



**one91**  
Burnsville · Eagan · Savage



# INDEPENDENT SCHOOL DISTRICT 191 PUBLIC HEARING FOR TAXES PAYABLE IN 2021

December 10, 2020, 6:30 PM

Diamondhead Education Center, Burnsville Room

***Future Ready. Community Strong.***

# Tax Hearing Presentation

- State law requires that we present:
  - Information on the current year budget and actual revenue and expense for the prior year
  - Information on the proposed property tax levy
  - The percentage change over the prior year
  - Specific purposes and reasons for which taxes are being increased
  - Invite public to speak and ask questions

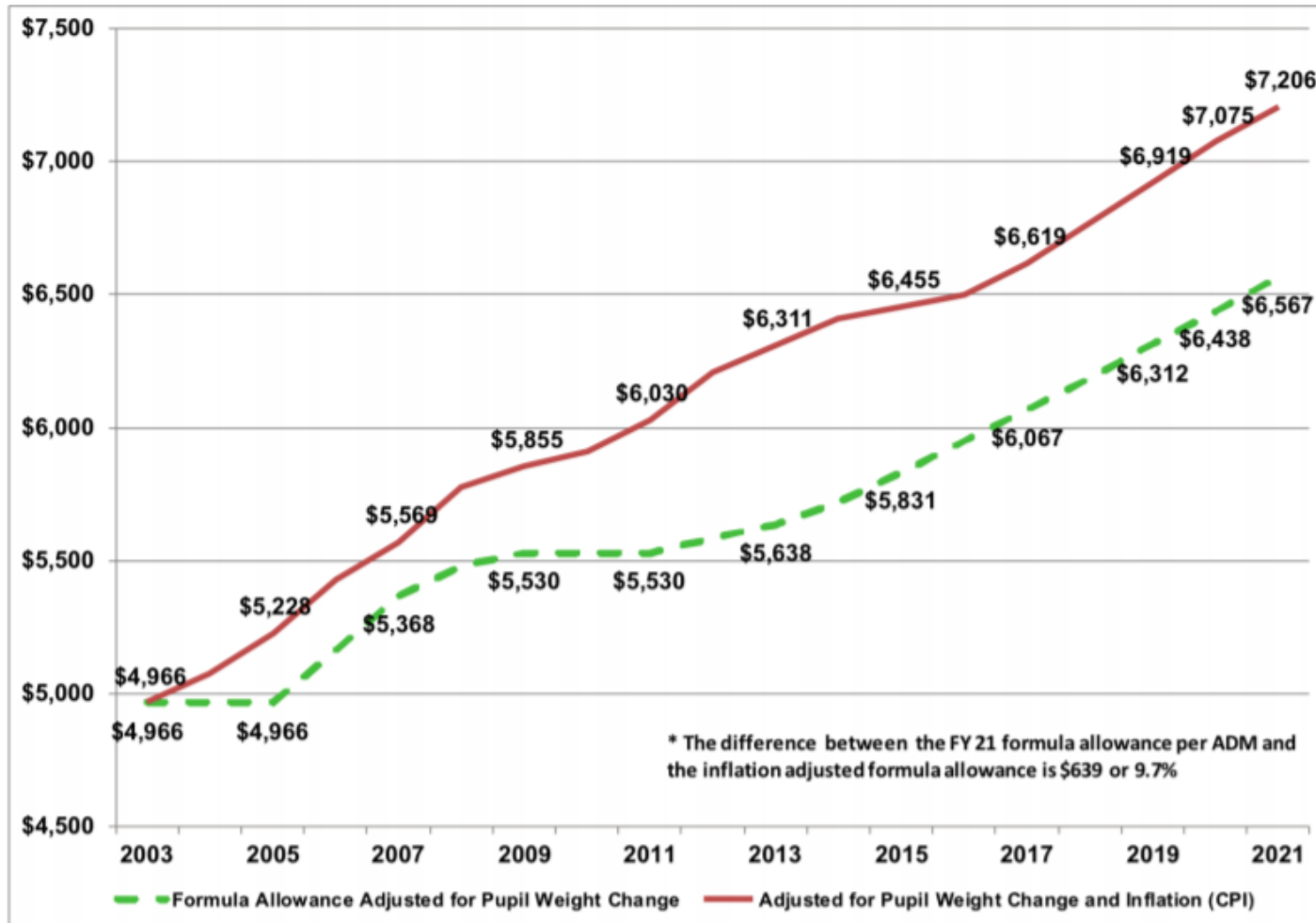
# Agenda for Hearing

- A. Background on School Funding, Property Tax Levies, and Budgets
- B. Information on the District Budget
- C. Information on the District's Proposed Tax Levy for Taxes Payable in 2021
- D. 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 Allowance, 2003-2021 Adjusted for Pupil Weight Change and Inflation (CPI)



