

ISD 883
Rockford Public School District

Truth in Taxation Presentation

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Agenda

- Review of Meeting Requirements
- Presentation of current school year budget
- Presentation of proposed tax levy
- Public comment

Truth in Taxation Requirements

- Meeting must be held between November 25 and December 30 at 6pm or later
- May be a part of a regularly scheduled meeting
- Presentation must include discussion on:
 - Fiscal Year 2025 budget
 - Pay 2025 Proposed Tax Levy
- Must allow for public comments



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Minnesota School Funding

Public schools districts are funded by the federal government, state government, local fees and local taxpayers through property taxes with the state of Minnesota being the largest source of funding.

FY 2025 Budget



125,058	154,568	95,054	124,500
125,487	56,845	97,511	125,000
124,000	110,000	99,011	154,000
105,450	150,000	99,216	95,000
	35,000	101,090	154,200
	83,000	101,684	110,000
		101,962	89,000
		747	50,000
			68,700
			000

FY 2025 Budget

• Our school district is required to use a “Fund Accounting” system, thus we account for our revenues and expenditures using six separate funds:

- General Fund *
- Food Service Fund
- Community Service Fund *
- Building Construction Fund
- Debt Service Fund *
- Internal Service

*Funds have a tax levy component

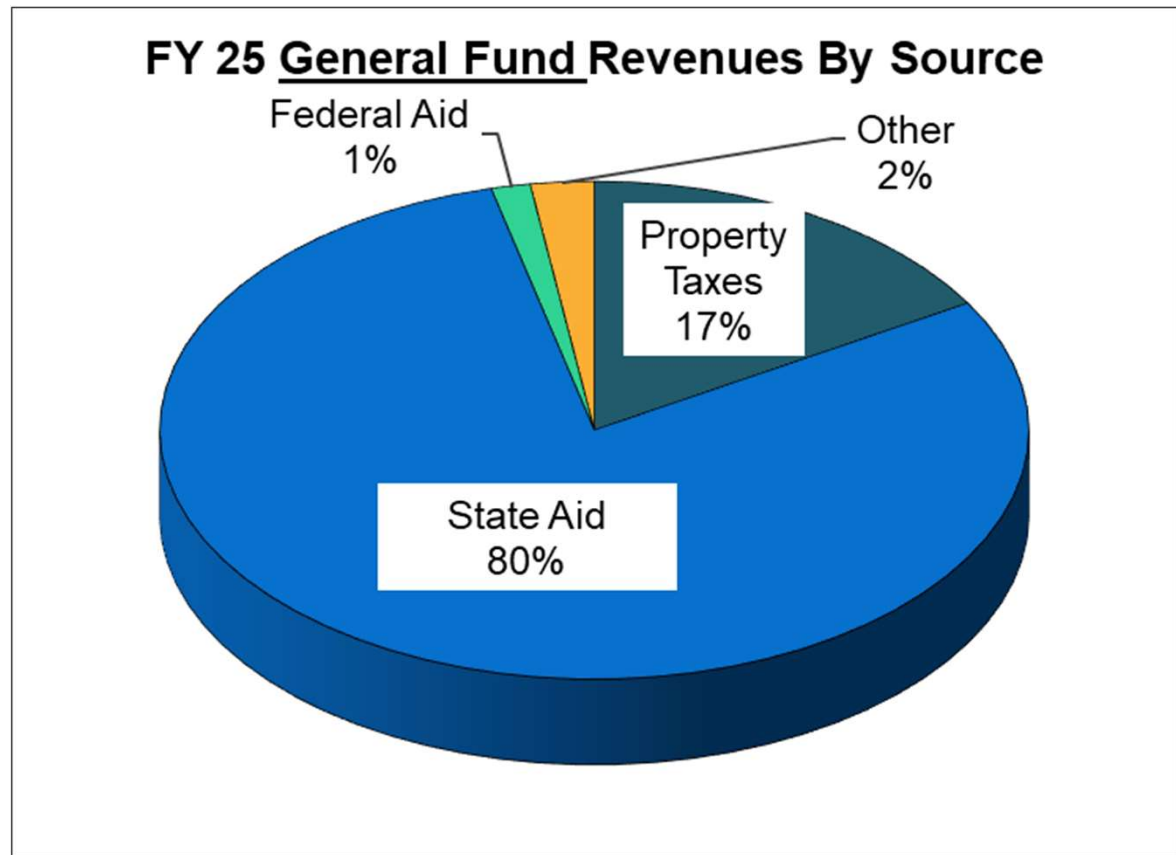


Budget Overview

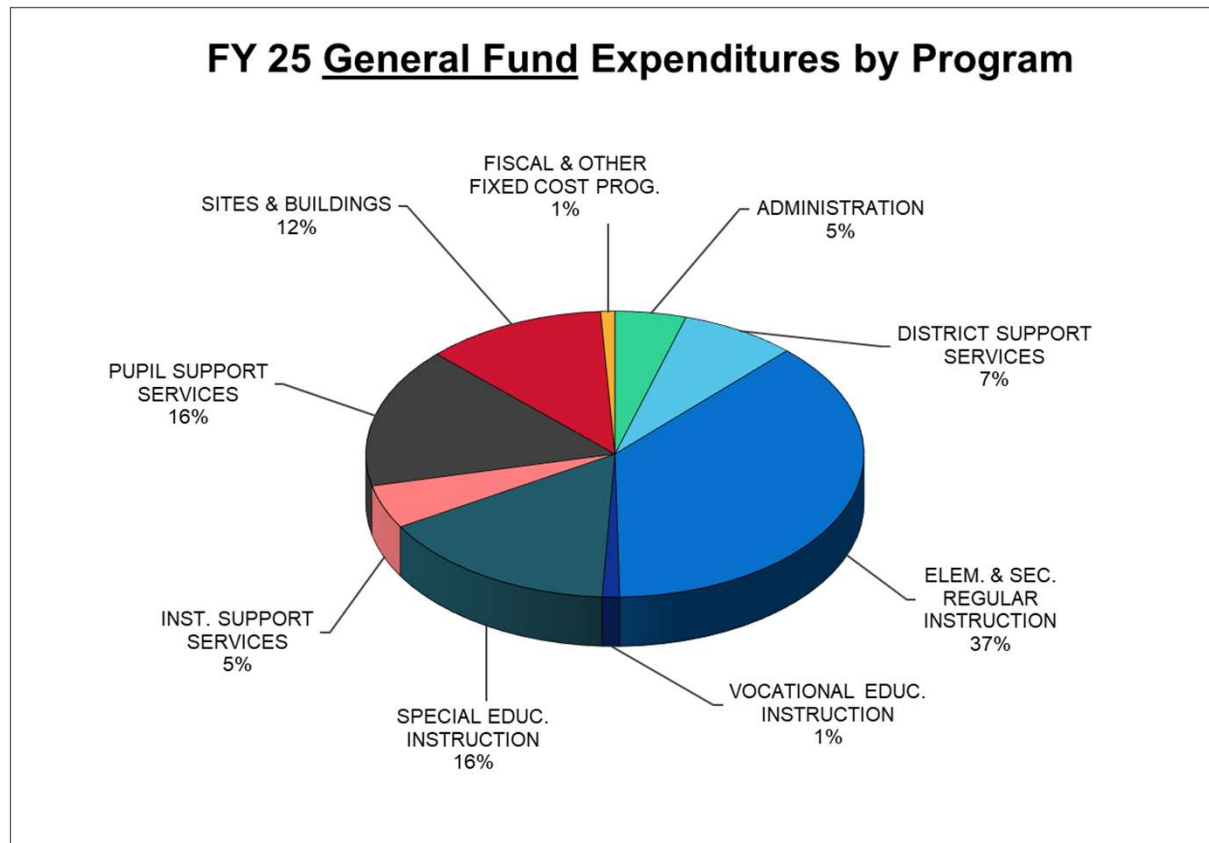
FY 2025 Budget Summary

Fund	Revenue	Expense	Surplus/(Deficit)
General Fund	\$ 21,947,440	\$ 22,125,064	\$ (177,624)
Food Service	\$ 1,220,473	\$ 1,075,930	\$ 144,543
Community Service	\$ 1,472,446	\$ 1,481,895	\$ (9,449)
Construction	\$ 5,000	\$ 3,676,545	\$ (3,671,545)
Debt Service	\$ 5,187,248	\$ 4,915,541	\$ 271,707
Total	\$ 29,832,607	\$ 33,274,975	\$ (3,442,368)

