

**The Riverview Gardens School District
TUESDAY, APRIL 6, 2021 - PROPOSITION E
OPERATING TAX LEVY INCREASE**

Frequently Asked Questions

Q Will the District have a measure on the April 6, 2021 ballot?

A Yes. The District's **Proposition E, an Operating Tax Levy Increase**, is on the April 6, 2021 election ballot.

Q Who determined that there should be a tax levy, the specific items to be included and the amount?

A At the December 8, 2020, Special Administrative Board (SAB) meeting and after previous meeting presentations, the SAB unanimously approved a recommendation by District administration to place Proposition E, an Operating Tax Levy Increase on the April 6, 2021 ballot. If passed, PROP E would generate an estimated \$3.481 million annually, based on the current assessed valuation, to expand early childhood education, expand transportation, improve the salary schedule to attract and retain high quality staff, align school district goals with state standards and strive to regain full accreditation.

Approval would result in an increase tax rate of \$1.65 per of assessed valuation. The current rates are \$4.1455 per \$100 assessed valuation for residential property and \$4.3500 per \$100 per of assessed valuation for commercial property. **Prop E requires a 50% majority + 1 vote for passage.**

Q How will the tax levy read on the ballot?

A Proposition E official ballot language is as follows:
“For the purpose of maintaining the current level of student programs, increasing salaries to attract and retain high quality teachers, support staff, and administrators, striving to regain full accreditation, equipping facilities and paying general operating expenses, shall the Special Administrative Board of the School District of Riverview Gardens, St. Louis County, Missouri be authorized to increase the operating tax levy ceiling of the District by \$1.65 per \$100 of assessed valuation? If this proposition is approved, the adjusted operating levy of the District per one hundred dollars of assessed valuation is estimated to be \$5.7955 for residential real property, \$6.0000 for commercial real property, \$5.8609 for agricultural real property and \$5.7677 for personal property?”

Q What is the difference between a tax levy and a bond issue?

A **TAX LEVY** is an increase in the property tax levy rate and is primarily used to generate operating funds for day-to-day expenses. Unless otherwise designated, a tax levy is permanent.

A BOND ISSUE is used to generate funds for maintaining or improving district facilities, or for equipment/technology. The sale of bonds by the District is a long-term obligation that is paid by a debt service tax levy for a period of time (generally 20 years, much like a home mortgage). Bond issue funds cannot be used for operating purposes.

Q How will tax levy funds be used?

A Prop E tax levy funds will be used only for the purposes stated in the tax levy, i.e., **expanding** access to early childhood education, **expanding** transportation to students who live within a mile, **enhancing** the salary schedule to attract and retain high quality staff and **ensuring** school district goals align with state standards.

Q What are the differences between operating funds and capital funds?

A **OPERATING FUNDS** are unrestricted and may be used for, as examples, employee salaries and benefits, supplies and materials, routine custodial and utilities costs.

CAPITAL FUNDS are used for the purchase of buildings and equipment, erection of buildings, renovation of existing buildings and the purchase of capital equipment items such as computers (and other technology items).

Q When was the last time the District passed a tax levy or bond issue?

A Nearly 19 years have passed since Riverview Gardens School District has placed a tax levy on the ballot. The last tax levy brought to voters was in April of 2002. It passed.

More recently, **on April 3, 2018**, with solid support from our community, the administration passed a \$11.7 million bond issue largely geared towards **REPAIRING, RENOVATING AND REVITALIZING** facilities and schools. Projects included upgrades to safety and security; heating and AC; technology systems; classroom and interior renovation; paving and rooftop repairs; playground upgrades; restroom renovations; curbside and exterior repairs. To date, at least 24 Prop R projects have been approved by the Special Administrative Board. At least 21 Prop R projects have been completed.

Q Why is the Riverview Gardens School District submitting a tax levy to voters?

A Thanks to a successful bond issue in 2018, a great many improvements and upgrades were made district wide. However, funds raised through a bond issue are limited to being used for maintaining or improving district facilities, or for equipment/technology. Due to a decrease in state funding, we must take action now to ensure the District can properly equip facilities and cover all operating expenses and continue to provide safe, healthy, comfortable and supportive learning environments for all scholars.

Q What will happen if the tax levy increase does not pass?

A If Prop E does not pass, Riverview Gardens School District may be forced to consider staff reductions in order to combat the District's funding challenges. The District's fund balance will continue to suffer, which would have a negative impact on the district's goal to regain full accreditation. School districts that maintain a fund balance of 3% or less are considered "financially stressed" by the Missouri Department of Elementary & Secondary Education.