Source: MDE August 2019 Inflation Estimates



Association of Metropolitan School Districts



**ISD #191 - BURNSVILLE-EAGAN-SAVAGE**  
**AUDITED FUND BALANCES THROUGH JUNE 30, 2020 (UFARS basis)**

FUND DESCRIPTION	6/30/2019 AUDITED BALANCE	2019-20 AUDITED REVENUES	2019-20 AUDITED EXPENDITURES	2019-20 APPROVED TRANSFER	6/30/2020 AUDITED BALANCE
<b>GENERAL FUND</b>					
<b>A. UNASSIGNED</b>	\$7,833,268	\$101,515,050	\$96,424,675	(\$2,647,110)	\$10,276,533
<b>B. NONSPENDABLE</b>	\$469,392	\$0	\$33,935	\$0	\$435,457
<b>C. COMMITTED</b>	\$1,550,194	\$2,599,192	\$2,414,177	\$0	\$1,735,209
<b>D. RESTRICTED</b>	\$5,526,161	\$28,131,955	\$28,426,398	\$2,647,110	\$7,878,828
<b>TOTAL GENERAL FUND</b>	<b>\$15,379,015</b>	<b>\$132,246,197</b>	<b>\$127,299,185</b>	<b>\$0</b>	<b>\$20,326,027</b>
BUDGET		\$131,557,739	\$132,732,345		\$14,204,409
DIFFERENCE		\$688,458	(\$5,433,160)		\$6,121,618
% VARIANCE		0.52%	-4.09%		

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**AUDITED FUND BALANCES THROUGH JUNE 30, 2020 (UFARS basis)**

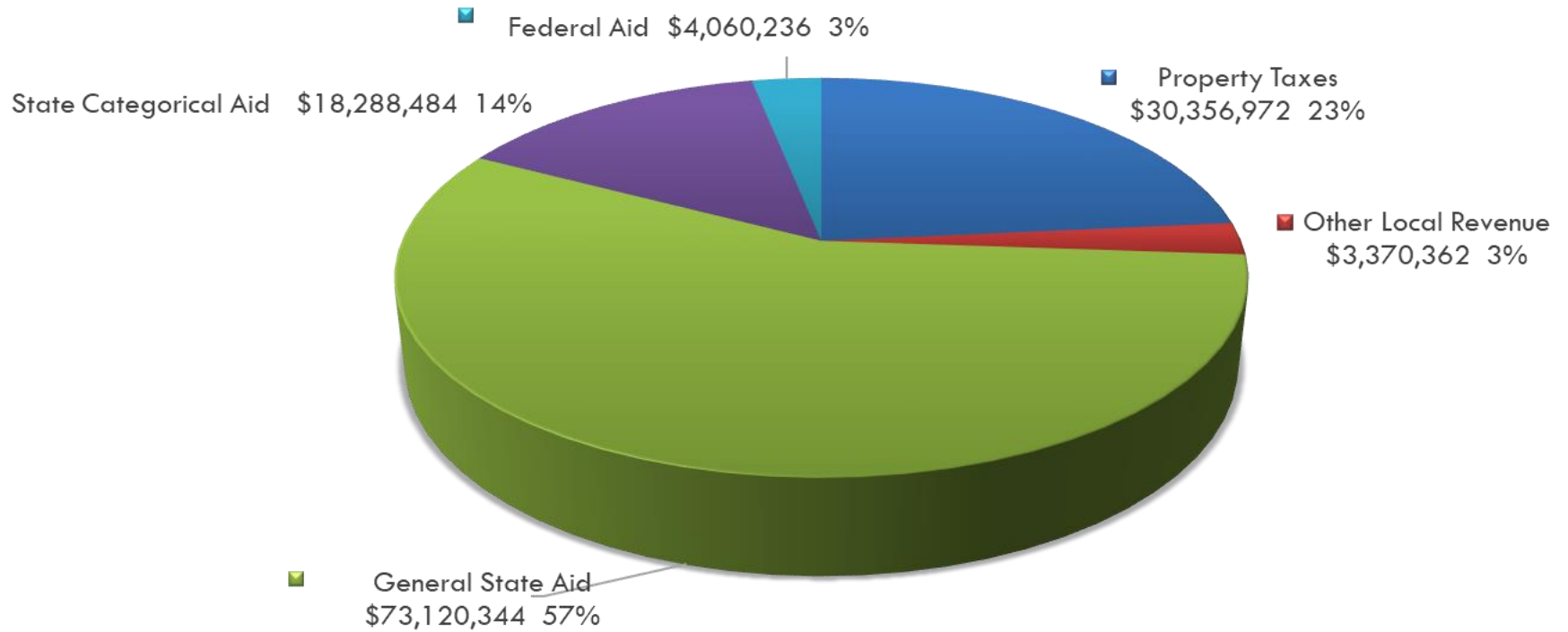
FUND DESCRIPTION	6/30/2019 AUDITED BALANCE	2019-20 AUDITED REVENUES	2019-20 AUDITED EXPENDITURES	2019-20 APPROVED TRANSFER	6/30/2020 AUDITED BALANCE
<b>TOTAL FOOD SERVICE</b>	<b>\$1,014,178</b>	<b>\$5,620,475</b>	<b>\$5,609,449</b>	<b>\$0</b>	<b>\$1,025,204</b>
BUDGET		\$5,727,678	\$5,870,433		\$871,423
DIFFERENCE		(\$107,203)	(\$260,984)		\$153,781
% VARIANCE		-1.87%	-4.45%		
<b>TOTAL COMMUNITY EDUCATION</b>	<b>\$319,842</b>	<b>\$6,889,843</b>	<b>\$6,066,435</b>	<b>\$0</b>	<b>\$1,143,250</b>
BUDGET		\$6,965,473	\$6,854,178		\$431,137
DIFFERENCE		(\$75,630)	(\$787,743)	\$0	\$712,113
% VARIANCE		-1.09%	-11.49%		
<b>TOTAL CAPITAL PROJECTS</b>	<b>\$2,800,813</b>	<b>\$30,886</b>	<b>\$740,436</b>	<b>\$0</b>	<b>\$2,091,263</b>
BUDGET		\$30,000	\$600,000		\$2,230,813
DIFFERENCE		\$886	\$140,436		(\$139,550)
% VARIANCE		2.95%	23.41%		
<b>TOTAL DEBT SERVICE</b>	<b>\$3,464,971</b>	<b>\$12,489,274</b>	<b>\$11,657,035</b>	<b>\$0</b>	<b>\$4,297,210</b>
BUDGET		\$12,813,093	\$13,061,198		\$3,216,866
DIFFERENCE		(\$323,819)	(\$1,404,163)		\$1,080,344
% VARIANCE		-2.53%	-10.75%		

