



Property Tax Levy Taxes Payable 2011

2010-2011 Budget

Regular School Board Meeting
December 14, 2010





Truth in Taxation Law

State law initially approved in 1988

The 2009 Legislature made several changes:

- Property tax hearing can now be held at regular meeting. Hearing must be at 6:00 pm or later. Requirement to publish meeting notice was deleted.
- All school districts must now hold a hearing. Previously some districts were exempted from the requirement to hold a hearing.





Truth in Taxation Law

State law requires that we present the following information:

- current year budget
- proposed property tax levy, including:
 - The percentage increase over the prior year
 - Specific purposes and reasons for which taxes are being increased

District must also allow for public comments





2010-2011 Budget

Revenue Sources

Expenditure Categories

Student Enrollment Growth

- The 2010-2011 budget is reviewed during the school year
- Revisions are expected to be brought to the school board for approval in January or February 2011





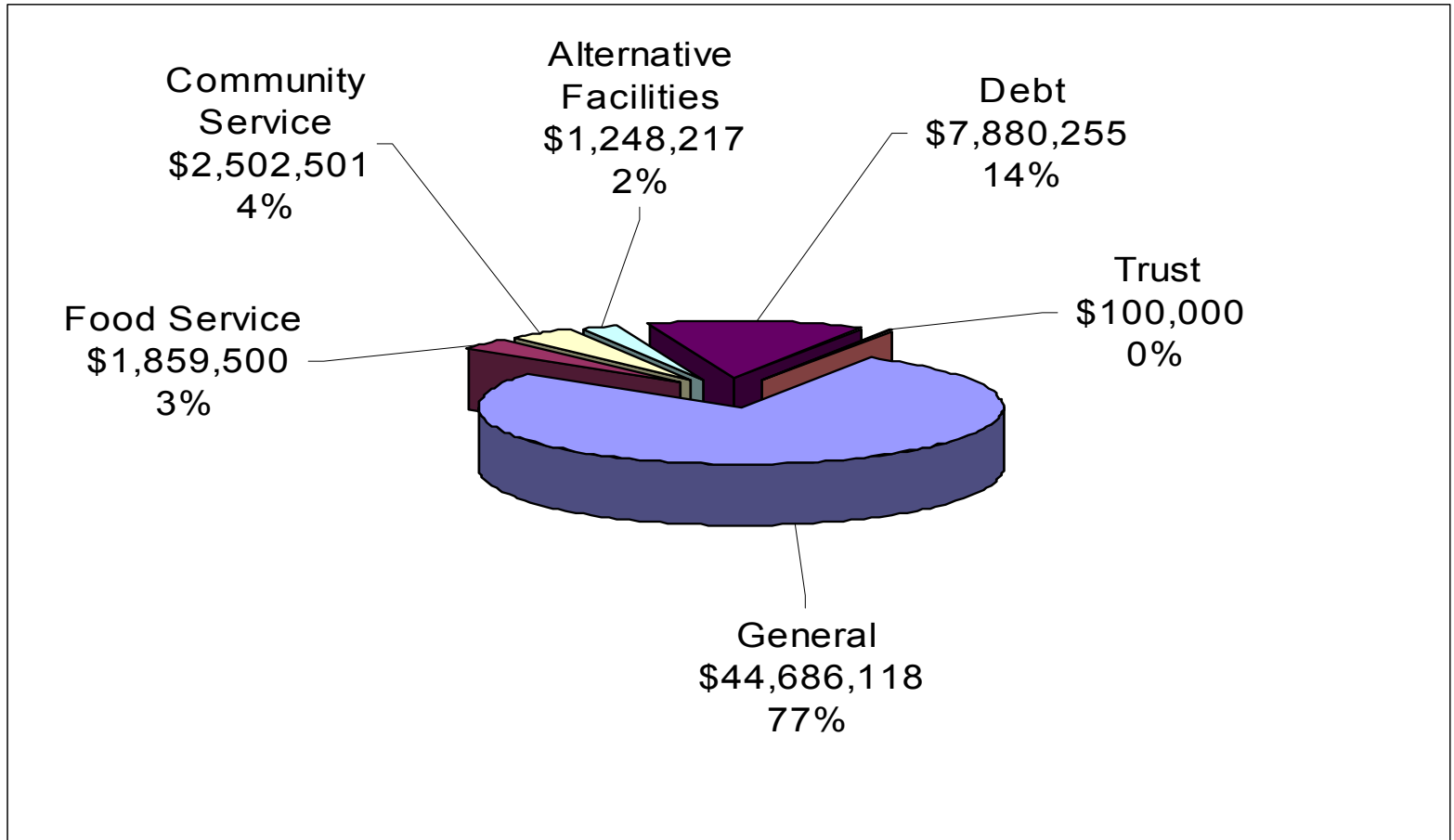
2010-2011 Budget



	Fund Balance 6/30/2010	Revenue Budget 2010-2011	Expenditure Budget 2010-2011	Fund Balance 6/30/2011
General Fund				
Unreserved/Undesignated	\$ 1,310,793	\$ 42,834,168	\$ 42,828,473	\$ 1,316,488
Reserved/Designated Fund Balance				
Reserve - Health & Safety	195,860	21,780	172,100	45,540
Reserve - Operating Capital	587,259	1,730,170	1,900,181	417,248
Designated - Student Activities	53,750	100,000	100,000	53,750
Designated - Voc Land	325,000	-	130,000	195,000
General Fund	<u>\$ 2,472,662</u>	<u>\$ 44,686,118</u>	<u>\$ 45,130,754</u>	<u>\$ 2,028,026</u>
Food Service Fund	440,967	1,859,500	1,940,860	359,607
Community Service Fund	12,110	2,502,501	2,508,671	5,940
Alternative Facilities - Health and Safety	(1,431,952)	1,248,217	-	(183,735)
Debt Service Fund	539,488	7,880,255	7,237,431	1,182,312
Trust and Agency Fund	59,833	100,000	100,000	59,833
Total All Funds	<u>\$ 2,093,108</u>	<u>\$ 58,276,591</u>	<u>\$ 56,917,716</u>	<u>\$ 3,451,983</u>

