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## School levy up by less than 1 percent next year

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*Owner of median-valued home will see decrease*

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SHOREVIEW — The Mounds View School Board has unanimously approved a 2010-2011 school tax levy of nearly \$41.3 million, which represents a less than 1 percent increase over this year's levy.

"Residential properties with a median-value home will see the school portion of their taxes decrease for 2010," noted District Finance Director Carole Nielson at a Dec. 8 Truth in Taxation hearing.

The increase will be \$131,811, or .3 percent more than in 2009.

Nielson also presented an updated \$107 million preliminary general fund budget that projects a \$4.2 million deficit. That deficit was reduced from \$4.5 million in the past month by further cuts that included transportation savings and the elimination of 2.8 full-time equivalent jobs due to lower enrollment projections. Though a final budget won't be approved until June, after updated state revenue figures are in, the current plan is to counter the deficit with part of the district's \$15.8 million fund balance.

Nielson said the district stands to lose about \$500,000 (\$52 per pupil) in state funding if further unallotments are approved in the next legislative session and if state aid is not increased. The good news: this year the district could likely absorb a fund shift or delay in state revenue payments because of its fund balance.

Nielson said the district typically gleans 30 percent of its revenues from property taxes, while 52 percent comes from state aid and 18 percent comes from the federal government and other sources. Conversely, 65 percent of expenses are related to salaries, while 21 percent are for supplies and equipment and 14 percent are for purchased services.

Several members of the small audience questioned whether the district is being as efficient as possible. Board member Barb Bollum responded that the board is doing everything it can to reduce expenses, and in fact has trimmed between \$24 million and \$25 million in expenses over the past two years.

"We're looking at the (2010-2011) deficit and how we can continue to cut expenses, and there are potentially a half-million dollars in things we can keep tweaking," she added. She noted that expenses are largely tied to employee contracts negotiated by unions.

"We are bound by law that health insurance contracts must remain in place as is unless negotiated differently," she said. "We're now in the process of pricing out plans to get more competitive rates, and we've also frozen what the contribution is. These are points that continue to be negotiated with all the unions as we move forward."

Nielson said the board has already acted to eliminate retirement benefits for teachers hired after 2000, as allowed by law. The average Mounds View teacher now earns about \$53,000 in salary and about \$26,000 in annual benefits, she said.

One man in the audience grilled the board for nearly an hour, questioning everything from the 1 percent teachers' salary and benefits increase ratified in September to enrollment decreases to whether the district is teaching enough geography and world religions.

Superintendent Dan Hoverman defended the salary increase by noting that Mounds View pays in the middle range compared to other metro communities. He said most Mounds View teachers have significant experience, as few new graduates are being hired because of declining enrollment.

"I believe that (increase) was earned," he said. "And being mid-range keeps our head above water in relationship to attracting and retaining quality staff. They (teachers) do compare (salaries) ... and we do lose some good candidates who go to other places."

In other school board news, Hoverman said parents and students should look for a mailing that announces details of the hybrid online and in-person classes to be offered in the high schools beginning next year. An informational meeting is planned for Jan. 7 and pre-registration will be held July 13 through 27.

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