



INDEPENDENT SCHOOL DISTRICT NO. 719

Levy Certification

Presented on

Monday, December 11, 2017

by

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Executive Director of Business Services



Agenda

- Tax Levy Calendar
- Basic School Funding
- Factors Contributing to the Levy Change
- Levy Certification 2017 pay 2018
- Graphical Analysis





Authority For School Levies

- A School District Tax Levy Must Be Either:
 - SET BY STATE FORMULA
 - OR
 - VOTER APPROVED





Basic Formula For Calculating State Aid

Authorized Total Revenue
- (minus)
Local Property Taxes
= (equals)
State Aid





Factors Impacting Tax Change

- **Issues Driven by State Level Decisions**
 - Change in levies determined by state formula
 - Change in sales ratio (Impacting ANTC)
 - Laws mandating code compliance (Long Term Facility Maint.)
- **Issues Determined by District Voters**
 - Voter approved bond referendum
 - Voter approved excess levy referendum
- **Local Factors**
 - Inflationary pressure on real estate market
 - Abatements
 - Property improvements not previously taxed
 - Change in individual assessed market value
 - Possible change in classification (i.e. homestead to rental)



What is included in the school district levy certification?

- Voter Approved Referendums
 - levy and bond from prior years
 - November 7, 2017 voter approved bond and levy
- Levies set by state formula
 - equity, operating capital, transition, community service, Long Term Facility Maintenance
- Levies authorized by the state based on local need
 - reemployment, safe schools, career & technical, facility leases, integration, Q-Comp, and OPEB.



