

BADGER PUBLIC SCHOOLS
Independent School District 676

2024 PAYABLE 2025
PROPERTY TAX HEARING

For the school year
July 1, 2024 – June 30, 2025

Prepared by:

Dan Carpenter, Superintendent

Leah Hasson, Business Manager

Matt Rantapaa, Director, R.W. Baird & Co.

Sam Hylle, Assistant VP, R.W. Baird & Co

REQUIREMENTS OF THE TRUTH IN TAXATION HEARING

- The 2024 Pay 2025 Proposed Property Tax Levy
 - Proposed Changes
 - Specific Purposes for Changes
- Current Year Budget
 - Distribution of Revenues by Revenue Source
 - Spending by Program Area
- Public Comments and Questions

Minnesota Statute 275.065



School District Levy and School District Funds

School District Levy

- Tax is levied in the fall of 2024 taxes are payable and collected in 2025
- District Revenue for 2025-2026 school year
- Fiscal year 2026

School District Funds

General Fund Levy

- A. Based on student enrollment

Community Education Fund Levy

- A. Based on the population of the District
 1. Includes basic community education revenue, youth services and after school revenue
 2. Early childhood family education levy is based on number of children under 5 years of age in district



School District Levy and School District Funds

School District Funds (continued)

Debt Service Fund Levy

- A. Based on annual debt retirement schedules
 - 1. Annual levy is what is needed to pay principal and interest payments of bonded debt plus 5%
 - 2. A calculation is done annually by the Minnesota Department of Education to determine level of fund balance
 - a. If over cap of 5% a levy reduction will be made to bring debt fund balance to the 5% over levy requirement
 - 3. Debt Service Fund may be composed of voter-approved bonds, as well as non-voter approved bonds such as alternative facilities bonds, capital facilities bonds and long-term facilities maintenance bonds



How will your 2025 School Taxes be spent?

General Fund

Percent

Provides funding for district regular and special education instructional programs including but not limited to support services, transportation, instructional, athletic, and operational equipment, technology, building maintenance, etc.

99.28%

Community Education Fund

Funding for Community Education programs
Early Childhood Family Education and School Readiness

0.72%

Total Levy before credits and exclusions:

100.00%



The School District Levy is changing by

\$252,350

Or

49.21%

Source: MDE Levy Limitation and Certification Report for taxes payable 2025 (page 30 of 39)



SCHOOL DISTRICT BUDGET

**CURRENT SCHOOL YEAR
2024-2025**



ISD 676 - BADGER PUBLIC SCHOOLS

FISCAL YEAR 2024-2025

COMPOSITE BUDGET

REVENUES				
	GENERAL FUND	FOOD SERVICE FUND	COMM. ED. FUND	TOTALS
	FUND 01	FUND 02	FUND 04	
Levy	\$654,910		\$7,245	\$662,155
Misc. Local Rev.	61,300	60,250	3,000	124,550
State Aid	3,062,486		31,471	3,093,957
Federal Aid	61,985	125,500		187,485
Totals	\$3,840,681	\$185,750	\$41,716	\$4,068,147

EXPENSES				
	GENERAL FUND	FOOD SERVICE FUND	COMM. ED. FUND	TOTALS
	FUND 01	FUND 02	FUND 04	
Salaries / Wages / Benefits	\$2,522,178	\$59,846	\$34,660	\$2,616,684
Purchased Services	672,814	8,766	5,387	686,967
Supplies & Materials	649,999	6,700	6,575	663,274
Capital Expenditures	320,490	133,000	0	453,490
Other Expenditures	128,659	0	750	129,409
Gifts/Bequests	16,157	600	0	16,757
Totals	\$4,310,297	\$208,912	\$47,372	\$4,566,581

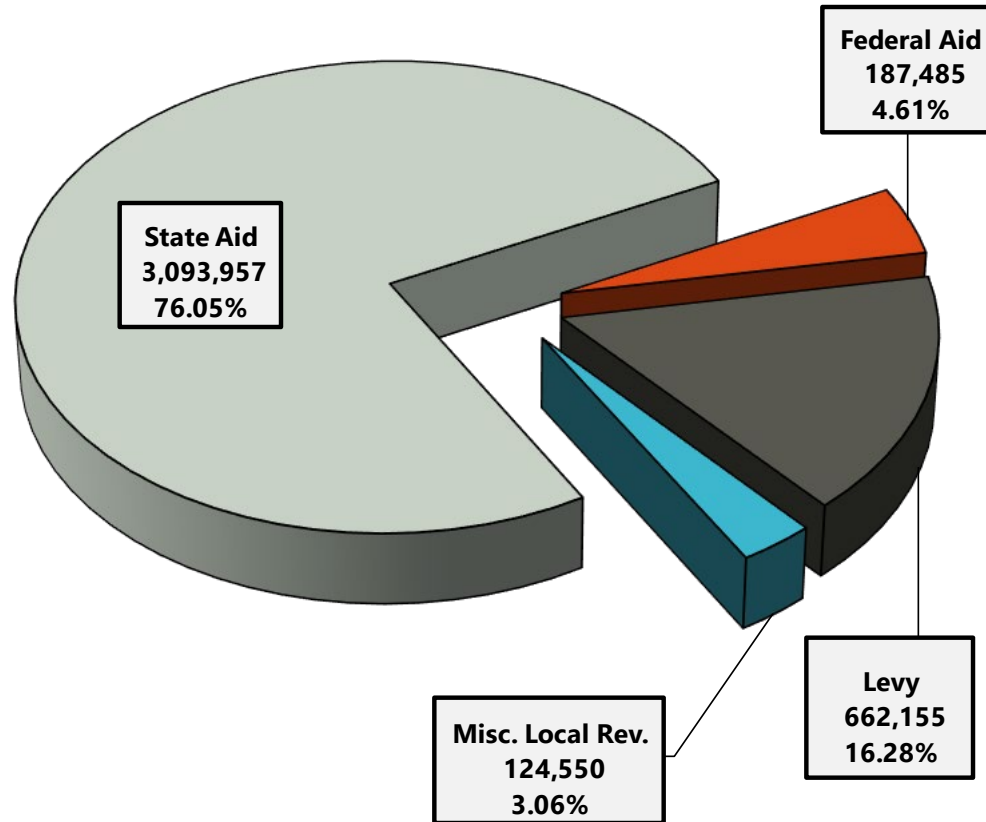
BUDGET BALANCE	(\$469,616)	(\$23,162)	(\$5,656)	(\$498,434)
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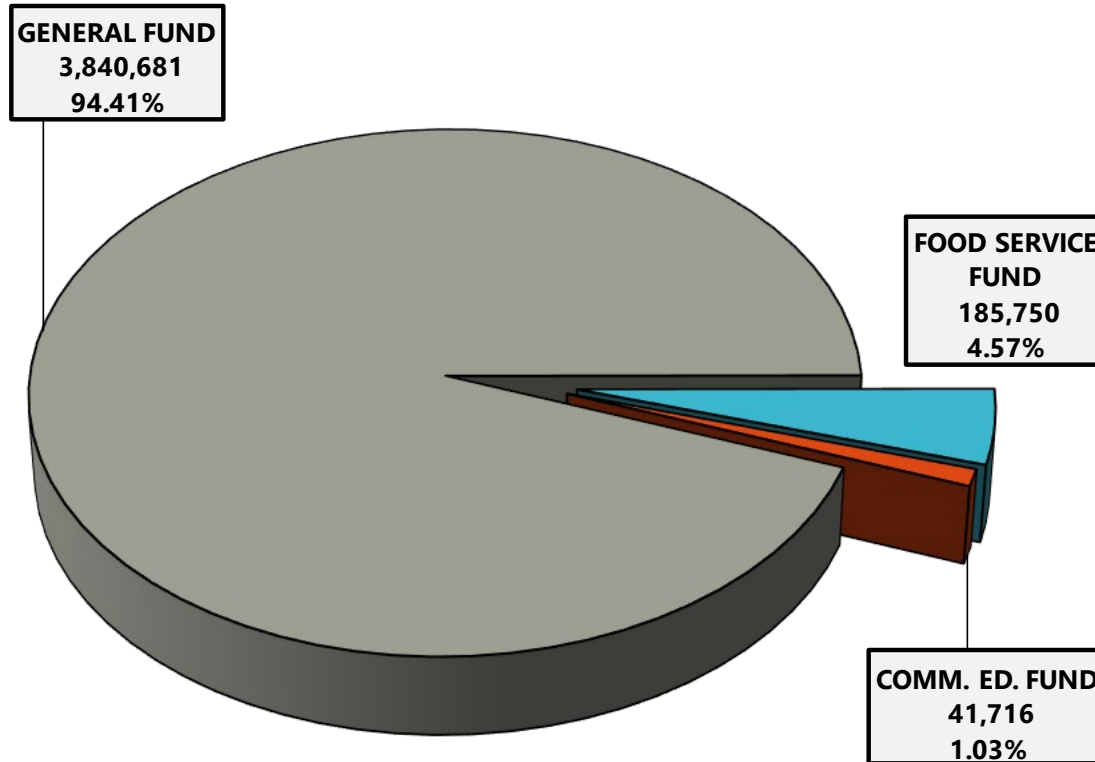
ISD 676 - BADGER PUBLIC SCHOOLS