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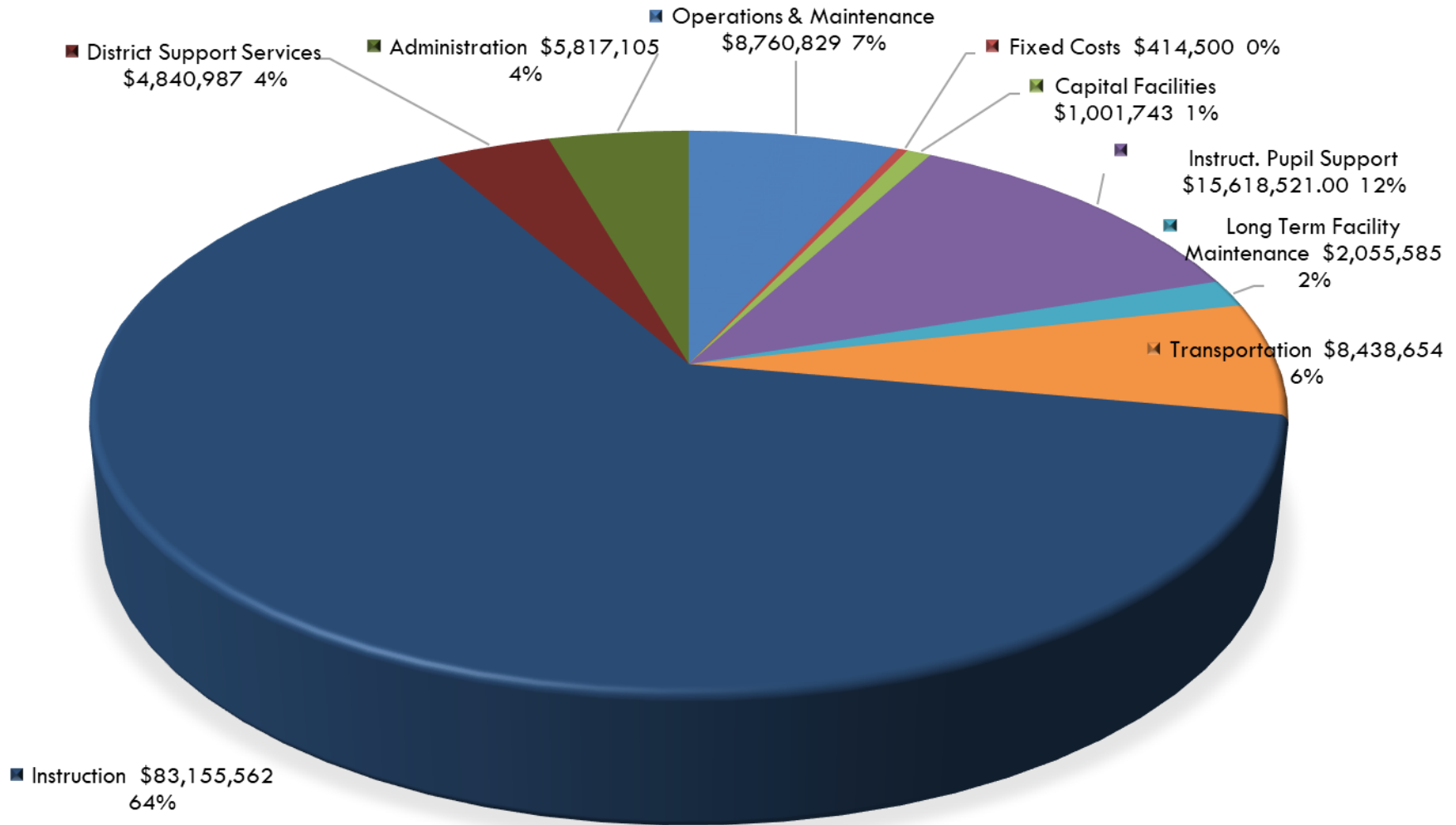
FUND DESCRIPTION	6/30/2019 AUDITED BALANCE	2019-20 AUDITED REVENUES	2019-20 AUDITED EXPENDITURES	2019-20 APPROVED TRANSFER	6/30/2020 AUDITED BALANCE
<b>INTERNAL SERVICE FUNDS</b>					
DENTAL SELF-INSURANCE	\$251,637	\$957,112	\$759,594		\$449,155
HEALTH BENEFITS SELF-INSURANCE	\$8,097,402	\$21,262,967	\$20,293,814		\$9,066,555
SEVERANCE BENEFITS	\$2,650,120	\$278,846	\$139,732		\$2,789,234
OTHER POST-EMPLOYMENT BENEFITS	\$12,165,739	\$470,616	\$783,210		\$11,853,145
<b>TOTAL INTERNAL SERVICE FUNDS</b>	<b>\$23,164,898</b>	<b>\$22,969,541</b>	<b>\$21,976,350</b>	<b>\$0</b>	<b>\$24,158,089</b>
<b>TRUST FUNDS</b>					
CUSTODIAL FUND	\$135,831	\$6,951	\$78,710		\$64,072



