

School Board Meeting:

August 26, 2019

Subject:

Levy Process and Timelines

Presenter:

**Gary Kawlewski, Director
Finance and Operations**

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

DESCRIPTION: The levy process for the 2019 Payable 2020 levy cycle remains largely the same as it was for 2018 Payable 2019. We will be required to adopt the proposed levy by September 30, 2019 and will do so at the September 23, 2019 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 9, 2019. We will notify both county auditors of this date for our Truth in Taxation hearing so we meet the September 30, 2019 notification deadline.

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

1. The operating levy ballot question- It will not show on any of the preliminary levy documents but would show on the final levy if approved
2. Continuation of the under levy in debt service
3. Legislative changes to equalization
4. An overall increase in the equalized levy categories due to a likely increase in property values which results in less state aid and a higher local share

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.

We will likely see some increase in our levy total because of our property values having increased for the pay 19 levy. This increase will result in less state aid and a higher local share for the pay 20 levy. It is unclear as to what extent the legislative changes enacted by the 2019 Legislature will affect each aspect of our levy. I will have a clearer picture when the first run of the levy certification document becomes available on or about September 6, 2019.

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 23, 2019, 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.