



**SANBORN CENTRAL SCHOOL  
DISTRICT #55-5**

**Opt Out Information**

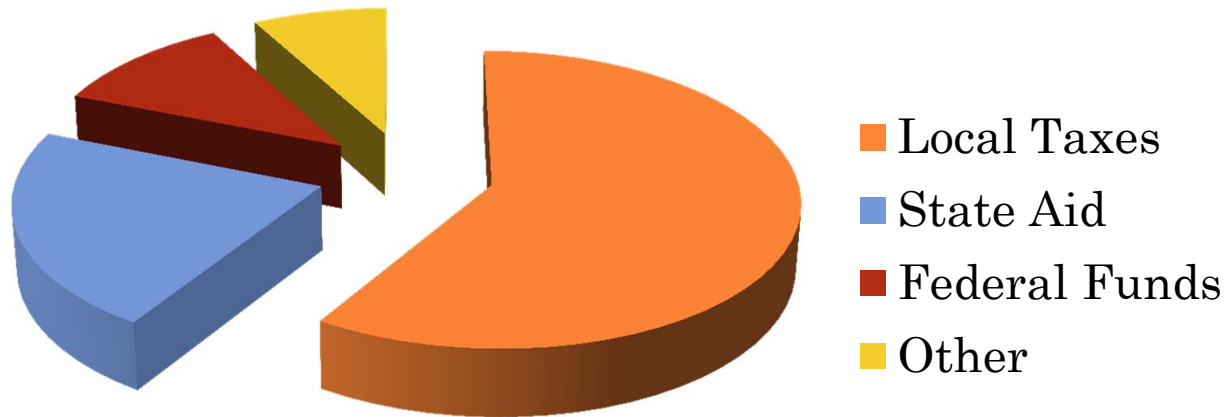
# DIFFERENCE IN SCHOOL FUNDING ACCOUNTS

- General Fund: Over 80% of this fund goes for salaries and benefits.
- Capital Outlay Fund: This fund is for buildings, maintenance of buildings, equipment, books, technology. Until 2014 it can also be used for property insurance, transportation costs, and utilities.
- Special Education Fund: This fund can only be used for services related to SPED including staff salaries that work in the department, materials and equipment.
- Pension Fund: This fund helps us pay the school district's portion of the retirement benefit for staff.



# GENERAL FUND REVENUE SOURCES

**Percent**



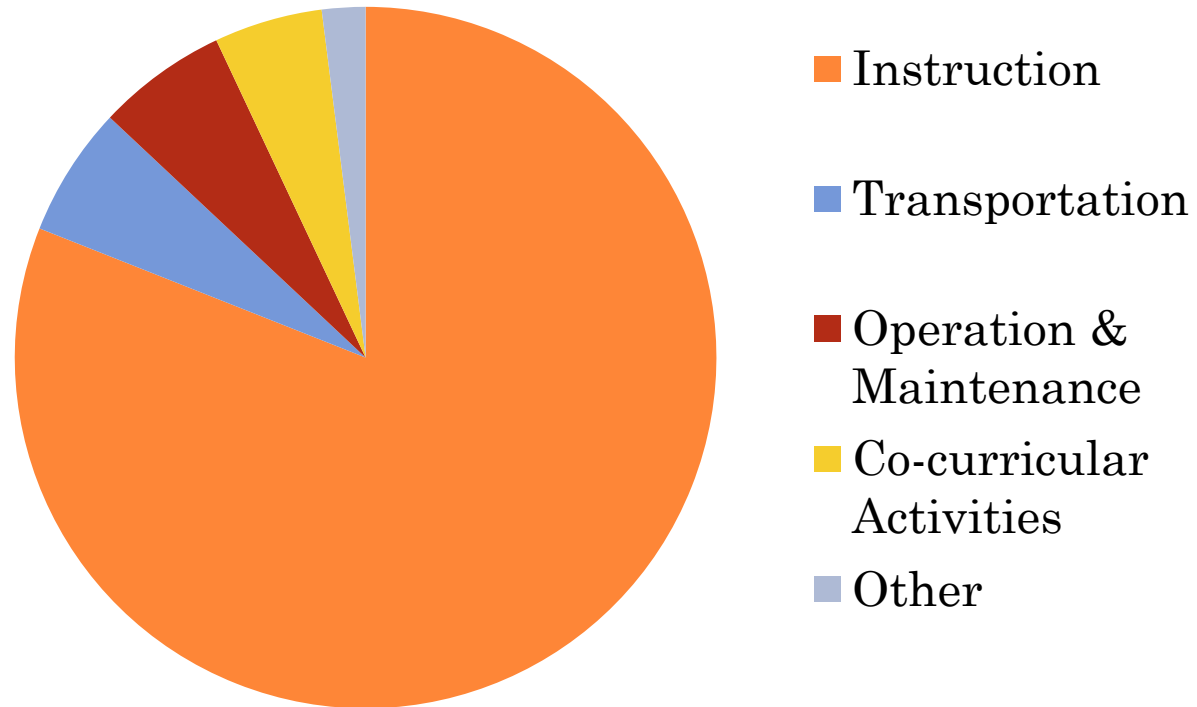
## REVENUE SOURCES FOR OTHER FUNDS

- The General Fund receives money from state aid, local tax dollars, some federal funds, and revenue from other sources such as fine money, etc.
- The Capital Outlay Fund is totally funded by local tax dollars.
- The Special Education Fund is funded by local tax dollars as well as federal and state dollars.
- The Pension Fund comes from local tax dollars only.



