

**INDEPENDENT SCHOOL DISTRICT 191
PUBLIC HEARING
FOR TAXES PAYABLE IN 2022**

Lisa Rider, Executive Director of Business Services

December 9, 2021



Overview

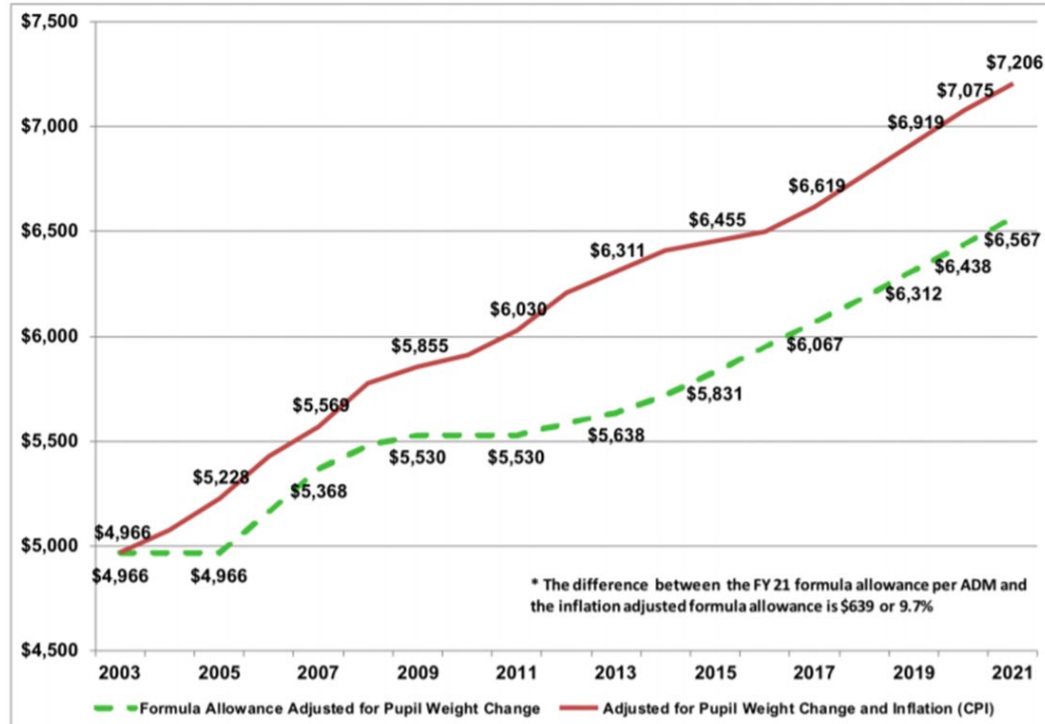
- Background on School Funding, Property Tax Levies, and Budgets
- Information on the District Budget
- Information on the District's Proposed Tax Levy for Taxes Payable in 2022
- Public Comments and Questions

School Funding is Highly Regulated by the State

- State sets formulas which determine revenue; most revenue is based on specified amounts per pupil.
- State sets tax policy for local schools.
- State sets maximum authorized property tax levy (districts can levy less but not more than amount authorized by state, unless approved by the voters).
- State authorizes school board to submit referendums for operating and capital needs to voters for approval.

General Education Formula

General Education Formula Allowance, 2003-2021
Adjusted for Pupil Weight Change and Inflation (CPI)



