

# Referendum Presentation – 4/1/14

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## Is there need?

- I. Our projections
  - a. Very favorable conditions
    - i. 2% cost inflation per year
    - ii. 89% state funding
    - iii. High revenue in categorical line items such as Transportation

	Beginning Fund Balance	Annual Deficit	Ending Fund Balance
14-15	\$4,437,848	\$330,853	\$4,106,995
15-16	\$4,106,995	\$525,370	\$3,581,625
16-17	\$3,581,625	\$566,777	\$3,014,848
17-18	\$3,014,848	\$925,213	\$2,089,635

- II. PMA Projections
  - a. Very conservative conditions
    - i. 2% cost inflation per year – except in areas we know are more volatile
      - 1. Health coverage
      - 2. Special needs funding
    - ii. 85% state funding
    - iii. More ‘standard’ categorical line item revenue projection

	Beginning Fund Balance	Annual Deficit	Ending Fund Balance
14-15	\$4,437,848	\$846,638	\$3,591,210
15-16	\$3,591,210	\$999,248	\$2,591,962
16-17	\$2,591,962	\$1,290,060	\$1,301,902
17-18	\$1,301,902	\$1,931,729	\$629,827

## **What caused this situation? (Is there blame to be placed?)**

Four critical issues have impacted the financial well-being of Meridian 223 over the past five years and have led to a rate increase being placed on the November ballot. The two major sources of funding for Meridian CUSD 223 are local property taxes and state funding. The state is currently funding schools at approximately 89% of their statutorily required amount, costing the school upwards of \$600,000 per year. Additionally, the EAV for the District has dropped 11% in the past five years. Since property tax revenue is based on EAV, this too has led to nearly a \$600,000 decrease in funding. These two issues combined with declining enrollment has led to well over a decrease of \$1 million dollars coming in to the District compared to just a few years ago.

Additionally, the Property Tax Appeal Board (PTAB) made a judgment to reduce the 2003 assessed value of the (what was then) Veolia Landfill in Davis Junction in 2009. The PTAB hearing on the 2003 assessment was conducted over seven days in August of 2007. After over two years, the ruling was finally made in December of 2009 and received by the District in the last week of December.

The reduction in assessment from approximately \$8.6 million to \$3.3 million resulted in nearly a \$250,000 annual loss to the Meridian School District, in addition to funds that had to be re-paid to Veolia as a result of their over-taxation. The re-payment, which is taken off of the total revenue received by the district (across all funds) results in a net loss in revenue of \$460,000 in 2014-2015, \$310,000 in 2015-2016 with a break-even point thereafter.

As a result of the above taking place, administration and the Board of Education have made significant cuts. These cuts have already impacted what it means to be a student in Meridian CUSD 223. Middle school students no longer have a chance to participate in athletics or activities, class sizes have increased, program offerings have been eliminated at the high school, and bus rides have been extended (not to mention many other changes). There is simply not much left to cut outside of increasing class sizes again and eliminating high school athletics and activities.

**Was money misspent in the past?** With any 17+ million dollar budget it would be possible for people to question certain expenditures of money. One area that comes up quite frequently is the purchase of land near the high school. It is accurate that land was purchased in the past in hopes of building a modern-day high school that would allow for enrollment expansion during the time of rapid growth in some sectors of the Meridian CUSD. Currently, we are working with an architect to determine the cost of trying to sell that land and the potential revenue that it could bring in for the District. Additionally, the land is leased out so some revenue does come forward each year.

That being said, it is vitally important for our community to understand that Meridian CUSD has the lowest operating cost (overall cost) per pupil of nearly any school in the area and the highest achievement by most measures. So, while questioning any and all expenditures by the community is appropriate, I hope everyone remembers that our community has received a great 'bang for your buck' education.

**How will this impact me directly?**

Market Value (Comm/Residential)	Assessed Value	O.O. Exempt.	Sr.Homestead Exempt.	Rate Increase	Net Ass'd Value	Tax Increase	
\$ 150,000	\$ 50,000	\$ 6,000	\$ 5,000	0.70	\$ 39,000	\$ 273.00	Owner occupied, senior citizen*
\$ 150,000	\$ 50,000	\$ 6,000		0.70	\$ 44,000	\$ 308.00	Owner occupied
\$ 150,000	\$ 50,000			0.70	\$ 50,000	\$ 350.00	Not owner occupied (residential, commercial)
					\$ -	\$ -	
\$ 100,000	\$ 33,333	\$ 6,000	\$ 5,000	0.70	\$ 22,333	\$ 156.33	Owner occupied, senior citizen*
\$ 100,000	\$ 33,333	\$ 6,000		0.70	\$ 27,333	\$ 191.33	Owner occupied
\$ 100,000	\$ 33,333			0.70	\$ 33,333	\$ 233.33	Not owner occupied (residential, commercial)

**Farmland**

- 1) Find the average assessed value per acre for your property
  - a. Per the county assessor this number could range from about \$150-\$500
  - b. Per the county assessor most plots of land will average around \$300
- 2) Take the average assessed value per acre and multiply it by 0.007. For example  $\$300 \times 0.007 = \$2.10$
- 3) Take the number that results from your calculation (\$2.10 above) and multiply it by the total number of acres for your property. For example  $\$2.10 \times 300 \text{ acres} = \$630$
- 4) Total tax increase for that piece of farmland would be \$630

## What are you going to do with the money?

Restore, Preserve, Progress

- I. Restore
  - a. **BALANCED BUDGET**
  - b. Classroom sizes under 25 at elementary level
  - c. Classroom sizes under 30 at high school level
  - d. Student opportunities, i.e. Junior High Athletics and Activities
  - e. Compliance with technology standards for state testing
  - f. Effective preventative, even proactive, maintenance
- II. Preserve
  - a. Classroom sizes under 30 at elementary level
  - b. HS Athletics and Activities
  - c. HS Electives and other opportunities (Driver's Education, CEANCI, etc.)
  - d. Jr. and Sr. High Schedules
- III. Progress
  - a. All-Day Kindergarten
  - b. Move forward technologically – 1 to 1 initiative and infrastructure
  - c. Professional Development opportunities for staff
  - d. Exciting or innovative opportunities for students in terms of 21<sup>st</sup> C learning

