

Townsend K12 School District #1



School Budget FAQs

March 2023

Susie Hedalen, Superintendent



The purpose of this document is to provide the Broadwater County Stakeholders supplemental information on our budget reporting as presented. This was prepared to address the common topics of concern regarding school finance and the budget process.

This information and much more can be found on the Montana Office of Public Instruction website at <https://opi.mt.gov/>.

Commonly Used K-12 Education Acronyms

| <u>Acronym</u> | <u>Definition</u> |
|----------------|--|
| ANB | Average Number Belonging – A student count used for school funding purposes. See 20-9-311 MCA |
| BASE | Base Amount for School Equity – The minimum general fund budget that all public –school districts must adopt on Montana. 20-9-306 MCA |
| DSA | Direct State Aid – State aid paid to each district in support of the district’s general fund budget. The amount paid is 44.7% of the district’s basic entitlements and per-ANB entitlements. |
| GTB | Guaranteed Tax Base – The state subsidy paid on mills levied by taxing authorities with tax bases less than the statewide averages. |
| Mill Value | 1/1000 of the taxable value of a jurisdiction. |
| TFS | Trustees’ Financial Summary |
| PIR | Pupil Instruction Related – The term for a day of teacher activities devoted to improving the quality of instruction. |

Who contributes to the schools funding each year?

In fiscal year 2022 the revenue sources were spread out over the following agencies:

| | | | |
|--------------------|--------|----------------------|--------|
| State of Montana | 39.69% | Local Property Taxes | 27.87% |
| County | 7.87% | Local Non-Tax | 3.45% |
| Federal Government | 21.12% | | |
| TOTAL | | 100.00% | |

What is non-levy revenue?

Revenues from other sources such as: interest earnings, summer school revenues, Montana oil and gas tax, rental of buildings and equipment, school block grants, property tax reimbursement, and tuition.

How is the BASE mill levy calculated?

The BASE mill levy is a required local permissive (non-voted) tax levy. It is calculated by determining how much revenue each tax jurisdiction will need for the upcoming year to fund its budget for public services, BASE budget less non-tax revenue sources. The state will subsidize the BASE mill levy with GTB should the district qualify.

What is property tax liability?

The amount of taxes a property owner must pay to the County Treasurer each year. This amount is based on the classification of the property and assessed by the Montana Department of Revenue.

What is taxable value?

The market value of a piece of property times the tax rate for that property.

$$\text{Taxable value} = \text{Market Value} \times \text{Tax Rate}$$

$$\text{Taxable Value} \times .001 = \text{Mil Value}$$

$$\text{Mil Value} \times \text{Mills} = \text{Property Tax Liability}$$

What is a mill?

A mill is one-thousandth (.001) of a dollar).

Example: The taxable value for a district (as determined by the County Assessor) is \$46,000,000. This amount multiplied by .001 equals \$46,000 or 1 mill equals \$46,000. If the school district needs \$2,500,000, divide \$2,500,000 by \$46,000 to determine the necessary 54.34 mill required to fund the \$2,500,000 budget allowance.

How is a property tax bill calculated?

An individual property tax bill is calculated using the market value of the property, the tax rate, and the mill value.

Example: Residential property with an assessed market value of \$100,000.

Taxable Value

| | |
|----------------------|-----------|
| Market Value | \$100,000 |
| Multiply x Tax Rate | 1.35% |
| FY2023 Taxable Value | \$1,350 |

Mill Value

| | |
|---------------|-------------------|
| Taxable Value | \$1,350 |
| Multiply by: | .001 (mill value) |
| Mill Value | \$1.35 |

Property Tax Liability

| | |
|--------------------------|---------|
| Mills (see mill example) | 54.34 |
| Multiply by Mill Value | \$1.35 |
| Property Tax Liability | \$73.36 |

TOWNSEND K12 SCHOOL DISTRICT #1
 NOTICE OF INTENT TO INCREASE NONVOTED LEVIES
 March 14, 2023

The Townsend K12 School District #1 is committed to financial transparency. 20-9-116 MCA requires the District to provide notice of its intent to increase non-voted levies in the ensuing fiscal year for certain funds. However, understanding the District's budgets requires considering all levy-supported funds. As a result, the proposed notice contains projections for all of the District's levy-supported funds.

