

FOR ACTION

INDEPENDENT SCHOOL DISTRICT 273
Regular Meeting, December 16, 2013

SUBJECT: FINAL TAX LEVY FOR 2013 PAYABLE 2014
(Taxes for the 2014-15 school year)

Be It Resolved, That

The School Board

Approve the final tax levy for the 2013 payable 2014 as follows:

General Fund	\$31,722,723.92
Community Services Fund	\$ 1,142,249.21
Debt Services Fund	<u>\$ 7,093,181.27</u>
Total	<u>\$39,958,154.40</u>

BACKGROUND INFORMATION

The attached page shows that the final levy represents a 2.37% increase from the previous year. The state average increase is 1.6%. Changes in the districts proposed levy from the previous year include:

2013 Legislative changes:

Pupil unit weighting change
Referendum formula change
Location Equity Revenue
Equalization formula changes

All Day Every Day Kindergarten

Increase in funding based on additional pupil units
Increase in lease levy for additional classrooms

It is the recommendation of the administration and Finance and Facilities Committee to approve the final levy as presented.

EDINA PUBLIC SCHOOLS
Tax Levy Information
December 16, 2013

	2012 Payable 2013	2013 Payable 2014	Change	% Change
General Fund				
Referendum	\$ 15,718,892.44	\$ 12,762,117.00	\$ (2,956,775.44)	-18.81%
Location Equity Revenue	\$ -	\$ 3,939,129.60	\$ 3,939,129.60	
Student Achievement	\$ -	\$ 293,930.99	\$ 293,930.99	
Alternative Compensation	\$ 768,449.50	\$ 770,512.47	\$ 2,062.97	0.27%
Equity Aid	\$ 690,053.00	\$ 633,489.15	\$ (56,563.85)	-8.20%
Capital Technology Levy	\$ 4,638,103.00	\$ 4,558,717.00	\$ (79,386.00)	-1.71%
Health & Safety	\$ 306,812.88	\$ 251,467.43	\$ (55,345.45)	-18.04%
Levy/Lease	\$ 609,715.95	\$ 805,277.23	\$ 195,561.28	32.07%
Alternative Facilities	\$ 4,218,529.00	\$ 4,640,567.00	\$ 422,038.00	10.00%
Safe Schools/Crime Levy	\$ 392,145.20	\$ 427,358.40	\$ 35,213.20	8.98%
Integration Levy	\$ 270,900.00	\$ 247,236.04	\$ (23,663.96)	-8.74%
Operating Capital	\$ 1,752,834.20	\$ 1,342,468.40	\$ (410,365.80)	-23.41%
Unemployment	\$ 100,000.00	\$ 100,000.00	\$ -	0.00%
Career Technical	\$ 44,781.66	\$ 60,020.45	\$ 15,238.79	34.03%
Abatements/Other	\$ 386,181.83	\$ 205,147.22	\$ (181,034.61)	-46.88%
OPEB	\$ 663,811.00	\$ 696,430.00	\$ 32,619.00	4.91%
Prior Year Levy Adjustments	\$ 278,461.44	\$ (11,144.46)	\$ (289,605.90)	-104.00%
General Fund Subtotal	\$ 30,839,671.10	\$ 31,722,723.92	\$ 883,052.82	2.86%
Community Services				
Basic Community Education	\$ 282,939.20	\$ 282,939.20	\$ -	0.00%
ECFE	\$ 337,644.33	\$ 341,599.87	\$ 3,955.54	1.17%
Home Visit	\$ 4,768.00	\$ 4,736.00	\$ (32.00)	-0.67%
Adults with Disabilities	\$ 5,202.00	\$ 5,202.00	\$ -	0.00%
Extended Day Disabled	\$ 440,000.00	\$ 460,000.00	\$ 20,000.00	4.55%
Other/Prior Year Levy Adjustments	\$ 14,453.23	\$ 47,772.14	\$ 33,318.91	230.53%
Community Services Subtotal	\$ 1,085,006.76	\$ 1,142,249.21	\$ 57,242.45	5.28%
Debt Service				
Principal & Interest	\$ 7,109,672.68	\$ 7,093,181.27	\$ (16,491.41)	-0.23%
Other/Prior Year Levy Adjustments	\$ -	\$ -	\$ -	
Debt Service Subtotal	\$ 7,109,672.68	\$ 7,093,181.27	\$ (16,491.41)	-0.23%
TOTAL	\$ 39,034,350.54	\$ 39,958,154.40	\$ 923,803.86	2.37%