FISCAL YEAR 2024-2025

REVENUE BY SOURCE



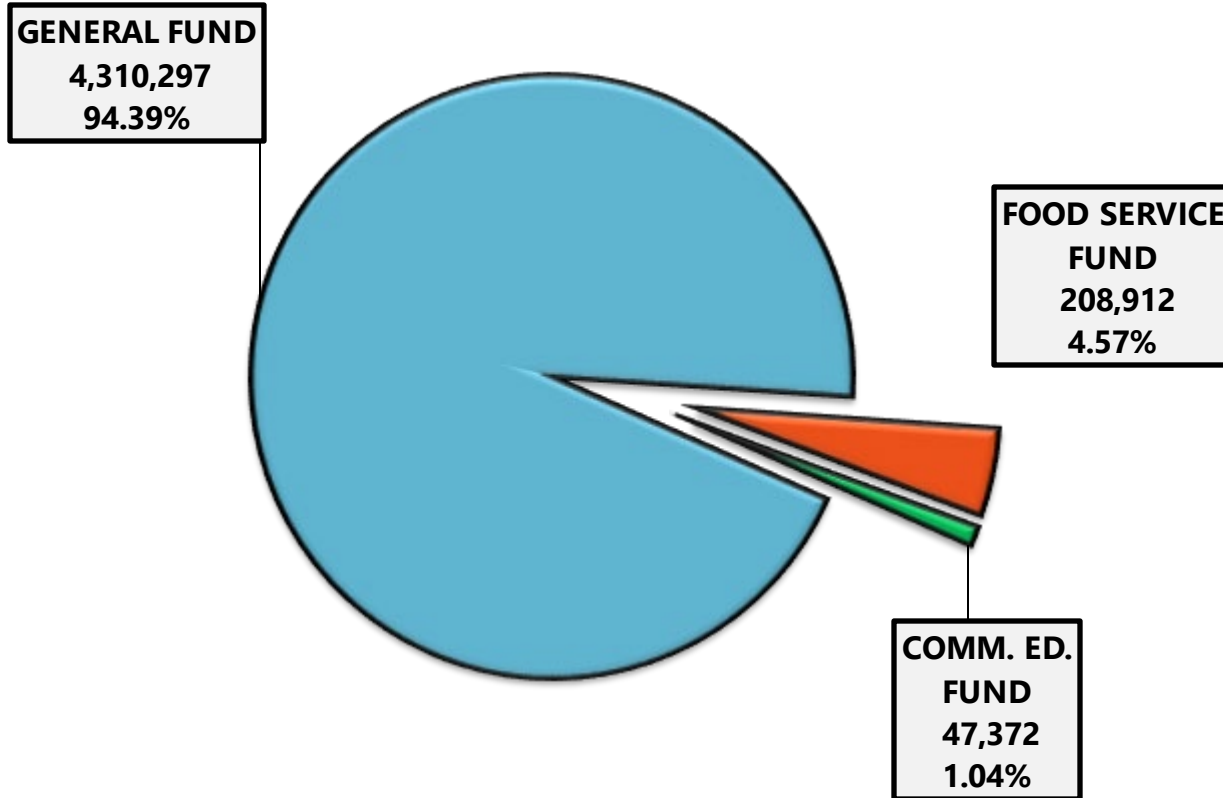
ISD 676 - BADGER PUBLIC SCHOOLS
FISCAL YEAR 2024-2025
REVENUE BY FUND



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FISCAL YEAR 2024-2025

EXPENDITURE BY FUND



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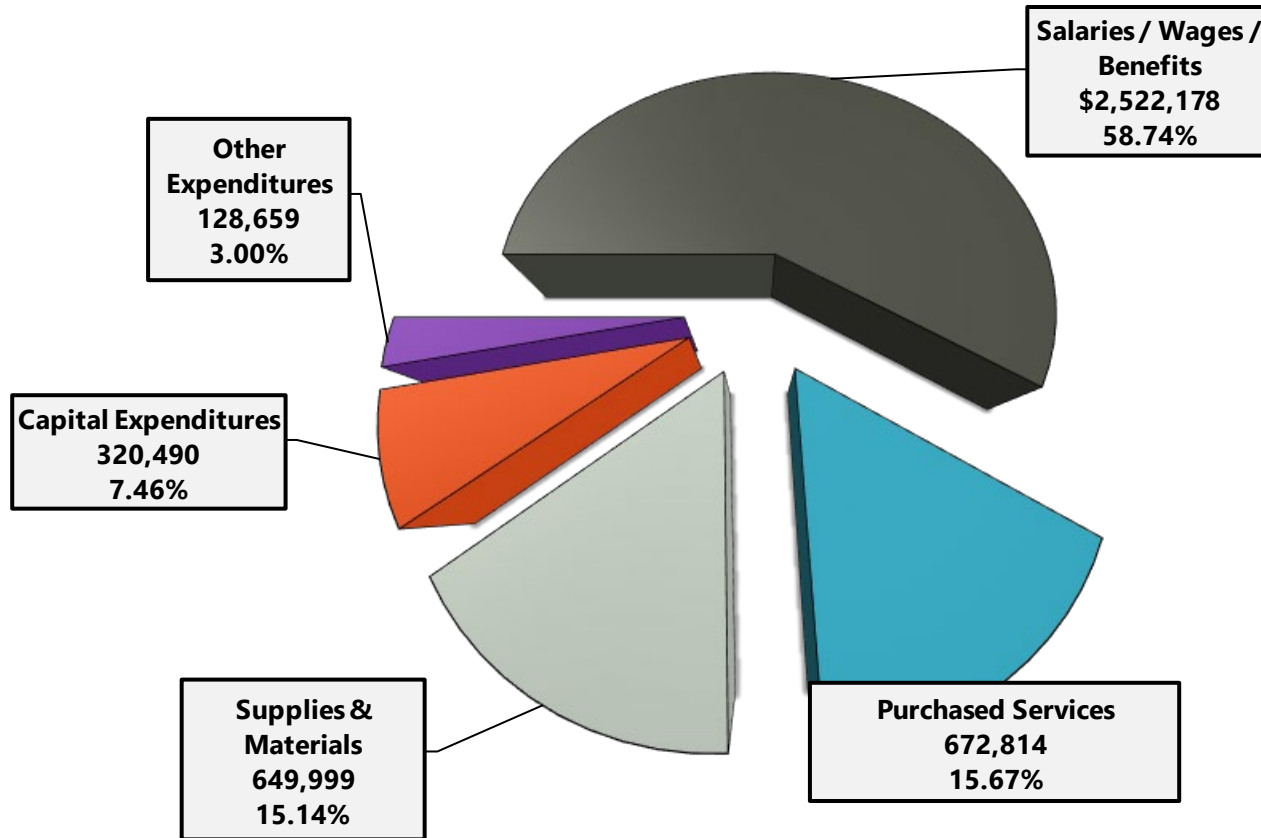
FISCAL YEAR 2024-2025

GENERAL FUND PROGRAM EXPENDITURES

EXPENSES	GENERAL FUND 01	
Salaries / Wages / Benefits	\$2,522,178	58.74%
Purchased Services	672,814	15.67%
Supplies & Materials	649,999	15.14%
Capital Expenditures	320,490	7.46%
Other Expenditures	128,659	3.00%
TOTAL EXPENDITURES	\$4,294,140	100.00%



ISD 676 - BADGER PUBLIC SCHOOLS FISCAL YEAR 2024-2025 GENERAL FUND 01 PROGRAM EXPENDITURES



Local Financial Reminders

November 2024 Election

Question #1: Increase
Operating Levy
(Pupil driven levy)

Question #2: Increase
Operating Levy
(Pupil driven levy)

Question #3:
School
Building
Bonds

Term Length: 10 Years
Commencing Taxes Payable
2025 and ending in Taxes
Payable 2034

Voters Approved \$967.93 per
Pupil with Inflation

Term Length: 10 Years
Commencing Taxes Payable
2025 and ending in Taxes
Payable 2034

Voters rejected additional
\$967.93 per Pupil with
Inflation

Use of Funds: classroom
additions, repurpose and
remodel existing classrooms,
new gymnasium including a
weight room, concessions,
restrooms, locker rooms, CTE
improvements, and HVAC
improvements

