

Richfield Public Schools
Truth in Taxation

December 3, 2018

- 
- School Funding & 2018-2019 Budget
 - Levy Certification Process
 - Proposed 2019 Levy
 - Public Questions and Comments

Agenda



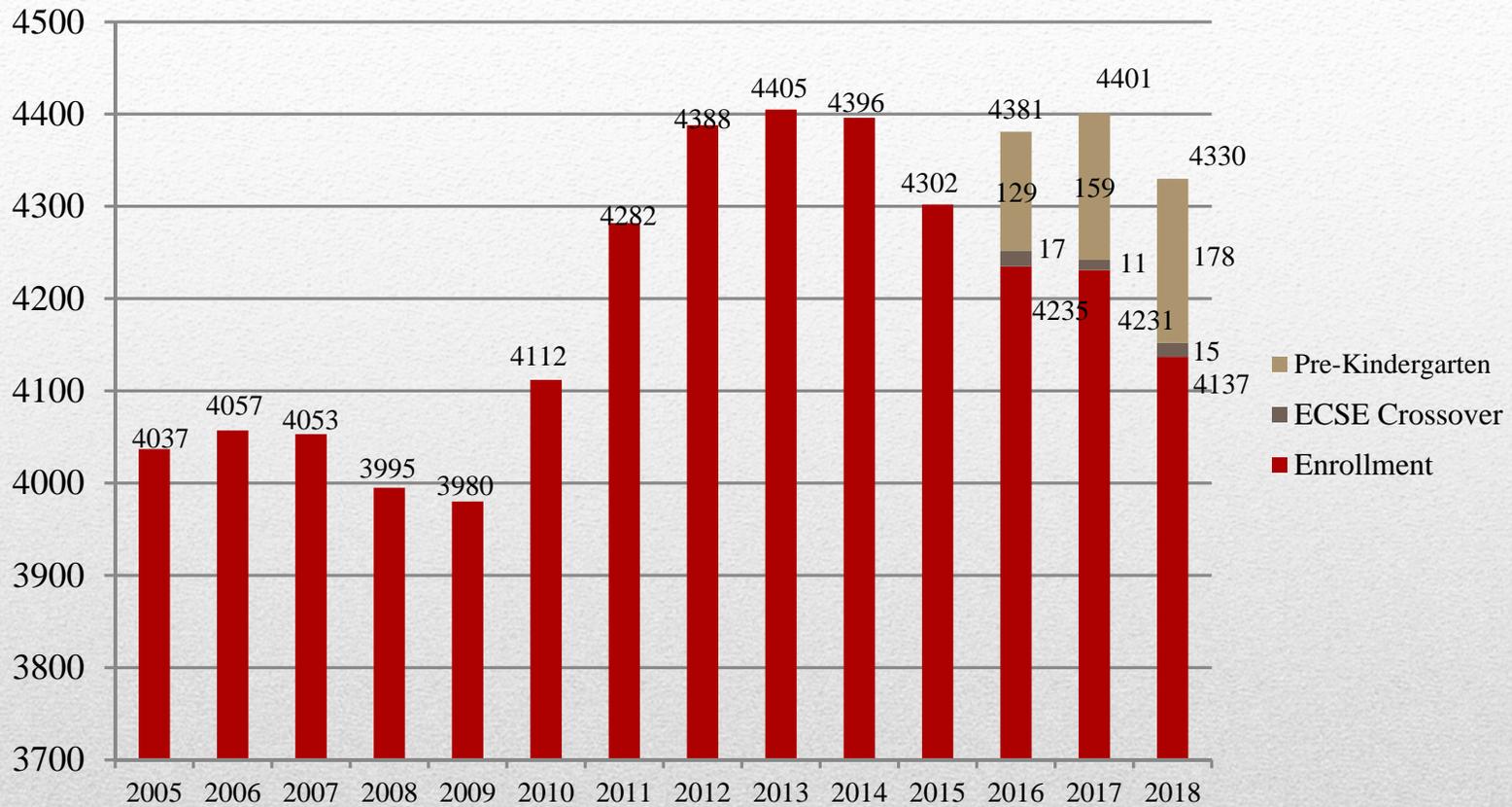
School Funding

- Article XIII Miscellaneous Subjects
 - Section 1. UNIFORM SYSTEM OF PUBLIC SCHOOLS. The stability of a republican form of government depending mainly upon the intelligence of the people, it is the duty of the legislature to establish a general and uniform system of public schools. The legislature shall make such provisions by taxation or otherwise as will secure a thorough and efficient system of public schools throughout the state.

School Funding - Constitution

- As a result... School funding is highly regulated by the state
 - **State sets** *formulas* which determine revenue; mostly based on per pupil
 - **State sets** *tax policy* for local schools
 - **State sets** *maximum authorized property tax levy* (districts can levy less, but not more than authorized by the state unless approved by voters)
 - **State authorizes** *school boards to submit referendums* for operating and capital needs *to voters* for approval, but regulates these with limits

School Funding



ENROLLMENT INFORMATION

- **General***
 - **Transportation**
 - **Student Activities**
- **Food Service**
- **Community Service***
- **Debt Service***
- **Internal Service**
- **OPEB Trust**
- **OPEB Debt Service Fund***

***Impacted by levy**

Richfield Fund Types



2018-2019 Budget

Richfield Public Schools ISD #280

2018-19

Fund Balance Analysis

Fund	Actual Fund Balance June 30, 2018	18-19 Adopted Budget Revenue	18-19 Adopted Budget Expenditure	Change (Rev - Exp)	Projected Fund Balance June 30, 2019
01 - General & Transportation	\$ 9,028,123	\$ 67,636,701	\$ 66,887,107	\$ 749,594	\$ 9,777,717
50 - Student Activities	124,757	-	-	-	124,757
General Fund Total	\$ 9,152,880	\$ 67,636,701	\$ 66,887,107	\$ 749,594	\$ 9,902,474
02 - Food Service	431,367	2,790,950	2,778,604	12,346	443,713
04 - Community Service	531,089	1,779,158	1,830,051	(50,893)	480,196
06 - Bldg Construction	117,418,610	1,500,000	26,113,654	(24,613,654)	92,804,956
07 - Debt Service	199,283	8,759,693	7,971,293	788,400	987,683
20 - Internal Service	4,914,633	7,350,000	6,938,370	411,630	5,326,263
45 - OPEB TRUST	9,750,831	150,000	630,250	(480,250)	9,270,581
47 - OPEB Debt Service	180,533	796,391	789,100	7,291	187,824
Grand Total	\$ 142,579,226	\$ 90,762,893	\$ 113,938,429	\$ (23,175,536)	\$ 119,403,690