Edina Public Schools

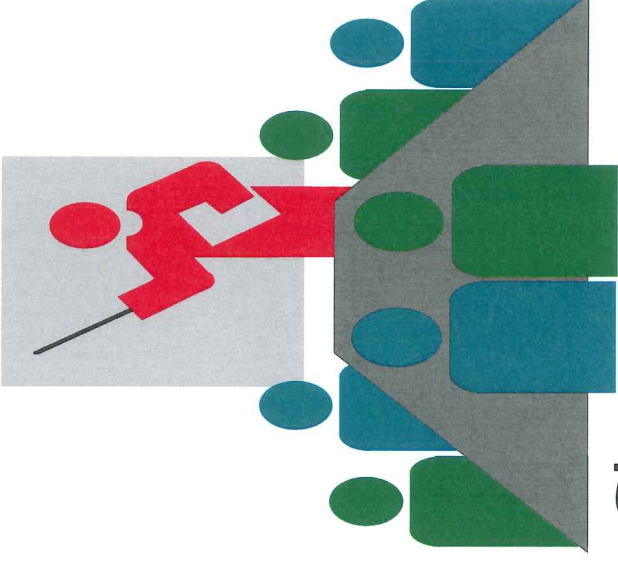
Edina School District 273

**Final 2013 Payable 2014
Levy Certification
December 16, 2013**



AGENDA

- ▶ Tax Levy Calendar
- ▶ Basic School Funding
- ▶ Factors Contributing to the Levy Change
- ▶ Levy Certification 2013 pay 2014
- ▶ Graphical Analysis
- ▶ Budget Summary



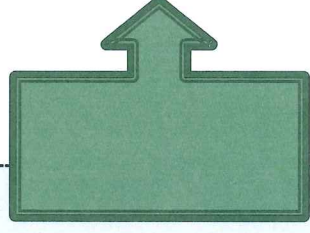
TAX LEVY CALENDAR

- ▶ September Certify Proposed Levy (1)
- ▶ November County mails levy notices to property owners
- ▶ December Public hearing as part of regular board meeting
- ▶ December Certify final tax levy (2)
- ▶ (1) Except for new voter approved tax levies, the final levy cannot exceed the proposed levy certified in September
- ▶ (2) The certification of the levy is the culmination of a five month process which began the previous July

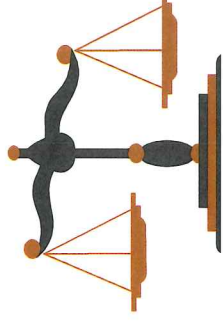


AUTHORITY FOR SCHOOL LEVIES

- ▶ A School District Tax Levy Must Be Either:
 - Set by State Formula
 - OR
 - Voter Approved



- ▶ Authorized Total Revenue
 - ▶ Minus
- ▶ Local Property Taxes
 - ▶ Equals
- ▶ State Aid

