

School Board Workshop:

September 12, 2022

Subject:

Levy Certification Update

Presenter:

**Ryan Tangen, Director
Finance and Operations**

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

DESCRIPTION:

The preliminary numbers for the 2022 payable 2023 levy are attached for your review. These numbers are based on the first run of the MDE levy certification that came out on Thursday, September 8, 2022, including anticipated adjustments for the Pay 2023 levy. The current total levy is projected at \$20,355,583.93 showing an increase of \$659,374.12 or 3.35% from the prior year. These numbers are **subject to change**. Some observations are as follows:

- Enrollment projections represent a decrease of 77.80 Adjusted Pupil Units (APUs) from 2022-23 to 2023-24. The decrease change generates Declining Enrollment Revenue.
- General Education formula was held at the 2022-23 amount of 6,863.
- Increasing property values and a decrease in resident students resulted in less equalization aid and increased property tax levies.
- Long-term Facilities Maintenance has significant changes due to the scheduled last payment on the Alt Facilities bonds. The larger debt payment resulted in the shared aid being moved into the debt category.
- Other Debt levy decreased significantly due to the retirement of the OPEB bonds during the 2022-23 fiscal year.
- We are seeing a number of prior year adjustments, as is the case every year, due to having final expenditure totals and enrollment totals for prior years.
- Based on an average 5% growth in Referendum Market Value and Net Tax Capacity, we are seeing the RMV tax rate go up and are seeing the NTC tax rate go up as well.
- The current tax rate projection on a \$200,000 home is \$875 versus \$881 last year.
- When factoring in the average 5% increase in property values moving a \$200,000 home to \$210,000, the tax increase would be about \$42 per year based on the current projections.
- New for property taxes payable 2023, a school district financial summary is required to be included with the Notice of Proposed Taxes 2023 mailed by the county.

At the September 26, 2022, 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 22 pay 23 9.12.22

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