



# INDEPENDENT SCHOOL DISTRICT NO. 719

## 2016/17 Levy Certification

Presented on

Monday, December 12, 2016

by

Julie Cink, SFO

Executive Director of Business Services



# Agenda

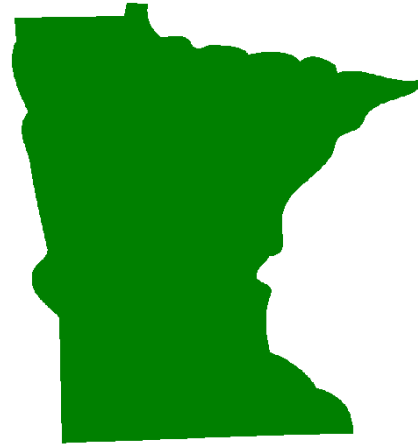
- Tax Levy Calendar
- Basic School Funding
- Factors Contributing to the Levy Change
- Levy Certification 2016 pay 2017
- Graphical Analysis





# 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**





# 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 (Long Term Facility Maint.)
- 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, Long Term Facility Maintenance
- Levies authorized by the state based on local need
  - reemployment, safe schools, career & technical, facility leases, integration, Q-Comp, and OPEB.



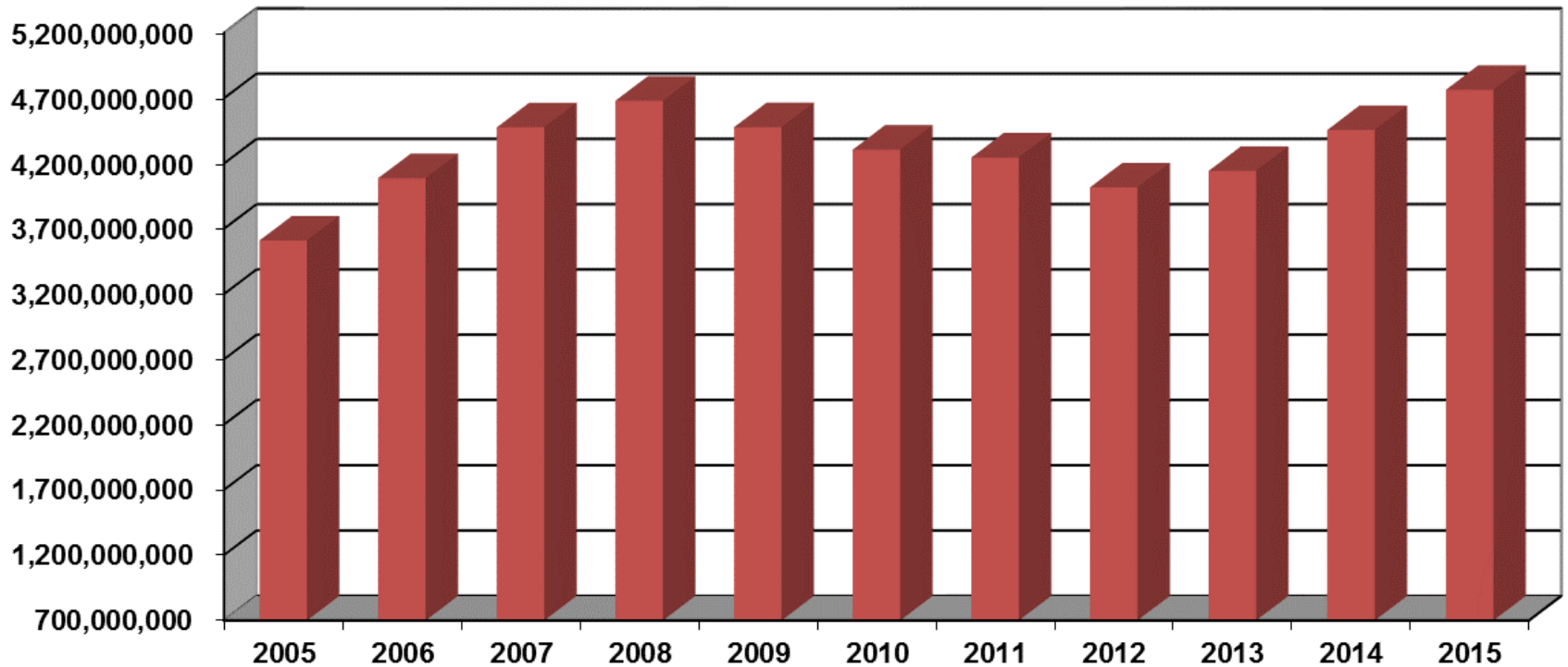
## Factors Contributing to Levy Change

- Adjusted Net Tax Capacity-3.7% increase
- Referendum Market Value-6.9% increase
- Increased Pupil Units
- Refinanced Existing Bonds
- OPEB – reinstated for 2016-17 includes actual costs of 2015-16 retiree insurance at \$353,257