TOTAL - ALL FUNDS USING PROJECTED TAXABLE VALUE:

| Fund | <u>2022-23 Actual Levies</u> | | <u>2023-24 Projections</u> | | | | | |
|-----------------------------|------------------------------|---------------|----------------------------|---------------|-------------------|-------------|-----------------|-----------------|
| | \$ | Mills | \$ | Mills | Change \$ | Mills | Est. Annual Tax | Est. Annual Tax |
| | | | | | | | Change | Impact \$100K |
| | | | | | | | home | home |
| General - BASE | \$ 793,998 | 48.27 | \$ 858,887 | 52.21 | \$ 64,889 | 3.94 | \$ 5.32 | \$ 10.64 |
| General - OverBASE | \$ 932,332 | 56.68 | \$ 932,332 | 56.68 | \$ - | - | \$ - | \$ - |
| Transportation | \$ 315,814 | 19.20 | \$ 339,867 | 20.66 | \$ 24,053 | 1.46 | \$ 1.97 | \$ 3.94 |
| Bus Depreciation | \$ 64,500 | 3.92 | \$ 80,887 | 4.92 | \$ 16,387 | 1.00 | \$ 1.35 | \$ 2.70 |
| Tuition | \$ 66,632 | 4.05 | \$ 101,650 | 6.18 | \$ 35,018 | 2.13 | \$ 2.88 | \$ 5.76 |
| Adult Ed | \$ - | - | \$ 16,499 | 1.00 | \$ 16,499 | 1.00 | \$ 1.35 | \$ 2.70 |
| Technology | \$ 50,000 | 3.04 | \$ 50,000 | 3.04 | \$ - | - | \$ - | \$ - |
| Flexibility | \$ - | - | \$ - | - | \$ - | - | \$ - | \$ - |
| Debt Service | \$ 1,323,150 | 80.44 | \$ 1,325,850 | 80.60 | \$ 2,700 | 0.16 | \$ 0.22 | \$ 0.44 |
| Building Reserve Permissive | \$ - | - | \$ - | - | \$ - | - | \$ - | \$ - |
| Building Reserve Voted | \$ - | - | \$ - | - | \$ - | - | \$ - | \$ - |
| Grand Total | \$ 3,546,426 | 215.60 | \$ 3,705,971 | 225.29 | \$ 159,545 | 9.69 | \$ 13.09 | \$ 26.18 |

These estimates are the District's best estimates at the current time. They are based on the current year's taxable value, as required by 20-9-116 MCA. **If the District's taxable value increases as expected, the mill and taxpayer cost increases will be less than presented here.** These estimates are preliminary and changes are expected before the final budgets are set in August.



