



INDEPENDENT SCHOOL DISTRICT NO. 719

TRUTH IN TAXATION

Presented on
Tuesday, December 5, 2006



AGENDA

- The Truth in Taxation Process
- Basic School Funding
- Levy Certification 2006 pay 2007
- Factors Contributing to the Levy Increase
- Levy Certification History
- Graphical Analysis
- 06-07 Budget Summary

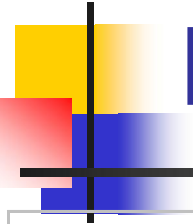




TAX LEVY CALENDAR

- August Set dates and location of levy hearings
 - September Certify Proposed Levy (1)
 - November County mails levy notices to property owners
 - December Public hearing on levy
 - December Certify final tax levy (2)
-
- (1) Except for new voter approved tax levies, the final levy cannot exceed the proposed levy certified in September
 - (2) The certification of the levy is the culmination of a five month process which began the previous July

CITY/COUNTY VS. SCHOOL DISTRICT LEVY/BUDGET CYCLE



	#	2006												2007												2008						
	J	F	M	A	M	J	J	A	S	O	N	D	J	F	M	A	M	J	J	A	S	O	N	D	J	F	M	A	M	J	J	A
	A	E	A	P	A	U	U	U	E	C	O	E	A	E	A	P	A	U	U	U	E	C	O	E	A	E	A	P	A	U	U	U
	N	B	R	R	Y	N	L	G	P	T	V	C	N	B	R	R	Y	N	L	G	P	T	V	C	N	B	R	R	Y	N	L	G
Legislation	█																															
City/County																																
Tax Levy Decision																																
Collection of Levy																																
Budget Year																																
School District																																
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AUTHORITY FOR SCHOOL LEVIES

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



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 (Health & Safety)
- 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)



BASIC FORMULA FOR DETERMINING REVENUE

- Formula Allowance x Pupil Units
 - Plus
 - Excess Levy Referendum
 - Plus
 - Categorical Items

BASIC FORMULA FOR CALCULATING PROPERTY TAXES

- Adjusted Tax Capacity Base x State Set Tax Rate
 - Plus
 - Excess Levy Referendum
 - Plus
 - Categorical Levies