# Referendum Market Value Analysis

**15 PAY 16 LEVY LIMITATION  
REFERENDUM MARKET VALUE ANALYSIS**

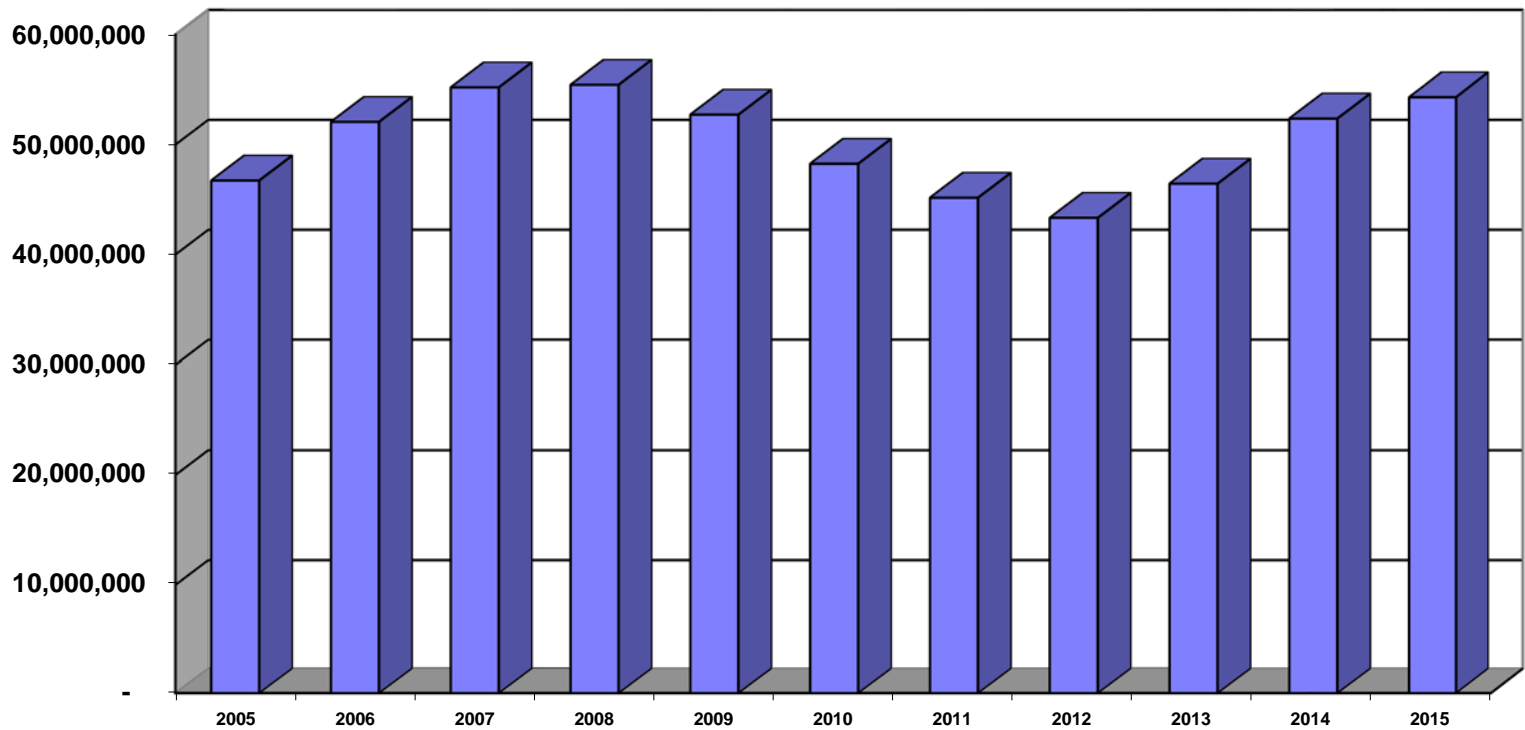






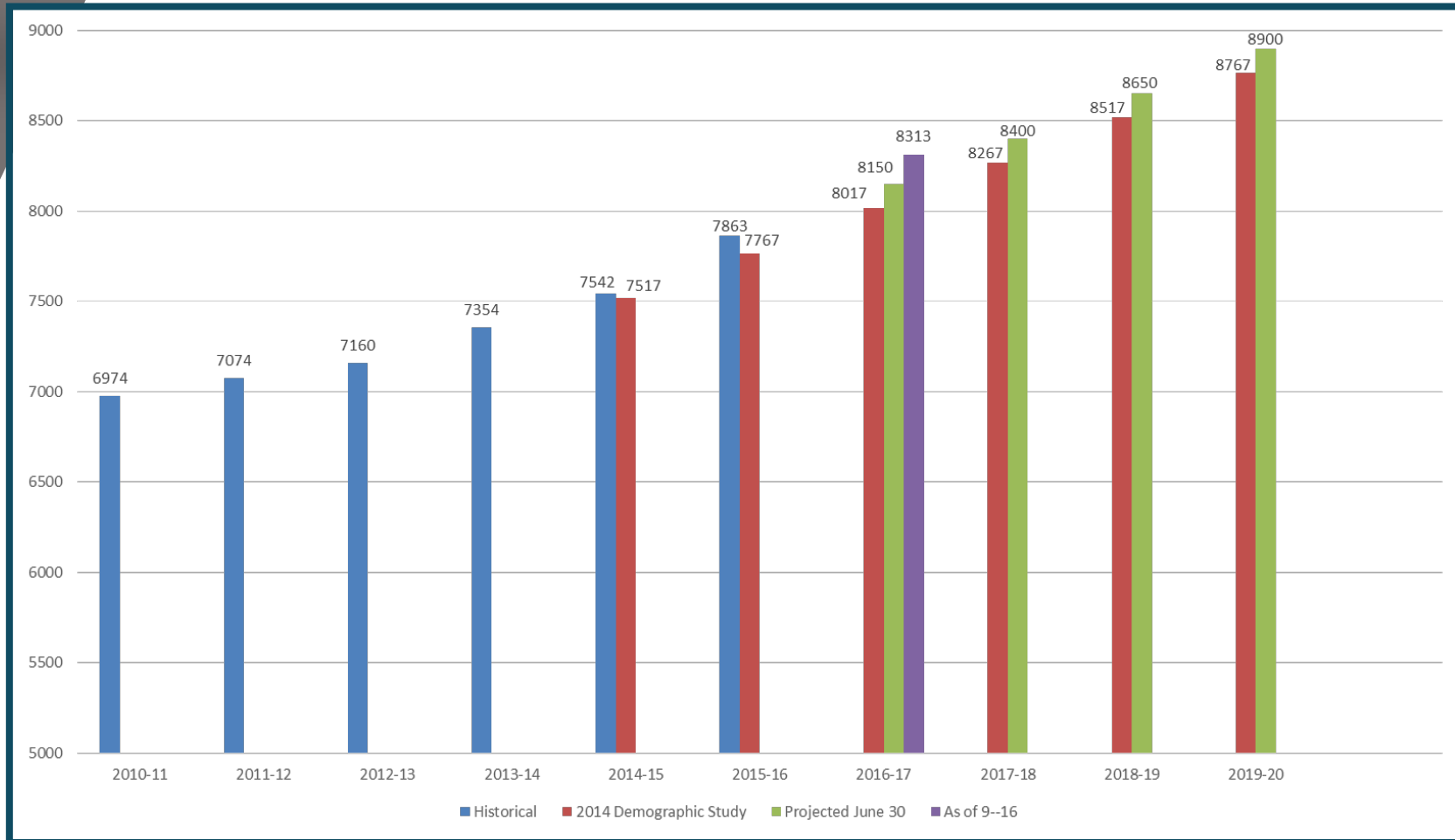
# Adjusted Net Tax Capacity Analysis

**16 PAY 17 LEVY LIMITATION  
ADJUSTED NET TAX CAPACITY ANALYSIS**





# Enrollment History and Trends





# 16 Pay 17 Preliminary Levy Certification

	Tax Levy By Year			Difference	Percent
	2016	2017	2017		
<u>School District Fund</u>	<u>Actual</u>	<u>Preliminary</u>	<u>Est. Final Dec 2016</u>		
<b><u>General Fund</u></b>					
Local Optional	3,575,168	4,216,724	4,216,724	641,556	
Equity Levy	1,278,586	1,549,516	1,549,516	270,930	
Transition Levy	24,481	28,471	28,471	3,990	
Operating Capital Levy	762,136	538,717	538,717	(223,419)	
Long Term Facilities Maint	875,445	1,018,247	1,018,247	142,802	
Levy Referendums	5,196,176	5,159,412	5,159,412	(36,765)	
Student Achievement Levy	157,130	76,038	76,038	(81,091)	
Q-Comp	710,196	720,246	720,246	10,050	
Reemployment Levy	105,073	62,574	62,574	(42,499)	
Safe Schools levy	313,417	353,916	353,916	40,499	
Career Technical	74,006	89,695	89,695	15,689	
Health & Safety	390,932	(291,316)	(292,482)	(683,414)	
Leased Facilities	1,125,940	1,144,542	1,144,542	18,602	
