



East Grand Forks School District

2024 PAYABLE 2025

TRUTH IN TAXATION PUBLIC MEETING

6:00 PM, DECEMBER 09, 2024

AT THE EAST GRAND FORKS HIGH SCHOOL BOARD ROOM

(ROOM 195)



East Grand Forks School District

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. One important part of that 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 such a levy would mean in dollars.



East Grand Forks School District

Truth in Taxation Public Meeting

A second part of the law pertains to a “Truth in Taxation” public meeting for each taxing jurisdiction.

You are here tonight as part of the school district’s public meeting process.





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Requirements of the Truth in Taxation Public Meeting

1. Discuss proposed property tax levy for taxes payable 2025
2. Provide and discuss information on the current budget (2024-2025).
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





East Grand Forks School District

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.



East Grand Forks School District

How is my property tax determined?

- 1.** The County assessor determines market value for each parcel of property.
- 2.** MN Legislature sets formulas for Tax Capacity. These formulas determine how the tax burden is split on different types of property (residential, commercial, agriculture etc).
- 3.** County Auditor calculates the tax capacity for each parcel based on the above information.



East Grand Forks School District

How is my property tax determined? - Continued

- 4. County Auditor divides the total levy by total tax capacity of the District to determine tax rate needed. Tax rate is multiplied by each property's tax capacity*.**

*** Certain levies are spread based on Market Value rather than tax capacity.**



East Grand Forks School District

SCHOOL DISTRICT BUDGET

CURRENT SCHOOL YEAR

2024-2025





East Grand Forks School District

Fund Accounting Overview 2024-2025

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

FOOD SERVICE (Fund 02)

- School Breakfast and Lunch Program



East Grand Forks School District

Fund Accounting Overview 2024-2025 (Cont.)

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



East Grand Forks School District

Fund Accounting Overview 2024-2025 (Cont.)

Construction Fund (Fund 06)

- Contains bond dollars for current construction projects.

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.



East Grand Forks School District

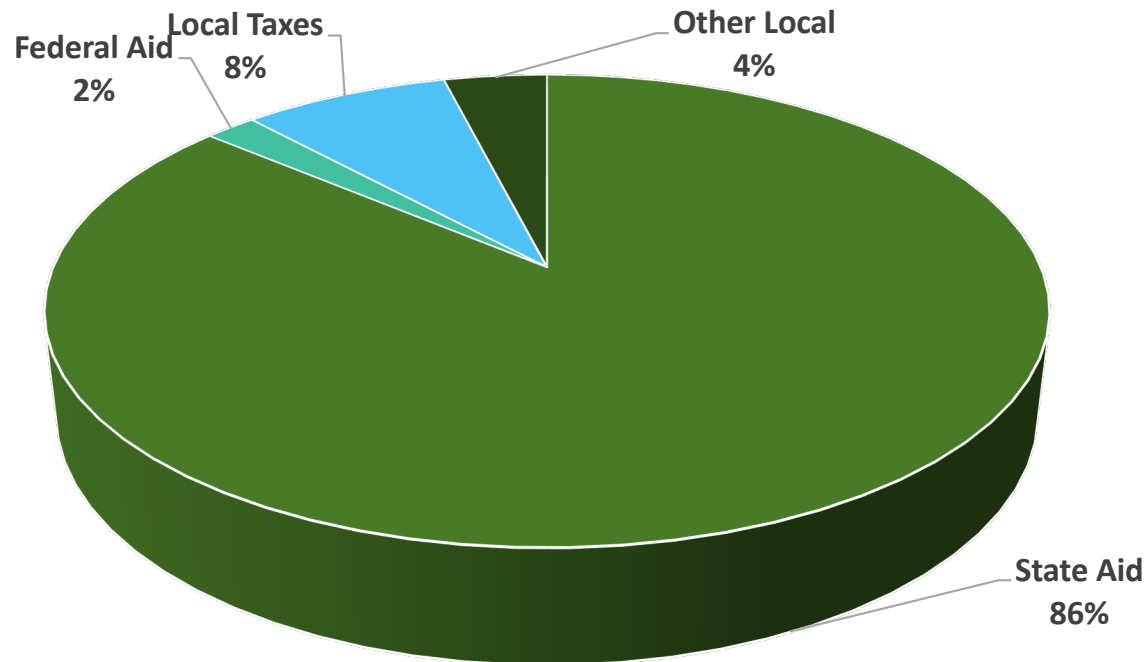
2024-2025 Budget Overview by Fund

<u>Fund</u>	<u>Revenue</u>	<u>Expenses</u>
General Fund	\$ 26,495,072	\$ 27,330,212
Food Service	1,188,100	1,204,199
Community Service	723,305	938,581
Debt Service	2,793,757	2,225,213
Construction Fund	-	375,000
	<u>\$ 31,200,234</u>	<u>\$ 32,073,205</u>



East Grand Forks School District

General Fund Revenue Budget Where Do Our School Revenues Come From?