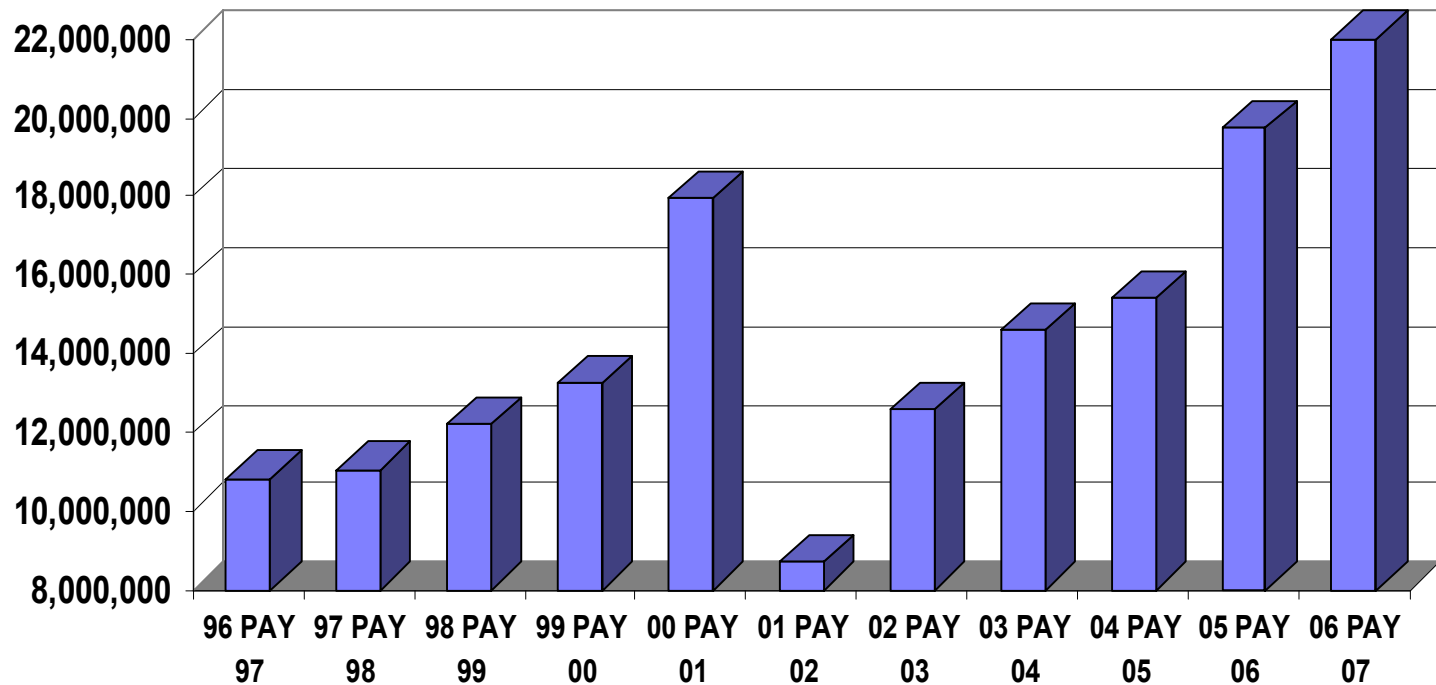
BASIC FORMULA FOR CALCULATING STATE AID

- Authorized Total Revenue
 - Minus
 - Local Property Taxes
 - Equals
 - State Aid