Source: MDE August 2019 Inflation Estimates



Association of Metropolitan School Districts



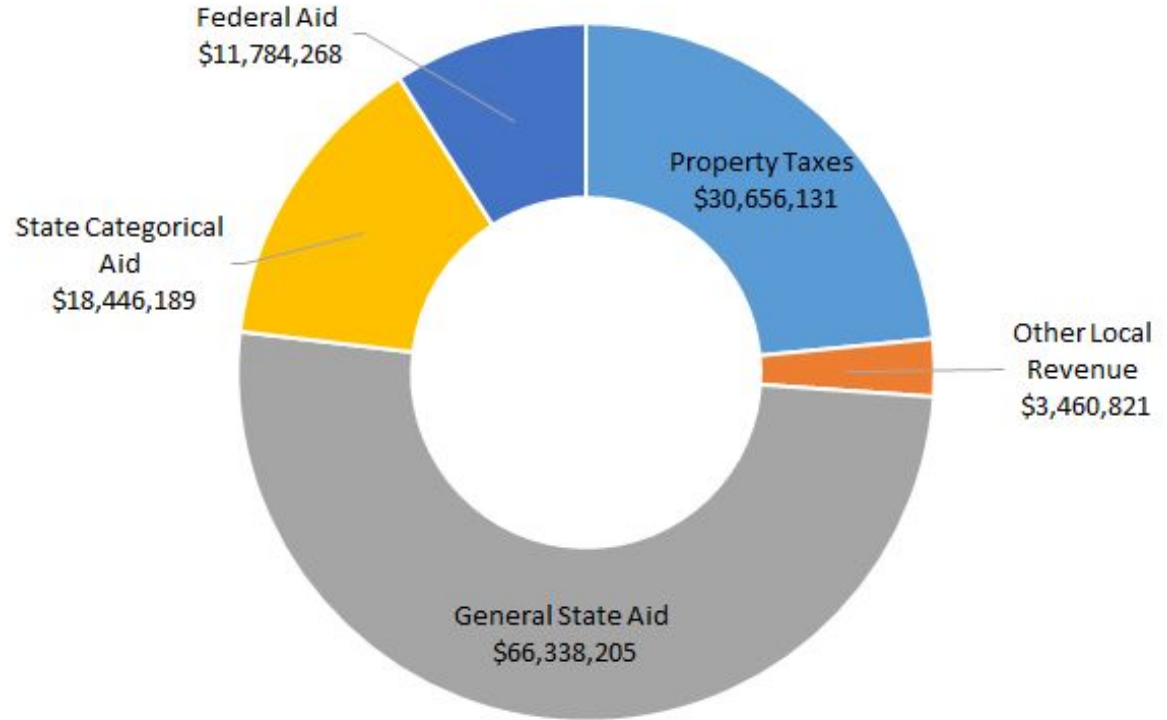
Audited Fund Balances Through June 30, 2021 (UFARS basis)

District Name: Burnsville, Eagan, Savage School District				
Fund	FY 2021 Beginning Fund Balances	FY 2021 Actual Revenues and Transfers In	FY 2021 Actual Expenditures and Transfers Out	June 30, 2021 Actual Fund Balances
General Fund/Restricted	\$ 7,878,828	\$ 30,042,320	\$ 28,900,366	\$ 9,020,782
General Fund/Other	\$ 12,447,199	\$ 106,693,788	\$ 98,639,889	\$ 20,501,098
Food Service Fund	\$ 1,025,204	\$ 4,458,269	\$ 4,364,348	\$ 1,119,125
Community Service Fund	\$ 1,143,250	\$ 6,114,709	\$ 5,185,327	\$ 2,072,632
Building Construction Fund	\$ 2,091,263	\$ 246	\$ 433,814	\$ 1,657,695
Debt Service Fund	\$ 3,922,609	\$ 23,016,083	\$ 23,152,581	\$ 3,786,111
Trust Fund	\$ 64,072	\$ -	\$ 64,072	\$ -
Internal Service Fund	\$ 12,304,943			\$ 11,367,284
* OPEB Revocable Trust Fund	\$ 11,853,144	\$ 1,485,860	\$ 921,176	\$ 12,417,828
OPEB Irrevocable Trust Fund	\$ -	\$ -	\$ -	\$ -
OPEB Debt Service Fund	\$ 374,601	\$ 1,369,150	\$ 1,406,148	\$ 337,603
Total - All Funds	\$ 53,105,113	\$ 173,180,425	\$ 163,067,721	\$ 62,280,158

