



Corsica-Stickney School District #21-3

Opt Out Discussion

June 10, 2024

Please save all questions and
comments till the end of the
presentation.

Thank you!

School Funds

General Fund

- Most Revenues & Expenses
- Most Salaries & Benefits
- Supplies
- General repair & maintenance
- Insurance Premiums
- Utilities

Capital Outlay

- Capital Purchases
 - Buildings
 - Vehicles
 - Major Upgrades
- Building Payments
- 45% Transferability to General Fund

Special Ed

- Any expense directly related to Special Education needs.
- Special Ed Teachers & Paras
- CORE Coop Services

Lunch Fund

- Any expense for the food service program.
- Cooks
- Purchased Food

At the time of Consolidation (July 2015) the Corsica & Stickney School Districts could each transfer Capital Outlay funds to the General Fund.

We transferred a total of \$1,380,000.

At the same time we allowed the current opt outs in both Corsica and Stickney to expire.

Corsica's opt out prior to consolidation was \$150,000
Stickney's opt out prior to consolidation was \$300,000

Blue Ribbon Legislation

- Spring 2016 Legislation
- Increased Teacher Salaries
- Eliminated the Pension Fund
 - Was used to pay the school's share of State Retirement
 - Today's Value would be approximately \$165,000.00
 - Retirement must now be paid out of the General Fund

Blue Ribbon Legislation

Capital Outlay Limitations established – every district is different based on valuations and enrollment.

Pre - Blue Ribbon

\$3,000/\$1,000 Valuation

Today's Value could be \$1,634,877

Post - Blue Ribbon

\$3,760/student (changes annually)

Actual Income Today is \$949,400

Gave us the ability to transfer 45% of the Revenues earned each year into our General Fund.

Blue Ribbon Legislation

○ Equalized “Other Revenues”

- Utility Tax
- Wind Tax
- Bank Franchise Tax
- Local Revenue in Lieu of Taxes
- County Apportionment
- County Revenue in Lieu of Taxes

- These amounts used to be outside the State Aid Formula
- These amounts are now considered “local effort” and technically decrease the amount of State Aid received.
- FY23 Value - \$174,260

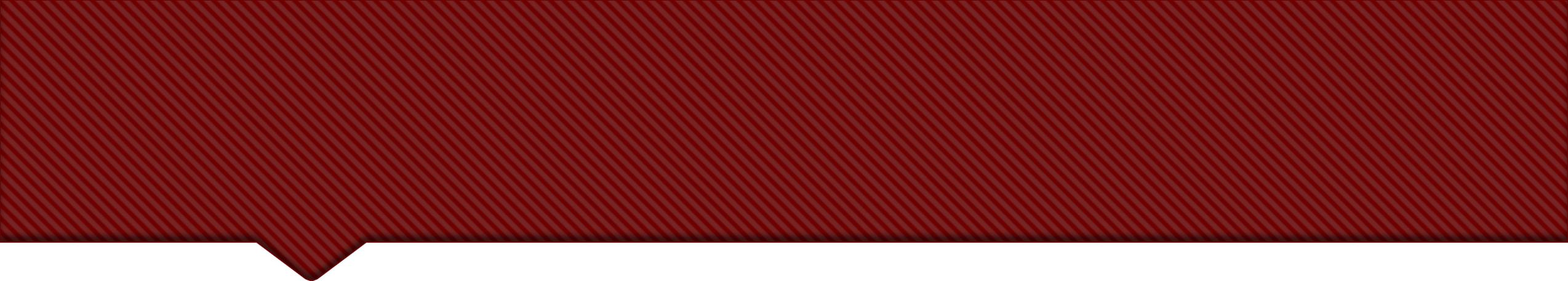
Blue Ribbon Legislation

This is a condensed version of what our state aid formula looks like for fiscal year 2024-2025.

