



# Truth in Taxation Hearing Pay 2025 Levy

December 19, 2024 6:00pm



# Minnesota State Law

- MN Truth in Taxation law requires that cities, counties and school districts follow certain steps before adopting a tax levy for the following year.
- The 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, along with the percentage increase (decrease) such a levy would mean in dollars.
- The law also requires a “Truth in Taxation” public hearing for each taxing jurisdiction, which includes a specific type of public notice.
- You are here tonight as part of the school district’s public hearing process.



# Requirements of the Truth in Taxation Hearing

- Tax levy must be for taxes payable 2025
- Current budget must be discussed
- The proposed percent increase or decrease and the reasons for the change must be discussed
- Changes to the final levy amount compared to the board approved proposed levy must be addressed
- Public must be given time to comment

Minnesota Statute 275.065



# Truth in Taxation Agenda

1. District Budget
2. District's Proposed Tax Levy for Taxes Payable in 2025
3. Public Comments
4. Board Certification Final Pay 2025 Levy



# Budget Information

- Approval of the school district budget lags the certification of the tax levy by six months. Due to this, the state requires only current year budget information and prior year financial results be presented at this hearing. The Fiscal 2025-2026 budget will be set in June 2025.
- All school district budgets are divided into separate funds, based on purposes of revenue as required by law:
  - Fund 1 – General
  - Fund 2 – Food Service
  - Fund 4 – Community Education
  - Fund 7 – Debt Service
  - Fund 8 – Trust



# School Budget Information

- The 2024-2025 budget was adopted in June 2024 based on information we knew at that time. The FY25 budget revision will be presented to the Board of Education in the Spring of 2025 with updated information.

Fund	Revenues	Expenses	Variance
General	14,775,937	14,726,700	49,237
Food Service	630,000	662,500	(32,500)
Community Education	470,000	514,000	(44,000)
Debt Service	1,546,311	1,473,200	73,111
Trust	70,000	45,000	25,000
<b>TOTALS</b>	<b>\$ 17,492,248</b>	<b>\$ 17,421,400</b>	<b>\$ 70,848</b>



# School Budget Information

- 06/30/2024 budget summary

6/30/2024 (unaudited)	Revenues	Expenses	Variance
General	14,545,742	14,063,049	482,693
Food Service	691,073	633,206	57,867
Community Education	508,973	495,187	13,786
Debt Service	1,603,824	1,473,550	130,274
Trust	53,651	45,050	8,601
<b>TOTALS</b>	<b>\$ 17,403,263</b>	<b>\$ 16,710,042</b>	<b>\$ 693,221</b>



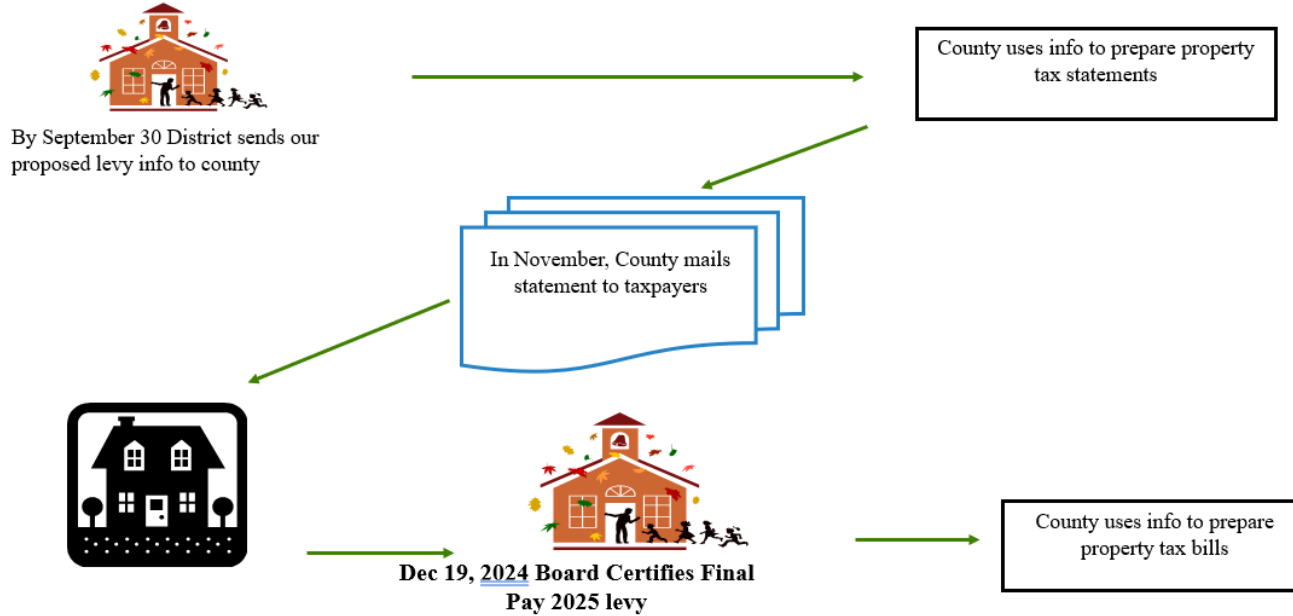
# Payable 2025 Property Tax Levy

- Determination of levy
  - 2024 Payable 2025
  - 2025-2026 School Year
  - Fiscal Year 2026
- Comparison of 2024 to 2025 levies
- Specific reasons for changes in tax levy
- Impact on taxpayers





