

# Winner School District 59-2 Community Meeting

**All students will be empowered  
to succeed in a changing society.**

Rocky Blare, WSD Board Chairperson

Mike Hanson, WSD Supt.

Clint Vanneman, WSD Vice Chairperson

Laura Root, Business Manager

Jim Day, WSD Board Member

Dr. Hank Kusters, ASBSD

Doug Long, WSD Board Member

Steve Meyer, WSD Board Member

Marsha Risseeuw, WSD Board Member

Ellen Storms, WSD Board Member



# Empowering Students, Families, and our Community

- Engaging students K-12 with curriculum rich in academic and co-curricular offerings
- Providing exceptional service to families and community members
- Promoting and encouraging opportunities for meaningful family and community partnership



# Reaching Our Goals

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- Optimizing district resources to empower students and enrich our community
- Developing fiscally responsible budgets through analysis of local needs and projected enrollment trends



# District Funding Structure

- General Fund
- Capital Outlay Fund
- Special Education Fund
- Pension Fund



# General Fund

## Sources of Revenue

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- **Local:** Property taxes, penalties and interest on taxes, gross receipt taxes, interest from investments, co-curricular fees (gate receipts, activity tickets, concession), other misc. revenue (tuition-in and Reading Recovery).
- **County:** County apportionment (state fines).



# General Fund

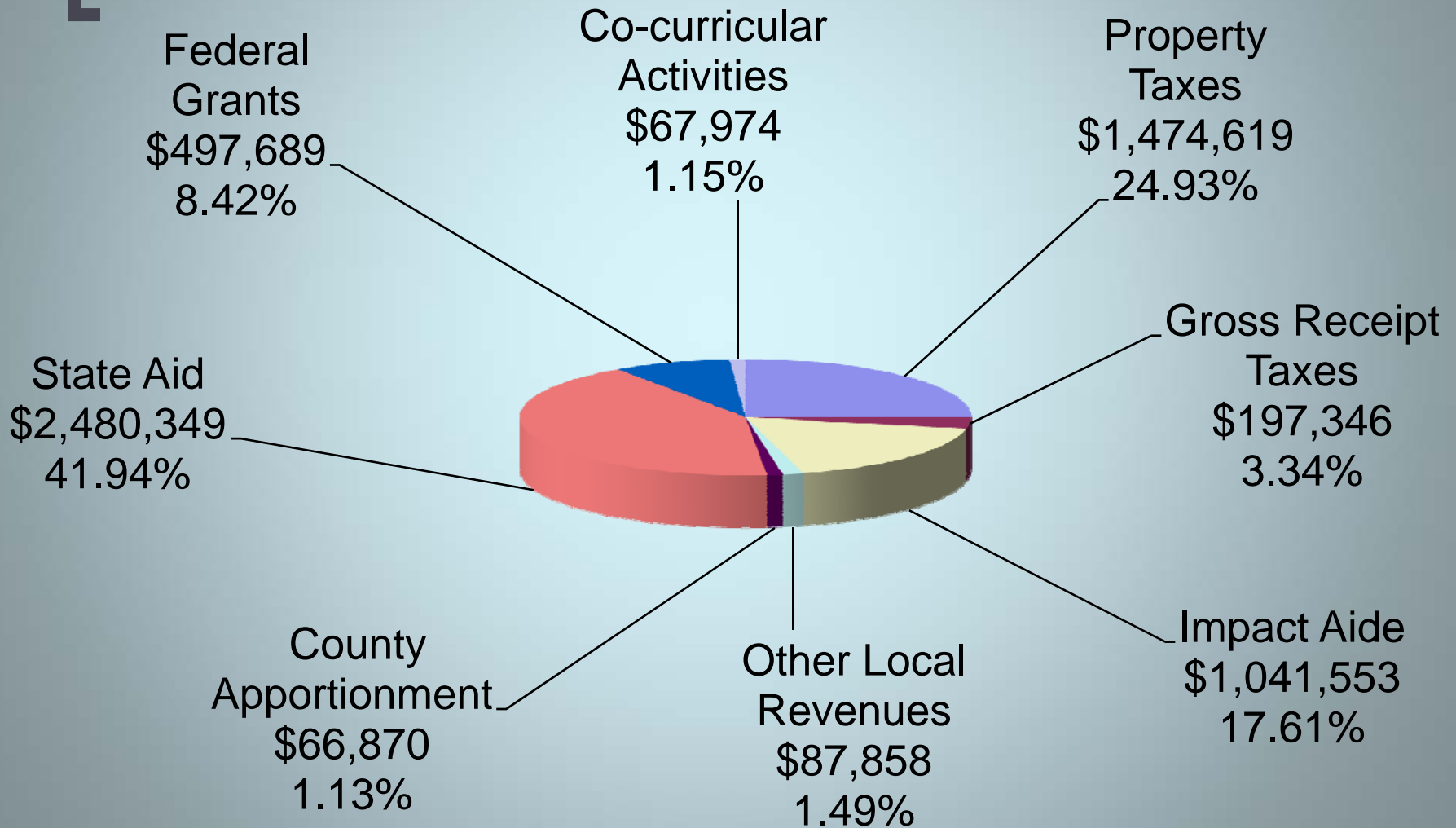
## Sources of Revenue

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- **State:** State aid, state apportionment (from Office of Commissioner for School & Public Lands), bank franchise taxes.
- **Federal:** Title I , Title II Part A & D, Impact Aid, Perkins Grant, Title IV



