

Greenbush Middle River Public School District



Truth-in-Taxation for School Taxes

Payable in **2022**

School Board Agenda item

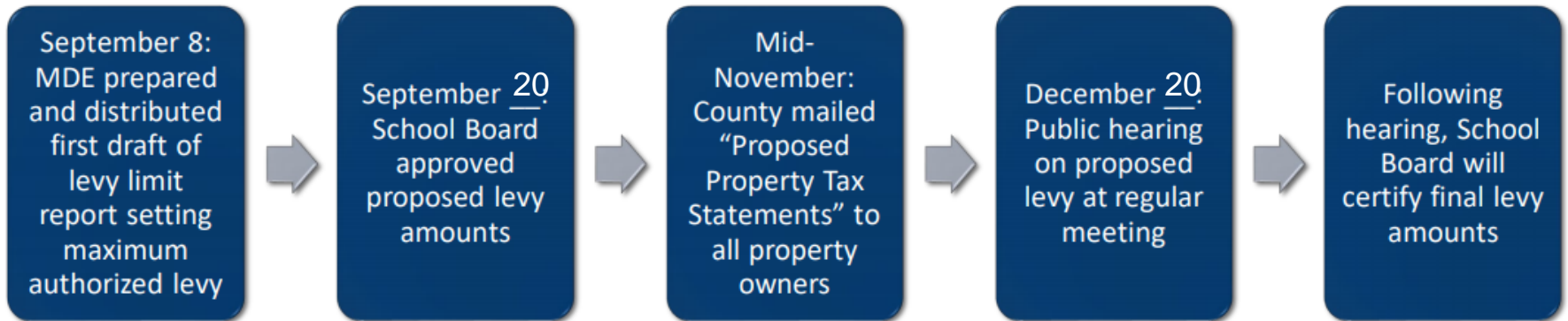
7:30 pm ~ December 20, 2021

Greenbush Middle River

School Library



Schedule of Events in Approval of School District's 2021 (Payable 2022) Tax Levy



Truth in Taxation: School Board Agenda Item



- School District is required to present information on:
 - the budget for the current school year...
 - The proposed property tax levy, including:
 - * The increase/decrease over the previous year;
 - * Specific purpose(s) and reason(s) for which taxes are being increased /decreased.
- Allow for public comment(s)



2021 – 2022 Budget

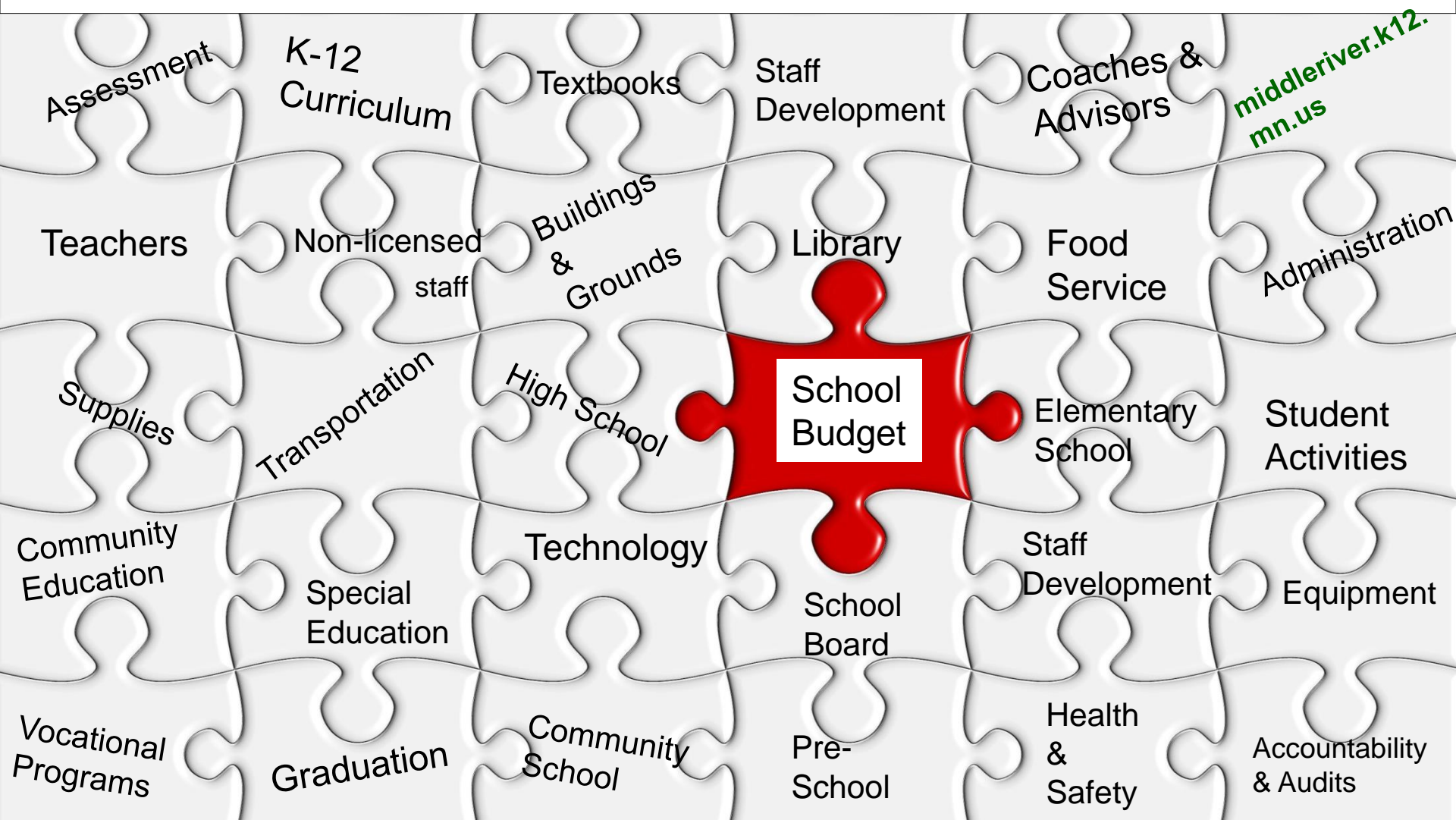
- All School District's budgets are divided into separate funds, as required by law.

