



# Medford School District

**2023 Payable 2024**

## **Truth In Taxation Public Meeting**

Time 7 pm

Date 12/18/23

at the

Medford School District Community Room

750 2<sup>nd</sup> Ave SE

Medford, MN 55049



# Truth in Taxation Law

Minnesota's Truth in Taxation Law requires that cities, counties and school districts follow certain steps before adopting a tax levy for the following year.

- The law requires a mailed notice to each property owner in the county, which describes the tax levies proposed by the city, county and school district and what percent increase (decrease) such a levy would mean in dollars.
- School districts are required to hold a single meeting in which the public is allowed to speak and the budget and levy is discussed. This meeting may be part of a regularly scheduled meeting but must occur after 6:00 P.M.
- The meeting date and location must be provided at the same time or prior to certifying the proposed property tax levy. The meeting date must be between November 25 and December 28.
- You are here tonight as part of the school district's public meeting process.

# Requirements of the Truth in Taxation Public Meeting

1. Discuss proposed property tax levy for taxes payable 2024
2. Provide and discuss information on the current budget (2023-2024).
3. Public must be given a reasonable amount of time to comment on the proposed property tax levy and budget and to ask questions.

**- Minnesota Statute 275.065**

# Points to Remember

1. Revenue formulas are set by the State Legislature except for voter approved referendums.
2. Local Levy and State Aid mix are set by the State Legislature.
3. An increase in local taxes does not necessarily mean an increase in revenues for the school district.

**- Minnesota Statute 275.065**



# **Medford School District**

## **School District Budget**

**Current School Year  
2023-2024**



# Fund Accounting Overview

All school districts' budgets are divided into separate funds, as required by law.

For our District, there are 4 funds:

## **1. GENERAL FUND (Fund 01)**

- Revenue is based on student enrollment
- The local referendum levy is part of the General Fund
- Provides for classroom instruction, instructional supplies and equipment, and other educational activities
- Special Education, and State / Federal Mandated Programs
- Extra-curricular Activities
- Pupil Transportation
- Facilities Operation and Maintenance
- Capital Expenditures and Improvements
- Health and Safety Code Compliance

# Fund Accounting Overview

## **2. FOOD SERVICE (Fund 02)**

- School Breakfast and Lunch Program

## **3. COMMUNITY SERVICE (Fund 04)**

- Levy is based on adult population in the District
- Early childhood levy is based on the number of children under 5 years of age
- Provides for enrichment programs for any age level that are not part of the K-12 education program
- Early Childhood Family Education
- School Readiness
- Adult Basic Education

## **4. DEBT SERVICE (Fund 07)**

- Based on annual debt retirement schedules for the district's outstanding bonded indebtedness. Annual levy is for the payment of principal and interest on bonds as due. Current debt is a result of the voter approved Bond Issue for the building and past LTFM projects.