Achievement & Integration Levy	157,139	(140,839)	(140,839)	(297,978)	
Other Post Emp Benefits (OPEB)	0	353,287	353,287	353,287	
Facility & Equip Bond Adj	(726,824)	(744,155)	(744,155)	(17,331)	
Prior year levy adjustments	<u>11,608</u>	<u>4,607</u>	<u>4,779</u>	<u>(6,829)</u>	
<b>Total General Fund</b>	<b>14,030,609</b>	<b>14,139,681</b>	<b>14,138,687</b>	<b>108,078</b>	<b>0.77%</b>



# 16 Pay 17 Preliminary Levy Certification

	Tax Levy By Year			Difference	Percent
	2016 Actual	2017 Preliminary	2017 Est. Final Dec 2016		
<b><u>School District Fund</u></b>					
<b><u>Community Service Fund</u></b>					
Basic Community Ed	298,436	298,568	298,568	132	
Early Childhood Family Ed	177,739	177,933	177,933	194	
Home Visiting	5,440	7,793	3,439	(2,001)	
Extended Day - Disabled	140,329	163,531	163,531	23,202	
<b>Total Community Svc. Fund</b>	<b>621,944</b>	<b>647,824</b>	<b>643,470</b>	<b>21,526</b>	<b>3.46%</b>
<b><u>Debt Service Fund</u></b>					
Building Bonds	12,715,060	12,132,174	12,132,174	(582,886)	
Long Term Facilities Debt Service	297,514	758,173	758,173	460,659	
Reduction in Debt Excess	(762,697)	0	0	762,697	
<b>Total Debt Service Fund</b>	<b>12,249,877</b>	<b>12,890,347</b>	<b>12,890,347</b>	<b>640,470</b>	<b>5.23%</b>