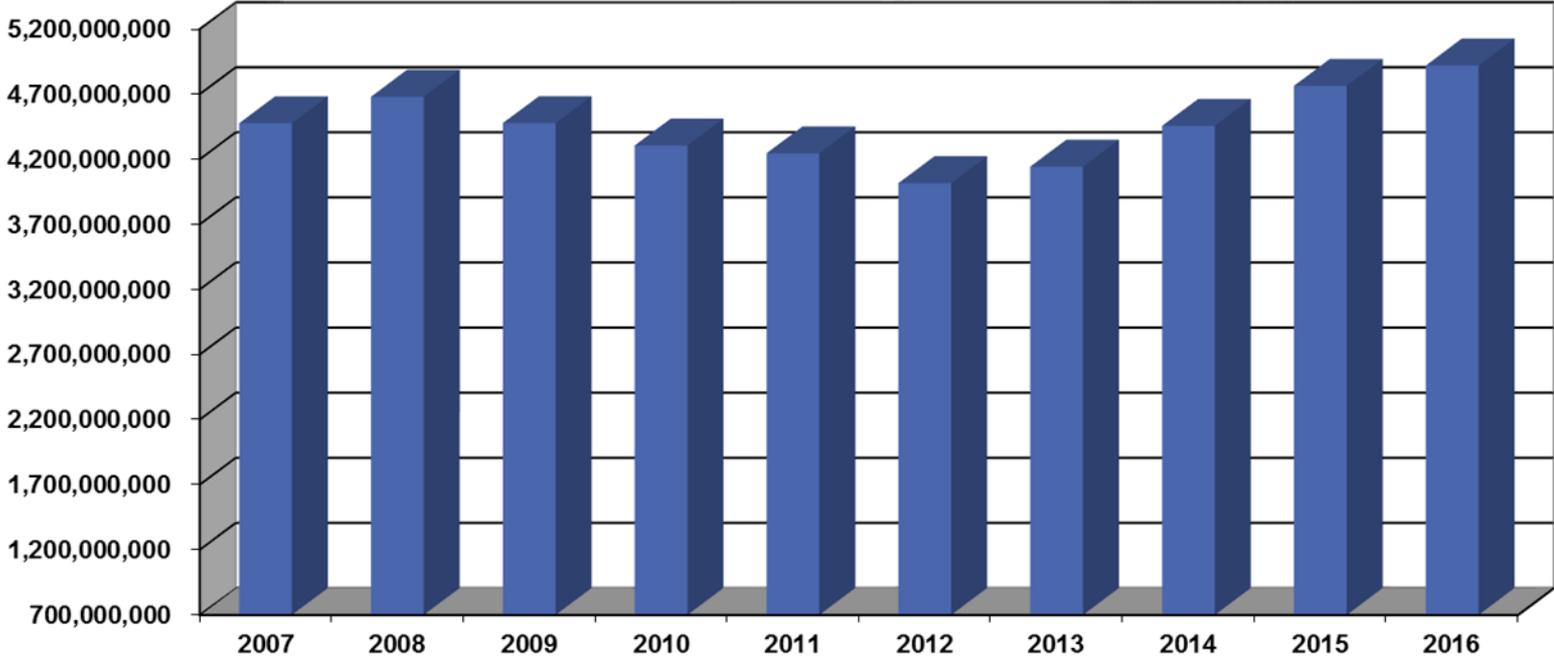
Factors Contributing to Levy Change

- Adjusted Net Tax Capacity-3.7% increase
- Referendum Market Value-6.9% increase
- Increased Pupil Units
- OPEB – 2016-17 retiree insurance at \$139,201
- November 2017 voter approved bond
- November 2017 voter approved operating levy increase