2018-2019 Budget Summary



Division of School Finance
1500 Highway 36 West
Roseville, MN 55113-4266

District Revenues and Expenditures
Budget for Fiscal Year (FY) 2018 and FY 2019

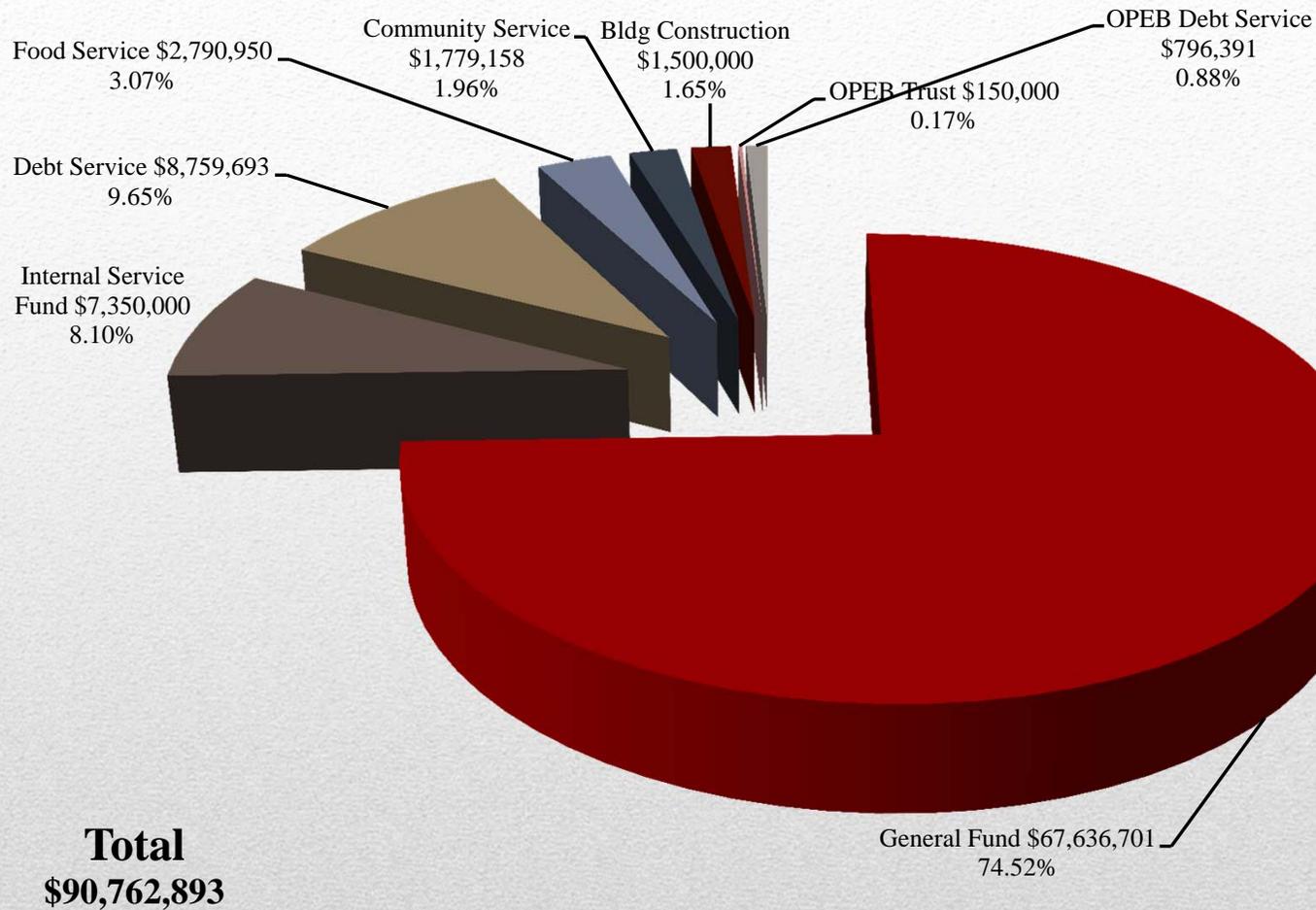
ED-00110-41

General Information: Minnesota Statutes, section 123B.10, requires that every school board shall publish the subject data of this report.

