

Richfield Public Schools Truth in Taxation

December 4, 2017

- 
- School Funding & 2017-2018 Budget
 - Levy Certification Process
 - Proposed 2018 Levy
 - Public Questions and Comments

Agenda



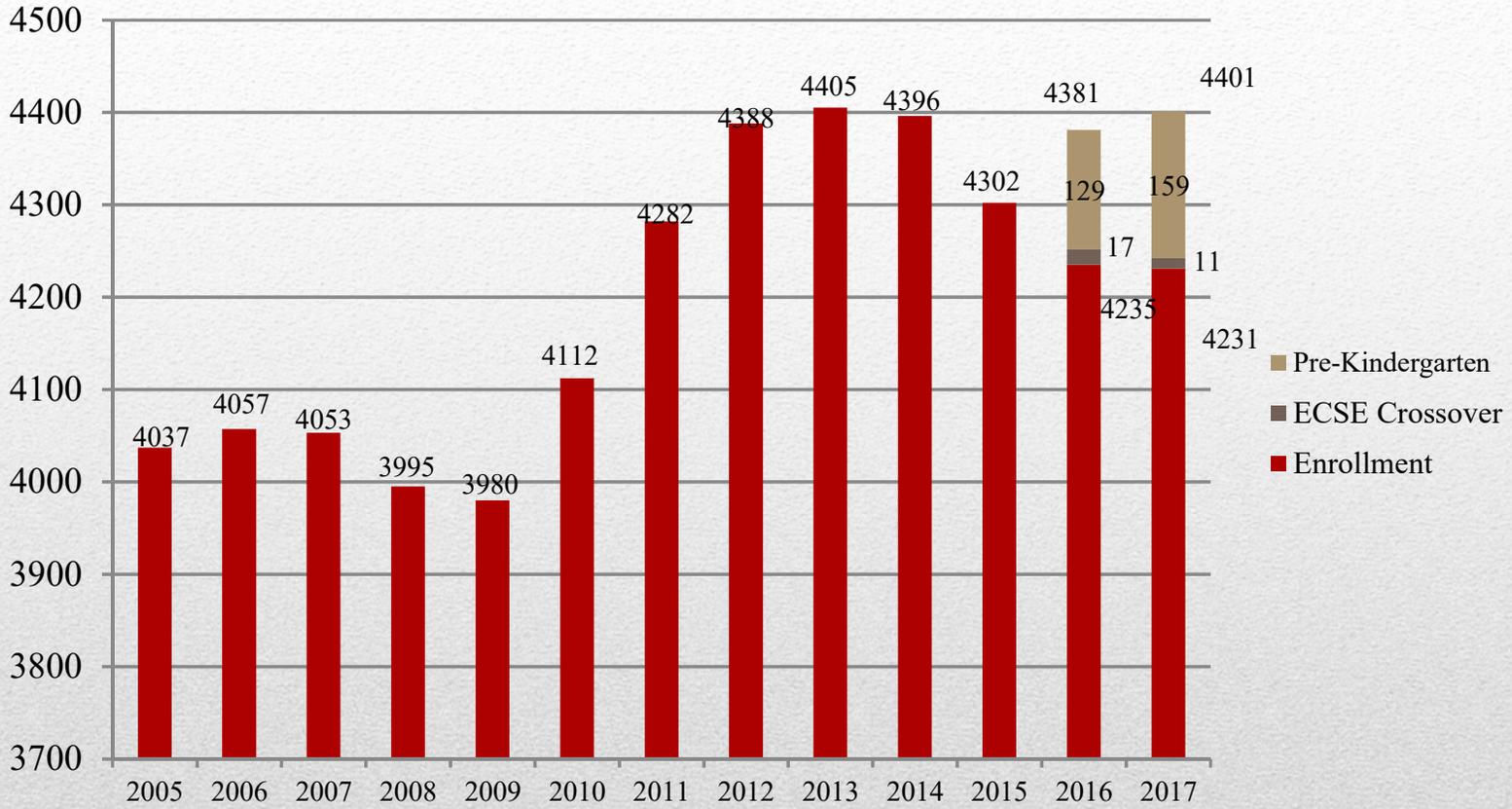
School Funding

- 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 Education***
- **Debt Service***
- **Internal Service**
- **OPEB Trust**
- **OPEB Debt Service Fund***

***Impacted by levy**

Richfield Fund Types



2017-2018 Budget



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

**DISTRICT REVENUES AND EXPENDITURES
BUDGET FOR FY 2017 AND FY 2018**

ED-00110-40

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:	0280-01
FUND	FY 2017 BEGINNING FUND BALANCES	FY 2017 ACTUAL REVENUES AND TRANSFERS IN	FY 2017 ACTUAL EXPENDITURES AND TRANSFERS OUT	JUNE 30, 2017 ACTUAL FUND BALANCES	FY 2018 BUDGET REVENUES AND TRANSFERS IN	FY 2018 BUDGET EXPENDITURES AND TRANSFERS OUT	JUNE 30, 2018 PROJECTED FUND BALANCES	
General Fund/Restricted	\$ 939,657	\$ 17,784,375	\$ 17,098,527	\$ 1,625,505	\$ 17,197,818	\$ 16,427,754	\$ 2,395,569	
General Fund/Other	\$ 4,925,188	\$ 45,045,636	\$ 44,042,215	\$ 5,928,609	\$ 43,128,047	\$ 44,159,251	\$ 4,897,405	
Food Service Fund	\$ 192,919	\$ 2,933,107	\$ 2,768,571	\$ 357,455	\$ 2,727,000	\$ 2,700,327	\$ 384,128	
Community Service Fund	\$ 171,663	\$ 1,493,902	\$ 1,598,002	\$ 67,563	\$ 1,554,912	\$ 1,560,783	\$ 61,692	
Building Construction Fund	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
Debt Service Fund	\$ 158,636	\$ 10,524,999	\$ 4,094,590	\$ 6,589,045	\$ 4,063,607	\$ 10,403,607	\$ 249,045	
Trust Fund	\$ 443,493	\$ 37,170	\$ 42,172	\$ 438,491	\$ -	\$ -	\$ 438,491	
Internal Service Fund	\$ 2,697,047			\$ 3,868,569			\$ 4,369,203	
* OPEB Revocable Trust Fund	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
OPEB Irrevocable Trust Fund	\$ 10,737,072	\$ 128,792	\$ 313,310	\$ 10,552,554	\$ -	\$ 610,210	\$ 9,942,344	
OPEB Debt Service Fund	\$ 221,485	\$ 15,667,214	\$ 15,674,725	\$ 213,974	\$ 1,774,923	\$ 15,614,923	\$ (13,626,026)	
TOTAL - ALL FUNDS	\$ 20,487,160	\$ 93,615,195	\$ 85,632,112	\$ 29,641,765	\$ 70,446,307	\$ 91,476,855	\$ 9,111,851	
LONG-TERM DEBT	\$ -				CURRENT STATUTORY OPERATING DEBT PER MINNESOTA STATUTES, SECTION 123B.81			
Outstanding July 1, 2016	\$ 39,385,000				AMOUNT OF GENERAL FUND DEFICIT, IF ANY, IN EXCESS OF 2.5% OF EXPENDITURES 06/30/2017		\$ -	
Plus: New Issues	\$ 20,420,000				COST PER STUDENT - AVERAGE DAILY MEMBERSHIP (ADM) 06/30/2017			
Less: Redeemed Issues	\$ 17,390,000				TOTAL OPERATING EXPENDITURES		\$ 60,792,063.00	
Outstanding June 30, 2017	\$ 42,415,000				FY 2017 TOTAL ADM SERVED + TUITIONED OUT ADM + ADJUSTED EXTENDED ADM		4,414.33	
SHORT-TERM DEBT					FY 2017 OPERATING COST PER ADM		\$ 13,771.53	
Certificates of Indebtedness	\$ -							
Other Short-Term Indebtedness	\$ -							