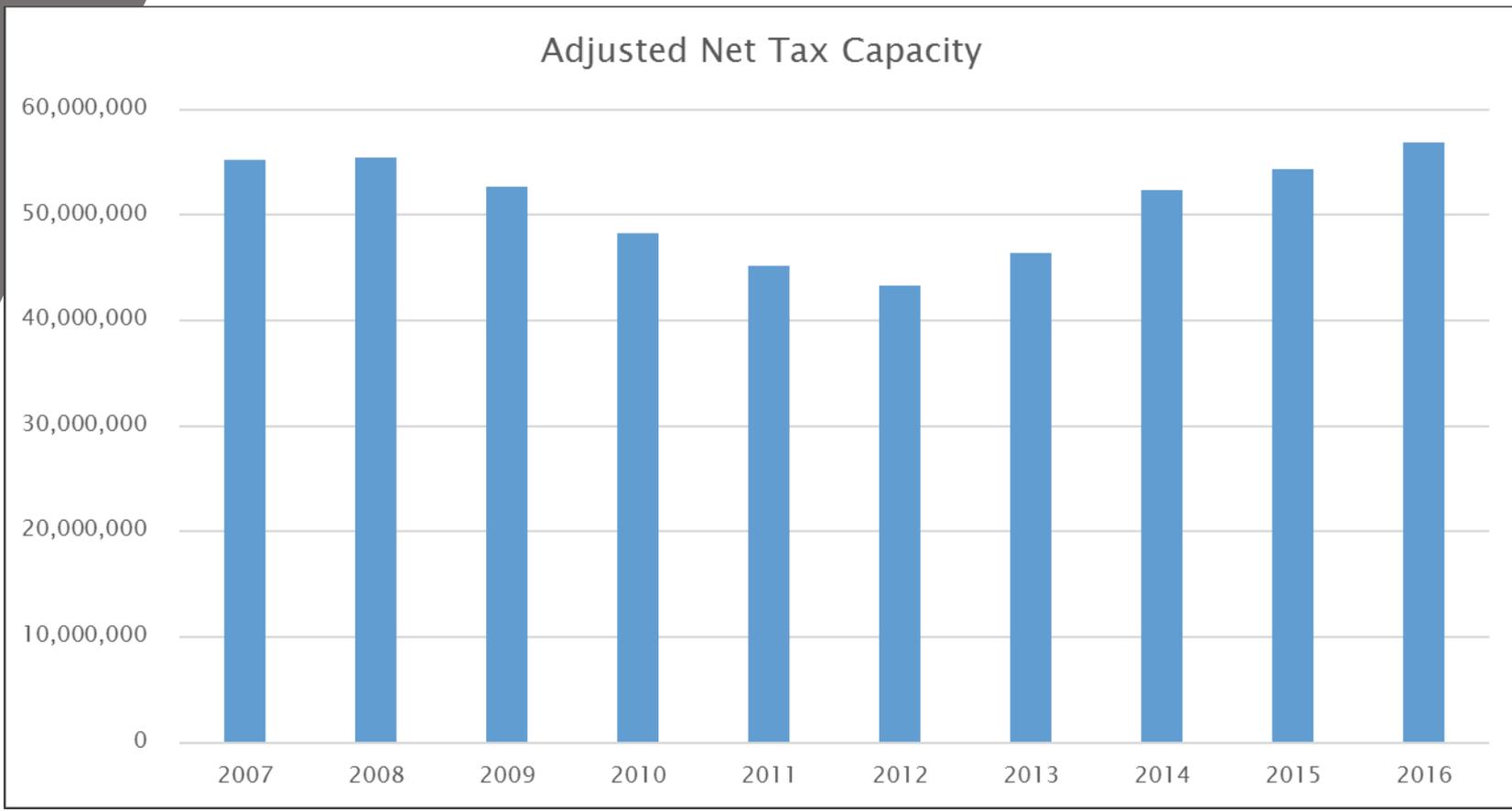
Referendum Market Value Analysis

REFERENDUM MARKET VALUE





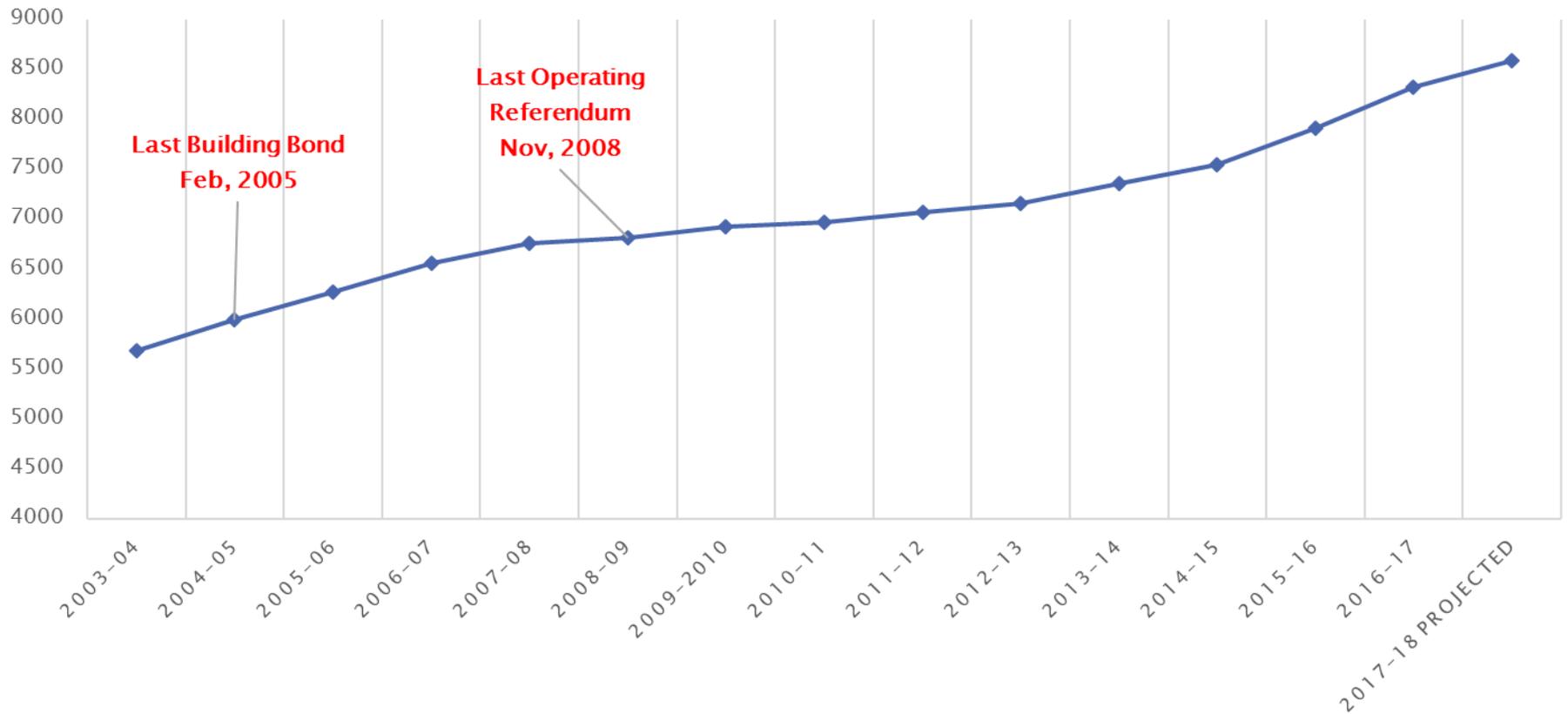
Adjusted Net Tax Capacity Analysis





Enrollment History and Trends

ENROLLMENT GROWTH





17 Pay 18 Preliminary Levy Certification

	Tax Levy By Year			Difference	Percent
	2017	2018	2018		
<u>School District Fund</u>	<u>Actual</u>	<u>Preliminary</u>	<u>Final Dec 2017</u>		
<u>General Fund</u>					
Local Optional	4,216,724	4,168,768	4,168,768	(47,956)	
Equity Levy	1,549,516	1,626,439	1,480,071	(69,445)	
Transition Levy	28,471	28,364	28,364	(106)	
Operating Capital Levy	538,717	495,023	495,023	(43,694)	
Long Term Facilities Maint	1,018,247	1,427,676	1,439,232	420,986	
Levy Referendums	5,159,412	5,326,912	7,768,412	2,609,001	
Student Achievement Levy	76,038	0	0	(76,038)	