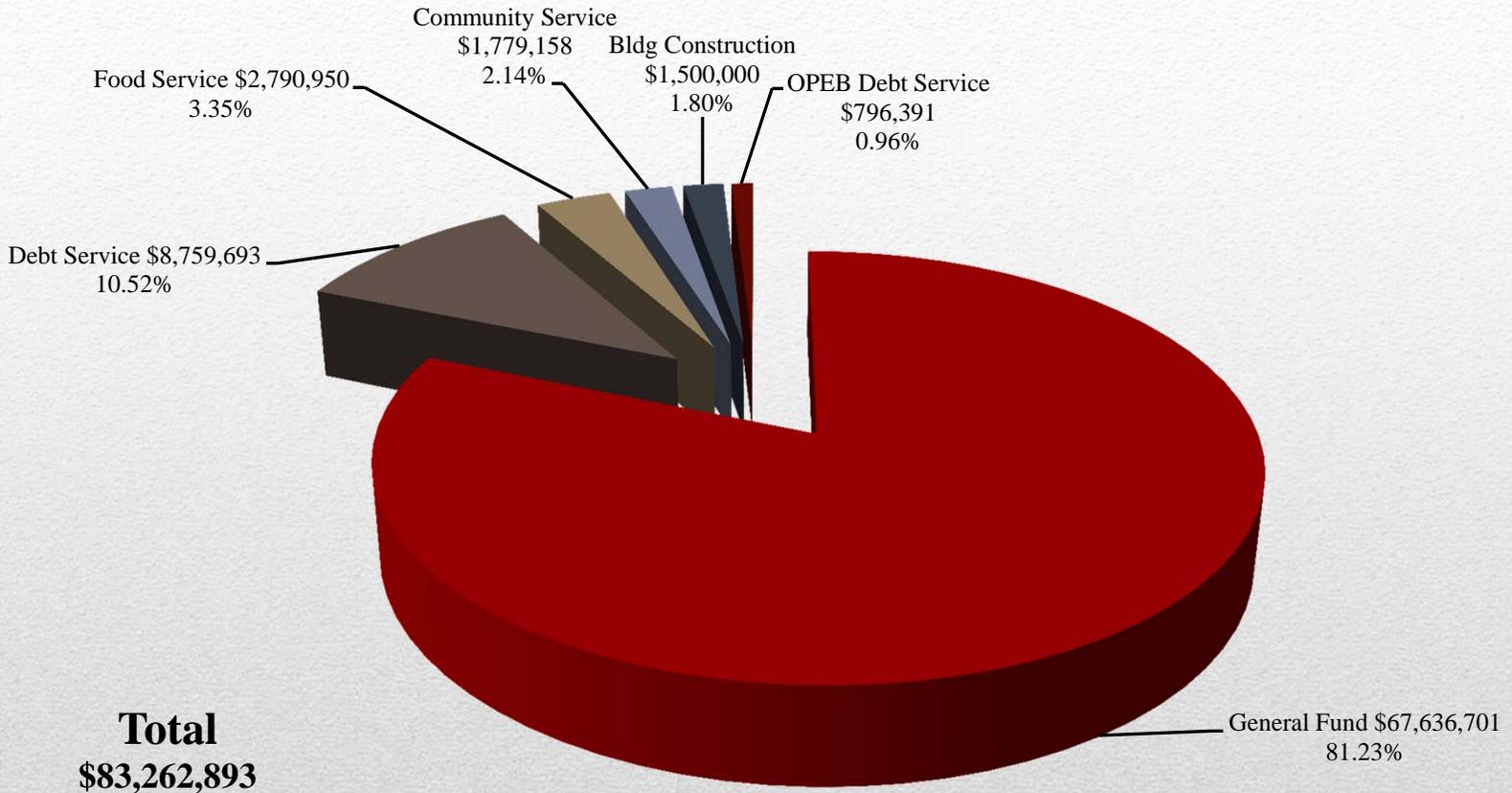
District Name:		Richfield Public Schools				District Number:		0280	
Fund	FY 2018 Beginning Fund Balances	FY 2018 Actual Revenues and Transfers In	FY 2018 Actual Expenditures and Transfers Out	June 30, 2018 Actual Fund Balances	FY 2019 Budget Revenues and Transfers In	FY 2019 Budget Expenditures and Transfers Out	June 30, 2019 Projected Fund Balances		
General Fund/Restricted	\$ 1,625,505	\$ 16,765,220	\$ 16,773,610	\$ 1,617,115	\$ 16,494,433	\$ 16,013,540	\$ 2,098,008		
General Fund/Other	\$ 5,928,610	\$ 46,322,718	\$ 44,715,563	\$ 7,535,765	\$ 51,142,268	\$ 50,873,567	\$ 7,804,466		
Food Service Fund	\$ 357,454	\$ 2,768,890	\$ 2,694,977	\$ 431,367	\$ 2,790,950	\$ 2,778,604	\$ 443,713		
Community Service Fund	\$ 67,563	\$ 2,155,483	\$ 1,691,956	\$ 531,090	\$ 1,779,158	\$ 1,830,051	\$ 480,197		
Building Construction Fund	\$ -	\$ 120,108,147	\$ 2,689,537	\$ 117,418,610	\$ 1,500,000	\$ 26,113,654	\$ 92,804,956		
Debt Service Fund	\$ 6,589,045	\$ 4,146,088	\$ 10,535,851	\$ 199,282	\$ 8,759,693	\$ 7,971,293	\$ 987,682		
Trust Fund	\$ 438,490	\$ 60,368	\$ 48,713	\$ 450,145	\$ -	\$ -	\$ 450,145		
Internal Service Fund	\$ 3,868,569			\$ 4,914,633			\$ 5,326,263		
*OPEB Revocable Trust Fund	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -		
*OPEB Irrevocable Trust Fund	\$ 10,552,554	\$ 115,612	\$ 917,335	\$ 9,750,831	\$ 150,000	\$ 630,250	\$ 9,270,581		
*OPEB Debt Service Fund	\$ 213,974	\$ 989,701	\$ 1,023,142	\$ 180,533	\$ 796,391	\$ 789,100	\$ 187,824		
Total - All Funds	\$ 29,641,764	\$ 193,432,227	\$ 81,090,684	\$ 143,029,371	\$ 83,412,893	\$ 107,000,059	\$ 119,853,835		
Long-Term Debt									
					Current Statutory Operating Debt per Minnesota Statutes, section 123B.81				
Outstanding July 1, 2017	\$ 42,670,000				Amount of General Fund Deficit, if any, in excess of 2.5% of expenditures 06/30/2018		\$ -		
Plus: New Issues	\$ 116,160,000								
Less: Redeemed Issues	\$ 10,105,000				Cost per student - Average Daily Membership (ADM) 06/30/2018				
Outstanding June 30, 2018	\$ 148,725,000								
Short-Term Debt					Total Operating Expenditures		\$ 59,970,718.00		
Certificates of Indebtedness	\$ -				FY 2018 Total ADM Served + Tuitioned Out ADM + Adjusted Extended ADM		4,404.52		
Other Short-Term Indebtedness	\$ -				FY 2018 Operating Cost per ADM		\$ 13,615.72		

The complete budget may be inspected upon request to the superintendent.

