

**School Board Meeting:**

**September 11, 2023**

**Subject:**

**Levy Certification Update**

**Presenter:**

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

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**SUGGESTED SCHOOL BOARD ACTION:**

None at this time - informational only

**DESCRIPTION:**

A summary of the preliminary 2023 payable 2024 property tax levy and estimated tax impact are attached for your review. These numbers are based on the first run of the MDE levy certification that came out on Friday, September 8, 2023, including anticipated adjustments for prior property tax levies. The total current levy is projected at \$19,163,157.11 showing a decrease of \$1,251,768.45 or 6.13% from the prior year. These numbers are **subject to change**. Some observations are as follows:

- Enrollment projections represent a decrease of 161.80 Adjusted Pupil Units (APUs) from 2023-24 to 2024-25. The decrease change generates Declining Enrollment Revenue.
- General Education formula estimated at \$7,281 or 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 levy decreased significantly due to the retirement of the Long-term Facilities Maintenance Alt Facilities bonds during the 2023-24 fiscal year.
- We are seeing 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 \$1,027 versus \$1,198 last year.

- When factoring in the average 10% increase in property values moving a \$300,000 home to \$330,000, the tax decrease would be about \$61 per year based on the current projections.

At the September 25, 2023, 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 23 pay 24 9.11.23 Preliminary Levy Certification**
- **Levy Analysis 23 pay 24 9.11.23 Tax Impact Analysis**