# Property Taxes - Key steps in the process



# 2025 Property Tax Levy Summary

Category	Pay 24 Levy Limit	Pay 25 Levy Limit	Increase (Decrease)	Percent Change
General	2,357,477.69	2,071,602.79	-285,874.90	
Community Education	53,653.90	60,067.81	6,413.91	
Debt Service	1,488,987.39	1,500,423.65	11,436.26	
<b>TOTALS</b>	<b>\$ 3,900,118.98</b>	<b>\$ 3,632,094.25</b>	<b>\$ (268,024.73)</b>	<b>-6.87%</b>

Category	Proposed Levy September - Maximum	Final Levy December	Increase (Decrease)
General	2,065,334.85	2,071,602.79	6,267.94
Community Education	60,067.81	60,067.81	0.00
Debt Service	1,508,285.20	1,500,423.65	(7,861.55)
<b>TOTALS</b>	<b>3,633,687.86</b>	<b>3,632,094.25</b>	<b>-1,593.61</b>



# Explanation of Levy Changes

**Category:** Local Optional Revenue (LOR) and Operating Referendum

**Change:** (\$105,398.20)

**Use of Funds:** General Operating Expenditures

**Reason for Change:**

- Revenue is based on the estimated number of students in the district and state formulas.
- No change in authorized levy per pupil and board approved amounts



# Explanation of Levy Changes

**Category:** Operating Capital

**Change:** \$17,331.40

**Use of Funds:** General Operating Expenditures

**Reason for Change:**

- Revenue is based on the estimated number of students in the district and state formulas.
- Change includes adjustment of (\$297.58)



# Explanation of Levy Changes

**Category:** Career & Technical Education (CTE)

**Change:** \$8,449.75

**Use of Funds:** General Operating Expenditures for CTE Programming

**Reason for Change:**

- Revenue is based on estimated expenditures and adjustments due to final expenditures reported to MDE.
- Change includes adjustment of (\$4,413.25)



# Explanation of Levy Changes

**Category:** Quality Compensation (Q-Comp)

**Change:** (\$13,295.71)

**Use of Funds:** Alternative Teacher Compensation

**Reason for Change:**

- Revenue is based on the estimated number of students in the district and state formulas.
- Change includes adjustment of (\$7,442.59)



# Explanation of Levy Changes

**Category:** Re-employment, Safe Schools & OPEB

**Change:** (\$12,950.50)

**Use of Funds:** General Operating Expenditures

**Reason for Change:**

- Safe Schools revenue is based on the estimated number of students in the district and state formulas.
- Re-employment & OPEB revenue is based on estimated expenditures and adjustments due to final expenditures reported to MDE
- Change includes adjustment of (\$3,957.30)



# Explanation of Levy Changes

**Category:** Long Term Facilities Maintenance (LTFM)

**Change:** (\$10,884.29)

**Use of Funds:** Deferred Maintenance and Health and Safety Expenditures

**Reason for Change:**

- Revenue is based on the estimated number of students in the district and state formulas.
- Reduction over prior year includes one time expense of fire alarm system and standard adjustment of (\$13,183.57)





# Explanation of Levy Changes

**Category:** Building / Land Lease

**Change:** (\$11,250.43)

**Use of Funds:** Lease levy for SCRED building and programs

**Reason for Change:**

- Adjustment of (\$11,380.52)



# Explanation of Levy Changes

**Category:** Community Service Fund

**Change:** \$6,413.91

**Use of Funds:** Basic Community Education, Early Childhood, and Adults with Disabilities.

**Reason for Change:**

- Based on state formulas for community education and early childhood programs.



# Explanation of Levy Changes

**Category:** Debt Service Fund

**Change:** \$11,436.26

**Use of Funds:** Principal and interest payments of bonded debt plus 5%

**Reason for Change:**

- A calculation is done annually by the Department of Education to determine an appropriate level of fund balance.



# Impact on Taxpayers

- Factors that can cause an increase or decrease from year to year:
  - Changes in value or classification of property
  - Changes in total value of all property within the district
  - Increase or decrease with student enrollment and projections
  - Adjustment for prior years (estimate to actual)
  - Changes in state funding formulas, local needs and costs, voter approved referendums, and other factors.



# Public Comments



# Payable 2025 Tax Levy Adoption

## The District recommends the Board of Education:

- Approve the 2024 Pay 2025 Levy in the amount of \$3,632,094.25
- Direct the Board Clerk to certify the levy in the amount listed above to the Chisago County Auditor.



# Contacts

## **County Auditor**

Chisago County

Auditor's Office: 651.213.8500

## **School District**

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