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

Budget Summary

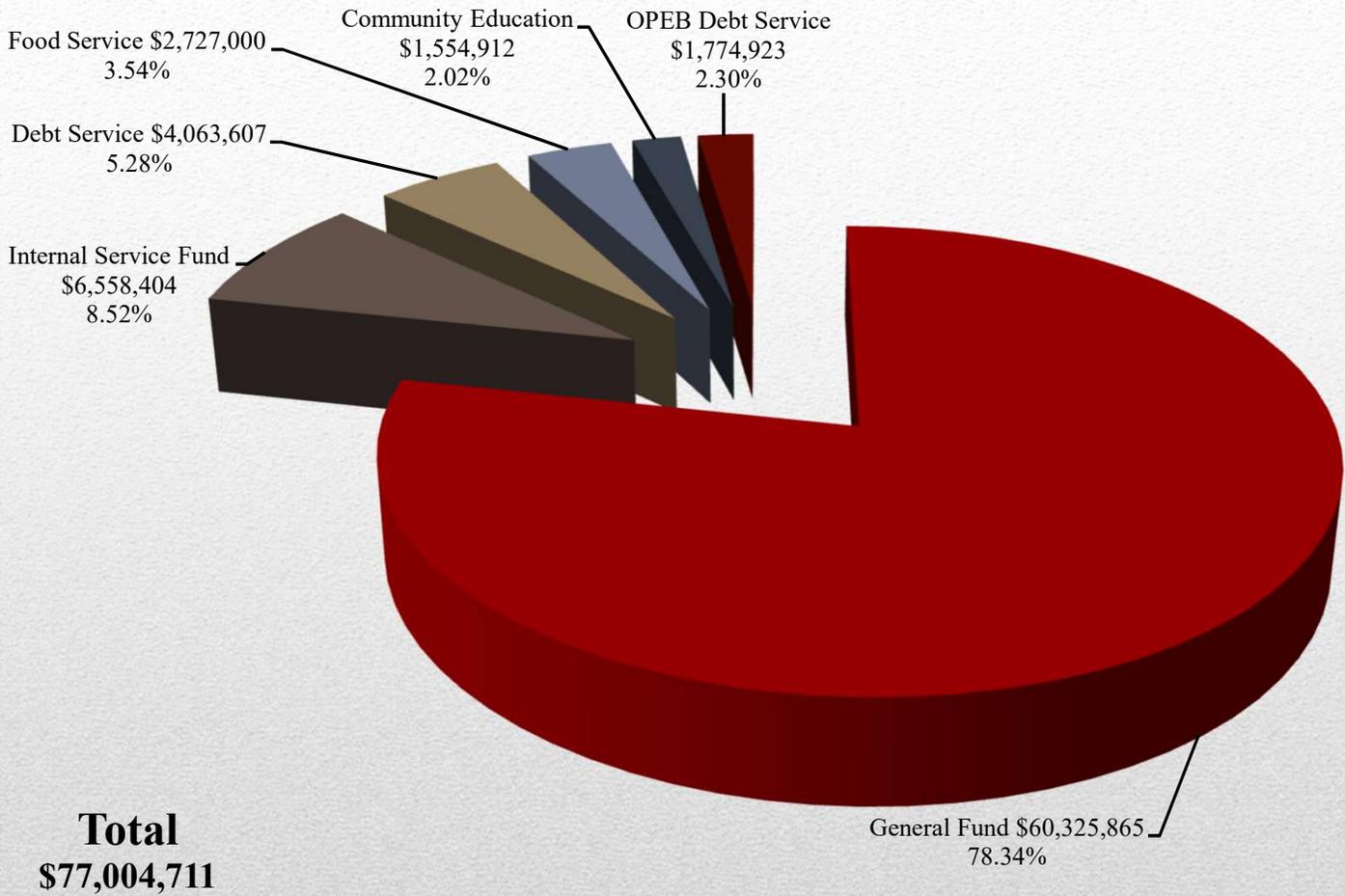
Richfield Public Schools ISD #280

2017-2018

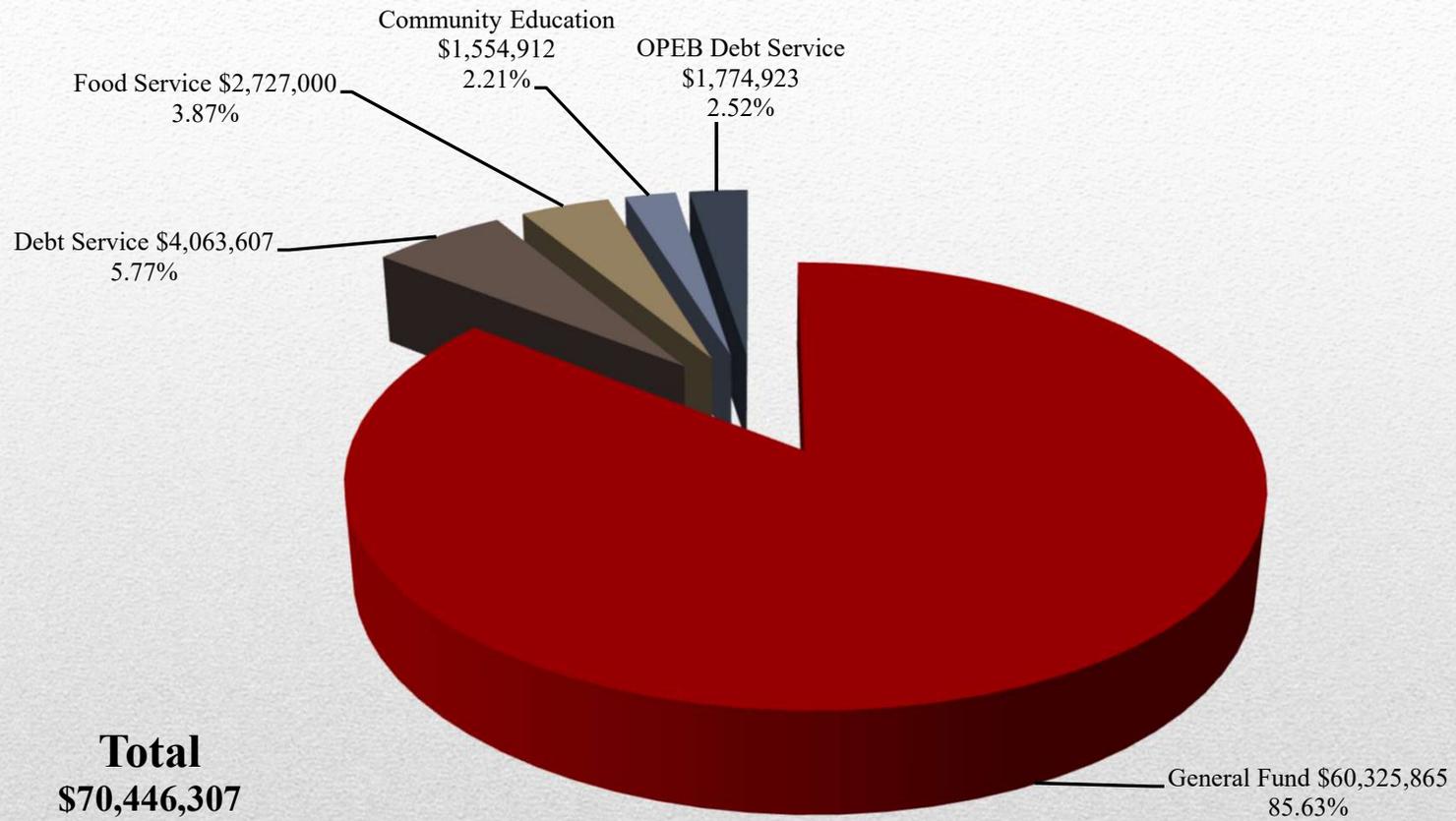
Fund Balance Analysis

Fund	Actual Fund Balance June 30, 2017	17-18 Adopted Budget Revenue	17-18 Adopted Budget Expenditure	Difference	Projected Fund Balance June 30, 2018
01/03 - General and Transportation	\$7,421,346	\$60,150,865	\$60,412,005	(\$261,140)	\$7,160,206
50 - Student Activities	\$132,768	\$175,000	\$175,000	\$0	\$132,768
General Fund Total	\$7,554,114	\$60,325,865	\$60,587,005	(\$261,140)	\$7,292,974
02 - Food Service	\$357,455	\$2,727,000	\$2,700,327	\$26,673	\$384,128
04 - Community Education	\$67,563	\$1,554,912	\$1,560,783	(\$5,871)	\$61,692
07 - Debt Service	\$6,589,045	\$4,063,607	\$10,403,607	(\$6,340,000)	\$249,045
20 - Internal Service	\$3,868,569	\$6,558,404	\$6,057,770	\$500,634	\$4,369,203
45 - OPEB TRUST	\$10,552,554	\$0	\$610,210	(\$610,210)	\$9,942,344
47 - OPEB Debt Service	\$213,974	\$1,774,923	\$15,614,923	(\$13,840,000)	(\$13,626,026)
Grand Total	\$29,203,275	\$77,004,711	\$97,534,625	(\$20,529,914)	\$8,673,361