# Medford School District

## 2023-2024 BUDGET OVERVIEW

### REVENUES

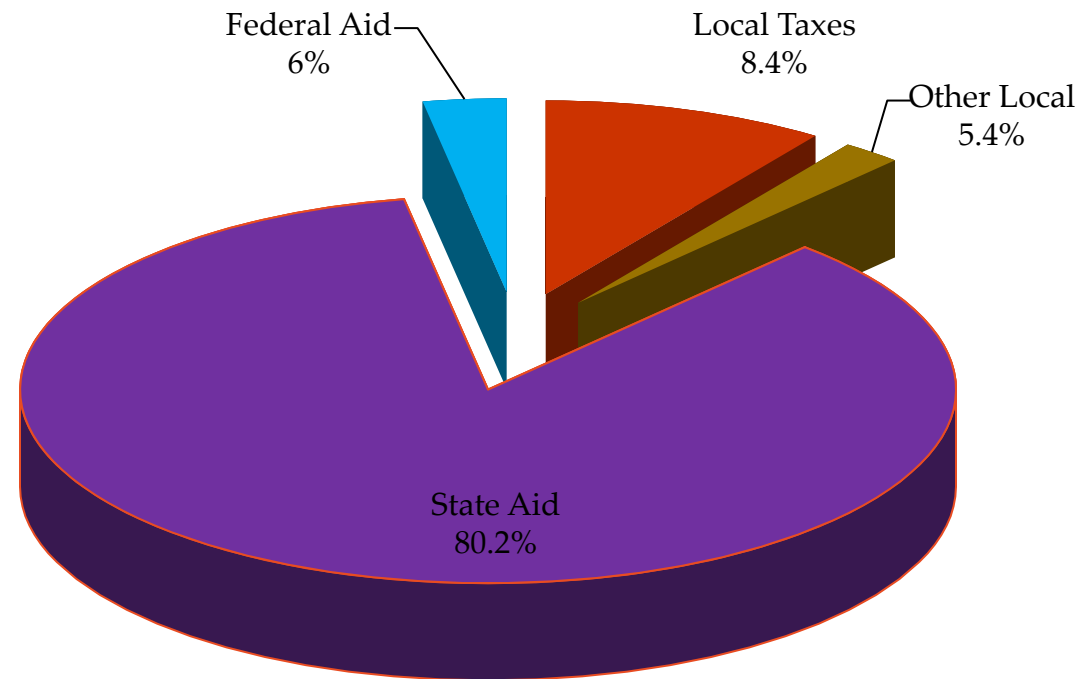
	22-23 Actual	23-24 Budget	Percent Change
General Fund	10,956,959	10,818,328	-1.27%
Food Service	675,268	542,978	-19.59%
Community Service	327,324	341,275	4.26%
Debt Service	<u>1,093,523</u>	<u>1,110,464</u>	<u>1.55%</u>
Totals	<u>\$ 13,053,074</u>	<u>\$ 12,813,045</u>	<u>-1.84%</u>



# Medford School District

## General Fund Revenue Budget

*Where Do Our School Revenues Come From?*



# Medford School District

## 2023-2024 BUDGET OVERVIEW EXPENDITURES

	22-23 Actual	23-24 Budget	Percent Change
General Fund	10,215,539	12,271,092	20.12%
Food Service	530,300	538,563	1.56%
Community Service	252,036	337,734	34.00%
Debt Service	<u>1,096,048</u>	<u>1,100,338</u>	<u>0.39%</u>
Totals	<u>\$ 12,093,923</u>	<u>\$ 14,247,727</u>	<u>17.81%</u>

# Medford School District

## HOW ARE GENERAL FUND DOLLARS SPENT?

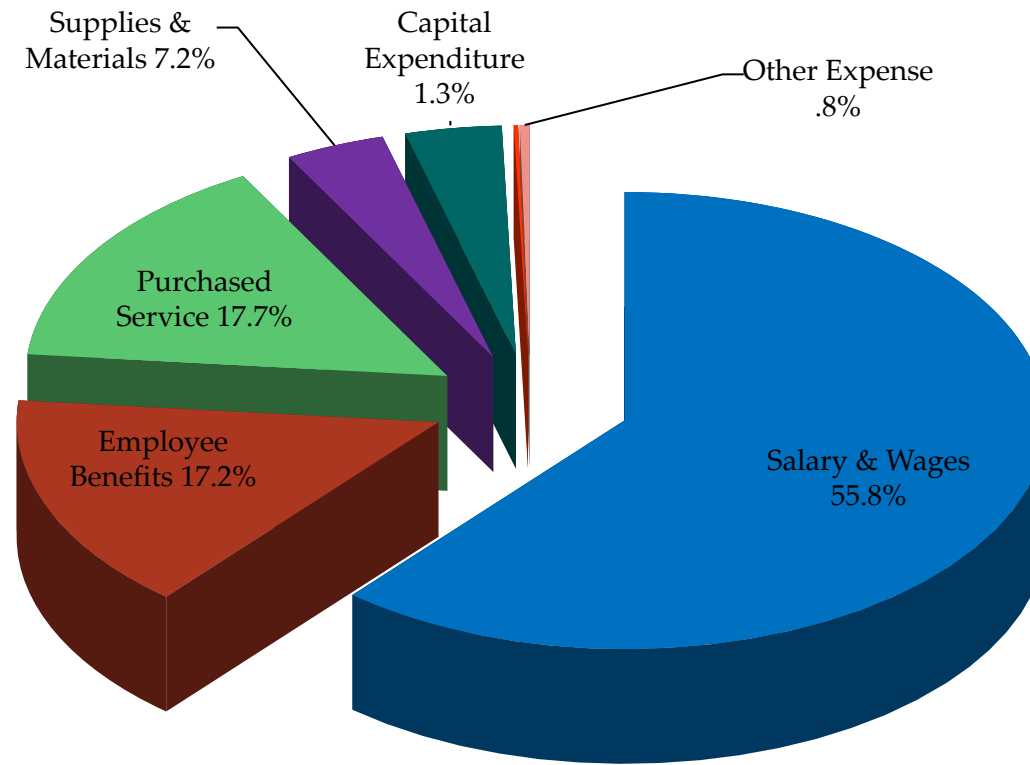
Expenses incurred in the operation of the district are paid from the General Fund. The following schedule relates how the dollars allocated to the General Fund are spent:

