

School Board Meeting:

September 26, 2022

Subject:

Levy Certification Approval

Presenter:

**Ryan Tangen, Director
Finance and Operations**

SUGGESTED SCHOOL BOARD ACTION:

Recommend approval of the proposed 2022-23 levy certification at the "maximum".

DESCRIPTION:

The proposed levy needs approval by September 30, 2022. 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 any final adjustments to be made before the levy is sent to the county auditor's office for use in preparing Truth in Taxation notices. The current projected total levy is \$20,414,925.56, an increase of \$718,715.75 or 3.65% from the prior year's levy. These numbers are **subject to change**.

Some observations are as follows:

- Enrollment projections used for the pay 2023 levy calculations were 77.80 Adjusted Pupil Units (APUs) less than projections used for the pay 2022 levy calculations. Resident Adjusted Pupil Units (RAPU) decreased by 366.
- General Education formula was held constant at the 2022-23 amount of \$6,863 for 2023-24.
- Increasing property values and a decrease in students resulted in higher property wealth per student leading to less equalization aid and increased property tax levies.
- Long-term Facilities Maintenance has significant changes due to the final scheduled payment on the Alt Facilities bonds. The larger debt payment resulted in the shared LTFM aid being allocated to the debt service category.
- Other Debt levies decreased significantly due to the retirement of the OPEB bonds during the 2022-23 fiscal year.
- We are seeing a number of prior year adjustments, as is the case every year, due to having final expenditure totals and enrollment totals for prior years.
- Based on projected growth in both Referendum Market Value and Net Tax Capacity, we are seeing the RMV tax rate go up and are seeing the NTC tax rate go down.
- The current tax rate projection on a \$200,000 home is \$877 versus \$881 last year.
- When factoring in the average 5% increase in property values moving a \$200,000 home to \$210,000, the tax increase would be about \$45 per year based on the current projections.

- New for property taxes payable 2023, a school district financial summary is required to be included with the Notice of Proposed Taxes 2023 mailed by the county.

We are asking the Board to approve the “maximum” amount as we have done in the past to allow for corrections to the data that may change the levy total.

The Budget and Levy (Truth in Taxation) hearing will be held at 7:00 PM during the School Board Meeting on December 12, 2022, in the Discovery Center Board Room located at 214 1st Ave NE, Buffalo, MN.

ATTACHMENT(S):

- **-Levy Analysis 22 pay 23 9.26.22**
- **-Levy Analysis 22 pay 23 9.26.22 Tax Impact Analysis**
- **-Preliminary Levy 22 Pay 23 PowerPoint 9.26.22**