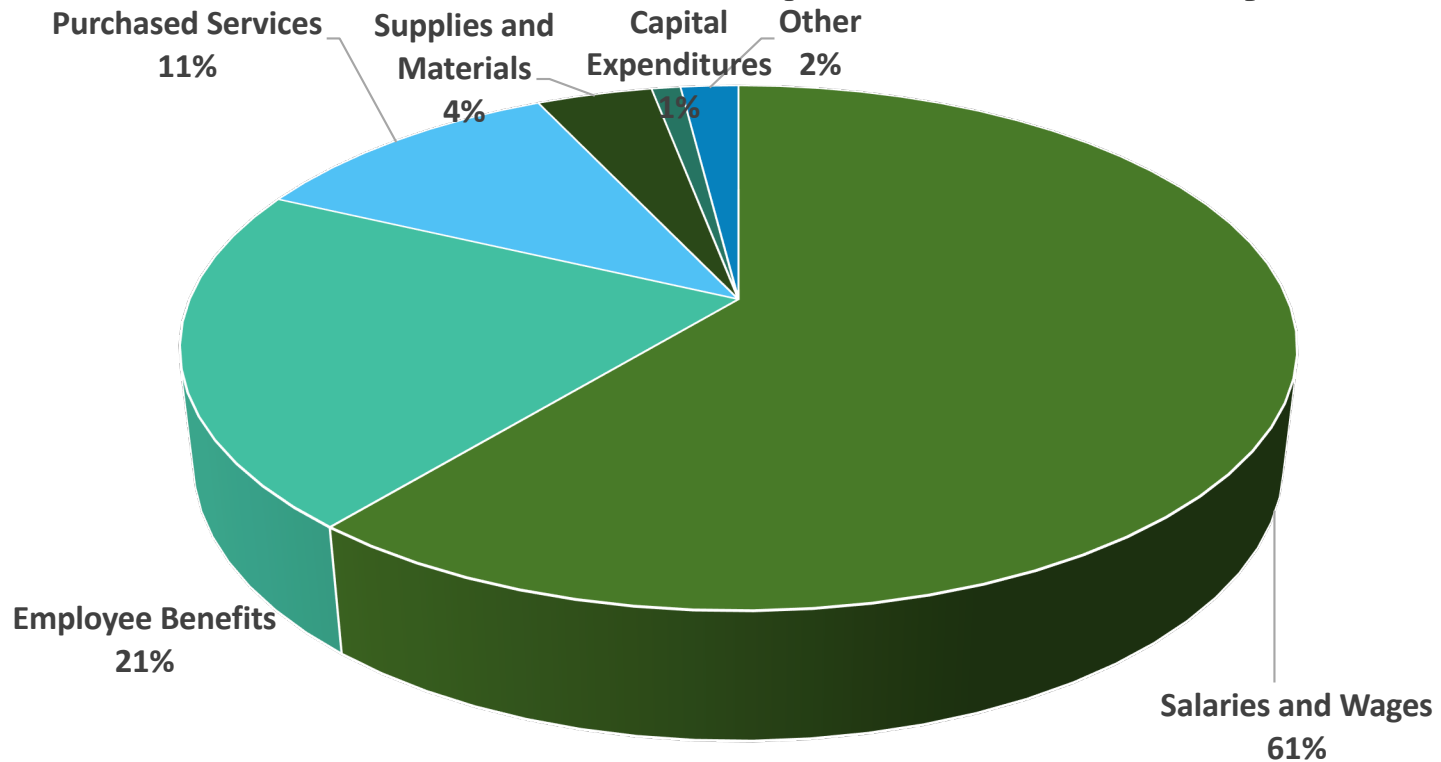




East Grand Forks School District

General Fund Expenditure Budget

Where Do Our School Expenditures Pay For?





East Grand Forks 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	7.53%
District Support Services	2.96%
Regular Instruction	44.29%
Extracurricular	0.73%
Vocational Instruction	1.63%
Special Education Instruction	21.66%
Instructional Support Services	5.09%
Pupil Support Services	6.92%
Sites-Buildings, Equipment	8.56%
Fiscal & Other	0.62%



