

Questions & Answers:

Why do local tax payers have to support schools?

All School Districts have 3 Main Sources of Income.

1. Student Enrollment: dollars per pupil (our school is small with 230 students)
2. State and Federal Funding: provides funding for PK-12 Educational/Instructional support, salaries, Special Education needs,
3. Local Tax Levies: provides dollars to offset the lack of operating capital from the State and Federal funding. The government has a formula and puts a limit on funding, knowing that local district monies is another funding source for schools. To a large degree, how much you do for your school in terms of educational programs, sports, teachers, etc., is connected to what your local levies bring in for support.

What causes a school to be in deficit spending?

1. When the revenue you have coming in doesn't meet the expenditures you have to run the school.
2. If a school loses enrollment – say 20 kids in a short period of time, that is \$300,000 that you do not have to pay toward operating the school.

Should schools always be cutting it close to a balanced budget?

1. Not fiscally responsible and a very bad idea to not plan ahead and put the school into deficit spending, which happens when you do not have a full funding stream. As mentioned above, a full funding stream includes the 3 main sources of Revenue, if we cut out Local tax dollars, we would be riding on fumes for a while (so-to-speak) but could end up in SOD if enrollment declines – which is never guaranteed and always volatile.

How can residents of Butterfield-Odin get relief from necessary local taxes?

1. Tax credits for property taxes
2. Homestead Credit Refund
3. Special Property Tax Refund
4. Senior Citizen Property Tax Referral
5. The school board has the flexibility to lower the current tax if the school is continuing to increase enrollment.

How are District Families and Residents kept informed of the School District's finances?

1. The School Board gets a transparent monthly budget sheet
2. We have several budget meetings each year on the Board Agenda to go over Revenue and Expenditure details. It is an open meeting to the public.
3. We have a truth in taxation meeting annually that the public is also made aware of to attend and ask questions.

Fund Balance Priority

Fund Balance Policy:

- Current Policy – Maintain a minimum unassigned fund balance (monies) of two months of operating expenditures

Auditor/State Recommendations:

- 2-3 months of operating bills (16% - 25% of annual budget)

