

Teahon noted that federal and state assistance continues to dwindle and will likely dry up in the next few

Written by Elizabeth Barrett
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Sandwiches, finances on menu at Stakeholders gathering

Superintendent tells how dollars distributed

Mike Teahon is passionate about school finances.

His enthusiasm was evident last Wednesday during a Stakeholders meeting at the Gothenburg Public Library.

There, a group of 14 met for lunch and to hear a summary of revenue and how District 20 spends its money.

Stakeholders is a group of community members who meet monthly in the winter and spring to learn about different topics in the school district.

The district has the 26th lowest cost per pupil at \$7,553 out of 249 districts.

In enrollment comparison with peer schools, Gothenburg is at the low end of a group of 10 and at the higher end of another group of 10.

This sets the stage for more state aid, Teahon said, because needs are based on the average of the comparison groups.

For example, he said an anticipated \$1 million loss in state aid this year is likely to be closer to \$400,000 because of the spending patterns of the 20 peer schools and increased enrollment.

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In addition, because this year's levy is 6 cents below the state-required 94.5-cent minimum, the district will not receive as much state aid.

In an earlier story, Teahon described the decision to drop the levy last year as a balancing act.

"We felt the valuation increase on ag land was too high," he said.

Higher valuation (13% in 2013) also will affect the district's state aid allocation since it shows, according to the formula, that the district can afford to pay for its students.

State aid projections for 2014-15 are expected to be released in April.

Teahon noted that 80% of the budget is for salaries and benefits and between 12% and 15% for fixed costs such as utilities and insurance. The remaining 5% is spent on supplies, equipment and other things.

This year's operational budget is \$9.3 million. About \$2 million is added for unused budget authority which Teahon said must be included for emergencies such as increased population.

However the district doesn't use it, he said.

In fact, funding by local sources increased nearly 28% in four years, from nearly 47% in 2010-11 to 60.6% in 2013-14.

Taxing funds (which require board decisions):

General fund which pays for the operation of the district. That fund includes depreciation (money set aside to replace things over several years such as a new roof) and the employee retirement fund which are dollars set aside for early retirement, unemployment, etc.

Special building fund which is money for capital improvements like buildings and additions.

Because of a long-term capital improvement plan, Teahon said the district sets aside money for additions or improvements. One such addition may be the a greenhouse which could be used by the FFA, science classes and others, he said.

Bond fund which is used to retire bonds and bond interest on a payment schedule. The district will pay off bonds for the new high school and other improvements in 10 years.

Refinancing the bonds has lobbed \$2.5 million off payments.

In addition, higher valuation dropped the taxpayer levy for the bonds from around 30 cents to 16 cents.

Property taxes are based upon a levy per \$100 of valuation.

Non-taxing funds (that don't require board decisions) include the activities fund for student activities, school lunch fund and student fees fund.

The latter are fees for things required for some classes like certain supplies and transferred into appropriate accounts.

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