

Greetings:

Understanding the financing of the entire school district can be a daunting and complicated task for many. There are the obvious costs associated with operating the schools including teacher and staff salaries, building and grounds maintenance and operational costs, food service, busing, utilities, and a host of other costs that go into the running of a school district. For all these costs, school districts must rely on state funding for the lion's share of the costs. Federal funds pay for some of the specific things the schools must do, and then there is all the rest of the costs of running a school district. Local communities are often asked to pass operational or maintenance levies to help pay for unfunded parts of the operational budget. Currently the North Mason School District does not have an operational levy that has been passed by the community.

There is also separately the cost of building the schools, gyms, stadiums, playfields, parking lots, campus roads, etc. For these "capital" expenditures, local bonds that the community passes largely pay for this new construction, with some help from the state school construction funds when appropriate.

In our community we passed a \$62 million dollar 30-year bond a few years ago and saw our new high school built, our Middle school renovated from the old high school building, a second alternative high school building constructed, our stadium remodeled, and a host of other significant improvements and changes to much of the entire school district physical plan.

In 2019, the bond levy rate was almost \$1.19 per 1K of assessed property value for the district. Then in 2020 the district did a voluntary roll back of nearly \$0.35 for one year to drop your bond levy rate to just over \$0.84 per \$1K of valuation. The district was able to use interest collections and state forest dollars to offset the levy collections to make the 2020 bond payments and is why you saw the big drop in the rate. However, such rollbacks can only occur one year at a time, and things do change from year to year.

The bond must then be recertified each year to collect enough to make all the payments on principal and interest for that calendar year.

For 2021, the district did another (but smaller) roll back of approximately \$0.08 to bring the bond levy rate down to \$1.08 per \$1K valuation—not as deep a rollback as in 2020.

We are currently in the midst of refunding the bond (like refinancing your home loan) to permanently lower the bond levy rate you pay. The board of directors authorized a complete refinancing of the bond levy at the last (April) board meeting, so we hope/expect to see a more permanent reduction to the bond levy rate for the North Mason School district community going into the future. Our aim is to reduce the current rate by at least 10 %.

Thank you for reading this brief letter about the bond levy financing. We all want to see our taxes do the right things, and we always want to see it cost less if that is possible. I believe we are doing both with respect to the bond levy.

Art Wightman
Director, District 1
North Mason School District.