

# INDEPENDENT SCHOOL DISTRICT NO. 719

## Final Levy Certification

Presented on  
Monday, December 10, 2012

# AGENDA

- ▶ Tax Levy Calendar
- ▶ Basic School Funding
- ▶ Factors Contributing to the Levy Change
- ▶ Levy Certification 2012 pay 2013
- ▶ Graphical Analysis



# TAX LEVY CALENDAR

- ▶ September Certify Proposed Levy (1)
  - ▶ November County mails levy notices to property owners
  - ▶ December Public hearing – part of regular board meeting
  - ▶ 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

# AUTHORITY FOR SCHOOL LEVIES

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

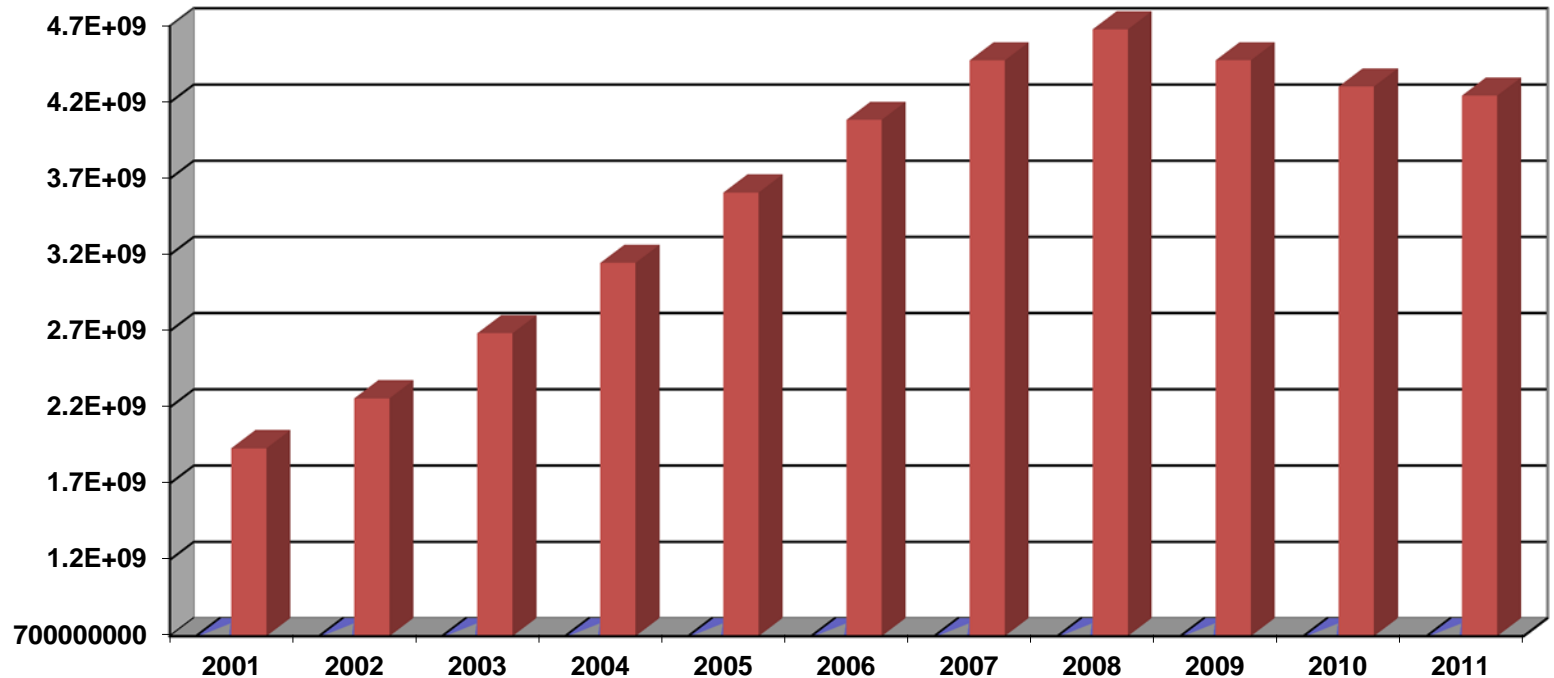
# BASIC FORMULA FOR CALCULATING STATE AID

