



INDEPENDENT SCHOOL DISTRICT NO. 719

TRUTH IN TAXATION

Presented on
Tuesday, December 2, 2008

AGENDA

- Tax Levy Calendar
- Basic School Funding
- Levy Certification 2008 pay 2009
- Levy Certification History
- Graphical Analysis
- 08-09 Budget Summary

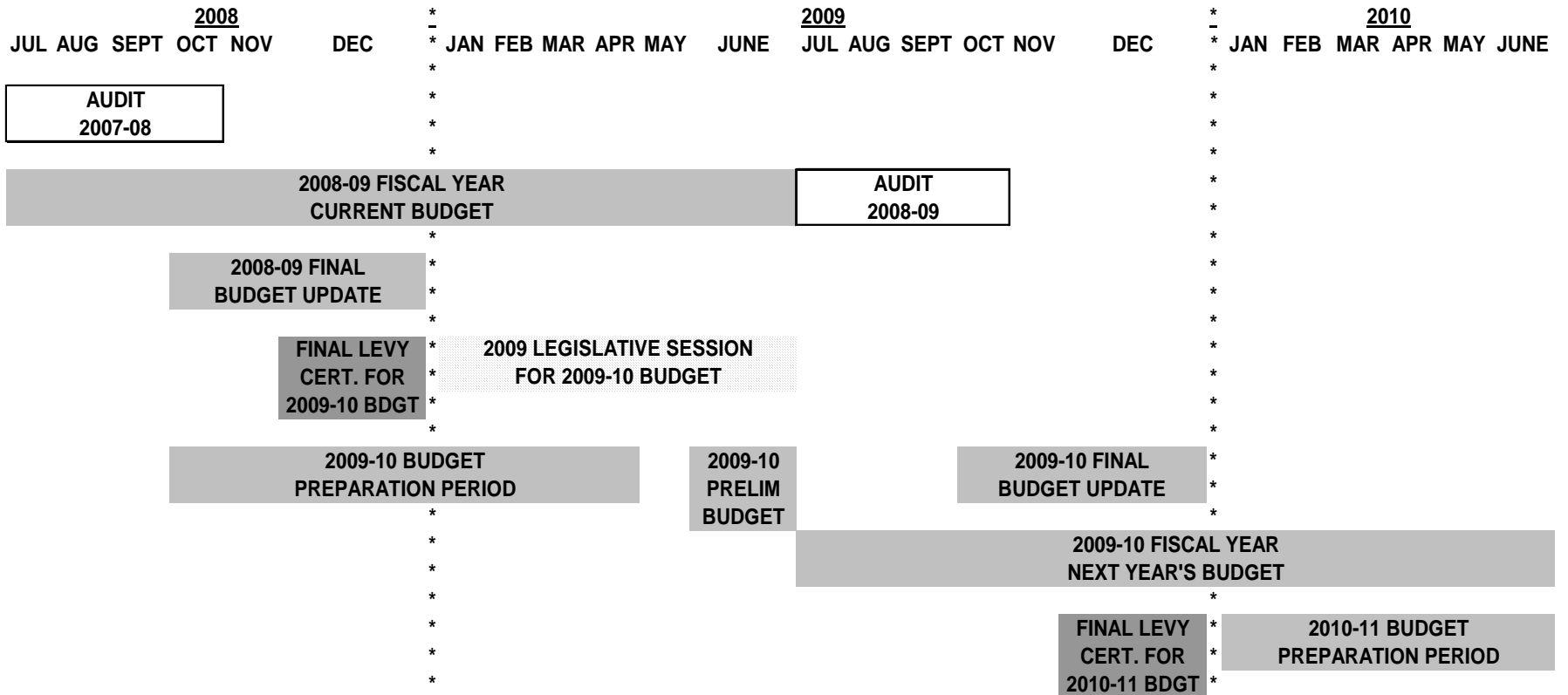




TAX LEVY CALENDAR

- 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)
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- (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