Failure to address the budget deficit may result in a reduction of extra-curricular activities including athletics, school clubs and field trips. It would likely continue to stagnate salaries, causing more employees to leave the District for higher paying jobs in surrounding school districts. It could also lead to increased class sizes.

We firmly believe that this tax levy increase is critical to ensuring the District's continued success. Our scholars and teachers are working hard and we have seen their progress. The tax levy will allow us to expand early childhood education, expand transportation services, enhance the salary schedule to attract and retain quality staff, expand health services, increase academic support services and strive to establish community and adult education programs.

Q I do not have children in the Riverview Gardens School District. Is there any benefit to me?

A Absolutely! If passed, the scope of work provided by PROP E would help support and enhance property values. In addition, the completed projects, programs and services are important to overall pride and complementary to the ongoing improvement projects across our communities.

Q What percentage of votes is needed to pass the tax levy?

A Prop E requires a simple majority of fifty-percent (50%) plus one “YES” vote in order to pass on April 6, 2021.

In 1988, Missouri voters approved an amendment to Article X, 11(c) of the Missouri Constitution stating that “...Increase of tax rate by popular vote... provided in school districts the rate of taxation as herein limited may be increased for school purposes so that the total levy shall not exceed six dollars on the hundred dollars assessed valuation.” The April 6, 2021 election is a general municipal election.

RGSD Operating Tax Levy

Increase Amount	Approval
\$.01 - \$2.75	No Voter Approval Required
\$2.76 - \$6.00	Simple Majority of Voters Required (50% + 1 Vote)
\$6.01+	Two-Thirds Majority of Voters Required (66.67%)

Q How much will my taxes increase if this measure passes?

A Proposition E will increase the current operating tax levy by \$1.65. For a home valued at \$60,000, the homeowner will see an estimated \$188.10 increase. We believe our children and our community is worth the investment. For additional estimates to see how your tax rate may be affected, please see the chart below.

Additional Tax Impact – 60K-100K Home

Assessed Valuation			\$210,986,000.00			
Approx. Home Value			\$60,000 - \$100,000			
<u>Assessed Valuation</u>	<u>Levy Increase</u>	<u>Total</u>	<u>Impact to Tax Bill</u>			
			<u>Home Value</u>	<u>Res. Ass. Rate</u>	<u>Total Annual Increase</u>	<u>Total Monthly Increase</u>
\$210,986,000.00	\$1.65	\$3,481,269.00	\$40K	0.19	\$125.40	\$10.45
\$210,986,000.00	\$1.65	\$3,481,269.00	\$60K	0.19	\$188.10	\$15.68
\$210,986,000.00	\$1.65	\$3,481,269.00	\$80K	0.19	\$250.80	\$20.90
\$210,986,000.00	\$1.65	\$3,481,269.00	\$100K	0.19	\$313.50	\$26.13

Q What is the current bond-to-debt ratio?

A The total principal amount of general obligation indebtedness in the District cannot exceed 15% of the value of taxable tangible property in the District according to the last completed assessment for state and county purposes at the time such bonds are approved by the voters. Based on \$211,547,200* net assessed valuation as of January 1, 2019 as adjusted by the Board of Equalization, the current legal debt limit of the District is approximately \$31,732,080, excluding state assessed railroad and utility valuations and the District's available Debt Service Fund Balance. The total outstanding general obligation indebtedness of the District is \$26,330,000**, resulting in a legal debt margin of the District of approximately \$5,402,080. The total indebtedness is 82.9%.

Q How will the tax levy affect the bond-to-debt ratio?

A The tax levy will not affect the bond-to-debt ratio.

Q If passed, what is the date the operating tax levy increase will go into effect?

A Riverview Gardens School District will receive funds from the operating tax levy increase in Dec 2021. The assessed valuation may change once the assessments are completed.

Q How will the new pay scale be determined?

A Once Proposition E is passed, a committee will be formed to reconstruct the salary schedules for all RGSD staff. The committee would include teachers, administrators, support staff, union members and others. The process for determining the salary schedule will entail the committee members sharing insight and reviewing the salary schedules for other area districts using the information provided by EducationPlus. For example, we may look at a district such as Pattonville, and analyze the cost of raising RGSD's salary scale to match. Then we may look at Hazelwood and do the same. We would then take the projections of all the school districts used for comparison, look at the available funding based on the Prop E priorities and initiatives, and the new pay scale would then be recommended to the Superintendent and the Special Administrative Board.