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



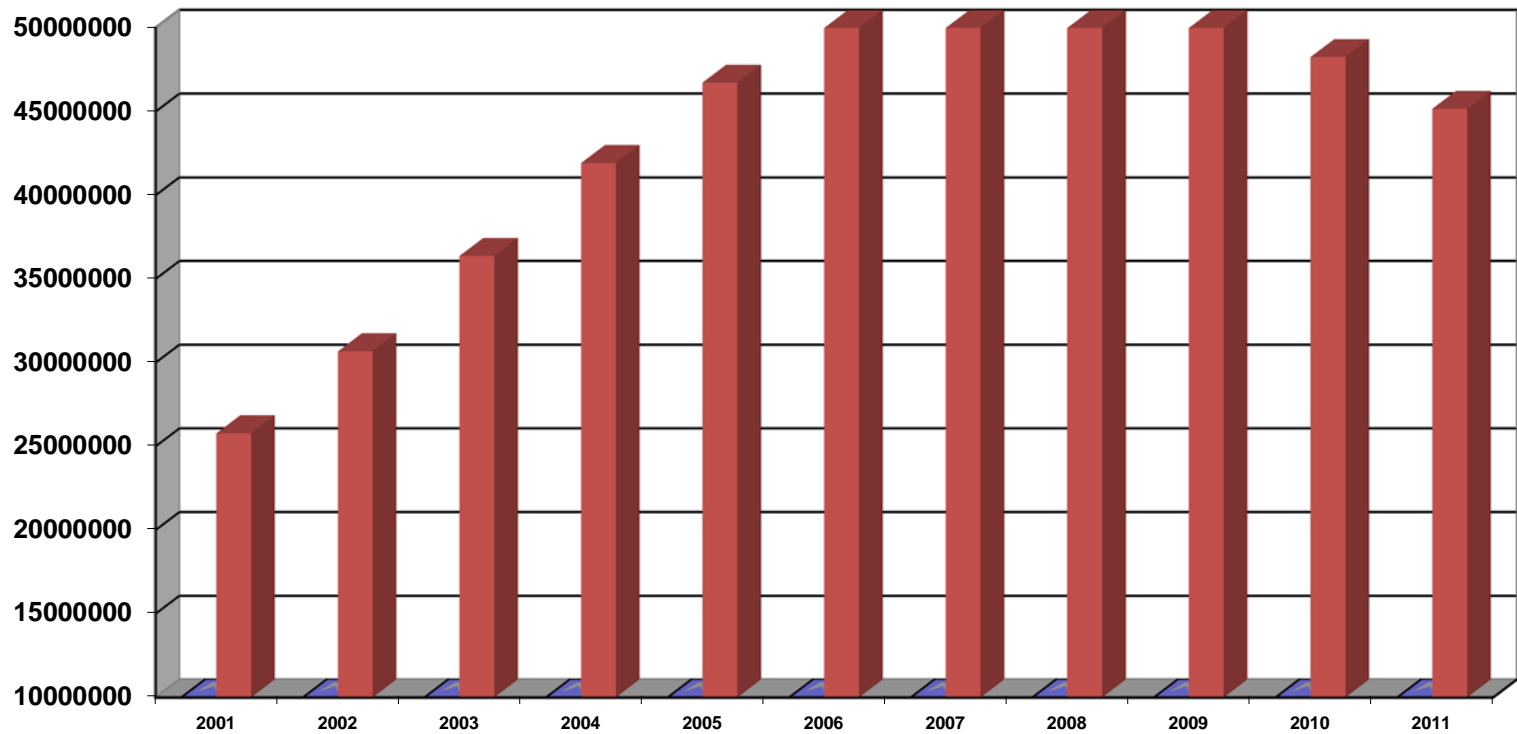
# REFERENDUM MARKET VALUE ANALYSIS

12 PAY 13 LEVY LIMITATION  
REFERENDUM MARKET VALUE ANALYSIS



# ADJUSTED NET TAX CAPACITY ANALYSIS

12 PAY 13 LEVY LIMITATION  
ADJUSTED NET TAX CAPACITY ANALYSIS



# 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)

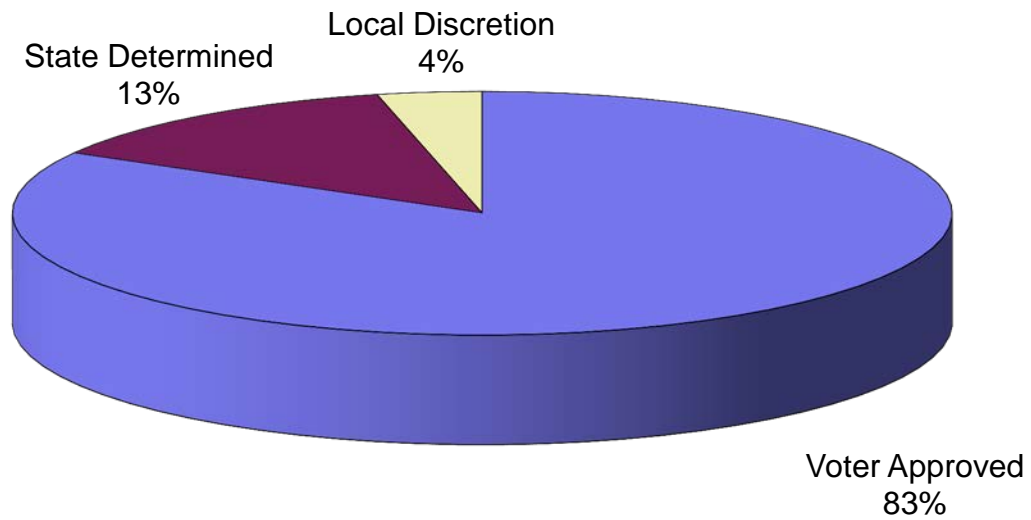


# What is included in the school district levy certification?

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

# LEVY LIMITATION ANALYSIS

## 12 PAY 13 LEVY LIMITATION ANALYSIS



# FACTORS CONTRIBUTING TO LEVY CHANGE

- ▶ Adjusted Net Tax Capacity–6.4% decrease
  - ▶ Referendum Market Value–1.3% decrease
  - ▶ Reduction in OPEB levy
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# OPEB Levy Limitation Calculation

- ▶ Actual costs in 2011–12 for retiree insurance \$488,880
- ▶ Total levy request \$488,880 for 2012–13
- ▶ State has set a state wide total OPEB levy cap
  - Currently MDE estimates no proration at this time

# 12 Pay 13 Final Levy Certification

		Tax Levy By Year			
		2012	2013		
<u>School District Fund</u>		<u>Final</u>	<u>Final</u>	<u>Difference</u>	<u>Percent</u>
1.)	<b><u>General Fund</u></b>				
	Equity Levy	807,711 (a)	886,187	78,476	9.72%
	Transition Levy	21,458 (a)	21,866	408	1.90%