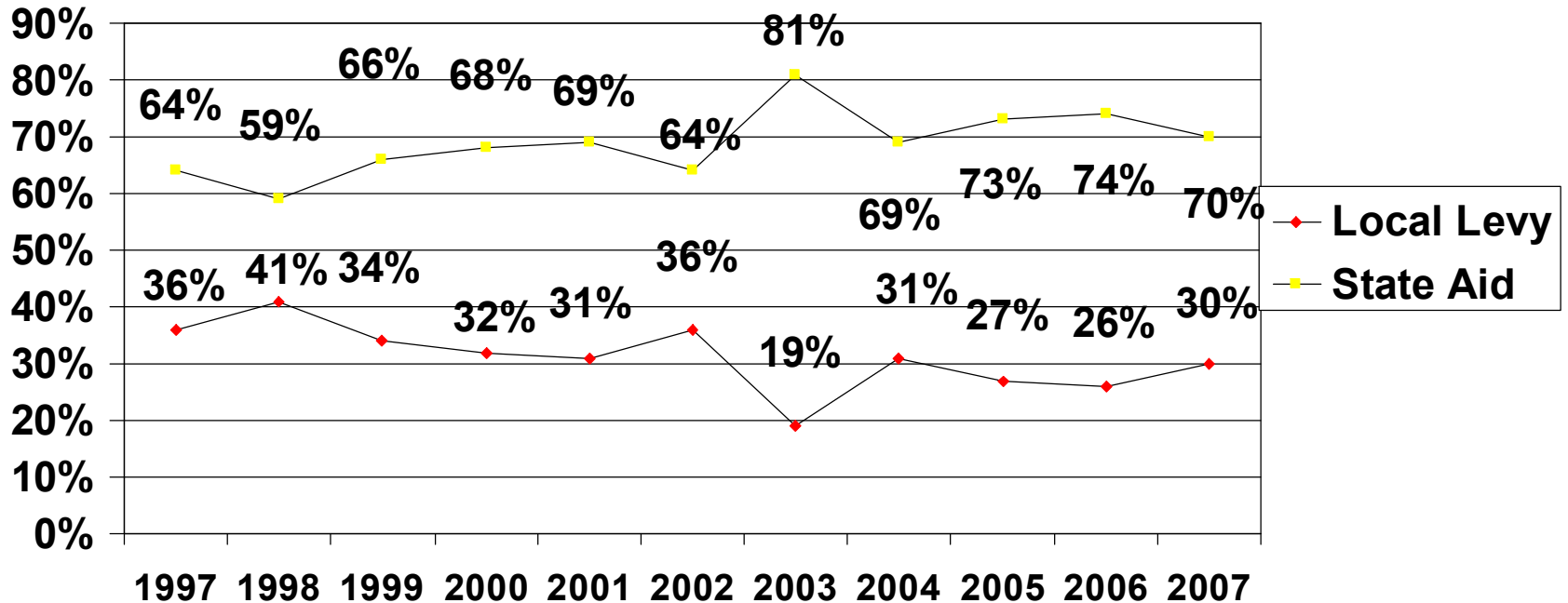
LEVY CERTIFICATION HISTORY

LEVY CERTIFICATION ANALYSIS



LOCAL LEVY VS. STATE AID

ISD 719 FY 97-07 Average Levy 31% State Aid 69%



05 PAY 06 RECOMMENDED FINAL LEVY

	Tax Levy By Year		Difference	Percent
	2005 (Actual)	2006 (Proposed)		
<u>School District Fund</u>				
<u>General Fund</u>				
Set by State Formula	\$1,399,641	\$1,854,584	\$454,943	32.50%
Set by Local Board	\$7,000,206	\$7,219,026	\$218,820	3.13%
Total General Fund	8,399,848	9,073,610	673,763	8.02%
<u>Community Service Fund</u>				
Set by State Formula	\$489,329	\$499,844	\$10,515	2.15%
Set by Local Board	\$65,000	\$65,000	\$0	0.00%
Total Community Svc. Fun	554,329	564,844	10,515	1.90%
<u>Debt Service Fund</u>				
Set by Local Board				
Building Bonds	\$10,771,178	\$12,659,662	\$1,888,484	17.53%
Reduction in Debt Excess	\$0	\$0	\$0	#DIV/0!
Total Debt Service Fund	\$10,771,178	\$12,659,662	\$1,888,484	17.53%
Property Tax Levy	\$19,725,354	\$22,298,117	\$2,572,763	13.04%