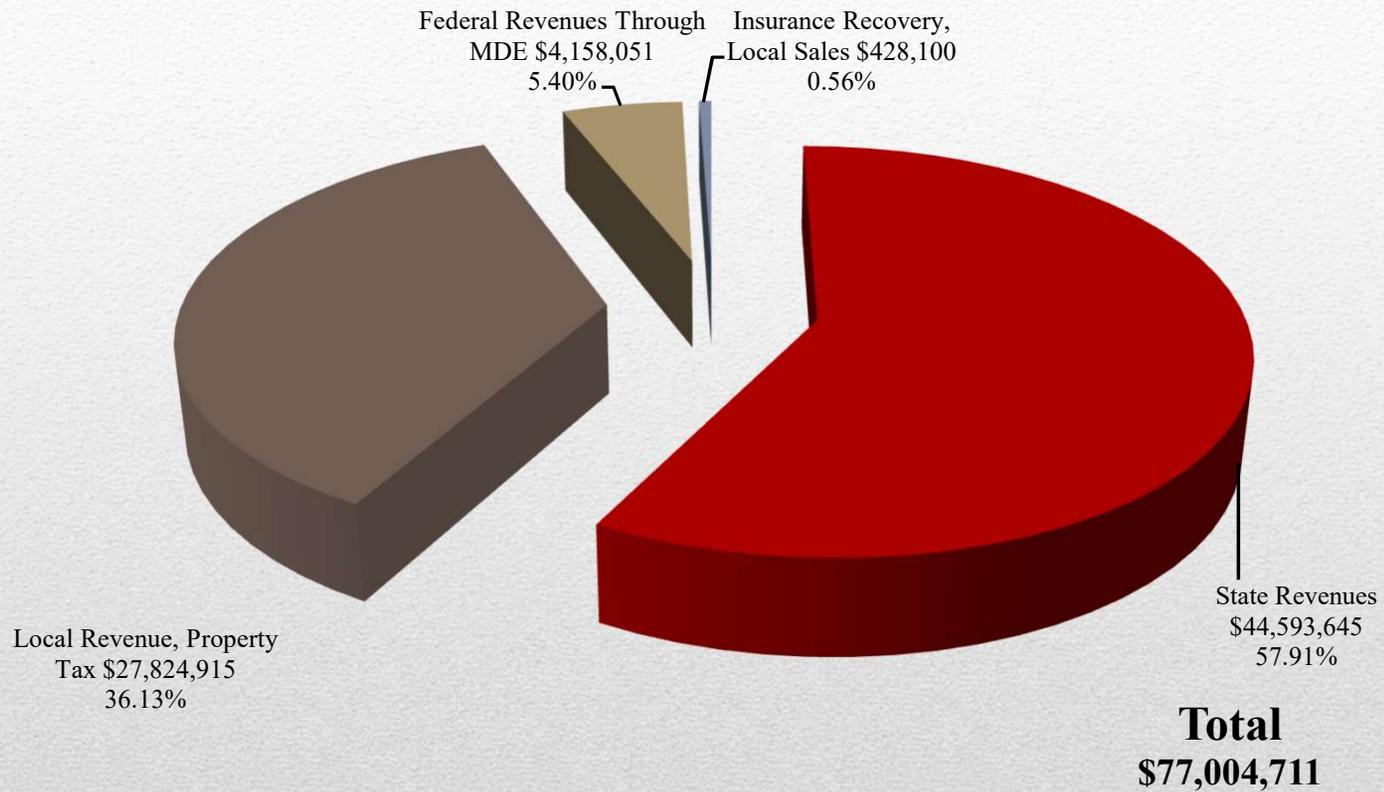
2017-2018 Budget Summary



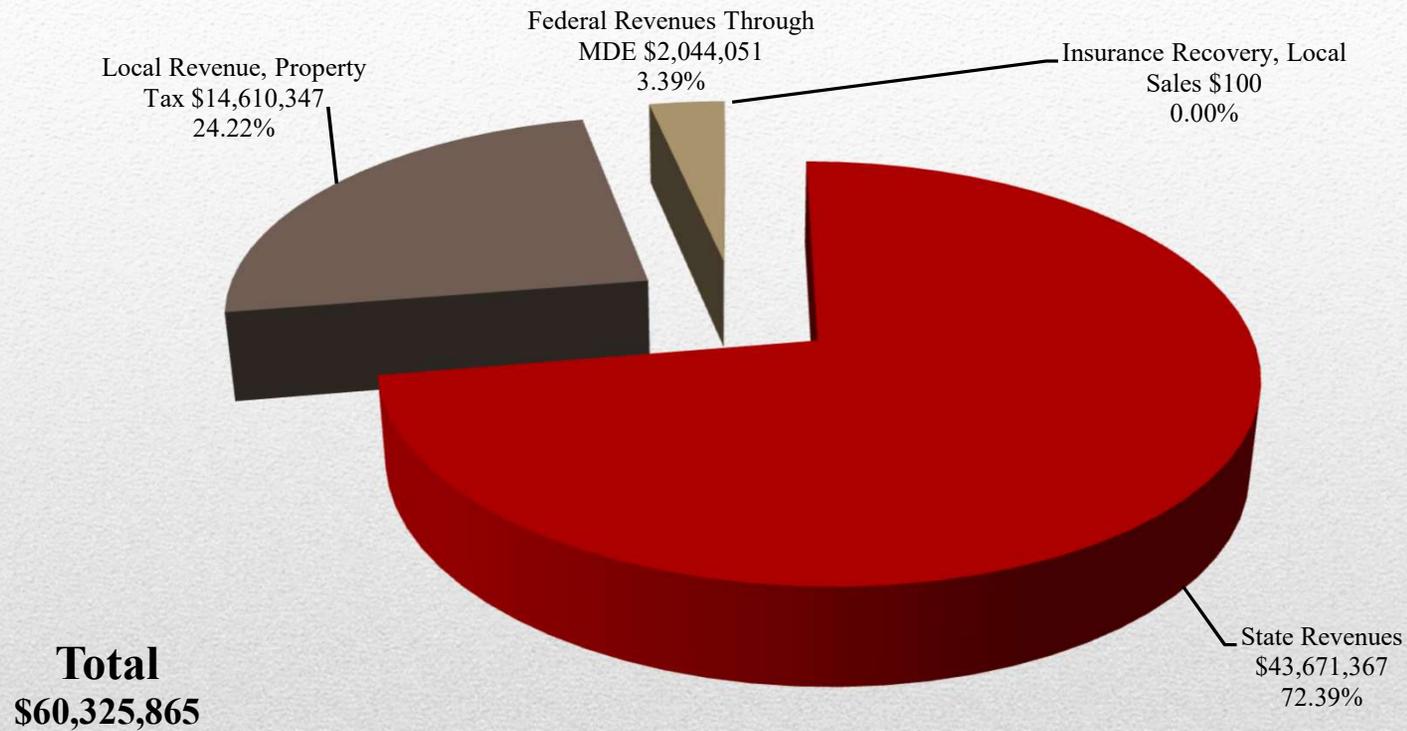