	Operating Capital Levy	910,352 (a)	856,314	(54,039)	-5.94%
	Deferred Maintenance	313,159 (b)	307,746	(5,413)	-1.73%
	Excess Levy Referendums	8,496,457 (c)	8,662,203	165,746	1.95%
	Reemployment Levy	30,000 (d)	40,000	10,000	33.33%
	Crime levy	242,920 (e)	247,538	4,618	1.90%
	Career Technical	121,905 (f)	104,543	(17,362)	-14.24%
	Health & Safety	571,794 (g)	609,366	37,572	6.57%
	Leased Facilities	150,849 (h)	195,596	44,747	29.66%
	Integration Levy	5,400 (i)	5,400	0	0.00%
	OPEB	732,935 (j)	488,957	(243,978)	
	Prior year levy adjustments	<u>18,835</u> (k)	<u>(165,602)</u>	<u>(146,000)</u>	0.00%
	<b>Total General Fund</b>	<b>12,359,327</b>	<b>12,260,114</b>	<b>(99,213)</b>	<b>-0.80%</b>
2.)	<b><u>Community Service Fund</u></b>				
	Basic Community Ed	313,209	299,437	(13,772)	-4.40%
	Early Childhood Family Ed	189,652	181,509	(8,143)	-4.29%
	Home Visiting	7,174	4,936	(2,238)	-31.20%
	Extended Day - Disabled	90,000	100,000	10,000	11.11%
	<b>Total Community Svc. Fund</b>	<b>600,035</b>	<b>585,882</b>	<b>(14,153)</b>	<b>-2.36%</b>
5.)	<b><u>Debt Service Fund</u></b>				
	Building Bonds	12,281,711 (l)	12,358,010	76,299	0.62%
	Reduction in Debt Excess	0	0	0	n/a
	<b>Total Debt Service Fund</b>	<b>12,281,711</b>	<b>12,358,010</b>	<b>76,299</b>	<b>0.62%</b>
6.)	<b>Property Tax Levy</b>	<b>\$25,241,073</b>	<b>\$25,204,006</b>	<b>(\$37,067)</b>	<b>-0.15%</b>

# Questions and Comments

