



St. Francis Area Schools

2018 Payable 2019

Truth In Taxation Public Meeting

7:00 pm

December 10, 2018

at the

District Office

Community Room



St. Francis Area Schools

Truth in Taxation Law

Minnesota's Truth in Taxation Law requires that cities, counties and school districts follow certain steps before adopting a tax levy for the following year. One important part of that law requires a mailed notice to each property owner in the county, which describes the tax levies proposed by the city, county and school district and what percent increase such a levy would mean in dollars.



St. Francis Area Schools

Truth in Taxation Public Meeting

A second part of the law pertains to a “Truth in Taxation” public meeting for each taxing jurisdiction.

You are here tonight as part of the school district’s public meeting process.



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Requirements of the Truth in Taxation Public Meeting

1. Discuss proposed property tax levy for taxes payable 2019
2. Provide and discuss information on the current budget (2018-2019).
3. Public must be given a reasonable amount of time to comment on the proposed property tax levy and budget and to ask questions.

- Minnesota Statute 275.065



St. Francis Area Schools

Points to Remember:

1. Revenue formulas are set by the State Legislature except for voter approved referendums.
2. Local Levy and State Aid mix are set by the State Legislature.
3. An increase in local taxes does not necessarily mean an increase in revenues for the school district.



St. Francis Area Schools

School District Budget

Current School Year

2018-2019

Fund Accounting Overview

2018-2019

GENERAL FUND (Fund 01)

- Revenue is based on student enrollment
- The local referendum levy is part of the General Fund
- Provides for classroom instruction, instructional supplies and equipment, and other educational activities
- Special Education, and State / Federal Mandated Programs
- Extra-curricular Activities
- Pupil Transportation
- Facilities Operation and Maintenance
- Capital Expenditures and Improvements
- Health and Safety Code Compliance

FOOD SERVICE (Fund 02)

- School Breakfast and Lunch Program

Fund Accounting Overview (*cont.*)

2018-2019

COMMUNITY SERVICE (Fund 04)

- Levy is based on adult population in the District
- Early childhood levy is based on the number of children under 5 years of age
- Provides for enrichment programs for any age level that are not part of the K-12 education program
- Early Childhood Family Education
- School Readiness
- Adult Basic Education

DEBT SERVICE (Fund 07)

- Based on annual debt retirement schedules for the district's outstanding bonded indebtedness. Annual levy is for the payment of principal and interest on bonds as due.



St. Francis Area Schools

2018-2019 BUDGET OVERVIEW REVENUES

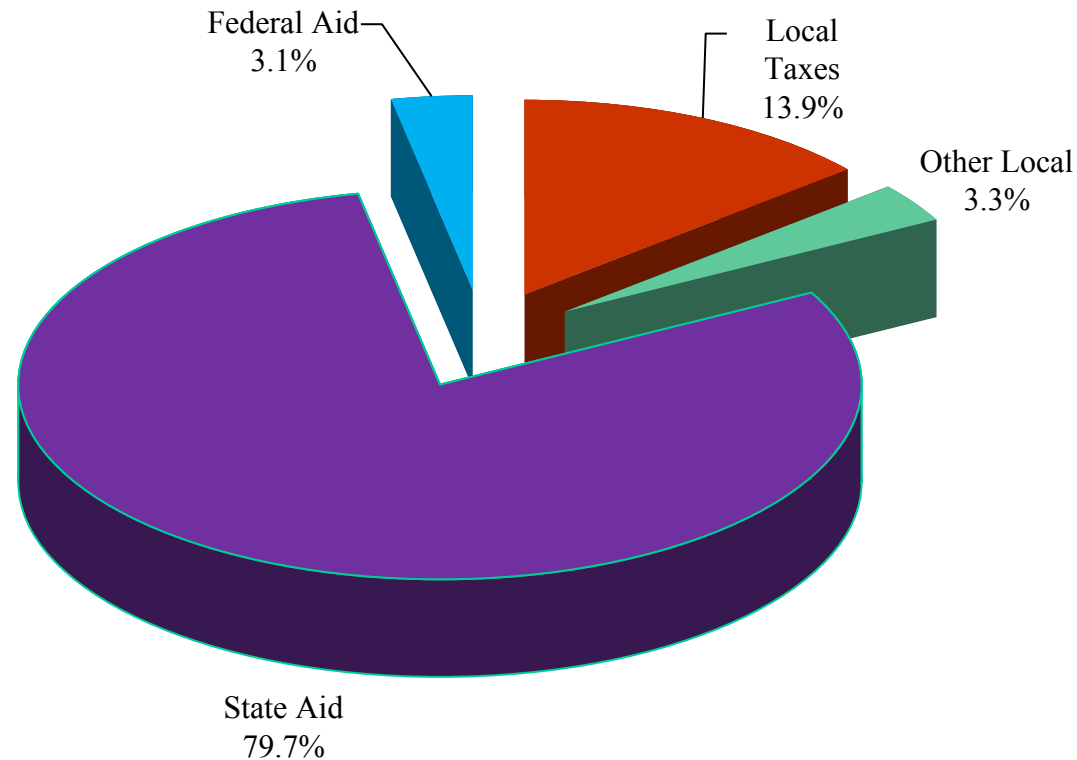
	17-18 Actual	18-19 Budget	Percent Change
General Fund	52,176,999	50,095,227	-3.99%
Food Service	2,260,805	2,236,950	-1.06%
Community Service	2,978,357	2,707,968	-9.08%
Debt Service	<u>7,842,478</u>	<u>6,463,206</u>	<u>-17.59%</u>
Totals	<u>\$ 65,258,639</u>	<u>\$ 61,503,351</u>	<u>-5.75%</u>