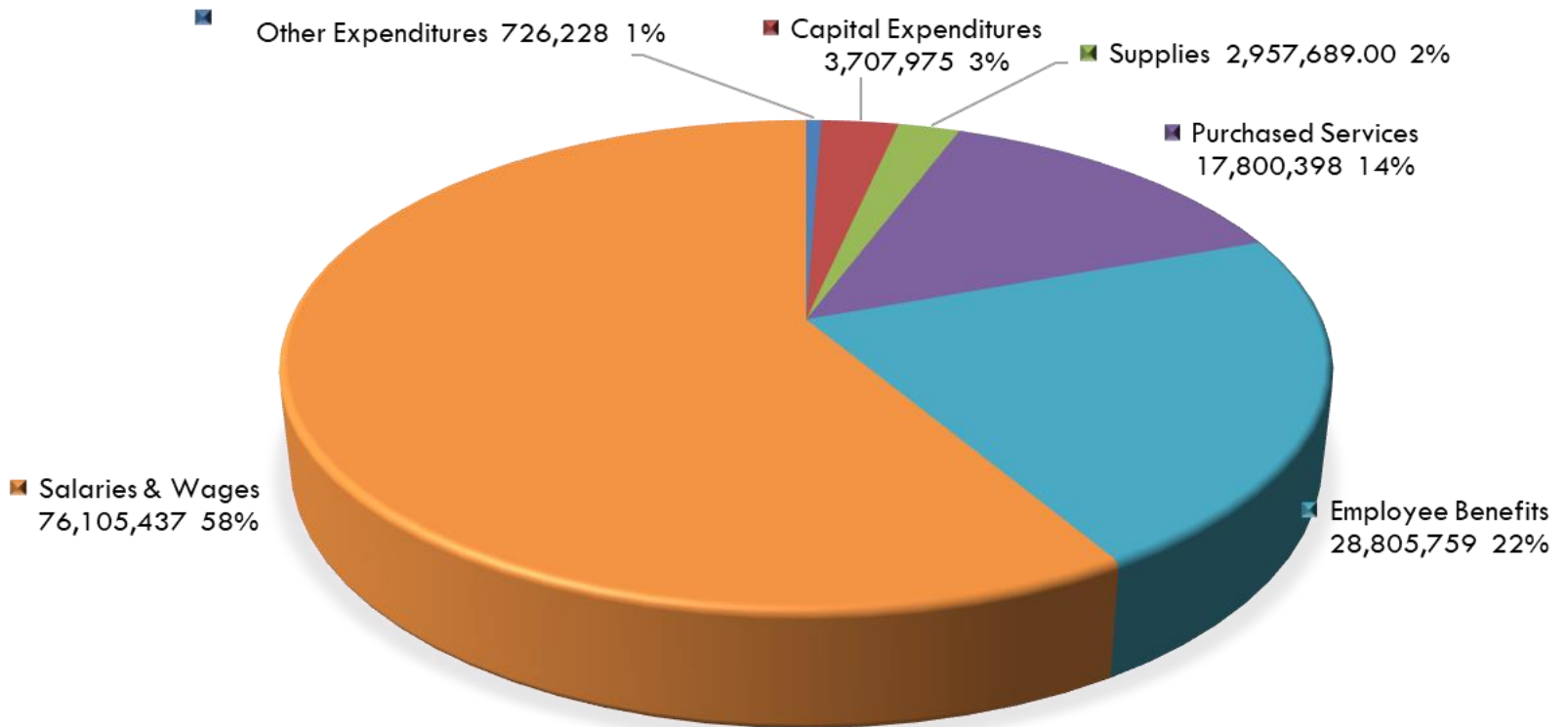
General Fund Revenue  
2020-2021 Adopted Budget  
\$126,834,491