For the GMR School District, Six (6) funds:

1. General Fund (includes former transportation and capital expenditure funds)..... *01 fund*
2. Food Service Fund *02 fund*
3. Community Service Fund..... *04 fund*
4. Building Construction Fund (Capital) .. *06 fund*
5. Debt Service Fund *07 fund*
6. Trust & Agency Fund *09 fund*



School Budgeting



middleschool.k12.mn.us



GREENBUSH MIDDLE RIVER SCHOOL DISTRICT NO. 2683

2021 - 2022 REVISED BUDGET

REVENUE

FUND 01 - General	\$3,976,902
FUND 02 - Food Service	182,550
FUND 04 - Community Ed	62,703
FUND 07 - Debt Service	66,400
FUND 08 - Scholarships	1,300
FUND 21 - Student Activity	151,850
TOTAL REVENUE ALL FUNDS	\$4,441,705

EXPENDITURE

FUND 01 - General	\$4,236,923
FUND 02 - Food Service	182,202
FUND 04 - Community Ed	27,580
FUND 07 - Debt Service	61,275
FUND 08 - Scholarships	1,300
FUND 21 - Student Activity	151,750
TOTAL EXPENDITURE ALL FUNDS	\$4,661,030

DIFFERENCE (\$219,325)

Based on 223 enrollment
8/2/2021 Special School Board Meeting



2021 – 2022 GMR estimated School Budget

The 2021-2022 Budget reflects a Fall 2015 voter approved operating referendum;

The 2021-2022 Budget reflects State authorization of the school board to levy up to \$724 per pupil unit [LOR]

The 2021-2022 Budget reflects a Fall 2005 voter approved Bond Referendum for building (HVAC) improvements;

The 2021-2022 Budget reflects a 2016 refinancing of the Fall 2005 voter approved Bond for building (HVAC) improvements;

The 2021-2022 Budget reflects a deficit reduction plan that included closure of the Middle River School site effective with the 2018-2019 school year.

The 2021-2022 Budget reflects a deficit reduction plan approved by the school board in March 2021. Estimated reductions of \$451,000 were implemented effective July 1, 2021.

The 2021-2022 Budget reflects: an **decrease** of 17 students from the previous year and an increase of 2% in the State basic general education formula. The 2021-2022 school budget needs to reflect salary and benefits of year #1 of a two year Agreement between licensed teachers and Year #2 of a two year Agreement between non-licensed employees (the two largest employee groups) as well as other employee groups.