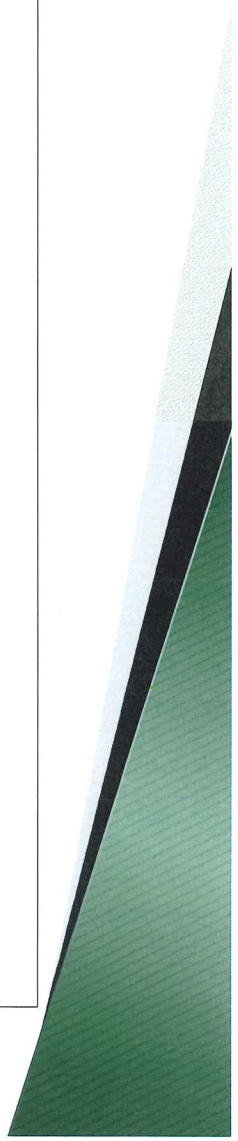
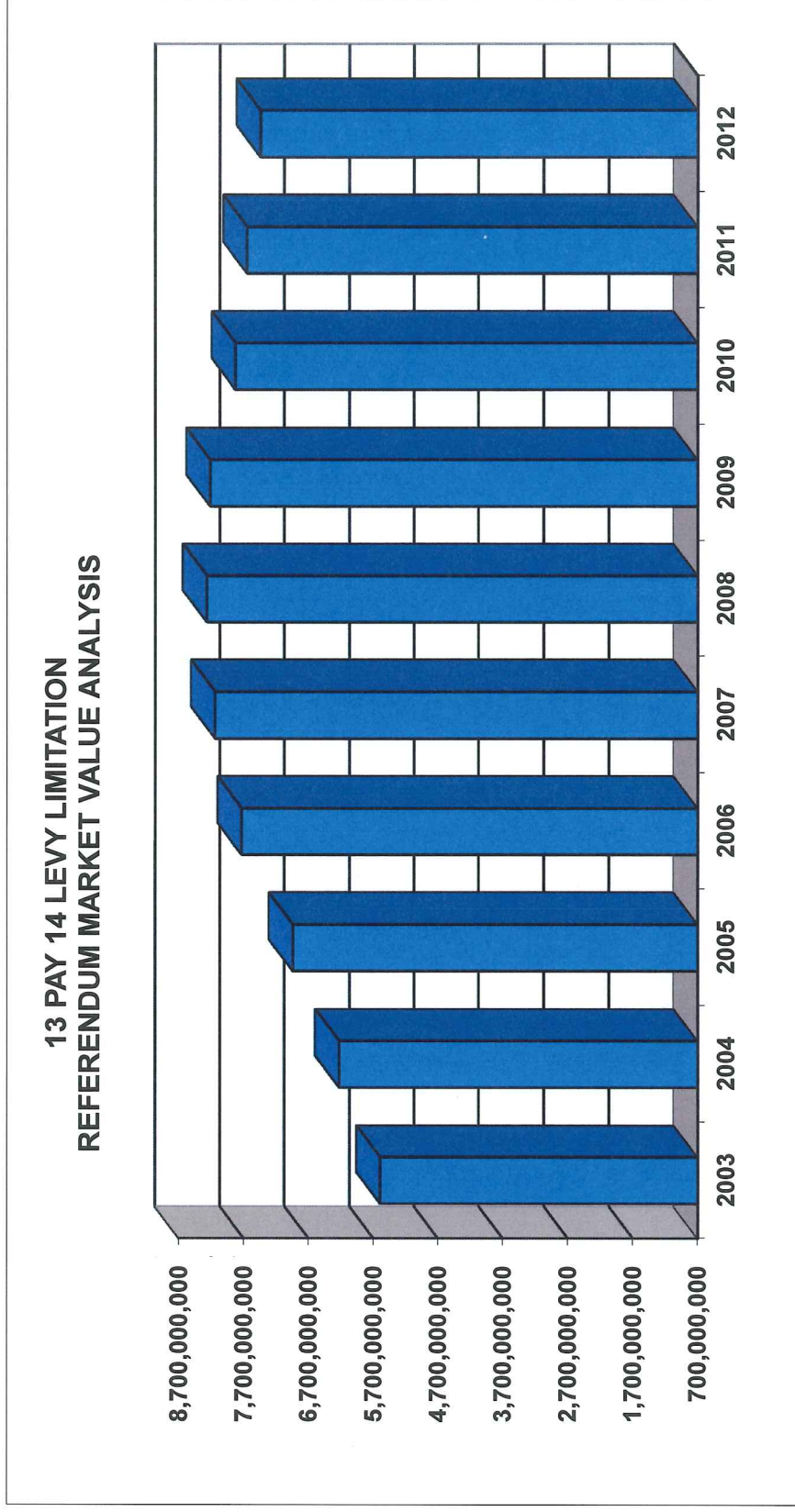


