

School Board Meeting:

September 23, 2024

Subject:

Levy Certification Approval

Presenter:

**Ryan L. Tangen, Director
Finance and Operations**

SUGGESTED SCHOOL BOARD ACTION:

Approve the proposed 2024 Payable 2025 levy certification at the "Maximum".

DESCRIPTION:

The proposed levy needs approval by September 30, 2024. Due to the number of inputs that go into the levy document, districts have the option to approve the levy at the "**Maximum**" to allow any final adjustments to be made before the levy is sent to the county auditor's office for use in preparing Truth in Taxation notices. The current projected total levy is \$22,332,374.52, an increase of \$231,683.22 or 1.05% from the prior year's levy. These numbers are **subject to change**.

Some observations are as follows:

- 2025-26 enrollment projection used for the Pay 2025 levy calculations was 133.2 Adjusted Pupil Units (APUs) less than projections used for the Pay 2024 levy calculations. Resident Adjusted Pupil Units (RAPU) decreased by 361.60.
- General Education formula estimated at \$7,465 or 2.5% (subject to change) increase from 2024-25.
- Increasing property values and decreasing resident students resulted in less equalization aid and increased property tax levies.
- Increased equalization aid on Local Optional Revenue, Operating Referendum, Community Education, School Age Care and Early Childhood Family Education.
- The Debt levy increased due to the new bond payment schedule but is offset by the decrease in the Lease Levy.
- We are seeing a number of prior year adjustments, as is the case every year, due to updated property values, final expenditure totals, and actual enrollment for prior years.
- Based on an average 10% growth in Referendum Market Value (RMV) and Net Tax Capacity (NTC), we are seeing both the RMV tax rate and NTC tax rates going down.
- The current tax rate projection on a \$300,000 home is \$1,016 versus \$1,107 last year. A decrease of \$91.
- When factoring in the average 10% increase in property values moving a \$300,000 home to \$330,000, the tax increase would be about \$18 per year based on the current projections.

We are asking the Board to approve the 2024 Pay 2025 levy at the "maximum" amount as we have done in the past to allow for implementation of corrections made by MDE to our district levy.

The Budget and Levy (Truth in Taxation) hearing will be held at 7:00 PM during the School Board Meeting on December 9, 2024, in the Board Room located at the Discovery Center, 214 1st Ave NE, Buffalo, MN.

ATTACHMENT(S):

- **24 Pay 25 Preliminary Levy Certification Summary 9.23.24**
- **24 Pay 25 Preliminary Levy Tax Impact Analysis 9.23.24**
- **24 Pay 25 Preliminary Levy Certification PowerPoint 9.23.24**