

Fund 26: 2014 Mill Levy Review Committee
Initial Report to Board of Education
December 15, 2014

The intent of Fund 26 is to enable the district to sustain its mission to ensure all students are successful for 20 years.

Guiding Principles The Fund 26: 2014 Mill Levy Review Committee recommends these principles be used to guide decisions for the money collected from the 2014 mill levy override. If there is a request to deviate from these guidelines, the request should note how it deviates from the guidelines and why. The committee will then make a recommendation on the merits of the explanation and given the situation.

- The process of allocating the money should be transparent and follow the intent of the original ballot language passed in 2014. In particular, the meetings of the Fund 26: Mill Levy Review Committee should be open to the public.
- The Fund 26 should be managed so that the additional monies can sustain core programs for 20 years. Because the amount that the fund can take in is capped at \$2.5 million, the true value of the funds will erode through time due to inflation. This means that in the initial years less than \$2.5 million will be spent, with the balance going into a reserve to be used in later years. In the absence of a state-level solution to school funding, this will considerably delay when the district will face cutting programs or going back to taxpayers to request additional funding. Twenty years was agreed upon as a reasonable timetable in which initial Fund 26 expenditures, plus an inflationary factor, could be sustained without additional revenues being required.
- The negative factor of \$1.9 million, as defined in 2014, will be the baseline for which state funding will be compared. If the negative factor from the state is decreased, the mill levy committee should consider recommending decreasing the mill levy accordingly. If the state changes the way the negative factor is defined or implemented, a new baseline may need to be established.
- The money collected through the mill levy should be accounted for separately from other district funds. In particular, money from Fund 26 may be accumulated for periodic purchases (new curricula or buses for example) or for future inflationary increases in costs. These two types of accumulations should be distinct from each other and from any other reserves the district may keep.