</td>
<td>40.6%</td>
<td>40.6%</td>
<td>41.7%</td>
<td>43%</td>
</tr>
<tr>
<td>Total of New Taxes over 20 yrs</td>
<td>$4,300</td>
<td>$8,580</td>
<td>$18,860</td>
<td>$40,200</td>
</tr>
</tbody>
</table>
Overall annual operating expenses have increased from $16.8 million in 1996-97 to $19.6 million in 2003-04. Yet during the same time Adj ADM (Average Daily Membership) enrollment fell from 2,564 to 2,460 students. If we leave out the open enrolled students and count Orono resident students only, resident enrollment fell from 2,192 to 2,027 during this time. Even with the district’s aggressive recruitment for open enrolled students, the district still has declining enrollment. Operating expenses are going up rapidly while our enrollment is going down. Who runs a business this way? And now with Q. 1 the board wants an average of $787,000 million more each year to spend on general expenses.

Orono School District taxpayers subsidize 516 open enrollment students....a Million Dollars

As resident enrollment declines and Orono aggressively advertises for more open enrollment students, the costs to taxpayer costs increase. Orono administration is expecting taxpayers to pay approximately one million dollars per year to fund the difference ($3,342) between what the state pays the district per student ($4,783)² - both open enrollment (516) and resident (2069) - and what it costs in operating dollars to actually educate each student ($8,125)³ (adjusted for food service). The total needed to cover this difference in operating costs for these students is $1,724,000 ($3,342 x 516 students), most of which comes from tax levies and fees. The Minnesota Department of Education (MDE) states that 60.7%⁴ of local revenue for Orono came from property taxes in FY 2004.

What that means to you and me as taxpayers is that the Orono school board's aggressive campaign to recruit open enrolled children is causing a local property taxpayer liability of at least $1,046,559 ($1,724,000 x 60.7%) for this year alone. What is the answer? One idea is to scale back open enrollment and deal with the massive overbuilding which continues to require tremendous financial resources each year. This results in either the need to cut teachers, expenses, etc. OR the need to ask taxpayers for an amount of money that increases each year to help pay for the costs of the extra footage. Visit our website (www.oronocare.org) to see the exact calculations and the references for each one. We have had this debate in our community for years.

Our resident enrollment of the past decade peaked in 1998-99 at 2,271. Last year it was as low as 2,002 students, this year it stands at 2,069. See the graph of resident enrollment and one adjusted for Open Enrollment In (OEI). For a closer look consider the grade school student numbers for this fall in the table on the next page. OEI is now 20% of the total.

Do we have to take these open enrolled students in?

Minn. Statute 124D.03 subd’s. 2 & 6 says the school board must set a standardized limit on the number of open enrolled students that we can accept. It particularly sets the lower limit allowed as the lesser of the amount of resident students who enroll out of our district or 1% of our resident class size. The sum of 1% of each class size above equals 11 students in grade school. The board could, by law, limit open enrollment in K-6 to 11 students this year. Instead they took in 285 students. The high school numbers would equal a legal limit of 12 students. The board took in 231.

Has Orono School District overbuilt with a 'mean' excess space of 70%?

Overbuilding has caused a serious and expensive problem that cannot and should not be solved with expensive band-aids (your money and ours). Let's admit we have too much empty space and though painful, do something about it. Take a hard look at how much square footage of sch building space we need and how much must be maintained, serviced, heated, insured, upgraded etc.

MDE provides guidelines for gross sq. footage of recom-
mended building space needed for elementary, middle and high school buildings based on student population. They can be found on page 67 in the Guide for Planning School Construction Projects in Minnesota. Using the mean of the low and high sq. footage MDE recommends for a district our size, calculations show that we need 329,545 gross square feet to house all of our resident students and support staff. However, we have 561,065 gross square feet of buildings.

Orono School District has approximately 231,520 square feet (70%) more sq. feet than the mean average recommended by the state of Minnesota. The numbers can be seen at www.oronocare.org. With declining resident enrollment, we are maintaining too many buildings. This creates a strong reliance on property tax dollars to fund the operating budget. This ongoing financial obligation affects the district’s ability to pay our staff well and support the needs in classroom as should be done.

$31 million for renovation, repair,..... for most of the buildings on our campus. Is this wise?
Does it really solve the problem?
We believe taxpayers are being asked to upgrade buildings we don’t even need and can’t afford to keep up. This brings us to recommend the following:

Say NO to Questions 3 and 4 until we can better study this excess space problem. A thorough examination needs to occur for an accurate assessment to be completed.

What is Really Necessary in the Architect’s Remodeling Plans for an Excellent Education?
We agree with the pro-referendum committee who stated in a recent flyer, Orono has “Lower spending and lower revenue per student. Better test scores.” We have been able to deliver excellent education without such a drastic increase in levy dollars. Taxes should not need to be raised by 40+% to pay for the myriad of questionable ‘wants’ as few of them are necessary to continue to deliver an excellent education.