Authority for School Levies

Basic Formula for Calculating Revenue

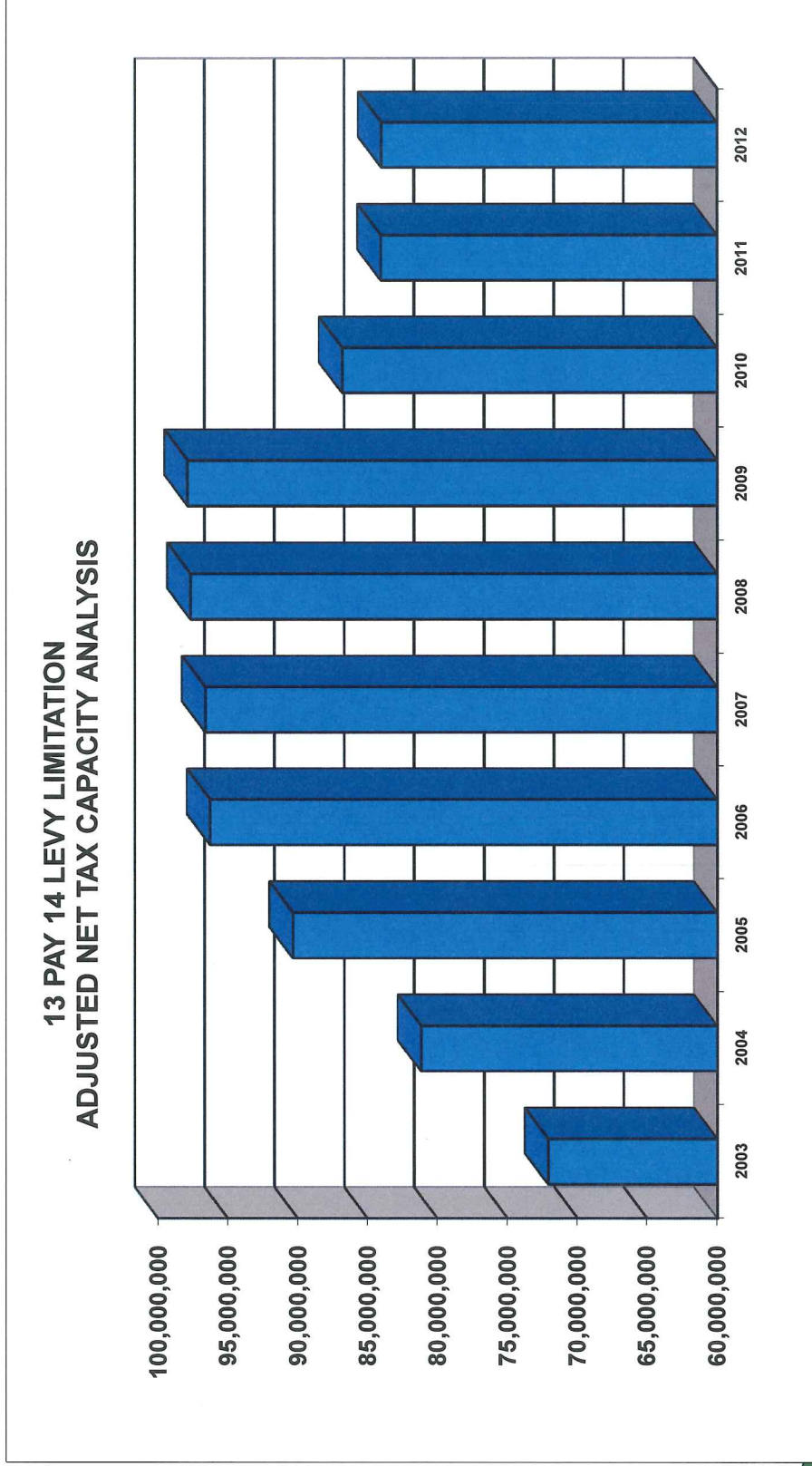
2013 PAY 2014 REFERENDUM MARKET VALUE ANALYSIS