2018-2019 Budget Summary

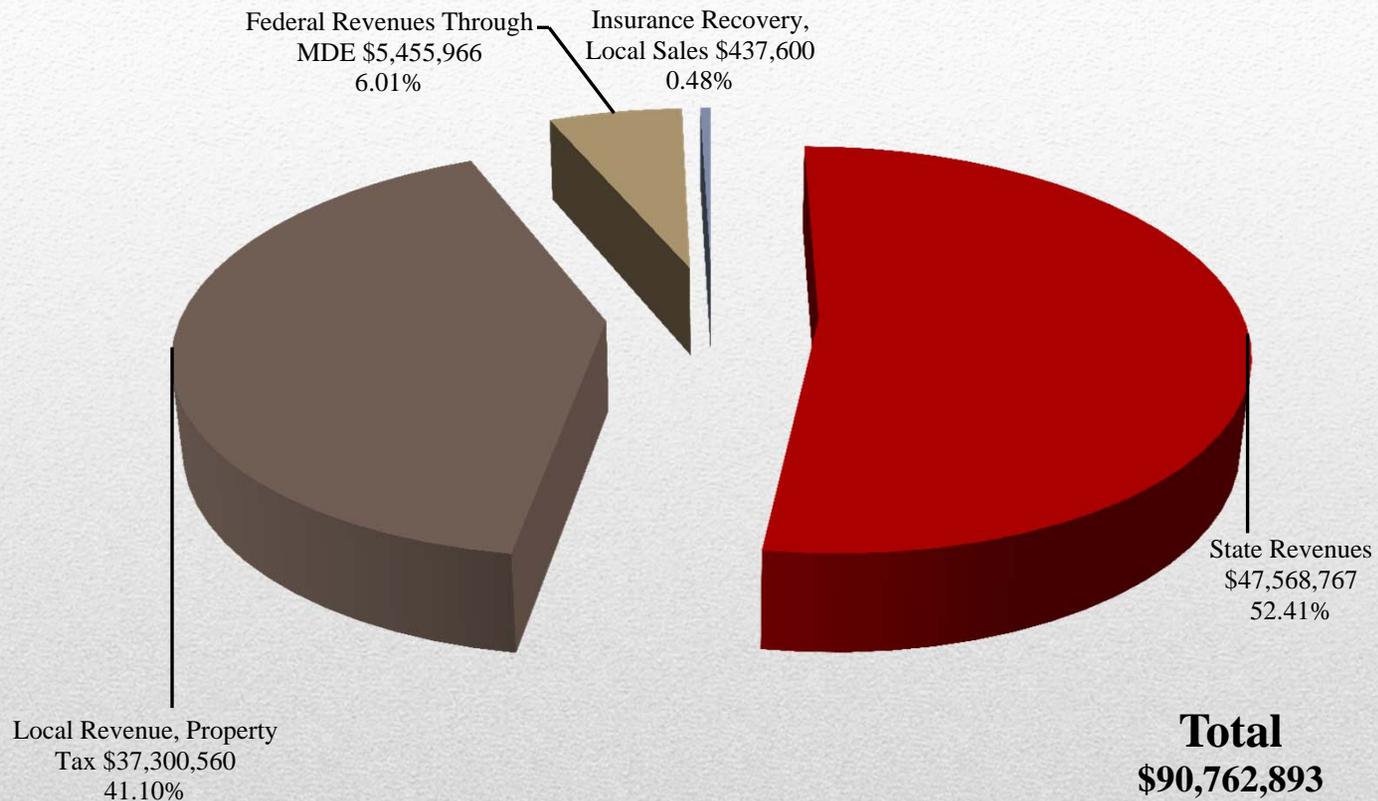


Revenue by Fund All Funds

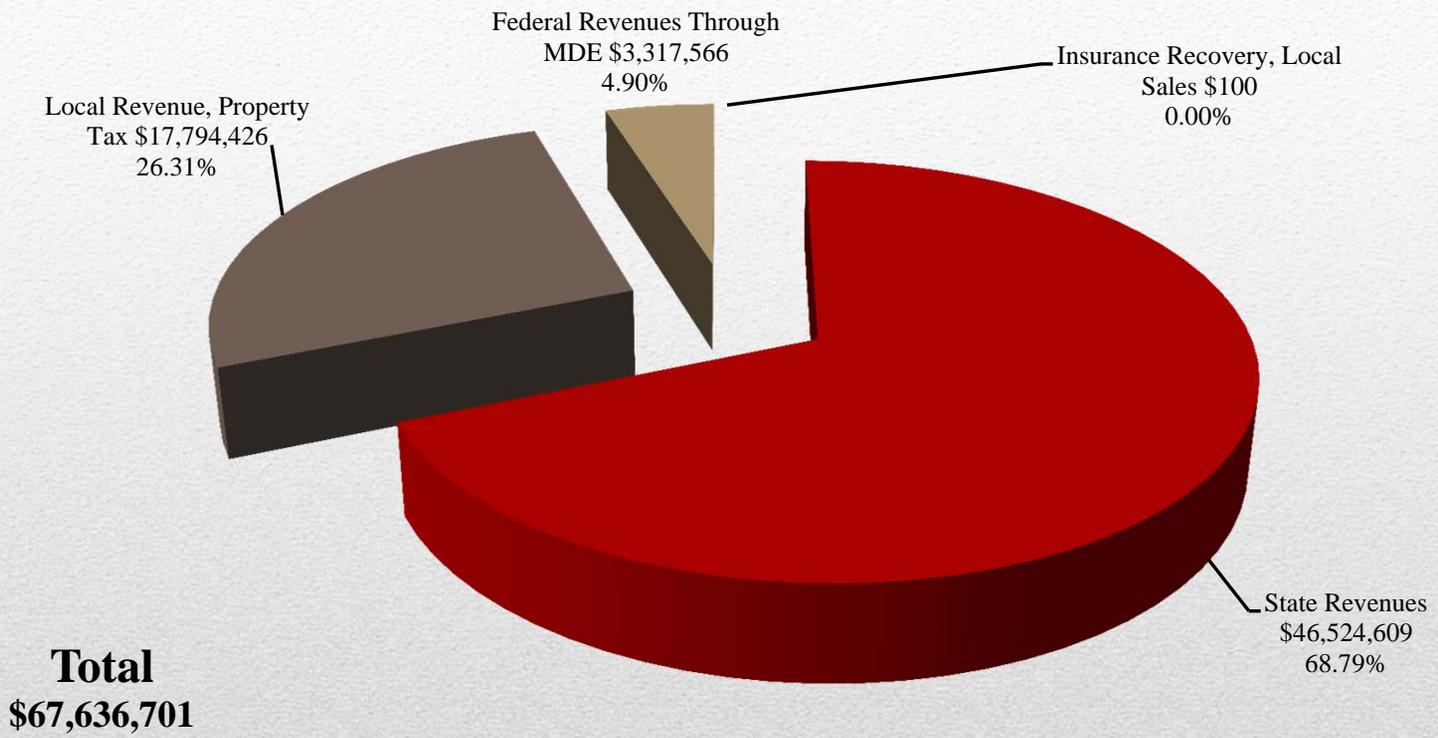


Revenue by Fund

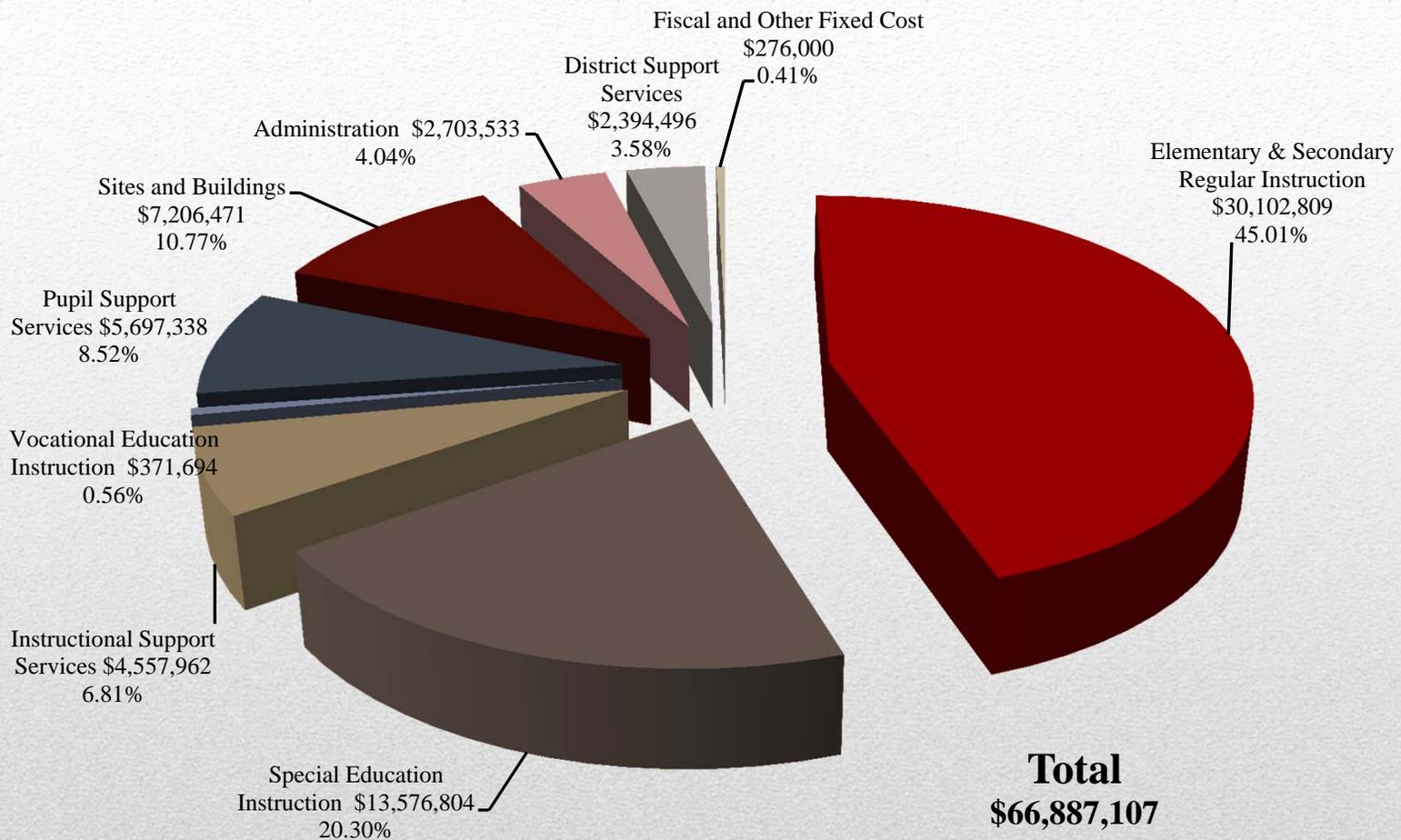
Without Internal Svc & OPEB Trust



