

From: Levy Override Continuance Committee

Why doesn't the school district have enough money to run its school?

The legislators have set a *tax levy* lid of \$1.05 and reduced the Dist #55 (Spalding) state aid to a low of \$168,947.56 in 2006/07. With the added requirements of programs like No Child Left Behind, Essential Education, and Special Education, the district, like many districts our size, cannot provide a superior education at the \$1.05 levy limit.

Where does the school district receive money to operate?

The district receives revenue from the following areas:

Local receipts - 65% of the budget
(Property Taxes, Carline Taxes, Motor Vehicle Taxes, CD interest, Local Fees, Rent Receipts, County Fines & License)

State receipts - 25% of the budget
(State Aid, Sped programs, Pro rata motor vehicle, state apportionment)

Federal receipts - 10% of the budget
(Title I, Title II Part A, Title III, Title V. Sped, Medicaid, Reap)

Property Taxes make up 54% of the districts total budget. For the 2010-2011 school year the district would be short \$121,724.30 based on the \$1.05 levy compared to the projected levy of \$1.17

District valuation	\$101,436,923	\$101,436,923	Est. 10/11
Tax levy	X \$1.05	X \$1.17	Increased

Tax draw	\$1,065,087.69	\$1,186,811.99	\$121,724.30

TAX PER \$100 VALUATION PER \$100,000

How much does the school get for every 1 cent levy increase?
\$101,436,923 Divided by 100 x .01 = \$10,143.69

Why did the board elect to go with a five-year extension of the levy override authority vs. a three-year?

- To have an issue placed on the ballot requires taxpayer support. Each time the issue is put on the ballot it costs the District money and the board wants to try to use tax dollars as carefully as possible.
- To organize and plan the levy override takes time from many volunteers and the board realizes how busy the patrons of the district are.
- The five-year extension allows both patrons and staff the ability to plan for the future and set roots in the community.

Who controls the rate of valuation increase?

- The County that you reside in sets the valuation rate.
- The sale price and value of land are key factors in the increase of valuation. With land prices at an all-time high, the valuation is on the rise across the state. The school district will try to reduce the levy as valuations increase.
- The school does benefit from the increased valuation and will pledge to reduce the levy request as much as possible. In these times of high utility prices the district will continue to use tax money wisely while providing a quality education for the students of Spalding Public Schools.

How long will the district be able to operate if the levy extension should fail?

The Board of Education feels they would need to look at alternatives as early as January of 2011. The district could still access the additional tax authority for the 2011-2012 school year. From that point on the district would need to cut around \$150,000 dollars out of the budget and use cash reserves.

If Spalding Public schools would close would I still have to pay taxes to a school district?

Yes, Your taxes would go to one of the surrounding districts.

What impact does Spalding Public School have on local business and the community of Spalding?

81 percent of the current staff lives in the district compared to 66 percent prior to the last override.

Since the last levy override the district has spent around \$236,105.45 in General Fund money to support local community growth. This does not include additional purchases made by staff in our community.

The public and private schools working together have built one of the stronger sports cooperatives in this area of the state.

What has been done to reduce Expenditures?

Prior to last override:

Reduced 1 Elementary Aide position

Reduced to half time:

Family Consumer Sciences
Business/Technology
Library/Media
K-12 Counselor
Music .625
Cafeteria from 3 to 2 employees

*Salaries and benefits kept to a minimum

During the four years of the levy override:

Art .50 FTE to .0 FTE Online classes
Business .50 FTE to .25 FTE

The board has also offered some buyouts in certain staffing areas, which has allowed us to lower the overall payroll and bring 8 different staff members to our community.

Administrative services have been shared with three districts to help provide leadership with the current requirements of the state. Guidance Counselor

position has also become a shared position to provide additional opportunities for scholarships and career planning. A part-time tech position has also been shared to help facilitate 21st century learning skills to prepare students for the future.

Your two local school boards have had several joint meetings in the last year to explore areas to work together. Although these meetings have produced steps toward working together on areas such as calendars and elective offerings we have been unable to share staff to meet the needs of both schools.