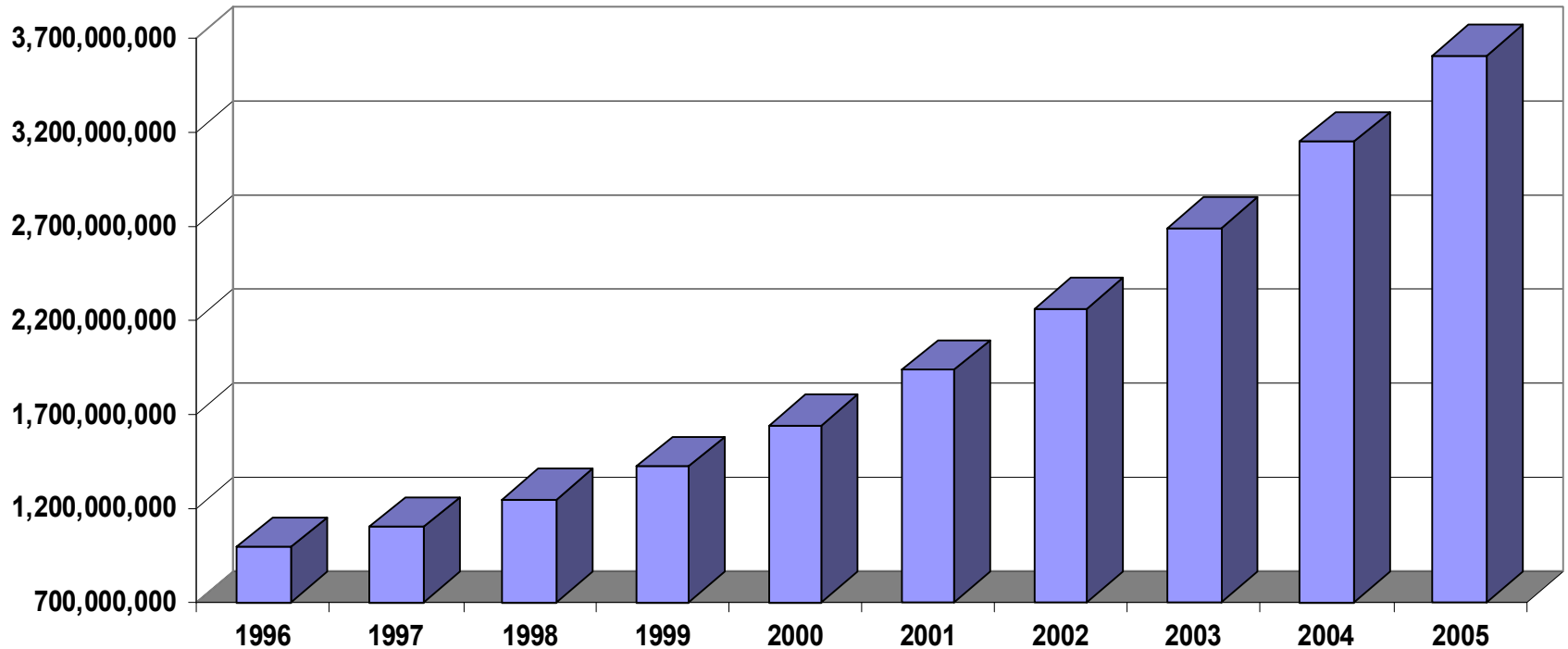


FACTORS CONTRIBUTING TO INCREASE

- Adjusted Net Taxing 11.5% inc.
- Referendum Market Value-14.7% inc.
- 2005 Legislative change of state/levy formula for:
 - Equity
 - Transition
 - Operating Capital
 - Reemployment
 - Lease Levy
 - Deferred Maintenance Levy effective 2006 pay 2007
- Lease Levy Reduction due to decrease in leased properties