AUTHORITY FOR SCHOOL LEVIES

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



BASIC FORMULA FOR DETERMINING REVENUE

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

BASIC FORMULA FOR CALCULATING PROPERTY TAXES

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



BASIC FORMULA FOR CALCULATING STATE AID

- Authorized Total Revenue

- -

- Local Property Taxes

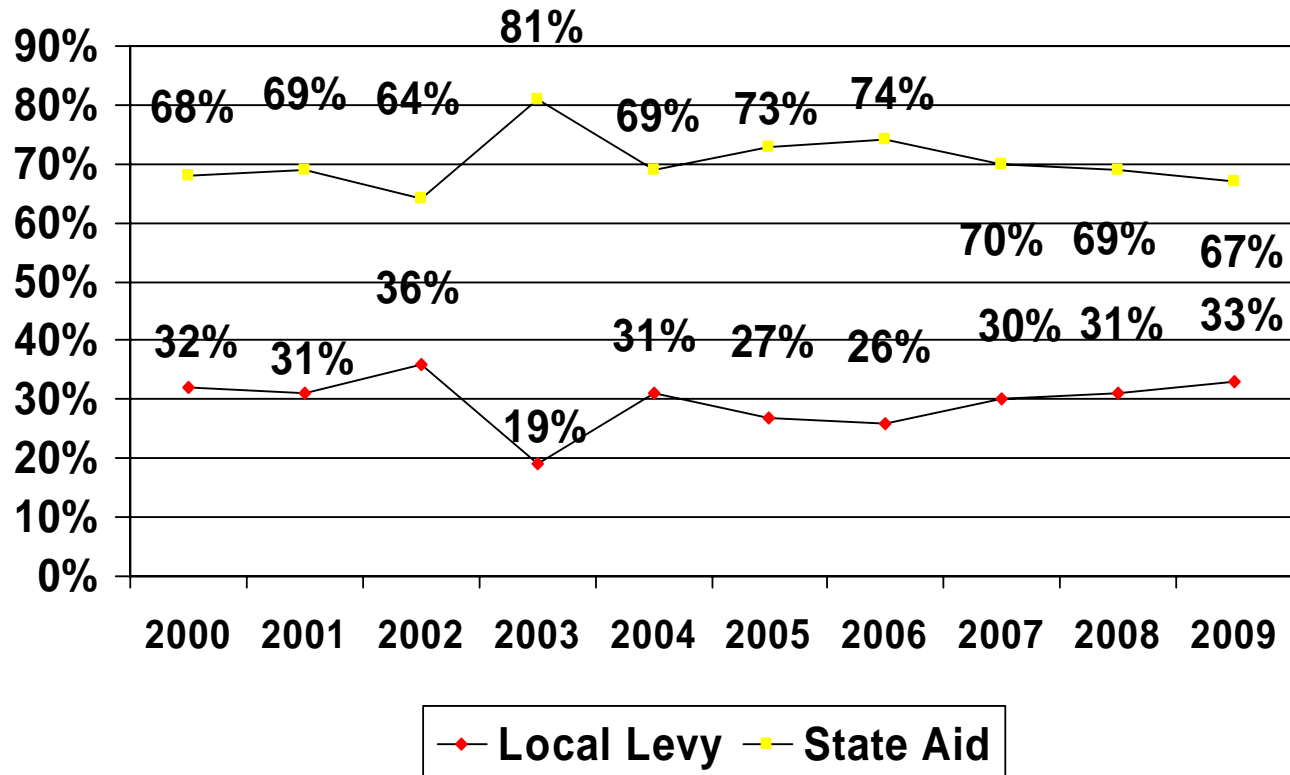
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- State Aid