# Unaudited General Fund Sources of Revenue for Fiscal Year 2008



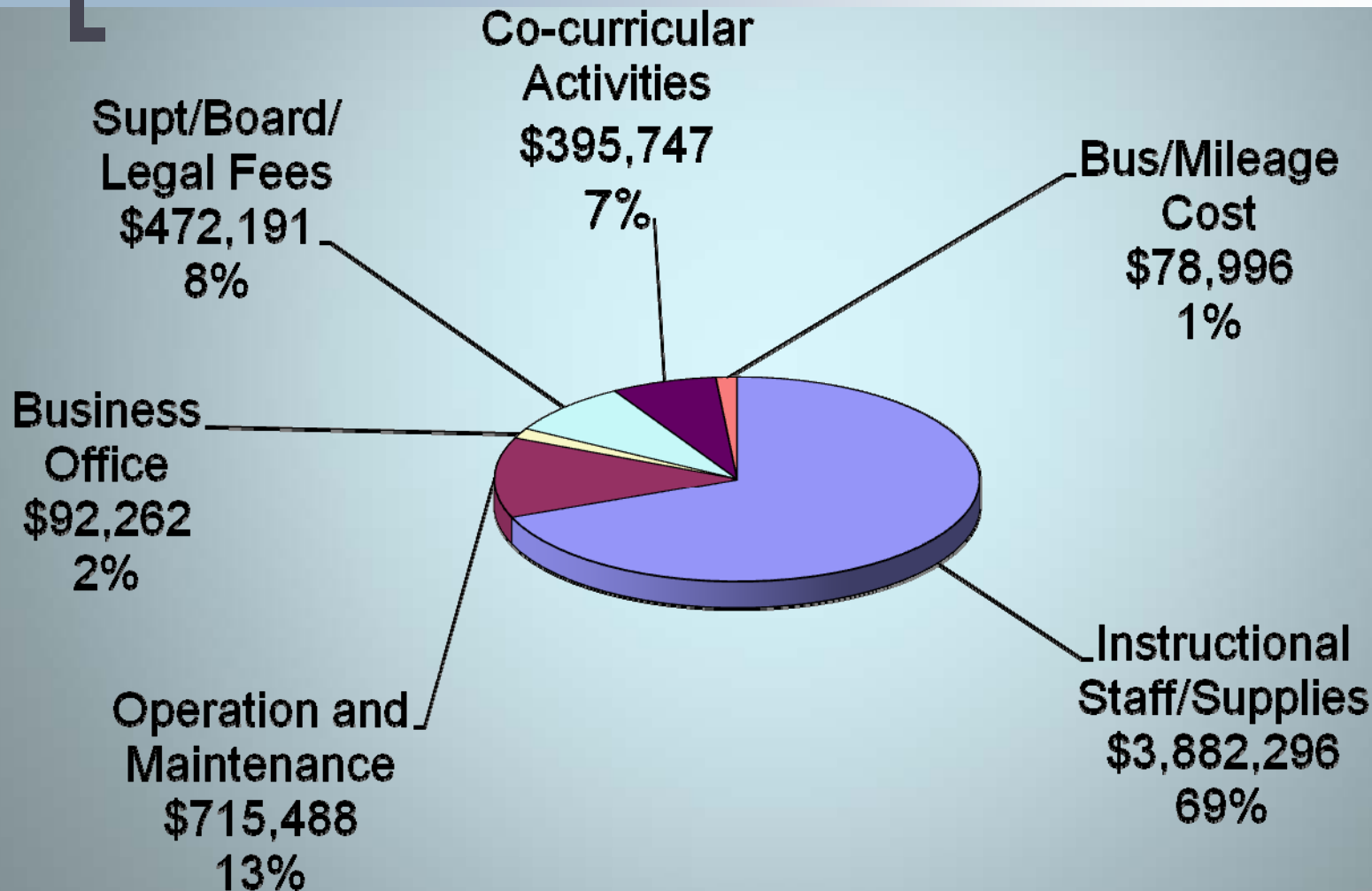


# General Fund Expenditures

- General operating expenses including salaries and benefits (payroll taxes, retirement, health insurance, workers compensation)
- Operating expenses and classroom supplies, workbooks, travel, utilities, custodial, busing/transportation, and co-curricular activities.

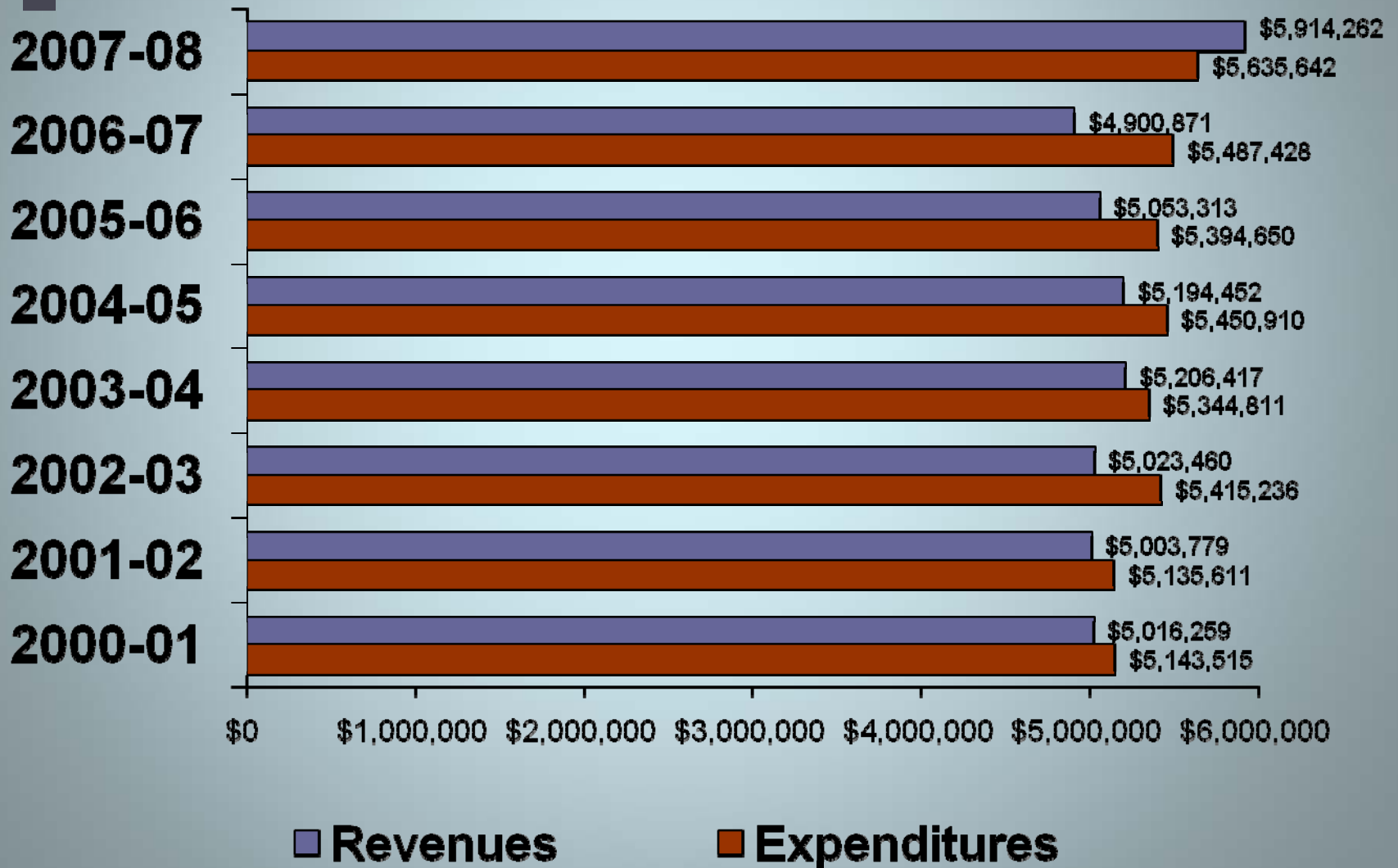


# Unaudited General Fund Expenses Fiscal Year 2008





# History of General Fund Revenue/Expenditures





# Capital Outlay

- Revenues
  - Local Property Taxes ,Penalties and Interest on Taxes.
- Uses
  - Equipment purchases over \$300 in value (cars/vans, computers, printers), buildings, land, major remodeling and construction, textbooks, instructional and administrative software.