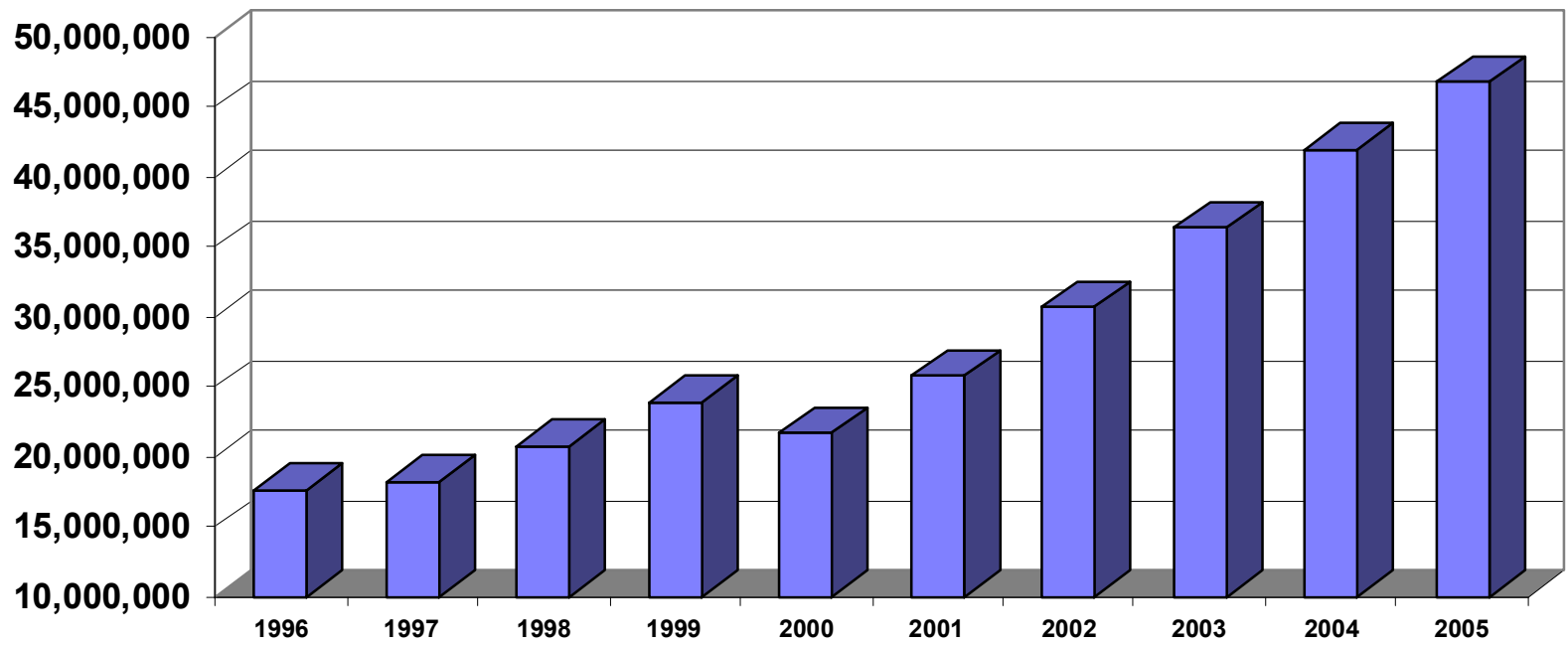
REFERENDUM MARKET VALUE ANALYSIS

06 PAY 07 LEVY LIMITATION
REFERENDUM MARKET VALUE ANALYSIS



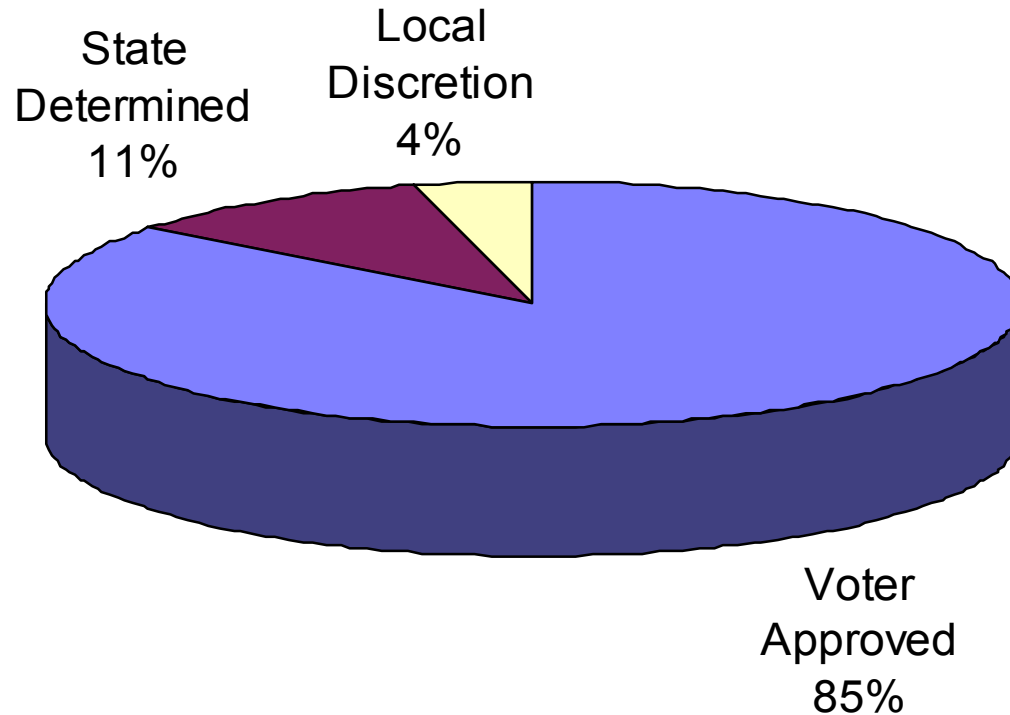
ADJUSTED NET TAX CAPACITY ANALYSIS

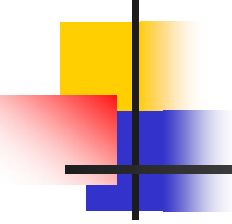
