

A few weeks ago in Lancer Letter #285, Five Year Finances, I outlined how for the five fiscal years from 2012 through 2017, our pension and charter school costs have increased by 1.78 million dollars. I also outlined how the past four year's tax increases and the increase proposed for 16-17 amounted to 1.74 million dollars. This little analysis showed that we've been holding the line on operating costs but still had to raise taxes to deal with the two uncontrollable beasts, pension and charter schools.

I've known that our tax increases were largely due to rising pension costs but it really hit me when I did this analysis and well, it ticked me off a bit. We knew in 2011 when we were looking at the long haul of finances that tax increases were unavoidable through the end of the decade. Our 2016-2017 proposed final budget we adopted in May would have increased taxes by \$40 for every \$100,000 of assessed value. What we adopted as our final budget in June will only increase taxes by \$17.00 per \$100,000 of assessed value. I know it is still a tax increase and cutting it down is not an act worthy of a parade or fireworks, but we did want to find some relief for taxpayers. (Perhaps maybe worthy of just a little tepid applause?)

Here's how we did it. Looking ahead to the 17-18 budget, we see some relief and so we "borrowed" some of that relief from 17-18 for the 16-17 budget. For example, we upgrade and improve curriculum on a seven year cycle. This is usually a somewhat costly proposition. We saw that in 17-18 there will not be an expensive curriculum purchase needed, so we took the 16-17 curriculum purchase and will do half in 16-17 and another half in 17-18.

Another area of relief in 17-18 is that the increase currently proposed for pension payment is .23% versus the 4-5% it has been increasing in past years. We plan to use half a million in fund balance to make the 16-17 pension payment since we will not be facing the steep increase in 17-18 as we do this coming year.

We also made some cuts to requests that were not absolutely necessary to have for the coming year. No cuts made will hurt programs.

Now there is some risk in borrowing against the hope of future budget relief a year early. It is possible that the state can change its mind on pension and require an increase greater than the .23% expected. Next year's pension contribution is to be 30.25% but at one time, they told us it would only go to 28%. We will have to see what the pension gurus do but hopefully, they will stick to the plan.

In 2011, we noted that increasing revenue should also be a part of the equation. Due to our LERTA plan we implemented back then, we are now eligible for an additional \$140,000 in tax revenue and that number keeps growing. Our tuition student program brings in another \$130,000 annually and renting unused space brings another \$42,000 in revenue. If we didn't have this additional revenue, our tax increases would have had to be even higher.

People who have been in education longer than I say that we are in the worst financial times in education since at least the 60s. The growing number of school districts going bankrupt is evidence of that. I want to thank our taxpayers for helping General McLane stay strong through this period and I want all taxpayers to celebrate what you have done.

Through this difficult financial period, even though we've made significant cuts and decreased staff, GM has been recognized for its outstanding academic programs, received recognition for its music program (Grammy) and maintained strong athletic programs. We have made great strides in instructional technology and are the first and only local district to have its own App. McKean Elementary has twice been recognized by the federal government for its work in reading and both elementary schools have made huge advances in teaching children to read. Our high school was recognized for its safety and low dropout rate. Our faculty have

received various recognitions and have been presenters at conferences for their peers. Our students have garnered numerous awards and distinctions, most recently earning a berth at the national engineering contest. Our previously non-existent public relations program has made great strides, winning several awards and creating “The McLane Advantage” which realtors tell us has created a demand for housing that can’t be met.

I’ve just listed a few of the accomplishments of the district over the past six years. I hope that you, our “financially faithful” taxpayers take a great deal of pride in what we have done with the resources you’ve provided. You are a big part of our success and we thank you for making it possible.