

# INDEPENDENT SCHOOL DISTRICT NO. 719

## Final Levy Certification

Presented on  
Monday, December 15, 2014



# AGENDA



- ▶ Tax Levy Calendar
- ▶ Basic School Funding
- ▶ Factors Contributing to the Levy Change
- ▶ Levy Certification 2014 pay 2015
- ▶ Graphical Analysis

# AUTHORITY FOR SCHOOL LEVIES

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

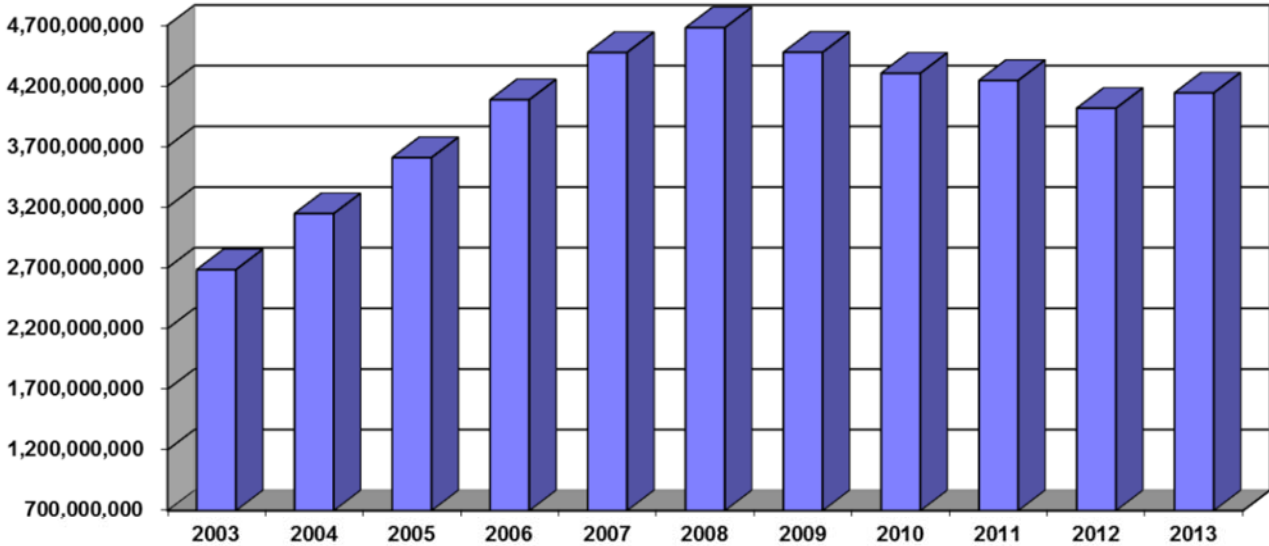
# BASIC FORMULA FOR CALCULATING STATE AID

