

Levy FAQ

Levy Vote May 28, 2013

L E V Y

Levy Vote: May 28

How: Voting will take place at the Community Center or by absentee ballot

Two levies: Technology and General fund

FAQ

FAQ index (responses on the back)

1. The Ballot says "market value." Is the levy based on sellable value of my property in the open market?
2. How many levy requests are there and why?
3. How much will each request cost me?
4. Does the school spend more money than it receives?
5. Why is there a need for a technology levy and does Missoula's recently passed technology levy benefit Potomac?
6. Isn't the increased funding from the legislature good enough?
7. Where did all the money come from that is renovating the field and running the Explorers program?
8. If grant writing is so effective, couldn't the district utilize that method instead of a levy?

Background

The Potomac School has faced declining funding over the past several years. There are several explanations for this decrease: The American Recovery and Reinvestment Act (ARRA) money in 2009 reduced state contributions to districts in the following years. In addition, the decrease in state aid was due to how the ARRA money displaced

state education dollars. \$30 million dollars were received by the state of Montana from the federal government in 2009. State officials took that money and displaced \$30 million in the education budget. The substitution was labeled an inflationary increase in education spending which is required based upon the Thompson Falls ruling requiring inflationary increases.

The state is required to make inflationary increases based upon the previous years funding. When the \$30 million dollars displaced \$30 million of state contributions (in 2009), the following year's inflationary increase was based upon \$30 million dollars less state contribution (ARRA money is not state money). If the state had kept the ARRA money in budget with the state funding (as the ARRA money was intended),

Year	Funding with ARRA displacement	Funding without ARRA displacement
09/10	\$656,059	\$744,630
10/11	\$679,602	\$757,518
11/12	\$659,001	\$756,751
12/13	\$637,784	\$740,910

In 2010, there was an undeniable increase in the number of districts running levies trying to make up the broadening funding gap, Potomac included.

Our 2011 levy request was denied by the voters. In the spring of 2011, the District responded to this vote, the declining, 3 yr. average enrollment, and state-reduced funding by looking at other ways to stabilize and improve our financial and human resource needs.

District staff and the board began building an appealing and effective framework with a long term

vision to increase enrollment and address funding. As a result of gathering information over the past two years, efficiencies in spending were implemented including but not limited to:

- 20% of our teaching staff was cut in addition to other expenditures.
- a grant writing team was assembled to find outside funding sources for large projects and other supplies,
- employee pay freezes in '12-'13* were approved,
- a pilot performance pay option was developed and implemented for the '12-'13 year.

Additional new projects (athletic field and media center renovations are funded through outside sources. These actions were taken while focusing out efforts to maintain enrollment through high performing students, staff and facilities.

At the April 8th, 2013 School board meeting, two levy requests were approved: technology and general fund.

The technology fund will ONLY be used for the technology needs of our students related to assessment and learning. The technology request is based upon the percentage of current technology assets. If the levy request is passed by the voters those funds are dedicated to technology needs only.

The general fund levy request amount was arrived at based upon responses from the community about what is most valued at Potomac School. Teachers and small class sizes were the top two responses in our latest survey. The small community experience including the history and heritage of the Potomac Valley was third. In response to the needs of the school and the values expressed to us from the community, the second levy request will be directed to return to smaller teacher-to-student ratios and affirm the small community experience and heritage of the Potomac Valley.

* PEA and board are continuing in mediation

WHAT RESEARCH SAYS ABOUT INVESTING IN PUBLIC EDUCATION

In the book entitled, Smart Money, by William Schweke (2004), a case is made through a variety of economic models and research about the economic value and affect investing in public education has on our nation down to the local community.

Schweke asserts that no matter the strategy, aligning the resources with school goals is the most simplistic application of investing dollars. This begs the question, "What investments yield the greatest output?"

According to researchers Hedges, Laine and Greenwald, increased investment per pupil expenditure and teacher experience have the biggest affect on student achievement (Hedges et al. 1994, 11). This conclusion supports the notion that resources matter.