FY 2025 General Fund Revenues by Source



FY 2025 General Fund Expenditures by Program



2025 Property Tax Levy

School District Tax Levy Timeline

Summer	September	November 5	November 25 - December 30	2025
Information provided to State for preliminary levy calculations	Preliminary levy certification by school board	Hold elections; elections for bonds or levies can cause the final levy to be higher than the preliminary levy set in September	School District holds Truth in Taxation meeting and certify final property tax levy for taxes payable in 2025	Property taxes collected by counties and distributed to the school district

Local Property Tax Levy



- State limits the local property tax levy by statutorily defined formulas
 - Levy limitation formulas are driven by:
 - Pupil Counts
 - Specific eligible expenditure types
 - Population
 - Voter authorization
 - Districtwide Property Valuations

Levy Overview


	Final Pay 2024	Proposed Pay 2025	\$ Change	% Change
General Fund (Fund 1)				
Operating Referendum	1,586,559	1,544,249	(42,310)	-2.7%
Local Optional	1,260,954	1,196,952	(64,002)	-5.1%
Equity	214,689	207,389	(7,300)	-3.4%
Transition	48,541	46,081	(2,460)	-5.1%
Operating Capital	188,495	222,852	34,357	18.2%
Q Comp	146,655	139,870	(6,785)	-4.6%
Achievement and Integration	59,395	63,322	3,928	6.6%
Reemployment Insurance	15,000	23,000	8,000	53.3%
Safe Schools	62,791	59,609	(3,182)	-5.1%
Career & Technical	70,381	67,008	(3,373)	-4.8%
Long Term Facilities Maintenance	231,412	215,597	(15,816)	-6.8%
Building/Land Lease	26,418	26,740	322	1.2%
<i>Adjustments and Abatements</i>	<i>(315,297)</i>	<i>(414,206)</i>	<i>(98,909)</i>	-
General Fund Total Levy	3,595,994	3,398,463	(197,531)	-5.5%
Community Service (Fund 4)				
Basic Community Education	72,437	74,976	2,538	3.5%
Early Childhood Education	38,686	45,446	6,760	17.5%
Home Visiting	1,185	1,468	284	24.0%
School-age Care	15,000	15,000	-	0.0%
<i>Adjustments and Abatements</i>	<i>(2,954)</i>	<i>(14,738)</i>	<i>(11,785)</i>	-
Community Service Fund Total Levy	124,354	122,152	(2,202)	-1.8%
Debt Service Fund (Fund 7)				
Voter Approved Debt Service	4,314,870	4,311,720	(3,150)	-0.1%
Non-Voter Approved Debt Service	746,671	685,410	(61,262)	-8.2%
<i>Adjustments and Abatements</i>	<i>(127,604)</i>	<i>(14,622)</i>	<i>112,983</i>	-
Debt Service Fund Total Levy	4,933,937	4,982,508	48,571	1.0%
Total Property Tax Levy All Fund	8,654,285	8,503,123	(151,162)	-1.75%

Levy Highlights

Major Changes

Operating Capital	+ \$34,357 Decrease in state aid due to rising property valuations
Local Optional Revenue	- \$64,002 Decrease due to declining enrollment
Debt Service	- \$64,412 Decrease largely due to the maturity of the 2021A Series GO Capital Facilities Refunding Bonds