General Fund Revenue

\$130,685,614

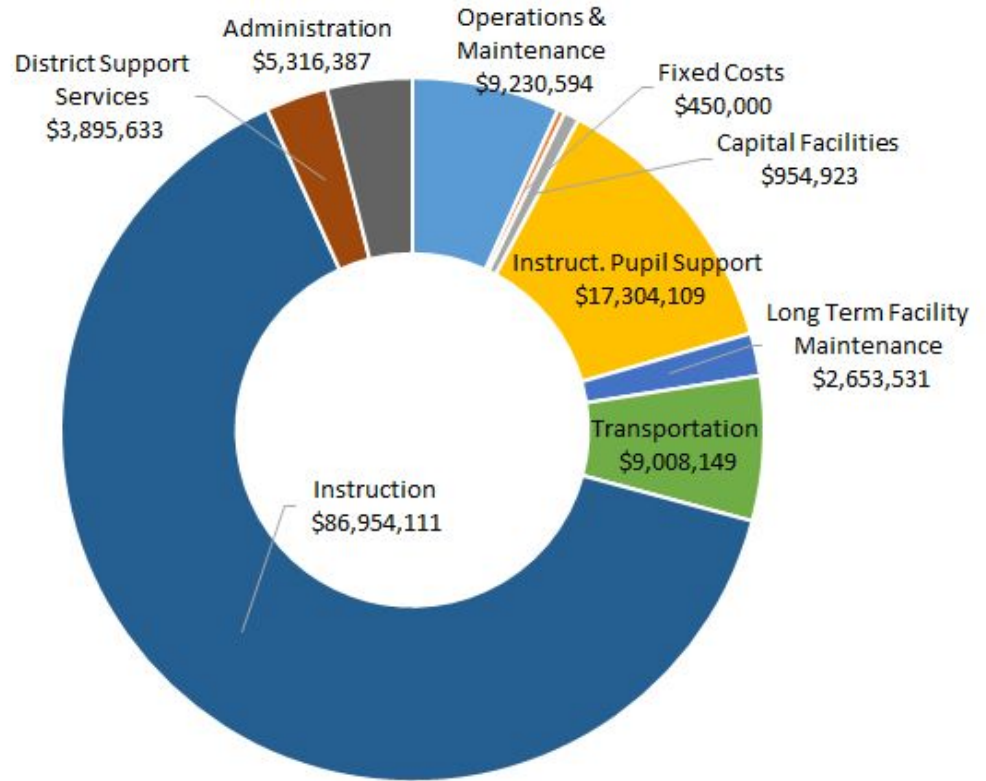
Adopted
Budget
2021-2022



General Fund Expenditures by Program

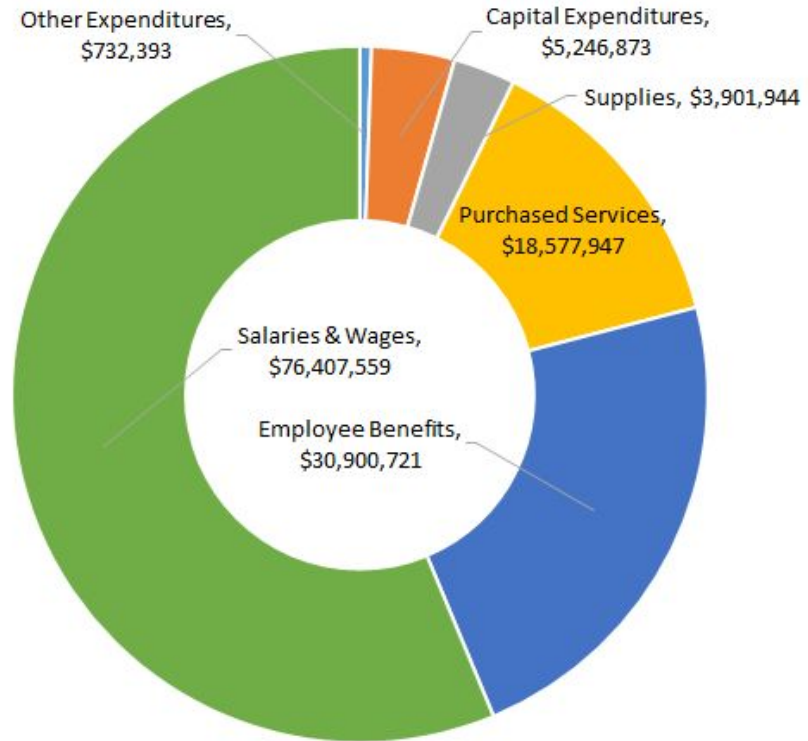
\$135,767,437

Adopted
Budget
2021-2022



General Fund Expenditures by Object

\$135,767,437
Adopted
Budget
2021-2022



Timeline in Approval

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

September 8:
MDE prepared
and distributed
first draft of
levy limit
report setting
maximum
authorized levy



September 30:
School Board
approved
proposed levy
amounts



Mid-
November:
County mailed
"Proposed
Property Tax
Statements" to
all property
owners



December 9:
Public hearing
on proposed
levy at regular
meeting



Following
hearing, School
Board will
certify final levy
amounts

ISD 191 Comparison

Payable 2021 vs. Payable 2022 Certified Levies

Funds	2020 PAY 2021 Limitation	2021 PAY 2022 Limitation	Increase/ (Decrease)	Percent Change
General	\$30,656,131	\$29,366,224	(\$1,289,907)	-4.21%
Community Service	1,640,765	1,602,378	(\$38,387)	-2.34%
General Debt Service	10,341,994	9,133,673	(\$1,208,321)	-11.68%
OPEB Trust Service	1,472,264	1,295,891	(176,373)	-11.98%
Total	\$44,111,154	\$41,398,166	(\$2,712,988)	-6.15%

General Fund

Proposed Tax Levy for Taxes Payable 2022

	2020 Payable 2021	2021 Payable 2022	Increase/ (Decrease)
General Levies:			
Referendum Levy	\$ 15,484,015	\$ 14,746,240	\$ (737,775)