GREENBUSH MIDDLE RIVER SCHOOL DISTRICT

School Year	State Aid General Education Formula Allowance	Percent funding increase over previous year	Greenbush Middle River School District FALL enrollment	Unreserved [unassigned] General Fund Balance (final audit)
1996-97	\$3,505			
1997-98	\$3,581			
1998-99	\$3,530			
1999-00	\$3,740			
2000-01	\$3,964		464	\$370,584
2001-02	\$4,068		455	\$522,520
2002-03	\$4,801		462	\$610,675
2003-04	\$4,801	0%	459	\$737,831
2004-05	\$4,801	0%	473	\$999,976
2005-06	\$4,783	4%	474	\$1,456,833
2006-07	\$4,974	4%	477	\$1,673,426
2007-2008	\$5,074	2%	480	\$1,930,121
2008-2009	\$5,124 + \$1* = \$5,175	1% + 1%* = 2%	470	\$2,032,994
2009-2010	\$5,124	0%	452	\$2,035,316
2010-2011	\$5,124	0%	438	\$1,962,475
2011-2012	\$5,174	1%	419	\$1,869,037
2012-2013	\$5,224	1%	444	\$1,832,245
2013-2014	\$5,302	1.5%	426	\$1,660,869
2014-2015	\$5,831 (increase due to changes in pupil weights)	1.5% + .5%	423	\$1,645,227
<i>Per pupil [weighted] funding. Historical Perspective</i> ➡	2013-2014	2014-2015	2015-2016	2021-2022
	<u>Grade</u> <u>Funding Weight</u>	<u>Grade</u> <u>Funding Weight</u>	<u>Grade</u> <u>Funding Weight</u>	<u>Grade</u> <u>Funding Weight</u>
	Grade K..... .612	K-6 1.0	K-8 1.0	K-8 1.0
	Grade 1 to 3... 1.115	Grade K to 6... 201 (Elem. Funding Units)	Grade K to 6... 190 (Elem. Funding Units)	Grade K to 6... 115 (Elem. Funding Units)
	Grade 4 to 6... 1.06	7-12 1.2	7-12 1.2	7-12 1.2
Grade K to 6... 197 (Elem. Funding Units)	Grade 7-12..... 266 (H.S. Funding Units)	Grade 7-12..... 252 (H.S. Funding Units)	Grade 7-12..... 133 (H.S. Funding Units)	
7-12..... 1.3	K-12...201 + 266 = 467 (Total) Funding Units)	K-12...190 + 252 = 442 (Total) Funding Units)	K-12...115 + 133 = 248 (Total) Funding Units)	
Grade 7-12..... 218 (H.S. Funding Units)				
K-12...197 + 218 = 480 (Total) Funding Units)				
2015-2016	\$5,948	+\$117 or 2%	400	\$1,576,546
2016-2017	\$6,067	+\$119 or 2%	387	\$1,186,984
2017-2018	\$6,188	+\$121 or 2%	323	\$705,373
2018-2019	\$6,312	+\$124 or 2%	279	\$499,224
2019-2020	\$6,438	+\$126 or 2%	271	\$421,294
2020-2021	\$6,567	+\$129 or 2%	243	(\$100,730)
2021-2022	\$6,728	+\$161 or 2.45%	226 as of 10/1/2021	TBD by Audit
2022-2023	\$6,863	+\$135 or 2%	217 estimated	TBD by Audit