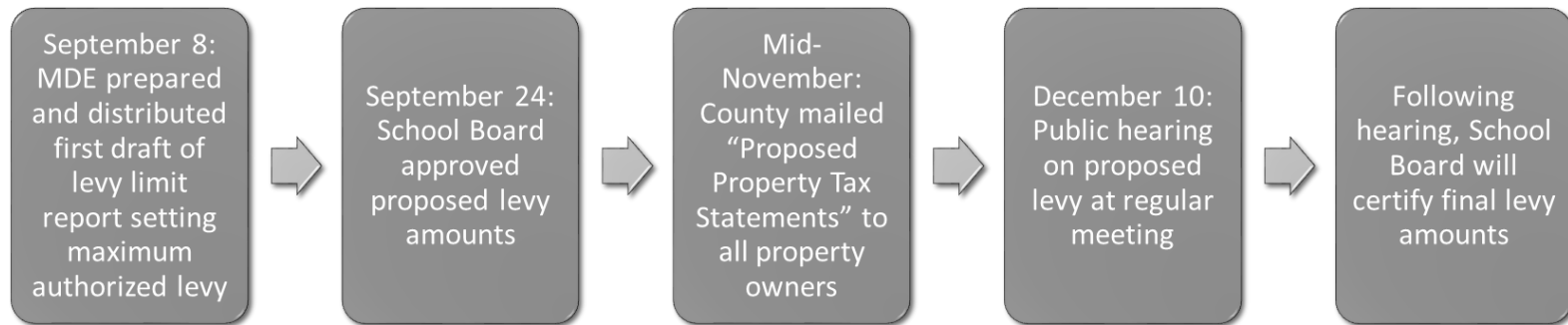
General Fund Expenditures by Program  
2020-2021 Adopted Budget  
\$127,825,136



General Fund Expenditures by Object  
2020-2021 Adopted Budget  
\$127,825,136



# Timeline in Approval of 2020 Payable 2021 Levy



# ISD191 Comparison of Payable 2020 vs. Payable 2021 Certified Levies

Funds	2019 PAY 2020 Limitation	2020 PAY 2021 Limitation	Increase/ (Decrease)	Percent Change
General	\$31,495,242	\$30,656,131	(\$839,111)	-2.66%
Community Service	1,809,068	1,640,765	(\$168,303)	-9.30%
General Debt Service	9,569,825	10,341,994	\$772,169	8.07%
OPEB Trust Service	1,368,864	1,472,264	103,400	7.55%
<b>Total</b>	<b>\$44,242,999</b>	<b>\$44,111,154</b>	<b>(\$131,845)</b>	<b>-0.30%</b>

# Proposed Tax Levy for Taxes Payable in 2021

	2019 Payable 2020	2020 Payable 2021	Increase/ (Decrease)
<b>General Levies:</b>			
Referendum Levy	\$ 16,043,794	\$ 15,484,015	\$ (559,779)
Location Optional Levy Tier 1	1,991,334	2,070,252	78,918
Location Optional Levy Tier 2	3,822,742	3,592,382	(230,359)
Equity Revenue Levy	621,872	423,630	(198,242)
Operating Capital Levy	913,977	986,370	72,393
Safe Schools	324,572	305,014	(19,559)
Safe Schools - District 917	112,699	105,908	(6,791)
Career & Technical Levy	332,330	339,716	7,386
Long Term Facilities Maintenance Levy	2,639,847	2,543,652	(96,195)
Economic Development Abatement	29,769	29,593	(176)
Transition Revenue Levy	304,016	285,696	(18,320)
Achievement & Integration Levy	605,995	599,025	(6,970)
Reemployment Insurance Levy	125,000	300,000	175,000
Lease Levy	772,743	593,718	(179,024)
Capital Project Referendum Levy	3,109,329	3,411,906	302,577
Alternative Compensation Levy	819,672	798,540	(21,131)
<b>Total General Levies</b>	<b>32,569,690</b>	<b>31,869,417</b>	<b>(700,273)</b>
<b>Levy Adjustments</b>	<b>(1,074,447)</b>	<b>(1,213,286)</b>	<b>(138,839)</b>
<b>Net General Levies</b>	<b>\$ 31,495,242</b>	<b>\$ 30,656,131</b>	<b>\$ (839,111)</b>

# Proposed Tax Levy for Taxes Payable in 2021

	2019 Payable 2020	2020 Payable 2021	Increase/ (Decrease)
<b>Community Service Fund:</b>			
General Community Education	\$ 475,685	\$ 475,685	\$ -
Early Childhood Family Education	258,594	259,714	1,120
Disabled Adults	3,062	3,062	-
School Age Care	800,000	816,000	16,000.00
Home Visiting	6,051	6,733	682
<b>Total Levies</b>	<b>1,543,392</b>	<b>1,561,194</b>	<b>17,803</b>
<b>Levy Adjustments</b>	<b>265,677</b>	<b>79,571</b>	<b>(186,106)</b>
<b>Community Service Levies</b>	<b>\$ 1,809,068</b>	<b>\$ 1,640,765</b>	<b>\$ (168,303)</b>

# Proposed Tax Levy for Taxes Payable in 2021

	2019 Payable 2020	2020 Payable 2021	Increase/ (Decrease)
<b>General Debt Service Fund:</b>			
Voter Approved Levy	\$ 3,568,691	\$ 3,907,746	\$ 339,055
Long Term Facilities Maintenance	5,928,820	6,374,769	445,949
<b>Total Levies</b>	<b>9,497,511</b>	<b>10,282,515</b>	<b>785,004</b>
Levy Adjustments	72,314	59,479	(12,835)
<b>Debt Service Levy</b>	<b>\$ 9,569,825</b>	<b>\$ 10,341,994</b>	<b>\$ 772,169</b>
	2019 Payable 2020	2020 Payable 2021	Increase/ (Decrease)
OPEB Levy - Non-Voter Approved	\$ 1,360,234	\$ 1,467,659	\$ 107,425
Levy Adjustments	8,629	4,605	(4,025)
<b>OPEB Levy</b>	<b>\$ 1,368,864</b>	<b>\$ 1,472,264</b>	<b>\$ 103,400</b>