Location Optional Levy Tier 1	2,070,252	2,010,036	(60,216)
Location Optional Levy Tier 2	3,592,382	3,322,549	(269,833)
Equity Revenue Levy	423,630	391,810	(31,820)
Operating Capital Levy	986,370	1,082,408	96,038
Safe Schools	305,014	282,104	(22,910)
Safe Schools - District 917	105,908	97,953	(7,955)
Career & Technical Levy	339,716	362,535	22,819
Long Term Facilities			
Maintenance Levy	2,543,652	2,552,416	8,764
Economic Development Abatement	29,593	29,404	(189)
Transition Revenue Levy	285,696	264,237	(21,459)
Achievement & Integration Levy	599,025	577,179	(21,846)
Reemployment Insurance Levy	300,000	175,000	(125,000)
Lease Levy	593,718	416,785	(176,933)
Capital Project Referendum Levy	3,411,906	3,620,365	208,459
Alternative Compensation Levy	798,540	704,962	(93,578)
Total General Levies	31,869,417	30,635,983	(1,233,434)
Levy Adjustments	(1,213,286)	(1,269,759)	(56,473)
Net General Levies	\$ 30,656,131	\$ 29,366,224	\$ (1,289,907)

Community Service Fund

Proposed Tax Levy for Taxes Payable 2022

	2020 Payable 2021	2021 Payable 2022	Increase/ (Decrease)
Community Service Fund:			
General Community Education	\$ 475,685	\$ 506,585	\$ 30,901
Early Childhood Family Education	259,714	260,528	814
Disabled Adults	3,062	3,062	-
School Age Care	816,000	820,000	4,000
Home Visiting	6,733	7,455	722
Total Levies	1,561,194	1,597,630	36,437
Levy Adjustments	79,571	4,748	(74,823)
Community Service Levies	\$ 1,640,764	\$ 1,602,378	\$ (38,386)