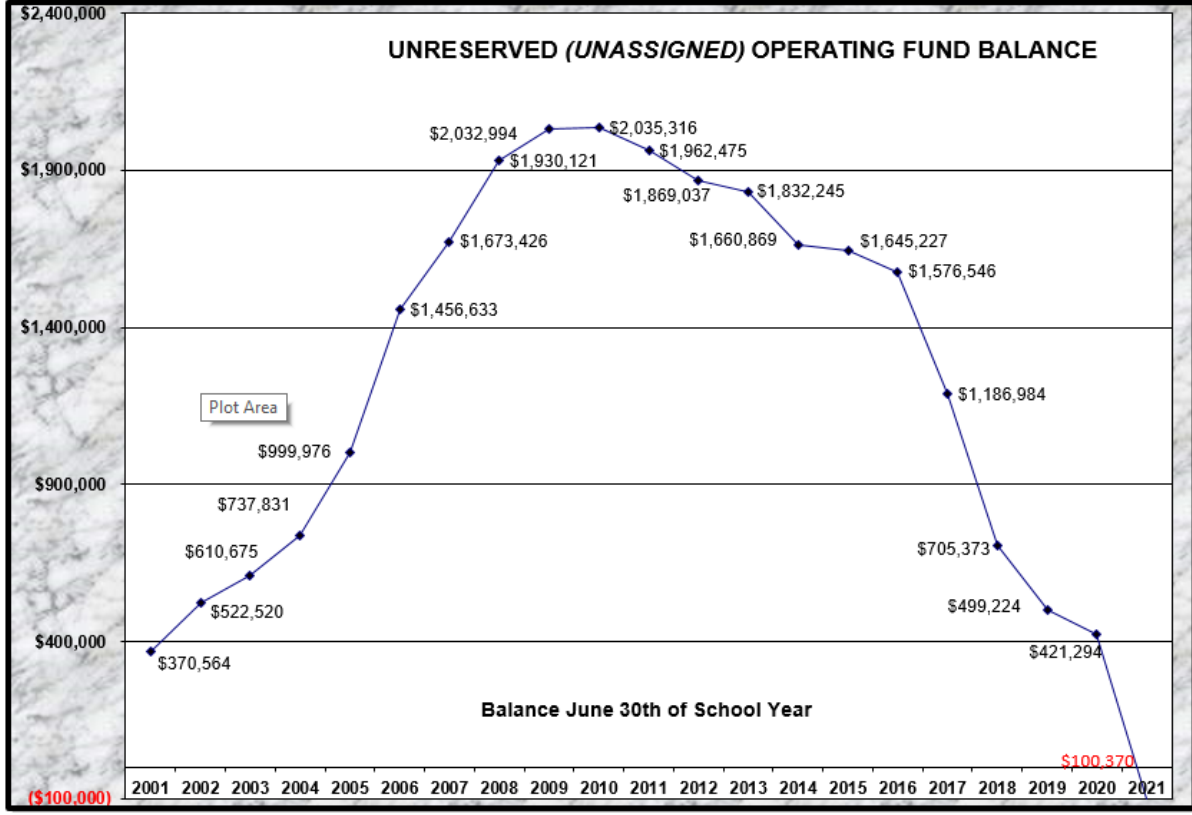
12/17/2021

Note: There is no absolute right answer as to how much a given district should have in its unreserved [unrestricted] fund balance. A general guideline provided by financial auditors believe a fund balance of 25% of the general education formula in the unreserved general fund: $\$6,567 \times 25\% = \$1,641 \times 248$ [weighted] funding units (226 K-12 students = 248 weighted funding units) = \$407,154 would place the District in a solid financial position. This represents about 6 weeks of school district operations.
 Information Source: Minnesota Association of School Business Officials & District Financial Auditor

Math League



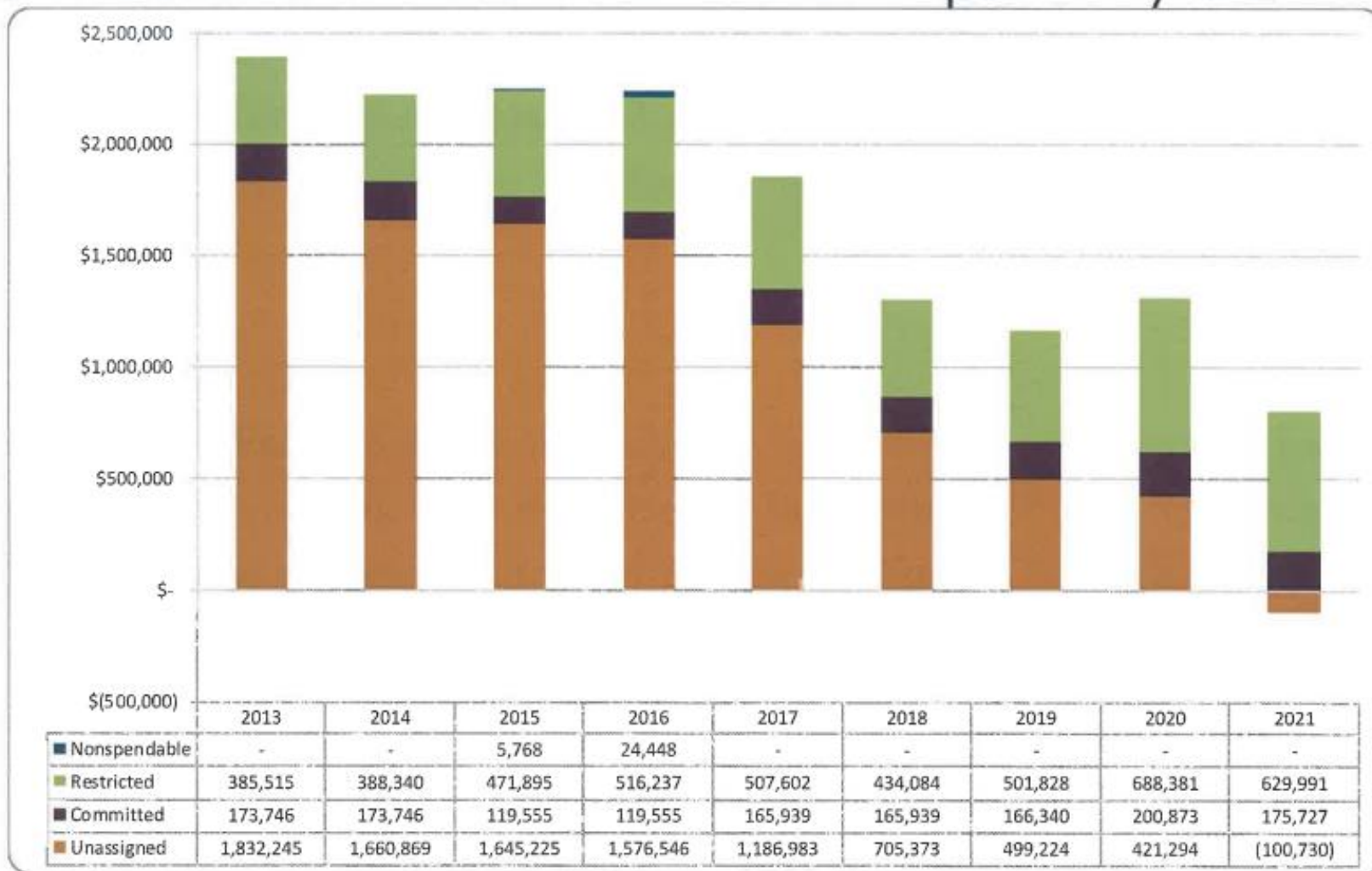
June 30th of Budget Year	General Fund Balance [unrestricted or unassigned]	Percent Change over Previous Year	K -12 Enrollment
2001	\$370,564		464
2002	\$522,520	41%	455
2003	\$610,675	17%	462
2004	\$737,831	21%	459
2005	\$999,976	36%	473
2006	\$1,456,633	46%	474
2007	\$1,673,426	15%	477
2008	\$1,930,121	15%	480
2009	\$2,032,994	5%	470
2010	\$2,035,316	0%	452
2011	\$1,962,475	-4%	436
2012	\$1,869,037	-5%	419
2013	\$1,832,245	-2%	444
2014	\$1,660,869	-9%	426
2015	\$1,645,227	-1%	423
2016	\$1,576,546	-4%	400
2017	\$1,186,984	-25%	387
2018	\$705,373	-41%	323
2019	\$499,224	-29%	279
2020	\$421,294	-16%	271
2021	(\$100,730)	-124%	243



