

INDEPENDENT SCHOOL DISTRICT NO. 719

Preliminary Levy Certification

Presented on
Monday, September 30, 2013

AGENDA

- ▶ Tax Levy Calendar
- ▶ Basic School Funding
- ▶ Factors Contributing to the Levy Change
- ▶ Levy Certification 2013 pay 2014
- ▶ 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)
-
- ▶ (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

FACTORS IMPACTING TAX CHANGE

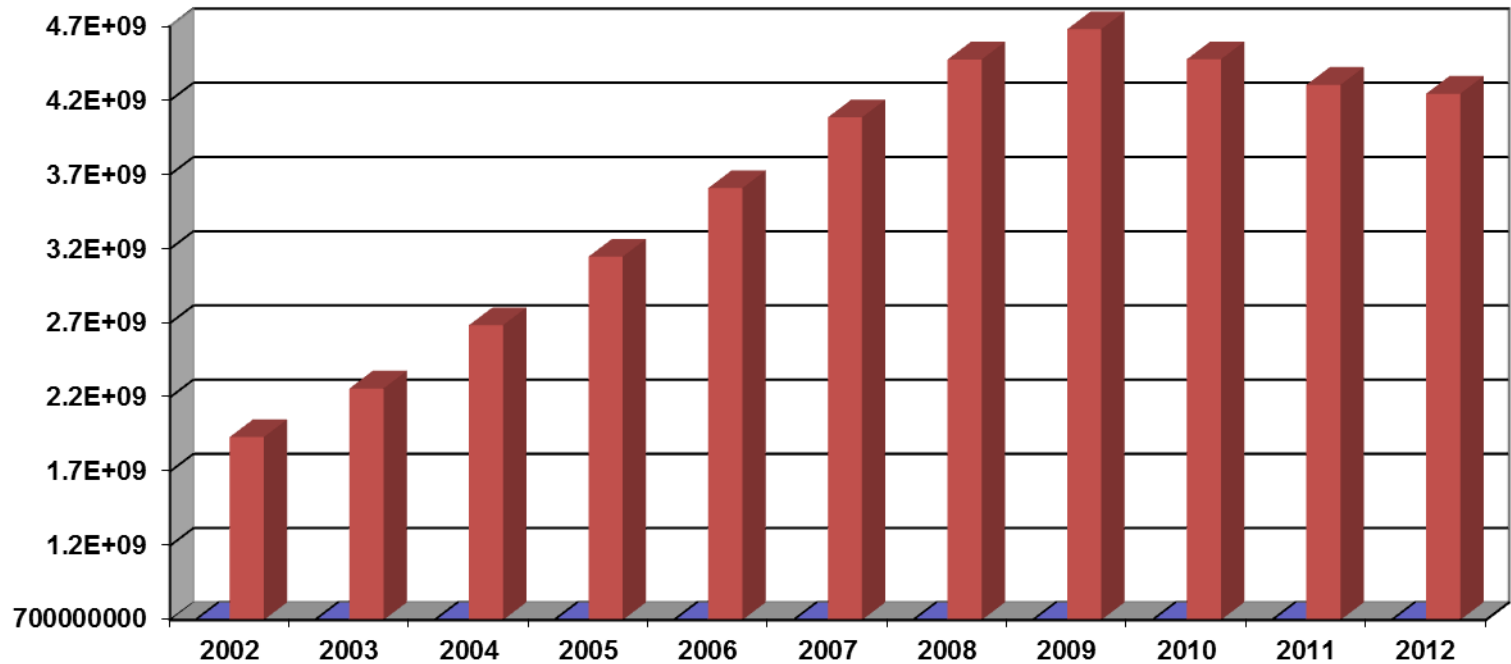
- ▶ **Issues Driven by State Level Decisions**
 - Change in levies determined by state formula
 - Change in sales ratio (Impacting ANTC)
 - Laws mandating code compliance (Health & Safety)
- ▶ **Issues Determined by District Voters**
 - Voter approved bond referendum
 - Voter approved excess levy referendum
- ▶ **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)

FACTORS CONTRIBUTING TO LEVY CHANGES FY14

- ▶ Adjusted Net Tax Capacity–4.0% decrease
- ▶ Referendum Market Value–5.3% decrease
- ▶ Pupil Unit Weighting Changed to 1.0 for grades K–6 and 1.2 for grades 7–12.
- ▶ New Student Achievement Levy.
- ▶ Increase in Safe Schools and Career/Technical Levies.
- ▶ New Location Equity Levy reduces Excess Levy Referendum.
- ▶ New Q–Comp Levy.

