
**LCWM
Proposed
\$18.6 million
School Bond
Referendum**



**Tuesday
Sept. 14**

Citizens for Quality Education (CQE) is a political committee made up of members from the communities of Lake Crystal, Rapidan, Vernon Center, Good Thunder and Garden City who believe the school board has again floated a bond proposal that should be rejected. The proposal is to spend a whopping \$18.6 million for a new secondary school for Lake Crystal Wellcome Memorial (LCWM).

Would you please consider this information and then join us and vote "NO" on Tuesday, September 14? Here are some of our reasons.

An Important Lesson For The Children

One of the most important messages we can send to our children in these turbulent economic times is to consider the long term consequences of buying something that is unnecessary and too costly just because someone will loan us the money to do it. This poor idea has gotten too many households, farmers, businesses and now our state government into a lot of financial trouble the last 4 or 5 years. If they see adults just borrow and spend, what example does this provide them? When the borrowing bubble crashes, we as communities will be in a much better shape with lower public debts and taxes hanging over our heads. Further, based on the Bond Issue calculations provided to our board by Ehlers and Associates, Inc. (Ehlers) LCWM's proposal calls for us to pay back \$18,595,000 in principal plus \$19,519,628 interest for a total of nearly **\$40,000,000 of new taxes** which will have to be levied from the communities of LCWM.

Even in 4th Grade Math They Learn "\$1,333,000 > \$25,000"

From the beginning, the school board provides us a good illustration of poor economics that we can use to teach the children of LCWM **not** to copy. The board believes they will save up to \$25,000 (mostly state tax money) per year in operating costs through energy efficiencies, etc. gained by building new, according to their statement at the Aug. 31 public meeting. And the annual investment required by LCWM property taxpayers to achieve this savings for the state is "only" \$1,333,000 each year for the 30 years needed to pay back the principal and interest on the bonds, according to Ehlers. Even a 4th grader at LCWM knows that spending \$1,333,000 each year to save \$25,000 is bad arithmetic. What we can't understand is with all of the Statutory Operating Debt deficits we have been struggling with and are forecast to incur again in the 2005-06 school year, how does the Board think that taking on an additional tax obligation of over \$1.3 million per year is going to improve anything? Such an unaffordable obligation will most likely plunge us into a merger with Mankato.

Enrollment

One of the ways the board believes their proposal will help our finances is that the new school will appeal to the 240 students who have tuitioned-out this past year so that they will hurry back to LCWM and as a result bring the lost state revenue back with them. In the Board's Review & Comment Submittal presented to the Minnesota Department of Education (MDE) on May 24, 2004, they wrote, "It is hoped that many of these students will choose to return to the school district after there has been significant improvements in the school facilities."

Will They Come Back?

The problem with this hope is that it is not grounded in reality. We've surveyed the parents of 90 of those children (38%) and asked them the question – would you send your kids back if LCWM built a new high school? **Not one** of them said "Yes". Most said things like, "A new school doesn't give a better education"; "no way", "absolutely not". Mark and Kris Streit of Vernon Center were two of those parents. They raised concerns as to how LCWM pushed to have their oldest child unfairly labeled as a Special Education student while only in Kindergarten. It is not uncommon for many schools to label children - who for example are in need of a little extra phonics reading instruction - as a special-ed child regardless of what harm the label may do to him/her in the future. Why do schools do it? For the extra "special-ed" cash premiums the state provides, of course. Good special education teachers have been known to quit teaching because they were under pressure to help place as many children in their classes as possible and to pass as few back into the mainline classes as possible. They were not willing to sacrifice their students to solve the school's budget problems.

For the Streit family, when their oldest son was tuitioned out, they saw marked improvement and he never needed special

from this trend. We are sorry but we don't see a gain for LCWM in these numbers! We don't know what the board of LCWM is thinking but we don't want to build a new school and then copy this trend. See our table here. Our data came from <http://www.bls.gov/cpi/#data>, http://education.state.mn.us/html/intro_finance_sch_profile.htm, <http://cfl.state.mn.us/datactr/fallpops/index.htm>.

Is More Space Needed to Educate? The Devil Is In The Details!