**06 PAY 07 LEVY LIMITATION
ADJUSTED NET TAX CAPACITY ANALYSIS**



TRUTH IN TAXATION ANALYSIS

06 PAY 07 LEVY LIMITATION ANALYSIS





Estimated Annual Tax Impact of Proposed 2006 Pay 2007 Levy

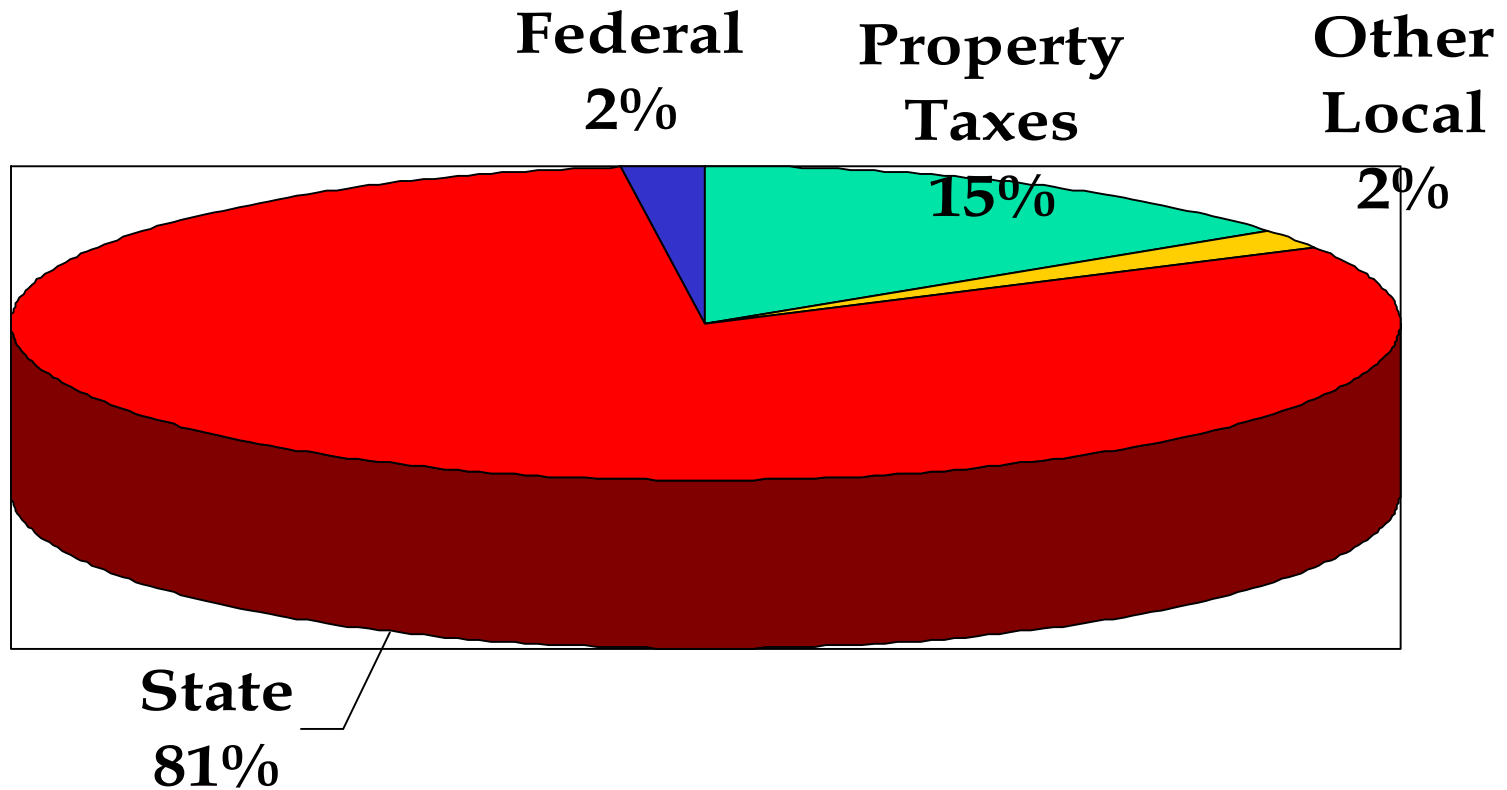
■ Property Value With No Increase

