Prospects of a mill levy override election in Holyoke School District Re-1J will be discussed at a public meeting Thursday, April 30 at 7:30 p.m. in the HHS library.

Steady decline in enrollment over the last nine years has had a huge impact on funding for the local district. With carry-over dollars looking to drop dangerously close or below the designated $1.2 million threshold, the board is studying whether a mill levy override election is prudent.

What is a mill levy override? In Colorado school finance, the state guarantees a certain minimum amount will be spent for each Colorado public-school student. The state then calculates how much the school district should raise from local taxes, and makes up the rest from the state treasury.

If a district wants to provide more money than that minimum, its voters can raise their own property taxes. That's a mill levy override, and it doesn't affect state funding one way or another.

Mill levy override elections can only be conducted at general elections each November. If the school district decides to go for a mill levy override, the county clerk must be notified with the details 100 days prior to the election.

At this point, school board president Kendon Olofson noted they have not studied how many mills they would ask for or even if they will go for the override.

Next Thursday's meeting will serve as an initial opportunity to describe a vision for the future of Holyoke schools and provide input on the prospects of a mill levy override election.

Enrollment declines

Since 2000, Holyoke School District has lost 150 students, from 700 to 550. The smaller student body results in a smaller annual budget.

Numerous cuts have been pursued by the Board of Education in an attempt to balance the budget with reduced funds.

Specifically, several elementary grades were changed to two sections instead of three; the vocational woods position, elementary counselor and district librarian positions were eliminated; numerous discretionary expenditures were cut; and for the coming year, the elementary art position has been eliminated.

To increase revenue, the district has sought competitive grants. For 2008-09, the district received more than $400,000 in grants. While targeted to specific purposes, these monies enable the district to provide additional needed services.

During this time of declining enrollment and reduced budgets, the district has maintained a carryover reserve of well over $1 million. The district's board chose $1.2 million as a bottom threshold in order to handle cash flow to pay bills between arrival of county tax payments to the district.

This minimum balance is a three-month carryover, while many districts have four to six-month balances.

This year, the district is fortunate to have begun the year with $1.7 million, and came within $14,000 of having a balanced budget for 2007-08.

However, the current year's budget expects a $609,000 shortfall to be made from the reserves. That amount includes moneys spent to complete the heating and air project at the JR/SR high, and expected shortfall in the general fund budget.

It's the district's practice to overestimate expenses and underestimate revenues. This generally results in an annual budget showing an expected negative figure for the end of the

fiscal year. Fortunately, the district has generally been able to underspend the budget.

Recognizing that deficit budgets can't go on indefinitely if the district is to have any reserves in the bank, the board is pondering much.

How close do they dare get to the board-established lower threshold of $1.2 million in reserves? And how far below that amount can they fiscally go before payment of bills is placed in jeopardy?

What classes and extracurricular activities are parents and patrons willing to lose in order to balance the budget?

The reason for mill levy override discussion is so sufficient revenue can be raised to prevent further cuts that would move from discretionary items to significant cuts in personnel and/or classroom opportunities for students.

To assure that future students have the opportunities of previous generations is why the local school board is studying whether a mill levy override election is prudent.

What does it mean in terms of dollars?

Based on the December 2008 assessed valuation of the district at $43.7 million, each mill increase would generate $43,700.

Property taxes would be affected as follows, according to the 2009 property values which will be coming out May 1, according to Phillips County Assessor Doug Kamery.

For residential property, on a house valued at $100,000, a property tax increase would equate to $7.96 per mill.

Farmland values fall in a number of categories in dryland, as well as a number in irrigated.

Looking at the highest dryland value, each mill increase would amount to an increase of $4.55 per quarter of dryland farm property.

On the highest level of irrigated land, one mill would cost the landowner an additional $11.32 in property tax per quarter of ground.

Commercial property tax increase, for a $100,000 business, would be $29 per mill that is approved in a mill levy override election.