

**School Board Meeting/Workshop:**

**September 9, 2024**

**Subject:**

Levy Certification Update

**Presenter:**

**Ryan L. Tangen, Director  
Finance and Operations**

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**SUGGESTED SCHOOL BOARD ACTION:**

None at this time - informational only

**DESCRIPTION:**

A summary of the preliminary 2024 payable 2025 property tax levy and estimated tax impact are attached for your review. These numbers are based on the first run of the MDE levy certification that came out on Friday, September 6, 2024, including anticipated adjustments for prior property tax levies. The total current levy is projected at \$22,268,423.28 showing an increase of \$167,731.98 or .76% from the prior year. These numbers are **subject to change**. Some observations are as follows:

- Enrollment projections represent a decrease of 139.2 Adjusted Pupil Units (APUs) from property taxes payable 2024 for 2024-25 to property taxes payable 2025 for 2025-26. The decrease change generates Declining Enrollment Revenue.
- General Education formula estimated at \$7,465 or 2.5% (subject to change) increase from 2024-25.
- Increasing property values and decreasing resident students resulted in less equalization aid and increased property tax levies.
- Increased equalization aid on Local Optional Revenue, Operating Referendum, Community Education general, and Early Childhood Family Education.
- The Debt levy increased due to the new bond payment schedule but is offset by the decrease in the Lease Levy.
- We are seeing a number of prior year adjustments, as is the case every year, due to updated property values, final expenditure totals, and actual enrollment for prior years.
- Based on an average 10% growth in Referendum Market Value and Net Tax Capacity, we are seeing both the RMV tax rate and NTC tax rates going down.
- The current tax rate projection on a \$300,000 home is \$1,013 versus \$1,107 last year.
- When factoring in the average 10% increase in property values moving a \$300,000 home to \$330,000, the tax decrease would be about \$14 per year based on the current projections.

At the September 23, 2024, meeting we will be 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.

**ATTACHMENT(S):**

- **-Levy Analysis 24 pay 25 9.9.24 Preliminary Levy Certification**
- **-Levy Analysis 24 pay 25 9.9.24 Tax Impact Analysis**