- \$175,000 \$5
- \$250,000 \$7
- \$300,000 \$9
- \$350,000 \$10

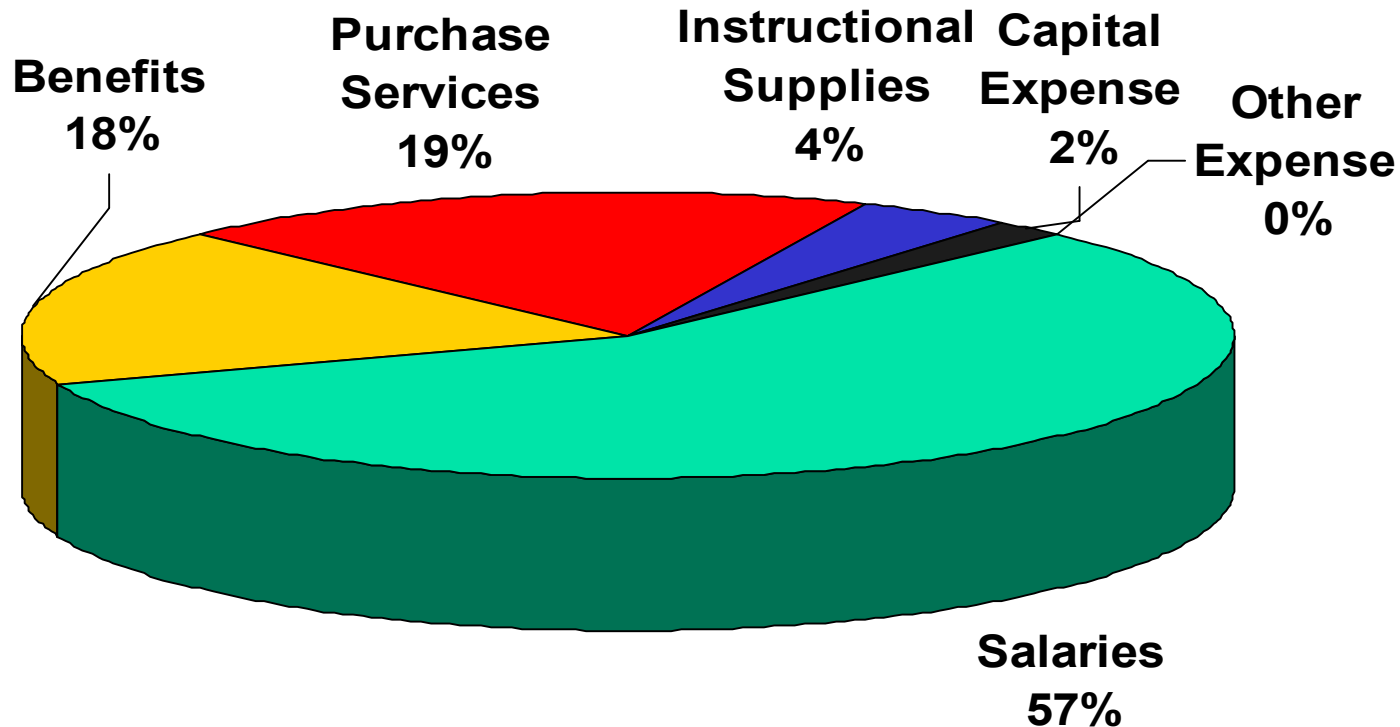
■ Property Value With 10% Increase

- \$175,000 to \$192,500 \$98
- \$250,000 to \$275,000 \$140
- \$300,000 to \$330,000 \$168
- \$350,000 to \$385,000 \$196