The current administrative teams have also begun meetings to facilitate building a stronger working environment between the schools. The joint meetings between the schools have been held in the attempt to save tax dollars and support all families that live and work in the area.

The board has also developed a capital improvement for the current building that was built in 1907. This plan which has allowed building improvements such as upgraded windows and insulation with the hope of cutting utility costs. Floor coverings and stair treads were added to enhance the safety for students, staff and patrons. The district worked out a deal to purchase used windows from another school district for \$50.00 a window compared to buying new windows with a cost well over \$600.00 per window.

Why does a public school cost more to operate than private schools?

1. Public Schools are governed by Nebraska Department of Education and are required to meet the Rule #10 in the following areas:

Curriculum and Standards (NeSA state testing)
Media and Technology Resources
Instructional Staff
Administrative Staff
Rule 10 Handout

2. Salaries and benefits are subject to union negotiations. The district is required to keep the staff financial package in a certain array so the district does not face penalties from the Court of Industrial Relations. (CIR)

2010-2011 Negotiations

	A. Base Salary 10/11	Salary Schedule
1. Boone Central	\$	
2. Chambers	\$29,000	4.0 x 4.0
3. Cedar Rapids	\$28,700	4.0 x 4.5
4. Greeley-Wolbach	\$28,356	5.0 x 4.0
5. Spalding	\$26,500	4.0 x 5.0
6. Wheeler Central	\$25,500 (09-10)	4.5 x 4.5

B. Insurance Deducible Only

1. Boone Central	\$
2. Chambers	\$350
3. Cedar Rapids	\$350
4. Greeley-Wolbach	\$600
5. Spalding	\$600
6. Wheeler Central	\$350

C. Insurance Rates

Employee	\$5,912.40
Employee & Children	\$10,711.32
Employee & Spouse	\$12,122.52
Family (Ee, Sp & Child)	\$16,185.96

What are other conference schools and surrounding area districts doing in regards to the levy?

Crossroads Conference Schools

	All Funds	10/11 Tax Request
Burwell	Current Levy 0.95	
Cedar Rapids	Current Levy 1.13	\$2,635,231.93
Elba	Current Levy 1.05	\$761,060.00
Greeley-Wolbach	Current Levy 1.09	\$2,135,789.24
Palmer	Current Levy 1.04	
North Loup Scotia	Current Levy 1.05	\$1,670,587.86
St. Edward	Current Levy .95	
Spalding	Current Levy 1.17	\$1,191,631.31
* Newly approved override.		
Local Schools		
Boone Central	Current Levy 1.02	\$6,564,143.37
Wheeler Central	Current Levy 0.76	\$1,954,656.55
Chambers Public	Current Levy 0.99	\$1,524,619.18

3. Special Educations numbers continue to climb with 37 students receiving services between the two schools. The number of students that are served is above the state average and has required the Public School to hire additional staff to serve the students with special needs.
4. Title I services are offered to students at both schools. With these federal funds being reduced for the program the additional cost falls on the local district.
5. The Public school has agreed to supply transportation for the Knights Sports cooperative when it was established. With new Regulations in Rule #51 the district has replaced one fifteen-passenger van and is required to upgrade the last fifteen-passenger van before June of 2011. This will be another additional expense thanks to changes in state laws.

Summary

On November 2, 2010, a scheduled vote to exceed the levy limitation of \$1.05 for five additional school years will be brought to the voters of Spalding Public Schools, 2012/13-2016/17. The results of that election will leave the Board of Education with one of two future options: a) if the requested additional levy is approved, the district will continue to operate under revised fiscal constraints of the approved levy; or b) if the requested additional levy authority is not approved, a plan to consolidate or merge with a neighboring district or dissolve the district, will be developed as soon as it is financially necessary and/or practical to do so. Any merger/consolidation agreement would need to take place before cash reserves are used up to allow for the new district to have a large enough cash reserve to function.