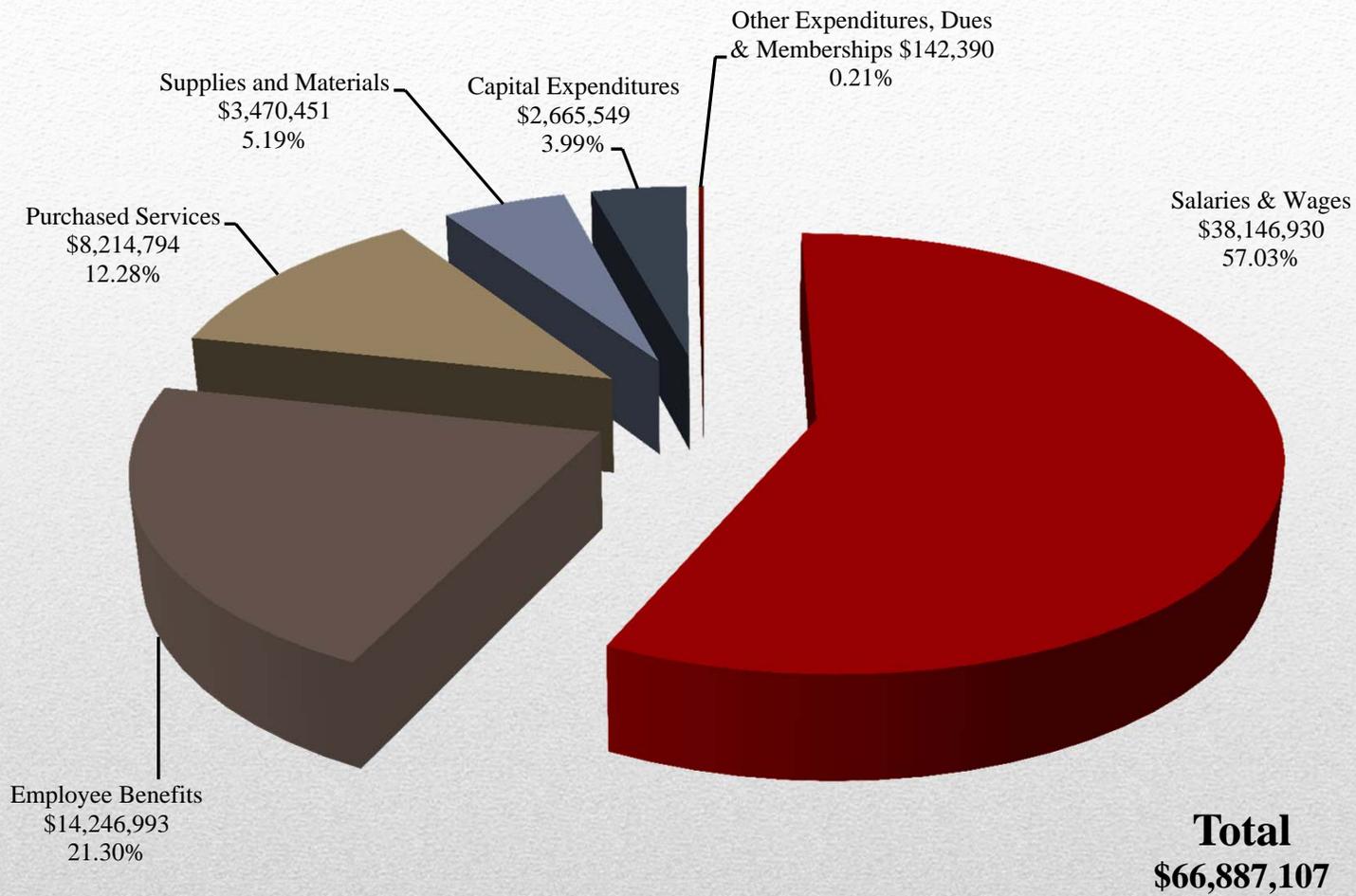
Revenue Sources [All Funds]



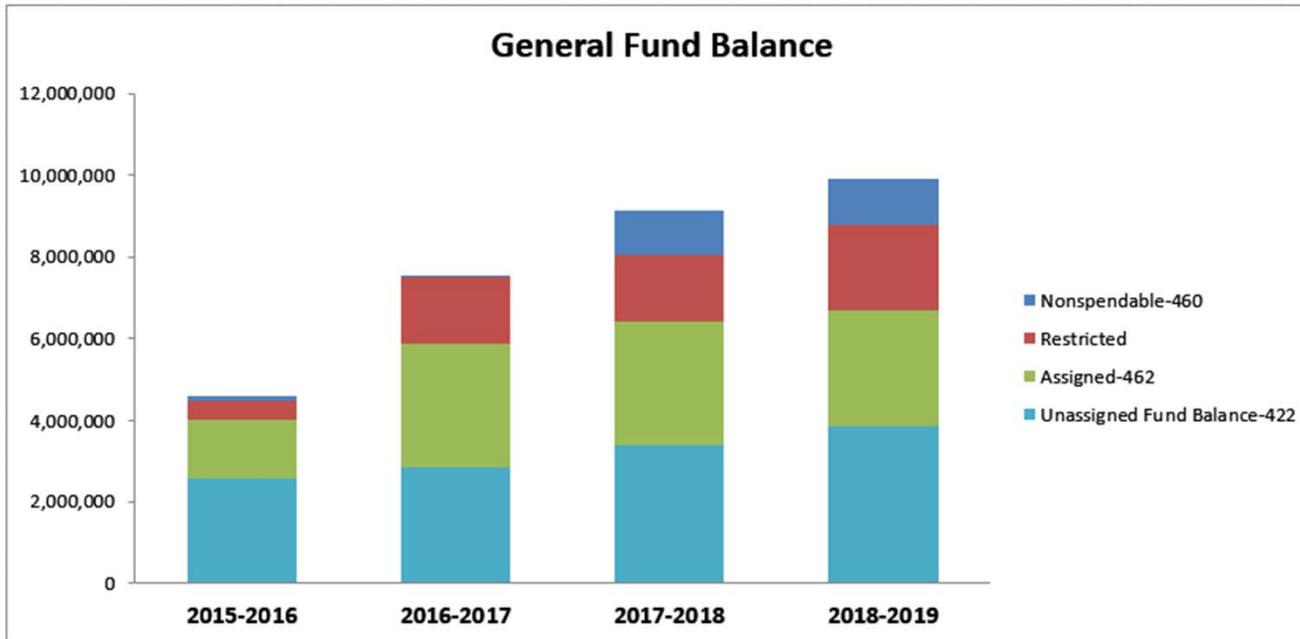
Revenue Sources (General)



Expenditures Program (General)



Expenditures Object (General)