Yes Votes: 327 or 53.78%
No Votes: 281 or 46.22%

More pupils = more revenue
Less pupils = less revenue

Yes Votes: 271 or 45.17%
No Votes: 329 or 54.83%

Yes Votes: 239 or 40.03%
No Votes: 358 or 59.97%



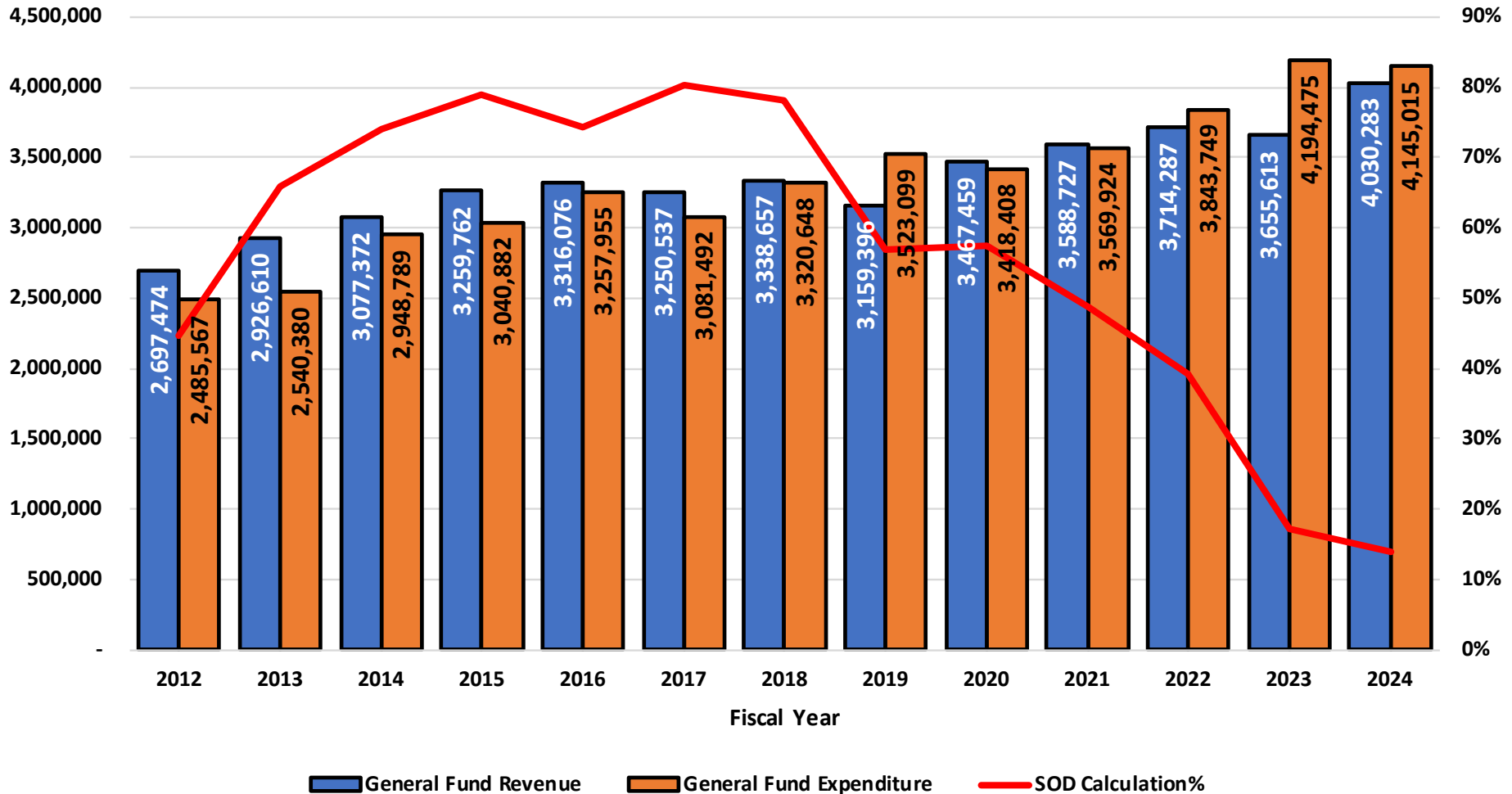
Local Financial Reminders - Continued

- **Facilities Items**
 - After failed referendum, district will need to consider how to address facilities needs in the future
- **Operational Items**
 - Q1 passing will help budget pressures in the near-term commencing with school year 2025/2026
 - District will need to continue to budget carefully based on FY 2025 budget



Local Financial Reminders - Continued

General Fund Revenue, Expenditure, and MDE SOD% Calculation



“MDE SOD” Title Definition: Minnesota DePARTMENT of Education Statutory Operating Debt Calculation



Local Financial Reminders - Continued

AVERAGE DAILY MEMBERSHIP (ADM)

Grade	2019-2020	2020-2021	2021-2022	2022-2023	2023-2024
K (total) + EC	18.16	17.68	18.66	12.68	22.22
1	15.66	16.73	15.91	14.00	16.70
2	13.44	16.00	18.00	17.00	13.00
3	15.88	10.75	17.43	19.00	18.00
4	13.74	14.18	12.25	20.00	18.70
5	18.96	11.99	12.25	12.45	21.00
6	16.00	18.17	15.39	12.00	13.00
7	20.56	16.55	16.57	15.14	12.00
8	21.00	21.64	20.37	22.06	15.31
9	20.24	17.47	20.20	18.07	19.80
10	20.99	16.61	20.17	19.40	15.77
11	24.92	20.68	15.14	18.87	19.70
12	13.00	24.27	19.58	14.37	18.16
Total ADM	232.55	222.72	221.92	215.04	223.36
Elementary ADM 1-6	93.68	87.82	91.23	94.45	100.40
Secondary ADM 7-12	120.71	117.22	112.03	107.91	100.74
Total Adjusted Pupil Units	256.69	246.16	244.33	236.62	243.51



HOW ARE STATE AID AND LOCAL LEVIES DETERMINED?



AUTHORITY FOR SCHOOL LEVIES

A SCHOOL DISTRICT TAX LEVY MAY BE EITHER:

SET BY STATE FORMULA

OR

VOTER APPROVED



ISD 676 - BADGER PUBLIC SCHOOLS