2.7% decrease - state average 4% decrease




2013 PAY 2014 ADJUSTED NET TAX CAPACITY ANALYSIS

.3% increase—state average 1.6% increase



FACTORS IMPACTING TAX CHANGE

- ▶ **Issues Driven by State Level Decisions**
 - Change in levies determined by state formula
 - Change in sales ratio (Impacting ANTC)
 - Laws mandating code compliance (Health & Safety)
 - ▶ **Issues Determined by District Voters**
 - Voter approved bond referendum
 - Voter approved excess levy referendum
 - Voter approved capital technology referendum
 - ▶ **Local Factors**
 - Inflationary pressure on real estate market
 - Abatements
 - Property improvements not previously taxed
 - Change in individual assessed market value
 - Possible change in classification (i.e.: homestead to rental)
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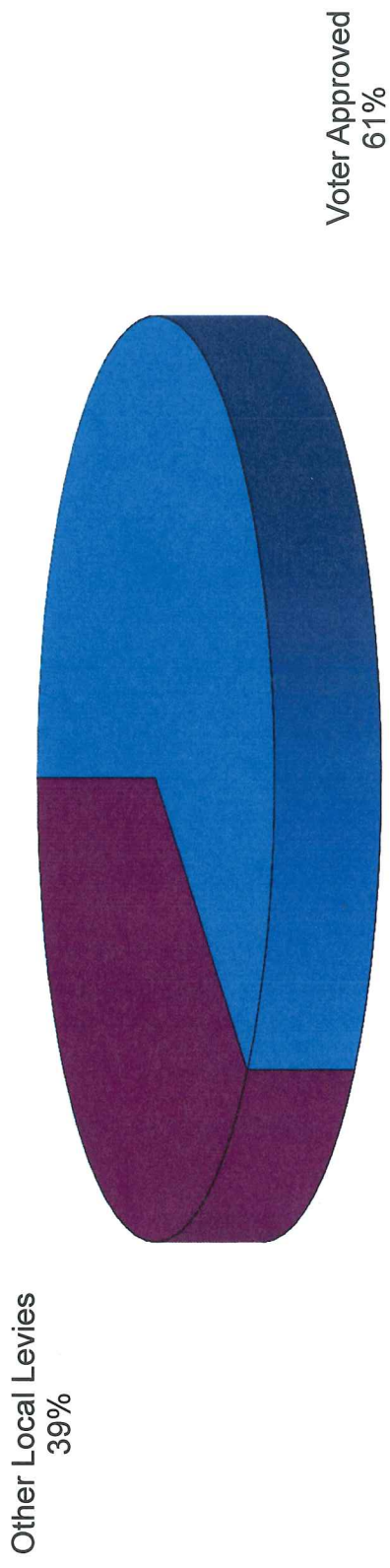
WHAT IS INCLUDED IN THE SCHOOL DISTRICT LEVY CERTIFICATION?

- ▶ Voter approved referendums
 - Levy, bond, and capital technology
- ▶ Levies set by state formula
 - equity, operating capital, transition, community service
- ▶ Levies authorized by the state based on local need
 - reemployment, crime, career & technical, health & safety, facility leases, integration, deferred maintenance and extended day disabled




2013 PAY 2014 LEVY LIMITATION ANALYSIS

13 PAY 14 LEVY LIMITATION ANALYSIS



FACTORS CONTRIBUTING TO THE LEVY CHANGE

- ▶ 2013 Legislative Session Changes
 - Location Equity Revenue
 - Student Achievement (general education levy)
 - Referendum & Equalization Formula Changes
 - Operating Capital
 - ▶ All Day Every Day Kindergarten
 - Increased pupil units
 - Increase in lease levy for additional classrooms
 - ▶ Enrollment growth
 - ▶ Prior year adjustments for enrollment growth, employment, abatements, and cooperative leases
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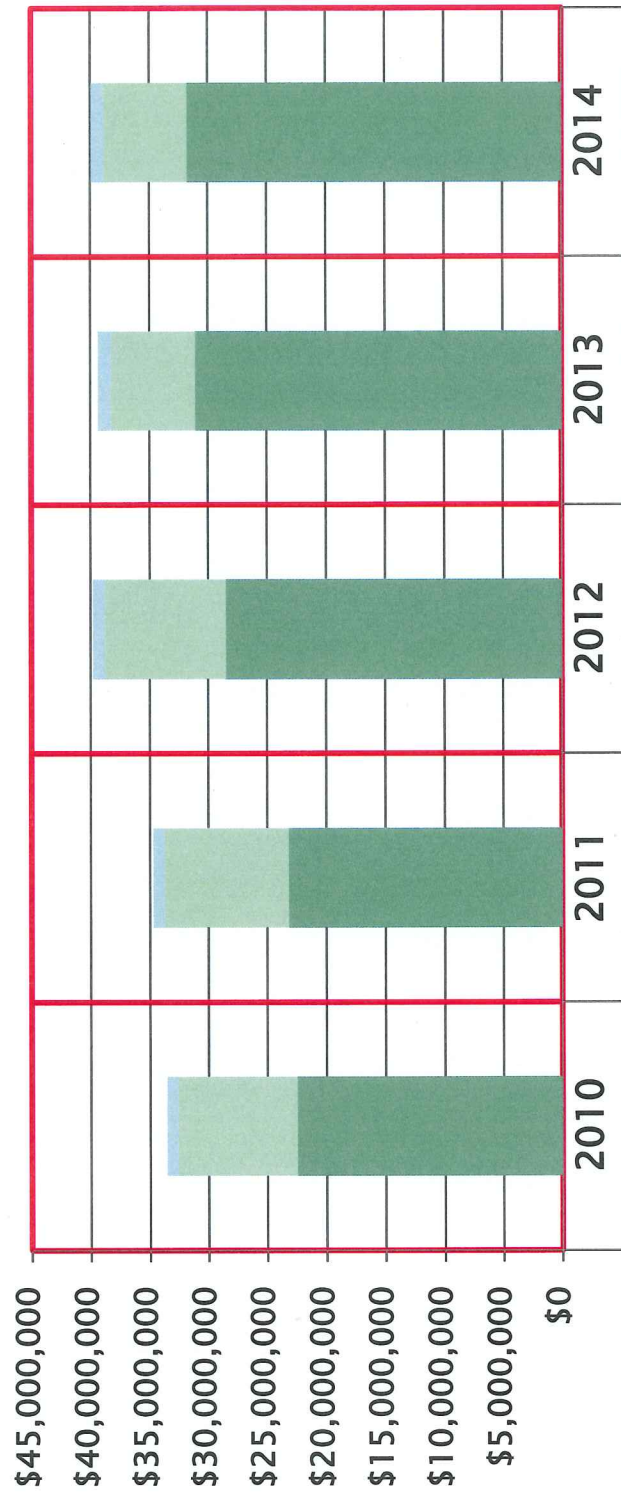
2013 PAY 2014 FINAL LEVY CERTIFICATION