District & School Administration	5.9%
District Support Services	3.5%
Regular Instruction	51.3%
Vocational Instruction	2.6%
Special Education Instruction	12.8%
Instructional Support Services	5.7%
Pupil Support Services	9.1%
Sites-Buildings, Equipment	8.6%
Fiscal and Other	0.5%
	<u>100.0%</u>

# Medford School District

## General Fund Expenditures

*What Do Our Expenditures Pay For?*



# Medford School District

## School District Levy

- 2023 Payable 2024
  - Certified in 2023
  - Collected in 2024
- Recognized as revenue in Fiscal Year 2025

# Medford School District

## Authority for School Levies

A School District Tax Levy must be either:

- Set by State Formula
- or-
- Voter Approved

# Medford School District

## Factors Impacting Tax Change

### **Issues Driven by Legislative Decisions:**

- Change in sales ratio (impacting ANTC)
- Change in tax capacity rate structure
- Laws mandating code compliance (Health & Safety and Buildings)

### **Issues Determined by District Voters:**

- Voter approved building bond issue
- Voter approved excess levy referendum

# Medford School District

## Factors Impacting Tax Change (*cont.*)

### Local Factors:

- Inflationary pressure on real estate market
- Abatements
- Property improvements not previously taxed
- Change in individual assessed market value
- Possible change in property classification (*e.g. homestead to rental*)



# Medford School District

## How will your 2023 school taxes be spent?

### Percent

#### **General Fund**

Provides additional funding for district instructional programs by means of the approved excess referendum. Provides funds for operating capital expenses, building/land lease, and Health & Safety costs:

**49.6%**

#### **Community Education Fund**

Levy for Community Education Programs:

**1.6%**

#### **Debt Service**

Levy for repayment of principal and interest on district debt:

**48.8%**

**Total Levy Before Credits:**

**100.0%**

# Medford School District

## Comparison of Certified Payable 2023 Levy with Proposed Payable 2024 Levy

GROSS LEVIES BY FUND	ACTUAL 22 PAY 23	PROPOSED 23 PAY 24	DOLLAR DIFFERENCE	PERCENT DIFFERENCE
General Fund	903,062.39	1,007,895.73	104,833.34	11.61%
Community Services	40,166.14	32,584.28	(7,581.86)	-18.88%
Debt Redemption	986,617.86	993,408.04	6,790.18	0.69%
Total	1,929,846.39	2,033,888.05	104,041.66	5.39%

# Medford School District

## **What are the main variables that cause property tax increases and decreases?**

- Changes in market values, classification or class rates
- Change in property tax credits (*e.g. change in Homestead Benefit from a credit to an exclusion*)
- Voter approved referendums
- Increases or decreases in levy amounts caused by changes in state funding formulas

# Medford School District

**What are the main variables that cause property tax increases and decreases?**  
***(cont.)***

- The value of your property may increase or decrease
- The value of other properties may increase or decrease and change the share that your property is of the total tax base, whether your property's value changed or not.
- School Board Actions.

# Medford School District

**Whereas,** Pursuant to Minnesota Statutes the School Board of Medford School District, Medford, Minnesota, is authorized to make the following proposed tax levies for general purposes:

Maintenance (General Fund)	\$
1,007,895.73	
• Includes Referendum (Not applicable to Medford)	
Community Service	32,584.28
Debt Service	993,408.04
<b>Total Proposed School Tax Levy</b>	
<b>\$2,033,888.05</b>	

**Now Therefore,** Be it resolved by the School Board of Medford School District, Medford, Minnesota, that the levy to be levied in 2023 to be collected in 2024 is set at \$2,033,888.05. The clerk of the Medford School Board is authorized to certify the proposed levy to the County Auditor of Steele County, Minnesota.