# Special Education

- Revenues
  - Special Ed State & Federal Aid and Local Property Taxes.
- Uses
  - Special Education salaries, benefits, supplies, travel, Contracted Services and out of district placement of students for special education reasons.

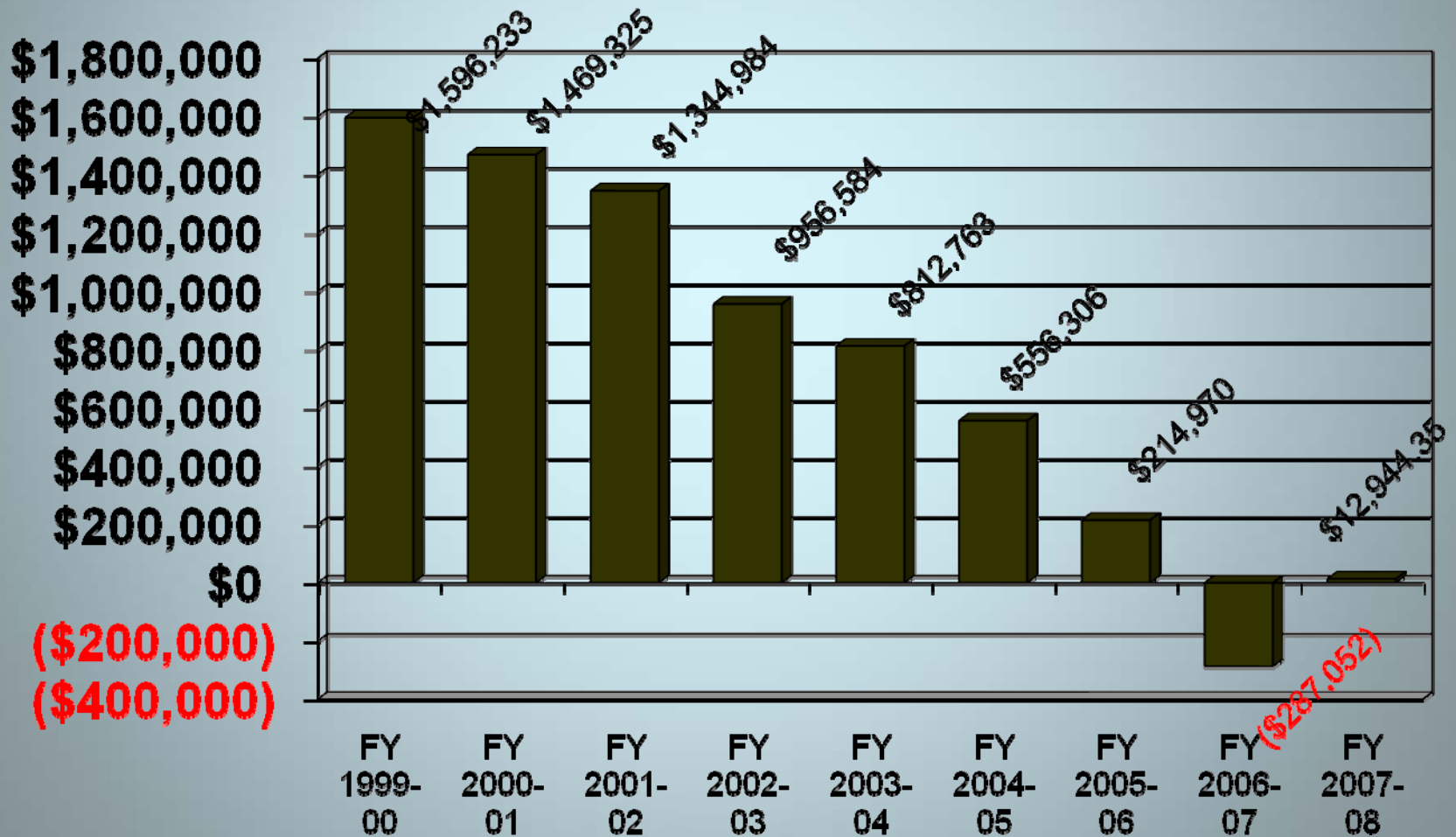


# Pension Fund

- Revenue
  - Local Property Taxes.
- Expenditures
  - Early Retirement Benefits and South Dakota Retirement System (SDRS) payments.