	2008 LEVY For 2009 -10	2009 LEVY For 2010-11	2010 LEVY For 2011-12	2011 LEVY For 2012-13	2012 LEVY For 2013-14	2013 LEVY For 2014-15
Voter Approved Levies						
Referendum Levy	\$14,891,015	\$15,677,414	\$15,379,970	\$16,241,981	\$15,901,024	\$12,646,480
Capital Technology Levy	1,000,000	1,000,000	1,000,000	4,500,000	4,638,103	4,558,717
Debt Service (Fund 7)	9,946,805	10,132,991	10,553,615	10,280,561	7,193,037	7,093,181
	\$25,837,820	\$26,810,405	\$26,933,585	\$31,022,542	\$27,732,164	\$24,298,378
Other Levies						
Equity Revenue	733,923	769,698	478,741	631,613	660,348	653,719
Location Equity	0	0	0	0	0	3,939,130
Student Achievement (Gen Ed)	0	0	0	0	0	293,931
Operating Capital	1,858,605	1,934,405	1,944,979	1,817,230	1,764,829	1,352,892
Alt. Comp	1,174,701	735,882	749,816	765,568	771,002	769,648
Integration	238,038	234,105	220,214	278,817	314,657	247,236
Reemployment	-43,334	41,597	92,928	253,733	100,000	33,360
Safe Schools	370,728	376,726	388,207	395,394	398,292	424,778
Career & Technical	31,497	31,497	31,497	52,219	44,782	39,299
OPEB	-	-	856,076	704,323	663,811	696,430
Health/Safety	679,947	545,055	807,896	497,439	306,813	242,792
Alternative Facilities/Def Maint	-547,864	500,000	885,412	1,730,064	4,218,529	4,640,567
Levy for lease	347,949	317,341	303,712	509,361	609,716	978,598
LCTS	50,554	50,554	50,554	0	0	0
Other	34,681	236,036	-28,988	90,721	632,465	205,147
Community Service (Fund 4)	\$938,668	\$957,553	\$982,218	\$1,053,182	\$1,092,885	\$1,142,249
	\$5,868,094	\$6,730,449	\$7,763,262	\$8,779,666	\$11,578,128	\$15,659,776
Total	\$31,705,914	\$33,540,854	\$34,696,847	\$39,802,207	\$39,310,292	\$39,958,154