General Debt and Other Post Employment Benefits (OPEB)

Proposed Tax Levy for Taxes Payable 2022

	2020 Payable 2021	2021 Payable 2022	Increase/ (Decrease)
General Debt Service Fund:			
Voter Approved Levy	\$ 3,907,746	\$ 3,950,114	\$ 42,368
Debt Service	6,374,769	6,418,062	43,293
Total Levies	10,282,515	10,368,176	85,661
Levy Adjustments	59,479	(1,234,503)	(1,293,982)
Debt Service Levy	\$ 10,341,994	\$ 9,133,673	\$ (1,208,321)
	2020 Payable 2021	2021 Payable 2022	Increase/ (Decrease)
OPEB Levy - Non-Voter Approved	\$ 1,467,659	\$ 1,477,752	\$ 10,093
Levy Adjustments	4,605	(181,861)	(186,466)
OPEB Levy	\$ 1,472,264	\$ 1,295,891	\$ (176,373)

Reasons for Increase (Decreases) in General Fund Levy

- ❑ Referendum, Location Optional and Equity Revenue Levy reflects a significant decrease (\$1,099,644) based upon reductions in enrollment estimates.
- ❑ Reemployment Insurance Levy decreased (\$125,000) due to estimates for the Fiscal Year 2023.
- ❑ Operating Capital increased by \$96,038 due to state formula change.

Reasons for Increase (Decreases) in General Fund Levy

- ❑ Lease Levy is decreased by (\$176,933) due to final payoff of a lease.
- ❑ Capital Project Referendum Levy increased by \$208,459 due to set rate and change in valuations.
- ❑ Alternative Compensation Levy decreased (\$93,578) due to reduced enrollment estimate.

Reasons for Increase (Decrease) in Community Services Fund Levy

- ❑ No significant differences noted.

Reasons for Increase (Decreases) in General and OPEB Debt Services Fund Levy

- ❑ Decrease (\$1,208,321) for General Debt Service and OPEB Debt service (\$176,373) reflects the shift from a prior year with no Debt Excess returned to taxpayers compared to a following year with what is typically the Debt Excess.

ISD 191, Burnsville-Eagan-Savage Schools

Estimated Changes in School Property Taxes, 2019 to 2022

Based on 14.9% Cumulative Changes in Property Value from 2019 to 2022 Taxes

Impact of ISD 191 School Property Taxes Only
Property values within the City of Burnsville

Type of Property	Estimated Market Value for 2019 Taxes	Actual Taxes Payable in 2019	Estimated Market Value for 2020 Taxes	Actual Taxes Payable in 2020	Estimated Market Value for 2021 Taxes	Actual Taxes Payable in 2021	Estimated Market Value for 2022 Taxes	Estimated Taxes Payable in 2022	Change in Taxes 2019 to 2022	Change in Taxes 2021 to 2022
Residential Homestead	\$108,761	\$479	\$114,797	\$476	\$120,192	\$472	\$125,000	\$437	-\$42	-\$35
	130,513	594	137,756	589	144,231	584	150,000	540	-54	-44
	174,017	824	183,675	815	192,308	807	200,000	745	-79	-62
	217,521	1,055	229,594	1,040	240,385	1,031	250,000	950	-105	-81
	304,530	1,515	321,431	1,492	336,538	1,479	350,000	1,360	-155	-119
	369,786	1,861	390,309	1,831	408,654	1,815	425,000	1,666	-195	-149
	435,043	2,202	459,187	2,159	480,769	2,137	500,000	1,960	-242	-177
	522,051	2,657	551,025	2,622	576,923	2,610	600,000	2,402	-255	-208
	652,564	3,403	688,781	3,351	721,154	3,336	750,000	3,066	-337	-270
	870,085	4,646	918,375	4,568	961,538	4,547	1,000,000	4,172	-474	-375
Commercial/ Industrial #	\$870,085	\$4,913	\$918,375	\$4,856	\$961,538	\$4,799	\$1,000,000	\$4,325	-\$588	-\$474
	1,740,170	9,951	1,836,750	9,828	1,923,077	9,712	2,000,000	8,744	-1,207	-968
	2,610,255	14,989	2,755,125	14,801	2,884,615	14,624	3,000,000	13,163	-1,826	-1,461
	3,480,340	20,027	3,673,499	19,773	3,846,154	19,537	4,000,000	17,583	-2,444	-1,954
	4,350,426	25,066	4,591,874	24,745	4,807,692	24,450	5,000,000	22,002	-3,064	-2,448
Apartments and Res. Non-Homestead (2 or more units)	\$435,043	\$2,487	\$459,187	\$2,432	\$480,769	\$2,422	\$500,000	\$2,212	-\$275	-\$210
	652,564	3,730	688,781	3,648	721,154	3,632	750,000	3,318	-412	-314
	870,085	4,974	918,375	4,865	961,538	4,843	1,000,000	4,424	-550	-419