LOCAL LEVY VS. STATE AID

ISD 719 FY 00-09 Average Levy 30% State Aid 70%



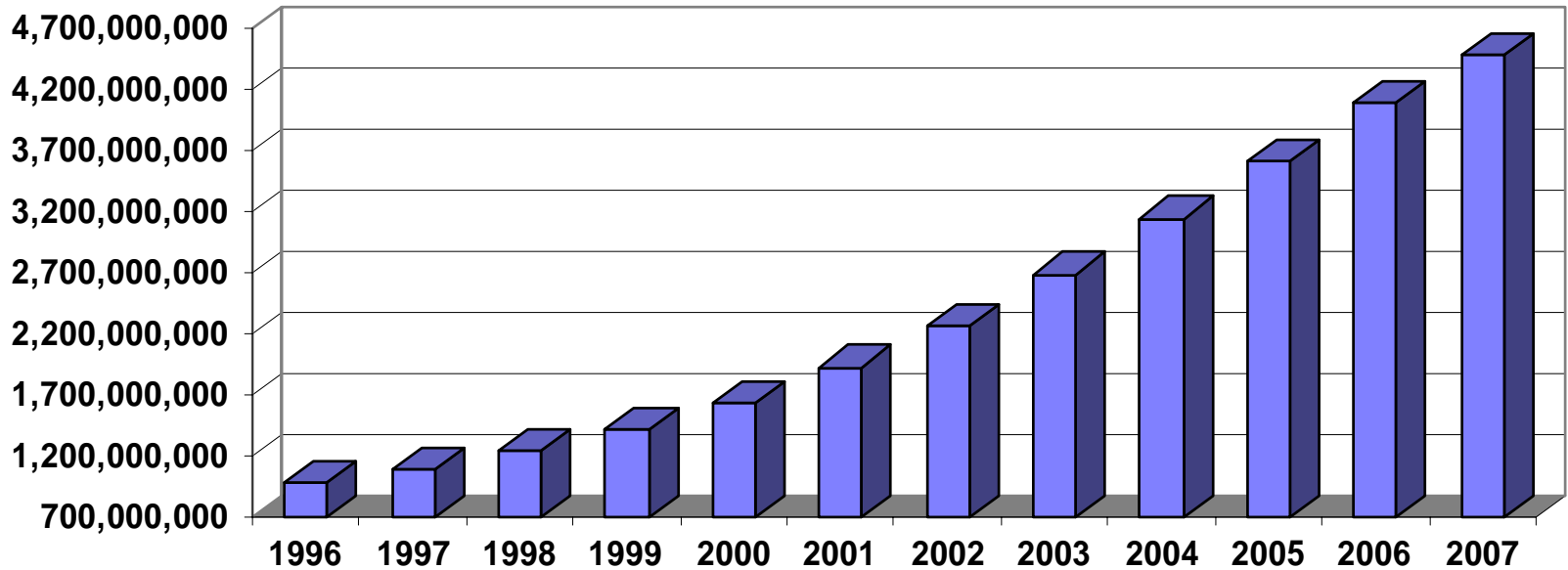


FACTORS IMPACTING TAX CHANGE

- 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 (not under District control)
 - 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)