After stating that most of our classrooms in the 1953 addition are 700 square feet, **Facts** then reports the MDE "guidelines require 900 square feet." What an interesting twist of words to lead the voters in the wrong direction. First, how can guidelines be requirements? Second, if one checks the MDE website, the 900 sq. foot applies to new building construction, not existing facilities, a point the school seems to overlook. (<http://education.state.mn.us/content/003023.pdf>)

They also state that another reason for a new school is that "new approaches to teaching and learning require more space." This is gibberish! Right when schools are rejecting the group-teach fad which has yielded poor academic test scores across Minnesota and the nation, our school wants to expand it by spending \$18.6 million for a new school. Just last spring an AP story out of Coatesville, PA, reported how their school district was throwing out the collaborative learning fads that required larger classrooms and were returning to 40 minute periods with lectures, etc. One district science teacher said, "When teachers give up lectures, kids never learn how to sit still, listen, think as they are listening, and take accurate notes to improve comprehension. Their thinking skills suffer. That shows up as lower achievement and lower test scores." LCWM children need lecture style classes with solid curriculums to improve test scores. The larger classrooms is a current educational fad that we should not buy into as a reason to build new.

	FY 98-03	FY 97-03
	Enrollment	Operating
	Change	Expense
		Change
Alden Conger	-0.2%	54.2%
Cleveland	-9.9%	19.9%
GFW	-16.5%	45.3%
LeSueur-Hender.	-7.8%	26.6%
Madelia	-4.6%	41.0%
Maple River	-3.9%	34.1%
Montg.-Lonsdale	-5.8%	29.6%
New Ulm	-18.0%	17.1%
St. Clair	-8.0%	22.3%
Blue Earth	-16.1%	57.2%
Fairmont	-16.6%	26.1%
GHEC JWP	-19.3%	2.5%
Mankato	-4.1%	25.5%
Martin Co. West	-16.6%	37.8%
New Richland	-9.8%	30.2%
Cumulative Total	-10.1%	28.4%
Inflation Rate Over Same Period		14.4%

Further, the Pacific Research Institute has found that the smaller class size (fewer students in a large classroom) fad has not increased learning but has been the means of drawing less employable teachers, who still want to teach, back into the workforce. They were less employable as they were not as qualified as current teachers. The result – their poor qualifications lead to mediocre test results from their students. We don't need a new school for smaller class sizes which will make for little improved test scores and more budget/staffing expenses. http://www.pacificresearch.org/pub/sab/educat/03_ed_index/17_class_size.html

Age of Building

In the Board's **Facts** they state that "Beyond 50 years (the age of the secondary school) the natural deterioration process accelerates, and it is generally recognized that many building systems should be completely replaced." First of all, remember many children in Europe receive world-class educations in buildings that are 200-300 years old. Age is not the sole factor and yes we do need to continue with repairs and maintenance. The state has ADA money available to expand bathrooms and such. If we qualify, we should upgrade each necessary bathroom for handicap accessibility.

But before we spend huge money on a whole new school building we can't afford let's wait a few more years on this economy and see how tax budgets are going to respond. We don't want to be facing a merger, **which none of us want**, with nearly \$40 million dollars worth of obligations on our backs!