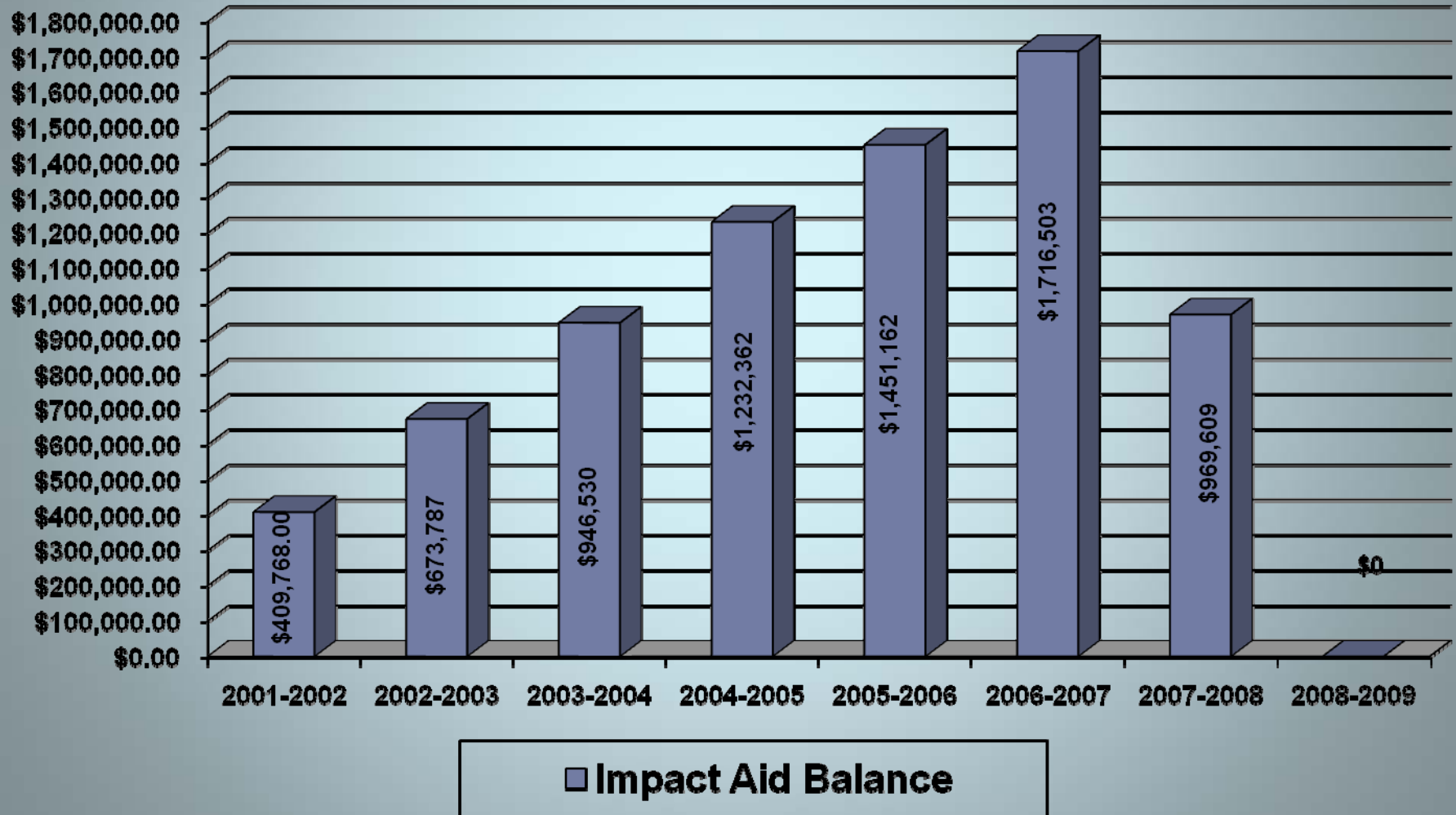


# General Fund Unreserved Balance



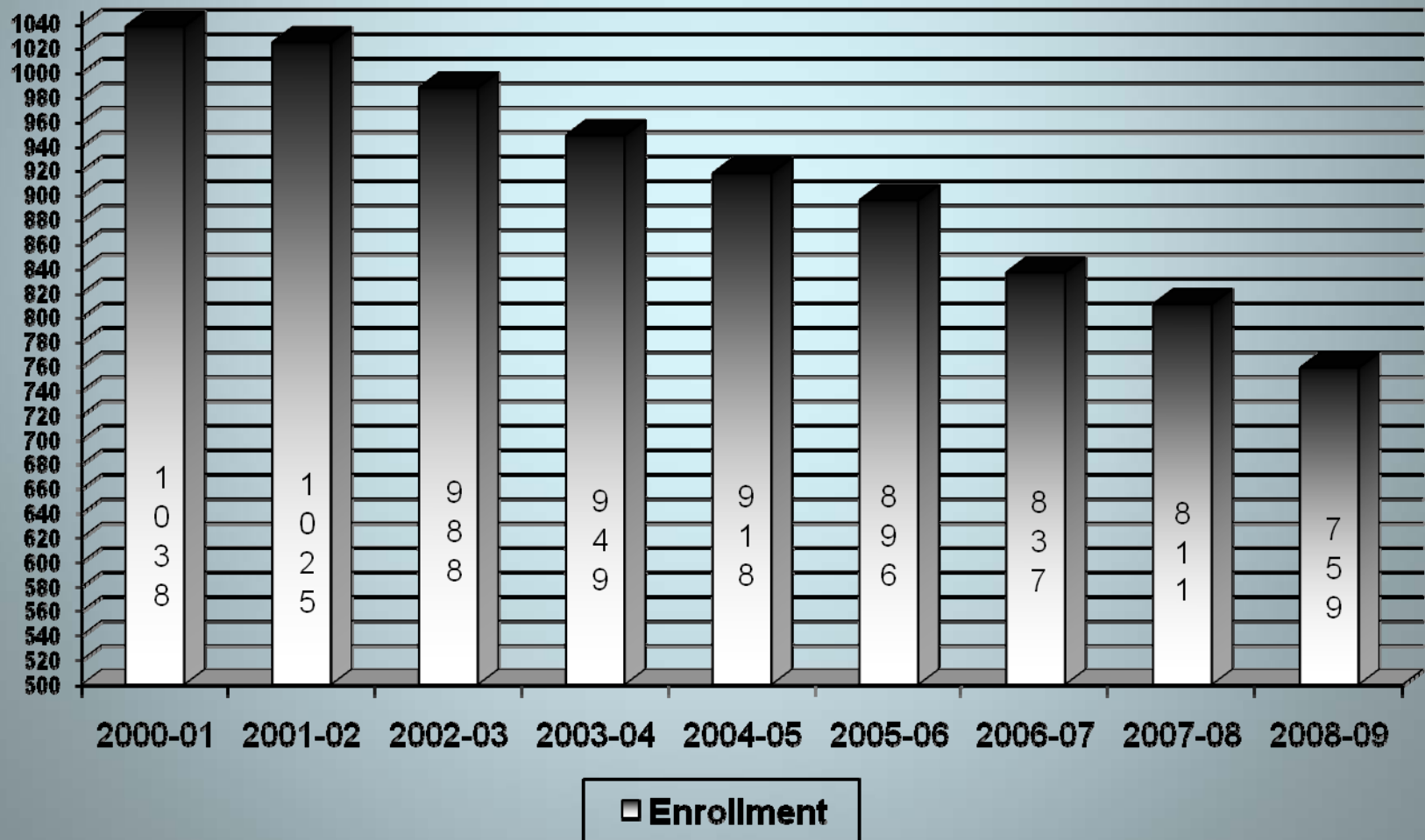


# Impact Aid Fund





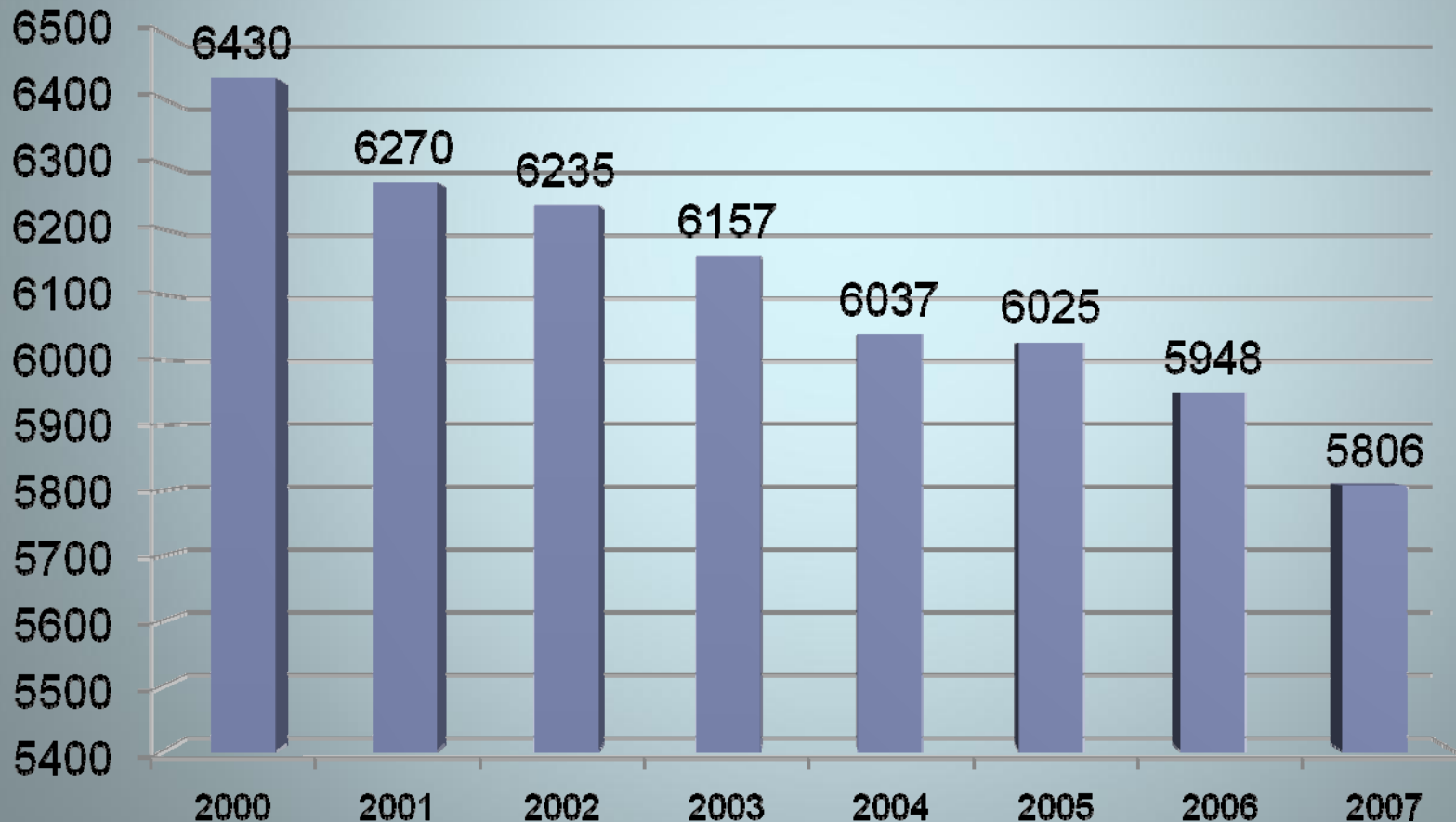