Formula Number of Certified Instructional Staff FTE:	
State Aid Fall Enrollment Count (Fall 2024)	250.00
Formula Number of Certified Instructional Staff FTE	20.21
LEP Formula Teachers	0.02
Total Formula Number of Certified Staff FTE	20.23
Formula Certified Instructional Staff Salary/Benefit Need:	
Target Certified Instructional Staff Salary	\$ 62,045.62
X Target Certified Instructional Staff Benefits %	29%
Target Certified Instructional Staff Salaries + Benefits	\$ 80,038.85
Need based on Certified Instructional Staff Salaries/Benefits	\$ 1,619,112
Overhead Costs	
X % of Overhead Costs	38.78%
State Aid Share for Non-Teacher Expenses	\$ 627,892
TOTAL GENERAL STATE AID NEED	\$ 2,247,004
	MINUS
1st Half Local Effort - Property Taxes 2nd Half Pay 2024	\$ 491,256
Estimated 2nd Half Local Effort - Property Taxes 1st Half Pay 2025	\$ 445,499
Total Estimated Local Effort - Property Taxes	\$ 936,755
Local Effort - Other Revenue	\$ 174,260
ESTIMATED FY2025 General State Aid	\$ 1,135,989

Blue Ribbon Legislation

- Cash Balance Accountabilities
 - We cannot have more than 30% fund balance of our expenditures for the fiscal year.
 - If you have more – you are penalized \$ for \$ in State Aid
- Teacher Salary Accountabilities
 - First year in effect 85% of the new money had to go to teachers.
 - Average can never go below your FY17 Average Salary



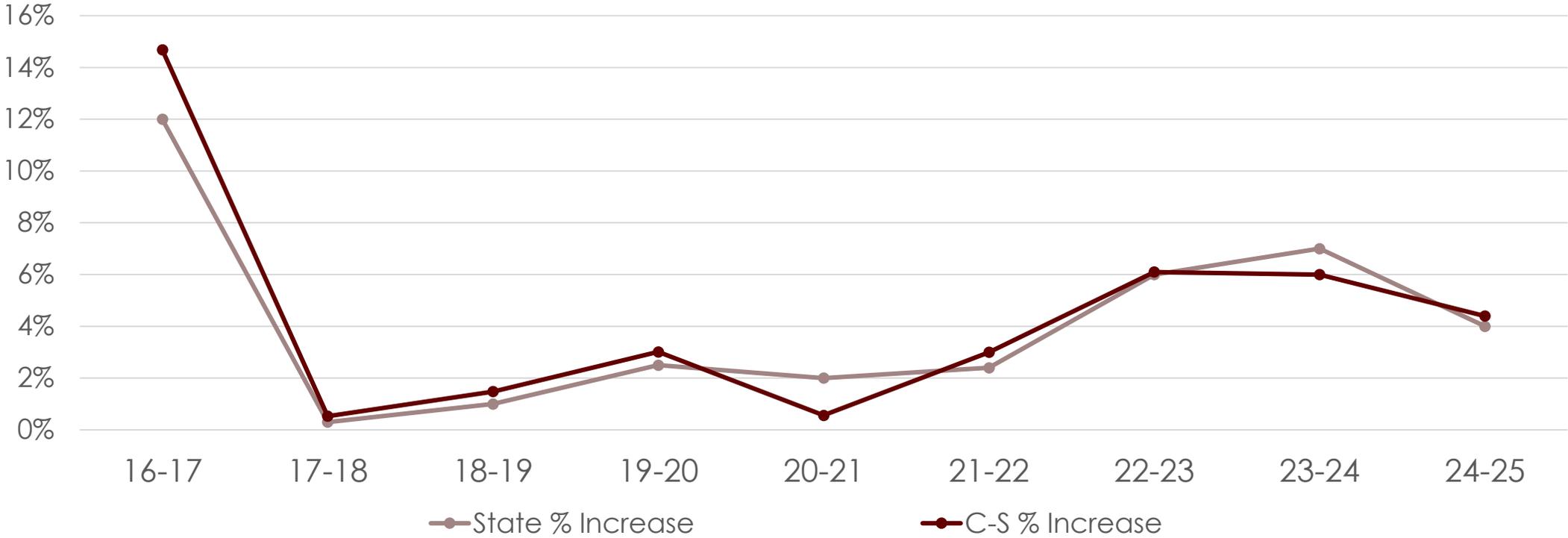
We adapted to all of those changes.
Met all the accountabilities each year.
All was going good – or so we thought.