Q-Comp	720,246	701,114	701,115	(19,132)	
Reemployment Levy	62,574	881	881	(61,694)	
Safe Schools levy	353,916	364,527	364,527	10,611	
Career Technical	89,695	81,211	81,211	(8,484)	
Health & Safety/Def Maint Adjustr	(292,482)	(9,974)	(9,974)	282,508	
Leased Facilities	1,144,543	1,240,262	1,241,752	97,209	
Achievement & Integration Levy	(140,839)	(4,539)	(4,539)	136,301	
Other Post Emp Benefits (OPEB)	353,287	139,201	139,201	(214,086)	
Facility & Equip Bond Adj	(744,155)	(743,210)	(743,210)	945	
Prior year levy adjustments	<u>4,779</u>	<u>26,753</u>	<u>25,262</u>	<u>20,484</u>	
Total General Fund	14,138,687	14,869,407	17,176,096	3,037,408	21.48%



17 Pay 18 Preliminary Levy Certification

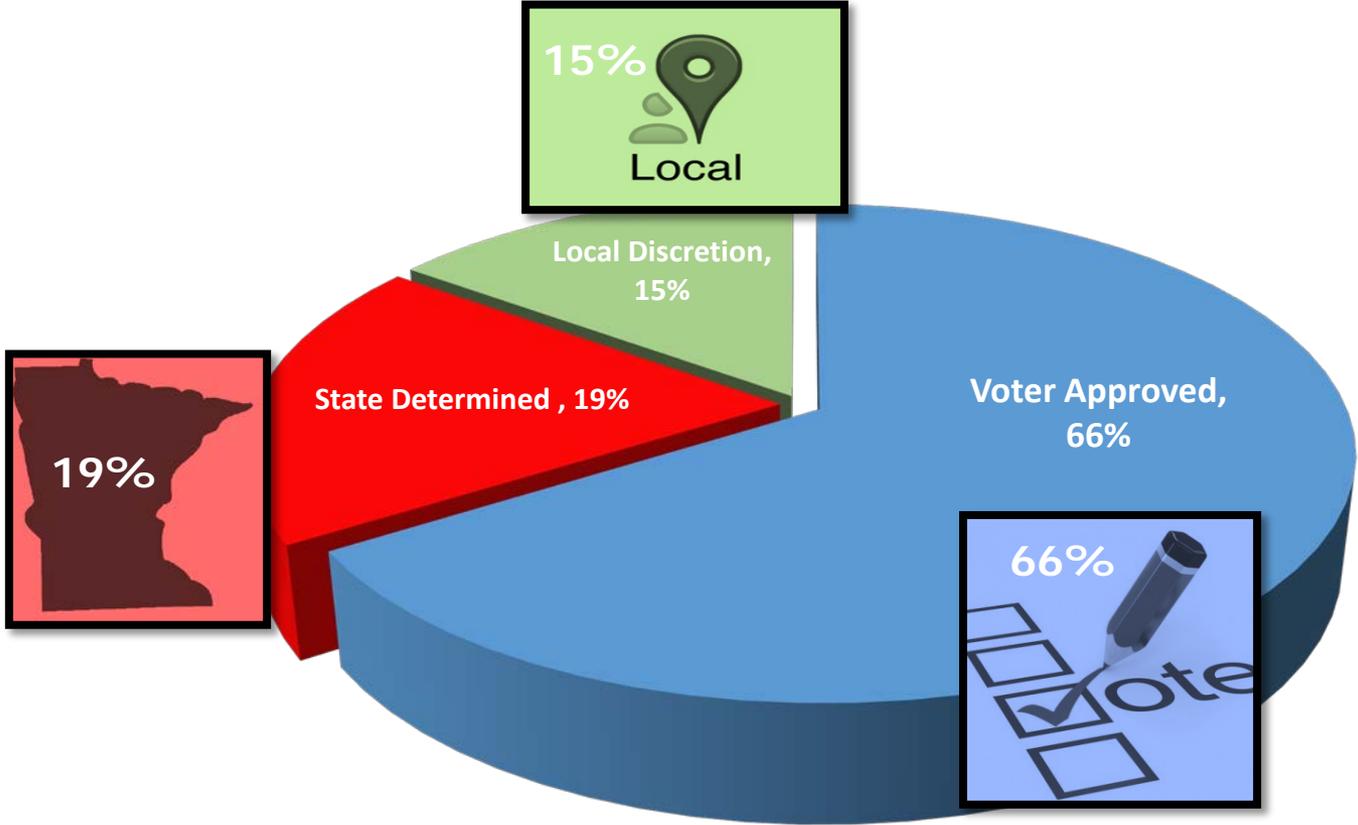
	Tax Levy By Year			Difference	Percent
	2017	2018	2018		
School District Fund	Actual	Preliminary	Final Dec 2017		
Community Service Fund					
Basic Community Ed	298,568	299,291	299,291	724	
Early Childhood Family Ed	177,933	177,668	177,668	(265)	
Home Visiting	3,439	3,448	3,448	9	
Extended Day - Disabled	163,531	115,632	115,632	(47,899)	
Total Community Svc. Fund	643,470	596,039	596,039	(47,431)	-7.37%
Debt Service Fund					
Building Bonds	12,132,174	12,606,362	14,682,536	2,550,362	
Long Term Facilities Debt Service	758,172	824,043	838,701	80,529	
Reduction in Debt Excess	0	(570,524)	(482,294)	(482,294)	
Total Debt Service Fund	12,890,346	12,859,880	15,038,943	2,148,597	16.67%
Property Tax Levy	\$27,672,503	\$28,325,327	\$32,811,077	\$5,138,574	18.57%
Dollar Difference From 2017		\$652,824	\$4,485,751		\$5,138,574
% Difference From 2017		2.36%	16.21%		18.57%