Economic Times Are Risky

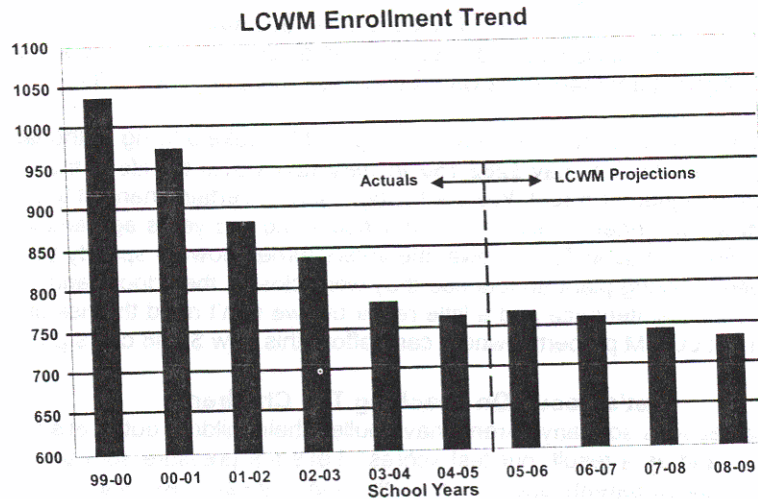
Like it or not, we are in a global economy today and global economic factors we have no control over can cause us much financial pain locally. American governments (federal, state, county and school districts) and individuals are spending more than we are producing. Foreign bankers are loaning us (ie. buying school bonds) \$2 billion dollars a day to keep our public and private spending going. When those bankers shut off the tap we could be in serious financial shape, especially when we have long term commitments to high property taxes. Last Fall, European Central Bank council member and President of Germany's Bundesbank Ernst Weltekeone said, "The structural imbalances are growing. The U.S. needs the support of the world to bring about an orderly adjustment. Each day the U.S. needs \$2 billion to finance its current account and the budget deficit...A real change in policy is needed. The government and the citizens live beyond their means. Abrupt foreign exchange adjustments can push the world economy into a crisis." Matters have only gotten worse in the last year.

Who Can Afford The New Taxes?

Taking on a new unnecessary 30 year tax load during the time that a potential 'abrupt global economic crisis' is being discussed by global bankers who control such things is neither a risk that we should assume nor pass on to our children. With recent Minnesota tax reform bringing some school property tax relief to farmers, this is just the time to pocket that and prepare for possible tougher times ahead. We shouldn't offset any gain provided by state property tax reforms by sticking another tax right back on. Though we couldn't get the final taxing rate from the County Assessor's office, Ehlers comes close

ed classes in the new district. Now their daughter is going to this school and their 2 yrd. old will be following when the time comes. After this experience they never plan on returning to LCWM. The Streit's are not alone. There are many parents we spoke with who had similar experiences and who share the conviction that a new school will not solve the educational problems they experienced at LCWM.

We are losing our student enrollment even faster than the school anticipates. In the May Review and Comment the board forecast this year's (K-12) enrollment would be 776 students. By the August 23rd school board meeting Superintendent Norman admitted it was 764. The 1999-2000 school year had 1,037 students and by the 2008-09 school year they expect us to be down to 734 students. CQE thinks it could be around 600. The *Free-Press* of August 30, 2004 reported that LCWM "...that between 1996 and 2003 Lake Crystal Wellcome Memorial had the largest enrollment decline of any district in the state based on percentage."



We should also understand that just because unprecedented levels of mortgage money are being poured into new home construction around the state and right here in Lake Crystal, it doesn't mean that families with several small children are building these homes. To afford the mortgage payments for these homes many young couples who build are opting not to have children or to have far fewer than their grandparents did. And who else is building new homes in Lake Crystal? It is those past their child bearing years. In another story in the *Free Press* on August 30 it was reported that **in two years 80% of Minnesota school districts will be in decline.**

With the state paying the vast portion of LCWM's budget as a fixed dollar amount per student, our continued declining enrollment will likely keep us in statutory operating debt long enough until the state tells us it is time to close our high school or even worse.

Can We Become Another Byron, MN?

At a community meeting to discuss this proposal, it was suggested by members of the Board that this new school would draw new families from Mankato who would want to build new homes in Lake Crystal and that we'd become a prosperous bedroom community just like Byron outside of Rochester. Is this possible? A representative of CQE contacted building permit official, Dale Kurtz, at the city of Byron. Kurtz told us they have issued 125 detached single-family home permits on average each year for the last four years. They also finished their 40 acre industrial park two years ago and have so far issued only one building permit for the park. It can hold over a dozen industrial businesses. But what is more interesting is that with 500 new homes in Byron their school district has increased from 1,445 (K-12) students to only 1,535, according to MDE records. In Byron it takes 5½ (500 / 90) new homes to gain one new student. At this rate Lake Crystal would have to build **over 1,500 new homes** just to offset the loss of 273 students we've incurred since 1999-2000, if we want to be like Byron. To increase student enrollment wouldn't it be much simpler to respond to the concerns of families like the Streits than to expect to build nearly double the current number of homes in Lake Crystal?

How Did New Buildings Impact These Other Minnesota Schools?