“Why would we continue to send money to school administrators and school boards when they don’t pass it on to teachers?” Kristie Noem

2024 Legislation

Corsica-Stickney Salary Increases

Corsica-Stickney vs. State Increases



2024 Legislation

Set minimum teacher salary at \$45,000.

Mandatory increase each year by whatever % increase the state gives.

Certified Teacher Average Compensation must increase each year by the amount set forth in legislation.

FY24 sets the baseline for each district individually.

These mandates leave very little room for teacher negotiations.

2024 Legislation

- The state increase is designated for Certified Teaching Staff only.
 - No additional funds for Admin, Counselors, Custodians, Paraprofessionals, Cooks, Preschool Teachers, Tech Coordinator, or Secretaries
- Did not help us with other increased costs such as Supplies, Property Insurance, Technology, Utilities, Curriculum, Etc.

2024 Legislation

- Legislators will re-evaluate as needed.
- One comment made in the Senate – Schools are just going to have to pass opt outs if they need and we will see how many opt outs we have in 3 years and if we need to re-evaluate at that point we will.

Opt Out Information

- Corsica-Stickney has gone 9 years without an opt out
 - At the time of consolidation the Corsica and Stickney School Districts both let their opt outs go.
 - Corsica's was \$150,000
 - Stickney's was \$300,000
- Currently 62 out of 148 public school districts have opt outs in place (41.89%)
- More opt outs are in the works for next year and others are increasing their amounts.

Opt Out Information

- We are proposing to do a 2-part opt out.
 - General Fund Opt Out
 - Capital Outlay Opt Out
- This combination allows us to keep tax increases to a minimum

Opt Out Information

Capital Outlay Opt Out

- Current Levy ($\$1.742/\$1,000$) + Opt Out can't exceed $\$3.000/\$1,000$
- Proposing $\$300,000$ Opt Out for 5 years.
 - Approximately $\$0.550/\$1,000$
- Would reduce Special Ed Levy by $\$0.550/\$1,000$

Taxpayers would see no effect on their taxes.

Opt Out Information

- General Fund Opt Out
 - Proposing a \$350,000 Opt Out for 5 years.
 - Levy is split similar to regular General Fund Tax Levy
 - This would be an increase on taxes.

Opt Out Information

\$350,000 Opt Out Tax Impact

Type of Property	Opt Out Levy
Ag	0.467
OO	1.046
Non-Ag	2.164

Opt Out Information

\$350,000 Opt Out Tax Impact

Type of Property	Pay 2024 Levies	Pay 2025 Levies Before Opt Out	Opt Out Levy	Pay 2025 Levies With Opt Out
Ag	4.012	3.939	0.467	4.406
OO	5.646	5.421	1.046	6.467
Non-Ag	8.805	8.286	2.164	10.450

Opt Out Information

Corsica-Stickney Tax Levy History Year 2025 Does Not Include Opt Out

Pay Year	General Fund Agriculture (AG)	General Fund Owner Occupied (OO)	General Fund Other (OTH)	Capital Outlay	Special Education	Pension	AG	OO	Oth
2025	1.197	2.679	5.544	1.742	1.000		3.939	5.421	8.286
2024	1.320	2.954	6.113	1.687	1.000		4.007	5.641	8.800
2023	1.362	3.048	6.308	1.978	1.000		4.340	6.026	9.286
2022	1.409	3.153	6.525	1.858	1.000		4.267	6.011	9.383
2021	1.443	3.229	6.682	1.828	1.000		4.271	6.057	9.510
2020	1.473	3.296	6.821	2.804	1.000		5.277	7.100	10.625
2019	1.512	3.383	7.001	2.633	1.000		5.145	7.016	10.634
2018	1.507	3.372	6.978	2.774	0.700		4.981	6.846	10.452
2017	1.568	3.687	7.630	2.733	1.000		5.301	7.420	11.363
2016	1.568	4.075	8.727	3.000	0.750	0.200	5.318	7.825	12.477
2015	1.782	4.252	9.106	1.980	1.278	0.300	5.040	7.510	12.364