GENERAL FUND

GROSS LEVY COMPARISON

Total % Change = 50.481%

	Actual 2023 Pay 2024	Proposed 2024 Pay 2025	Dollar Difference
1 Referendum (voter-approved)	258,042.26	484,469.48	226,427.22
2 Local Optional	68,610.92	62,468.79	(6,142.13)
3 Equity	21,017.16	18,019.20	(2,997.96)
4 Transition	6,142.77	8,290.54	2,147.77
5 Capital Projects Levy (voter-approved)	68,062.58	87,786.98	19,724.40
6 Operating Capital	14,266.10	16,889.18	2,623.08
7 Reemployment Insurance	818.70	196.40	(622.30)
8 Safe Schools	8,392.68	1,116.00	(7,276.68)
9 Career Technical	36,005.55	53,547.25	17,541.70
10 LTFM Equalized (state aid = 71%)	23,478.97	26,866.60	3,387.63
11 LTFM Unequalized	0.00	0.00	0.00
12 Tax Abatement / Other Adj.	<u>(23.64)</u>	<u>0.00</u>	<u>23.64</u>
Total Gross Levy	504,814.05	759,650.42	254,836.37

ISD 676 - BADGER PUBLIC SCHOOLS

COMMUNITY SERVICE

GROSS LEVY COMPARISON

Total % Change = -31.104%

	Actual 2023 Pay 2024	Proposed 2024 Pay 2025	Dollar Difference
1 Basic Community Education	\$5,270.57	\$5,515.99	\$245.42
2 Early Child Family	2,672.34	(5.12)	(2,677.46)
3 Home Visiting	51.01	(5.01)	(56.02)
4 Adults w/ Disabilities	0.00	0.00	0.00
5 School Age Care	0.00	0.00	0.00
6 Other Adjustments	0.00	0.00	0.00
7 Tax Abatement	<u>(2.40)</u>	<u>0.00</u>	<u>2.40</u>
Total Gross Levy	\$7,991.52	\$5,505.86	(\$2,485.66)

ISD 676 - BADGER PUBLIC SCHOOLS

DEBT SERVICE

GROSS LEVY COMPARISON

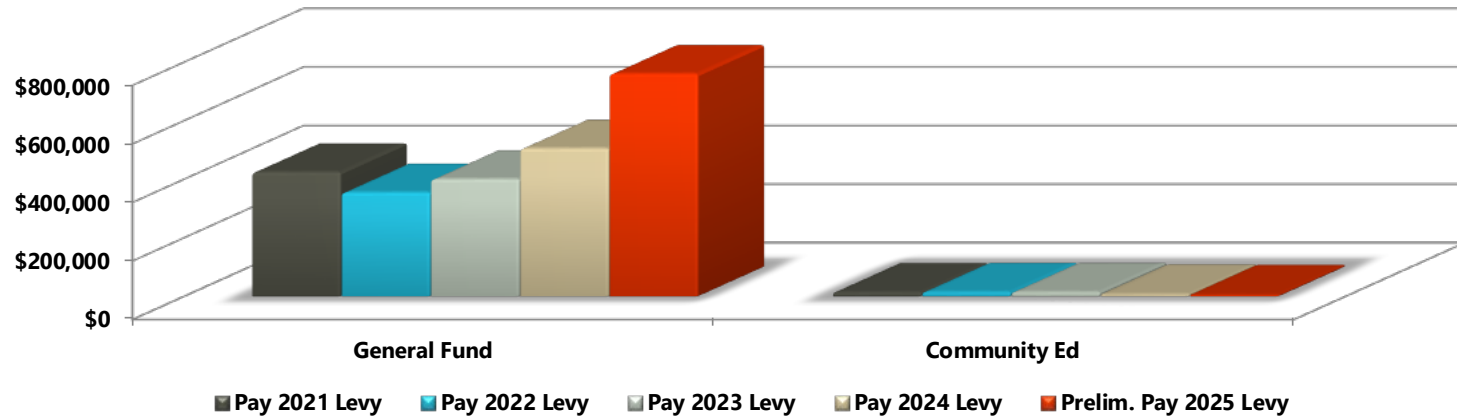
Total % Change = 0.000%

	Actual 2023 Pay 2024	Proposed 2024 Pay 2025	Dollar Difference
1 Voter Approved Debt Service	\$0.00	\$0.00	\$0.00
2 LTFM Bond Debt Service	0.00	0.00	0.00
3 Debt Excess	0.00	0.00	0.00
4 Tax Abatement	0.00	0.00	0.00
5 Other Adjustments	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>
Total Gross Levy	\$0.00	\$0.00	\$0.00