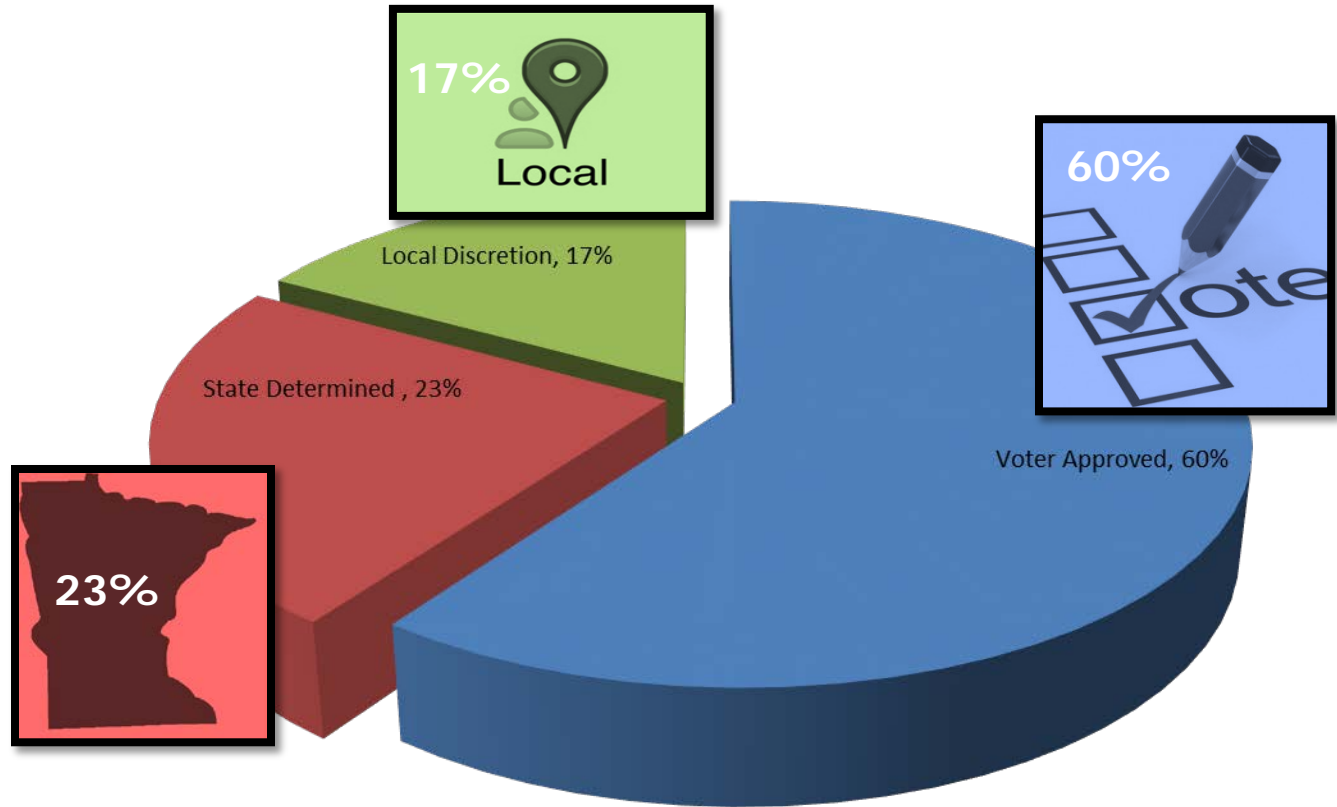


# 16 Pay 17 Preliminary Levy Summary

	Tax Levy By Year			Difference	Percent
	2016	2017	2017		
<u>School District Fund</u>	<u>Actual</u>	<u>Preliminary</u>	<u>Final Dec 2016</u>		
Total General Fund	14,030,609	14,139,681	14,138,687	108,078	0.77%
Total Community Svc. Fund	621,944	647,824	643,470	21,526	4.16%
Total Debt Service Fund	12,249,877	12,890,347	12,890,347	640,470	5.23%
<b>Property Tax Levy</b>	<b>26,902,430</b>	<b>27,677,851</b>	<b>27,672,504</b>	<b>770,074</b>	<b>2.86%</b>

