

# BUDGET OUTLINE – LEVY REQUEST



## LEVY UPDATE AS IT PERTAINS TO OUR SCHOOL SYSTEM:

On May 2<sup>nd</sup>, 2023 our school levy will be decided. This important function of obtaining the operating dollars necessary to run our school efficiently, maintain the investment of our infrastructure, technology and our team. This year the school board has determined that the best course of action is to run an Operating Levy. A focus of these dollars is to maintain, heat and light the new building, off-set rising costs associated with property insurance, staffing and other critical areas.

**TEACH – ENCOURAGE –  
INSTRUCT – MENTOR –  
PRAISE – INFLUENCE –  
GUIDE – INSPIRE**



1. The Levy Request
2. Thoughts or inputs on getting it passed
3. Understand we added 45,000 sq. ft of educational space and now must maintain, heat, insure, and light it.
4. Understanding all of the facts.

Over past number of months, we have been marching to an ESSER (funds provided for Covid-19 relief to school) cliff as it relates to our school finance. The dollars that were once prevalent are now drying up and along with it, programming, staffing and supplies. As you are probably aware, the American Recovery Plan (ARP) was meant to fill in the gaps during Covid-19 for learning loss, continued learning and support of social, emotional impacts.

## Levy Request, ARP Funds, New Building supports...

Now, those funds are depleted and we now come back to sustainability without those dollars and in some cases, depletion of programming. Over the past 2 ½ years we have focused on technology, cleaning our buildings in a manner that proved we could combat Covid-19 in our buildings. The District also funded positions throughout the school system. In addition to funding impacts, the community invested \$16M in a new building and now needs dollars necessary to maintain, heat and light it.

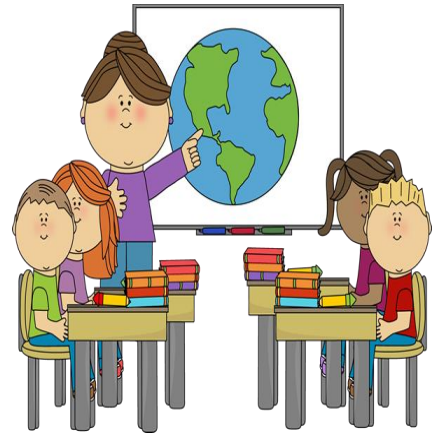
### What is our Approach?

It has been shared that passing a levy in our District is a long shot. Florence-Carlton passed a Building Bond for a new elementary school – we surely can pass an operating levy to support this investment. Get the word out, visit with fellow community members, share the importance – And, VOTE!

Getting the word out on the levy is very important.

We must VOTE! Our community invested in a new school, now we must protect the investment.

1. A reminder to parents and community members – as staff we can educate on the importance of the levy. Provide facts. But, while at school, we can only outline the facts associated with the levy.
2. We can't tell parents/community members how to vote – but, educating them on what a "YES" vote does for our schools.



## Finance Report

After the two counts we take for student enrollment – One in the fall and one in late winter, our enrollment slipped (-12). This places us into a 3-year averaging for Annual Number Belonging (ANB). This is a mechanism that is helpful for our District when enrollment decreases.

The ANB number is important as it produces our Per ANB Entitlement for funding purposes. It compares our current budget for 2022-23 with what our budget for next year will be without a vote (meaning: If you don't run a levy or the levy fails – this is the amount of money we will receive to operate the District next year.). Our budget for next year will remain the same but we will operate with NO ESSER dollars as they are all expended as per use requirements.



## What Could be the Cuts if the Levy were to Fail?

If the Levy request fails – The District is obligated to balance the budget.

- Reductions in staff. Staffing comprises the majority of our budget.
- Some of the budget shortfall can be covered through attrition of staff.
- The Board will need to consider all budget options toward meeting the general fund budget – to include staffing, general supplies, curricular supplies and extra-curricular activities as a means of reducing costs.
- Technology impacts and possible reductions.
- Continuing to build on strong safety standards.
- Note: School funding is difficult as we work with different pockets of monies. Where someone may think, "Why didn't they cut in this area?" is usually met with certain monies are identified for specific areas of funding and must be utilized in that capacity.