# Reasons for Increase(Decreases) in General Fund Levy

- Referendum, Location Optional and Equity Revenue Levy reflects a significant decrease based upon reductions in enrollment estimates
- Long Term Facilities Maintenance Levy (LTFM) reflects (\$96,195) less due to LTFM projects approved

# Reasons for Increase(Decreases) in General Fund Levy

- Reemployment Insurance Levy increased \$175,000 due to estimates for Fiscal Year 2022
- Lease Levy is decreased by (\$179,024) due to a final payment of one of our remaining leases
- Capital Project Referendum Levy increased by \$302,577 due to set rate and change in valuation

# Reasons for Increase(Decreases) in General Fund Levy

Levy Adjustments are significant due to:

- Fiscal Year 19 Final adjustments reflecting the lower finalized enrollment
- Fiscal Year 20 and Fiscal Year 21 adjustments based on updated (lower than originally levied) enrollment per levy formulas
- Annual abatement adjustments

# Reasons for Increase(Decreases) in Community Services Fund Levy

- Adjustment for School Age Care Levy based on programing need:
  - \$265,677 on payable 2020 levy  
reduced to only \$79,571 on payable 2021

# Reasons for Increase(Decreases) in General Debt Service Fund Levy

- Increase for Debt Service reflects the lack of Debt Excess returned to taxpayers for Payable 2021 while (\$935,469) Debt Excess was in Payable 2020
- Debt Service Levy now reflects a reduction from Preliminary September Levy by \$265,956 related to 2020A refunding of 2011A debt

# Reasons for Increase(Decreases) in OPEB Debt Service Fund Levy

- Increase for OPEB Debt Service reflects the lack of Debt Excess returned to taxpayers for Payable 2021 while (\$115,722) Debt Excess was in Payable 2020

# Impact on ISD 191 School Property Taxes Only (within the City of Burnsville) Payable 2021 Compared to Past Three Years

## ISD 191 Burnsville-Eagan-Savage Schools

Based on 16.5% Cumulative Changes in Property Value from 2018 to 2021 Taxes

Type of Property	Estimated Market Value for 2018 Taxes	Actual Taxes Payable in 2018	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	Estimated Taxes Payable in 2021	Change in Taxes 2018 to 2021	Change in Taxes 2020 to 2021
Residential Homestead	\$107,266	\$500	\$113,110	\$502	\$119,384	\$498	\$125,000	\$493	-\$7	-\$5
	128,719	619	135,732	621	143,261	616	150,000	609	-10	-7
	171,626	857	180,975	861	191,015	851	200,000	841	-16	-10
	214,532	1,095	226,219	1,101	238,769	1,085	250,000	1,073	-22	-12
	300,345	1,572	316,707	1,580	334,276	1,555	350,000	1,537	-35	-18
	364,705	1,929	384,573	1,939	405,907	1,907	425,000	1,883	-46	-24
	429,065	2,283	452,438	2,290	477,537	2,246	500,000	2,216	-67	-30
	514,877	2,749	542,926	2,776	573,044	2,738	600,000	2,718	-31	-20
	643,597	3,517	678,658	3,552	716,306	3,497	750,000	3,471	-46	-26
858,129	4,796	904,877	4,845	955,074	4,762	1,000,000	4,726	-70	-36	
Commercial/ Industrial #	\$858,129	\$6,583	\$904,877	\$6,754	\$955,074	\$6,583	\$1,000,000	\$6,615	\$32	\$32
	1,716,258	13,359	1,809,754	13,705	1,910,148	13,344	2,000,000	13,407	48	63
	2,574,387	20,135	2,714,631	20,655	2,865,222	20,106	3,000,000	20,200	65	94
	3,432,516	26,911	3,619,507	27,606	3,820,297	26,867	4,000,000	26,992	81	125
4,290,645	33,687	4,524,384	34,557	4,775,371	33,628	5,000,000	33,784	97	156	
Apartments and Res. Non-Homestead ( 2 or more units)	\$429,065	\$2,559	\$452,438	\$2,586	\$477,537	\$2,529	\$500,000	\$2,511	-\$48	-\$18
	643,597	3,839	678,658	3,879	716,306	3,794	750,000	3,766	-73	-28
	858,129	5,118	904,877	5,172	955,074	5,059	1,000,000	5,021	-97	-38
Seasonal Recreational Residential	\$42,906	\$111	\$45,244	\$119	\$47,754	\$113	\$50,000	\$118	\$7	\$5
	85,813	221	90,488	237	95,507	227	100,000	236	15	9
	171,626	442	180,975	474	191,015	454	200,000	472	30	18
214,532	553	226,219	593	238,769	567	250,000	590	37	23	

**General Note**

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 2021 are preliminary, based on the best data available.
3. For all examples of properties, taxes are based on changes in estimated market value of 5.4% from 2018 to 2019 taxes, 5.5% from 2019 to 2020, and 4.7% from 2020 to 2021.

