

**Facts and Figures**  
**Report to the School Board**  
**March 9, 2010**

In order to best help the board with decisions regarding a potential permanent improvement levy and a potential operating levy, I present the following information.

In 2005, the community passed both an operating levy and a permanent improvement levy. **Operating levy was set at 7.85 mills and PI levy was set at 1.65 mills. The PI levy was a 5 year levy. These are now being collected at 6.23 mills and 1.31 mills respectively.**

At the time of passage, the district promised the community that the operating levy would last three years. Several factors, including unexpected reimbursements from the State and sound fiscal management on the part of the school district, have led to the levy lasting 2 additional years (as of today).

There are several factors to consider when determining timing and millage of the next request(s) for funds from our taxpayers. As there are two separate issues (PI and Operating), I will address them individually.

**Permanent Improvement Levy**

As of December 31, 2010, the current PI levy will expire. No additional dollars will be collected. Currently, we have approximately \$70,000 remaining in this fund to last the remainder of the calendar year.

Our PI needs remain. The facilities used by the district range in age from 100 years to 15 years. The majority of our educational space was built in the first half of the 20<sup>th</sup> century. We do have a decent amount of space that is about 40 years old. Upkeep and maintenance are extremely important in order to provide the best facilities possible for our students.

In addition, much of our technology infrastructure and end-user hardware is outdated. Replacement and upgrades will be costly. If we continue to rely on the general fund for technology, it will increase the millage necessary for operations. I believe it would be best to include technology upgrades in our next PI levy.

If we ask voters for PI money this fall, each mill will raise approximately \$270,000. We currently receive \$330,000 a year from PI millage. A two-mill PI levy would generate \$540,000. This would allow \$330,000 a year for repairs/maintenance and \$210,000 a year for technology. A 1.65 mill levy would raise approximately \$445,000 a year. This would allow for \$330,000 a year for repairs/maintenance and \$115,000 a year for technology.

## **Operating Levy**

As previously stated, several factors have allowed us to stretch the 2005 operating levy further than originally anticipated. However, looking at the five year forecast, we cannot avoid asking voters for additional dollars in the near future. The district is in a difficult position as we weigh this decision. Cash balances and necessary millage will drive the final decision.

If an operating levy would be proposed for the fall of 2010, the millage would be in the 4.95-5.95 range. However, we would be asking for additional dollars while carrying a \$2,400,000 cash balance. This levy would last three years.

If the district waits until November 2011 to ask voters for additional millage, we would need to ask for 9.5-10.5 mills in order to get through three years. However, the cash balance would be around \$800,000 with an estimated deficit in the following year of approximately \$1,275,000. If we do not pass an operating levy before the end of 2011, we would need to cut the \$1,275,000 from the budget. Additional cuts would need to be made each year following.

If we do not utilize the PI levy for technology upgrades, additional millage should be added to the operating levy to accommodate this need. The current technology budget funded through the general fund is not sufficient to bring the system up to date.

Each potential levy scenario presents strengths and weaknesses. As the board considers this important decision, receiving input from the community will be critical.

## **Community Forum**

We have discussed holding a community forum to gain input from our stakeholders. Setting a date for this event and ensuring it is well attended is the next critical step in our process.

## **Work of Other Committees**

Over the course of the next several months, the Business Advisory Committee, The Grandview Technology Advisory Group, and the Facilities Committee will continue to work to bring information to the community regarding future expenditures by the school district.