

Tax levy drops in proposed Dist. 20 budget

Written by Elizabeth Barrett
Friday, 06 September 2013 13:41 -

2012-13 SCHOOL BUDGET			
	2012-14	2012-13	Difference
Valuation	\$604,258,732	\$534,572,464	12.8%
Budget	\$12,252,850	\$11,266,898	8.8%
Tax asking	\$6,274,424	\$6,194,200	1.28%
Levy	1.07	1.10	-10%

*Part of the increase in the proposed budget is due to approximately \$2 million of what was formerly unused budget authority. Unused budget authority was tracked outside the budget but is now included in budgets to allow for local control. The authority is generated by setting previous budgets below statutorily allowed levels. The proposed \$11.2 million budget also includes a \$1 million cash

Teahon: School board mindful of high ag land valuation

District 20 could receive a million less in state aid next year but it's a gamble school board members are prepared to make.

By dropping the tax levy 12%, in the proposed 2013-14 budget, school board members hope to mitigate what patrons pay in property taxes, according to superintendent Dr. Mike Teahon.

Teahon said the district will get less in state aid money next year for allowing the levy to drop 4.5 cents below the state-required 94.5-cent minimum.

State law dictates that schools fashion budgets with levies between 95 cents and \$1.05.

Money generated from the levy is used in the general, special building and bond funds.

Ag land valuation too high

"It's a balancing act," Teahon said. "We felt the valuation increase on ag land was too high."

The state aid formula sees high valuation (13% more than last year) as an increase in the ability of local school districts to support their school which, in District 20's case, results in fewer state dollars, he said.

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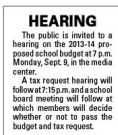
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By dropping the tax levy, owners of property valued at \$100,000, will pay \$120 less in taxes if the value of their properties didn't rise.

District patrons will collectively pay \$79,091 more in property taxes with a proposed asking of \$6,273,424.

That figure represents a 1.28% increase over last year.

A proposed budget of \$12,283,853 is about 8.8% more than last year's amount of \$11,286,698.



Teahon noted that the majority of the increase is in unused budget authority (see school budget box) as the actual budget increase is closer to 3.1%.

Low cost per pupil rate

Teahon described the budget as very conservative and noted that the district continues to be efficient.

In fact, District 20—with a \$9,973 cost per pupil—ranks 23rd out of 249 districts in having the lowest rate.

As far as district projects this next year, Teahon said officials have budgeted for the replacement of playground equipment and perhaps upgrading the visitor bleachers on the north side of the football field—a wish item that has been cost prohibitive.

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District officials have also applied for a grant to help buy an electric car.

Projects on a long-range planning list include the addition of a greenhouse, the possibility of a school-based preschool and addressing classroom issues if enrollment continues to increase.

School board members, who crafted the budget with Teahon's help, will have a public hearing on the budget at 7 p.m. and tax request at 7:15 p.m. on Monday, Sept. 9, in the media center.

A more detailed budget can be reviewed in the superintendent's office.

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REVENUES

- **Property tax**
The levy drops about 12 cents to give relief to property owners, especially those who have agricultural land. Still the levy is expected to generate \$6,374,584 which is a 2.9%—or \$180,101—increase.
- **State aid**
The district will receive \$2,892,479 in state aid in 2013-14 compared to \$3,236,164 this year because of increased valuation on the financial resources to support its public school.
- **Federal aid**
The district expects to receive about \$475,000 in special education funds and \$50,000 through Medicaid, Title I and II dollars will total \$160,000. With fewer federal and state dollars, Teahon said the district depends more on local resources.

EXPENSES

- **General fund**
This fund supports services offered by the school district. Approximately 62% of the budget is salaries and benefits. Benefits, including health insurance and retirement will increase about 6%.
Salaries and benefits will cost an estimated \$7.3 million.
Major non-salary expenditures include:
 - \$310,000 in supplies and materials
 - \$200,000 in building, equipment and improvements
 - \$175,000 in electricity
 - \$55,000 in fuel for building
 - \$75,000 in gas/oil for transportation
 - \$120,000 for liability, vehicle and property insurance and workers' compensation
 - \$75,000 in computer hardware
 - \$50,000 in vehicle replacement
- **Cash reserve**
The district's reserve was increased from \$50,000 to \$1 million.
- **Special building fund**
An additional \$100,000 will go into this fund for the purchase or improvement of land sites or buildings.
The district is requesting \$230,000 compared to \$200,000 in the current year budget for emergencies or long-range projects.