



PUBLIC HEARING - Aug 19 2025 Minutes

Tuesday, August 19, 2025 at 6:00 PM

IRON COUNTY SCHOOL DISTRICT 2077 West Royal Hunte Drive Cedar City, Utah

A. MEETING OPENING

1. Call to Order - President Johnson

At 6:00 p.m. President Johnson called the public hearing to order.

Board Members Christiansen and Ralphs joined the meeting electronically.

Mr. Eddy made a motion to postpone the vote of tonight's hearing to the next board meeting. Mrs. Tullis seconded the motion. Mr. Eddy explained that due to recent legislative changes, the state will not reduce the current funding rate until FY2028, even if the Board chooses not to move forward with Truth in Taxation this year. He indicated this contradicts previous assumptions that the district would be penalized immediately for not increasing the tax rate. He also mentioned if the Board proceeds with Truth in Taxation, it would generate an additional \$358,000, which is a relatively modest amount. He expressed his concern for the financial pressure on the community and suggested the Board should seriously consider alternative state funding options that don't require a tax increase. After further discussion, Mr. Eddy retracted his motion.

B. INFORMATION ITEMS

1. Overview of FY26 Budget and Tax Rate Proposal

Business Administrator Todd Hess presented an overview of the FY26 budget and the tax rate proposal. He explained how the property tax funding works and reviewed the growth data. He pointed out that last year, new property growth added about \$300,000 to the district's revenue. He explained that through the Truth in Taxation process, the Board could raise rates and the district could gain \$2.4M from local tax payers and \$350,000 from state matching funds. If the rate is not increased, the district misses out on both. The state has allowed districts to delay raising tax rates until FY 2028 without being immediately penalized, however, the funding level is essentially frozen at current levels, which over time equates to lost opportunities for both state and local funding increases. Todd pointed out the district ranks about tenth from the bottom in tax rate among Utah school districts. The tax yield per student ranks fourth from the bottom statewide. 70% of total spending goes to classroom instruction and support. He mentioned the actual classroom spending is higher when looking specifically at the general fund. The Board discussed public school funding in Utah, specifically how state aid and local property taxes interact to support districts with different levels of wealth. The gap between rich and poor districts is rapidly increasing, and even current efforts to fix it may not go far enough. Districts must still contribute a minimum property tax rate to qualify for state aid, and rising costs plus unfunded mandates are making things even harder. Mrs. Christiansen asked Mr. Eddy his ideas of where funding would come if they were to delay action. Mr. Eddy explained it is a complex issue that requires a deeper conversation with district leadership to explore all available options. He pointed out that schools are aging and underfunded, yet taxpayers can only bear so much. Mr. Hess continued his presentation and proposed to increase the voted levy and board local levy to reach the 20 increments required by the state to receive full state-guaranteed funding. The increase would bring in \$2.47M and would help the district meet the requirements to receive the State Guaranteed amounts and increase State Revenues by

approximately \$380K, which is a 15% return on investment. He reported the effect on taxpayers would be \$69.69 per year, or \$5.81 per month on a \$431,000 residence. The tax on a \$431,000 business would increase from \$1,145.60 to \$1,272.31, which is \$126.71 per year or \$10.56 per month. Mr. Hess presented a chart he created using data from the Utah Taxpayers Association showing how much property taxes are increasing for average homeowners across school districts undergoing truth in taxation this year. The increases range from \$343.53 to \$69.60. Iron is second from the bottom with an average increase of \$69.69 per homeowner. Mr. Hess next addressed the current district needs and district fund balances. He pointed out the district still needs more space in elementary schools and there is also a need for a better facility for Alternative Programs. He reviewed the district fund categories and balance status as of June 30, 2024. He pointed out major surpluses that came from online students in Open Ed and Harmony Education programs since 2021. The Legislative Auditor General has advised districts to treat funds from these programs as one-time revenue and warned against using them to cover ongoing or recurring expenses. In June, Todd proposed that the district allocate a portion of the existing fund balance, along with some of the accumulated one-time funds, to address current district needs—specifically, building a new elementary school and repurposing South Elementary as a facility for Alternative Programs. He broke down the proposed financing for the projects.

- Estimated remaining bond funds - \$3M
- Contribution from Capital fund balance - \$6M
- Contribution from Debt Service fund - \$10M
- Contribution from General fund - \$6M
- Lease revenue bond - \$15M (payments to be made from existing budgets)

This would total \$40M, which is the estimated cost of the two projects. Mr. Hess proposed the Board approve a resolution to commit \$6M from the General Fund to these two projects. He emphasized that once the funds are committed, they can no longer be reallocated by the administration. This

resolution allows the district to move forward with planning and design while finalizing the financing.