# Estimated Changes in School Property Taxes 2018 to 2021

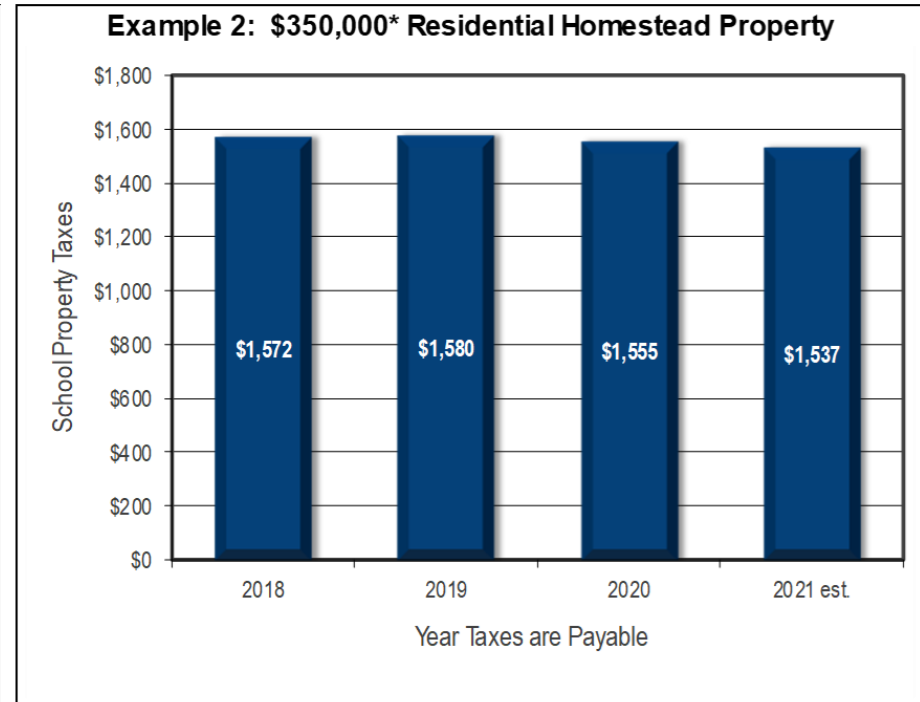
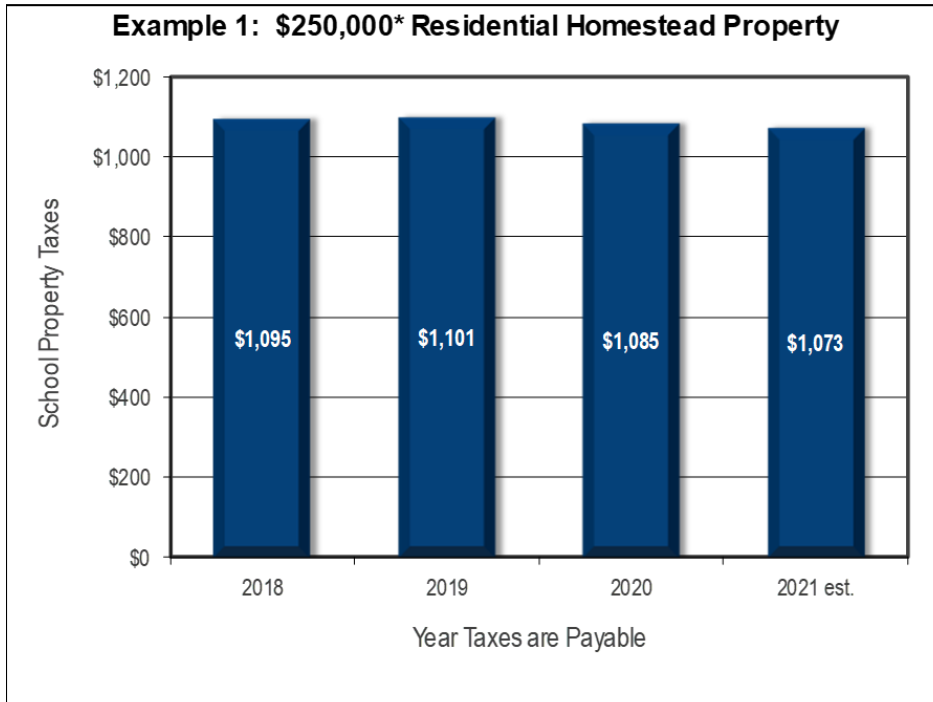
- Based on 16.5% Cumulative Changes in Property Value from 2018 to 2021 Taxes
- For all the following four examples of properties, the value shown in the series of the chart is the estimated market value for the taxes payable in 2021. Taxes are calculated based on changes in market value of 5.4% from 2018 to 2019 and 5.5% from 2019 to 2020, and 4.7% from 2020 to 2021.
- Charts and estimates provided by Ehlers, District's municipal financial advisors