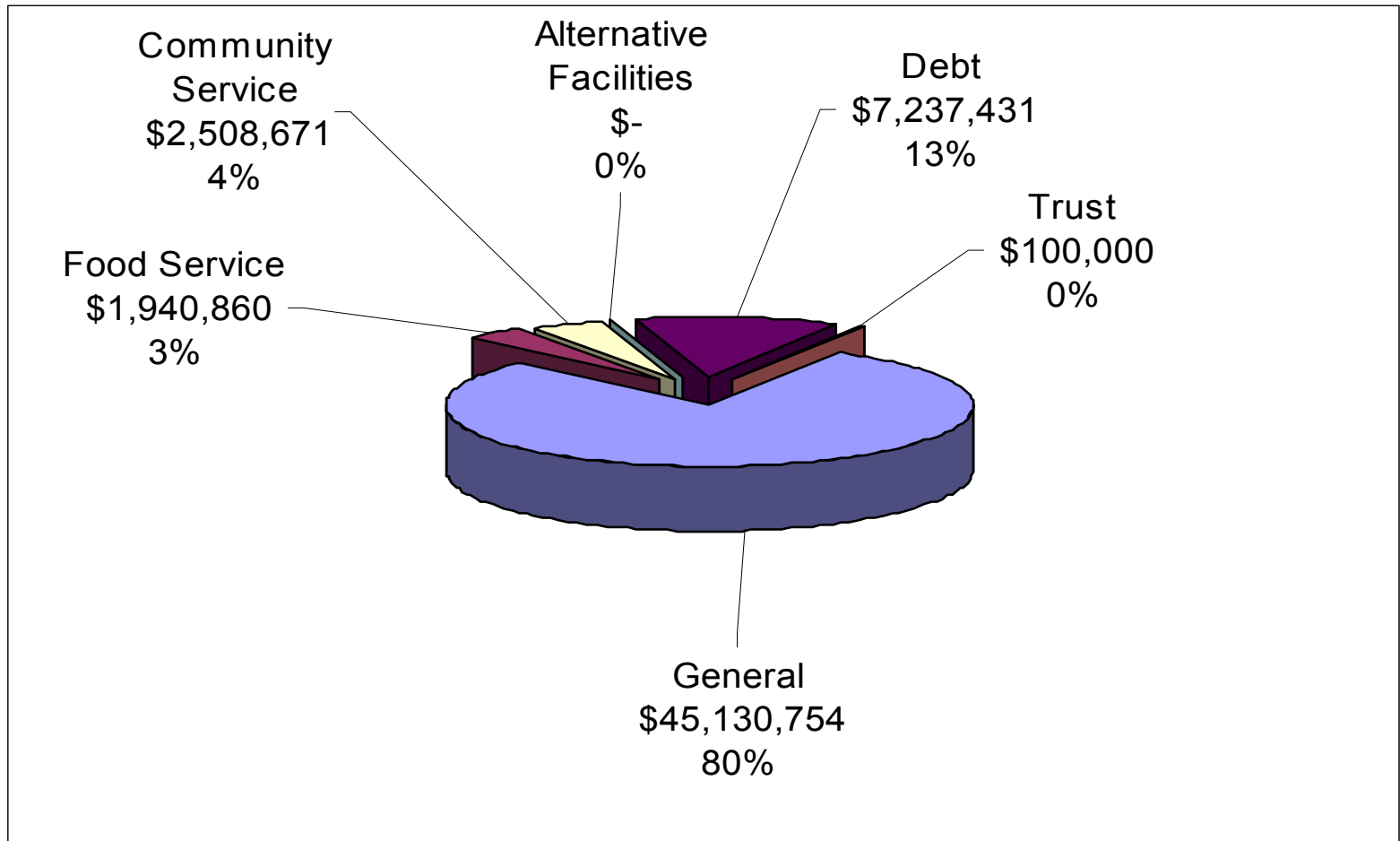


2010-2011 Revenue Sources



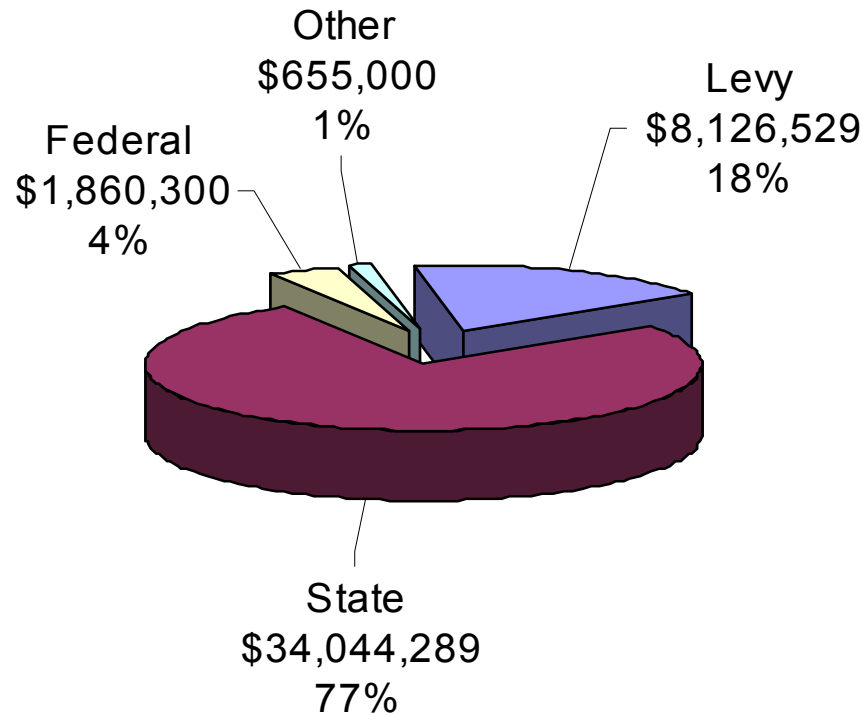


2010-2011 Expenditures



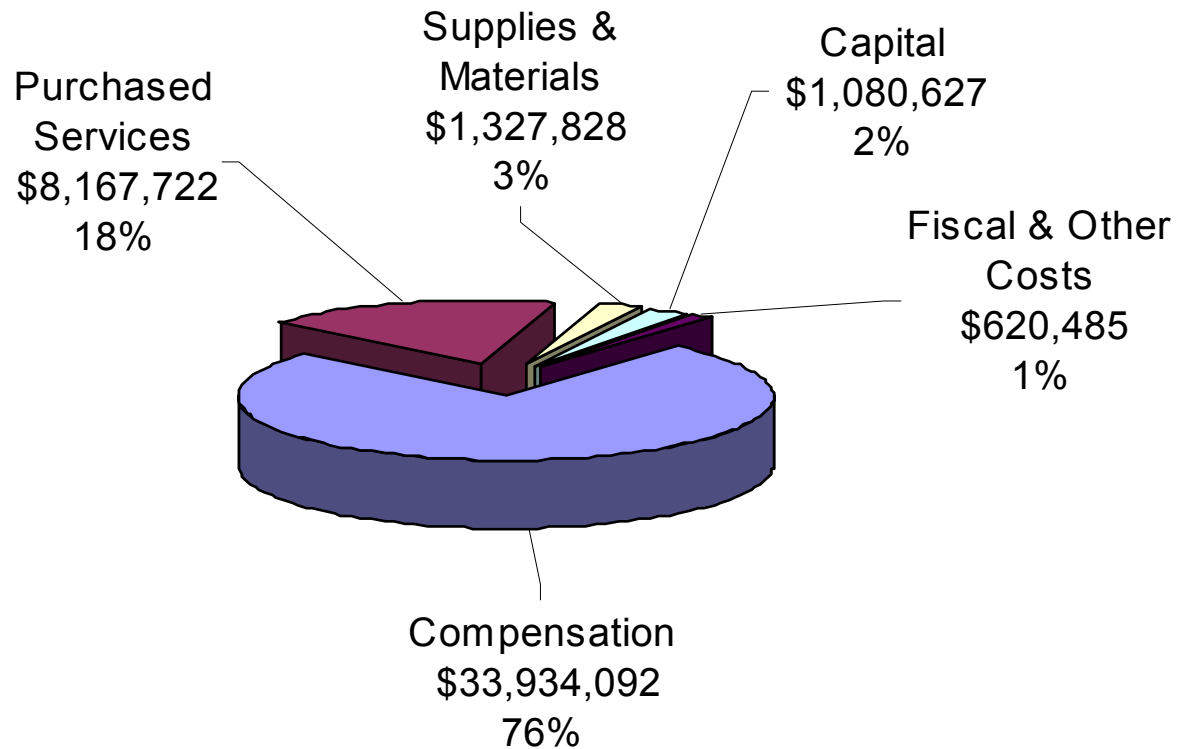


2010-2011 General Fund Revenue Sources





2010-2011 General Fund Expenditures





Levy Information

Levy Approval December 2010

Property Taxes Collected 2011

Revenue 2011-2012 School Year





Total Levy by Fund

<u>Fund</u>	<u>Proposed 2011 Levy</u>	<u>Payable 2010 Levy</u>	<u>Change</u>	<u>Percent Change</u>
General	\$ 8,724,471	\$ 9,183,772	\$(459,301)	(5.00) %