Budget Report FY 2023

04 Broadwater

Submit ID: 0055-01756473

0055 Townsend K-12 Schools

Summary

| Fund [A] | Adopted Budget [B] | Total Reserves (961-966) [C] | Reserve Limit [D] | % of Adopted Budget Reserved (C/B) x 100 [E] | Unreserved Fund Balance Reappropriated (970) [F] | Other Revenue [G] | District Property Tax Requirements (B - F - G = H) if < 0, enter 0 [H] | District Mill Levies H / (TV x .001) [I] |
|-----------------------------|---------------------|------------------------------|-------------------|--|--|---------------------|--|--|
| 01 General | 5,473,496.04 | 537,201.35 | 10% | 9.81% | 0.00 | 3,747,166.14 | 1,726,329.90 | 104.95 |
| 10 Transportation | 463,535.83 | 84,981.62 | 20% | 18.33% | 0.00 | 147,722.26 | 315,813.57 | 19.20 |
| 11 Bus Depreciation Reserve | 292,492.75 | 0.00 | N/A | 0.00% | 227,992.75 | 0.00 | 64,500.00 | 3.92 |
| 13 Tuition | 67,300.00 | | N/A | | 667.85 | 0.00 | 66,632.15 | 4.05 |
| 14 Retirement | 801,340.00 | 160,268.00 | 20% | 20.00% | 60,198.91 | 741,141.09 | | |
| 17 Adult Education | 47,250.23 | 0.00 | 35% | 0.00% | 47,250.23 | 0.00 | 0.00 | 0.00 |
| 19 Non-Operating | 0.00 | 0.00 | N/A | 0.00% | 0.00 | 0.00 | 0.00 | 0.00 |
| 28 Technology | 131,371.57 | 0.00 | N/A | 0.00% | 76,938.37 | 4,433.20 | 50,000.00 | 3.04 |
| 29 Flexibility | 256,777.62 | 0.00 | N/A | 0.00% | 256,777.62 | 0.00 | 0.00 | 0.00 |
| 61 Building Reserve | 101,508.96 | 0.00 | N/A | 0.00% | 101,508.96 | 0.00 | 0.00 | 0.00 |
| Total of All Funds | 7,635,073.00 | 782,450.97 | | | 771,334.69 | 4,640,462.69 | 2,223,275.62 | 135.16 |

50 Debt Service

Tax Jurisdiction

| | | | | | | | | |
|----|--------------|------|----------|-------|------|------|--------------|-------|
| 01 | 1,323,150.00 | 0.00 | 20-9-438 | 0.00% | 0.00 | 0.00 | 1,323,150.00 | 80.44 |
|----|--------------|------|----------|-------|------|------|--------------|-------|



Budget Report

FY 2022

04 Broadwater

Submit ID: 0055-94001566

0055 Townsend K-12 Schools

Summary

| Fund [A] | Adopted Budget [B] | Total Reserves (961-966) [C] | Reserve Limit [D] | % of Adopted Budget Reserved (C/B) x 100 [E] | Unreserved Fund Balance Reappropriated (970) [F] | Other Revenue [G] | District Property Tax Requirements (B - F - G = H) If < 0, enter 0 [H] | District Mill Levies H / (TV x .001) [I] |
|---------------------|--------------------|------------------------------|-------------------|--|--|-------------------|--|--|
| 01 General | 5,270,937.18 | 539,758.73 | 10% | 10.24% | 8,862.44 | 3,518,049.31 | 1,744,025.43 | 106.27 |
| 10 Transportation | 397,348.00 | 79,469.60 | 20% | 20.00% | 21,013.04 | 138,418.24 | 237,916.72 | 14.50 |
| 11 Bus Depreciation | 227,571.38 | 0.00 | N/A | 0.00% | 146,684.38 | 0.00 | 80,887.00 | 4.93 |
| 13 Tuition | 55,000.00 | | N/A | | 4,990.73 | 0.00 | 50,009.27 | 3.05 |
| 14 Retirement | 778,000.00 | 155,600.00 | 20% | 20.00% | 56,770.79 | 721,229.21 | | |
| 17 Adult Education | 51,222.82 | 0.00 | 35% | 0.00% | 51,222.82 | 0.00 | 0.00 | 0.00 |
| 19 Non-Operating | 0.00 | 0.00 | N/A | 0.00% | 0.00 | 0.00 | 0.00 | 0.00 |
| 28 Technology | 149,302.32 | 0.00 | N/A | 0.00% | 96,007.14 | 3,295.18 | 50,000.00 | 3.05 |
| 29 Flexibility | 271,179.57 | 0.00 | N/A | 0.00% | 271,179.57 | 0.00 | 0.00 | 0.00 |
| 61 Building Reserve | 100,408.92 | 0.00 | N/A | 0.00% | 100,408.92 | 0.00 | 0.00 | 0.00 |
| Total of All Funds | 7,300,970.19 | 774,828.33 | | | 757,139.83 | 4,380,991.94 | 2,162,838.42 | 131.80 |

| | | | | | | | | |
|------------------|--------------|------|----------|-------|------|------|--------------|-------|
| 50 Debt Service | | | | | | | | |
| Tax Jurisdiction | | | | | | | | |
| 01 | 1,317,292.79 | 0.00 | 20-9-438 | 0.00% | 0.00 | 0.00 | 1,317,292.79 | 80.29 |