ISD 676 - BADGER PUBLIC SCHOOLS SCHOOL PORTION of PROPERTY TAX LEVY

Total Pay 2021 Levy = \$436,970.18
 Total Pay 2022 Levy = \$368,444.98
 Total Pay 2023 Levy = \$413,999.15
 Total Pay 2024 Levy = \$512,805.57
Total Prelim. Pay 2025 Levy = \$765,156.28

School Levy Comparison



	Pay 2021 Levy	Pay 2022 Levy	Pay 2023 Levy	Pay 2024 Levy	Prelim. Pay 2025 Levy
General Fund	423,740.90	354,425.78	399,998.61	504,814.05	759,650.42
Community Ed	13,229.28	14,019.20	14,000.54	7,991.52	\$5,505.86
Total Levy	436,970.18	368,444.98	413,999.15	512,805.57	765,156.28

WHAT ARE THE MAIN VARIABLES THAT MAY CAUSE PROPERTY TAX INCREASES AND DECREASES?

- 1. Changes in market values**
- 2. Changes in class rates/history**
- 3. Market value exclusion**
(Newly adjusted Pay 2025 credit amount and value range)
- 4. Voter approved referendums**
- 5. State adjustments**
(i.e. Ag2School Tax Credit Program)
- 6. Change in enrollment numbers and adjustments for prior years enrollment (estimate to actual)**
- 7. New programs authorized or mandated by legislature**
(i.e. Long-Term Facilities Maintenance [LTFM] Revenue Program)



CHANGES IN MARKET VALUE

The market values are final and are not a subject for the upcoming budget hearings. They were discussed at the local County Board of Review and County Board of Equalization hearings held earlier this year. The final taxable market values may reflect a reduction under the limited value law. If this property is a qualifying homestead, the final taxable market values may exclude improvements which you made to this property.



HOMESTEAD MARKET VALUE EXCLUSION

Commencing with taxes payable 2025, Minnesota residential homestead property taxpayers will see an adjusted homestead market value exclusion formula

MN Statute 273.13 subd. 35 provides a homestead market exclusion. This residential market value exclusion originated as a credit and was established by the 2001 Legislature. The 2011 Legislature converted this credit to a market value exclusion. As with the previous credit, qualifying property includes homestead property classified as 1a (residential), 1b (blind/disabled), and 2a (agricultural). In the case of an agricultural homestead or resort homestead, only the market value of the house, garage and immediately surrounding one acre of land is eligible in determining the exclusion. Homesteaded manufactured homes are eligible, as are relative homesteads to the degree the owner would be eligible if they lived there (MN Stat. 272.02)

MN Stat 273.13 subd. 35 (b) formerly stated:

For a homestead valued at \$76,000 or less, the exclusion is 40 percent of market value.
For a homestead valued between \$76,000 and \$413,800, the exclusion is \$30,400 minus nine percent of the valuation over \$76,000.
For a homestead valued at \$413,800 or more, there is no valuation exclusion. The valuation exclusion shall be rounded to the nearest whole dollar, and may not be less than zero.

MN Stat 273.13 subd. 35 (b) now states:

For a homestead valued at \$95,000 or less, the exclusion is 40 percent of market value.
For a homestead valued between \$95,000 and \$517,200, the exclusion is \$38,000 minus nine percent of the valuation over \$95,000.
For a homestead valued at \$517,200 or more, there is no valuation exclusion. The valuation exclusion shall be rounded to the nearest whole dollar, and may not be less than zero.

**Please
note
market
value range
and credit
amount
both
increased**



TAX BASE HISTORY

ISD 676 - BADGER PUBLIC SCHOOLS

TAX BASE HISTORY

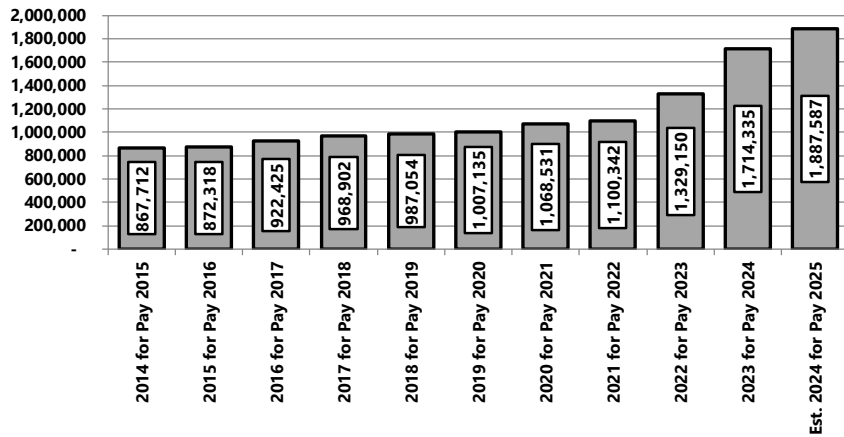
	NTC	% Change
2014 for Pay 2015	867,712	
2015 for Pay 2016	872,318	0.53%
2016 for Pay 2017	922,425	5.74%
2017 for Pay 2018	968,902	5.04%
2018 for Pay 2019	987,054	1.87%
2019 for Pay 2020	1,007,135	2.03%
2020 for Pay 2021	1,068,531	6.10%
2021 for Pay 2022	1,100,342	2.98%
2022 for Pay 2023	1,329,150	20.79%
2023 for Pay 2024	1,714,335	28.98%
Est. 2024 for Pay 2025	1,887,587	10.11%
10-year Average		8.42%
5-year Average		13.79%