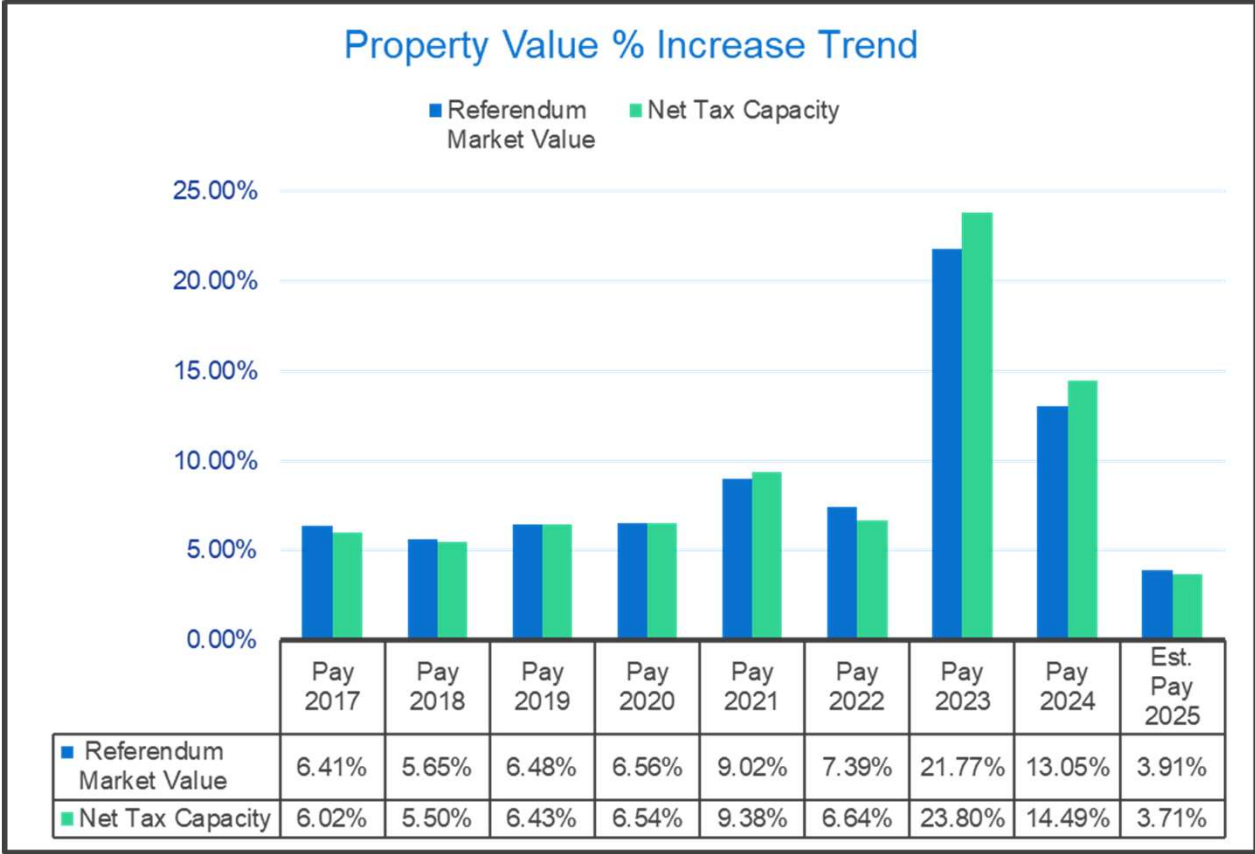
Tax Levy and Budget

% Change to Tax Levy  % Change to Budget Revenue

Some levy increases are offset by a reduction in state aid meaning no additional revenue for school district budget

Timeline for Taxpayers

March 2024	Spring/Early Summer	November 10 -24	November 25 - December 30	March
<p>Taxpayers received preliminary valuations notice from county for taxes payable the following year</p>	<p>Local and county board of appeal and equalization meetings held providing taxpayers opportunity to challenge property valuations.</p>	<p>Counties deliver mailed notice of proposed property taxes to each taxpayer.</p>	<p>School District holds Truth in Taxation meeting and certify final property tax levy for taxes payable in 2025</p>	<p>Taxpayers receive tax statement from counties for taxes payable in 2025</p>