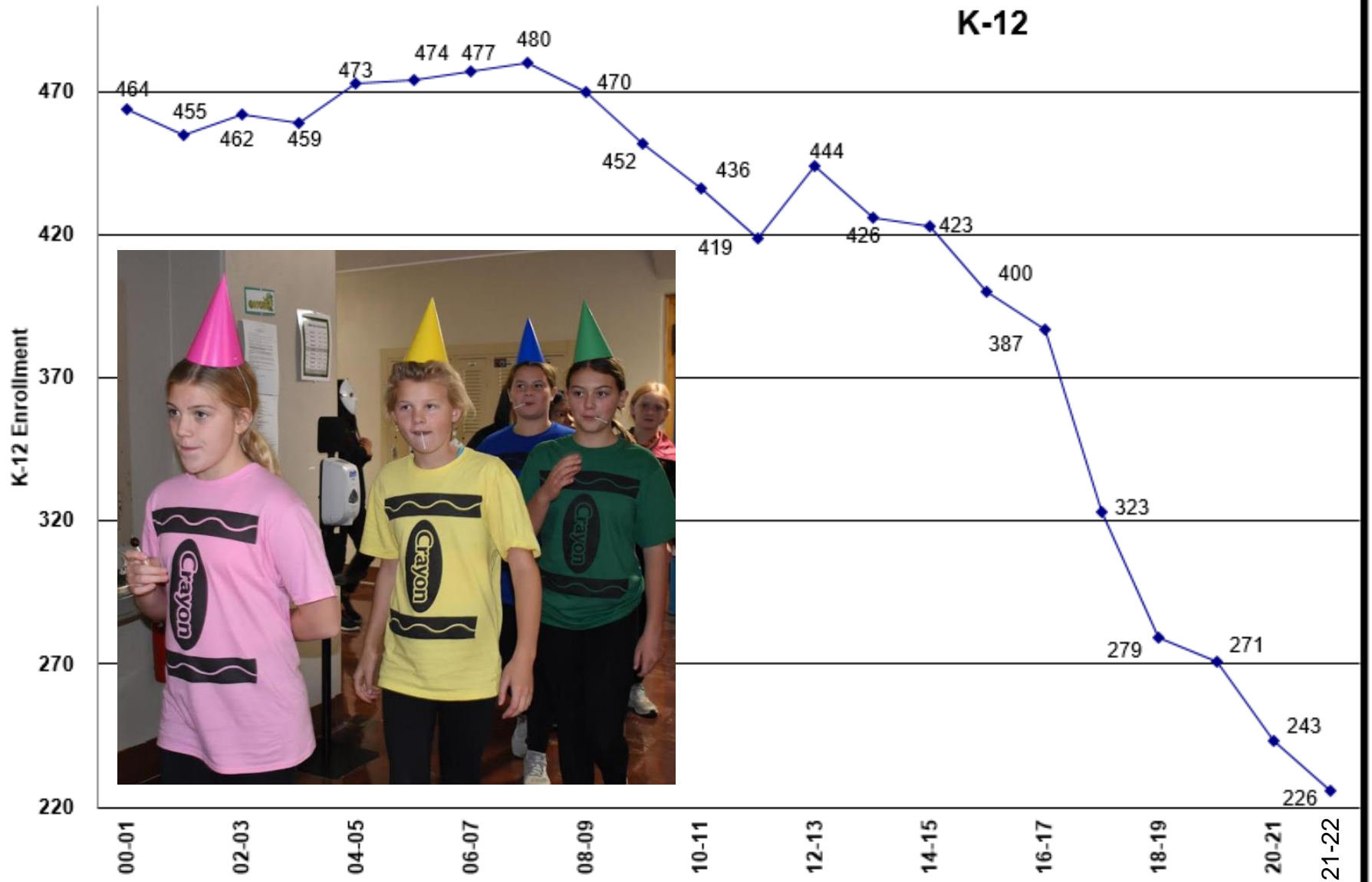
Source: School District Financial Audit statements