Revenue by Fund



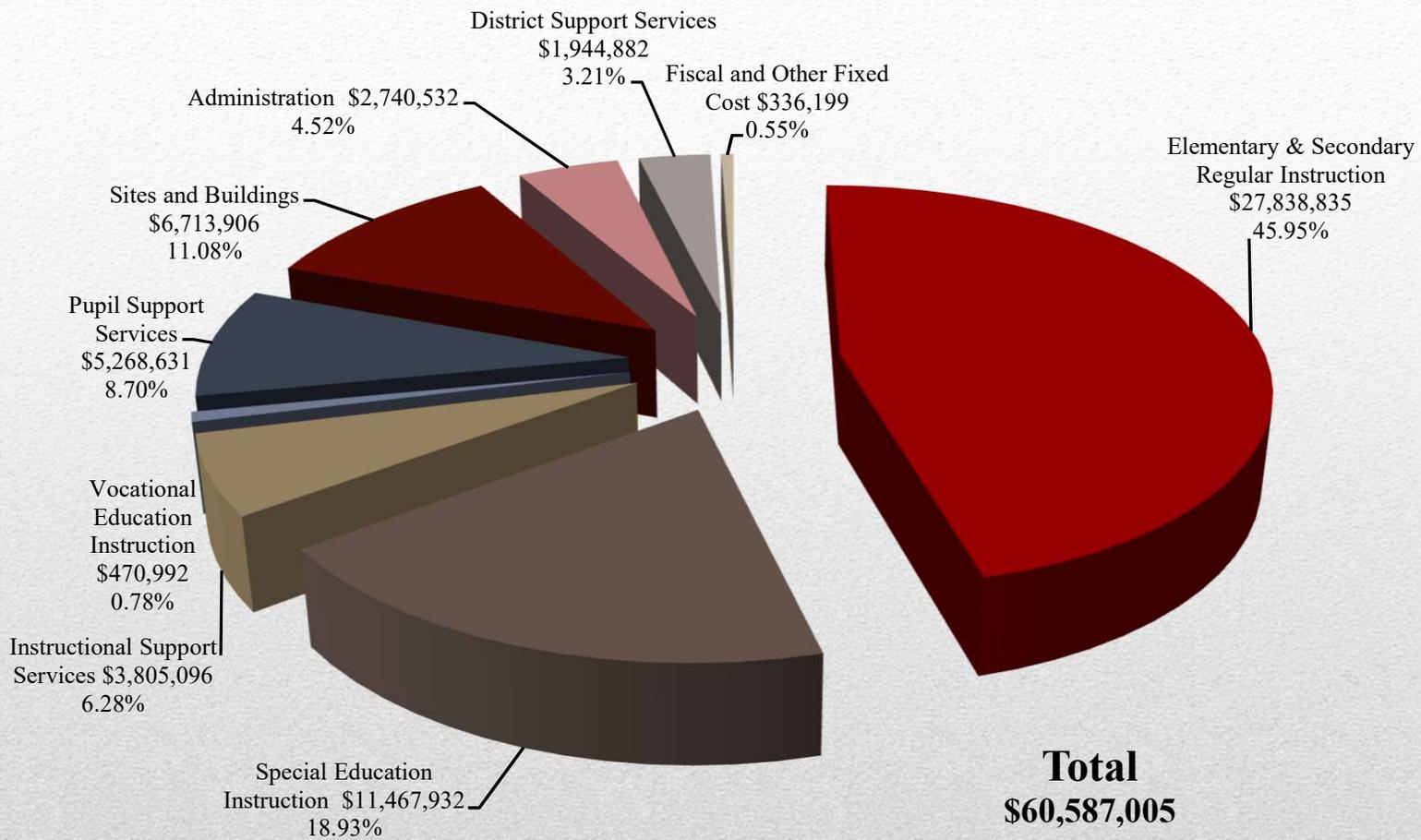
Revenue by Fund Without Internal Service