# Student Enrollment





# History of Tripp County Population

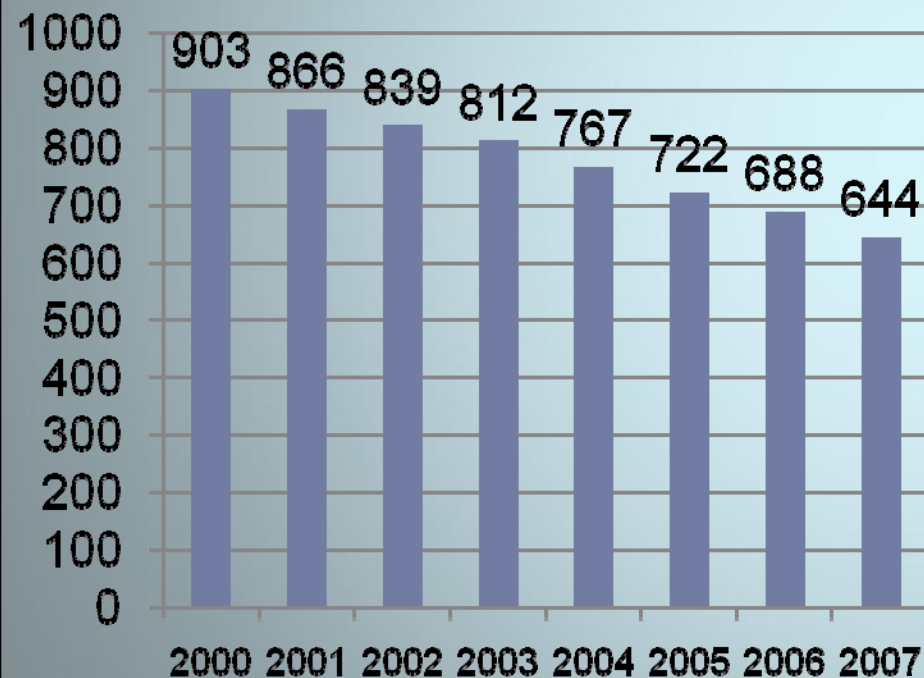
**US Census Pop Est.**



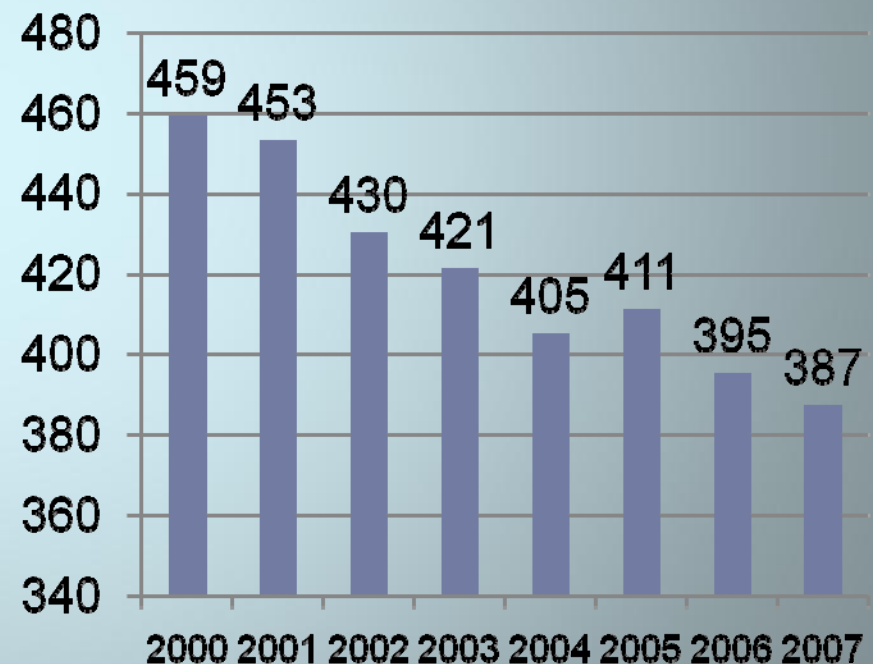


# Tripp County School Age Population Estimates