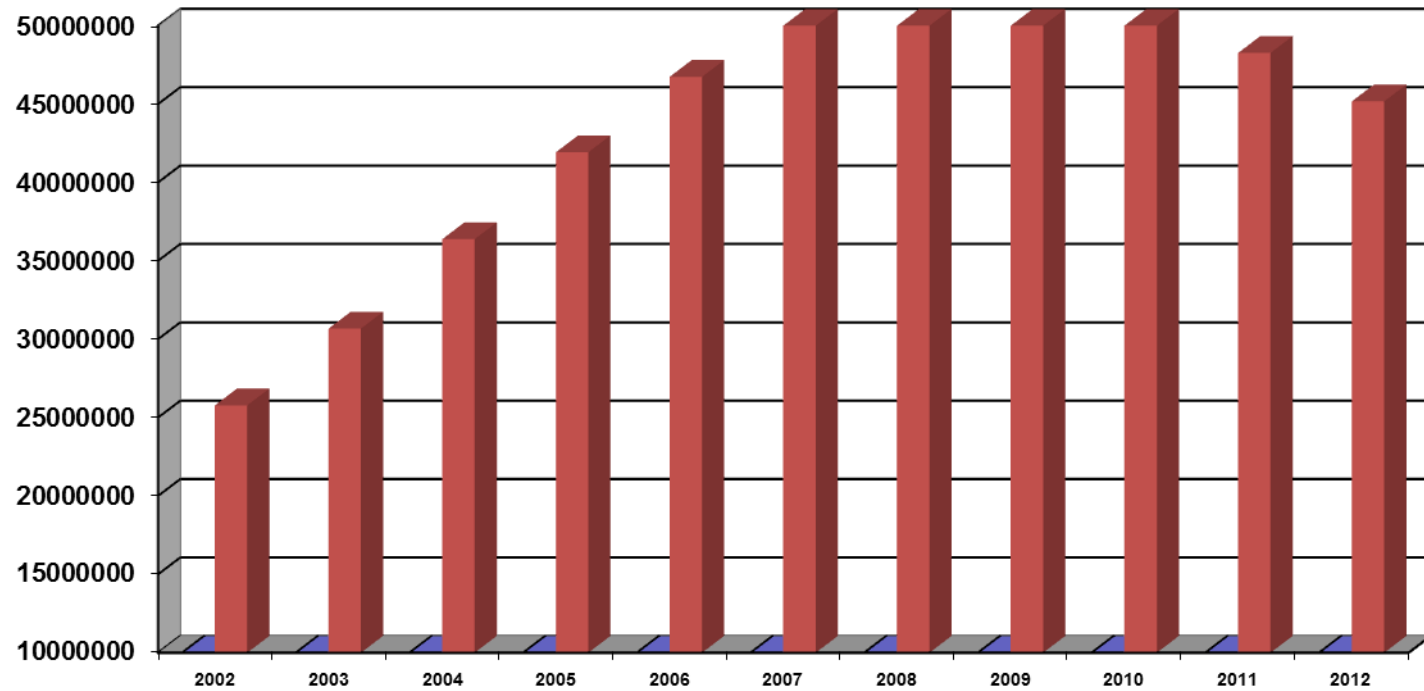
REFERENDUM MARKET VALUE ANALYSIS

13 PAY 14 LEVY LIMITATION
REFERENDUM MARKET VALUE ANALYSIS



ADJUSTED NET TAX CAPACITY ANALYSIS

13 PAY 14 LEVY LIMITATION
ADJUSTED NET TAX CAPACITY ANALYSIS

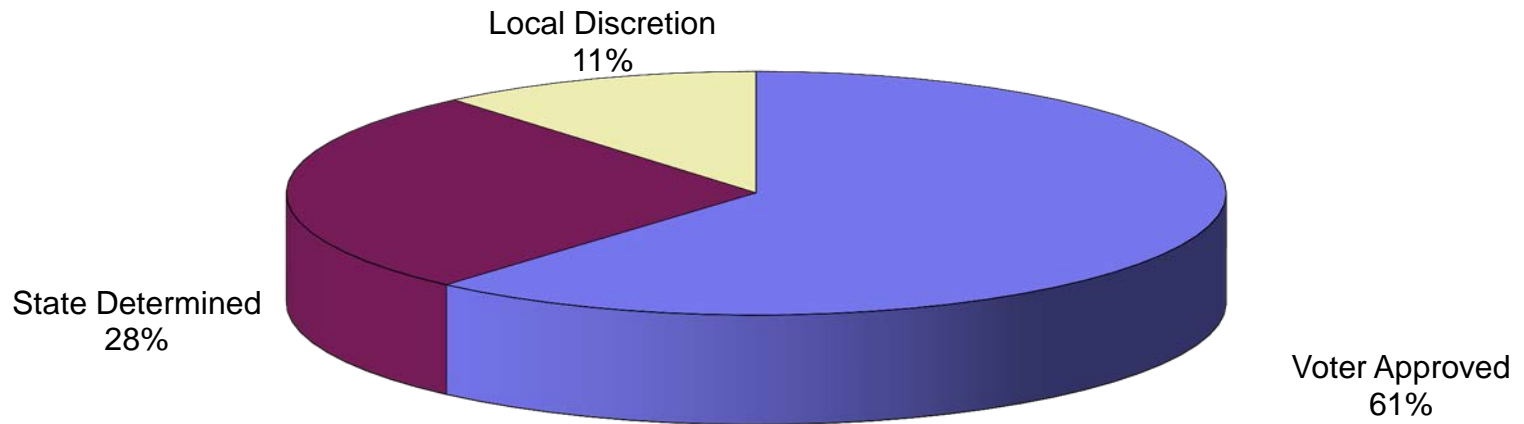


What is included in the school district levy certification?

