LETTER TO THE EDITOR

Dear Editor;
As chairman of the school board and member of the finance committee, I would like to share some information with you regarding the operating tax levy referendum.
Approximately 10 years ago, the State of Minnesota changed the tax structure in which schools were funded.
Prior to that change, local property taxes were a major source of revenue. With a robust economy, the idea to reduce property taxes seemed attractive.
The model that was put in place would use revenue from income tax and sales tax to help fund schools and other government operations.
This model relies on a variable revenue source to fund our schools which have a fixed or constant cost. A changing economy can cause some surprises, which is what we are presently witnessing.
You local school board has put a question on this fall's election ballot regarding an operating levy increase.
The tax levy would be assessed on your house, garage and one acre of land.

The need for an operating levy increase has been discussed for at least four years.
There has been and will be information on the taxes that would apply to your property values.
As the finance committee and the superintendent work on long-term budget plans, many things need to be considered. Below are some examples:
1. School enrollment: Our funding is based on student population. Open enrollment has greatly helped in keeping our enrollment somewhat stable.
We are, however, in decline regarding student population.
2. State's funding delays: Even though your school shows a general fund balance, the state holds back at least $750,000.00 until the State can pay it back.
A strong fund-balance helps us cash flow without borrowing and paying high interest costs.
The school cannot operate without working capital. In the 1980's, the State had budget problems. It took fifteen years for schools to receive the final payments.
3. Expenditures: Expenditures such as building maintenance, technology and energy are essential costs that do not decrease.
Hopefully, this simple overview has given you something to think about regarding the referendum.
You will be receiving further information regarding the referendum in the form of news items, meetings and web-site information.
Be confident in the fact that your superintendent, Mr. Dan Deitte, knows and understands school finance.
Our school is an excellent school. It truly is the envy of many area administrators. Let's help keep it that way.

Larry Buysse
District No. 414 School Board Chairperson