Opt Out Information

Pay 2024 School District Levies

District Name	General Fund Agriculture (AG)	General Fund Owner Occupied (OO)	General Fund Other (OTH)	Capital Outlay	Special Education	Bond Redemption #1	General Fund Opt-Out AG	General Fund Opt-Out OO	General Fund Opt-Out OTH	General Fund AG T/A/D*	General Fund OO T/A/D*	General Fund OTH T/A/D*	Special Education T/A/D*	AG	OO	Oth
ARMOUR (\$390k)	1.320	2.954	6.113	2.965	1.574		1.215	2.719	5.627					7.074	10.212	16.279
AVON	1.320	2.954	6.113	2.607	1.574					0.001	0.002	0.005	0.001	5.502	7.138	10.300
BON HOMME	1.320	2.954	6.113	2.549	1.574					0.001	0.002	0.005	0.001	5.444	7.080	10.242
BRIDGEWATER-EMERY (\$250k)	1.320	2.954	6.113	2.849	1.574		0.363	0.812	1.681	0.001	0.002	0.005	0.001	6.107	8.192	12.223
BURKE (\$250k)	1.320	2.954	6.113	1.978	1.574		0.678	1.517	3.140	0.012	0.027	0.056	0.005	5.562	8.055	12.866
CANISTOTA	1.320	2.954	6.113	2.738	1.574									5.632	7.266	10.425
CHAMBERLAIN	1.320	2.954	6.113	2.762	1.339	0.386								5.807	7.441	10.600
CORSICA-STICKNEY	1.320	2.954	6.113	1.692	1.000									4.012	5.646	8.805
ETHAN	1.320	2.954	6.113	3.000	1.574									5.894	7.528	10.687
FREEMAN (\$250k)	1.320	2.954	6.113	2.655	1.574	0.552	0.286	0.640	1.324					6.387	8.375	12.218
HANSON	1.320	2.954	6.113	2.757						0.011	0.025	0.051	0.009	4.088	5.745	8.930
IRENE - WAKONDA (\$200k)	1.320	2.954	6.113	2.060	1.574		0.264	0.591	1.223					5.218	7.179	10.970
KIMBALL	1.320	2.954	6.113	1.677	0.788					0.001	0.002	0.005		3.786	5.421	8.583
MOUNT VERNON (\$200k)	1.320	2.954	6.113	2.830	1.574		0.535	1.197	2.478					6.259	8.555	12.995
PARKSTON	1.320	2.954	6.113	2.192	1.374									4.886	6.520	9.679
PLANKINTON	1.320	2.954	6.113	1.528	1.574					0.002	0.004	0.009	0.001	4.424	6.061	9.225
PLATTE - GEDDES	1.320	2.954	6.113	2.176	0.750									4.246	5.880	9.039
SANBORN CENTRAL (\$600k)	1.320	2.954	6.113	0.499	0.299		0.977	2.186	4.525					3.095	5.938	11.436
SCOTLAND (\$250k)	1.320	2.954	6.113	1.626	0.922		0.401	0.897	1.857					4.269	6.399	10.518
TRIPP-DELMONT (\$600k)	1.320	2.954	6.113	1.471	1.574		1.089	2.437	5.043					5.454	8.436	14.201
WESSINGTON SPRINGS	1.320	2.954	6.113	1.836	0.918	0.333								4.407	6.041	9.200
WHITE LAKE (\$225k)	1.320	2.954	6.113	0.808	1.150	1.294	0.650	1.455	3.010					5.222	7.661	12.375

Opt Out Information

For taxes payable in 2024...