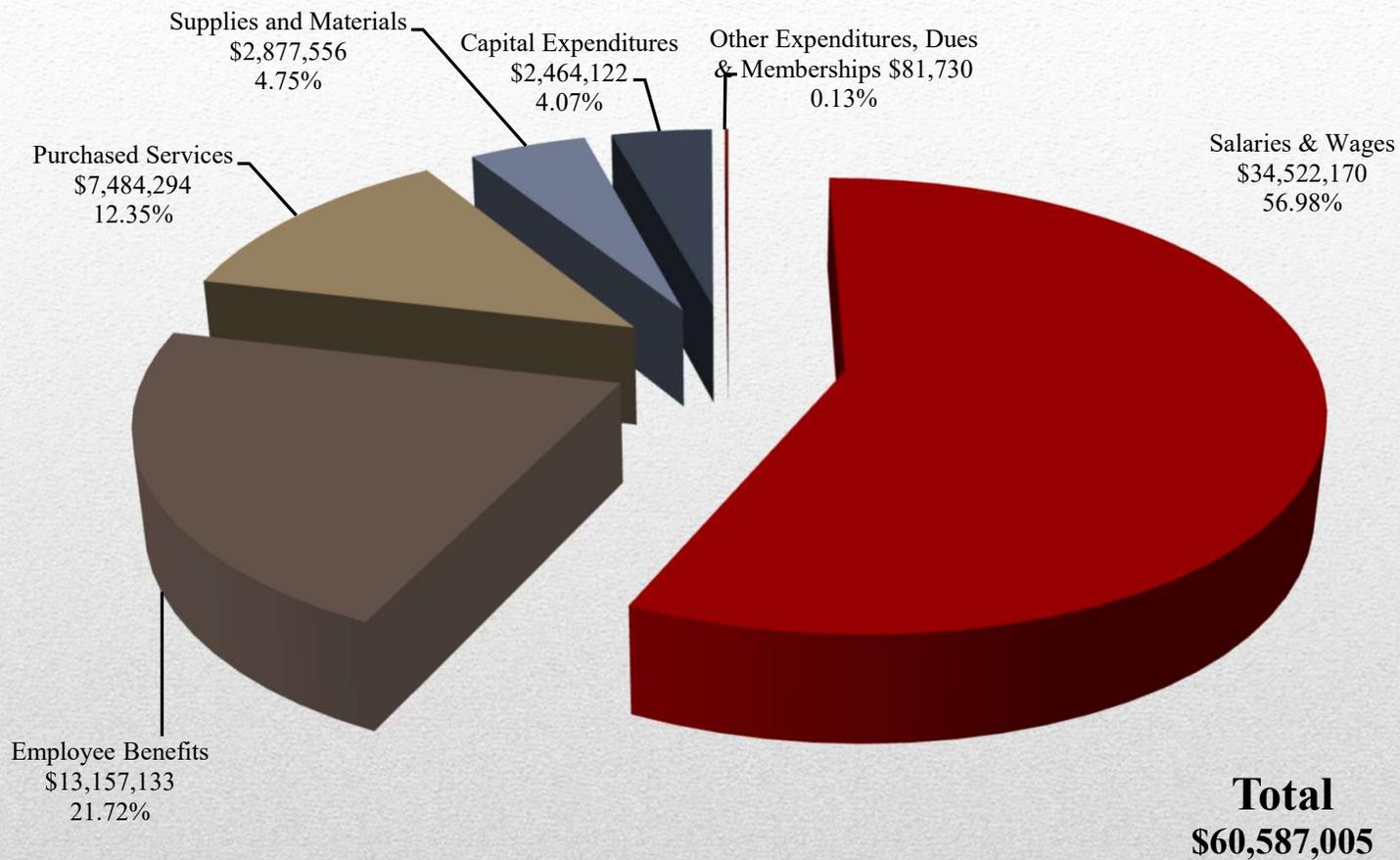
Revenue Sources



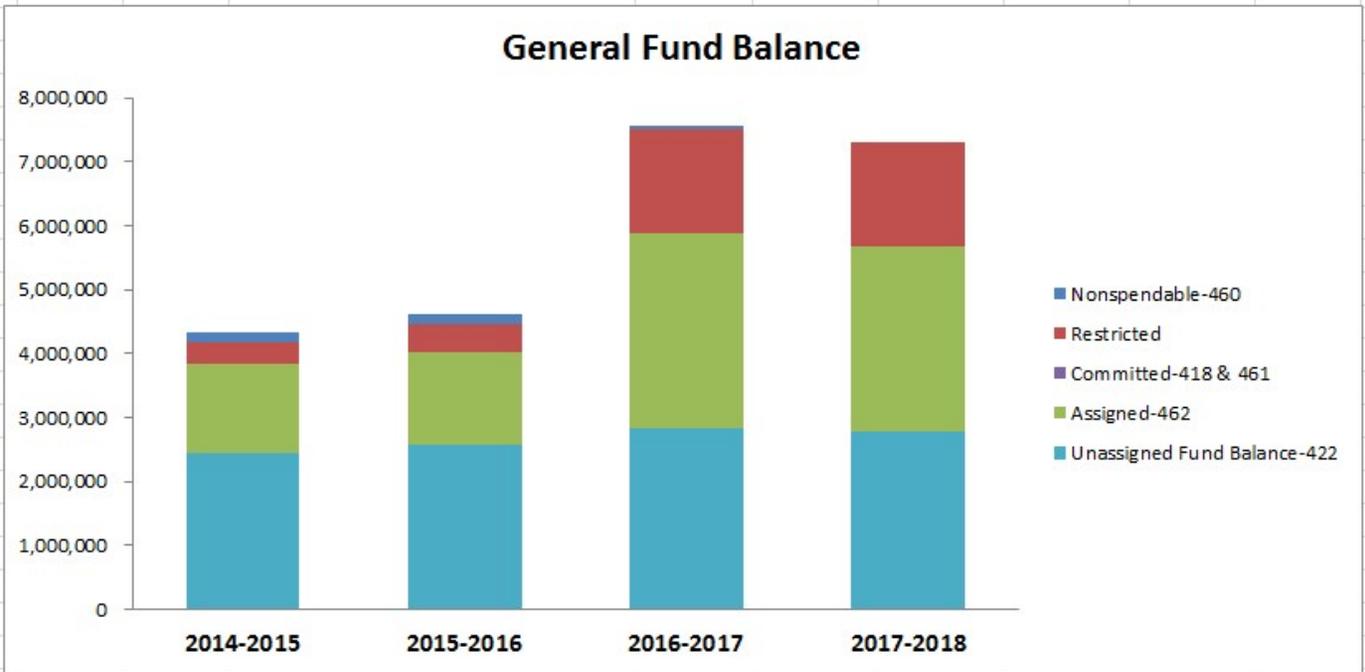
Revenue Sources (General)



Expenditures Program (General)



Expenditures Object (General)



	2014-2015	2015-2016	2016-2017	2017-2018
Nonspendable-460	147,063	147,063	38,225	0
Restricted	360,546	435,144	1,625,505	1,623,753
Assigned-462	1,371,390	1,445,988	3,046,456	2,887,987
Committed-418 & 461	-	-	-	-
Unassigned Fund Balance-422	2,457,677	2,583,291	2,843,928	2,781,224
Total Fund Balance	4,336,676	4,611,486	7,554,114	7,292,964
Total General Fund Expenses	57,982,515	59,678,436	61,140,742	60,587,005
Unassigned Fund Balance %	4.24%	4.33%	4.65%	4.59%

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
- County administers the process

School Levy

- **Cities and Counties** – Budget year is *same as calendar year*. 2018 taxes provide revenue for the 2018 budget.
