



# OPERATIONAL REFERENDUM *APRIL 7, 2026*

Our district is facing critical financial challenges that need to be addressed with additional revenue. Our communities will consider a \$800,000 recurring referendum.

## **FAQ #7 WHY DIDN'T THE DISTRICT ANTICIPATE A BUDGET SHORTFALL? WHY IS IT SUCH A BIG PROBLEM NOW?**

Budgeting for schools is complex. Our funding is determined by each state biennial budget. Districts learn their allocations in October, which are based on enrollment, state aid amounts and property values. However, our fiscal year starts the previous July 1st and we are required to have a board approved budget in August, prior to knowing the final aid amounts.

During the 2021-2023 budget cycle, Black Hawk schools (just like every other district) faced the challenge of no increase in state revenues during a period of high inflation. To manage, we relied on Federal COVID relief funds (ESSER grants) to fill the gap. COVID Dollars ran out in 2023.

As the 2024-2025 state budget negotiations approached, schools were informed that the decision to freeze funding in the 2021-2023 biennium was a mistake and that the new budget would work to address that shortfall. However, as with all budget negotiations, there was a compromise. Of the original \$2.1 billion requested for schools, the Joint Finance Committee cut about half, leaving only \$1.2 billion.

Of that \$1.2 billion, half was allocated to increase the property tax credit—an amount that appears on your property tax bill. While this credit is reported as part of school funding, none of it is available for schools to spend.

Other items that impacted the district budget that the district could not predict: Open enrollment out of the district to other schools and the decline in funding because of those students leaving the district, Rising costs for high-needs special education, particularly at the elementary level and the elimination of high-poverty aid to district.

Soon after learning the 2024-25 school allocation in the biennial budget, the board began discussion of an operational referendum to meet budget needs. After much discussion including cuts to expenses, the board voted to go to referendum for operations in spring of 2025. The spring 2025 referendum failed, therefore the school is again asking for support in the spring 2026 election.

If you have questions please contact District Administrator,  
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