Corsica-Stickney School District ranked in

Lowest 30 for Ag Levy

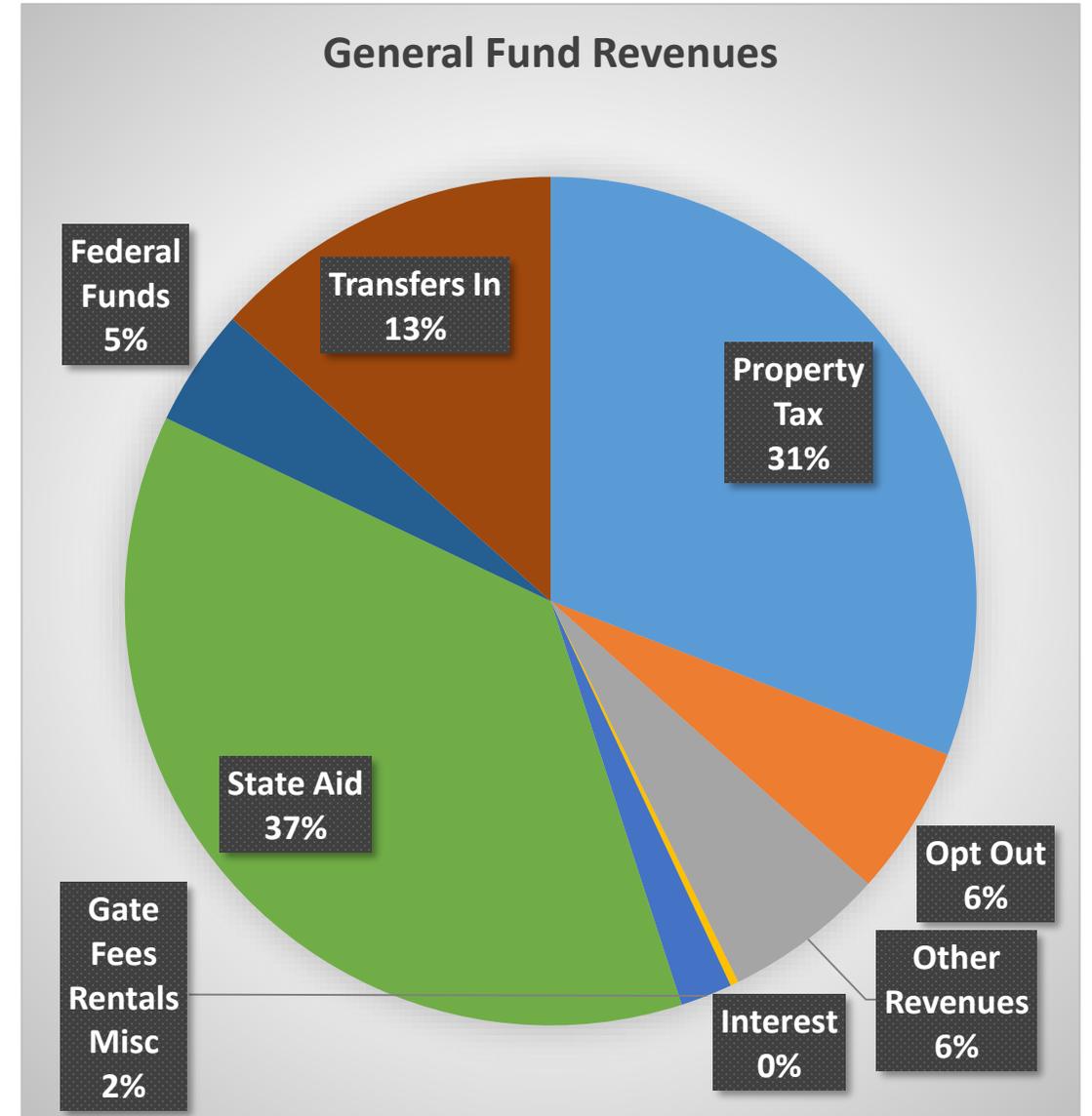
Lowest 24 for Owner Occupied Levy

Lowest 19 for Other Levy

These numbers will change some with the opt out in place but we will still be paying less taxes than the majority of school districts in the state!