Valuation History

Dividing the Property Tax Pie

Property values do not rise uniformly across all properties

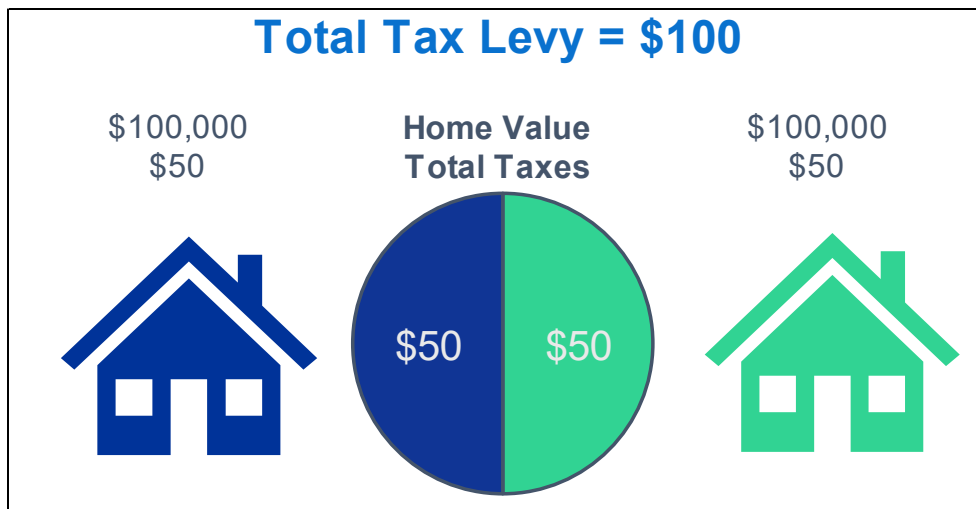
The burden of the levy shifts from taxpayers with lower increases to those with higher increases.

Higher increase =
Larger piece of the property tax pie.