17 Pay 18 Preliminary Levy Summary

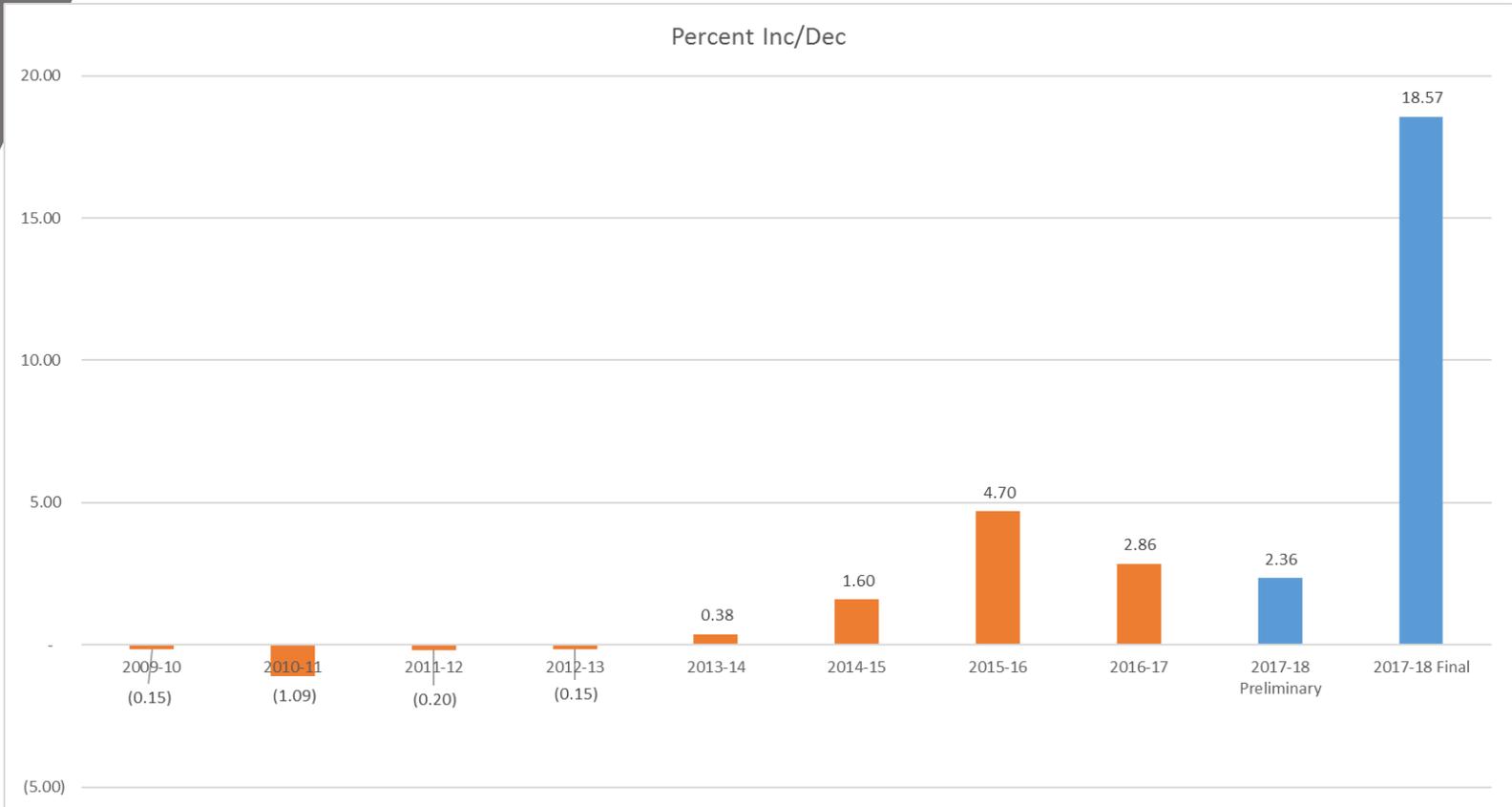
		Tax Levy By Year				
		2017	2018	2018	Difference	% Change
<u>School District Fund</u>		Actual	Preliminary	Final Dec 2017	From 2017	From 2017
Total General Fund		14,138,687	14,869,407	17,176,096	3,037,408	21.48%
Total Community Svc. Fund		643,470	596,039	596,039	(47,431)	4.16%
Total Debt Service Fund		12,890,346	12,859,880	15,038,943	2,148,597	5.23%
Property Tax Levy		27,672,503	28,325,327	32,811,077	5,138,574	18.57%
Dollar Difference From 2017			652,824	4,485,751	5,138,574	
% Difference From 2017			2.36%	16.21%	18.57%	

Levy Limitation Analysis





9 Year Levy History





Home Values in District 719

- Average Home Value: \$326,300
- Median Home Value: \$287,900





Proposed 2017-18 Final General Fund Budget

PRIOR LAKE-SAVAGE AREA SCHOOLS						
ESTIMATED FUND BALANCES THROUGH JUNE 30, 2018						
FUND DESCRIPTION	6/30/2017 AUDITED BALANCE	2017-18 ESTIMATED REVENUES	TRANSFERS INTO FUNDS	2017-18 ESTIMATED EXPENDITURES	TRANSFERS OUT OF FUNDS	6/30/2018 ESTIMATED BALANCE
GENERAL FUND						
A. UNASSIGNED - OPERATING	\$8,623,266	\$80,491,774	\$0	\$80,520,173	\$592,423	\$8,002,444
NONSPENDABLE	\$276,573	\$0	\$0	\$0	\$0	\$276,573
ASSIGNED-CASH FLOW	\$1,722,500	\$0	\$0	\$0	\$0	\$1,722,500
ASSIGNED - CLASS SIZE REDUCTION	\$500,000	\$0	\$0	\$0	\$0	\$500,000
ASSIGNED-INNOVATIVE PROGRAMS	\$420,000	\$0	\$0	\$0	\$0	\$420,000
ASSIGNED-ALT TEACHER COMP	\$413,754	\$2,184,976	\$0	\$2,184,976	\$0	\$413,754
ASSIGNED-SITE CARRYOVER	\$534,756	\$0	\$0	\$534,756	\$0	\$0
TOTAL	\$12,490,849	\$82,676,750	\$0	\$83,239,905	\$592,423	\$11,335,271
B. RESTRICTED FOR						
(1) AREA LEARNING CENTER/TARGETED SVC	\$0	\$906,467	\$66,783	\$973,250		\$0
(2) STAFF DEVELOPMENT	\$226,347	\$1,167,255		\$1,393,602		\$0
(3) LEARNING AND DEVELOPMENT	\$0	\$1,949,994		\$1,949,994		\$0
(4) GIFTED & TALENTED	\$0	\$122,611	\$172,353	\$294,964		\$0
(5) BASIC SKILLS	\$0	\$699,450		\$699,450		\$0
(6) SAFE SCHOOLS	\$107,470	\$353,916		\$353,916		\$107,470
(7) ACHIEVEMENT & INTEGRATION	\$152,955	(\$134,955)		\$18,000		\$0
(8a) LONG TERM FACILITY MAINTENANCE	\$959,624	\$1,048,723		\$1,057,103		\$951,244
(9) OPERATING CAPITAL	\$1,551,746	\$2,369,021		\$2,749,277		\$1,171,490
TOTAL RESTRICTED	\$2,998,143	\$8,482,482	\$239,136	\$9,489,556	\$0	\$2,230,205
TOTAL GENERAL FUND	\$15,488,992	\$91,159,232	\$239,136	\$92,729,461	\$592,423	\$13,565,476



