

Medford School District

2022 Payable 2023

Truth In Taxation Public Meeting

Time 7 pm

Date 12/19/22

at the

Medford School District Community Room

750 2nd 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 2023
2. Provide and discuss information on the current budget (2022-2023).
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

2022-2023

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

2022-2023 BUDGET OVERVIEW

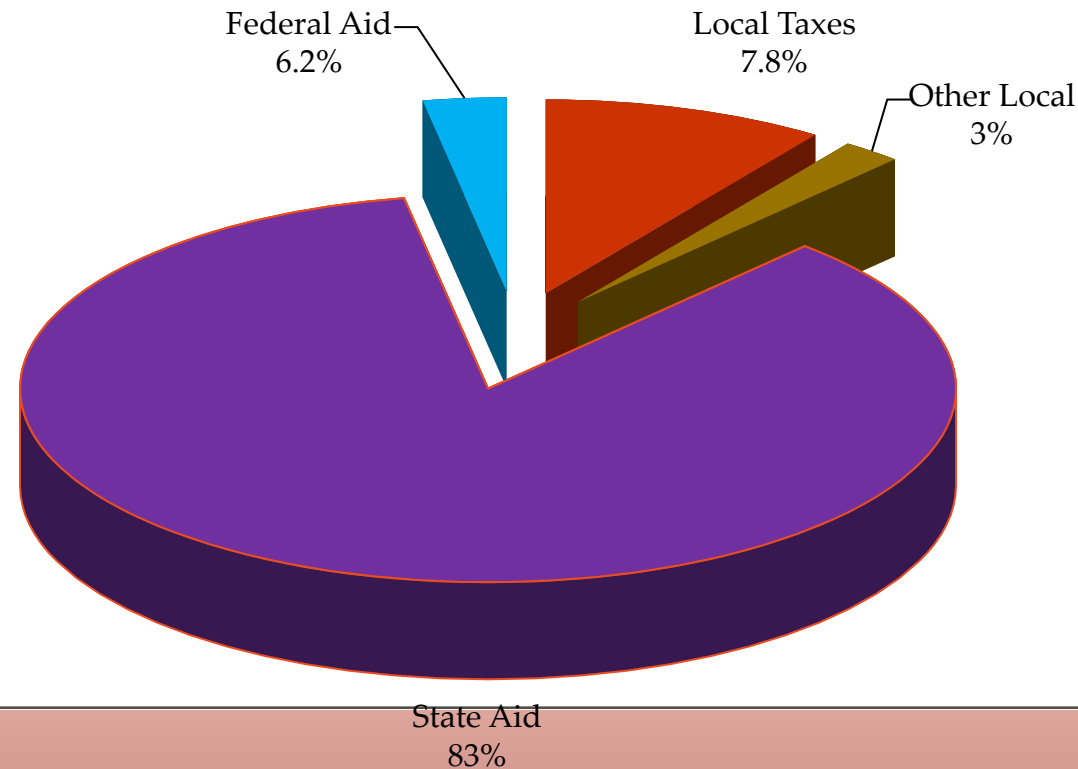
REVENUES

	21-22 Actual	22-23 Budget	Percent Change
General Fund	10,507,120	9,991,026	-4.91%
Food Service	815,085	645,109	-20.85%
Community Service	286,086	337,150	17.85%
Debt Service	<u>1,069,910</u>	<u>1,076,279</u>	<u>0.60%</u>
Totals	<u>\$ 12,678,201</u>	<u>\$ 12,049,564</u>	<u>-4.96%</u>

Medford School District

General Fund Revenue Budget

Where Do Our School Revenues Come From?



Medford School District

2022-2023 BUDGET OVERVIEW EXPENDITURES

	21-22 Actual	22-23 Budget	Percent Change
General Fund	9,805,174	11,154,674	13.76%
Food Service	638,568	674,153	5.57%
Community Service	245,847	336,630	36.93%
Debt Service	<u>1,081,205</u>	<u>1,096,323</u>	<u>1.40%</u>
Totals	<u>\$ 11,770,794</u>	<u>\$ 13,261,780</u>	<u>12.67%</u>

Medford School District

HOW ARE GENERAL FUND DOLLARS SPENT?