	2015-2016	2016-2017	2017-2018	2018-2019
Nonspendable-460	147,063	38,225	1,103,097	1,103,097
Restricted	435,144	1,625,505	1,617,119	2,098,012
Assigned-462	1,445,988	3,046,456	3,039,789	2,839,789
Unassigned Fund Balance-422	2,583,291	2,843,928	3,392,874	3,861,575
Total Fund Balance	4,611,486	7,554,114	9,152,879	9,902,473

Total General Fund Expenses	59,678,436	61,140,742	61,489,173	60,587,005
Unassigned Fund Balance %	4.33%	4.65%	5.52%	6.37%

Fund Balance



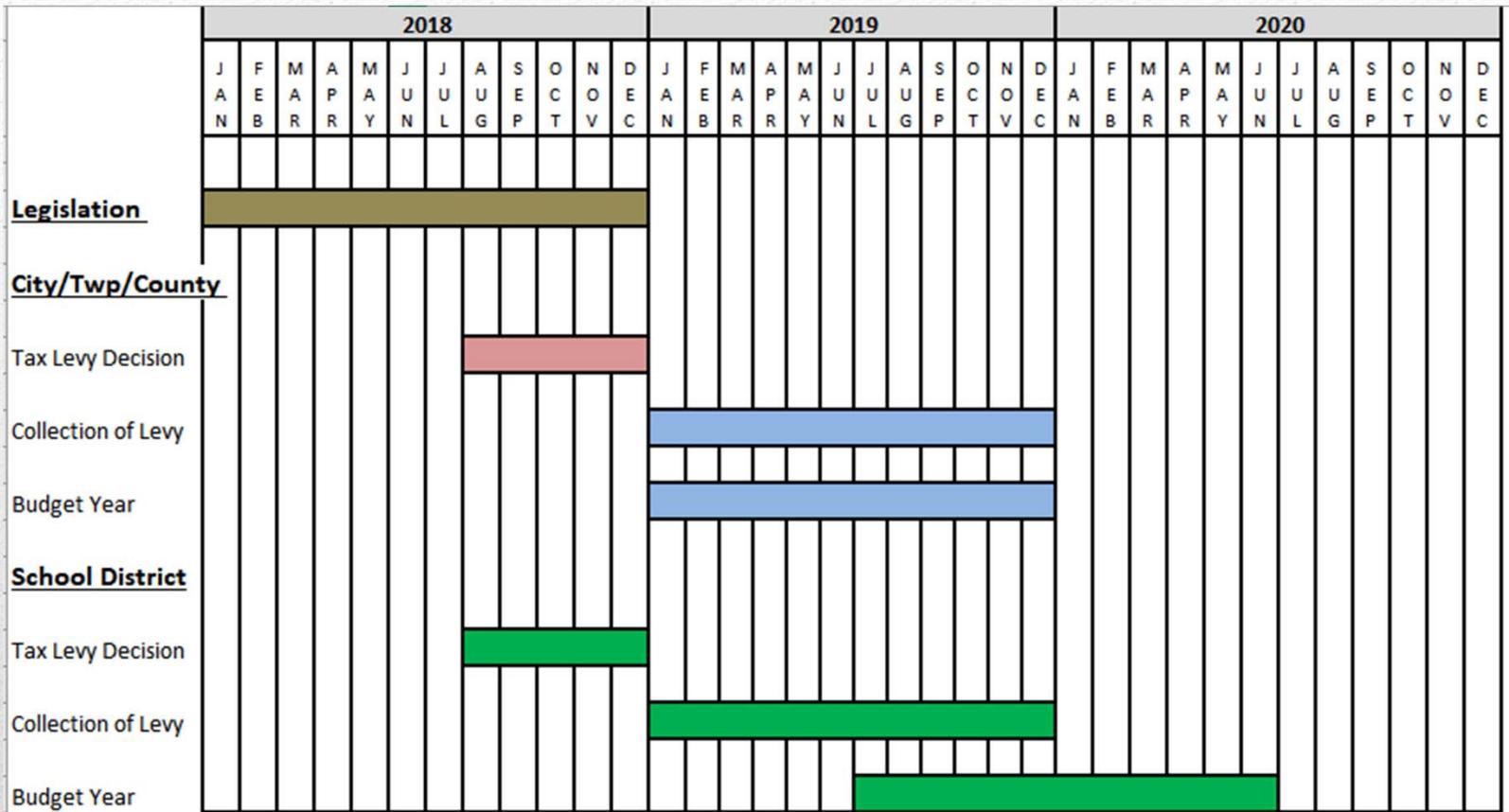
School Levy

- Property taxes based on state-determined formulas
- Some increases in tax levies are revenue neutral with state aid offsets
- 30 different categories of school levies
- Levy limits set either by
 - State law, or
 - Voter approval
- Minnesota Department of Education (MDE) calculates district levy limits
- Counties administer the process

School Levy

- 
- **Cities and Counties** – Budget year is *same as calendar year*. 2019 taxes provide revenue for the 2019 budget.
 - **Schools** – *Budget year begins July 1* and coincides with the school year. The 2019 taxes provide revenue for the *2019-2020 school fiscal year*. Budget will be adopted in June.

Government Levy Cycles



Government Levy Cycle

- 
- September – MDE established levy authority
 - September-Preliminary levy certified by School Board
 - November - County mailed proposed tax statements
 - December – Public hearing
 - December-Final levy certification by School Board

Levy Certification Process



**2018 to 2019 proposed
property tax levy comparison**

Current limit increase = 5.3% or \$1,405,660.85

2018 Payable 2019 Levy

- Primary Factors Affecting Increase
 - Adjustments for Enrollment Increases
 - FY17 Actual – Final Adjustment
 - FY19 Projection
 - OPEB Benefits
 - Increases due to Net Tex Capacity

2018 Payable 2019 Levy

- **Richfield Schools ISD #280**
 - **Pay 2014 Certified Amount = \$18,361,040.78**
 - **Pay 2015 Certified Amount = \$18,050,200.16**
 - **Pay 2016 Certified Amount = \$19,298,552.28**
 - **Pay 2017 Certified Amount = \$18,939,303.49**
 - **Pay 2018 Certified Amount = \$26,524,387.75**
 - *Pay 2019 Current Maximum Amount = \$27,930,048.60*

Historical Levy Summary

Richfield School District No 280
Projected Impact of Pay 2019 Tax Levy

Estimated Market Value	Homestead Exclusion	Estimated Taxable Value	Pay 18 Taxes	Est. Pay 19 Taxes	Dollar Change	Percent Change
\$100,000	28,240	71,760	\$439.86	\$401.64	-\$38.22	-8.69%
\$150,000	23,740	126,260	\$728.77	\$663.71	-\$65.06	-8.93%
\$200,000	19,240	180,760	\$1,017.68	\$925.78	-\$91.90	-9.03%
\$250,000	14,740	235,260	\$1,306.59	\$1,187.85	-\$118.73	-9.09%
\$300,000	10,240	289,760	\$1,595.50	\$1,449.92	-\$145.57	-9.12%
\$350,000	5,740	344,260	\$1,884.41	\$1,712.00	-\$172.41	-9.15%
\$400,000	1,240	398,760	\$2,173.32	\$1,974.07	-\$199.25	-9.17%
\$450,000	0	450,000	\$2,450.15	\$2,225.42	-\$224.73	-9.17%
\$500,000	0	500,000	\$2,722.39	\$2,472.69	-\$249.70	-9.17%
\$550,000	0	550,000	\$3,040.93	\$2,761.08	-\$279.86	-9.20%
\$600,000	0	600,000	\$3,359.48	\$3,049.47	-\$310.01	-9.23%
\$700,000	0	700,000	\$3,996.58	\$3,626.25	-\$370.33	-9.27%
\$800,000	0	800,000	\$4,633.67	\$4,203.03	-\$430.64	-9.29%
\$900,000	0	900,000	\$5,270.76	\$4,779.81	-\$490.96	-9.31%
\$1,000,000	0	1,000,000	\$5,907.86	\$5,356.59	-\$551.27	-9.33%