# Understanding

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*Our Community went "All In" on adding to the legacy of their school by passing a \$16m Bond. Now, how do we care for it? How do we clean it? Light and heat it?*

## What Our Numbers Reveal

Our current general fund budget (22/23SY) is \$6,101,707. Our budget for next year (23/24SY) without a vote is \$6,104,492. ***This is a small increase of \$2,785 for next year.*** Basically, our budget remains the same as last year, without all of the ESSER dollars that were pumped into the budget. The maximum budget we can ask our voters for is \$6,959,973. **\$855,000** is the highest the board could levy for the 23/24 SY.

## Identified Needs and Associated Costs \$:

Below is an outline of need and ***estimated*** costs associated with that particular line item as it relates to the Levy Request (Note: All items listed may still be trimmed or eliminated in order to make the budget for the 23/24SY).

- Personnel - \$130,000 (Personnel additions that were funded by ESSER that must be brought back into the general fund budget)
- Technology IT supports - \$65,000 +/-
- General Supplies - \$25,000 +/-
- Unfunded Activities in the 22/23SY (Baseball, girls wrestling, x-country, FFA) - \$50,000+
- Losses to Food Services (Due to non-payment of charges & food costs) \$20,000 +/-
- Property and Liability Insurance - \$70,000 (new costs with the addition of the new building)
- Technology Expenditures - \$30,000 +/-
- Accounting Software - \$20,000 (New fees associated with accounting base programming)
- Curriculum / Professional Development - \$65,000 (Currently nothing budgeted) +/-
- General increases to heating, electricity, supplies and the adoption of the new building - \$70,000 +/-
- Salary Increases - \$73,000 (Increases for experience, steps & lanes)
- SRO (School Resource Officer), HS/MS Mental Health counsellor are impacted. Working thru grant opportunities and safety dollars to help support these NEEDED areas.

**Board set the Levy Request at: \$657,000**

If the levy fails, the school system must provide a balanced budget for the 23/24 SY. This means cuts to balance the budget.

## Taxation for Schools Information:

Q: What is a mill?

A: A mill is one-thousandth (.001) of a dollar. School districts can determine how much a mill will raise by taking the total taxable value in a district (an amount provided to the school district by the county assessor) and multiplying it by .001. This result is equal to what one mill will raise.

**Example:** The taxable value of all property in an elementary district is \$46,000,000. This amount multiplied by .001 equals \$46,000. In other words, the amount of money raised by levying one mill would be \$46,000. If this district needs to raise \$2,500,000, it would divide \$2,500,000 by \$46,000, thus determining that 54.34 mills are needed.

***Point of Reference: One mill in Florence SD generates between \$13K - \$14.5K***

Q: How is a property tax bill calculated?

A: An individual's property tax bill is calculated using the market value (not the value of what you might sell your property for) of the property, the tax rate, and the mill value.

**Example:** For a residential property owner whose house has an assessed market value of \$100,000, the taxable value would be \$1,350 and the mill value would be \$1.35 figured as follows: Taxable Value Market value \$100,000

Multiply by: Tax rate for Class 4 property x 1.35% FY2021

Taxable value \$1,350.00

Mill Value

Taxable Value \$1,350.00

Multiply by: x One mill .001 Mill Value \$1.35

Property Tax Liability Mills (from example above) 54.34

Multiply by: Mill value \$1.35 Property Tax Liability \$73.36

**Annual Cost** to Florence-Carlton Tax Payer (The School Board will ratify the amount on Tuesday, March 14<sup>th</sup>, 6pm). Below provides an example of costs associated with different levy amounts.

General Levy Amount:	Est. Tax Impact \$100k home	Est. Tax Impact \$200K home
\$657,000	\$67.27 Per Year \$5.60 Per Month	\$134.54 Per Year \$11.21 Per Month



This newsletter is meant to be informative regarding a General Fund Levy request. There are moving parts to school funding.

Thank you for taking the time to read over. Thank you for taking the time to vote!

Todd Fiske  
Superintendent