Proposed Final Budget Funds 2-25

PRIOR LAKE-SAVAGE AREA SCHOOLS						
ESTIMATED FUND BALANCES THROUGH JUNE 30, 2018						
	6/30/2017	2017-18	TRANSFERS	2017-18	TRANSFERS	6/30/2018
	AUDITED	ESTIMATED	INTO	ESTIMATED	OUT OF	ESTIMATED
FUND DESCRIPTION	BALANCE	REVENUES	FUNDS	EXPENDITURES	FUNDS	BALANCE
TOTAL FOOD SERVICE	\$848,011	\$4,596,695		\$4,554,721		\$889,985
COMMUNITY EDUCATION						
NONSPENDABLE	\$29,776					\$29,776
REGULAR COMMUNITY ED	\$1,073,860	\$5,737,047		\$5,961,521		\$849,386
EARLY CHILDHOOD FAMILY ED	\$361,349	\$536,242		\$479,516		\$418,075
ADULT BASIC ED	\$0	\$41,212		\$41,212		\$0
SCHOOL READINESS	\$224,840	\$944,900		\$1,009,038		\$160,702
TOTAL COMMUNITY EDUCATION	\$1,689,825	\$7,259,401		\$7,491,287		\$1,457,939
TOTAL BUILDING FUND	\$8,130,000	\$26,000		\$5,133,100		3,022,900
TOTAL DEBT SERVICE	\$1,166,019	\$13,006,595		\$12,560,207		\$1,612,407
TOTAL INTERNAL SERVICE FUND	\$3,371,105	\$12,323,500		\$11,997,500		\$3,697,105
TOTAL REVOCABLE TRUST (OPEB)	\$6,947,745	\$120,000	\$353,287	\$0		\$7,421,032



Tax Levy Calendar

Monday, October 2, 2017	Deadline for school boards to certify proposed property tax levies to home county auditor Deadline for MDE to certify school district levy limits to county auditors
Monday, October 9, 2017	Deadline for School Districts to submit copy of proposed levies to MDE
Monday, October 16, 2017	Deadline for districts to submit career and technical actual expensiture change for 16-17 for levy report
Monday, October 23, 2017	Deadline for school districts holding referendum elections to deliver notice of referendum to taxpayers
Wednesday, November 1, 2017	Annual Community Education Report is due to MDE
Thursday, November 2, 2017	MDE removes ECFE and home visiting levy if Comm Ed report is not submitted
Wednesday, November 8, 2017	General Election Day
Friday, November 24, 2017	Deadline for county auditor to prepare and deliver proposed property taxes to each taxpayer
After November 24, 2017	Districts are required to hold the Truth in Taxation Hearing District may adopt the final levy at the same meeting
No later than December 29, 2017	Districts must adopt their final property tax levy
Monday, January 8, 2018	Deadline for school districts to notify MDE of final certified levies
Thursday, February 1, 2018	Deadline for county auditors to submit School Tax Abatement Report for previous year to MDE
Monday, April 2, 2018	Deadline for county auditors to submit School Tax Report to MDE



Questions and Comments