TOTAL FUND BALANCES

Total fund balances of the General Fund for the past nine years:



GMR FALL ENROLLMENT BY SCHOOL YEAR K-12



B. Property Tax Background



- Every owner of taxable property pays property taxes to the various “taxing jurisdictions” (county, city, township, school district, etc.) in which the property is located.
- Each taxing jurisdiction sets its own levy, often based on limits in state law. County Auditor sends out bills, collects taxes from property owners, and distributes funds back to the taxing jurisdictions.



B. Property Tax Background

- School District Property Taxes
 - Each school district (depending on size) may levy taxes in nearly 30 different categories
 - “Levy Limits” (maximum levy amounts) for all categories are set either by:
 - State Law, or voter approval
 - The Minnesota Dept. of Ed. (MDE) calculates detailed levy limits for each district



C. Proposed Levy Payable in 2022



Schedule of events in approval of the Greenbush Middle River School District's 2021 Payable 2022 tax levy are:

- Early Sept. – Dept. of Education prepared and distributed first draft of levy limit worksheets
- Sept. 2021 – School Board approved “MAXIMUM” proposed levy amounts.
- November 2, 2021 Special School Election: GMR School District Voters approved two ballot questions by:
 - (#1) renewal of expiring referendum of \$506.05 [948 YES 350 NO];
 - (#2) approval of an additional \$700 per pupil operating referendum [904 YES 397 NO];
- Mid-November – Roseau, Marshall County and Kittson County sent out “Proposed Property Tax Statements”
- December 20 – School Board Agenda item on Proposed levy and thereafter certify final Payable 2022 school tax levy amounts

Proposed Levy Payable in 2022



(page 30 of 39 of Levy Limitation Report)

Greenbush Middle River Public Schools

Comparison of Proposed Tax Levy Payable in 2022 to Actual Levy Payable in 2021

FUND	Levy Category	Actual Levy Payable in 2021	Proposed Levy Payable in 2022	Change	Percent Change
General Fund	Voter Approved Referendum Board Approved Referendum				
Equity	Operating Capital				
	Health & Safety (Long Term Facilities Maintenance [LTFM])	\$361,699.16	\$496,718.73	\$135,019.57	37.33%
	Other Levies (eg: Safe Schools, Career & Technical Ed. Levy)				
	Total, General Fund				
Community Service Fund	Basic Community Education Early Childhood Family Education Other Levies (eg: School Readiness)	\$32,179.58	\$30,424.56	-\$1,755.02	-5.45%
	Total Community Service Fund				
Debt Service Fund	Voter Approved Debt Service	\$42,132.03	\$43,096.66	\$964.63	2.29%
	Total, Debt Service Fund				
	Total Levy, All Funds	\$436,010.37	\$570,239.95	\$134,229.18	30.79%

FACTORS AFFECTING PROPOSED TAXES FOR GMR School District

Total tax levy in 2022 is *increasing \$134,229.18* ★

Affecting all levies:

- Changes in total property valuation increased (or decreased) in the district (ie: Tax base)
- Change in individual property valuation
- Due to changes in enrollment
- Due to changes in state aid formula (aid calculations)
eg: Long Term Facilities Maintenance
- **Voter Approved Special School Operating Referendum Election on Nov. 2, 2021** ★
- Refunding of previously issued Bonds in 2016 thereby reducing debt service levy



C. Explanation of Levy Changes

- Category: Debt Service Levy
 - Total levy in this category increased by \$964.63 or 2.29% from Payable 2021
 - Use of Funds: Principal and Interest payments on the District's building bonds approved by voters in 2005
 - Reason for increase: Property Valuations increased over the previous year, therefore more of a local effort (rather than state aid) is expected to service the debt.
 - In 2005 the Greenbush Middle River District refinanced its voter-approved School Construction bonds used for mechanical Heating, Ventilation, Air Conditioning (HVAC) improvements.
required to levy @ 105% of debt service payment amounts to cover delinquencies in tax collections. Since delinquencies are generally less than 5%, most districts gradually build up fund balances in debt service funds. Formulas in state law determine adjustments to tax levy for debt excess balances.



