

Wayne County School District

2015-2016 Proposed Tax Increases – Frequently Asked Questions

What other school district tax levies are currently in place?

- The Basic School Levy, which is set at a state level each year.
- The Board Local Levy, which is currently at .001654 (there is a state cap of .002500). We are significantly below the state cap so we do have the option to increase this levy if needed in the future.
- The Capital Local Levy is currently assessed at .000394, which is generating approximately \$139,000 for the school district for the FY15 school year.

I've heard that the school district is also going to ask for a bond for a new school. What's the story on that?

We received the results from our facilities assessment in April of 2015. The assessment identified needs at all district locations that included poor accessibility and some structural and safety issues. The most significant concern identified was that over the years multiple additions and a previous “patch and repair” approach is putting stress on building systems that were not designed to handle them. The needs assessment architect also identified many interior finishes that were well worn and in need of significant repairs or replacement. After much discussion and because of the condition of the schools and the age of the buildings, it was determined that the district's best approach for the future would be construction of new facilities. Because of the significant cost of new schools, we are planning now to use the revenue raised through the Capital Local Levy to start saving funds to facilitate the construction of new schools. We can save significantly over the life of a bond if we are able to set aside a portion of the money needed over the next few years. We can invest the funds and earn interest rather than being required to borrow the full amount. This is a separate issue, but there are no immediate plans or timeline for a new school in the near future.

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Questions on the Capital Local Levy

What is the Capital Local Levy currently being used for and what will the new revenue be used for?

We currently receive about \$139,000 per year in local property taxes under our Capital Local Levy. We also receive \$100,000 per year from a state guarantee program. The proposed tax increase would raise an additional \$217,893 per year. We recently completed a facility needs assessment and determined that in the future we will need to replace our current buildings rather than remodel the existing facilities (see above also). The cost estimates on building a new school were between \$8 and \$12 million. Because of financing costs, the total amount repaid on an \$8 million bond would be approximately \$11.5 million. We can save a considerable amount on the construction of the new building by raising and saving what we can before we begin the construction process. Our current plan is to spend only enough to keep the buildings safe, functional and operational for the near future and save the rest for future construction. With the estimated increase, our district could set aside in excess of \$300,000 per year.

How much debt does the school district currently have?

Zero, zilch, nada. Our most recent bond was paid off during 2015 so we are in a great position to start saving for future needs.

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Questions on the Voted Local Levy

What is the school district proposing to use the revenue generated through the Voted Local Levy for?

The school board is not bound by law to spend the revenue on any specific activity as long as it is used for maintenance and operations of the school district. However, based on our current needs our priority will be to replace the business teacher at the high school and the administrator at the middle school. Due to a significant projected short fall in our budget for the current year and vacancies due to attrition, those two positions were not filled. We were able to make short-term arrangements to get through the current year, but feel that our students will be strongly impacted unless these two vacancies filled in the future. We also have a significant need for increased technology support and assistance in the district for students, teachers, and parents. We hope to restructure and improve the instructional offerings at all schools.

Why do we have to raise taxes to pay to replace positions we already had? (business teacher and middle school administrator)

The projected shortfall in the budget for the 2015-2016 school year had a number of seemingly small increases that added up to a significant shortfall. We had a decrease in our general funding of about \$130,000 between local tax revenue and general state revenue; in addition, we had increases in health insurance costs and the ongoing annual cost of providing increases to the employees. With the cuts we made, we were able to provide only a 1% annual increase to the employees of the school district. Based on research done by the Utah Education Association on the 2013-2014 teacher salary schedules our teachers are the second lowest paid in the state. We need to be able to provide ongoing annual increases for our teachers and other school employees in order to attract and retain skilled teachers and support staff who are able to provide quality education to our children.

What will happen if the Voted Local Levy does not pass?

The school board and administrators will continue to make cost-cutting efforts to reduce or eliminate programs not required by law or policy. This would impact elective courses at the secondary schools. We may also have to consider combining classes and/or increasing class sizes to compensate. We have already made significant efforts to reduce administrative costs, and would likely be unable to provide the additional technology support that the school and teachers need right now.

Alternatively, the board may decide to increase the Board Local Levy to help augment local funding; however, there is no additional state guarantee money available in this category, so it is not as beneficial as raising the revenue through the Voted Local Levy.

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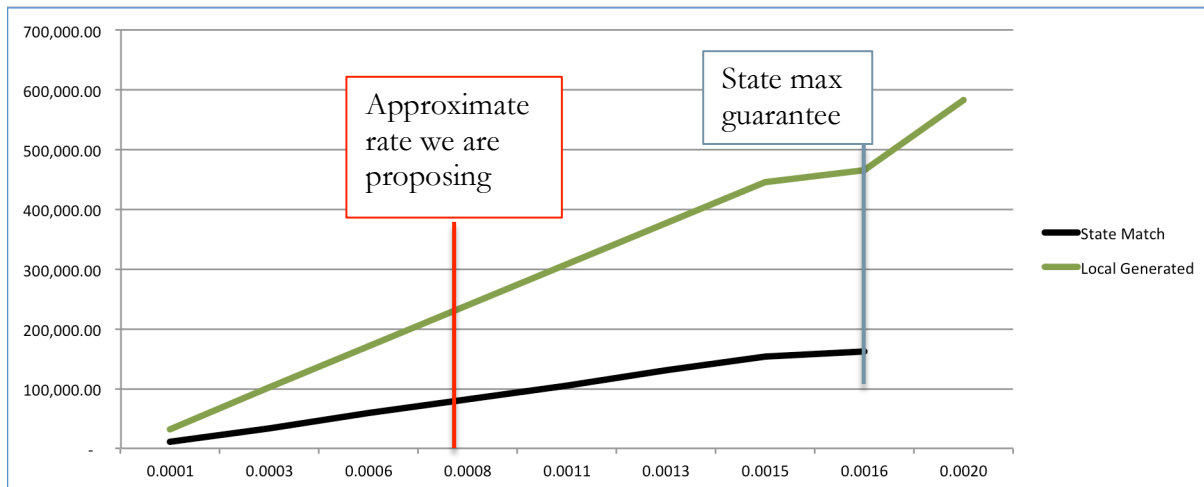
Questions on the Voted Local Levy (Continued)

The election ballot says the school district “may increase revenue from this property tax without advertising the increase for the next five years.” What does that mean to me?

To increase taxes we would still have to go through the Truth in Taxation process and make the taxpayers aware of the increase. The increase can also be challenged on referendum. However, the school board can already assess a similar increase using the Board Local Levy program, so there isn't any additional risk of a tax increase just based on voting for the Voted Local Levy.

If we get matching state money, why don't we just raise taxes and get more state money?

The state support is based on a guarantee per WPU (weighted pupil unit or easier understood as enrollment) and the rate. The rate has a cap of .002, but the state guarantee caps out at .0016. Since we are only proposing a .000748 increase, we still have an opportunity to get more funds. The trouble is we would have to raise taxes almost double in order to do that. At this point, we are not considering it due to the financial impact to our community.



How much of the money raised is going to go to the sports and activity programs?

The majority of the costs for the sports and activity programs are raised through gate receipts and fundraisers. For some teams/activities, the district does help with some transportation expense (providing buses), coaching stipends, and maintenance of the facilities. There is no plan to use any of the funds for increased sports or activity programs. The majority of the money will be used directly for instruction and school support services, which is where we need it.

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