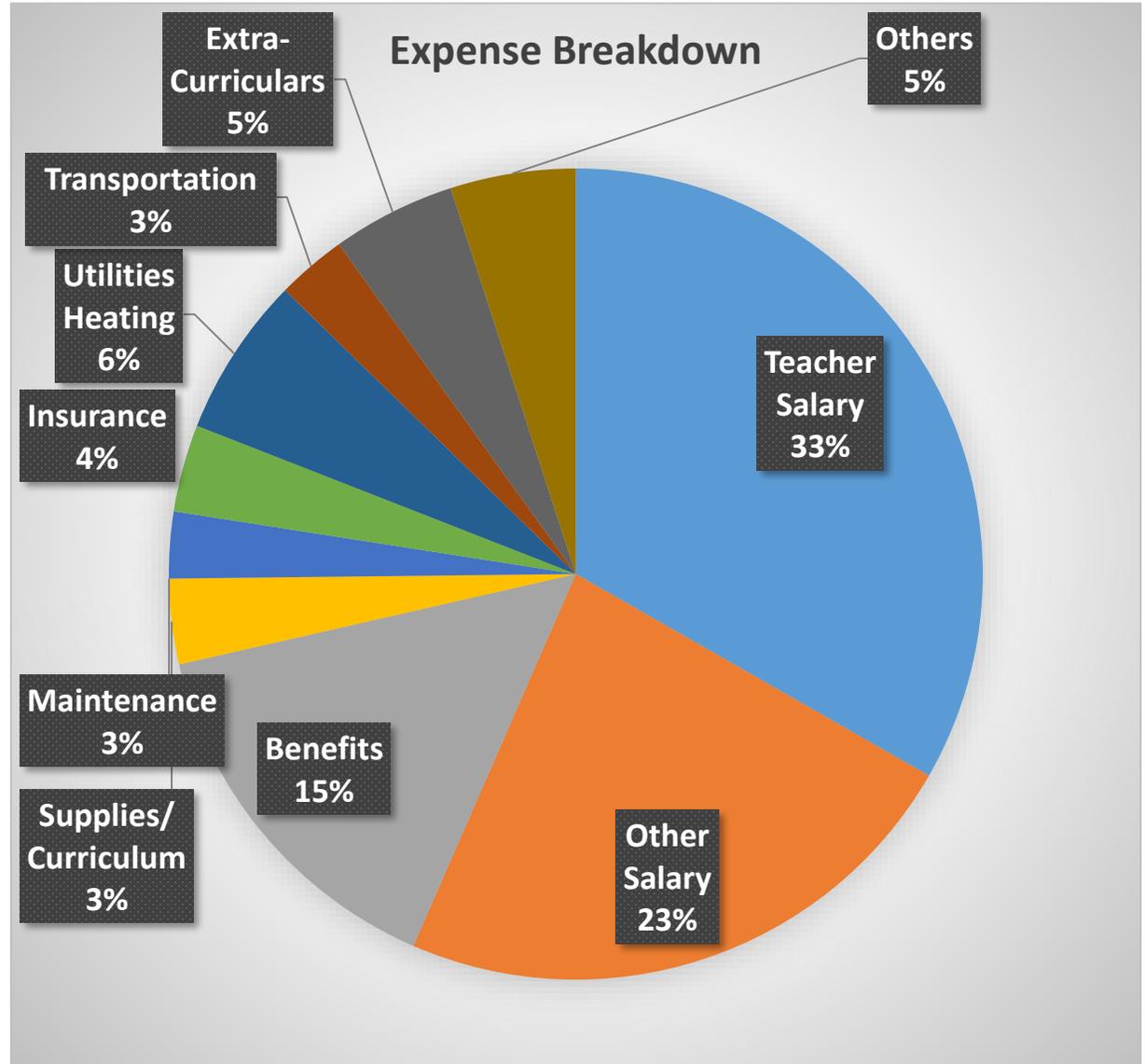
General Fund Revenues FY25

Income Type	Budgeted Amount
State Aid	\$1,135,990.00
Property Tax	\$946,749.00
Opt Out Revenue	\$174,966.00
Other Revenues	\$188,000.00
Federal Funds	\$137,312.00
Gate/Fees/Rentals/Misc	\$60,350.00
Interest	\$9,500.00
Transfers In	\$411,244.00
Cash To Balance	\$283,140.00
Total Revenues	\$3,347,251.00



General Fund Expenses FY25

Expense Type	Budgeted Amount
Teacher Salary	\$1,114,115.00
Other Salaries	\$778,220.00
Benefits	\$498,197.00
Supplies/Curriculum	\$113,930.00
Maintenance	\$88,750.00
Insurance	\$116,550.00
Utilities/Heating	\$213,500.00
Transportation	\$93,000.00
Extracurricular	\$164,420.00
Other Misc Expense	\$166,569.00
Total Expenses	\$3,347,251.00



Questions

So what do all of the numbers really mean?
I just want to know how it affects my taxes!!!!