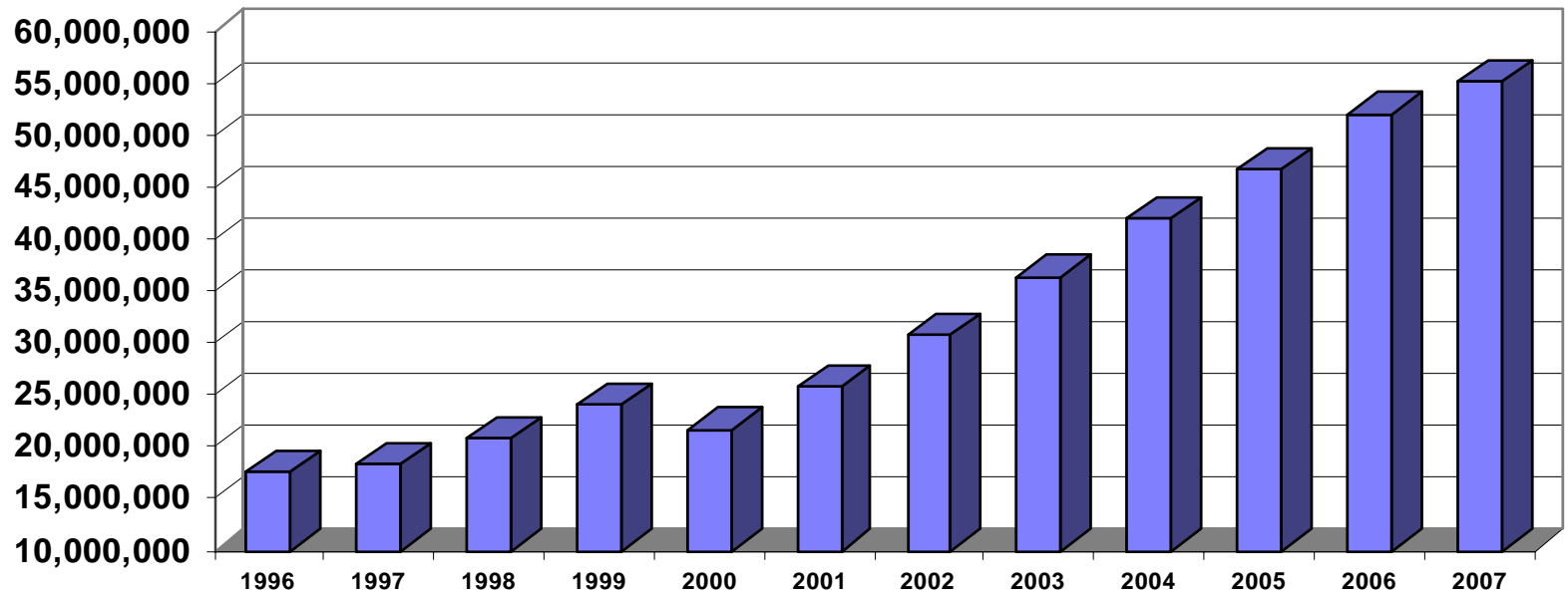
REFERENDUM MARKET VALUE ANALYSIS

08 PAY 09 LEVY LIMITATION
REFERENDUM MARKET VALUE ANALYSIS



ADJUSTED NET TAX CAPACITY ANALYSIS

**08 PAY 09 LEVY LIMITATION
ADJUSTED NET TAX CAPACITY ANALYSIS**





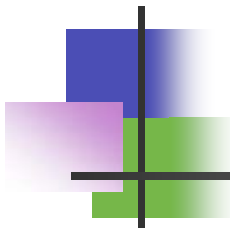
FACTORS CONTRIBUTING TO LEVY CHANGE

- Voter approval of levy renewal and an increase of \$210 per pupil unit
- Adjusted Net Tax Capacity 6% inc.
- Referendum Market Value 9.5% inc.
- 2007 Legislative change of state/levy formula for:
 - Reduction in Early Childhood Family Education Levy-one year only



What is included in the school district levy certification?

- Voter Approved Referendums
 - levy and bond
- Levies set by state formula
 - equity, operating capital, transition, deferred maintenance, community service
- Levies authorized by the state based on local need
 - reemployment, crime, career & technical, health & safety, facility leases, integration and extended day disabled