- ▶ 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, safe schools, career & technical, health & safety, facility leases, integration, Q-Comp, OPEB, and deferred maintenance.

LEVY LIMITATION ANALYSIS

13 PAY 14 LEVY LIMITATION ANALYSIS



OPEB Levy Limitation Calculation

- ▶ Actual costs in 2013–14 for retiree insurance \$513,000
- ▶ Total levy request \$513,000 for 2013–14
- ▶ State has set a state wide total OPEB levy cap
 - Current MDE estimates no proration at this time

13 Pay 14 Preliminary Levy Certification

		Tax Levy By Year					Difference
		2012		2013	2013		
<u>School District Fund</u>		<u>Actual</u>		<u>Preliminary</u>	<u>Est. Final Dec 2013</u>		
1.)	<u>General Fund</u>						
	Equity Levy	960,670	(a)	961,468	961,468	(a)	798
	Transition Levy	21,946	(a)	21,777	21,777	(a)	(169)
	Operating Capital Levy	860,864	(a)	643,150	643,150	(a)	(217,714)
	Deferred Maintenance	285,728	(b)	298,359	298,359	(b)	12,631
	Excess Levy Referendums	8,739,709	(c)	4,759,952	4,759,952	(c)	(3,979,757)
	Location Equity Levy	0	(n)	3,300,417	3,300,417	(n)	3,300,417
	Student Achievement Levy	0	(m)	151,683	151,683	(m)	151,683
	Q-Comp	0	(p)	607,741	607,741	(p)	607,741
	Reemployment Levy	53,257	(d)	136,316	136,316	(d)	83,059
	Safe Schools levy	243,307	(e)	292,886	292,886	(e)	49,579
	Career Technical	109,799	(f)	117,711	117,711	(f)	7,912
	Health & Safety	609,366	(g)	1,197,472	906,494	(g)	297,128
	Leased Facilities	195,409	(h)	895,818	895,818	(h)	700,409
	Integration Levy	2,633	(i)	6,018	6,018	(i)	3,385
	Other Post Emp Benefits (OPEB)	488,957	(j)	513,000	513,000	(j)	24,043
	Facility & Equip Bond Adj	0	(q)	(446,014)	(446,014)	(q)	(446,014)
	Prior year levy adjustments	<u>(311,532)</u>	<u>(k)</u>	<u>6,638</u>	<u>6,638</u>	<u>(k)</u>	<u>318,170</u>
	Total General Fund	12,260,114		13,464,392	13,173,414		913,301

13 Pay 14 Preliminary Levy Certification

		Tax Levy By Year				
		2012		2013	2013	
<u>School District Fund</u>		<u>Actual</u>		<u>Preliminary</u>	<u>Est. Final Dec 2013</u>	<u>Difference</u>
2.)	<u>Community Service Fund</u>					
	Basic Community Ed	299,161		298,540	298,540	(621)
	Early Childhood Family Ed	181,509		171,577	171,577	(9,932)
	Home Visiting	2,698		5,944	5,944	3,246
	Extended Day - Disabled	102,514		118,385	118,385	15,871
	Total Community Svc. Fund	585,882		594,446	594,446	8,564
5.)	<u>Debt Service Fund</u>					
	Building Bonds	13,098,002	(l)	13,761,713	12,661,713	(l) (436,289)
	Reduction in Debt Excess	(739,992)		(1,175,037)	(1,175,037)	(435,045)
	Total Debt Service Fund	12,358,010		12,586,676	11,486,676	(871,334)
6.)	Property Tax Levy	\$25,204,006		\$26,645,514	\$25,254,537	\$50,531

13 Pay 14 Preliminary Levy Summary

		2012		2013	2013		
<u>School District Fund</u>		Actual		Preliminary	Est. Final Dec 2013	Difference	Percent
Total General Fund		12,260,114		13,913,329	13,159,012	898,898	7.33%
Total Community Svc. Fund		585,882		594,446	594,446	8,564	1.46%
Total Debt Service Fund		12,358,010		12,586,676	11,486,676	(871,334)	-7.05%
Property Tax Levy		25,204,006		27,094,452	25,240,134	36,128	0.20%

Questions and Comments