



Monte R. Woolstenhulme, Ed. S

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## Building A Bond: How Are Schools Funded?

A school system is the backbone of a community and a launching pad for children to learn, grow, and become well-rounded members of their society. Ensuring the district and student's future requires money. As the TSD 401 board continues to work toward deciding the amount and time restrictions for the upcoming bond vote, it is important to reflect on the *why* and the *how* of school funding: Why do we need more funding? How does school funding actually work?

If you've followed school funding news over the years, two key words probably have come up: a levy or a bond. Northern Idaho's Coeur d'Alene school district broke down the distinction as "bonds are for building, levies are for learning." While this might be an oversimplification, it is a great starting point for understanding two pivotal funding mechanisms districts use all over the country. In fact, 80 percent of Idaho school districts are currently utilizing a Supplemental Levy.

### State Funds

The State of Idaho plays a key role in funding schools. **The state does not, however, provide funding for buildings (major repairs, renovations, or new constructions).** Idaho uses an attendance-based model that provides funding based on students' Average Daily Attendance, called ADA. From these numbers, the state calculates how many teachers, administrators, and staff it will fund. Each teacher is paid partial retirement and a state-allocated teacher salary—TSD 401 pays teachers above the state funded amount, thanks to additional funds from levies. The state also provides funds for classroom supplies, library books, building utilities, and certain parts of Special Education. The state does fund certain programs, like IT staffing, a literacy program, and a school facilities maintenance match. The gaps? The state does not cover all the necessary day-to-days to run a school district, including additional teacher's salaries.

The district receives some federal funding, but this also cannot be used for facilities construction or renovation. Federal dollars go toward special education, free and reduced lunch programs, and other similar programs.

That is where the community comes in.

The district can look to the community to supplement these costs through either a levy for learning or a bond for buildings.



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### **Funding Facts**

- The state funds 86 teachers. (Local levy funds support an additional 16 teachers.)
- The state provides two-thirds of the discretionary funds needed to operate, or \$2 million of the \$3 million annually based on the Attendance-Based Model. (The other \$1 million comes from our local levy.)

The district has access to three types of levies currently: The Supplemental Levy—it is currently at \$3.1 million—the Maintenance and Operations Levy, and the Emergency Levy. The district has three main funding sources: the state at \$9.3 million, local at \$6.4 million (levy and M&O levy), and federal at \$1.7 million that accounts for the \$17 million annual budget.

So where do these dollars go? The district's general fund covers bringing on additional teachers to lower the student-teacher ratio, exceeding state-level salaries, providing additional staff positions like Curriculum Director and ESL Coordinator, and funding programs like full-day kindergarten and activities like Expedition Yellowstone.

The Maintenance and Operations Levy provides \$420,000 per year, and increases by \$20,000 each year, to help cover ongoing building maintenance and technology needs, which includes equipment and materials that last more than 5 years: computers, network systems, tables, desks, chairs, carpet, roofing, windows, doors, remodels, parking lots, roadways, and facility projects. This levy is passed every five years with a simple majority vote.

The Emergency Levy does not require a vote from the public and can be instituted by the board if the district sees significant increases in student enrollment from the previous year that merits accessing these funds. The board last voted to issue these funds in 2015 for \$215,000.

### **The Bond**

Bonds are for buildings: major infrastructural issues and district-wide growth causing the need for updated facilities. But what is a bond? A bond is a loan that will be paid back from the county's tax dollars. That is why the district is looking to get the potential bond on ballots this fall. The previous attempt to pass the bond received 55 percent in favor, a majority of community support. In other states, this would have led to passing the bond, but Idaho requires 66.7 percent, a super-majority.



EMPOWERING OUR STUDENTS TO REALIZE THEIR FULL POTENTIAL

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The district's support from the community is key to its success. Money conversations are tough, and putting your faith in the district to spend your tax dollars wisely is an action that is taken very seriously. If you have questions about where your dollars are going, or what type of funding is used for a certain program, let us know.

Visit [tsd401bond.org](http://tsd401bond.org) for more information.