LCWM provided a table of 15 Minnesota school districts in the *Facts* which they used as models for schools who believed that "Making do is no longer an option" and thus expanded their school facilities. We are supposed to learn from their examples. CQE spent some time on MDE official websites and examined the results of new buildings on these districts. We found that each district lost student enrollment (Pre-K thru 12) since the 1997-98 school year (the last year stats were available on the MDE's website) with the cumulative total enrollment numbers declining by 2,489 students or 10.1%. Meanwhile, the cumulative total operating expenses of these districts increased \$37.7 million, or 28.4% from the 1996-97 school year until the 2002-03 school year. During this same time the Consumer Price Index (inflation rate) only rose 14.4%. To summarize, the districts that built new schools - and that LCWM wants us to copy - collectively lost over 10% of their enrollment while their annual operating expenses rose by 28.4%, 14% faster than inflation. Not one school on their list broke

to our estimate of 24.8 cents per \$100 of market valuation. A needed reminder - the first new tax figures the school provided were artificially lowered (ie. \$254 new taxes on a \$125,000 home instead of \$313) by an unstated assumption that the health and safety levies would be reduced after we accepted this proposal. Only after we pressed them did they publish the correct ones in the paper. Regarding the reduced health and safety levies offsetting your new tax bill, we ask one question - when was the last time you saw any public school spend less of a budgeted line item? Won't there be other health and safety issues with the grade school and with this much larger new high school? The board, not the voters, will have the final say each year if the health and safety levy will need to be reduced. This was an unfair representation, but we are glad they finally published the accurate new tax figures in the paper. Consider the impact on **new taxes over 30 years** (which our children would be obligated to, as well) if this proposal would pass. Few need to be reminded that inflation of real estate values often has little connection to an increase in personal income which is needed to pay these new taxes.

- Homestead Residential EMV \$125,000 - **\$9,390**
- Commercial/Industrial EMV \$300,000 - **\$39,4800**
- Agricultural Homestead (238 acres @ \$2,000 p/ac + \$125,000 home) - **\$29,040**
- Agricultural (640 acres Bare Land at \$2,500 p/ac) - **\$120,384**

A lot of farmers today need to rent /own at least 1,500 acres of cropland to make a living. If the landlord passes on the tax increases, some struggling farmers may have to pay **\$282,150 in new taxes** over the life of these bonds. Most farm landlords will likely pass on new taxes in higher farm rent. We are facing highly uncertain financial times to take on such a great risk. Wells voters wisely voted down an unnecessary proposed school bond two years ago and last year Con Agra closed their plant laying off 220 people. South of us in Tama, Iowa, the voters turned down a spendy building proposal this spring and a few weeks ago the local beef packing plant announced they were closing their doors and laying off 540 people. We have school facilities that need some maintenance and a little repair but we don't need the risk of new costly buildings in a very shaky economy and when most LCWM property owners can't afford this new \$.248 cents per \$100 "taxing rate".

Let's Focus On Teaching The Children

Let's address the real educational reasons so many parents have pulled their children out. Let's review our curriculums and work on improving our instruction, and as a result, our test scores. Let's not pressure so many children in to Special Ed. Then we may become attractive to those parents and to many others in Mankato. As well, let's teach our children a good lesson in economics. Will you too show the kids we love them, join us and vote NO.

Let's Get Out To Vote!

The election is Tuesday, Sept. 14. Polls are open from 7:00am until 8:00pm, generally. If you can't get to yours and need an absentee ballot application please contact us at the number below and we'll get one to you. Absentee ballots have to arrive at the school superintendent's office (Address) by 5:00pm Monday, September 13 or else arrive in the school's mail box the day of the election. Further, if you know your precinct but don't know where to vote, check the Lake Crystal Tribune or give us a call. And if you need a ride to the polls, please give us a call and we'll arrange to pick you up. Please join us and **vote NO** this Tuesday, Sept. 14. Also please feel free to send any contribution to CQE to the address below

Prepared and Paid for by
 Concerned Citizens for Quality Education Committee, Joel Brude, Chairman
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**Think of the Children
 And Vote "NO" Tuesday, September 14
 on the LCWM school bond referendum**

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