

School district hopes to increase tax revenues

Board of Education to hold "truth in taxation" hearing in August

**by Ron Georg
contributing writer**

Since the failure of last year's attempt to raise revenues through a voted leeway election, the Grand County School District has been cutting costs and raising fees, but school officials say those efforts have barely allowed the district to keep up with maintenance and operating expenses such as salary increases and equipment replacement. (See related story, "School District forum includes public hearing on proposed \$31 million bond" in Schools - District News)

In order to bring the district in line with state averages for things like classified employee compensation, the Grand County Board of Education will hold truth in taxation hearings in August, as a precursor to increasing the revenue stream from county property taxes.

Also since the leeway's failure, the board has been getting an education on taxing strategies, first through a seminar from the Utah Tax Commission last year, and more recently from Jordan School District's business Administrator, Burke Jolley, who came to Moab last week to speak on "School Districts and Taxation: a Focus on Grand County."

One thing that really stood out for me, he said that in order for a school district to be healthy, it had to really use the voted leeway, and be supported by the voted leeway. We, in our county, are not supportive of that," Grand County Schools Superintendent

Margaret Hopkin said, referring to Jolley's talk. "I don't want to be negative, but it was grim, because we know where we are. And if we can't get that voted leeway support for the district, then we can look at truth in taxation."

Normally, the district bases its budget on the previous year. The revenue from property tax is the same year to year, with the only increases coming from new construction. The district also receives per pupil funding from the state, in the form of the weighted pupil unit, which grows with inflation. When the populations grows, the increase in new revenue is supposed to match that growth, as new property is added to the tax rolls and new students bring in more WPUs.

In reality, those increases can't keep pace with the inflation. "The state did provide a 2.5 percent increase to the WPU, which, between step and lane pay increases for staff, and the insurance increase, that is about what that can provide for," Hopkin said. "In looking at the priorities in terms of what we might go for, the raises for the classified employees are at the top, because as we mentioned, they're not provided for by the state. Not just raises for this year, but since they are ranked, by our research, 37th out of 40 in average salary, to bring them up to state averages."

Board President Kaaron Jorgen agreed. "We're going to do everything in our power to get salaries for classified employees increased. This has been an injustice going on for a long time. It's something the legislature just

doesn't seem to get. But we're listening," she said.

Truth in taxation is a different mechanism from a voted leeway in that it is revenue-driven, and it's an annual process. A voted leeway is a permanent increase in the tax rate. Truth in taxation hearings allow a taxing entity to adjust revenue upward, not the tax rate (though the effect is often to freeze the tax rate, and the ceiling is based on the tax rate), and the entity must hold public hearings on the adjustment. Grand County uses truth in taxation hearings, as do many Utah school districts.

"In terms of the 40 districts in this state, we're number 37 as far as not making use of truth in taxation," Jorgen said.

Board member Ron Olsen notes that it isn't for lack of economic vitality. "If you take the number of students in Grand County School District, versus how much property tax is available per student, we're the tenth richest district in the state. We have more taxable property per student than most districts in the state," he said.

Grand County School District Business Administrator Doug Cannon offered a comparison to Grand County's neighbor for emphasis. "The state gives us a certified tax rate which is a maximum, and we are imposing a tax rate that is far below the maximum. We're third or fourth from the lowest in the state. If we compared ourselves to San Juan district, if we had the same tax rate that they had, we'd raise three million dollars more," Cannon said.

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