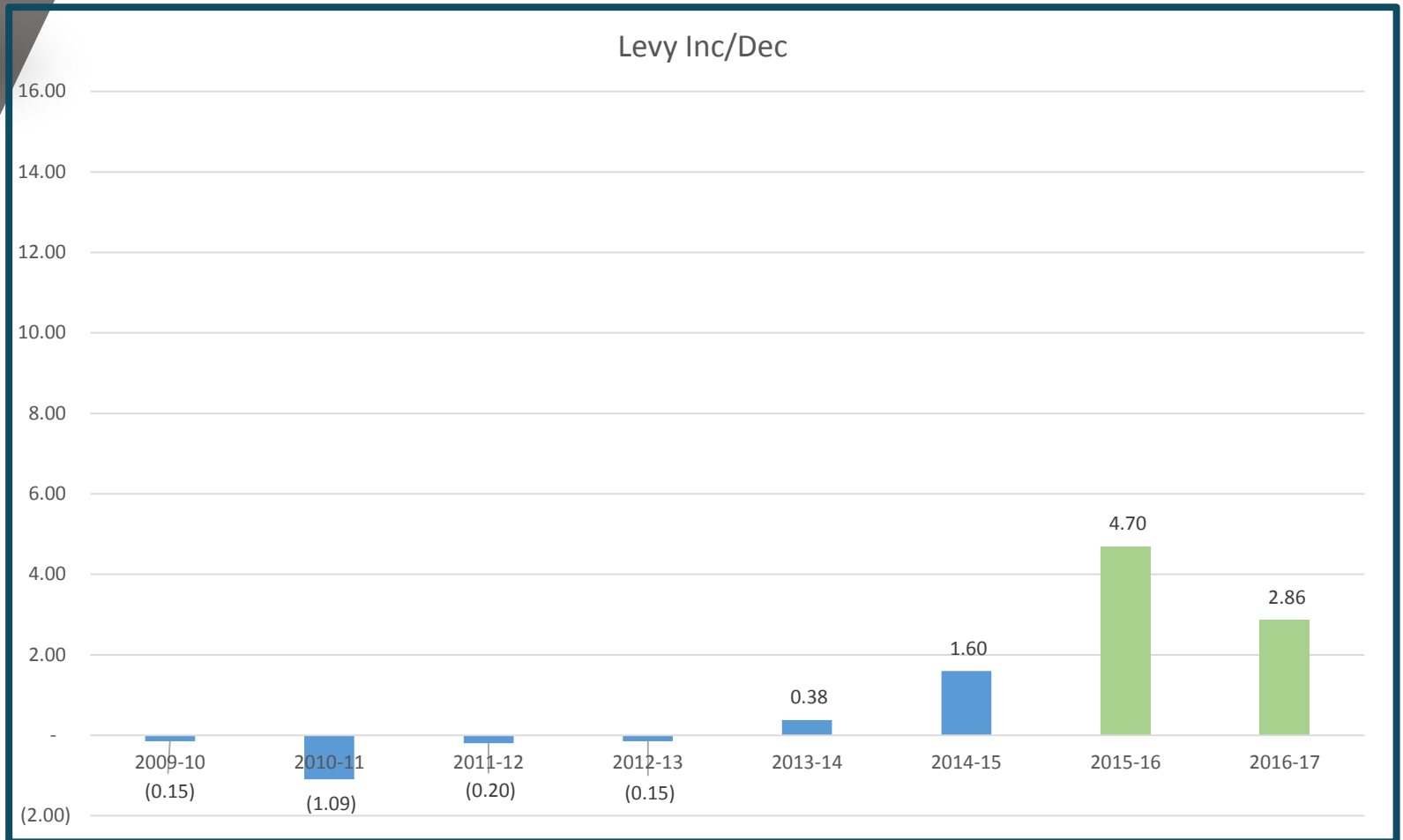


# Levy Limitation Analysis





# 7 Year Levy History





## Good to know....

- 22,263 Residential Homes in the District
- 214 additional homes over prior year
- Average Home Value: \$310,000
- Median Home Value: \$281,000
- 16% of homes in the district have increased in value over 5%.
- Only homes in the district that have increased in value over 5% may see an increase in school taxes. All others would remain the same or decrease.

Information from Scott County "what-if" statement as of 9-15-16.







# Actual ISD 719 Properties and the Impact of District Levy over 5 years

Property Information	2012	2013	2014	2015	2016	Inc/Dec from 2012-2016
<b>Property 1</b>						
Taxable Market Value	\$ 105,700	\$ 85,700	\$ 84,000	\$ 92,500	\$ 94,800	\$ (10,900)
Taxes	\$ 625.74	\$ 554.77	\$ 522.66	\$ 538.09	\$ 540.02	\$ (85.72)
<b>Property 2</b>						
Taxable Market Value	\$ 260,700	\$ 237,500	\$ 251,400	\$ 267,600	\$ 272,100	\$ 11,400
Taxes	\$ 1,443.31	\$ 1,403.25	\$ 1,430.28	\$ 1,428.61	\$ 1,426.56	\$ (16.75)
<b>Property 3</b>						