For commercial-industrial property, amounts above are for property in the City of Burnsville. Taxes for commercial-industrial property in other municipalities may be slightly different, due to the impact of the Fiscal Disparities Program.

General Notes

1. Amounts are based on school district taxes only, and do not include taxes for city or township, county, state, or other taxing jurisdictions.
2. Estimates of taxes payable in 2022 are preliminary, based on the best data available.
3. For all examples of properties, taxes are based on changes in estimated market value of 5.6% from 2019 to 2020 taxes, 4.7% from 2020 to 2021, and 4.0% from 2021 to 2022.

Estimated Changes in School Property Taxes 2019 to 2022

- ❑ Based on 14.9% Cumulative Changes in Property Value from 2019 to 2022 Taxes.
- ❑ For all of the following four examples of properties, the value shown in the series of the chart is the estimated market value for the taxes payable in 2022. Taxes are calculated based on changes in market value of 5.6% from 2019 to 2020 taxes, 4.7% from 2020 to 2021, and 4.0% from 2021 to 2022.
- ❑ Charts and estimates provided by Ehlers, financial advisors.

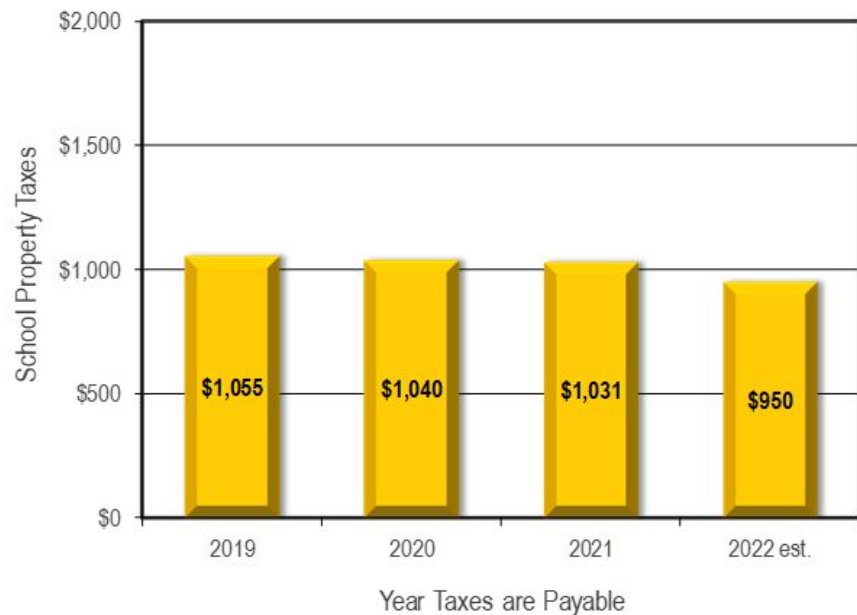
Residential Homestead Properties

ISD 191, Burnsville-Eagan-Savage Schools

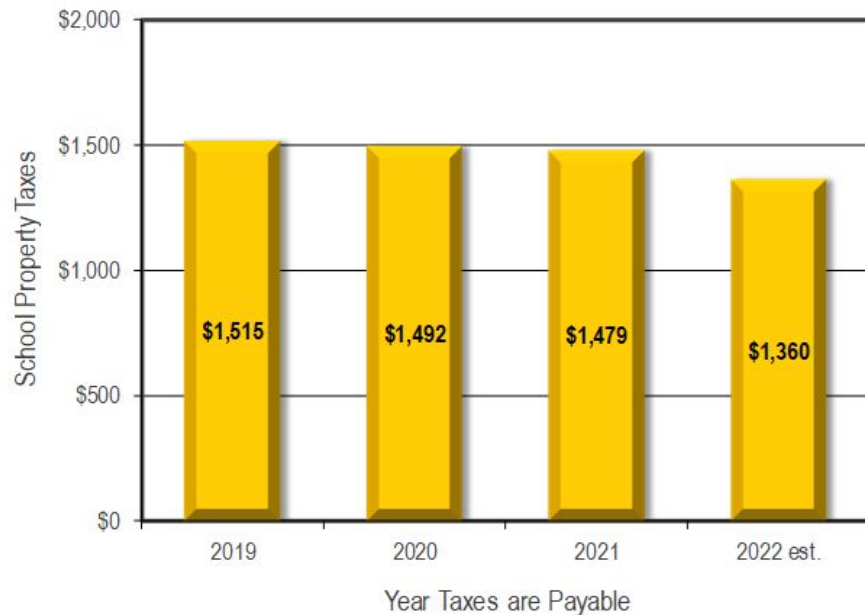
Estimated Changes in School Property Taxes, 2019 to 2022

Based on 14.9% Cumulative Changes in Property Value from 2019 to 2022 Taxes

Example 1: \$250,000* Residential Homestead Property



Example 2: \$350,000* Residential Homestead Property



* Estimated market value for taxes payable in 2022. Taxes are calculated based on changes in market value of 5.6% from 2019 to 2020 taxes, 4.7% from 2020 to 2021, and 4.0% from 2021 to 2022.

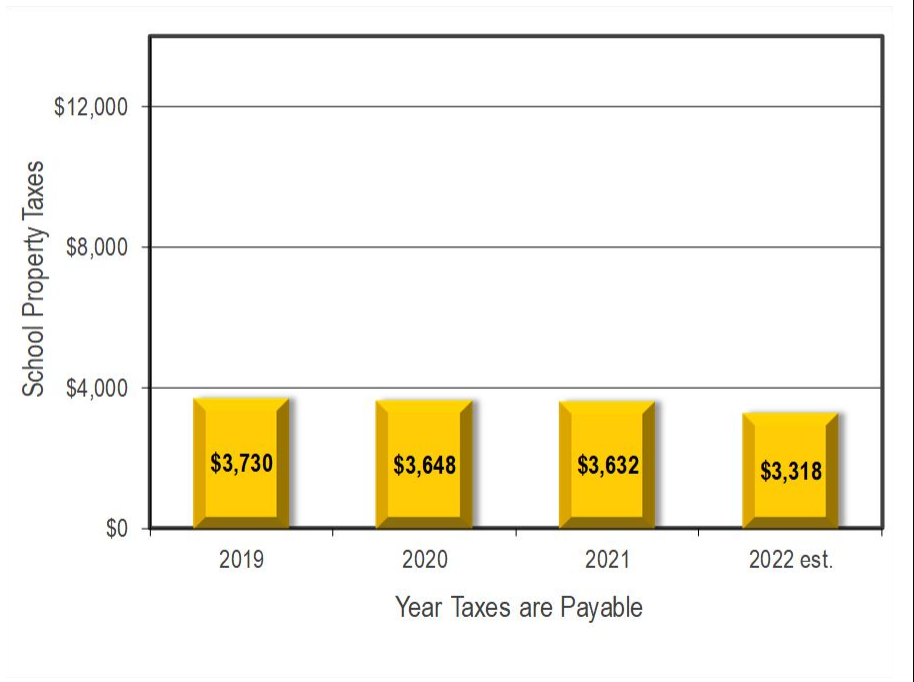
Apartment and Commercial Industrial Properties