ISD 676 - BADGER PUBLIC SCHOOLS

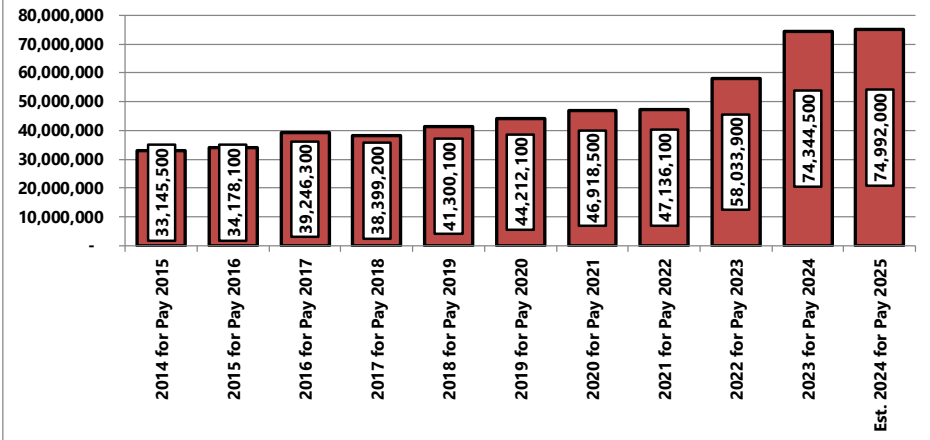
TAX BASE HISTORY

	RMV	% Change
2014 for Pay 2015	33,145,500	-
2015 for Pay 2016	34,178,100	3.12%
2016 for Pay 2017	39,246,300	14.83%
2017 for Pay 2018	38,399,200	-2.16%
2018 for Pay 2019	41,300,100	7.55%
2019 for Pay 2020	44,212,100	7.05%
2020 for Pay 2021	46,918,500	6.12%
2021 for Pay 2022	47,136,100	0.46%
2022 for Pay 2023	58,033,900	23.12%
2023 for Pay 2024	74,344,500	28.11%
Est. 2024 for Pay 2025	74,992,000	0.87%
10-year Average		8.91%
5-year Average		11.74%

NTC (Net Tax Capacity)

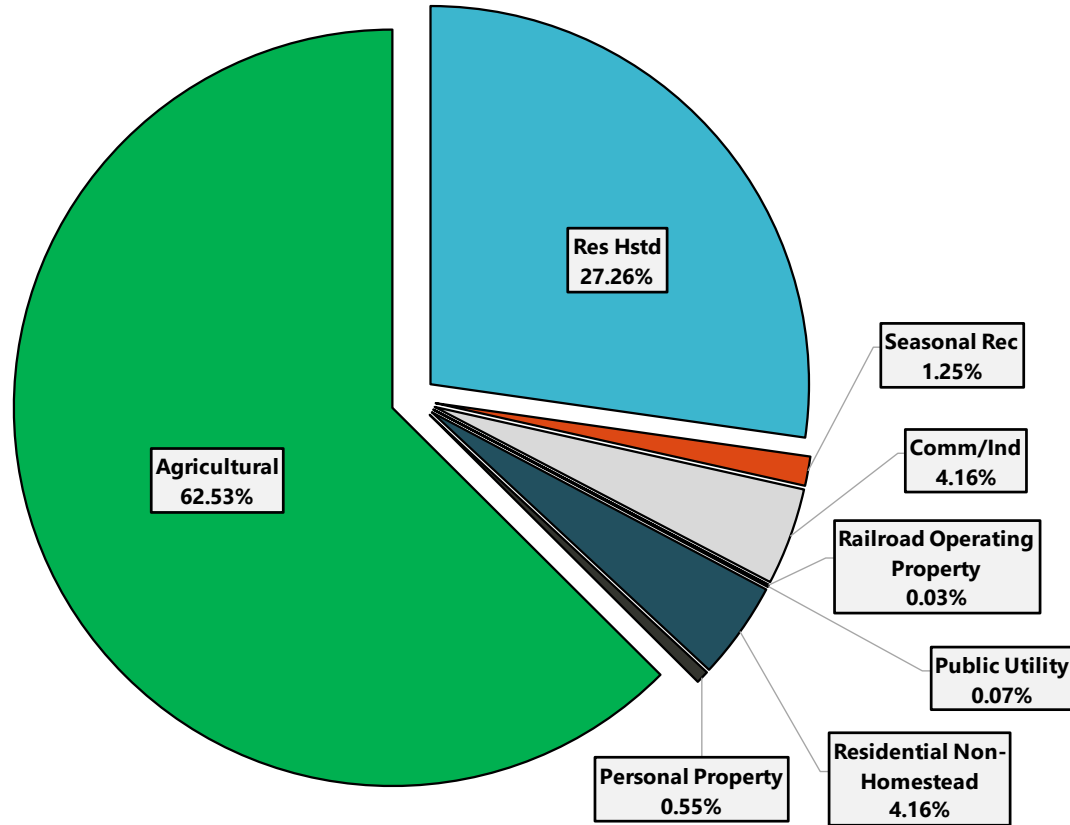


RMV (Referendum Market Value)



Source: Roseau County Preliminary Pay 2024 Truth in Taxation data and MN Department of Education

ISD 676 BADGER TAX BASE COMPOSITION - PRELIM PAY 2025



Source: MN Department of Revenue Pay 2025 PRISM System



EST. SCHOOL PORTION OF PROPERTY TAXES FOR PROPERTY LOCATED IN ISD 676 BADGER PUBLIC SCHOOLS

0.00%

Type of Property	Estimated Market Value - Taxes Payable 2024	Estimated Market Value - Taxes Payable 2025	Actual Pay 2024 School Portion of Taxes	Preliminary Pay 2025 School Portion of Taxes	Estimated Annual Tax Increase / (Decrease) - Pay 2024 vs Pay 2025	Estimated Monthly Tax Increase / (Decrease) - Pay 2024 vs Pay 2025	Estimated Percent Change
Residential Homestead	75,000	75,000	398.67	619.06	220.39	18.37	55.28%
	100,000	100,000	542.50	827.95	285.46	23.79	52.62%
	125,000	125,000	686.70	1,046.71	360.01	30.00	52.43%
	150,000	150,000	831.00	1,265.57	434.57	36.21	52.30%
	165,000	165,000	917.50	1,396.80	479.30	39.94	52.24%
	175,000	175,000	975.20	1,484.33	509.13	42.43	52.21%
	200,000	200,000	1,119.49	1,703.18	583.69	48.64	52.14%
	250,000	250,000	1,407.99	2,140.80	732.81	61.07	52.05%
	300,000	300,000	1,696.49	2,578.41	881.92	73.49	51.99%
Commercial Industrial	400,000	400,000	2,273.49	3,453.64	1,180.16	98.35	51.91%
	500,000	500,000	2,843.25	4,328.87	1,485.62	123.80	52.25%
	100,000	100,000	615.02	916.92	301.90	25.16	49.09%
	250,000	250,000	1,583.92	2,343.12	759.20	63.27	47.93%
Ag Homestead*,** (average value per acre)	500,000	500,000	3,237.40	4,762.50	1,525.10	127.09	47.11%
	1,000,000	1,000,000	6,544.35	9,601.25	3,056.90	254.74	46.71%
	2,500	2,500	1.16	1.27	0.11	0.01	9.63%
	3,000	3,000	1.39	1.53	0.13	0.01	9.63%
Ag Non-Homestead** (average value per acre)	3,500	3,500	1.62	1.78	0.16	0.01	9.63%
	4,000	4,000	1.85	2.03	0.18	0.01	9.63%
	2,500	2,500	2.32	2.54	0.22	0.02	9.63%
	3,000	3,000	2.78	3.05	0.27	0.02	9.63%
Ag Non-Homestead** (average value per acre)	3,500	3,500	3.25	3.56	0.31	0.03	9.63%
	4,000	4,000	3.71	4.07	0.36	0.03	9.63%
Ag2School Credit Percentage (if applicable)			70%	70%			