Explanation of Levy Changes

- **Category: General**

- Total levy in this category increased by \$135,019.57 or 37.33% from Payable 2021
- Source of Funds:
 - Nov. 2 voter-approved renewal of 2005 referendum
 - Nov. 2 voter-approved \$700 per pupil referendum
 - state equalization aid
- Use of Funds: General Operating Expenses
- Reason for increase:
 - Each year, initial levies are based on estimates of enrollment, values and expenditures for future years.
- In later years, estimates are up-dated and levies are retroactively adjusted.



Explanation of Levy Changes

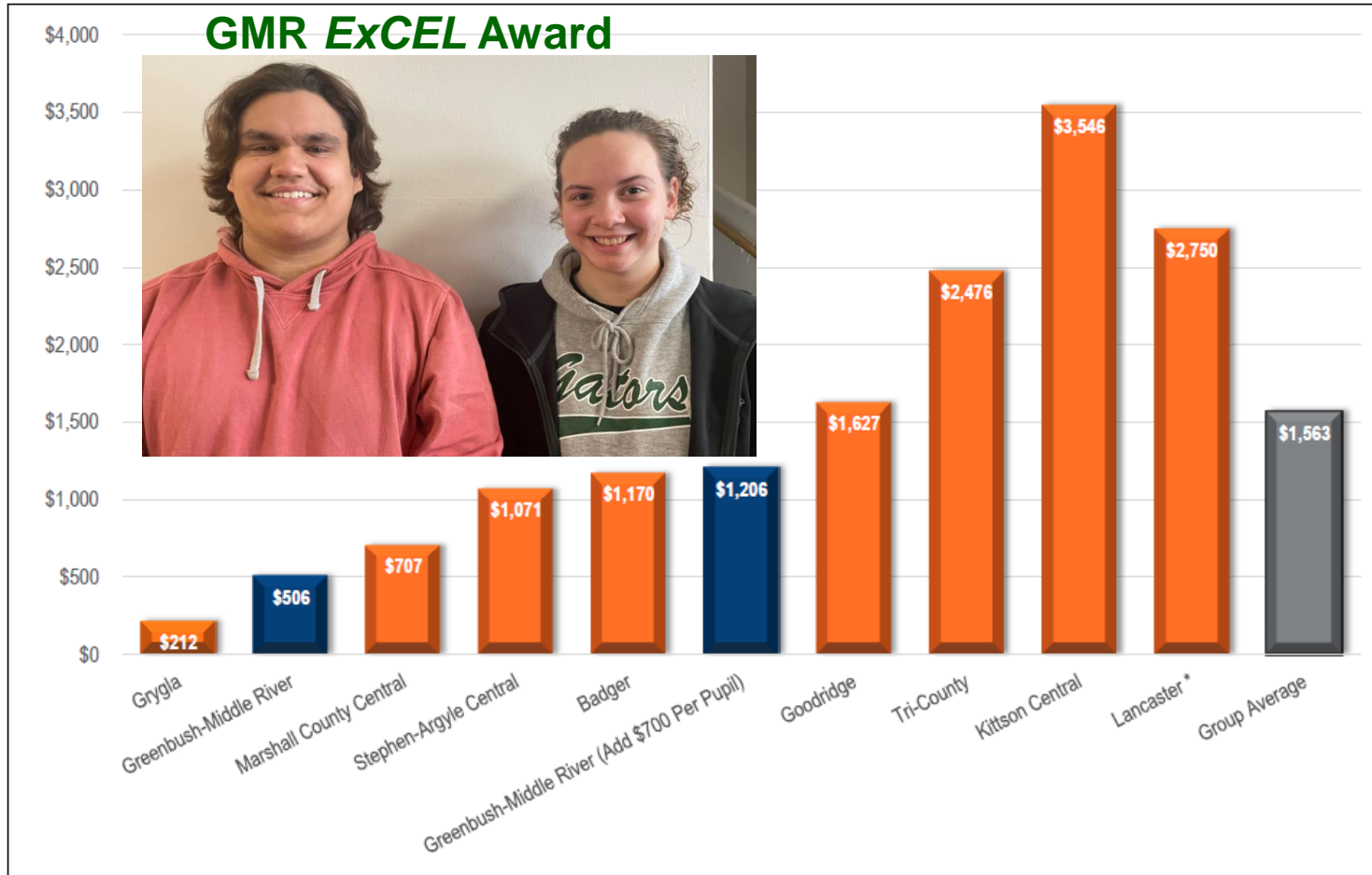
Category: Community Education

- Total levy in this category **decreased** by \$1,755.02 or **-5.45%** from Payable 2021
- Source of Funds:
 -
- Use of Funds: Community Education Programming
 - Early Childhood Family Education
 - After school Student and Adult enrichment classes
- Reason for decrease:
 - Declining student enrollment trend



