

School Board Meeting/Workshop:

September 25, 2023

Subject:

Levy Certification Approval

Presenter:

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

SUGGESTED SCHOOL BOARD ACTION:

Approve the proposed 2023 Payable 2024 levy certification at the "Maximum".

DESCRIPTION:

The proposed levy needs approval by September 30, 2023. 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 \$19,505,045.54, a decrease of \$909,880.02 or 4.46% from the prior year's levy. These numbers are **subject to change**.

Some observations are as follows:

- Enrollment projections used for the Pay 2024 levy calculations were 162 Adjusted Pupil Units (APUs) less than projections used for the Pay 2023 levy calculations. Resident Adjusted Pupil Units (RAPU) decreased by 121.
- General Education Formula Allowance was estimated at \$7,281 per pupil or a 2% increase from 2023-24.
- Increasing property values and decreasing resident students resulted in less equalization aid and increased property tax levies.
- Long-term Facilities Maintenance (LTFM) has significant aid changes due to a shift to the debt service category for the scheduled last payment on the Alt Facilities bonds in the prior year. The aid shifts back to the General Fund category for Pay 2024. The aid shift and change in enrollment resulted in a projected LTFM levy decrease of \$886,097.24.
- The Debt Service levy decreased significantly due to the retirement of the Long-Term Facilities Maintenance Alt Facilities bonds during the 2023-24 fiscal year.
- There are 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 \$1,044 versus \$1,198 last year. An annual decrease of \$154.

We are asking the Board to approve the 2023 Pay 2024 levy as the “maximum” amount as we have done in the past to allow for corrections made by MDE to our district data that could result in a levy change.

The Budget and Levy (Truth in Taxation) hearing will be held at 7:00 PM during the School Board Meeting on December 11, 2023, in the School Board Room located at Discovery Elementary School, 214 1st Ave NE, Buffalo, MN.

ATTACHMENT(S):

- **23 pay 24 Preliminary Levy Certification Summary 9.25.23**
- **23 pay 24 Preliminary Levy Tax Impact Analysis 9.25.23**
- **23 Pay 24 Preliminary Levy Certification PowerPoint 9.25.23**