## Age 5-13 Years



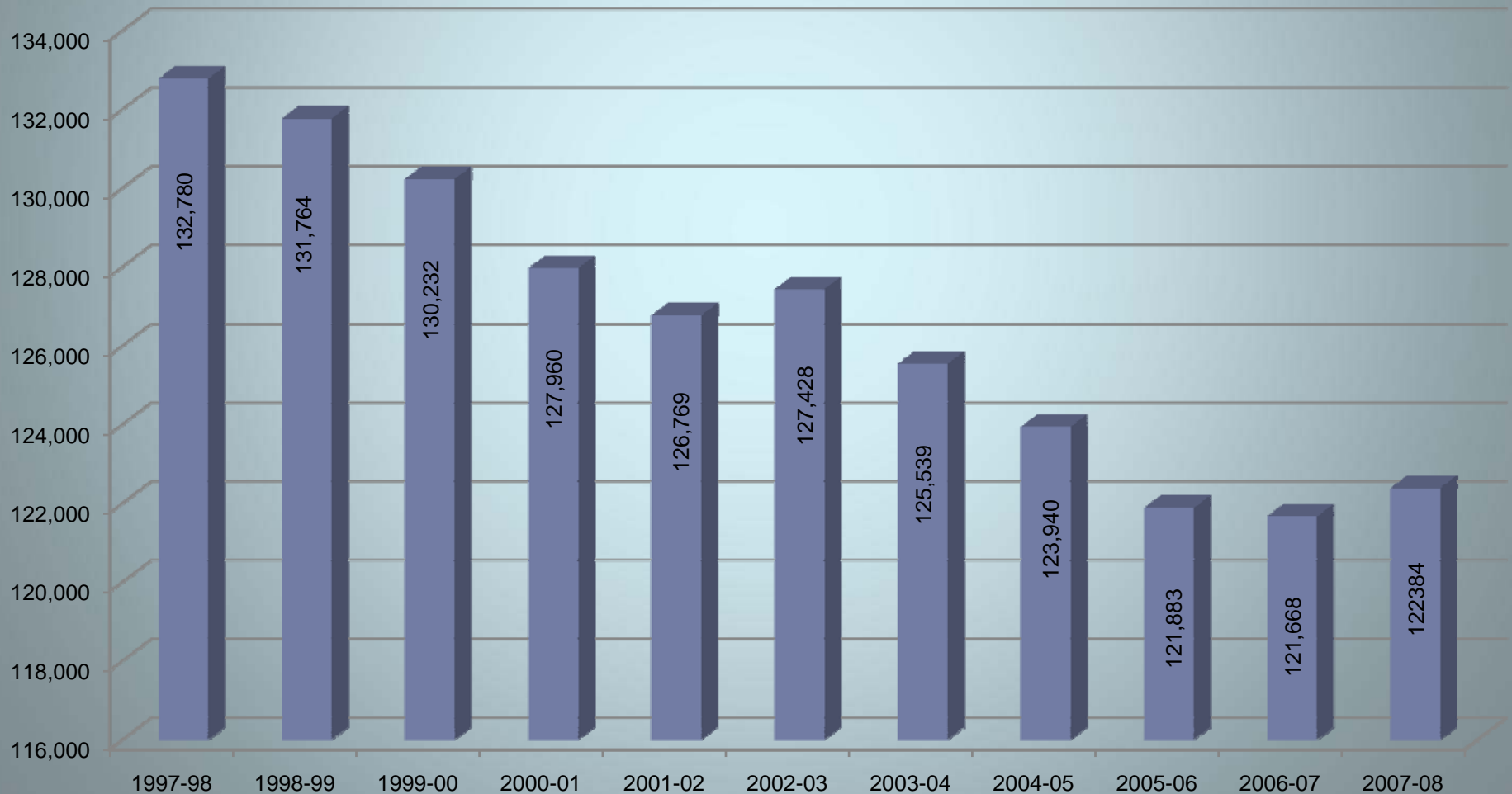
## Age 14-17 Years





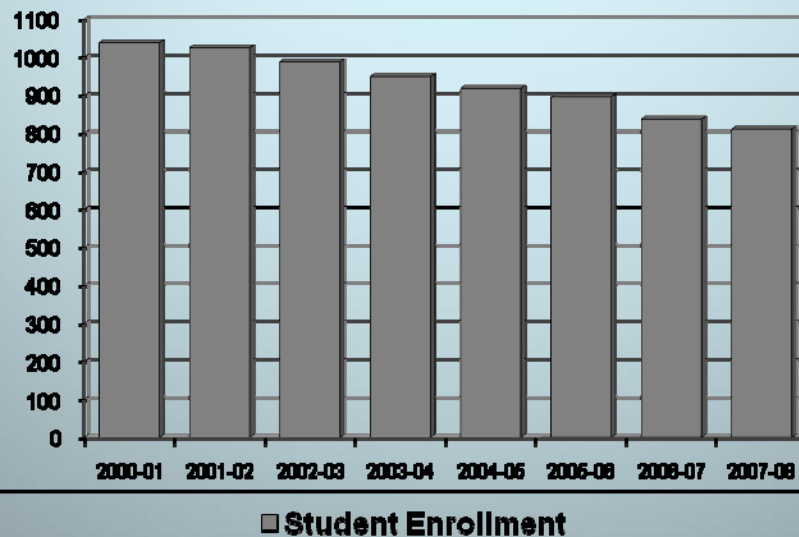
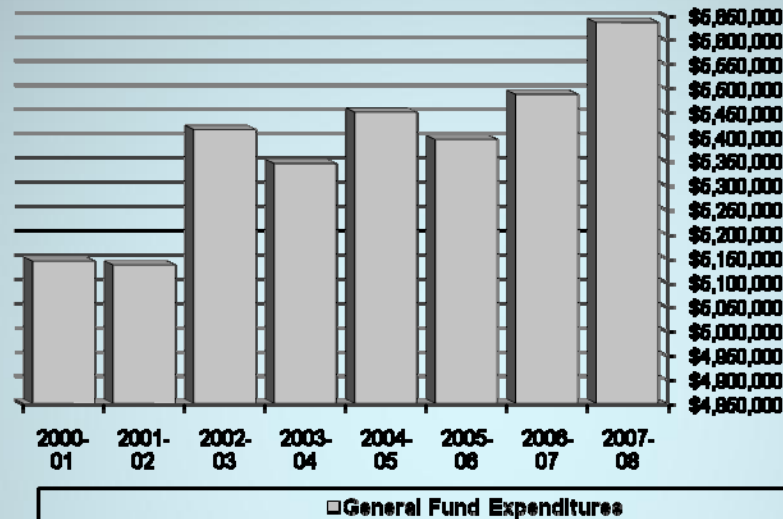
# History of Statewide Enrollment

