

DOLAND PUBLIC SCHOOL #56-2

605-635-6302 | dolandschool.com | PO Box 219; Doland SD 57436

Doland Community,

Prior to the June board meeting, the Doland School Board will be holding a public meeting on Monday, June 2nd at 6pm in the school lunchroom. This meeting will be held to answer questions and address concerns regarding the school board's potential decision on an Opt-Out Resolution. This letter, and included information, will hopefully answer most of your questions regarding an opt-out. Also, we want to give you all of the necessary information as you are a valued taxpayer within the Doland School District. All of the information included is public information and we will be 100% transparent throughout this entire process.

What is an Opt-Out?

The term "opting-out" refers to the school district needing to impose an excise tax levy above the current limitations. If a school district cannot operate on the revenues generated by the maximum allowed, then the school district can choose to "opt-out" of the limitations. There are two major funds that a school district uses - General Fund and Capital Outlay. When thinking of the **General Fund** think of operating expenses; staff salaries, property insurance, utility bills, etc. **Capital Outlay** refers to buildings and buses; material items that a school needs. The new locker room renovation and elementary lockers were paid with Capital Outlay dollars. Per South Dakota Codified Law 13-16-6, "Such an expenditure shall be for land, existing facilities, improvement of grounds, construction of facilities, additions to facilities, remodeling of facilities, or for the purchase or lease of equipment."

Why do we need to consider an Opt-Out?

- State funding is not keeping up with increasing expenses. This past legislative session, the State approved a 1.25% increase to the general fund formula. The 1.25% does not keep up with increases in utilities, insurance, fuel, etc.
- Enrollment. The state funding formula revolves around how many students the school district serves. Less students equals less money. The school district has explored creative ways to attract new students; however, the enrollment has not seen an increase.
- The school district would like to keep all current programs in place for our students. We believe any further 'cutting' of programs would lead to a decrease in enrollment. By passing an opt out, the school district is also able to keep teacher benefits competitive with others in the region.

Do other school districts have an Opt-Out?

For the tax year payable in 2024, 62 out of 148 school districts in the state of South Dakota had an opt-out in place. This number is projected to rise next year. More information is included.

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How does this affect you financially?

The Doland School Board is seeking an Opt-Out of \$500,000 each year over the next 10 years. This would increase the Ag levy by \$0.751 per \$1,000 valuation.

Owner-Occupied would increase \$1.681 per \$1,000

‘Other’ land would be increased at \$3.478 per \$1,000.

What if we don’t need the full amount?

The above levy amounts would be the maximum increases your property would see. There may be years where the school board does not need the full levy amount and they choose a lower increase.

What are the next steps?

On Monday, June 2nd there will be a public meeting in the school lunchroom to answer any questions you may have. That night will consist of a small presentation going into further detail about the numbers laid out in this letter, along with an open Q&A. After the meeting, the Doland School Board will consider the Opt-Out Resolution at the scheduled board meeting. If you have any questions or concerns, please feel free to contact Doland Superintendent Garrett Schmidt at garrett.schmidt@k12.sd.us or (605) 635-6302.

We appreciate your support and look forward to seeing you on Monday, June 2nd!