

Key Communicator
November 2015

Q. What is the history of the Troy School District total tax rate per \$1000 Market Value? What are you doing to get costs down and become more efficient so that the tax payers can get some relief and the town can become more business friendly?

A: Please review the history of the levy rate of the past tax years:

2002: 12.48
2003: 12.73
2004: 12.03
2005: 10.88
2006: 8.44
2007: 7.66
2008: 7.53
2009: 7.51
2010: 8.32
2011: 8.81
2012: 8.31
2013: 9.35
2014: 9.12
2015: 8.98

Troy School District passed a bond to build a new high school in 2001. The patrons of the community knew at that time that in order to get a new school, their taxes would need to go up in order to pay for it. The cost of the construction was estimated at \$4 million, but the State of Idaho helped with paying the interest of approximately \$2 million – relieving the patrons an exuberant payment. That bond will be paid in 2021. The bond for the Elementary School will be paid in February 2016. A state law was passed a few years ago by the Idaho Legislature that school districts were required to match state funds to put into an account for student-occupied building maintenance to help keep schools safe for the students. The FY2016 School Building Maintenance Requirement per Idaho Code is \$126,345. Troy has moved \$99,500 from General Fund into the 430 Fund—Student Occupied Building Maintenance. The District cannot forgo not meeting its obligation because the District would not receive its funding. The \$99,500 is property tax dollars that are levied. Other facility maintenance projects needed attending to that did not include student-occupied buildings—greenhouse fence, baseball fence, etc. Utilities have increased, District insurances have increased. No raises were given last year, the Superintendent took a reduction in pay, field trips and travel expenses were reduced. The Board of Trustees over the years has analyzed the programs and classes that the District offers and felt that the programs were successful, educational, and highly needed. In order to maintain the level of excellence, the Board retained staff who provided the education.

Q: What is the timeline for the school board to determine how much next year's levy is going to be, and what month will the next levy election be run in? And how does the board determine the amount to run the levy?

A: The December board agenda will address whether there will be a levy on the March ballot, in which case, the Board would need to set the levy amount at the January 2016 board meeting. If the Board chooses to run a levy in May, then the amount set for the levy will be determined at the March 2016 Board meeting.

There is a process for the Board to determine the amount to run a levy. The process starts when the contracted Auditor presents the prior year's audit in September annually. The auditor presents the financial records to the Board, questions and answers are conducted at this time. In this process, the Board is shown graphs of the trends in both revenues and expenditures of the district over a period of time. Beginning this year, the Board has been meeting with the Superintendent to discuss and analyze the needs of the district for the 2016-2017 school year. Depending on when the Board determines which date to run a supplemental levy, the Administrators meet so that the Superintendent can be sure to include needs of the schools in the budget process.

When the budgeting process begins, the Superintendent and Business Manager meets to start developing the budget based on the information that the School Administrators requested and what the Board has expressed for meeting the needs of the District. Expenditures are generally developed first—salaries and benefits are established first and then purchased services, supplies, and equipment are included. After the expenditures have been established, revenues are then anticipated based on what is approved by the Legislature. A lot of the revenue received is driven on student enrollment. Student enrollment drives the Support Unit for the District. The Legislature approves the Support Unit amount. Another leg of the revenue is the staffing allocation set by the number of Support Units. The Superintendent of Public Instruction's budget has several line items that are listed out with money allocations for specific functions for the District, i.e. Professional Development, Safe Schools, Technology, etc. These monies were once part of the Support Unit allocation, but is now broken out and used in different areas of the teaching field.

Once the revenues and expenditures are established, if there is a shortfall in revenue, the Superintendent informs the Board of Trustees the amount needed for a Supplemental Levy to balance the budget. The Board will take the information and discuss with patrons the requested levy amount and/or schedule Community Meetings for public input before setting the levy amount.

If there are no areas to reduce and no other revenues, then *the Board sets the levy amount* based on the information provided. If the levy passes, then a public hearing is scheduled in June to hear public input and to answer any questions that the patrons may have regarding the proposed budget. Generally, the Board of Trustees approves the budget at its June meeting so that the District can begin the new fiscal year on July 1.

The levy rate of the District is based on the levy amount divided by the total market value of the District. As property values increase, the levy rate decreases. As property values decrease, the levy rate increases.

Q: Have you recently hired anyone else, and if so for which positions?

A: We have only hired positions that were approved by the School Board (those positions included in the forming of the current budget). We have one position left to fill which will be on the December board agenda (part-time maintenance position).

Q: What takes priority, hiring staff or purchasing textbooks?

A: Textbooks were not included in the current budget. The Idaho Standards have recently been implemented by the state and we would like for the textbooks we purchase to include those standards. We have also implemented a program called Beyond Textbooks this school year which contains over 35,000 digital resources. Therefore, our teachers have access to the digital resources along with their current and past textbooks. It is our hope that we can soon budget money for teachers to buy textbooks if needed. Therefore, for this school year, hiring staff has taken priority.