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



# REFERENDUM MARKET VALUE ANALYSIS

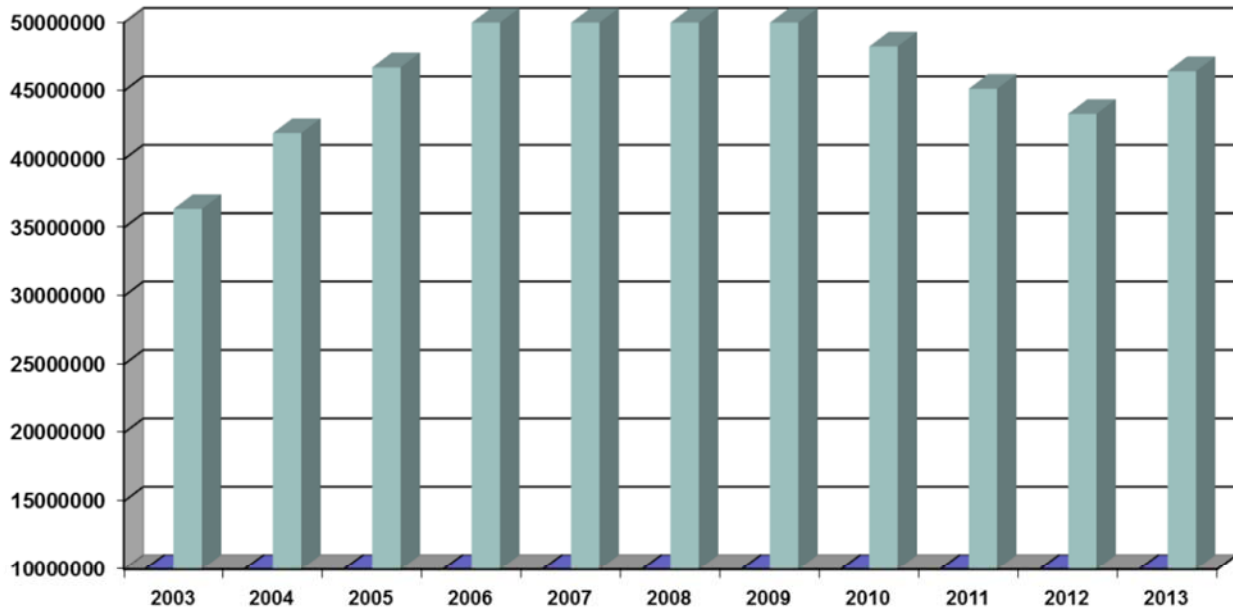
14 PAY 15 LEVY LIMITATION  
REFERENDUM MARKET VALUE ANALYSIS



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# ADJUSTED NET TAX CAPACITY ANALYSIS

14 PAY 15 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, safe schools, career & technical, health & safety, facility leases, integration, Q-Comp, OPEB, and deferred maintenance.





# FACTORS CONTRIBUTING TO LEVY CHANGE

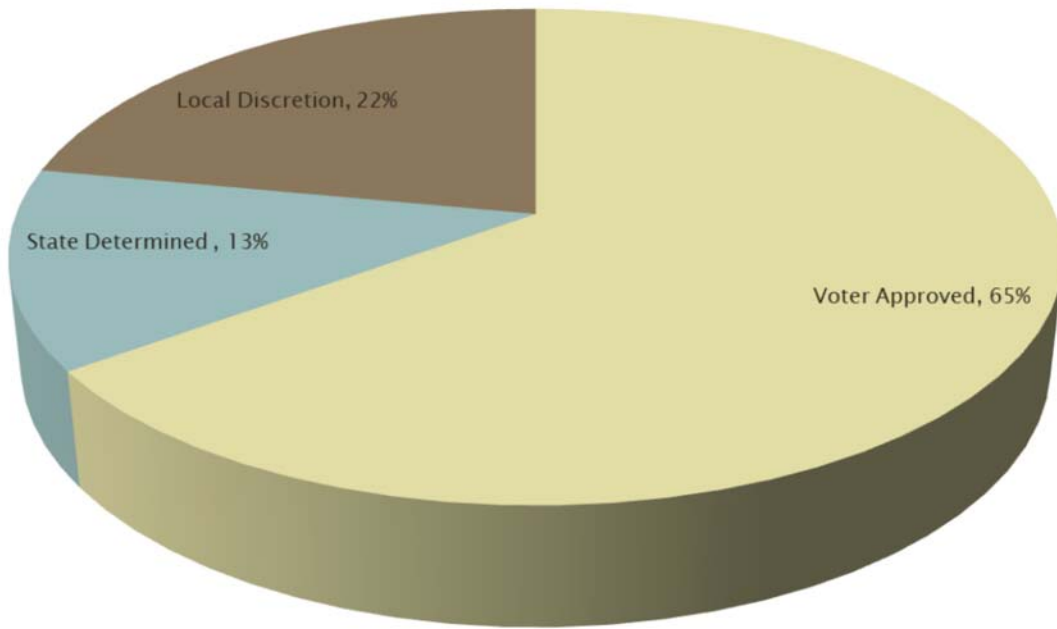
- ▶ Adjusted Net Tax Capacity–9.2% increase
- ▶ Referendum Market Value–9.7% increase
- ▶ Increased Pupil Units



## OPEB Levy Limitation Calculation

- ▶ Actual costs in 2013–14 for retiree insurance \$421,000
- ▶ Total levy request \$421,000 for 2014 Pay 15
- ▶ State has set a state wide total OPEB levy cap
  - Current MDE estimates no proration at this time