Mr. Hess provided a brief overview of the proposed budget, outlining three revenue sources: local, state and federal. Local revenue is expected to see an increase of \$2.23M, which includes the proposed property tax levy increase. The state revenues are expected to see an increase of \$4.93M from FY25. This includes a 4% increase in the WPU value and a \$900K increase in NESS (Necessarily Existent Small Schools) funding. There is a decrease of 1.8M expected in the Federal Revenue which is largely due to the end of COVID-related federal funding (ESSER funds). Mr. Hess also reviewed the General Fund expenditures, noting again he is projecting a surplus associated with students who are in online programs. The expenditures include a 2% salary increase approved by the Board in the June board meeting, the addition of five new FTE positions - primarily at the school level, the addition of a Level II SpEd unit at Fiddlers, and the reimbursement of curricular and co-curricular fee waivers to the schools and eliminates inequities in extra-curricular fee waivers. The Capital Projects Fund includes budgets to complete the new East Elementary, Canyon View High School addition, and Transportation facility. The Debt Service Fund revenues and expenditures are used solely for repaying general obligation bonds. The Food Service Fund expenditures will exceed revenues this year by design. This is to reduce fund balance to acceptable federal levels. He explained that during COVID, federal free meal programs increase the fund balance significantly.

Mr. Hess informed the public that the full budget documents are available online via the board's meeting and agendas page.

The Board thanked Todd for his presentation.

C. PUBLIC HEARING

1. At 7: 05 p.m. President Johnson opened the Public Hearing.

CJ Wanser, community member, expressed concern with education opportunities of students and teacher quality. She suggested the district administration should take pay cuts and argued that Iron County School District administrators are overpaid compared to others in the state.

Steve Holder, Cedar City resident, asked for a clearer breakdown of the proposed tax increase versus the state funding- possibly as a percentage of the overall budget or tax rate- to better understand what the community would be giving up if taxes aren't raised.

Keith Wanser, community member, questioned the district's financial transparency, especially the true cost per student and overall spending. He also expressed concern about the impact on fixed income residents and questioned the low reported administrative costs and suggested that top administrators take pay cuts instead of raising taxes.

Sharon Sadd, community member, voiced strong opposition to the proposed tax increase. She accused the district of misleading the public and expressed outrage over administrative salaries. She also criticized the district's spending priorities which she linked to low academic proficiency rates. She urged the Board to vote against the tax increase.

Ryan Le, parent of students in the district, spoke against the increase. He criticized the lack of a detailed spending plan and questioned whether the district had exhausted cost-cutting options before turning to taxpayers. He urged the Board to think about families and those on fixed incomes. He called on the Board, administrators and community members to turn up the heat and demand better leadership throughout the state.

Quinn Simons, community member, opposed the proposed tax increase, expressing concern that once taxes go up, they

never go back down. He expressed his lack of trust in the public education system and emphasized a desire to be left alone by the government. He urged the Board to find alternatives to repeated tax hikes.

D. ACTION ITEMS

1. Resolution Adopting Final Tax Rates

[Resolution Adopting Final Tax Rates.pdf](#) 

Mrs. Christiansen made a motion to adopt the proposed tax rate increase. President Johnson seconded the motion. President Johnson opened the meeting to board discussion. Mrs. Christiansen acknowledged that tax increases are difficult and unpopular, but emphasized that the district is doing its best with limited resources. She stressed the need for additional funding to provide students with basic necessities like proper classrooms, water and restrooms that are absent from the portable trailers students are learning in. She recognized the financial sacrifice for the community. She urged support for the district's efforts, stating the decision is ultimately about investing in children's futures and coming together as a community. Mr. Eddy questioned the lack of specific line items tied to the \$358,000 or the \$2.23M. He argued the Board is asking the community for nearly \$9M in new taxes over four years to gain just \$1.45M from the state. He recommended delaying the vote to gather more financial clarity, warning that while postponing may delay state funding, rushing into a decision could unnecessarily burden taxpayers, especially in a struggling economy. Mr. Taylor acknowledged the concern of those who are against the tax rate increase and assured them that over the past six months the Board has extensively explored all options. He asked the public to trust the Board as neighbors and community members, not just as "the government".

After further discussion, Mrs. Christiansen withdrew her motion to adopt the proposed tax rate. All board members agreed.

Mr. Eddy pointed out that if the Board does not move forward, the district won't lose any current funding. The drawback

would be a huge tax jump in 2028. He inquired about a specific plan for how that money would be used if approved. He also questioned whether existing surpluses could absorb the need, making the additional funds less critical. Vice-President Tullis expressed her concern that delaying the decision could jeopardize progress on much needed facilities improvements in the district. Mrs. Ralphs expressed concern about the pattern of delaying tax increases, both in schools and local government because it always leads to sudden tax hikes in the future. She also emphasized that failing to make difficult decisions now and leaving them for a future board is irresponsible. Mrs. Hill explained that the Board is facing a difficult situation and are acting with awareness of both the community's struggles and the needs of the education system. She indicated she supports a pause in the decision making process to allow for further consideration and necessary follow-up work.

President Johnson tabled the vote until next week, August 26, 2025.

Business Administrator Todd Hess pointed out state law requires that if a vote is not taken on the night of the Truth in Taxation hearing, we are required to announce when and where that vote will be taken. The vote will be taken on August 26, 2025 in our regular board meeting that begins at 5:30 p.m. held here in the boardroom of the Iron County School District offices.

President Johnson thanked everyone for their comments.

2. Adoption of FY26 Budget

[FY25 Amended Budget & FY26 Tentative Budget.pdf](#) 

President Johnson tabled the vote until next week.

E. ADJOURNMENT

1. Adjourn the Meeting

President Johnson adjourned the meeting at 8:20 p.m.

Board President

Business Administrator

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