Budget Report FY 2021

04 Broadwater

Submit ID:

0055 Townsend K-12 Schools

Summary

| Fund [A] | Adopted Budget [B] | Total Reserves (961-966) [C] | Reserve Limit [D] | % of Adopted Budget Reserved (C/B) x 100 [E] | Unreserved Fund Balance Reappropriated (970) [F] | Other Revenue [G] | District Property Tax Requirements (B - F - G = H) If < 0, enter 0 [H] | District Mill Levies H / (TV x .001) [I] |
|---------------------------|---------------------|------------------------------|-------------------|--|--|---------------------|--|--|
| 01 General | 5,247,679.91 | 531,704.24 | 10% | 10.13% | 16,497.30 | 3,464,189.68 | 1,766,992.93 | 111.64 |
| 10 Transportation | 388,238.00 | 77,647.60 | 20% | 20.00% | 75,942.20 | 139,418.24 | 172,877.56 | 10.92 |
| 11 Bus Depreciation | 147,151.07 | 0.00 | N/A | 0.00% | 65,764.07 | 500.00 | 80,887.00 | 5.11 |
| 13 Tuition | 38,957.00 | | N/A | | 31,140.68 | 50.00 | 7,766.32 | 0.49 |
| 14 Retirement | 803,044.00 | 160,608.80 | 20% | 20.00% | 150,054.24 | 652,989.76 | | |
| 17 Adult Education | 51,627.46 | 0.00 | 35% | 0.00% | 43,513.85 | 200.00 | 7,913.61 | 0.50 |
| 19 Non-Operating | 0.00 | 0.00 | N/A | 0.00% | 0.00 | 0.00 | 0.00 | 0.00 |
| 28 Technology | 173,732.01 | 0.00 | N/A | 0.00% | 118,326.72 | 5,405.29 | 50,000.00 | 3.16 |
| 29 Flexibility | 271,430.46 | 0.00 | N/A | 0.00% | 269,430.46 | 2,000.00 | 0.00 | 0.00 |
| 61 Building Reserve | 236,784.97 | 0.00 | N/A | 0.00% | 236,784.97 | 0.00 | 0.00 | 0.00 |
| Total of All Funds | 7,358,644.88 | 769,960.64 | | | 1,007,454.49 | 4,264,752.97 | 2,086,437.42 | 131.82 |

| | | | | | | | | |
|------------------|--------------|------|----------|-------|----------|------|--------------|-------|
| 50 Debt Service | | | | | | | | |
| Tax Jurisdiction | | | | | | | | |
| 01 | 1,315,917.32 | 0.00 | 20-9-438 | 0.00% | 6,620.84 | 0.00 | 1,309,296.48 | 82.72 |



Budget Report FY 2020

04 Broadwater

Submit ID:

0055 Townsend K-12 Schools

Summary

Excess Reserves

| Fund [A] | Adopted Budget [B] | Total Reserves (961-966) [C] | Reserve Limit [D] | % of Adopted Budget Reserved (C/B) x 100 [E] | Unreserved Fund Balance Reappropriated (970) [F] | Other Revenue [G] | District Property Tax Requirements (B - F - G = H) If < 0, enter 0 [H] | District Mill Levies H / (TV x .001) [I] |
|---------------------|--------------------|------------------------------|-------------------|--|--|-------------------|--|--|
| 01 General | 5,201,892.25 | 523,250.00 | 10% | 10.06% | 0.00 | 3,424,225.20 | 1,777,667.05 | 117.69 |
| 10 Transportation | 627,885.00 | 125,577.00 | 20% | 20.00% | 223,467.11 | 138,712.28 | 265,705.61 | 17.59 |
| 11 Bus Depreciation | 312,652.03 | 0.00 | N/A | 0.00% | 268,552.03 | 100.00 | 44,000.00 | 2.91 |
| 13 Tuition | 62,000.00 | | N/A | | 362.93 | 0.00 | 61,637.07 | 4.08 |
| 14 Retirement | 785,776.00 | 157,155.20 | 20% | 20.00% | 89,664.60 | 696,111.40 | | |
| 17 Adult Education | 51,526.72 | 0.00 | 35% | 0.00% | 36,220.96 | 200.00 | 15,105.76 | 1.00 |
| 19 Non-Operating | 0.00 | 0.00 | N/A | 0.00% | 0.00 | 0.00 | 0.00 | 0.00 |
| 28 Technology | 187,132.30 | 0.00 | N/A | 0.00% | 132,652.97 | 4,479.33 | 50,000.00 | 3.31 |
| 29 Flexibility | 248,141.04 | 0.00 | N/A | 0.00% | 248,141.04 | 0.00 | 0.00 | 0.00 |
| 61 Building Reserve | 241,781.14 | 0.00 | N/A | 0.00% | 141,281.14 | 25,500.00 | 75,000.00 | 4.96 |
| Total of All Funds | 7,718,786.48 | 805,982.20 | | | 1,140,342.78 | 4,289,328.21 | 2,289,115.49 | 151.54 |

