

School Board Meeting:

August 27, 2018

Subject:

Levy Process and Timelines

Presenter:

**Gary Kawlewski, Director
Finance and Operations**

SUGGESTED SCHOOL BOARD ACTION: None at this time-informational only

DESCRIPTION: The levy process for the 2018 Payable 2019 levy cycle remains largely the same as it was for 2017 Payable 2018. We will be required to adopt the proposed levy by September 30, 2018 and will do so at the September 24, 2018 board meeting.

As was the case the last several years, the Truth in Taxation meeting will be held as part of a regular board meeting and the final levy will be adopted at the same meeting. Currently, we are scheduled to host our Truth in Taxation meeting on December 10, 2018. We have notified both county auditors of this date for our Truth in Taxation hearing so we have met the September 30, 2018 notification deadline.

The items that I am seeing right now as having the biggest impact on the levy this year are as follows:

1. The potential operating levy ballot question - It will not show on any of the preliminary levy documents but would show on the final levy if approved
2. Continuation of the under levy in debt service
3. The savings from the 2018a bond refunding
4. An overall increase in the equalized levy categories due to the increase in property values which results in less state aid and a higher local share

The Long-Term Facilities Maintenance revenue program (LTFM) generated revenue starting in fiscal year 2016-17. We are in the fourth year of this program with this upcoming levy and the formula allowance is at the cap of \$380 per pupil unit for the second year in a row.

We will seek, again, to under levy in the debt service fund to spend down the debt service fund balance and offset the levy increases.

We should see some increase in our levy total because of our property values having increased for the pay 18 levy, which results in less state aid and a higher local share for the pay 19 levy.

As always, we will look to manage the tax impact to our taxpayers yet still try to maximize our revenue to provide the best educational programs and facilities for our students, staff and public.

We will, again, ask you to approve the "maximum" levy in September as has been the past practice. This allows the final levy corrections to be made by the Minnesota Department of Education that may not be done in time to approve the levy on September 24.

ATTACHMENT(S):

None