District Levy Impact

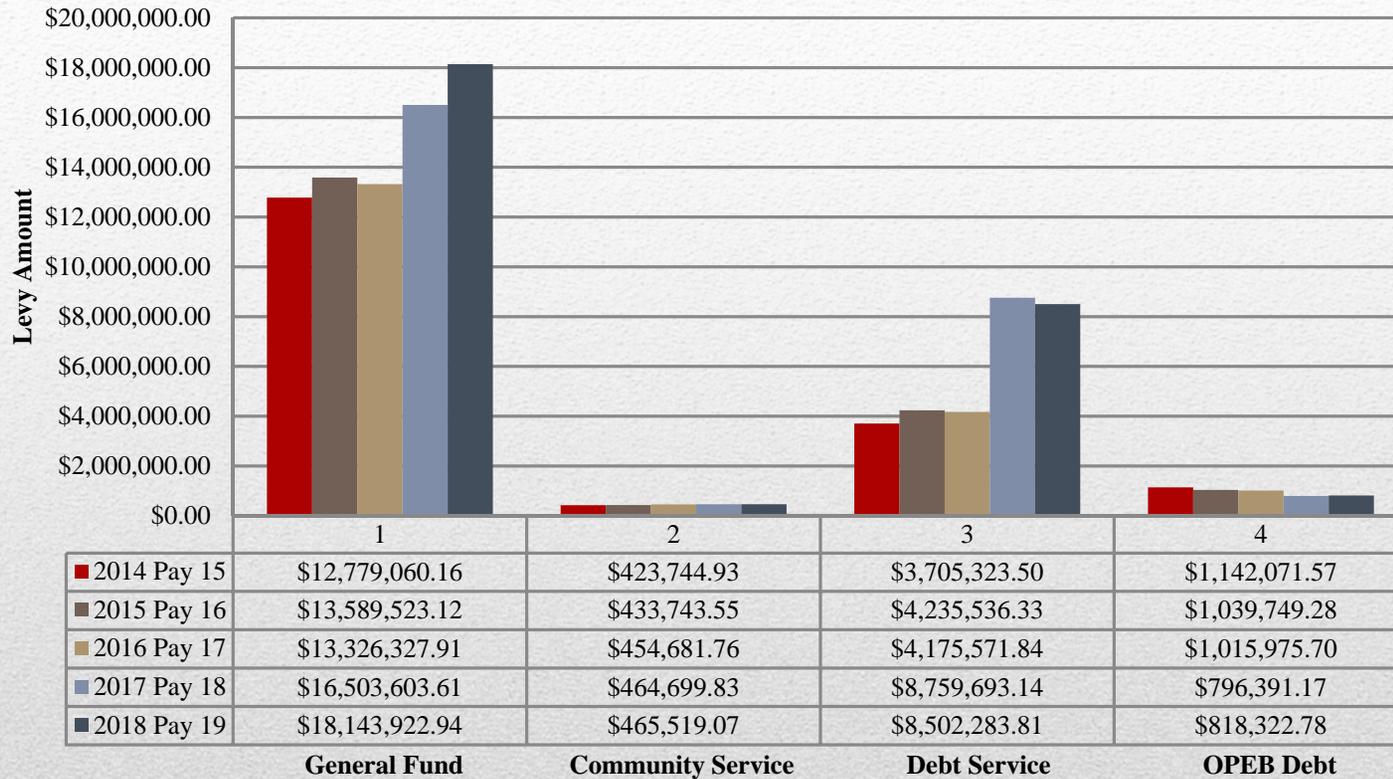
Average Homeowner Impact - \$19.66 per year

- 2018 Average Richfield Home Estimated Market Value – \$207,000
- 2019 Average Richfield Home Estimated Market Value - \$229,000
- 10.6% Average Increase

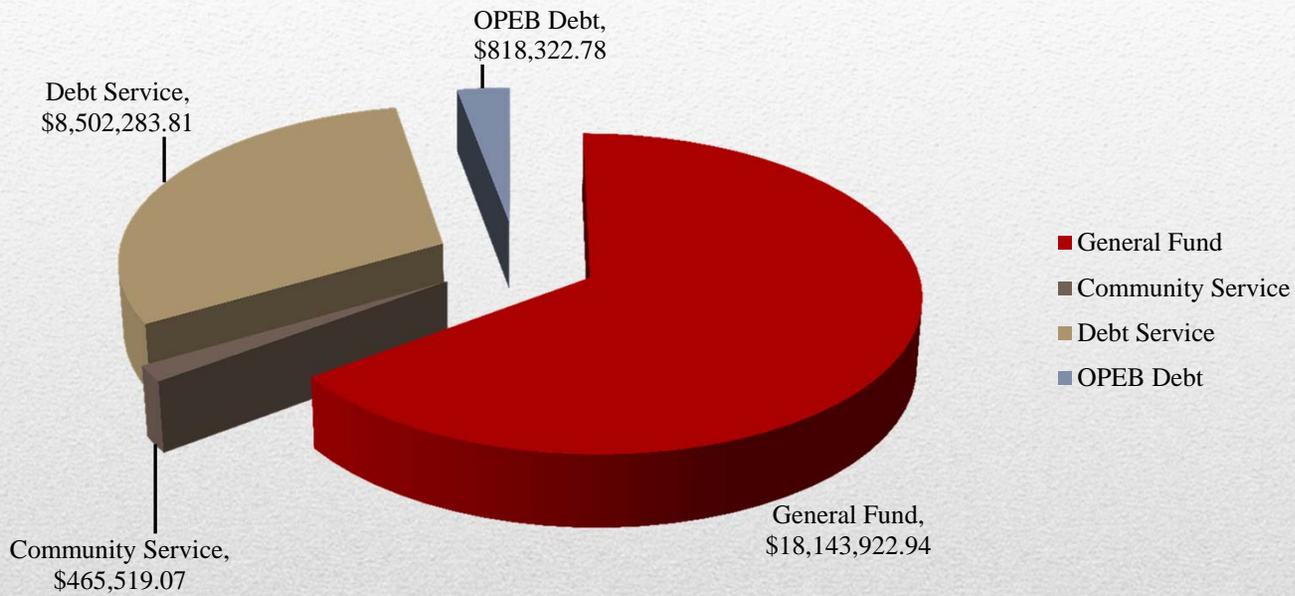
Totals by Truth in Taxation Category:			Pay 18 Residence			Pay 19 Residence	Adj. Levy	Homeowner Taxes
Voter Approved	\$11,596,854		\$513.39	\$11,839,566		\$528.81	\$ 242,712	\$ 15.42
Other	\$12,498,857		\$544.73	\$12,464,908		\$548.97	(33,949)	4.24
Total Levy	\$24,095,711		\$1,058.12	\$24,304,475		\$1,077.78	\$ 208,764	\$ 19.66

