



Apache County
Superintendent of Schools
P.O. Box 548, St. Johns, Arizona 85936
Telephone: (928) 337-7539
Fax: (928) 337-2033

R. Barry Williams
Superintendent
Jeff Udall
Chief Deputy

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Apache County Education Stakeholders:

Property tax statements will be received in the next few days and public school district taxes are a significant part of this annual bill. The primary tax rate supports the Arizona formula based maintenance and operations (M&O) budget and the district's transportation budget. Additionally, districts may have secondary tax rates for school district overrides and bond initiatives.

Primary Tax Rates:

The Arizona Department of Education in collaboration with other State offices develops budget worksheets and school district budget forms (<http://www.azed.gov/finance/budgets/>) based upon the laws passed by the Arizona Legislature and signed by the Governor. The Arizona Department of Revenue and the Property Tax Oversight Commission assist by developing the procedures and forms used to determine the primary tax rates as prescribed by statute. Submitted forms for Apache County public school districts can be viewed at <http://schools.apachecounty.net/?p=2959>.

Some of the components common to Apache County public schools include:

- The M&O part of the budget document that establishes the District Support Level / Equalization Base (the amount the district is to budget) and a tax rate is calculated to support this budget. This tax rate is compared to the minimum tax rate the Legislature requires district tax payers to contribute and the lesser of the two rates is applied. The 2017-2018 minimum tax rate for this M&O budget is \$4.0468 (\$2.0234 for K-8).
- Currently, one district in Apache County is below this minimum tax rate and those tax payers will see a Minimum School Tax that is collected and sent to the Arizona Department of Revenue to support State equalization payments to other school districts.
- The tax rate calculated to fund the school district's transportation costs is determined by subtracting the State's transportation support level from the district's transportation revenue control limit.
- The elementary districts tax rate includes the portion to pay the tuition for their high school students if the elementary school district is not within a high school district.
- Districts that receive Federal Impact Aid determine the amount of Impact Aid they will be applying to this budget.

(continued)

Public School District Governing Boards continue to hold a major responsibility in prioritizing how the budget will be expended and providing the oversight in approving and monitoring these district expenditures.

Secondary Tax Rates:

Overrides and bonds are voter approved initiatives that establish a secondary tax levy for some districts. These initiatives are funded by local tax payers without State assistance.

- Approved overrides give the Governing Board the ability to authorize budget and expenditures above the state legislated funding levels. For example, an approved 10% override allows the Governing Board the ability to locally control and increase the district's budget up to ten percent.
- Bonds are debt service payments to repay loans, typically for voter approved building projects.

Tax Credits:

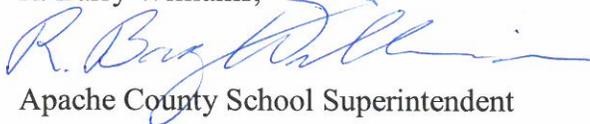
If your property tax statement is for a Class 3 primary residence, you may see a state aid tax credit. This is a credit for additional state aid to education for property that is classified as a primary residence. (Known as the Homeowners rebate)

Other Education Taxes:

- There are two Joint Technology Education Districts in Apache County (NAVIT and NATIVE). If your district is a member of one of these JTEDs, there is a statutory primary tax rate of \$0.05.
- There are two post-secondary/community college levies.
 - The \$0.14 Apache County Post-Secondary levy raises approximately \$600,000 to fund contracts with Northland Pioneer College for their post-secondary services delivered in the County.
 - The \$0.3750 Apache County Jr. College Tuition levy is a statutory levy collected to pay Arizona Community College Districts based on the full time Apache County student equivalent enrollment in those districts. Best explained, this is a payment in lieu of property taxes that is equivalent to property taxes collected by those community college districts.

Preparing our youth to be successful in our global economy is a high priority; I encourage all stakeholders to voice their opinions, with regard to supporting education, to our State Legislators and Congressmen.

R. Barry Williams,



Apache County School Superintendent