East Grand Forks School District

Components of the Projected General Fund Balance at June 30, 2025

General Fund	June 30, 2024	Projected June 30, 2025
Assigned For:		
Donations	\$ 23,579	\$ 23,579
Technology	88,851	88,851
Restricted For:		
Scholarships	16,793	19,293
Staff Development	29,052	38,447
Literacy Incentive Aid	19,358	94,991
American Indian Ed	39,799	45,820
Safe Schools	-	-
Operating Capital	300,874	253,605
Disabled Accessibility	1,903	1,903
OPEB	41,556	65,429
Long-Term Facilities Maintenance	(48,095)	(104,416)
Student Activities	210,752	210,752
Medical Assistance	155,615	175,512
Unassigned	<u>3,963,451</u>	<u>3,094,582</u>
	<u>\$ 4,843,488</u>	<u>\$ 4,008,348</u>



East Grand Forks School District

SCHOOL DISTRICT LEVY

-
- 2024 PAYABLE 2025
 - 2025-2026 SCHOOL YEAR
 - FISCAL YEAR 2026



East Grand Forks School District

Authority for School Levies

A School District Tax Levy must be either:

- Set by State Formula
- or-
- Voter Approved
- Board Approved & L.O.R. – Max \$724 per A.P.U.



East Grand Forks 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

Issues Determined by District Voters:

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



East Grand Forks 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*)
- The value of other properties may increase or decrease and change the share that your property is allocated, whether your property's value changes or not.



East Grand Forks School District

Factors Impacting Tax Change *(cont.)*

State Factor:

- Ag2School Tax Credit
 - Affects all existing Fund 7 debt levies, except OEPB bonds.
 - Reduction for farmers – calculated in the proposed tax statement.
 - Set at 70% in 2023

Minnesota provides the potential for tax relief to Home Owners and Renters. Information can be found at www.revenue.state.mn.us or 1-800-652-9094



East Grand Forks School District

How will your 2025 school taxes be spent?

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, achievement and Integration, safe schools, career and technical education and long-term facilities maintenance costs:

54%

Community Education Fund

Levy for Community Education Programs:

2%

Debt Service Fund

Levy for repayment of principal and interest on district debt

44%





East Grand Forks School District

Levy Limitation & Certification 2024 Pay 2025

	Actual	Proposed	Dollar	Percentage
Gross Levies by Fund:	2023 Pay 2024	2024 Pay 2025	Difference	Difference
General Fund	\$ 2,090,293	\$ 2,359,696	\$ 269,403	13%
Community Service Fund	97,641	102,142	4,500	5%
Debt Service Fund	1,932,154	1,904,253	(27,902)	-1%
	<u>\$ 4,108,167</u>	<u>\$ 4,366,090</u>	<u>\$ 246,001</u>	<u>6%</u>



East Grand Forks School District

Components of the 2024 Pay 2025 Levy

Gross Levies by Fund:	Actual 2023 Pay 2024	Proposed 2024 Pay 2025	Dollar Difference	Percentage Difference
General Fund				
Operating Referendum	\$ 924,668	\$ 985,944	\$ 61,276	7%
Equity	317,890	385,329	67,439	21%
LTFM	342,395	490,214	147,818	43%
Operating Capital	162,669	180,761	18,092	11%
Lease levy	111,300	116,500	5,200	5%
Achievement & Integration	62,617	53,416	(9,201)	-15%
Safe Schools	71,295	75,099	3,803	5%
Other General Fund	97,458	72,434	(25,024)	-26%
Sub-Total	<u>\$ 2,090,293</u>	<u>\$ 2,359,696</u>	<u>\$ 269,403</u>	
Community Service Fund	97,641	102,142	4,500	5%
Debt Service Fund	<u>1,932,154</u>	<u>1,904,253</u>	<u>(27,902)</u>	-1%
	<u><u>\$ 4,120,088</u></u>	<u><u>\$ 4,366,090</u></u>	<u><u>\$ 246,001</u></u>	



East Grand Forks School District

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

Maintenance (General Fund)	\$ 2,359,695.58
◦ Includes Referendum	
Community Service	102,141.60
Debt Service	1,904,252.75
Total Proposed School Tax Levy	\$ 4,366,089.93

Now Therefore, Be it resolved by the School Board of East Grand Forks School District, East Grand Forks, Minnesota, that the levy to be levied in 2024 to be collected in 2025 is set at \$4,366,089.93. The clerk of the East Grand Forks School Board is authorized to certify the proposed levy to the County Auditor of Polk County, Minnesota.



East Grand Forks School District

Based on the Breakdown of the 2023 property values the levy will be allocated as follows:

Business and Residential	\$ 2,820,852.53
Agricultural	\$ 1,545,237.40
Less: 70% State Ag Credit	<u>(411,063.56)</u>
Total Agricultural	<u>\$ 1,134,173.84</u>
Total Tax Payer Levy	\$ 3,955,026.37
Total Levy Paid by the State	<u>411,063.56</u>
	<u>\$ 4,366,089.93</u>

Note: Actual breakdown will be based on the most recent property values estimated by the County.

The Big Picture

