



Memorandum

To: Budget Committee Members
From: Steve Summers
Date: October 16th, 2015
Re: 2015-16 Budget and Tax Levy Adoption

At the annual meeting, a tax levy resolution in the amount of \$26,558,098 was approved by the community. A total expenditure budget of \$97,258,000 was presented at the budget hearing. These figures were based on a budget approved by the School Board in July. Since the July budget approval, budget adjustments have occurred for many reasons. Please see the attached document on budget adjustments. As a result of the changes, the School Board must approve the revised tax levy on or before November 1. The final version of the budget also needs to be adopted at this time.

The first step in the budget and tax levy process is calculating the final revenue cap amount. The revenue cap determines the amount of funding available from property taxes (excluding referendum approved debt service and community service funds), state equalization aid, and state computer aid. After including the September 18th enrollment count information, the final revenue cap figure is \$40,010,660. This is \$35,661 higher than projected in July. The 2015-16 revenue cap figure is \$1,025,661 higher than the 2014-15 figure, or a 2.6% increase. The final 2015-16 revenue cap calculation is attached.

The second step in the budget and tax levy process is calculating the final property tax amount. The state equalization aid figure has been certified to the district. This figure is the actual equalization aid amount the district will receive this fiscal year. This amount is equal to \$19,119,930 or \$36,675 higher than projected at the Annual Meeting. The 2015-16 state equalization aid amount is \$235,907 lower than the 2014-15 figure, or a 1.2% decrease. The state equalization aid amount equates to a 44.6% funding level for the district's Fund 10 budget. The final state computer aid payment for 2015-16 is \$72,044 or \$15,267 more than projected. The 2015-16 state computer payment is \$15,267 more than the 2014-15 figure, or a 26.9% increase.

As a result of changes in the revenue cap, and state equalization and computer aid amounts, the property tax levy for Fund 10 needs to be decreased to \$20,526,360. This is \$26,024 lower than projected. The tax levy also includes \$5,402,276 for debt service, \$83,030 for non-referendum debt service, \$209,296 for the capital expansion fund, and

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\$301,817 for community service. The total tax levy is \$26,522,779. The 2015-16 property tax levy is \$1,838,463 higher than the 2014-15 figure, or an increase of 7.4%. The tax rate is determined by dividing the equalized value of the district (excluding TID) by the total tax levy. The equalized value figure is \$2,285,501,808 or \$68,926,363 higher than projected. The 2015-16 equalized value figure is \$112,388,626 higher than the 2014-15 figure, or a 5.2% increase. The tax rate is therefore \$11.60/\$1,000 of equalized value, or .38 lower than projected. The 2015-16 tax rate is .24 higher than the 2014-15 tax rate, or an increase of 2.1%. Attached is the property tax certification showing the actual tax levy broken down by municipality and a comparison to the previous year's tax levy.

The third step in the budget and tax levy process is reconciling the above changes with the budget. The revised expenditure budget totals \$93,791,079 or \$3,466,921 lower than presented at the Budget Hearing. The 2015-16 budget is \$38,842,024 higher than the 2014-15 actual expenses, or an increase of 70.7%. Attached is the DPI recommended budget adoption 2015-16 incorporating all changes to the budget since July.

A tax levy and budget resolution needs to be adopted by the school board incorporating all of the above changes. The tax levy resolution is for a tax of \$26,522,779 and the budget resolution is for \$93,791,079.

Please feel free to call me if you have any questions or concerns on the above information or if you would like additional information. Thanks.

Attachments

- 2015-2016 Budget Adjustments
- 2015-2016 Budget Final Version
- 2015-2016 Revenue Cap Calculation
- 2015-2016 Tax Levy by Municipality
- 2015-2016 Property Tax Levy Explanation
- 2015-2016 Budget Adoption DPI Version