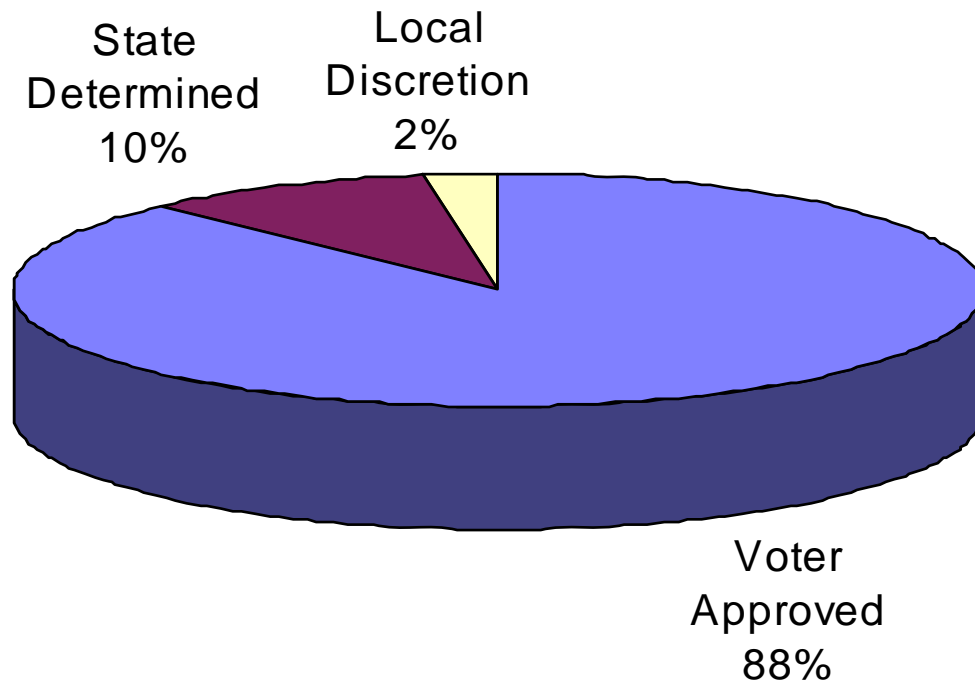


What steps have been taken to minimize local tax impact of the levy?

- Reduction in health and safety projects
- Requested reduction in debt service levy to the MN Department of Education
- Reduction in extended day disabled levy

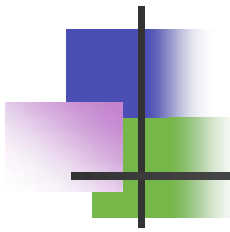
LEVY LIMITATION ANALYSIS

08 PAY 09 LEVY LIMITATION ANALYSIS



08 Pay 09 Final Levy Certification

	Tax Levy By Year		Difference	Percent
	2008 (Actual)	2009 (Proposed)		
<u>School District Fund</u>				
<u>General Fund</u>				
Set by State Formula	\$2,021,294	\$2,037,401	\$16,106	0.80%
Voter Approved Levy	\$6,931,019	\$8,841,940	\$1,910,921	27.57%
Set by Local Board	\$702,667	\$657,745	(\$44,922)	-6.39%
Total General Fund	9,654,980	11,537,086	1,882,105	19.49%
<u>Community Service Fund</u>				
Set by State Formula	\$436,335	\$525,035	\$88,701	20.33%
Set by Local Board	\$65,000	(\$10,164)	(\$75,164)	-115.64%
Total Community Svc. Fun	501,335	514,872	13,537	2.70%
<u>Debt Service Fund</u>				
Set by Local Board				
Voter Approved Bonds	\$13,451,543	\$14,433,040	\$981,497	7.30%
Reduction in Debt Excess:	(\$200,000)	(\$485,565)	(\$285,565)	
Total Debt Service Fund	\$13,251,543	\$13,947,474	\$695,931	5.25%
Property Tax Levy	\$23,407,858	\$25,999,432	\$2,591,574	11.07%



Estimated Annual Tax Impact of Proposed 2008 Pay 2009 Levy

- Property Value With Increase of .03% estimated by Scott County Auditor
 - \$200,000 to \$200,600 \$98
 - \$275,000 to \$275,825 \$135
 - \$300,000 to \$300,900 \$147
 - \$350,000 to \$351,050 \$171
 - \$400,000 to \$401,200 \$196