# GENERAL FUND EXPENDITURES

**Percent**



# SCHOOL FUNDING IN SOUTH DAKOTA REALITIES

- The 2011 Legislature and Governor Daugaard passed legislation that cut K-12 per pupil funding by 8.6% but included one-time money this year to decrease the cut to 6.6%.
- The base per student allocation (PSA) dropped from \$4,804.60 per student to \$4,389.95 plus the \$97.01 one-time money per student for the 2011-12 school year.
- The new base is now \$4,389.95 going forward to the following years. This has set school funding back to 2007 levels.



## SCHOOL FUNDING, CONT.

- If our enrollment would stay the same for the September 2011 count at 212 the loss in dollars to Sanborn Central would be \$67,341.80.
- It is projected that our enrollment will decrease by 15 students. That will be an additional decrease of \$72,069 in PSA.
- Our Small School Adjustment (SSA) will also decrease by 15 students resulting in an additional loss of \$7,324.
- **Sanborn Central's predicted total loss of dollars from FY2011 to FY2012 will be \$146,735.**



## WHAT WE HAVE DONE SO FAR

- We bought off the back end of our Capital Outlay Certificates and refinanced the remainder to save interest.
- We will have the building paid for in January 2019 which is 4 years ahead of what was planned.
- We have lowered our Capital Outlay levy.
- Because of refinancing, we cannot buy the back end of our Capital Outlay Certificates for five years.



## ADJUSTMENTS MADE THUS FAR

- We already share 3 teachers with Woonsocket (Band, Vocal, & Speech Therapist)
- We already share a Spanish teacher with Ethan, Mt. Vernon, and Woonsocket.
- After Mrs. Selchert's retirement, we filled the position in-house.
- We are eliminating the Art program in all SIVN schools for next year.
- We will be sharing the VoAg teacher with Woonsocket next year.
- Teachers have not received a salary increase going on three years now.



# OPTING OUT OF THE TAX LIMITATION

- Opting out requires a two-thirds vote of the governing body on or before July 15<sup>th</sup>.
- Decision to opt out must be published within ten days of the decision.
- That decision may be referred upon a petition signed by at least five percent of the registered voters in the taxing district and filed with the governing body within twenty days of the publication.
- Election must be held on or before October 1<sup>st</sup>.



## GENERAL FUND VS CAPITAL OUTLAY FUND

- General Fund dollars are a combination of local tax dollars and state aid. State aid is figured on a per student allocation multiplied by a district's enrollment on the last Friday of September each year minus the sum of local property taxes.
- Capital Outlay dollars are strictly local tax dollars.



## HOW WOULD AN OPT OUT WORK FOR SANBORN CENTRAL?

- The school board can only spend money in the Capital Outlay fund on certain things like buildings, maintenance of those buildings, vehicles, technology, furnishings, etc and until 2014 we can also use it for property insurance, fuel expenses, and utilities.
- General Fund dollars are used to pay for salaries and benefits and most other costs incurred that are not covered by Capital Outlay.
- Sanborn Central would lower the Capital Outlay levy and opt out of the General Fund levy for that amount so taxes would not increase, the dollars would just be shifted from one fund to another.



# WHO IN THE AREA HAS AN OPT OUT (HANDOUTS AVAILABLE)

Corsica  
DeSmet  
Emery  
Ethan  
Freeman  
Hitchcock-Tulare  
Howard  
Huron  
Iroquois  
Lake Preston  
Madison  
Marion  
McCook Central  
Menno

Mitchell  
Mt. Vernon  
Oldham-Ramona  
Plankinton  
Scotland  
Sioux Falls  
Stickney  
Tripp-Delmont  
Wessington Springs  
White Lake  
Woonsocket

SOURCE: SDDOE Website  
[www.doe.sd.gov](http://www.doe.sd.gov)



# WHAT IS THE OPT OUT PROPOSAL FOR SANBORN CENTRAL?

- We are proposing to opt out for \$250,000 for seven years.
- Why seven years? We will have the building paid off so we can significantly lower our Capital Outlay Levy.
- We will lower our Capital Outlay Levy to offset the increase to the General Fund Levy due to the opt out.
- **YOU WILL NOT SEE AN INCREASE IN YOUR TAXES DUE TO THE SCHOOL DISTRICT.**



## HOW WOULD MY TAX BILL LOOK?

- Diane Larson, the Sanborn County Auditor, says that the dollar amounts on your tax bill are not divided out by school funds, i.e. General Fund, Capital Outlay, SPED, Pension. It is only divided by Ag, NonAg, etc.
- By law, however, she is required to put the amount of the opt out at the bottom of the tax statement. People are often confused and think that means it is in addition to what is at the top. It is NOT. It just tells you that out of the dollars levied towards the school district that “X” amount of dollars of that total are for the opt out.