District Levy Impact

Levy History



Levy History



Levy Summary

	FY18 2016 Pay 17 2017-2018	FY19 2017 Pay 2018 2018-2019	FY20 2018 Pay 2019 2019-2020	Dollar Change Over PY
GENERAL FUND				
Equity	446,960.00	476,195.14	538,499.02	62,303.88
Operating Capital	522,073.11	477,450.22	579,032.52	101,582.30
Deferred Maintenance	(15,162.88)	(3,104.00)	-	3,104.00
Alternative Teacher Comp	378,270.62	395,829.98	424,801.39	28,971.41
Achieve & Integration	318,510.31	344,436.61	371,751.23	27,314.62
Referendum	4,025,788.12	6,350,258.63	6,875,561.74	525,303.11
Referendum - Technology	2,771,333.10	2,990,330.44	3,217,354.69	227,024.25
Location Optional Revenue	1,806,477.44	1,917,997.92	2,134,089.52	216,091.60
Safe Schools	242,960.66	228,223.98	232,258.59	4,034.61
Student Achievement Levy	65,505.38	-	-	-
Health and Safety	(2,321.65)	(723.85)	-	723.85
LT Facilities	1,334,063.60	1,841,566.48	1,846,259.66	4,693.18
OPEB Benefits	-	-	815,246.00	815,246.00
Building/ Lease	1,006,674.78	810,543.51	597,351.25	(213,192.26)
Health Benefits	104,684.40	20,911.10	20,312.80	(598.30)
Re-employment Ins.	55,832.37	67,865.74	79,306.54	11,440.80
Career Technical	137,003.15	155,414.51	124,201.82	(31,212.69)
Abatement & Other Adjustment	94,421.68	430,407.20	287,896.17	(142,511.03)
GENERAL FUND LEVY TOTAL	13,293,074.19	16,503,603.61	18,143,922.94	1,640,319.33

General Fund

	FY18 2016 Pay 17 2017-2018	FY19 2017 Pay 2018 2018-2019	FY20 2018 Pay 2019 2019-2020	Dollar Change Over PY
COMMUNITY SERVICE FUND				
Basic Levy	287,665.70	287,665.70	287,665.70	-
Early Child & Family	153,285.40	154,875.13	160,434.34	5,559.21
Home Visiting	4,155.65	4,278.69	4,588.39	309.70
Disabled Adults	5,429.00	5,429.00	5,429.00	-
Abate/Excess Fund Bal Adj	4,146.01	12,451.31	7,401.64	(5,049.67)
COMMUNITY SVC LEVY TOTAL	454,681.76	464,699.83	465,519.07	819.24

Community Service

	FY18 2016 Pay 17 2017-2018	FY19 2017 Pay 2018 2018-2019	FY20 2018 Pay 2019 2019-2020	Dollar Change Over PY
DEBT SERVICE FUND				
Debt Levy	-	3,285,398.00	3,410,033.00	124,635.00
LT Facilities Debt Service	4,128,158.80	5,334,547.58	4,989,488.26	(345,059.32)
Abatement Adjustment Debt	47,413.04	139,747.56	102,762.55	(36,985.01)
OPEB Bond	1,071,788.00	828,083.00	821,678.00	(6,405.00)
Debt Excess (OPEB)	(68,759.14)	(76,599.70)	(27,531.41)	49,068.29
Abatement Adjustment (OPEB)	12,946.84	44,907.87	24,176.19	(20,731.68)
DEBT SERVICE LEVY TOTAL	5,191,547.54	9,556,084.31	9,320,606.59	(235,477.72)

Debt Service

Levy Summary

Preliminary Levy Certification Payable 2019

	FY18 2016 Pay 17 2017-2018	FY19 2017 Pay 2018 2018-2019	FY20 2018 Pay 2019 2019-2020	Dollar Change Over PY
GENERAL FUND				
Equity	446,960.00	476,195.14	538,499.02	62,303.88
Operating Capital	522,073.11	477,450.22	579,032.52	101,582.30
Deferred Maintenance	(15,162.88)	(3,104.00)	-	3,104.00
Alternative Teacher Comp	378,270.62	395,829.98	424,801.39	28,971.41
Achieve & Integration	318,510.31	344,436.61	371,751.23	27,314.62
Referendum	4,025,788.12	6,350,258.63	6,875,561.74	525,303.11
Referendum - Technology	2,771,333.10	2,990,330.44	3,217,354.69	227,024.25
Location Optional Revenue	1,806,477.44	1,917,997.92	2,134,089.52	216,091.60
Safe Schools	242,960.66	228,223.98	232,258.59	4,034.61
Student Achievement Levy	65,505.38	-	-	-
Health and Safety	(2,321.65)	(723.85)	-	723.85
LT Facilities	1,334,063.60	1,841,566.48	1,846,259.66	4,693.18
OPEB Benefits	-	-	815,246.00	815,246.00
Building/ Lease	1,006,674.78	810,543.51	597,351.25	(213,192.26)
Health Benefits	104,684.40	20,911.10	20,312.80	(598.30)
Re-employment Ins.	55,832.37	67,865.74	79,306.54	11,440.80
Career Technical	137,003.15	155,414.51	124,201.82	(31,212.69)
Abatement & Other Adjustment	94,421.68	430,407.20	287,896.17	(142,511.03)
GENERAL FUND LEVY TOTAL	13,293,074.19	16,503,603.61	18,143,922.94	1,640,319.33
COMMUNITY SERVICE FUND				
Basic Levy	287,665.70	287,665.70	287,665.70	-
Early Child & Family	153,285.40	154,875.13	160,434.34	5,559.21
Home Visiting	4,155.65	4,278.69	4,588.39	309.70
Disabled Adults	5,429.00	5,429.00	5,429.00	-
Abate/Excess Fund Bal Adj	4,146.01	12,451.31	7,401.64	(5,049.67)
COMMUNITY SVC LEVY TOTAL	454,681.76	464,699.83	465,519.07	819.24
DEBT SERVICE FUND				
Debt Levy	-	3,285,398.00	3,410,033.00	124,635.00
Debt Excess	-	-	-	-
LT Facilities Debt Service	4,128,158.80	5,334,547.58	4,989,488.26	(345,059.32)
Abatement Adjustment Debt	47,413.04	139,747.56	102,762.55	(36,985.01)
OPEB Bond	1,071,788.00	828,083.00	821,678.00	(6,405.00)
Debt Excess (OPEB)	(68,759.14)	(76,599.70)	(27,531.41)	49,068.29
Abatement Adjustment (OPEB)	12,946.84	44,907.87	24,176.19	(20,731.68)
DEBT SERVICE LEVY TOTAL	5,191,547.54	9,556,084.31	9,320,606.59	(235,477.72)
LEVY GRAND TOTAL	18,939,303.49	26,524,387.75	27,930,048.60	1,405,660.85

Taxes Payable 2019



Public Comments and Questions