## ISD 191 Burnsville-Eagan-Savage Schools

Estimated Changes in School Property Taxes, 2018 to 2021

Based on 16.5% Cumulative Changes in Property Value from 2018 to 2021 Taxes

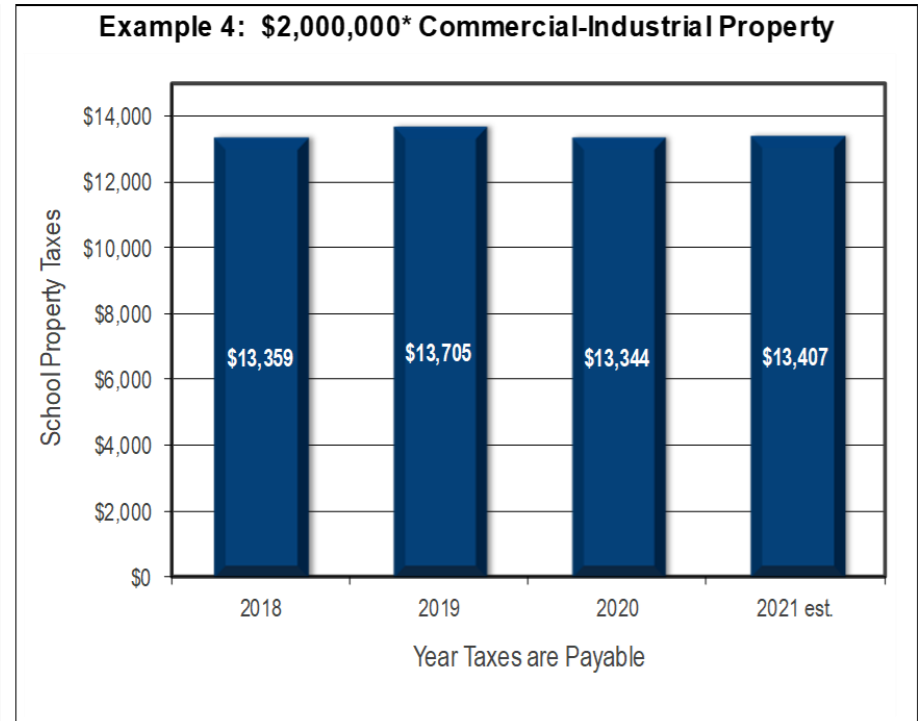
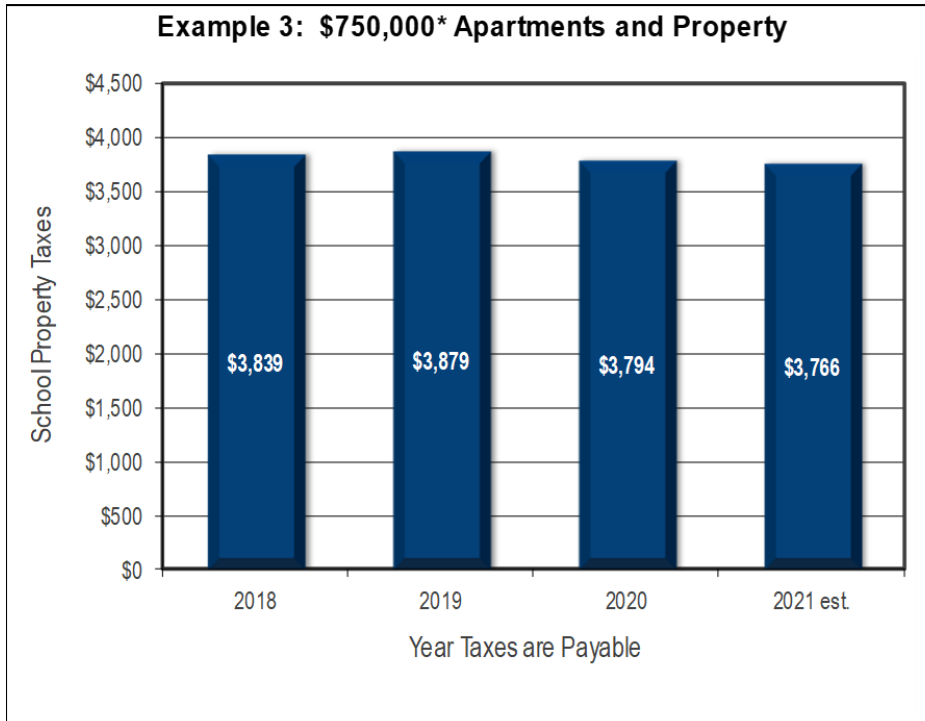


\* Estimated market value for taxes payable in 2021. Taxes are calculated based on changes in market value of 5.4% from 2018 to 2019 taxes, 5.5% from 2019 to 2020, and 4.7% from 2020 to 2021.

## ISD 191 Burnsville-Eagan-Savage Schools

Estimated Changes in School Property Taxes, 2018 to 2021

Based on 16.5% Cumulative Changes in Property Value from 2018 to 2021 Taxes



\* Estimated market value for taxes payable in 2021. Taxes are calculated based on changes in market value of 5.4% from 2018 to 2019 taxes, 5.5% from 2019 to 2020, and 4.7% from 2020 to 2021.

# 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 action item requesting Board of Education Certification of the Final Levy for Payable 2021, funding School Year 2021-2022

# Public Comment and Questions

**Thank you.**