

Crafting 2009-10 school budget challenging

Written by Elizabeth Barrett
Friday, 11 September 2009 13:54 -



Superintendent cites unsettled teacher pay agreement, stimulus funds as complicators.

Teacher salaries are not yet decided.

Federal stimulus money is great but it's entwined in bureaucratic red tape and disappears in two years.

Despite these challenges, the District 20 school board and school administrators have fashioned a 2009-10 budget that grows 5.6%—from a proposed \$8,113,452 in 2008-09 to \$8,431,700.

Taxpayers will be expected to pay \$4,665,829 collectively—4.8% more than last year's request.

That despite a .7% drop in the mill levy—from 1.204 to 1.195.

"It's been challenging because we've had to estimate teacher salaries and benefits—they're a huge part of the budget," said superintendent Mike Teahon. "Still, the budget remains conservative and represents the expected requirements."

Teacher salary and benefits make up about 80% of the budget.

In fact, Teahon doesn't know if they've ever been without an agreement beyond the start of the

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fiscal year which was Sept. 1.

The Gothenburg Education Association and the District 20 school board negotiating team decide the settlement which is then approved by the full board.

Stimulus funds have strings

Although stimulus money—some of which can be spent on the Dudley Elementary remodel project—can be spent the same as general fund monies, it needs to be accounted for differently, Teahon said.

The federal funds also create a cliff effect because they go away in two years.

Teahon said the district will receive \$341,000 in federal and state stabilization funds plus an additional \$230,000 in special education stimulus funds over the next two years.

He noted that 13% of the special education funds, or about \$37,500, will be spent on the Dudley Elementary remodeling project since testing rooms are included plus another 5%, or \$68,000, of the project paid through different federal stimulus funds.

Renovation costs total \$690,000.

The balance of the stimulus funds will be spent on equipment, supplies and the special education program, he said.

One more staff position was added this year to reduce class size at Dudley Elementary.

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Shrinking class size will generate \$267,443 in state aid.

BUDGET HEARING

The public can comment on the proposed budget and tax request during public hearings Monday, Sept. 14, at 7 p.m. in the Community Building board room.

The tax hearing is at 7 p.m. followed by the budget hearing at 7:15 p.m.

School board members will take action on both items at the regular meeting that follows at 7:30 p.m.

A copy of the proposal is available in the superintendent's office.

The new staff member teaches core classes in the fifth and sixth grades.

In all, the district will receive \$3,155,410, or a nearly 9% increase in state aid, compared to \$2,895,938 last year.

Poverty allowance, for children in classes considered at or below poverty level, is \$166,943 compared to \$130,000 last year.

Teaching funds given

An additional \$104,000 from the state will be received for instructional time allowance.

“The more instructional time you have, the more money you get from the state,” he said, noting that District 20 makes up snow days to total 179 at the end of the year.

A plus for the district, Teahon said, is that the current state aid formula—which compares demographic information between 10 schools—seems to work for District 20.

“But we’re a low-spending, low-tax district,” he said.

By crafting a budget last year that was 3 cents under the state spending lid, Teahon said the

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district received \$120,000 less in state aid.

State law requires school districts to draft budgets between 94.5 cents for general spending and \$1.05 for general spending and building funds for each \$100 of valuation.

Otherwise, state aid allocations drop.

In the new budget, valuation rises 5.6%—from \$383,501,000 to \$404,970,000.

What that means for a taxpayer with a home valued at \$100,000 that hasn't risen the past year is an \$8 drop in taxes—from \$1,204 to \$1,196.

Property taxes feed fund

General fund monies—that pay for the operation of the district, special building fund and bond fund monies and exclusions—are generated from property taxes.

For the eighth year, taxpayers are also responsible for a \$11.4 million bond issue for school improvements.

Payments of \$832,000 will be made to retire principal and pay interest.

Within the combined levy, that means District 20 patrons will be assessed 25 cents per \$100 valuation compared to 26 cents last year while patrons in the former Class I school districts will pay 13 cents compared to 13.6 cents in 2008-09.

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Even though the former Class I districts are now part of District 20, rural patrons are still assessed on the bond levy only for grades 9-12 for the building of the new junior-senior high school.

In the proposed budget, \$353,500 is in the special building fund compared to \$505,000 last year.

The fund holds money used to acquire or improve sites and/or to change or improve buildings.

| DIST. 20 SCHOOL BUDGET | | | |
|---|---------------|---------------|------------|
| The proposed 2009-10 Graftonburg Public Schools general fund budget, district property valuation, proposed tax levy is compared to last year as well as the tax asking for District 20. | | | |
| | 2008-09 | 2008-09 | Difference |
| Valuation | \$404,669,818 | \$382,500,872 | 5.6% |
| Budget | \$8,421,700* | \$8,115,452 | 3.9% |
| Tax asking | \$4,685,529* | \$4,450,420 | 4.9% |
| Levy | 1.195* | 1.204 | -0.7% |
| *Proposed | | | |
| PROPERTY TAXES | | | |
| | 2008-09 | 2008-09 | |
| | 1.2044 levy | 1.2044 levy | |
| Property value | \$100,000 | \$1,196 | \$1,204 |

PROPOSED COSTS WITH BIGGER PRICE TAGS

- \$5,022,000 for instruction compared to \$4,697,862, \$60,750 for pupil support services compared to \$58,450. These services include such things as salaries and supplies for counselors, coaches, activity sponsors and the school nurse.
- \$385,550 for the offices of secondary, junior high and Dudley Elementary principals compared to \$398,050.
- \$301,310 in federal money for programs like special education compared to \$289,700 last year.
- \$221,000 for pupil transportation or rural routes, athletic and activity transportation and equipment purchases compared to \$239,000.
- \$188,400 for executive administration (for superintendent office expenses such as office salaries, benefits and expenses related to travel and conventions) compared to \$166,250.
- \$147,250 in support services for staff compared to \$175,200. These include such things as the media center and audio-visual instruction.
- \$95,100 for business services that include items for the general business of the school such as accounting fees, salaries, postage and telephone fees and office supplies. That compares to \$83,000 budgeted last year.
- \$50,000 for the school board for such things as insurance, audits, attorney fees, workshops, etc., compared to \$58,000 last year.
- \$4,000 for vehicle maintenance compared to \$2,500.

A transfer of \$200,000 from the general to the depreciation fund was made last month to retire existing debt and \$15,000 was placed into the activities fund.

Money from the depreciation fund, established to pay for costly projects by reserving money, helps pay for capital expenditures.

Transfers are also included within the proposed budget to the depreciation, bond and activities funds with their amounts to be determined during the fiscal year.

Insurance credits received

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In terms of other budgeted expenses, Teahon said the district again received a credit in liability, property insurance and workmen's compensation.

"We've historically been a low-claim district," he said.

Costs are budgeted at \$54,000 for property, \$23,000 for workmen's compensation and \$8,000 for liability.

Health insurance rates continue to edge upwards with an 8 1/2% increase expected this year.

Salaries and benefits, which is still unknown for teachers, cost the district \$6,180,052 last year.

The district's cash reserve, designed to pay district bills for three months when tax receipts are not available, remains the same at \$1,000,000.

Gasoline costs are budgeted at \$60,000 which is the same as last year.

The district locked in natural gas prices at 81 cents per therm which is 20 cents less than last year.

Electricity costs have been budgeted at \$150,000.

Energy costs are contained within the maintenance and operation of the plant budget that will decrease 9.5%—from \$1,144,450 to \$1,035,150.

Teahon said the drop is a combination of an energy-efficient building and equipment and lower

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natural gas costs.

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