The levy questions offered in the May 28th election fit precisely with research that points to the greatest outcome for each dollar spent.

In our survey of the community in March, it was overwhelmingly clear that teachers and class size were the top two things the community appreciates about Potomac School. These community values also align with research supporting: resources, technology, teacher training, & retaining high quality teachers as effective investments that can be made by a community.

A study done in 1989 in Tennessee by Fredrick Mosteller concluded that small class size, especially in the early years (k, 1, 2, 3) resulted in higher achievement even if the class sizes were increased in later grades. In addition, these benefits were evident even if the students switched schools. (Mosteller 1995)

Potomac's vision statement intentionally supports research on class size by addressing the student's future within a culture of excellence that values the small community experience.

The two levy questions presented to the voters are based upon community values, research, and the needs identified by the School Board.

Tim Johnson, Principal M.Ed.

FAQ (continued)

1. The ballot says "market value." Does this mean my taxes are based upon what I can sell my property on the open market? No. According to Missoula County, the ballot language, "market value" is the 2008 base for calculations and NOT based upon the sale of a property on the open market.

2. How many levy requests are there? There are two levy requests: 1) updating technology needs and 2) general fund: used to reduce class size.

3. How much will each request cost me annually? For a \$100,000 home = Tech \$20.85, Gen Fund \$48.59

For a \$200,000 home = Tech \$41.71, Gen Fund \$97.18

4. Does the school spend more money than it receives? No. By law, the approved budget must be balanced. Each August, the school board approves a budget based upon funding and expenditure projections. The revenue estimates come from the county superintendent's office which inform our board as to the amount of revenue that can be used within our budget. To create our annual budget, the board starts with the prior year's budget and modifies expenditures according to revenue. Over the past three years, we have had a declining revenue and therefore a declining budget.

5. Why is there a need for the technology levy and does the recently passed Missoula levy benefit Potomac? The identified technology needs will better provide and prepare our students for their futures. The tech levy passed on May 7th for MCPS in Missoula does NOT impact the technology needs for Potomac K-8 students. Levies are individual to each school district. Our levy vote takes place on May 28th, 2013.

6. Isn't the increased funding from the legislature good enough? Over the past three years, Potomac has seen a dramatic decline in funding because of how ARRA money was used in 2009. (See table on

page 1). As a result of over \$100,000 decline in funding and the mandate from the state to move to all computer based testing (Spring 2015) we are faced with a resource shortfall. (See page 1)

7. Where did all the money come from that is renovating the field and running the Explorers program? ALL of the funds used to renovate the Potomac Community Recreation Complex and run the Explorers program are funding sources outside of the school's general fund budget. The School Board is committed to keeping the general fund budget from any further financial strains; requiring that the field and Explorers be funded by outside sources and / or organizations.

8. If grant writing is so effective, couldn't the district utilize that method instead of a levy? Grants are not a guaranteed source of funding. Being awarded a grant is a very competitive process with many other organizations and / or schools seeking the same funds. We cannot and should not rely upon grants as a consistent source for general fund revenues. In addition, most grants do not allow for perpetual or repeat funding. In other words, grants are generally one time only funds, require highly skilled grant writing, and are competitive to receive. It is unwise for a district to rely upon meeting increasing expenses through inconsistent, granting sources.

Bibliography

- Hedges, L., Laine, R., and Greenwald, R. 1994. "Does Money Matter? A Meta-Analysis of Studies of the Effects of Differential School Inputs on Student Outcomes." *Educational Researcher* 23 (April).
- Mosteller, F. 1995. "The Tennessee Study of Class Size." In F. Mosteller, ed, *The Early School Grades*. Washington DC: American Academy of Arts and Sciences.
- Schweke, William.. 2004. "Smart Money: Education and Economic Development." Washington, D.C.: Economic Policy Institute.