ISD 191, Burnsville-Eagan-Savage Schools

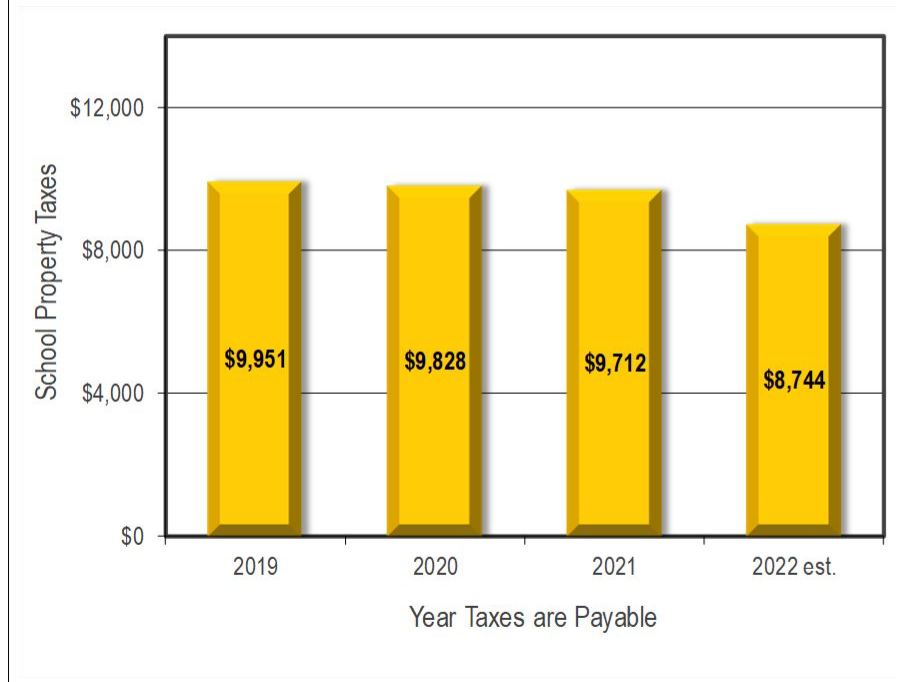
Estimated Changes in School Property Taxes, 2019 to 2022

Based on 14.9% Cumulative Changes in Property Value from 2019 to 2022 Taxes

Example 3: \$750,000* Apartment - Non Residential Homestead



Example 4: \$2,000,000* Commercial-Industrial



* Estimated market value for taxes payable in 2022. Taxes are calculated based on changes in market value of 5.6% from 2019 to 2020 taxes, 4.7% from 2020 to 2021, and 4.0% from 2021 to 2022.

Factors Impacting Individual Taxpayers' School Taxes

Many factors can cause tax bill for an individual property to increase or decrease from year to year

- Changes in value of individual property
- Changes in total value of all property in District
- Increases or decreases in levy amounts caused by changes in state funding formulas, local needs and costs, voter-approved referendums, and other factors

Possible Property Tax Refund

- ❑ Resident taxpayers on a fixed income, or with significant increases to their property taxes, should inquire of a tax professional regarding eligibility for property tax refunds

Next Board Action

- ❑ Later in this meeting, agenda new business item requesting Board of Education Certification of the Final Levy for Payable 2022, funding School Year 2022-2023

Questions or Comments

Public Comment and Questions