Community Service	\$ 424,327	\$ 406,021	\$ 18,306	4.51 %
Debt Service	<u>\$ 9,009,295</u>	<u>\$ 8,661,415</u>	<u>\$ 347,880</u>	4.02 %
	\$18,158,093	\$18,251,208	\$ (93,115)	(0.51) %





General Fund Levy

	<u>Proposed 2011 Levy</u>	<u>Payable 2010 Levy</u>	<u>Change</u>	<u>Percent Change</u>
Referendum Authority	\$ 4,571,088	\$ 4,537,579	\$ 33,509	0.74 %
Transition	244,235	237,171	7,064	2.98 %
Equity *	646,875	584,855	62,020	10.60 %
Operating Capital *	810,453	899,836	(89,383)	(9.93) %
Alternative Teacher Comp	886,214	-	886,214	- %
Safe Schools/Crime	205,421	190,555	14,866	7.80 %
Health & Safety/Alt. Facilities	296,501	1,453,732	(1,157,231)	(79.60) %
Integration	149,201	144,885	4,316	2.98 %
Lease	442,605	587,358	(144,753)	(24.64) %
Career Technical	77,823	77,823	-	- %
Deferred Maintenance	324,350	314,968	9,382	2.98 %
Unemployment	75,000	50,000	25,000	50.00 %
Adjustments	(31,127)	49,908	(81,035)	(162.37) %
Abatements	25,832	55,102	(29,270)	(53.12) %
	<u>\$ 8,724,471</u>	<u>\$ 9,183,772</u>	<u>\$ (459,301)</u>	<u>(5.00) %</u>