Greenbush - Middle River School District

Voter Approved Referendum Authority Per Pupil Unit FY 2021-22

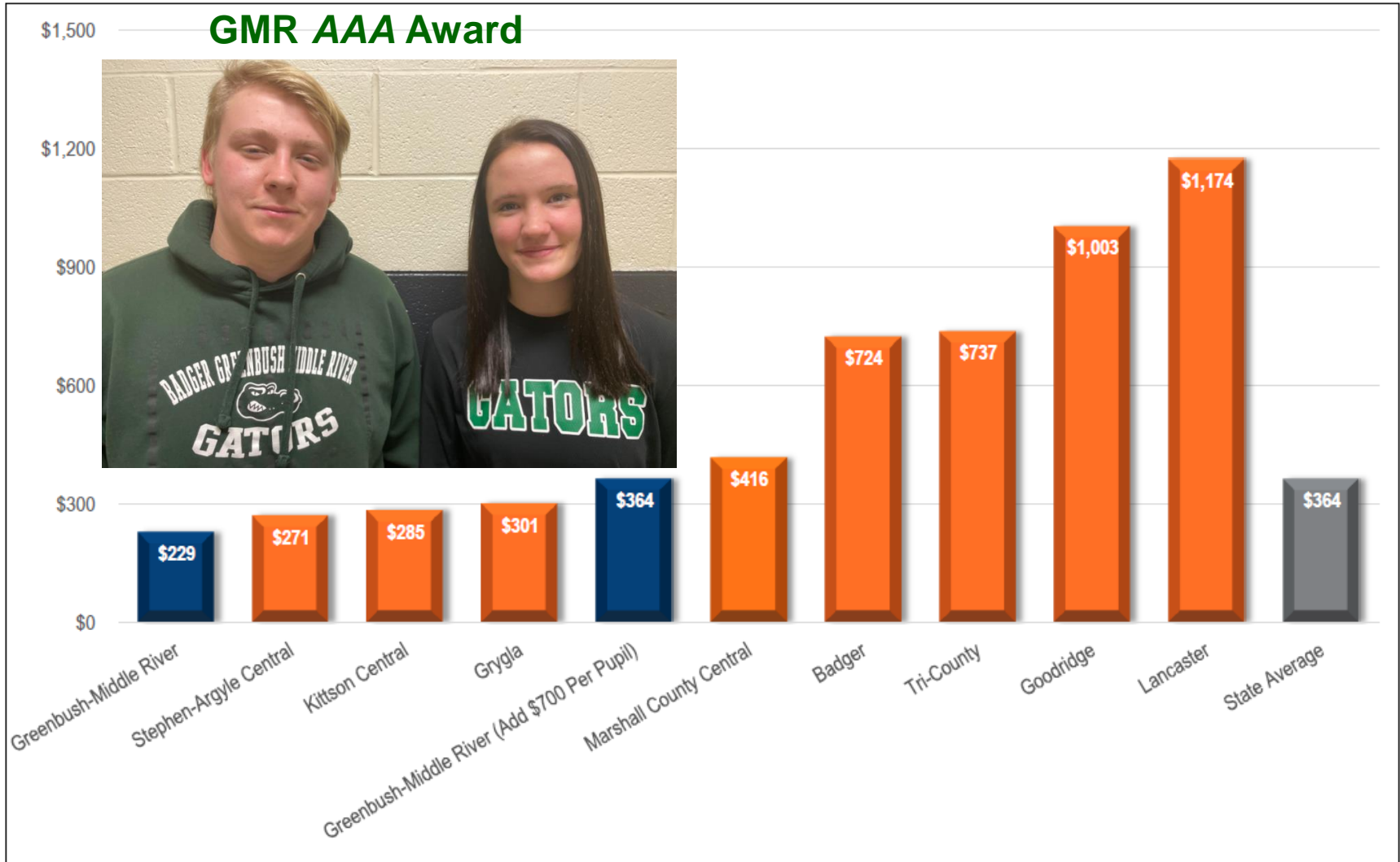


* Authorities with voter approved annual inflationary adjustment

Source: MDE Operating Referendum Phaseout July 2021

Greenbush - Middle River School District

Total School Property Taxes, Payable 2021, on a Home with an Estimated Market Value of \$100,000



Source: Pay 2021 School Tax Report

Comparison of NW MN School Districts

FACTORS IMPACTING TAX CHANGE(S)

REMINDER:

The percent increase for school taxes payable in 2022 does NOT mean everyone's taxes will go up that percentage amount. School taxes are based on various local factors and State tax classifications.

- Local Factors
 - Inflationary pressure on real estate market
 - Property improvements not previously taxed
 - Change in property assessment value
 - Change in property classification
(eg: farm to residential)
 - Voter-approved levy(ies)



D. PUBLIC COMMENT(S) ON 2021 Payable 2022 School Tax Levy?

