

Truth in Taxation Hearing Questions and Answers

What is the actual collection rate of property taxes and what rate has the Board used in setting its budget?

The State Tax Commission calculates a collection rate of 92.5%. The Board used this number in setting the tax rates and estimating the amount of additional revenue a tax increase will generate.

Why increase tax revenue so quickly and build the rainy day fund in excess of the auditor's recommendations?

The Board anticipates the tax increase will sustain district operations over the next five years. During that horizon growth in expenditures will eat into the increased tax revenues and reserves. In the fifth year, ongoing revenues and ongoing expenditures will be balanced and the rainy day fund will be at recommended levels.

Will the increase in taxes guarantee a world class district and attract world class teachers?

The tax increase is necessary to maintain Park City School District's record of excellence and its efforts to continually improve. The tax increase will replace one-time money used to sustain the educational program. The Board and Administration will continue to look for ways to enhance student outcomes.

Why has the district not tightened its belt and lived within its means?

Over the past several years the Board has made the conscious decision to use budget reserves to sustain the District during the recession. The reserves are now depleted and tax revenue is not expected to grow to the degree necessary to maintain current school operations. The Board is taking steps to ensure the District continues to live within its means. The first step was to cut \$3,000,000 in ongoing expenditures. Additional budget cuts would have jeopardized the quality of the educational program. The second step is to increase taxes to sustain the District and cover projected needs over the next five years.

How were retirement and health insurance increases (especially those caused by changes in federal law) factored into the budget?

Neither health insurance nor retirement benefits changed in the proposed budget. The cost of those benefits is projected to increase and the increases have been built into the budget. Retirement rates set by the Utah Retirement System and approved by the legislature increased by two percent. Health insurance costs were calculated based on current claims history and multiplied by the industry average cost increase of 13%.

Have any health care management programs been implemented?

The District is in its second year of implementing a wellness program that promotes and rewards healthy living. The District insurance management company (Meritain) offers employees other initiatives including Nicotine Free, Managed Metrics, Health Aware (which includes an online health risk assessment tool), Physically Fit, disease management, lifestyle coaching and lifestyle management. Such programs reduce insurance usage and save money overtime.

To further reduce costs, the District is now self-insured. The Board also has an Insurance Committee whose purpose is to review insurance options and health care management programs with the goal of keeping health care costs under control. One option being discussed is the implementation of employee paid premiums for health insurance.

Does the decrease in instruction program have an impact on student to teacher ratio?

The Board has adopted a goal for the average student/teacher ratio in each school to be 23 to 1. Over the past several years, the ratio narrowed to less than 23 to 1. The recommended budget reductions bring the ratio back to the Board goal.

How do we get more money to teachers in light of parcels not fully taxed?

All taxable property should be assessed at its fair market value. The County Assessor has that responsibility. For tax purposes, state law discounts certain types of property. For example, primary homes and agricultural lands are not taxed at their full potential value. Also, the federal government does not pay taxes on the property it owns. The Board is supportive of fair assessment and taxation of all property. It will pursue with county officials why some properties appear to have been granted discounts not aligned with area zoning.

Federal funding decreased significantly since 2010 but staff services have increased 45% over same time period, why?

These two observations of the budget are not related. Federal funding has decreased as the federal stimulus package comes to an end. The increase in the Staff Services program reflects the funding to programs that enhance student achievement.

What is the website to get information on the budget and this hearing?

The information for the hearing can be found on two district sites: at <http://www.pcschools.us/budget> and, on the board's agenda at <http://www.boarddocs.com/ut/pcsd/Board.nsf/public>

Why should taxpayers trust this board to contain costs and use taxpayer money wisely?

Board members are taxpayers and are committed to safeguard public dollars. If you cannot trust individual board members, please have confidence in those who elected them to this office. You may also choose to run for election to the school board or campaign for those you feel better represent your views.

What is the product the school district is delivering to justify the tax increase?

The District will continue to provide excellent educational opportunities to the children of Park City. It will also continue to seek out and implement new strategies that promise to extend its outstanding educational record.