- **Schools** – *Budget year begins July 1* and coincides with the school year. The 2018 taxes provide revenue for the *2018-2019 school fiscal year*. Budget will be adopted in June

Government Levy Cycles

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

Levy Certification Process



**2017 to 2018 proposed
property tax levy comparison**

Current limit increase = 24.68% or \$4,674,388.26

2017 Payable 2018 Levy

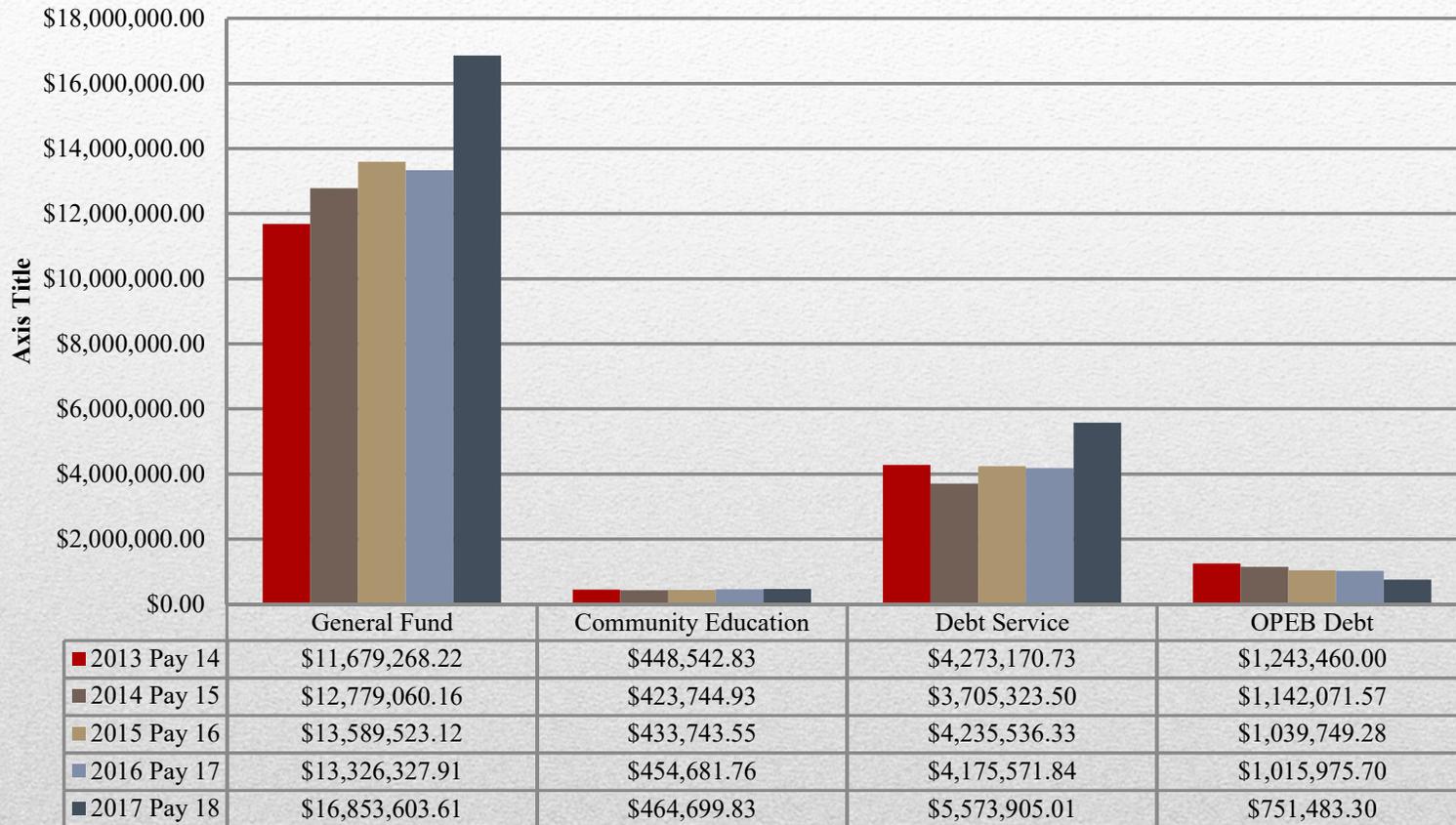
- Primary Factors Affecting Increase
 - Voter Approved Operating Referendum
 - Long Term Facilities Maintenance Bond Project
 - Long Term Facilities Maintenance Funding Increase
 - Increased Abatement Adjustments
 - Increases due to Net Tax Capacity
 - Negative adjustments on the previous year's levy