Source: Roseau County Data and MN Department of Education

EST. SCHOOL PORTION OF PROPERTY TAXES FOR PROPERTY LOCATED IN ISD 676 BADGER PUBLIC SCHOOLS

5.49%

Type of Property	Estimated Market Value - Taxes Payable 2024	Estimated Market Value - Taxes Payable 2025	Actual Pay 2024 School Portion of Taxes	Preliminary Pay 2025 School Portion of Taxes	Estimated Annual Tax Increase / (Decrease) - Pay 2024 vs Pay 2025	Estimated Monthly Tax Increase / (Decrease) - Pay 2024 vs Pay 2025	Estimated Percent Change
Residential Homestead	75,000	79,116	398.67	653.07	254.40	21.20	63.81%
	100,000	105,489	542.50	875.91	333.41	27.78	61.46%
	125,000	131,861	686.70	1,106.78	420.08	35.01	61.17%
	150,000	158,233	831.00	1,337.55	506.55	42.21	60.96%
	165,000	174,056	917.50	1,476.09	558.59	46.55	60.88%
	175,000	184,605	975.20	1,568.42	593.22	49.44	60.83%
	200,000	210,977	1,119.49	1,799.19	679.70	56.64	60.71%
	250,000	263,721	1,407.99	2,260.83	852.84	71.07	60.57%
	300,000	316,466	1,696.49	2,722.48	1,025.99	85.50	60.48%
400,000	421,954	2,273.49	3,645.76	1,372.28	114.36	60.36%	
500,000	527,443	2,843.25	4,575.05	1,731.80	144.32	60.91%	
Commercial Industrial	100,000	105,489	615.02	967.24	352.22	29.35	57.27%
	250,000	263,721	1,583.92	2,475.91	891.99	74.33	56.32%
	500,000	527,443	3,237.40	5,028.07	1,790.68	149.22	55.31%
	1,000,000	1,054,885	6,544.35	10,132.40	3,588.05	299.00	54.83%
Ag Homestead*,** (average value per acre)	2,500	2,637	1.16	1.34	0.18	0.02	15.65%
	3,000	3,165	1.39	1.61	0.22	0.02	15.65%
	3,500	3,692	1.62	1.88	0.25	0.02	15.65%
	4,000	4,220	1.85	2.15	0.29	0.02	15.65%
Ag Non-Homestead** (average value per acre)	2,500	2,637	2.32	2.68	0.36	0.03	15.65%
	3,000	3,165	2.78	3.22	0.44	0.04	15.65%
	3,500	3,692	3.25	3.75	0.51	0.04	15.65%
	4,000	4,220	3.71	4.29	0.58	0.05	15.65%
Ag2School Credit Percentage (if applicable)			70%	70%			

Source: Roseau County Data and MN Department of Education

Impact of Successful Question #1 (Operating Levy)

Pre-Election Estimates:

- Net New Operational Revenue: \$200,000
- Student Count to Base Estimates: 220.4 APUs
- Estimated Monthly Tax Impact on a \$150,000 Home: \$35.65

Actual Result (Based on Pay 2025 Levy Report)

- Net New Operational Revenue: \$217,591
- Student Count (Final): 234.8 APUs
- Estimated Monthly Tax Impact on a \$150,000 Home: \$36.21

\$17,000 additional revenue due to enrollment growth for nearly the same impact (less than \$1 per month difference)