St. Francis Area Schools

General Fund Revenue Budget

Where Do Our School Revenues Come From?





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2018-2019 BUDGET OVERVIEW EXPENDITURES

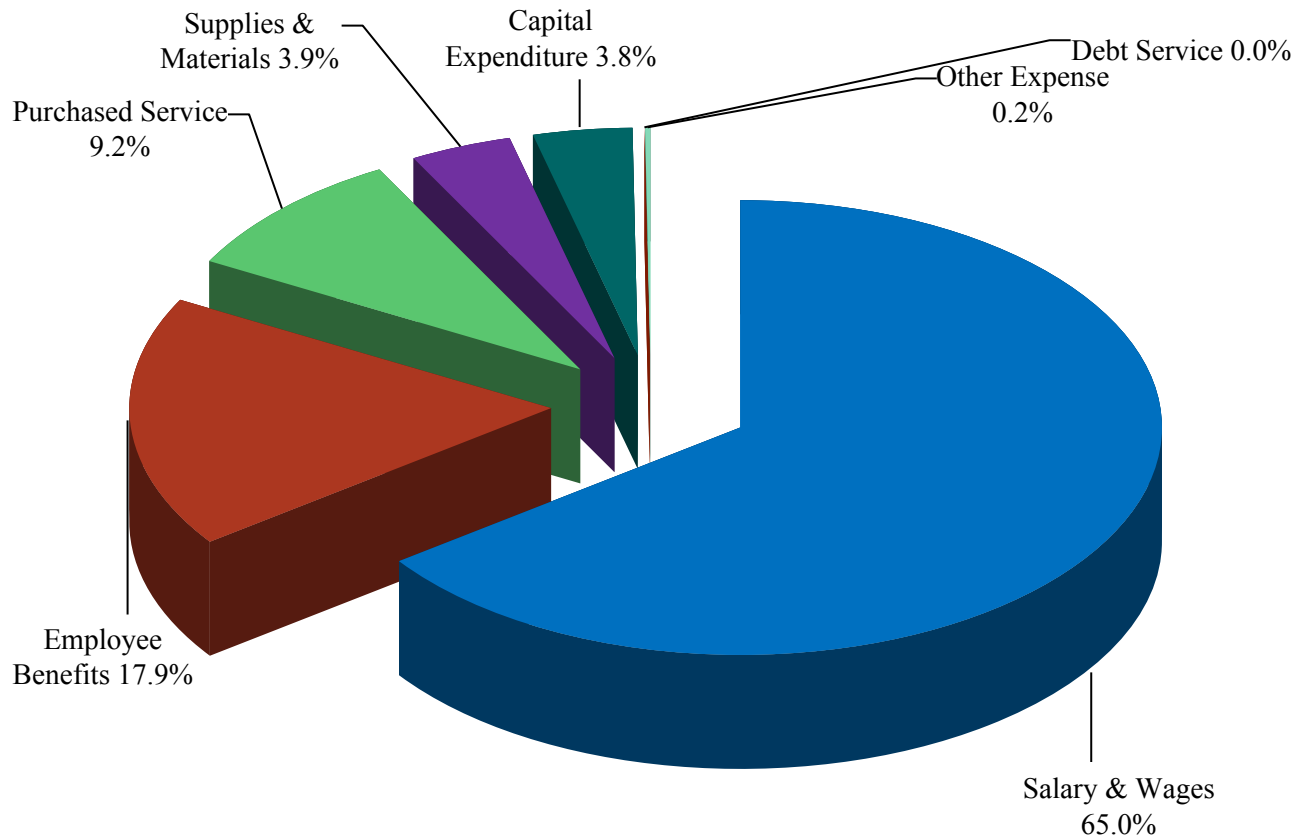
	17-18 Actual	18-19 Budget	Percent Change
General Fund	52,152,352	49,179,069	-5.70%
Food Service	2,414,044	2,234,272	-7.45%
Community Service	2,906,651	2,789,298	-4.04%
Debt Service	7,040,509	7,352,012	4.42%
Totals	\$ 64,513,556	\$ 61,554,651	-4.59%



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General Fund Expenditure Budget

What Do Our Expenditures Pay For?