| 50 Debt Service | | | | | | | | |
|------------------|------------|------|----------|-------|------|------|------------|-------|
| Tax Jurisdiction | | | | | | | | |
| 01 | 361,040.00 | 0.00 | 20-9-438 | 0.00% | 0.00 | 0.00 | 361,040.00 | 23.90 |



Budget Report FY 2019

04 Broadwater

Submit ID:

0055 Townsend K-12 Schools

Summary

| Fund [A] | Adopted Budget [B] | Total Reserves (961-966) [C] | Reserve Limit [D] | % of Adopted Budget Reserved (C/B) x 100 [E] | Unreserved Fund Balance Reappropriated (970) [F] | Other Revenue [G] | District Property Tax Requirements (B - F - G = H) If < 0, enter 0 [H] | District Mill Levies H / (TV x .001) [I] |
|---------------------|--------------------|------------------------------|-------------------|--|--|-------------------|--|--|
| 01 General | 5,275,324.67 | 521,080.57 | 10% | 9.88% | 0.00 | 3,466,018.92 | 1,809,305.75 | 129.49 |
| 10 Transportation | 593,975.00 | 118,795.00 | 20% | 20.00% | 230,776.76 | 139,863.84 | 223,334.40 | 15.98 |
| 11 Bus Depreciation | 263,058.73 | 0.00 | N/A | 0.00% | 205,148.73 | 500.00 | 57,410.00 | 4.11 |
| 13 Tuition | 31,890.00 | | N/A | | 1,190.29 | 0.00 | 30,699.71 | 2.20 |
| 14 Retirement | 770,865.00 | 154,173.00 | 20% | 20.00% | 114,570.54 | 656,294.46 | | |
| 17 Adult Education | 42,900.18 | 0.00 | 35% | 0.00% | 35,949.18 | 0.00 | 6,951.00 | 0.50 |
| 19 Non-Operating | 0.00 | 0.00 | N/A | 0.00% | 0.00 | 0.00 | 0.00 | 0.00 |
| 28 Technology | 145,364.36 | 0.00 | N/A | 0.00% | 95,364.36 | 0.00 | 50,000.00 | 3.58 |
| 29 Flexibility | 241,298.42 | 0.00 | N/A | 0.00% | 241,298.42 | 0.00 | 0.00 | 0.00 |
| 61 Building Reserve | 148,187.90 | 0.00 | N/A | 0.00% | 73,187.90 | 0.00 | 75,000.00 | 5.37 |
| Total of All Funds | 7,512,864.26 | 794,048.57 | | | 997,486.18 | 4,262,677.22 | 2,252,700.86 | 161.23 |

50 Debt Service

Tax Jurisdiction

| | | | | | | | | |
|----|------------|------|----------|-------|----------|------|------------|-------|
| 01 | 362,142.78 | 0.00 | 20-9-438 | 0.00% | 2,169.13 | 0.00 | 359,973.65 | 25.76 |
|----|------------|------|----------|-------|----------|------|------------|-------|