

School Board Meeting/Workshop:

September 28, 2015

Subject:

2015 Payable 2016 Proposed
Levy Certification

Presenter:

Gary Kawlewski

SUGGESTED SCHOOL BOARD ACTION:

Approve the proposed 2015 Payable 2016 levy certification at the "Maximum".

DESCRIPTION: The proposed levy needs to be approved by September 30, 2015. 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 for any final adjustments to be made before the levy is sent to the county auditor's office for use with the Truth in Taxation notices. We are anticipating receiving authority to add the catchup levy for the 2015-16 QComp (PPD) program. With that adjustment included, our levy is currently showing a total of \$13,858,763.38. This is a 3.37% increase from last year or an increase of \$452,081.19.

There are a number of factors that affect the calculations including but not limited to enrollment, property valuations, actual expenditures in certain programs, equalizing factors set in statute, district population, and voter approved ballot questions.

Levy Amount Changes

Specifically for this year, the reductions and additions come in the following areas:

- The Health and Safety and Deferred Maintenance levies are replaced by the Long-Term Facilities Maintenance revenue.
- The Health and Safety and Deferred Maintenance revenue programs have a final clean up levy for fiscal year 2015-16 to zero out the programs.
- Long-Term Facilities Maintenance revenue is new this year. It also has a provision that allows us to under levy without an aid penalty. We are exercising this mechanism for this levy cycle and the current proposed reduction is included in the numbers as presented.
- The numbers presented include the Alternative Teacher Compensation (Q Comp) levy for 2016-17.
- The numbers presented include the catch up levy authority for the 2015-16 Alternative Teacher Compensation (Q Comp) although we are waiting for final word from the Minnesota Department of Education.
- The numbers include approval to reduce our debt service levy to buy down the fund balance and to reduce the impact of bringing in these new revenue programs.

Tax Impact

We are continuing to see growth in both net tax capacity values and in referendum market values across the district. These increases have the following affects:

- The increases bring the tax rates down from last year in both categories.
- Some of the equalized levies will see a slightly higher levy portion due to the district's growth in tax valuation.
- A number of the levy category amounts are relatively similar to the prior year amounts.

Preliminary referendum market values and net capacity values for Wright County show a projected 5.1% increase for net tax capacity and a 12.05% increase for referendum market values. Hennepin County is showing a 5.82% increase and a 5.52% increase respectively. These numbers will change a bit by the time the final tax statements are sent out. As a result, the projected tax rate changes are as follows:

- Referendum Market Value – .12486% down to .11952%
- Net Tax Capacity Value – 35.3705% down to 34.4190%

There should still be a few adjustments to the Health and Safety levy and those changes should be minimal. We are not anticipating any changes at this time but other minor changes could still occur.

The district will host its Truth in Taxation hearing as a part of the December 14, 2015 school board meeting to discuss the 2015-16 budget and the proposed 2015 Payable 2016 levy and ultimately approve the final levy.

ATTACHMENT(S):

1. Comparison of Proposed Tax Levy Payable in 2016 to 2015