



Dear Verndale School District Residents,

Greetings from Pirate Country. I hope this note finds you staying warm and healthy. For those I have not had the opportunity to meet yet, my name is Jeannie Mayer and I have the honor and privilege to serve as the Superintendent of this great district. One of my main priorities is communication. In this letter, I would like to clarify and explain the changes you see on your Proposed Tax Statements, in regards to school taxes.

In recent years, Verndale Public School has certified a \$300 per pupil levy, which is generated through a combination of state aid and local tax dollars. This is also known as Local Optional Revenue (LOR). Within the LOR funding formula, there are two "Tiers". Tier 1 of the funding formula goes up to \$300 per APU (adjusted pupil unit). This Tier 1 is equalized at a higher amount than Tier 2, which is capped at \$724 per APU.

For the current tax and Fiscal Year (taxes payable in 2022/Fiscal Year 2022-23), Verndale is accessing the entire amount of revenue in Tier 1 at \$300 per pupil or about \$172,000. Of this total, about \$111,000 is state aid and the remaining \$61,000 is local levy.

For the upcoming tax and Fiscal Year (taxes payable in 2023/Fiscal Year 2023-24), Verndale can access additional state aid as part of Tier 2 of the LOR formula. There would be an increase in local levy, too (which could be offset by reductions in other unequalized levies).

When the district certifies its levy, there are certain levies that are equalized and unequalized. When the district certifies an equalized levy, the district also generates some state aid along with that levy. When the district certifies an unequalized levy, the dollars are solely generated from the tax base, and the state does not add any aid to that amount. Since LOR is an equalized levy, the district is able to generate additional state aid by increasing this amount. The district is then able to reduce an unequalized levy to offset the LOR increase.

I completely understand that much of this may be very confusing. Your proposed tax statement is based on the preliminary levy, which was approved by the School Board in September, and includes LOR at \$724 per pupil. The reason we did that in September, is to ensure we are accessing all the aid possible and because we are not allowed to make any changes that increase the levy, before certifying our final levy amount in December. I can **promise** you that this School Board is committed to lowering that amount from \$724.

Again, one of my main priorities is communication, so please give me a call if you have questions related to the school taxes included on your proposed tax statements.

Sincerely,  
Jeannie Mayer  
Superintendent  
Verndale Public School