Taxable Market Value	\$ 336,700	\$ 307,600	\$ 317,000	\$ 347,100	\$ 356,400	\$ 19,700
Taxes	\$ 1,844.14	\$ 1,794.82	\$ 1,785.79	\$ 1,832.65	\$ 1,847.80	\$ 3.66
<b>Property 4</b>						
Taxable Market Value	\$ 688,700	\$ 650,000	\$ 678,500	\$ 658,100	\$ 671,300	\$ (17,400)
Taxes	\$ 3,908.17	\$ 3,884.58	\$ 3,949.65	\$ 3,582.88	\$ 3,601.23	\$ (306.94)
<b>Property 5</b>						
Taxable Market Value	\$ 1,255,000.00	\$ 1,276,600.00	\$ 1,576,600.00	\$ 1,515,400.00	\$ 1,560,300.00	\$ 305,300.00
Taxes	\$ 7,475	\$ 8,057	\$ 9,776	\$ 8,782	\$ 8,904	\$ 1,429
<b>Property 6</b>						
Taxable Market Value	\$ 2,270,800	\$ 2,295,100	\$ 1,921,400	\$ 1,845,400	\$ 1,980,400	\$ (290,400)
Taxes	\$ 13,873.14	\$ 14,839.81	\$ 12,012.32	\$ 10,783.20	\$ 11,409.66	\$ (2,463.48)
Total ISD 719 Levy (in Dollars)	\$ 25,233,004	\$ 25,196,321	\$ 25,291,570	\$ 25,695,220	\$ 26,902,430	
Levy Inc/Dec (as a percent)	-0.20	-0.15	0.38	1.60	4.70	
District ANTC	\$ 45,168,885	\$ 43,337,886	\$ 46,450,930	\$ 52,376,505	\$ 54,313,011	
District RMV	\$ 4,245,859,800	\$ 4,016,674,700	\$ 4,143,601,000	\$ 4,456,780,100	\$ 4,764,590,700	