* Equalized





General Fund Levy 2010

Explanation of Changes:

- Alternative Teacher Compensation (Q-Comp) – The District was approved for Q-Comp effective with the 2010-11 school year. The timing of the approval was after the 2010 taxes were approved resulting in both the 2010-11 and 2011-12 programs being levied in one year. This will decrease to approximately \$450,000 for 2012 taxes.
- Health & Safety/Alternative Facilities – Decrease is due to levy for final projects relating to the district's facility improvement plan being made previous year. Only smaller Health & Safety projects will be levied beginning in current year.





General Fund Levy 2010

Explanation of Changes:

- Lease – Funds of approximately \$125,000 remained from the track and field project which could only be used for that project. With the project complete, the District must use the balance to reduce the levy used to repay the financing on the projects.
- Adjustments –The Minnesota Department of Education recalculated levies for the past three levy years based on updated student and expenditure information for those years.





Community Service Levy

	<u>Proposed 2011 Levy</u>	<u>Payable 2010 Levy</u>	<u>Change</u>	<u>Percent Change</u>
Basic Levy	\$ 197,177	\$ 197,177	\$ -	- %
Early Childhood	\$ 143,259	\$ 152,304	\$ (9,045)	(5.94) %
Home Visitation	\$ 3,242	\$ 3,157	\$ 85	2.69 %
School Age Care	\$ 75,000	\$ 75,000	\$ -	- %
Adjustments	\$ 5,162	\$ (23,812)	\$ 28,974	(121.68) %
Abatements	\$ 487	\$ 2,195	\$ (1,708)	(77.81) %
	<u>\$ 424,327</u>	<u>\$ 406,021</u>	<u>\$ 18,306</u>	<u>4.51 %</u>

- Early childhood is one of the only areas district's receive their revenue based on tax rates. The decrease in the District's tax capacity for 2011 taxes caused the revenue to decrease.
- Adjustments –The Minnesota Department of Education recalculated levies for the past three levy years based on updated student and expenditure information for those years.





Debt Service Levy



	<u>Proposed 2011 Levy</u>	<u>Payable 2010 Levy</u>	<u>Change</u>	<u>Percent Change</u>
Required Levy of 105% of Scheduled Principal & Interest	\$ 8,977,155	\$ 8,600,499	\$ 376,656	4.38 %
Abatements	\$ 32,140	\$ 60,916	\$ (28,776)	(47.24) %
	<u>\$ 9,009,295</u>	<u>\$ 8,661,415</u>	<u>\$ 347,880</u>	<u>4.02 %</u>



What Causes a Change in My Property Tax?