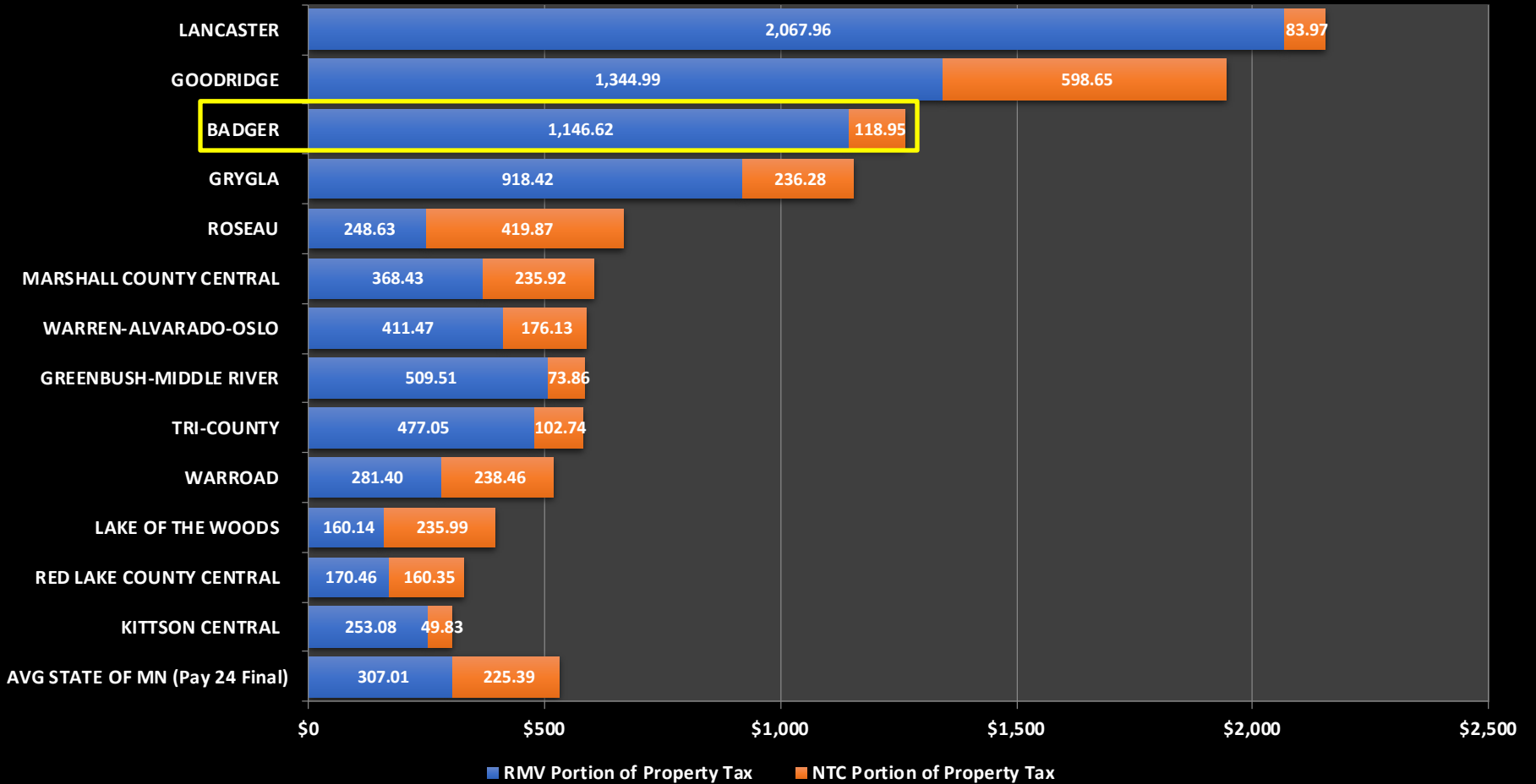


Region District November 2024 Election Summary

ISD	District Name	Type of Question	# of Yes Votes	# of No Votes	% Yes Votes	% No Votes	Pass/Fail	Ballot Question Summary
390	Lake of the Woods	Capital Projects Levy	791	1236	39.02%	60.98%	FAIL	New 10-Year Capital Projects Levy (\$400K New Revenue Annually) Commencing in Pay 2025
390	Lake of the Woods	Bond Issue	844	1156	42.20%	57.80%	FAIL	School Building Bonds, Not to Exceed \$4 Million to finance deferred maintenance items (roof repairs, exterior masonry, flooring repair and improvements)
447	Grygla	Capital Projects Levy	401	181	68.90%	31.10%	PASS	Renew 10-Year Capital Projects Levy (\$157K Revenue Annually) Commencing in Pay 2025
447	Grygla	Operating Levy	344	226	60.35%	39.65%	PASS	Revoke Existing Operating Levy of \$460/APU and Replace with \$2,175/APU for 10 Years Commencing in Pay 2025
447	Grygla	Capital Projects Levy	353	219	61.71%	38.29%	PASS	New 10-Year Capital Projects Levy (\$100K New Revenue Annually) Commencing in Pay 2025
682	Roseau	Operating Levy	1460	2307	38.76%	61.24%	FAIL	Increase Operating Levy by \$1,050/APU for 10 Years Commencing in Pay 2025
2171	Kittson Central	Operating Levy	677	393	63.27%	36.73%	PASS	Increase Operating Levy by \$4,546/APU for 10 Years Commencing in Pay 2026

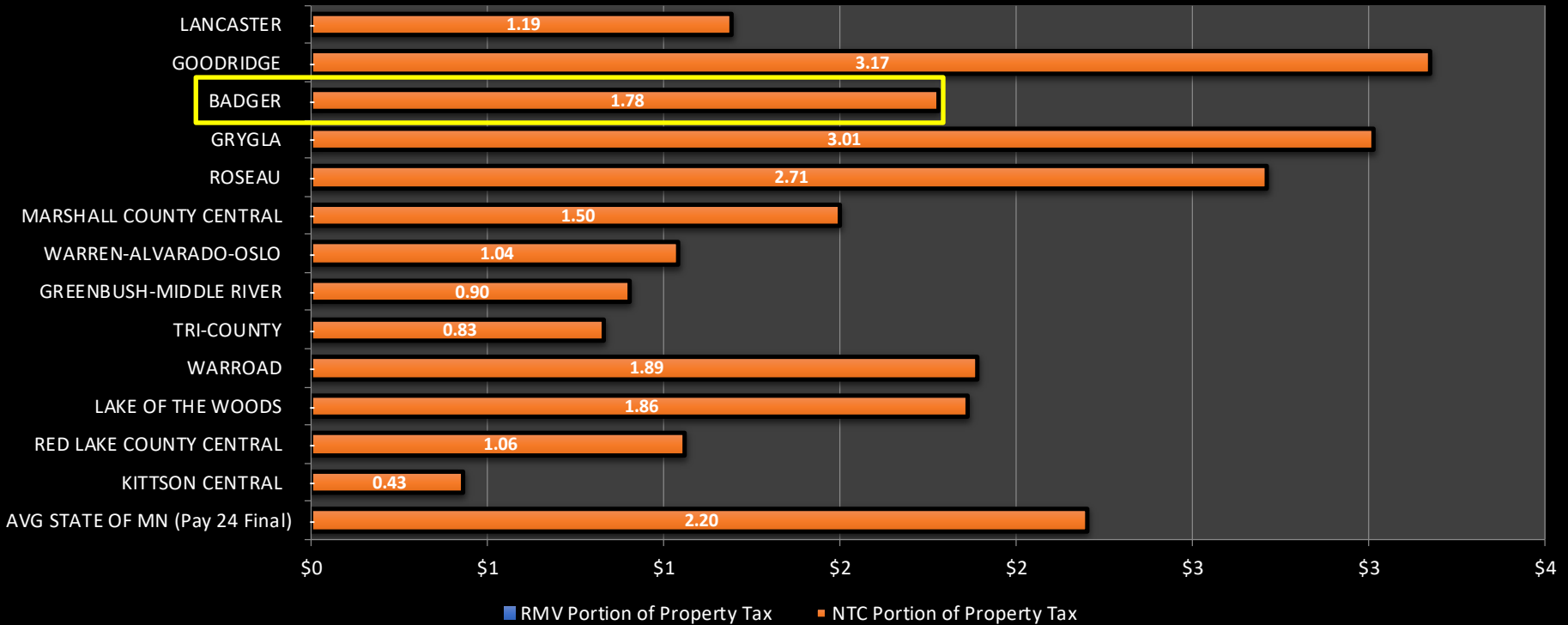
*Estimated Region Comparison Graphs on the following two slides are inclusive of tax impact increases associated with successful school district elections listed above, using District Specific Levy Limitation & Certification Reports
A/O 11/29/2024*

Est. School Portion of Property Taxes Payable in 2025 on a \$150,000 Homestead Residential Property



Source: Roseau County, MN Dept. of Revenue PRISM data, and MN Department of Education.

Est. School Portion of Property Taxes Payable in 2025 on a 1-acre Homestead Agricultural Property valued at \$3,500



Source: Roseau County, MN Dept. of Revenue PRISM data, and MN Department of Education.



Whereas, Pursuant to Minnesota Statutes the School Board of Independent School District No. 676, Badger Public Schools, Minnesota, is authorized to make the following proposed tax levies for general purposes:

General Fund	\$ 759,650.42
Community Services	<u>\$ 5,505.86</u>
Total Proposed Tax Levy	\$ 765,156.28

Now Therefore, Be it resolved by the School Board of Independent School District No. 676, Badger, Minnesota, that the levy to be levied in 2024 to be collected in 2025 is set at \$765,156.28. The clerk of the ISD 676 School Board is authorized to certify the proposed levy to the County Auditor of Roseau County, Minnesota.

Public Comments and Questions?

Contact Superintendent Dan Carpenter

Email: dcarpenter@badger.k12.mn.us