# LEVY LIMITATION ANALYSIS



# 14 Pay 15 Preliminary Levy Certification

	2013	2014	2014		
<b>School District Fund</b>	<b>Actual</b>	<b>Preliminary</b>	<b>Est. Final Dec 2014</b>	<b>Difference</b>	<b>Percent</b>
<b>General Fund</b>					
Local Optional	3,300,417	3,403,164	3,405,508	105,091	
Equity Levy	961,468	1,325,532	1,323,187	361,719	
Transition Levy	21,378	23,584	23,584	2,206	
Operating Capital Levy	638,598	689,448	689,448	50,850	
Deferred Maintenance	296,127	348,324	348,324	52,198	
Excess Levy Referendums	4,759,952	4,899,769	4,899,769	139,817	
Student Achievement Levy	150,590	152,837	153,288	2,698	
Q-Comp	603,365	622,305	622,305	18,940	
Reemployment Levy	136,316	10,787	10,787	(125,529)	
Safe Schools levy	292,886	309,889	309,889	17,003	
Career Technical	95,054	78,763	78,763	(16,291)	
Health & Safety	856,472	649,247	646,425	(210,047)	
Leased Facilities	895,818	1,023,597	1,023,597	127,779	
Integration Levy	6,018	1,168	1,168	(4,850)	
Other Post Emp Benefits (OPEB)	513,000	404,406	404,406	(108,594)	
Facility & Equip Bond Adj	(446,014)	(706,551)	(727,280)	(281,266)	
Prior year levy adjustments	7,037	21,166	25,860	18,823	
<b>Total General Fund</b>	<b>13,088,481</b>	<b>13,257,433</b>	<b>13,239,027</b>	<b>150,546</b>	<b>1.15%</b>

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# 14 Pay 15 Preliminary Levy Certification

	Tax Levy By Year			Difference	Percent
	2013 Actual	2014 Preliminary	2014 Est. Final Dec 2014		
<b>School District Fund</b>					
<b>Community Service Fund</b>					
Basic Community Ed	298,540	298,832	298,832	293	
Early Childhood Family Ed	175,012	173,089	173,089	(1,923)	
Home Visiting	5,944	5,440	5,440	(504)	
Extended Day - Disabled	118,385	112,674	112,674	(5,711)	
<b>Total Community Svc. Fund</b>	<b>597,881</b>	<b>590,036</b>	<b>590,036</b>	<b>(7,845)</b>	<b>-1.31%</b>
<b>Debt Service Fund</b>					
Building Bonds	12,780,244	12,159,784	12,159,784	(620,460)	
Reduction in Debt Excess	(1,175,037)	(293,627)	(293,627)	881,410	
<b>Total Debt Service Fund</b>	<b>11,605,207</b>	<b>11,866,157</b>	<b>11,866,157</b>	<b>260,950</b>	<b>2.25%</b>

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# 14 Pay 15 Preliminary Levy Summary

	Tax Levy By Year			Difference	Percent
	2013 Actual	2014 Preliminary	2014 Final Dec 2014		
<b>School District Fund</b>					
Total General Fund	13,088,481	13,257,433	13,239,027	150,546	1.15%
Total Community Svc. Fund	597,882	590,036	590,036	(7,846)	-1.31%
Total Debt Service Fund	11,605,207	11,866,157	11,866,157	260,950	2.25%
<b>Property Tax Levy</b>	<b>25,291,570</b>	<b>25,713,627</b>	<b>25,695,220</b>	<b>403,650</b>	<b>1.60%</b>

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# 5 Year Levy History

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# Impact of School Levy in Prior Lake

## ▶ *Average Home Value*

*\$268,000*

- No Change in Value - \$90.00
- 0%–5% increase in value - \$70.00
- 6%–10% increase in value - \$18.00
- 11%–15% increase in value (8%) + \$30.00
- 15% + increase in value (5%) + \$53.00





# Impact of School Levy in Savage

## ▶ *Average Home Value*

*\$231,500*

- No Change in Value -\$76.00
- 0%–5% increase in value -\$60.00
- 6%–10% increase in value -\$14.00
- 11%–15% increase in value (14%) +\$27.00
- 15% + increase in value (5%) +\$48.00