One major questionable upgrade the district wants to make is to our boilers and plumbing. The proponents committee literature recently said if we turn this down our “schools risk closings due to boiler failures.” Rather than believe scare tactics, we hired Victor Niska, a well qualified consultant holding a Chief “C” State of Minnesota Boiler License to inspect the boilers on behalf of CARE. His entire report is posted on our website at www.oronocare.org. What he found was that Orono “...boilers have a remaining life at least 12 years to 20 years depending upon the maintenance...” He was surprised though to find that a maintenance log book, required under Minn. Stat. 5525.1110 Sub. 1g. was not being kept. Why would the district take money from the taxpayers and pay interest on those bonds for years for a replacement that is not necessary now and may not be during the life of those bonds? He also states that, “Procurement of parts is not an issue, as parts are very standard and boilers a lot older are in operation in many locations throughout the country.”

<table>
<thead>
<tr>
<th>Item</th>
<th>Cost</th>
<th>Page #</th>
<th>Comments</th>
</tr>
</thead>
<tbody>
<tr>
<td>Boilers for 5 bldgs.</td>
<td>$2,400,000</td>
<td>81</td>
<td>12-20 years life yet.</td>
</tr>
<tr>
<td>Air Conditioning</td>
<td>$2,340,000</td>
<td>27, 86, 138</td>
<td>For a few weeks each year?</td>
</tr>
<tr>
<td>New clock systems</td>
<td>$303,000</td>
<td>33, 52, et al</td>
<td>Needed to increase student interest</td>
</tr>
<tr>
<td>TV studio</td>
<td>$15,600</td>
<td>141</td>
<td>No cost given by district.</td>
</tr>
<tr>
<td>Artificial Turf</td>
<td>Not Stated</td>
<td></td>
<td>We were in error on a previous mailing when we called them laser flush toilets.</td>
</tr>
<tr>
<td>Infrared flushers</td>
<td>$39,700</td>
<td>45, 86, 135</td>
<td></td>
</tr>
<tr>
<td>Urinals</td>
<td></td>
<td></td>
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Is One Million Dollars per Year Overkill on Technology?
For the next 7 years taxpayers are funding $230,000 for technology. Question #2 asks for an additional $750,000 per year for ten years. The Technology plan allocates 49% for salaries and training. Is this much money really necessary each year for our students to be successful? Doubt has been cast on whether heavy reliance on
computers improves student performance, according to a recent study out of Penn State. The study concluded,

"After reviewing the data from over 2,500 different school/class combinations in the state of Pennsylvania it has been found that IT factors do not show consistent, positive relationships with higher educational math and reading test scores...It cannot conclusively be determined that the increased IT expenditures taking place in school districts today are positively influencing student performance. Careful review of educational IT spending should be undertaken." Alan R. Peslak, Penn State University, October 2005, Vol. 48, No. 10 COMMUNICATIONS of the ACM (Association for Computing Machinery)

Most would agree, some computer time is helpful for students, however, computers can become a distraction especially for younger children and the Penn State study bears this out. Let’s stick with the current funding referendum we’ve already committed to, not more.

Election Judges

Most voters would agree that election judges shouldn’t be employed by the very district who stands to profit. We asked the district for a list of the election judges and to identify which, if any, of them were employed by ISD #278 or if they had any immediate family members who were. They provided the list of election judges but nearly two weeks after our first request they still have not provided the names of any employees (or their family members) of the district who may be serving as election judges. At press time they said they were still planning to.

Is This the Right Referendum at the Right Time?

We don’t believe so. As responsible, respectful community members we value all of our citizens, from young to old. Most of us will support reasonable, wise financial requests particularly if they are legitimate needs for the students and teachers. However, the list is 159 pages and includes many items that we view as unnecessary and unwise. This referendum is excessive and forces us to vote No-No-No-No. Will you join us? A No voter who stays home is the same as a Yes vote. Join us! Show up at the polls on TUESDAY, NOV. 8 and Vote No-No-No-No.

Whether a referendum passes or fails, it should be based on the merits of the issues. In past Orono School District referendums, some district folks, proponents, and/or the media have chosen to participate in personal attacks on those who expressed their opinions against levies. Unfortunately, this has begun again. It is our sincere hope that instead of personal attacks, we can all focus on the issues. Thank you.

Footnotes:
1) Due to the administrations slow response to our request for records, we could only calculate the cost of ballot Q. #1 from original data provided to the public. Upon receipt of different district data we have now adjusted the cost of Q. #1 to be $7.87 million over 10 years and adjusted all of the totals.
2) http://www.house.leg.state.mn.us/fiscal/files/05finpdf.pdf
3) http://education.state.mn.us/mde/static/2004DistExpendPerADM.xls
4) http://education.state.mn.us/mde/static/2004RevPercentages.xls
5) http://education.state.mn.us/html/intro_facilities_guide.htm

www.OronoCARE.org

Vote ☑ No-No-No-No

Prepared & Paid for by Orono Citizens Acting for Responsible Education (CARE) Committee
Email OronoCare@yahoo Ph 952/994-8754

On the Orono school referendums

VOTE NO-No NO-TUS. NOV 8

And to Respect Taxpayers, "Wise, Not Wasteful Spending"
Teach Our Children

Long Lake, MN 55356
P.O. Box 95
Responsibility Committee
Orono Citizens Acting for