Changes in Levy components

Shifts from State aid to Levy

Changes in market values

- Individual parcel
- District-wide

Changes in tax capacity

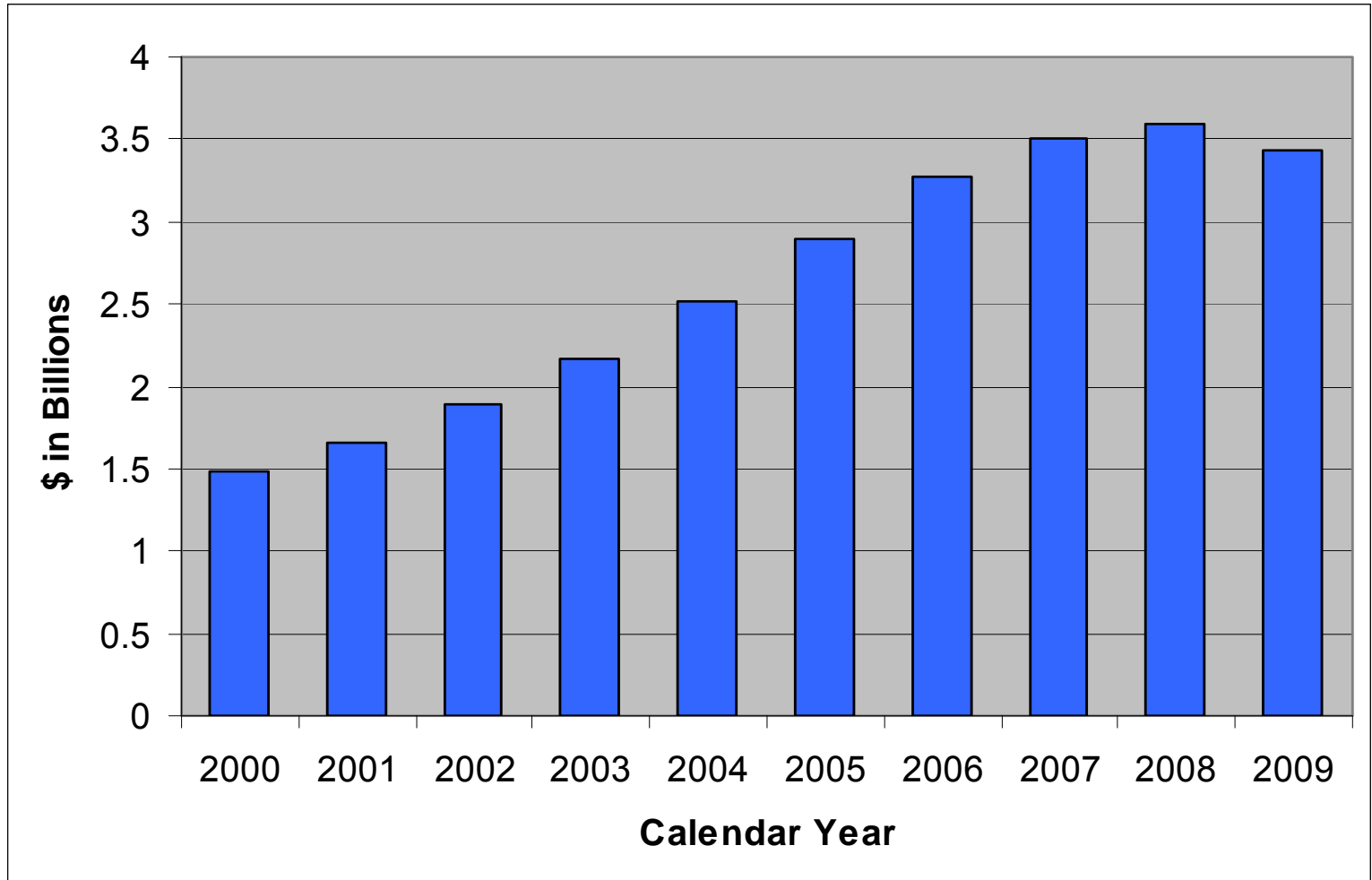
Voter approved Referendums

Increase in District enrollment





Market Value History





State Property Tax Refunds

State of Minnesota has two tax refund programs and one tax deferral program available for owners of homestead property

These programs may reduce the net tax burden for local taxpayers, but only if you take time to complete and send in the forms

For help with the forms and instructions:

- Consult your tax professional, or
- Visit the Department of Revenue web site at www.taxes.state.mn.us





State Property Tax Refunds

Minnesota Property Tax Refund ("Circuit Breaker" Refund)

- Has existed since 1970s
- Available to all owners of homestead property
- Annual income must be approx. \$93,480 or less (income limit is higher if you have dependents)
- Refund is a sliding scale, based on total property taxes and income
- Maximum refund is \$1,750
- Especially helpful to those with lower incomes
- Fill out state tax form M-1PR





State Property Tax Refunds

Special Property Tax Refund

- Available for all homestead properties with a gross tax increase of at least 12% and \$100 over the prior year
- Refund is 60% of the amount by which the tax increase exceeds the greater of 12% or \$100, up to a maximum of \$1,000
- No income limits
- Fill out state tax form M-1PR





Senior Citizen Property Tax Deferral

- Allows people 65 years of age or older with a household income of \$60,000 or less to defer a portion of the property taxes on their home
- Taxes paid in any year limited to 3% of household income for year before entering deferral program; this amount does not change in future years
- Additional taxes are deferred, but not forgiven
- State charges interest up to 5% per year on deferred taxes and attaches a lien to the property
- The deferred property taxes plus accrued interest must be paid when the home is sold or the homeowner dies





Proposed Property Tax Levy Taxes Payable 2011



DISCUSSION