St. Francis Area Schools

School District Levy

- 2018 Payable 2019
- 2019-2020 School Year
- Fiscal Year 2020



St. Francis Area Schools

Authority for School Levies

A School District Tax Levy must be either:

➤ Set by State Formula

-or-

➤ Voter Approved

➤ Board Approved & L.O.R. –
Max \$724 per A.P.U.



St. Francis Area Schools

Factors Impacting Tax Change

Issues Driven by Legislative Decisions:

- Change in sales ratio (impacting ANTC)
- Change in tax capacity rate structure
- Laws mandating code compliance (Health & Safety and Buildings)

Issues Determined by District Voters:

- Voter approved building bond issue
- Voter approved excess levy referendum



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Factors Impacting Tax Change (*cont.*)

Local Factors:

- Inflationary pressure on real estate market
- Abatements
- Property improvements not previously taxed
- Change in individual assessed market value
- Possible change in property classification (*e.g. homestead to rental*)



St. Francis Area Schools

How will your 2019 school taxes be spent?

	<u>Percent</u>
General Fund	
Provides funding for district instructional programs. Provides funds for operating capital expenses, building/land lease, and Health & Safety costs:	44.6%
Community Education Fund	
Levy for Community Education Programs:	3.1%
Debt Service	
Levy for repayment of principal and interest on district debt:	52.3%
Total Levy Before Credits:	100.0%



St. Francis Area Schools

COMPARISON OF 2017 PAYABLE 2018 LEVY LIMITATION WITH 2018 PAYABLE 2019 LEVY LIMITATION (BEFORE COUNTY AUDITOR ADJUSTMENTS)

FUND	2017 PAY 2018 LIMITATION	2018 PAY 2019 LIMITATION	INCREASE (DECREASE)	PERCENT CHANGE
GENERAL	5,777,551.87	5,609,044.64	168,507.23-	2.92-
COMMUNITY SERVICE	378,839.77	388,138.60	9,298.83	2.45
GENERAL DEBT SERVICE	5,968,473.47	6,580,197.74	611,724.27	10.25
TOTAL	12,124,865.11	12,577,380.98	452,515.87	3.73



St. Francis Area Schools

Major Changes to Levy Categories

Category	Pay 2018	Pay 2019	Change
General Fund			
Local Optional	1,852,059.99	1,977,705.60	125,645.61
Equity	665,941.96	727,585.87	61,643.91
Board Approved	741,496.38	940,418.68	198,922.30
Operating Capital	296,697.12	345,567.58	48,870.46
Alt Teacher Comp	414,695.19	419,626.84	4,931.65
Safe Schools	243,474.00	237,884.40	(5,589.60)
LTFM	999,392.13	330,149.06	(669,243.07)
Sub-Total	5,213,756.77	4,978,938.03	(234,818.74)
Community Service	378,839.77	388,138.60	9,298.83
Debt Service	5,968,473.47	6,580,197.74	611,724.27
Total Change			386,204.36



St. Francis Area Schools

What are the main variables that cause property tax increases and decreases?

- Changes in market values, classification or class rates
- Change in property tax credits (*e.g. change in Homestead Benefit from a credit to an exclusion*)
- Voter approved referendums
- Increases or decreases in levy amounts caused by changes in state funding formulas



St. Francis Area Schools

What are the main variables that cause property tax increases and decreases? (*cont.*)

- The value of your property may increase or decrease
- The value of other properties may increase or decrease and change the share that your property is of the total tax base, whether your property's value changed or not.



St. Francis Area Schools

BE IT RESOLVED by the School Board of Independent School District No. 15 that the Final 2018 PAYABLE 2019 Property Tax Levy be certified as follows:

Maintenance (General Fund)	\$ 5,609,044.64
Community Service	388,138.60
Debt Service	6,580,197.74
Total Proposed School Tax Levy	\$ 12,577,380.98

TOTAL ALL FUNDS \$12,577,380.98 CERTIFIED 2018 PAYABLE 2019 LEVY

Background:

Information presented in the Truth-in-Taxation Hearing at the beginning of the School Board Meeting. The 2018 PAYABLE 2019 Levy is a 3.73% increase over the 2017 Payable 2018 Certified Levy.