## K-12 Fall Enrollment



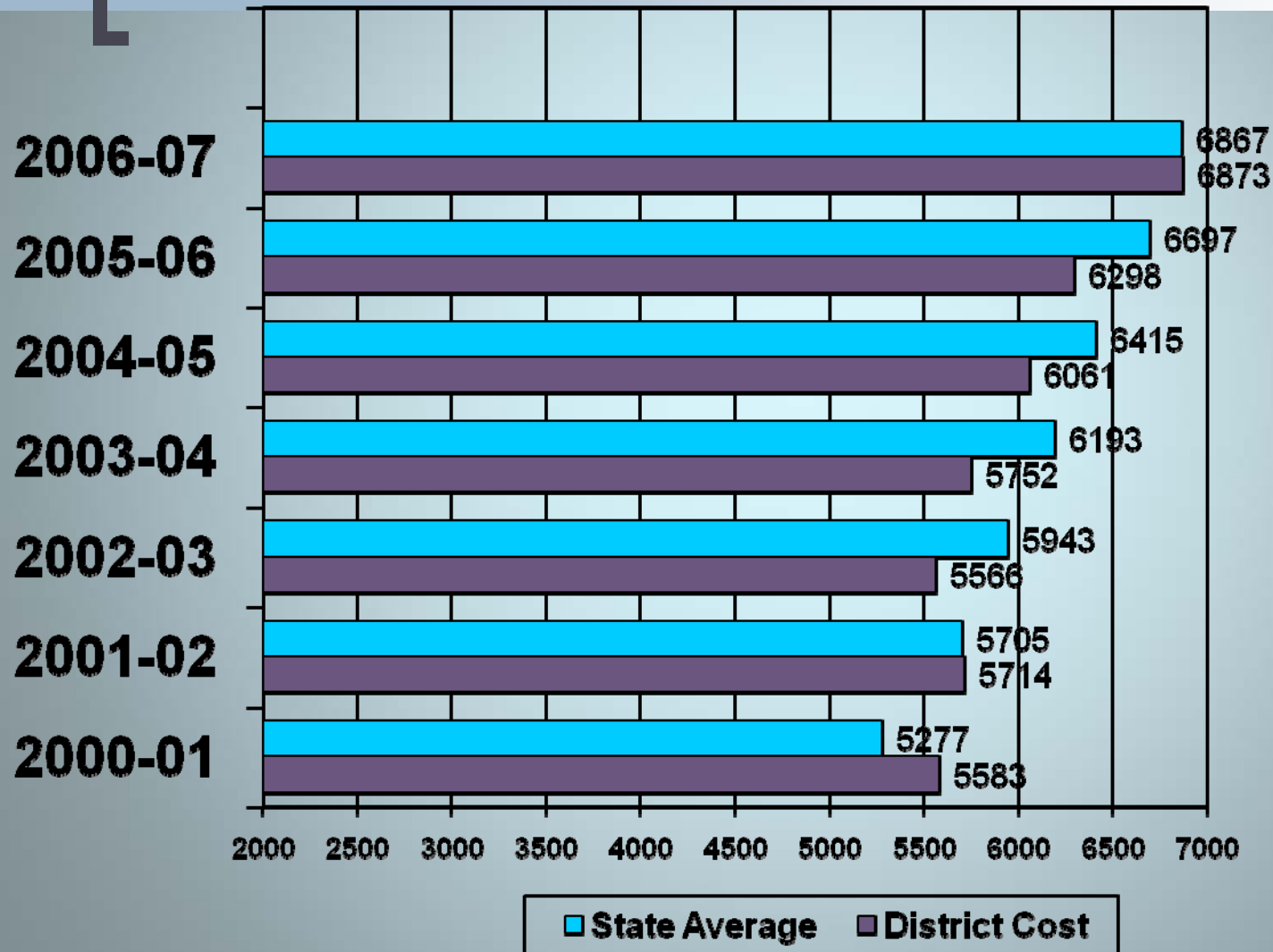


# Expenditures vs. Student Enrollment





# Cost per Student General Fund Only





# Where Are We Compared to Other Schools in SD?

- In the 2006-2007 the highest cost per ADM was \$27,882.00 and the lowest cost per ADM was \$4,339.00
- In 2006-2007, the Winner School District's cost to educate a child was \$6,873.00. The state average was \$6,867.00



# School Funding Formula

## WSD General Fund Revenue 08-09

791	Student Enrollment
<u>X \$4,664.64</u>	Total Per Student Allocation
\$3,689,746.00	Local Need (State Formula)
\$ 674,237	1 <sup>st</sup> Half Local Effort Payable Nov.
\$ 692,499	2 <sup>nd</sup> Half Local Effort Payable May
<u>\$2,323,010</u>	State Aid
\$3,689,746.00	Local Need



# Why The Money Crunch?

- Declining Enrollment
  - 279 students from 2000 to present
- State Aid
  - General operating expenditures exceed state aid increases
- State Limitation on Fund Transfers
- Legal Fees
- Reserve Funds Depleted



# [Where Do We Go From Here?]

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- WSD Expenditure Reductions
- Opt-Out Approval from Community



# WSD Budget Reductions

- Supplies
- Inventory Control
- Purchasing
- Positions
- Travel
- Transportation



# What Does Opt Out Mean?

If a school district cannot operate on the revenue generated by the maximum levy for general fund and monies from state aid, the school district may “opt out” of general fund levy limitations.

Opting out is additional monies generated by increasing the local effort over and above state set levies.