# Proposed 2016-17 Final General Fund Budget

## PRIOR LAKE-SAVAGE AREA SCHOOLS

### ESTIMATED FUND BALANCES THROUGH JUNE 30, 2017

FUND DESCRIPTION	6/30/2016 AUDITED BALANCE	2016-17 ESTIMATED REVENUES	TRANSFERS INTO FUNDS	2016-17 ESTIMATED EXPENDITURES	TRANSFERS OUT OF FUNDS	6/30/2017 ESTIMATED BALANCE
<b>GENERAL FUND</b>						
<b>A. UNASSIGNED - OPERATING</b>	\$7,461,996	\$75,323,615	\$0	\$74,690,192	\$263,927	\$7,831,492
<b>NONSPENDABLE</b>	\$260,373	\$0	\$0	\$0	\$0	\$260,373
<b>ASSIGNED-FEDERAL PROGRAMS</b>	\$173,010	\$0	\$0	\$173,010	\$0	\$0
<b>ASSIGNED-CASH FLOW</b>	\$1,722,500	\$0	\$0	\$0	\$0	\$1,722,500
<b>ASSIGNED - CLASS SIZE REDUCTION</b>	\$500,000	\$0	\$0	\$0	\$0	\$500,000
<b>ASSIGNED-INNOVATIVE PROGRAMS</b>	\$500,000	\$0	\$0	\$80,000	\$0	\$420,000
<b>ASSIGNED-ALT TEACHER COMP</b>	\$287,914	\$2,062,365	\$0	\$2,062,365	\$0	\$287,914
<b>ASSIGNED-SITE CARRYOVER</b>	\$193,602	\$0	\$0	\$193,602	\$0	\$0
<b>TOTAL</b>	<b>\$11,099,395</b>	<b>\$77,385,980</b>	<b>\$0</b>	<b>\$77,199,169</b>	<b>\$263,927</b>	<b>\$11,022,279</b>
<b>B. RESTRICTED FOR</b>						
(1) AREA LEARNING CENTER/TARGETED SVC	\$0	\$634,211	\$263,927	\$898,138		\$0
(2) STAFF DEVELOPMENT	\$107,406	\$1,099,704		\$1,207,110		\$0
(3) LEARNING AND DEVELOPMENT	\$0	\$1,863,723		\$1,863,723		\$0
(4) GIFTED & TALENTED	\$0	\$117,819		\$117,819		\$0
(5) BASIC SKILLS	\$0	\$694,430		\$694,430		\$0
(6) SAFE SCHOOLS	\$145,708	\$313,417		\$326,415		\$132,710
(7) DEFERRED MAINTENANCE	\$12,621	\$0		\$12,621		\$0
(8a) LONG TERM FACILITY MAINTENANCE	\$0	\$1,170,051		\$1,170,051		0
(9) OPERATING CAPITAL	\$1,238,529	\$2,388,566		\$2,587,081		\$1,040,014
<b>TOTAL RESTRICTED</b>	<b>\$1,504,265</b>	<b>\$8,281,921</b>	<b>\$263,927</b>	<b>\$8,877,388</b>	<b>\$0</b>	<b>\$1,172,725</b>
<b>TOTAL GENERAL FUND</b>	<b>\$12,603,660</b>	<b>\$85,667,901</b>	<b>\$263,927</b>	<b>\$86,076,557</b>	<b>\$263,927</b>	<b>\$12,195,003</b>



