

**School Board Meeting:**

**August 24, 2020**

**Subject:**

Levy Process and Timelines

**Presenter:**

**Gary Kawlewski, Director  
Finance and Operations**

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**SUGGESTED SCHOOL BOARD ACTION:** None at this time-informational only

**DESCRIPTION:** The levy process for the 2020 Payable 2021 levy cycle remains largely the same as it was for 2019 Payable 2020. We will be required to adopt the proposed levy by September 30, 2020 and will do so at the September 28, 2020 board meeting.

As was the case the last several years, we will host the Truth in Taxation meeting as a part of a regular board meeting. We will adopt the final levy at the same meeting. We have scheduled the Truth in Taxation meeting for December 14, 2020. We will notify both county auditors of this date for our Truth in Taxation hearing so we meet the September 30, 2020 notification deadline.

The items that I am seeing right now as having the biggest impact on the levy this year are as follows:

1. We will continue to under levy in the debt service fund.
2. There will be a drop in the lease levy category from the expiration of the Lakeview Mall lease on August 31, 2020.
3. There will also be a drop in the lease levy category this year for the remaining half-year payment for the Phoenix lease in fiscal year 2022. This remaining half will drop off the levy for taxes payable in 2022. The only remaining lease, then, will be the Montrose Education Center lease that expires on May 1, 2024. The last levy for that lease will be with the 2022 payable 2023 levy.
4. An anticipated overall increase in the equalized levy categories due to an increase in property values for 2019 which results in less state aid and a higher local share of property taxes.

We will seek, again, to under levy in the debt service fund to spend down the debt service fund balance in an attempt to offset some of the levy increases.

I am anticipating that we will see increases in district property values for taxes payable in 2021. I will have a clearer picture when the first run of the levy certification document becomes available on or about September 7, 2020.

As always, we will look to manage the tax impact to our taxpayers yet still try to maximize our revenue to provide the best educational programs and facilities for our students, staff and public.

We will ask you to approve the “maximum” levy on September 28, 2020, as has been the past practice. This allows the Minnesota Department of Education time to make any final levy corrections needed after the board approves the levy.