2017 Payable 2018 Levy

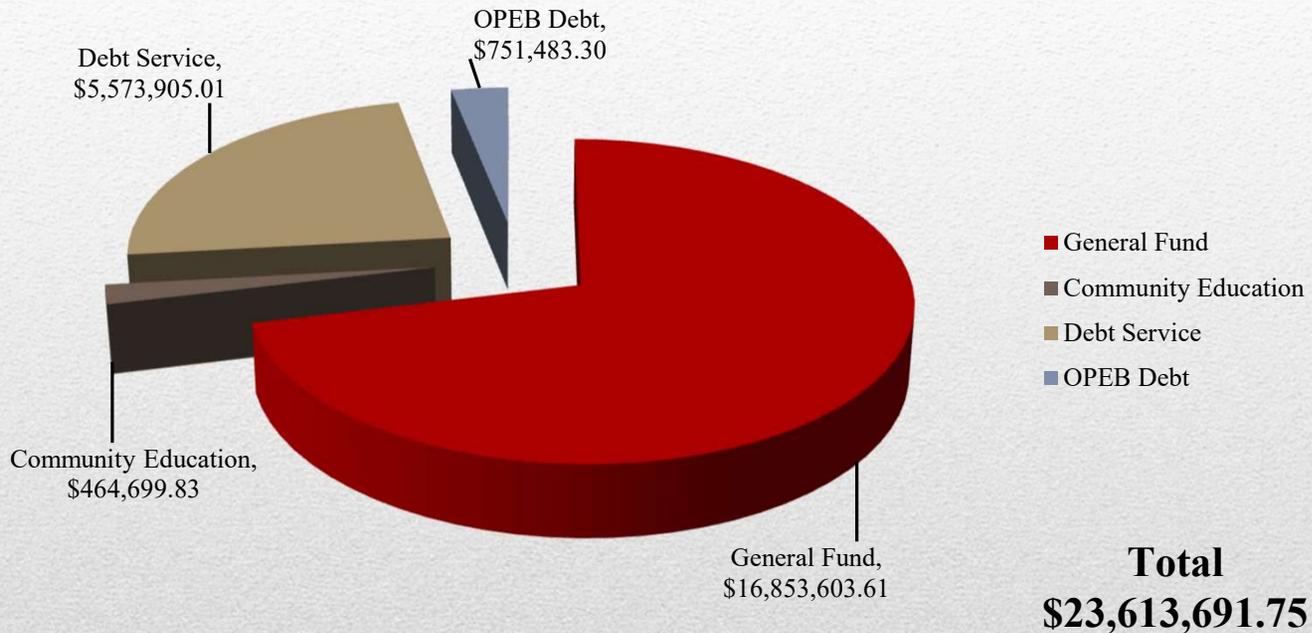
- **Richfield Schools ISD #280**
 - **Pay 2013 Certified Amount = \$17,644,441.68**
 - **Pay 2014 Certified Amount = \$18,361,040.78**
 - **Pay 2015 Certified Amount = \$18,050,200.16**
 - **Pay 2016 Certified Amount = \$19,298,552.28**
 - **Pay 2017 Certified Amount = \$18,939,303.49**
 - *Pay 2018 Current Maximum Amount = \$23,613,691.75*

Historical Levy Summary

Levy History



Levy History



Levy Summary

	FY17 2015 Pay 16 2016-2017	FY18 2016 Pay 17 2017-2018	FY19 2017 Pay 2018 2018-2019	Dollar Change Over PY
1 GENERAL FUND				
2 Equity	\$593,475.05	\$446,960.00	\$476,195.14	\$29,235.14
3 Operating Capital	\$653,625.52	\$522,073.11	\$477,450.22	(\$44,622.89)
4 Deferred Maintenance	\$103.20	(\$15,162.88)	(\$3,104.00)	\$12,058.88
5 Alternative Teacher Comp	\$401,980.67	\$378,270.62	\$395,829.98	\$17,559.36
6 LCTS Levy	\$0.00	\$0.00	\$0.00	\$0.00
7 Achieve & Integration	\$384,387.14	\$318,510.31	\$344,436.61	\$25,926.30
8 Referendum	\$4,348,629.34	\$4,025,788.12	\$6,350,258.63	\$2,324,470.51
9 Referendum - Technology	\$2,655,386.86	\$2,771,333.10	\$2,990,330.44	\$218,997.34
10 Location Optional Revenue	\$2,003,315.20	\$1,806,477.44	\$1,917,997.92	\$111,520.48
11 Safe Schools	\$241,859.80	\$242,960.66	\$228,223.98	(\$14,736.68)
12 Student Achievement Levy	\$120,135.20	\$65,505.38	\$0.00	(\$65,505.38)
13 Health and Safety	\$65,983.56	(\$2,321.65)	(\$723.85)	\$1,597.80
14 LT Facilities	\$950,388.55	\$1,334,063.60	\$1,841,566.48	\$507,502.88
15 OPEB Benefits			\$350,000.00	\$350,000.00
16 Building/ Lease	\$1,035,509.39	\$1,006,674.78	\$810,543.51	(\$196,131.27)
17 Health Benefits	\$73,682.10	\$104,684.40	\$20,911.10	(\$83,773.30)
18 Re-employment Ins.	\$17,494.28	\$55,832.37	\$67,865.74	\$12,033.37
19 Career Technical	\$76,766.45	\$137,003.15	\$155,414.51	\$18,411.36
20 Abatement & Other Adjustment	(\$33,199.19)	\$94,421.68	\$430,407.20	\$335,985.52
21 LEVY TOTAL	\$13,589,523.12	\$13,293,074.19	\$16,853,603.61	\$3,560,529