Questions

Type of Property	Taxable Value	Opt Out Levy	Tax Impact
Ag	\$100,000	0.467	\$46.72
OO	\$100,000	1.046	\$104.57
Other	\$100,000	2.164	\$216.39

Questions

Scenario 1:

You own your home.

It's taxable valuation is \$150,000.

You will see an annual increase of \$156.85.

Or a monthly increase of \$13.07.

Or a daily increase of \$0.43.

Questions

Scenario 2:

You are a farmer.

Your $\frac{1}{4}$ of farmland has a taxable valuation of \$250,000.

You will see an annual increase of \$116.80.

Or a per acre increase of \$0.73.

Questions

Scenario 3:

You own a business on Main Street.

Your business has a taxable valuation of \$125,000.

You will see an annual increase of \$270.49.

Or a monthly increase of \$22.54

Or a daily increase of \$0.74.

Questions

Well if you wouldn't have built the new facilities, we wouldn't even be here talking about this!?!

Questions

The opt out has nothing to do with the building projects.

We are opting out because of increasing costs on so many levels in our General Fund. The state is funding teachers and not much else. We have increased costs in our supplies, our curriculums, our technology items, our property/liability insurance premiums, & our other staff salaries and benefits.

Questions

We have been able to make use of the capital outlay flexibility as well as spending down our fund balance over the last 9 years. With the legislation that was just passed we don't have the flexibility to use the state increase on anything but teachers.

Questions

Can you make any cuts?

Questions

We don't want to if we don't have to!

Our students are fortunate to have access to many different elective classes. This gives them the ability to take classes that align with their future career paths.

Last minute thoughts...

Revenue Decreases...

Elimination of Pension Fund - \$165,000

Equalized Other Revenues - \$174,260

Capital Outlay Limitations - \$650,000

Last minute thoughts...

We have tried to come up with a plan that keeps the tax increase as low as possible.

Last minute thoughts...

School Districts are now being forced into various accountabilities that the governing board has no control over.

The state continues to mandate more.

Last minute thoughts...

If we cannot pass the opt outs we
will potentially face:

Cutting Positions

Losing Staff

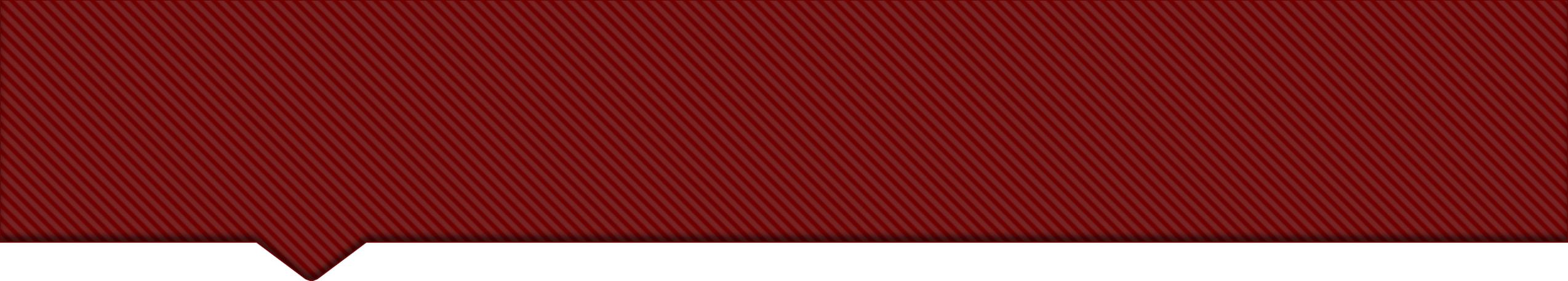
Cutting Programs

Losing Students

Losing Community Members

Last minute thoughts...

We thank YOU for your continued support of
our district, our staff,
and most importantly...our KIDS!!



Questions?