# Proposed Final Budget Funds 2-25

## PRIOR LAKE-SAVAGE AREA SCHOOLS

### ESTIMATED FUND BALANCES THROUGH JUNE 30, 2017

FUND DESCRIPTION	6/30/2016 AUDITED BALANCE	2016-17 ESTIMATED REVENUES	TRANSFERS INTO FUNDS	2016-17 ESTIMATED EXPENDITURES	TRANSFERS OUT OF FUNDS	6/30/2017 ESTIMATED BALANCE
<b>TOTAL FOOD SERVICE</b>	<b>\$801,699</b>	<b>\$4,454,979</b>		<b>\$4,512,807</b>		<b>\$743,871</b>
COMMUNITY EDUCATION						
NONSPENDABLE	\$27,635	\$0		\$0		\$27,635
REGULAR COMMUNITY ED	\$1,236,296	\$5,273,740		\$5,359,352		\$1,150,684
EARLY CHILDHOOD FAMILY ED	\$278,704	\$528,176		\$477,908		\$328,972
ADULT BASIC ED	\$151	\$41,527		\$40,942		\$736
SCHOOL READINESS	\$234,370	\$967,466		\$943,327		\$258,509
<b>TOTAL COMMUNITY EDUCATION</b>	<b>\$1,777,156</b>	<b>\$6,810,909</b>		<b>\$6,821,529</b>		<b>\$1,766,536</b>
<b>TOTAL BUILDING FUND</b>	<b>\$0</b>	<b>\$12,710,000</b>		<b>\$4,580,000</b>		<b>8,130,000</b>
<b>TOTAL DEBT SERVICE</b>	<b>\$26,050,215</b>	<b>\$12,255,287</b>		<b>\$37,139,483</b>		<b>\$1,166,019</b>
<b>TOTAL INTERNAL SERVICE FUND</b>	<b>\$2,862,478</b>	<b>\$11,856,000</b>		<b>\$11,347,373</b>		<b>\$3,371,105</b>
<b>TOTAL REVOCABLE TRUST (OPEB)</b>	<b>\$6,932,039</b>	<b>\$15,706</b>		<b>\$0</b>		<b>\$6,947,745</b>



# Tax Levy Calendar

Friday, July 01, 2016	Deadline for school districts to adopt a resolution for change in population through Comm Ed Deadline for ECFE Annual Report - district may only levy if MDE receives this report
Friday, July 15, 2016	Deadline for county auditors to submit six-month school tax abatement report to MDE
Sunday, July 31, 2016	Deadline for school districts to submit the LTFM Application with school board approval
Monday, August 15, 2016	Deadline for school districts to submit Debt Service data via Levy Information System
Friday, August 26, 2016	Last day to adopt resolution calling for referendum election Last day to notify county auditor and commissioner of referendum questions Last day for school districts to review and update enrollment via EDRS Deadline for school districts to submit Career and Technical expenditures for 2015-16
Monday, August 29, 2016	Deadline for school districts to submit the following data via the Levy Information System OPEB, Pupil Transportation, Sparsity, Building/Land Lease, General and Community Service
Friday, September 30, 2016	Deadline for school boards to certify proposed property tax levies to home county auditor Deadline for MDE to certify school district levy limits to county auditors
Friday, October 07, 2016	Deadline for School Districts to submit copy of proposed levies to MDE
Friday, October 28, 2016	Deadline for school districts holding referendum elections to deliver notice of referendum to taxpayers
Tuesday, November 01, 2016	Annual Community Education Report is due to MDE
Wednesday, November 02, 2016	MDE removes ECFE and home visiting levy if Comm Ed report is not submitted
Tuesday, November 08, 2016	General Election Day
Thursday, November 24, 2016	Deadline for county auditor to prepare and deliver proposed property taxes to each taxpayer
After November 24	Districts are required to hold the Truth in Taxation Hearing District may adopt the final levy at the same meeting
No later than December 28	Districts must adopt their final property tax levy
Saturday, January 07, 2017	Deadline for school districts to notify MDE of final certified levies