General Fund

	FY17 2015 Pay 16 2016-2017	FY18 2016 Pay 17 2017-2018	FY19 2017 Pay 2018 2018-2019	Dollar Change Over PY	
23	COMMUNITY EDUCATION FUND				
24	Basic Levy	\$287,665.70	\$287,665.70	\$287,665.70	\$0.00
25	Early Child & Family	\$135,904.78	\$153,285.40	\$154,875.13	\$1,589.73
26	Home Visiting	\$3,747.20	\$4,155.65	\$4,278.69	\$123.04
27	Disabled Adults	\$5,429.00	\$5,429.00	\$5,429.00	\$0.00
28	Abate/Excess Fund Bal Adj	\$996.87	\$4,146.01	\$12,451.31	\$8,305.30
29	LEVY TOTAL	\$433,743.55	\$454,681.76	\$464,699.83	\$10,018

Community Education

	FY17 2015 Pay 16 2016-2017	FY18 2016 Pay 17 2017-2018	FY19 2017 Pay 2018 2018-2019	Dollar Change Over PY
31	DEBT SERVICE FUND			
32	\$0.00	\$0.00	\$0.00	\$0.00
33	\$0.00	\$0.00	\$0.00	\$0.00
34	\$4,215,970.41	\$4,128,158.80	\$5,359,249.58	\$1,231,090.78
35	\$0.00	\$0.00	\$0.00	\$0.00
36	\$1,074,471.57	\$1,071,788.00	\$828,083.00	(\$243,705.00)
37	(\$34,722.29)	(\$55,812.30)	(\$76,599.70)	(\$20,787.40)
38	\$19,565.92	\$47,413.04	\$184,655.43	\$137,242.39
39	\$5,275,285.61	\$5,191,547.54	\$6,295,388.31	\$1,103,840.77

Debt Service

RICHFIELD PUBLIC SCHOOLS
Levy Summary
Preliminary Levy Certification Payable 2018

	FY17 2015 Pay 16 2016-2017	FY18 2016 Pay 17 2017-2018	FY19 2017 Pay 2018 2018-2019	Dollar Change Over PY
1 GENERAL FUND				
2 Equity	\$593,475.05	\$446,960.00	\$476,195.14	\$29,235.14
3 Operating Capital	\$653,625.52	\$522,073.11	\$477,450.22	(\$44,622.89)
4 Deferred Maintenance	\$103.20	(\$15,162.88)	(\$3,104.00)	\$12,058.88
5 Alternative Teacher Comp	\$401,980.67	\$378,270.62	\$395,829.98	\$17,559.36
6 LCTS Levy	\$0.00	\$0.00	\$0.00	\$0.00
7 Achieve & Integration	\$384,387.14	\$318,510.31	\$344,436.61	\$25,926.30
8 Referendum	\$4,348,629.34	\$4,025,788.12	\$6,350,258.63	\$2,324,470.51
9 Referendum - Technology	\$2,655,386.86	\$2,771,333.10	\$2,990,330.44	\$218,997.34
10 Location Optional Revenue	\$2,003,315.20	\$1,806,477.44	\$1,917,997.92	\$111,520.48
11 Safe Schools	\$241,859.80	\$242,960.66	\$228,223.98	(\$14,736.68)
12 Student Achievement Levy	\$120,135.20	\$65,505.38	\$0.00	(\$65,505.38)
13 Health and Safety	\$65,983.56	(\$2,321.65)	(\$723.85)	\$1,597.80
14 LT Facilities	\$950,388.55	\$1,334,063.60	\$1,841,566.48	\$507,502.88
15 OPEB Benefits			\$350,000.00	\$350,000.00
16 Building/ Lease	\$1,035,509.39	\$1,006,674.78	\$810,543.51	(\$196,131.27)
17 Health Benefits	\$73,682.10	\$104,684.40	\$20,911.10	(\$83,773.30)
18 Re-employment Ins.	\$17,494.28	\$55,832.37	\$67,865.74	\$12,033.37
19 Career Technical	\$76,766.45	\$137,003.15	\$155,414.51	\$18,411.36
20 Abatement & Other Adjustment	(\$33,199.19)	\$94,421.68	\$430,407.20	\$335,985.52
21 LEVY TOTAL	\$13,589,523.12	\$13,293,074.19	\$16,853,603.61	\$3,560,529
22				
23 COMMUNITY EDUCATION FUND				
24 Basic Levy	\$287,665.70	\$287,665.70	\$287,665.70	\$0.00
25 Early Child & Family	\$135,904.78	\$153,285.40	\$154,875.13	\$1,589.73
26 Home Visiting	\$3,747.20	\$4,155.65	\$4,278.69	\$123.04
27 Disabled Adults	\$5,429.00	\$5,429.00	\$5,429.00	\$0.00
28 Abate/Excess Fund Bal Adj	\$996.87	\$4,146.01	\$12,451.31	\$8,305.30
29 LEVY TOTAL	\$433,743.55	\$454,681.76	\$464,699.83	\$10,018
30				
31 DEBT SERVICE FUND				
32 Debt Levy	\$0.00	\$0.00	\$0.00	\$0.00
33 Debt Excess	\$0.00	\$0.00	\$0.00	\$0.00
34 LT Facilities Debt Service	\$4,215,970.41	\$4,128,158.80	\$5,359,249.58	\$1,231,090.78
35 Alternative Bond	\$0.00	\$0.00	\$0.00	\$0.00
36 OPEB Bond	\$1,074,471.57	\$1,071,788.00	\$828,083.00	(\$243,705.00)
37 Debt Excess (OPEB)	(\$34,722.29)	(\$55,812.30)	(\$76,599.70)	(\$20,787.40)
38 Abatement Adjustment	\$19,565.92	\$47,413.04	\$184,655.43	\$137,242.39
39 LEVY TOTAL	\$5,275,285.61	\$5,191,547.54	\$6,295,388.31	\$1,103,840.77
40				
41 LEVY GRAND TOTAL	\$19,298,552.28	\$18,939,303.49	\$23,613,691.75	\$4,674,388.26

12/1/2017

Taxes Payable 2018

- 
- Calculator for Voter Approved Referendums
 - Schedule for Voter Approved Bond Referendum
 - Underlevy Options
 - Final Certification by Board on December 18
 - Submission to MDE

More Information/Next Steps



Public Comments and Questions