2006-07 General Fund: Revenue by Source June 2006

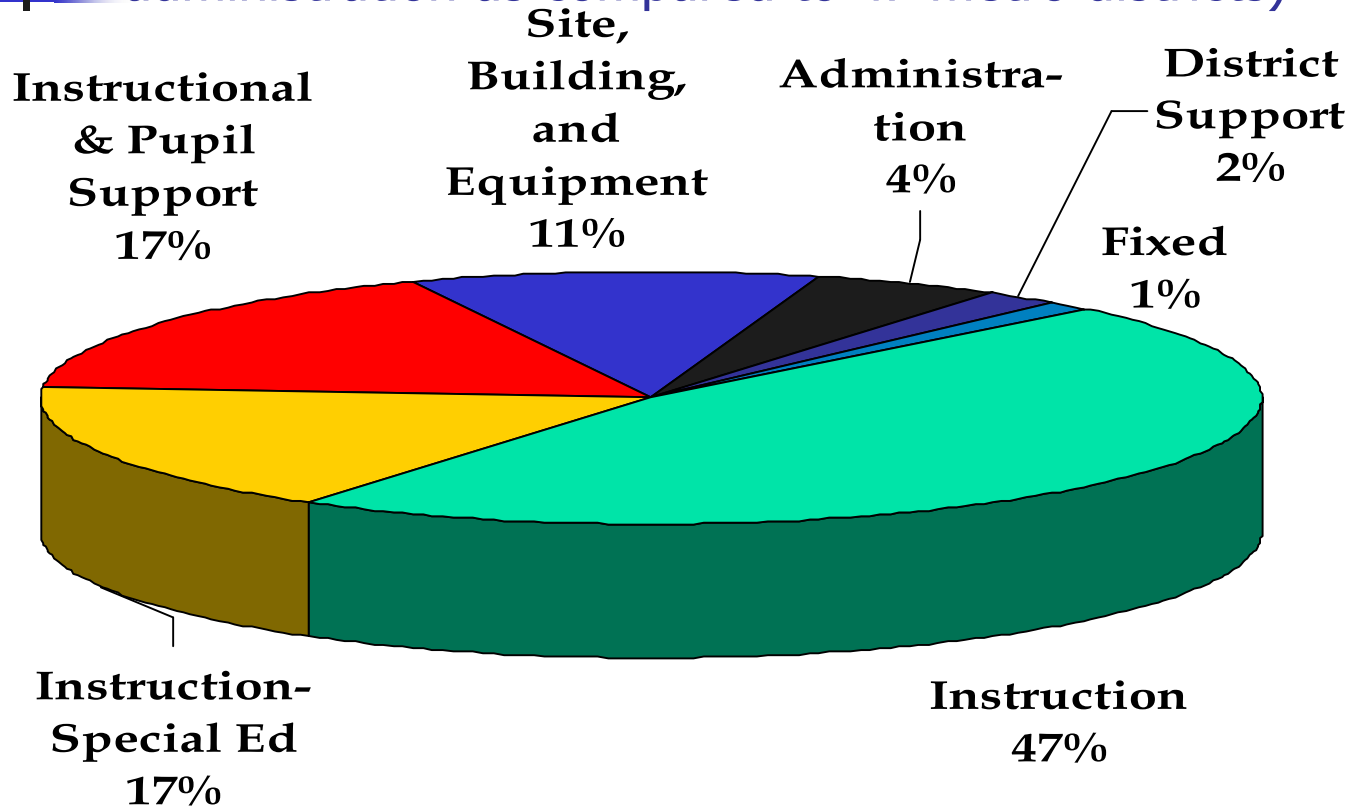


2006-07 General Fund: Expenditure by Object June 2006



2006-07 General Fund: Expenditure by Program June 2006

(In 2004-05, the District had the lowest % of expense on administration as compared to 47 metro districts)





Questions and Comments