# History of South Dakota Opt Outs

- 2000-2001
  - 8 schools attempted opt out
  - 5 successful for a total of \$640,000.00
- 2001-2002
  - 16 schools attempted opt out
  - 12 successful for a total of \$5,489,000.00
- 2002-2003
  - 30 schools attempted opt out
  - 17 successful for a total of \$7,952,000.00



# History of South Dakota Opt Outs

- 2003-2004
  - 14 schools attempted opt out
  - 9 successful for a total of \$1,683,824.00
- 2004-2005
  - 23 schools attempted opt out
  - 16 successful for a total of \$3,415,500.00
- 2005-2006
  - 18 schools attempted opt out
  - 12 successful for a total of \$3,991,000.00
- 2006-2007
  - 20 attempted opt out
  - 12 successful for a total of \$5,742,685.00



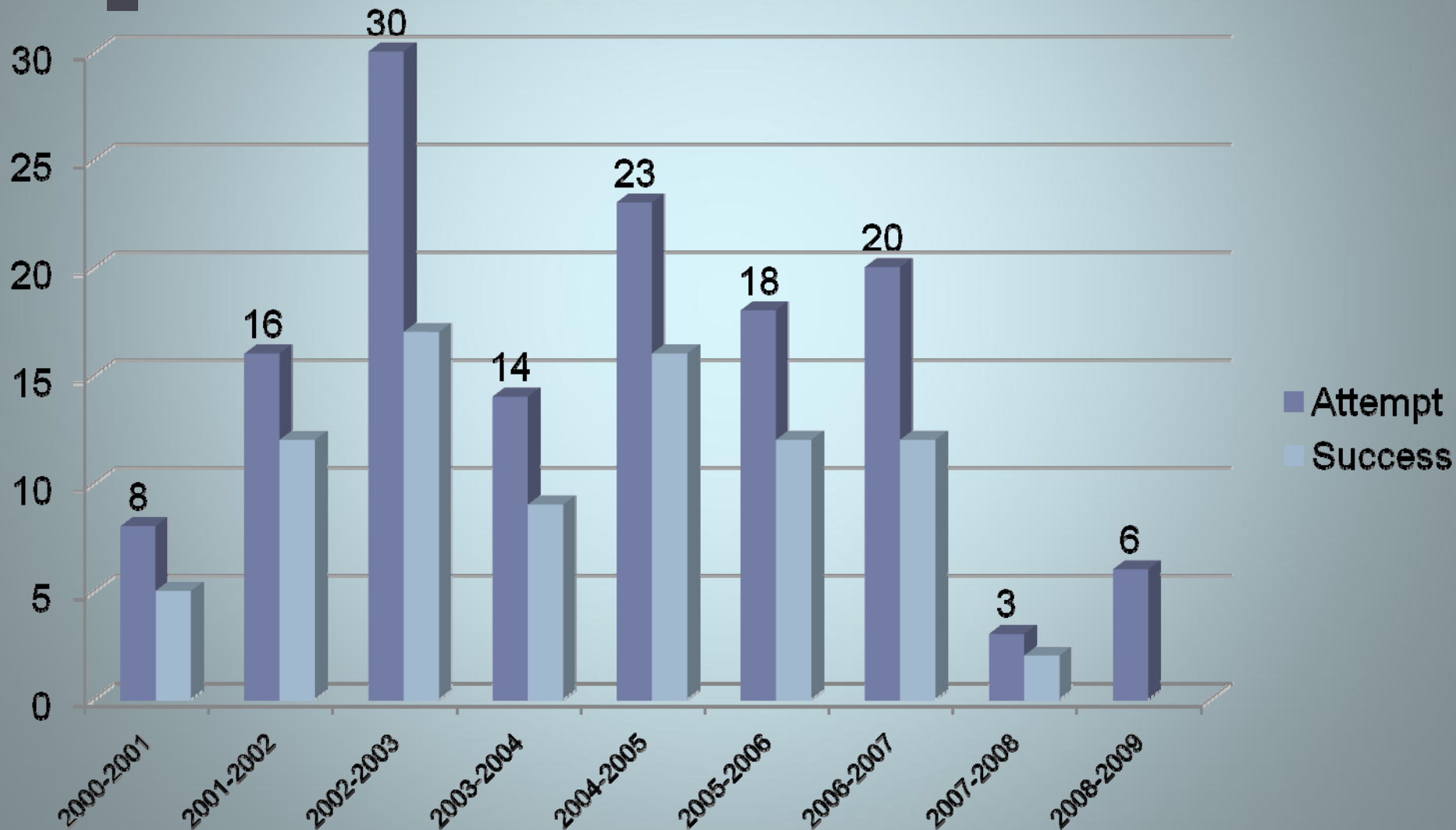
# History of South Dakota Opt Outs

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- 2007-2008
  - 3 schools attempted opt out
  - 2 successful for a total of \$400,000
- 2008-2009
  - 6 schools attempting opt out



# History of South Dakota Opt Outs





# History of South Dakota Opt Outs

- 101 districts attempted to opt-out since 1996-1997.
- 88 districts had at least one successful attempt.
- 36 School Districts had at least one unsuccessful attempt.
- 163 total opt outs
  - Total includes those upheld, failed, uncontested





# Winner School District Opt out Request

\$900,000 per year  
for three years



# \$900,000 Opt Out Cost to Homeowners

Property Value	Additional Annual Tax
\$60,000.00	\$160.20
\$100,000.00	\$267.00



# \$900,000 Opt Out Cost to Ag-Farmland Owners

Average per Acre Value	Additional Annual Tax for 160 Acres
\$625.00 per Acre \$100,000.00 per Quarter	\$170.00 per year \$1.06 per acre



# \$900,000 Opt Out Cost to Business/Commercial Owners

Average Business Value	Additional Annual Tax
\$50,000	\$286.00
\$100,000.00	\$572.00



# Opt Out

## Funding/Calendar/Taxes Payable

- Taxes based on a calendar year: Jan 1 to Dec 31
- School district runs July 1 to June 30
  - 2008-2009 School Year is funded by 2<sup>nd</sup> half 07-08 taxes and 1<sup>st</sup> half 08-09 taxes
- WSD would receive half of an opt out total in 2009-2010 School Year if Opt Out passes prior to July 1, 2009
  - If \$900,000 passes, WSD receives \$450,000 09-10 School Year



# Revenue Projections

Current Revenue:	\$5.9 million
Projected 09-10:	<u>\$4.8 million</u>
Shortfall	\$1.1 million
09-10 Reductions:	<u>\$330,000.00</u>
	\$770,000.00
1 <sup>st</sup> Opt Out Payment	\$450,000.00
Borrow Payment	<u>\$200,000.00</u>
	\$120,000.00



# The Reason We are Here





# Data References

- <http://doe.sd.gov/stateaid/>
- Annual Estimates of the Population for Counties of South Dakota: April 1, 2000 to July 1, 2007 (CO-EST2007-01-46) Source: Population Division, U.S. Census Bureau Release Date: March 20, 2008
- Dr. Hank Kusters, Assistant Executive Director, Associated School Boards of South Dakota



# Data References

- South Dakota Department of Revenue and Regulation: Property and Special Tax Division. Tax Limitation and Opt out Information for School Districts Only
- Tripp County Assessors Office
- Winner School District Business Office





# Questions and Comments