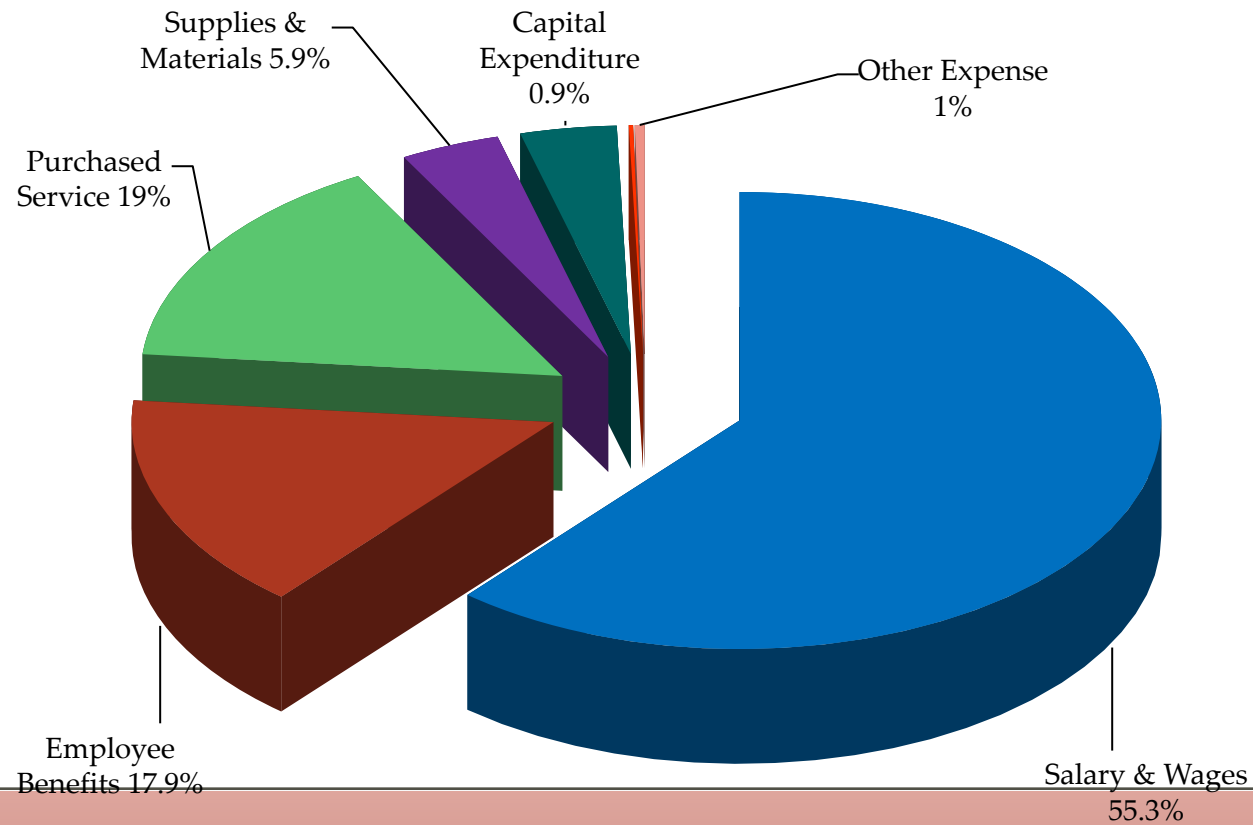
Expenses incurred in the operation of the district are paid from the General Fund. The following schedule relates how the dollars allocated to the General Fund are spent:

District & School Administration	6.3%
District Support Services	3.5%
Regular Instruction	51.3%
Vocational Instruction	2.8%
Special Education Instruction	13.2%
Instructional Support Services	5.0%
Pupil Support Services	9.4%
Sites-Buildings, Equipment	8.0%
Fiscal and Other	0.5%
	<u>100.0%</u>

Medford School District

General Fund Expenditure Budget

What Do Our Expenditures Pay For?



Medford School District

School District Levy

- 2022 Payable 2023
 - Certified in 2022
 - Collected in 2023
- Recognized as revenue in Fiscal Year 2024

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?

	<u>Percent</u>
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:	46.8%
Community Education Fund Levy for Community Education Programs:	2.1%
Debt Service Levy for repayment of principal and interest on district debt:	51.1%
Total Levy Before Credits:	100.0%

Medford School District

Comparison of Certified Payable 2021 Levy with Proposed Payable 2022 Levy

GROSS LEVIES BY FUND	ACTUAL 21 PAY 22	PROPOSED 22 PAY 23	DOLLAR DIFFERENCE	PERCENT DIFFERENCE
General Fund	812,725.59	903,062.39	90,336.80	11.12%
Community Services	39,521.32	40,166.14	644.82	1.63%
Debt Redemption	972,110.59	986,617.86	14,507.27	1.49%
Total	1,824,357.50	1,929,846.39	105,488.89	5.78%

Medford School District

Category	Pay 2022	Pay 2023	Change
General Fund			
Operating Capital	46,495.80	49,379.17	2,883.37
Career&Technical	42,625.44	49,130.84	6,505.40
Long Term Facilities	17,909.24	16,991.17	(918.07)
Referendum Voter App	-	-	-
Safe Schools	35,157.60	35,700.48	542.88
Building/Land Lease	41,161.25	39,780.14	(1,381.11)
Other General Fund	629,376.26	712,080.59	82,704.33
Sub-Total	812,725.59	903,062.39	90,336.80
Community Service	39,521.32	40,166.14	644.82
Debt Service	972,110.59	986,617.86	14,507.27
Total Change			105,488.89

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)	\$ 903,062.39
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- Includes Referendum (Not applicable to Medford)

Community Service	40,166.14
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Debt Service	986,617.86
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Total Proposed School Tax Levy
\$1,929,846.39

Now Therefore, Be it resolved by the School Board of Medford School District, Medford, Minnesota, that the levy to be levied in 2022 to be collected in 2023 is set at \$1,929,846.39. The clerk of the Medford School Board is authorized to certify the proposed levy to the County Auditor of Steele County, Minnesota.