

Superintendent Scoop—Changes in School Levies for 2019-2020

September is the time of year when the local school board approves the school year's budget and sets tax levies. The Tioga Board met Monday, September 16, to approve the financing for the 2019-2020 budget. The intent of this article is to explain the tax levy which was changed during the 2019 legislative session.

North Dakota will fund the 2019-2020 state aid for education at \$9,839 for each student. Included in state aid is state and local taxes. Those students that receive services in special education, are English learners or are at risk, or attend alternative education programs are funded at a higher rate. Once that collective dollar amount is totaled, local revenues are subtracted. In-lieu revenues are subtracted to provide equity across the state; each North Dakota student should have the same opportunity to receive a quality education no matter if the district is "property poor or property rich" or if one is or isn't entitled to oil money. Deducted revenues primarily affecting the Tioga School District are 75% of flood control, 75% of oil and gas production, 75% of wind energy, and 100% of collected property taxes.

In the 2019 legislative session, SB 2265, the major school funding bill, was passed into law. Many items were addressed in the bill; one of the two most notable affecting the District is the requirement of schools to levy 60 mills. The previous funding formula "encouraged" schools to levy 60 mills or if a 60 mill levy was impossible to achieve, schools were to increase the previous year levy by 12% for general fund revenue. Districts had the option to levy less, but the 60 mills or the 12%, whichever was applicable, was deducted from their state aid. SB 2265 changed that by stating every school district should reach the 60 mill mark over a period of five years. Again, the District can levy less, but state aid will be reduced by that amount. In 2018-2019, Tioga Schools' general fund levy was 36.29 mills -- 23.71 mills lower than the 60 mills. The levy this year will raise last year's funds by 12% plus an additional percentage of the difference of 60 mills and the previous year levy. Because this amount will be subtracted from the state aid in the 2020-2021 school year, if the District levies a lesser amount, it will see a loss.

In the second, third, fourth, and fifth years, the previous year's levy is increased by 12%, but the percentage of the difference will increase. In year five, the district will be levying 60 mills of the valuation.

Equity was the driving force behind SB 2265. Constituents in other areas of North Dakota didn't feel it was "fair" that they paid 60 mills of taxes for their school while western schools such as Tioga, paid 36 mills. The rapid increase in the valuation of school districts in the west was not considered in the bill. While Tioga's mill levy has remained low, the school district's valuation has increased by 250% since 2013; Tioga taxpayers have paid their share of taxes.

What does this mean to taxpayers? Taxes will increase each of the next five years; taxpayers will spend more on school taxes than they have in the last few years. However, a glimmer of hope rests on an interim committee that has started meeting to study the effects of SB 2265 on taxpayers. Everyone is encouraged to remain vigilant and monitor the findings of this committee. District 2 Senator, David Rust, is serving on the interim committee; he would be a great resource in bringing forth our ideas and reporting back to the public what the committee is considering.

A quality education comes at a cost. The board, administration, and staff continue to improve strategies in delivering quality instruction to our students. If you have questions or wish to provide input, please contact me. Thank you for supporting the school, and ultimately our children, in their educational endeavors.