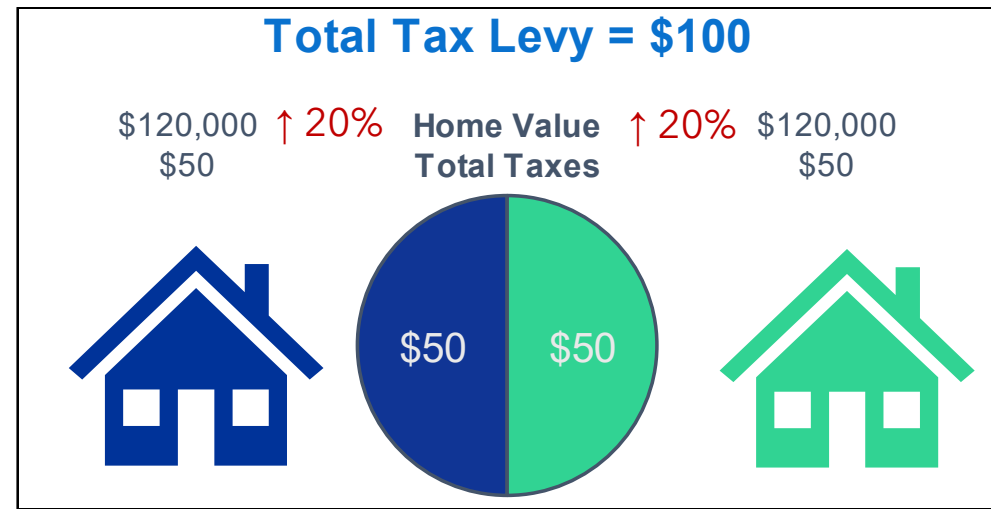


Impact of Valuation Changes

Current



Home Values Up Equal 20%



No change in tax burden

Impact of Valuation Changes

Current

Total Tax Levy = \$100

\$100,000
\$50

Home Value
Total Taxes

\$100,000
\$50



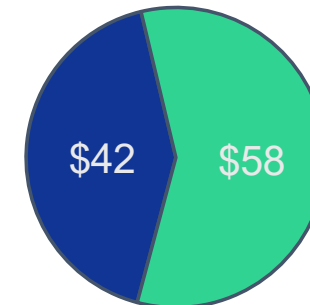
Home Value Changes Vary

Total Tax Levy = \$100

\$110,000 ↑ 10%
\$42

Home Value
Total Taxes

↑ 40% \$140,000
\$58



Same Levy, Shift in Tax Burden

Estimated Tax Impacts

All Classifications - 3.5% Increase

Summary			
	Pay 2024	Est. Pay 2025	% Change
Referendum Market Value	\$ 1,822,247,150	\$ 1,893,510,351	3.91%
RMV Tax Rate	0.16501%	0.14699%	-10.92%
Net Tax Capacity	\$ 20,758,877	\$ 21,529,445	3.71%
NTC Tax Rate	26.06%	25.44%	-2.37%

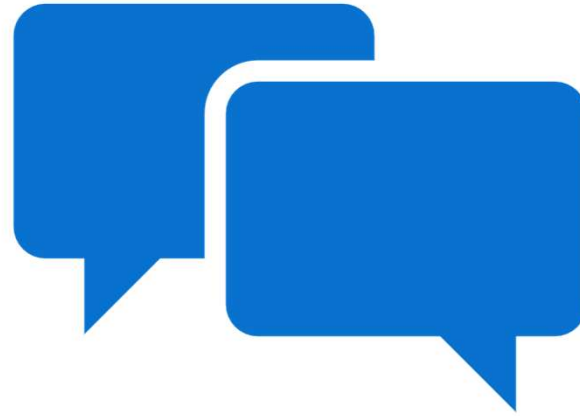
Types of Property	Pay 2024 Value	Pay 2025 Est. Value	Pay 2024	Pay 2025	\$ Change	% Change
Residential Homestead (Value Increase 3.5%)	\$241,500	\$250,000	\$987	\$942	(\$45)	-4.56%
	289,900	300,000	1,205	1,155	(50)	-4.18%
	338,200	350,000	1,422	1,367	(55)	-3.86%
	386,500	400,000	1,638	1,579	(60)	-3.63%
	434,800	450,000	1,850	1,791	(59)	-3.21%
	531,400	550,000	2,282	2,239	(43)	-1.87%
628,000	650,000	2,756	2,704	(52)	-1.87%	
Commercial / Industrial** (Value Increase 3.5%)	\$96,600	\$100,000	\$400	\$390	(\$10)	-2.46%
	241,500	250,000	1,076	1,056	(20)	-1.82%
	483,100	500,000	2,277	2,234	(43)	-1.87%
	966,200	1,000,000	4,678	4,589	(88)	-1.88%
Agricultural Homestead (Value Increase 3.5%)	\$8,700	\$9,000	\$4.30	\$4.36	\$0.06	1.34%
	9,700	10,000	4.80	4.84	0.05	1.00%
	10,600	11,000	5.24	5.33	0.09	1.66%
	11,600	12,000	5.74	5.81	0.08	1.34%
Agricultural Non-Homestead (Value Increase 3.5%)	\$8,700	\$9,000	\$8.60	\$8.72	\$0.12	1.34%
	9,700	10,000	9.59	9.69	0.10	1.00%
	10,600	11,000	10.48	10.66	0.17	1.66%
	11,600	12,000	11.47	11.63	0.15	1.34%

*Actual taxes may be lower in certain taxing districts due to Disparity Reduction Aid.

**Commercial Industrial taxes will have small variations from one taxing City/township to the next due to differences in the Twin Cities Metropolitan Area Fiscal Disparities Program

Other Taxpayer Resources

- Minnesota Homestead Property Tax Refund
- Special Property Tax Refund Program
- Senior Citizen Property Tax Deferral
- Disable Veteran's Homestead Property Tax Exclusion
- Blind or Disabled Special Homestead Classification
- Green Acres and Rural Preserve



Public Comments