LEVY CERTIFICATION ANALYSIS

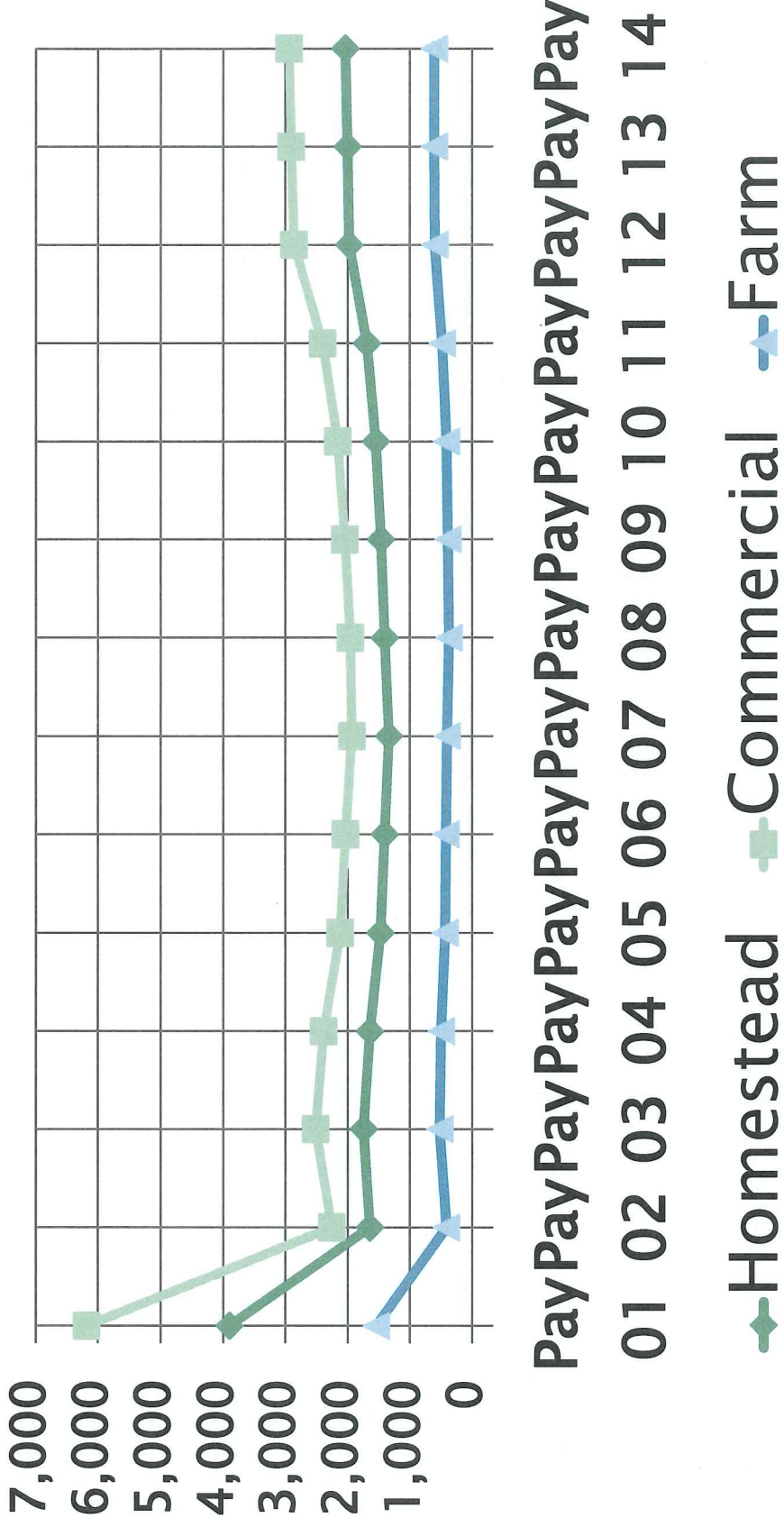
■ General Fund ■ Debt Service ■ Community Education



	2010	2011	2012	2013	2014
Community Education	957553	982218	1053182	1092885	1142249
Debt Service	10132991	10553615	10280561	7193037	7093181
General Fund	22450310	23161013	28468464	31024370	31722724



Change in District Property Taxes 2001-2014



ESTIMATED ANNUAL TAX IMPACT OF FINAL 2013 PAY 2014 LEVY

Property Value Sample

❖ \$250,000	\$11
❖ \$350,000	\$15
❖ \$450,000	\$19
❖ \$550,000	\$23
❖ \$1,000,000	\$42

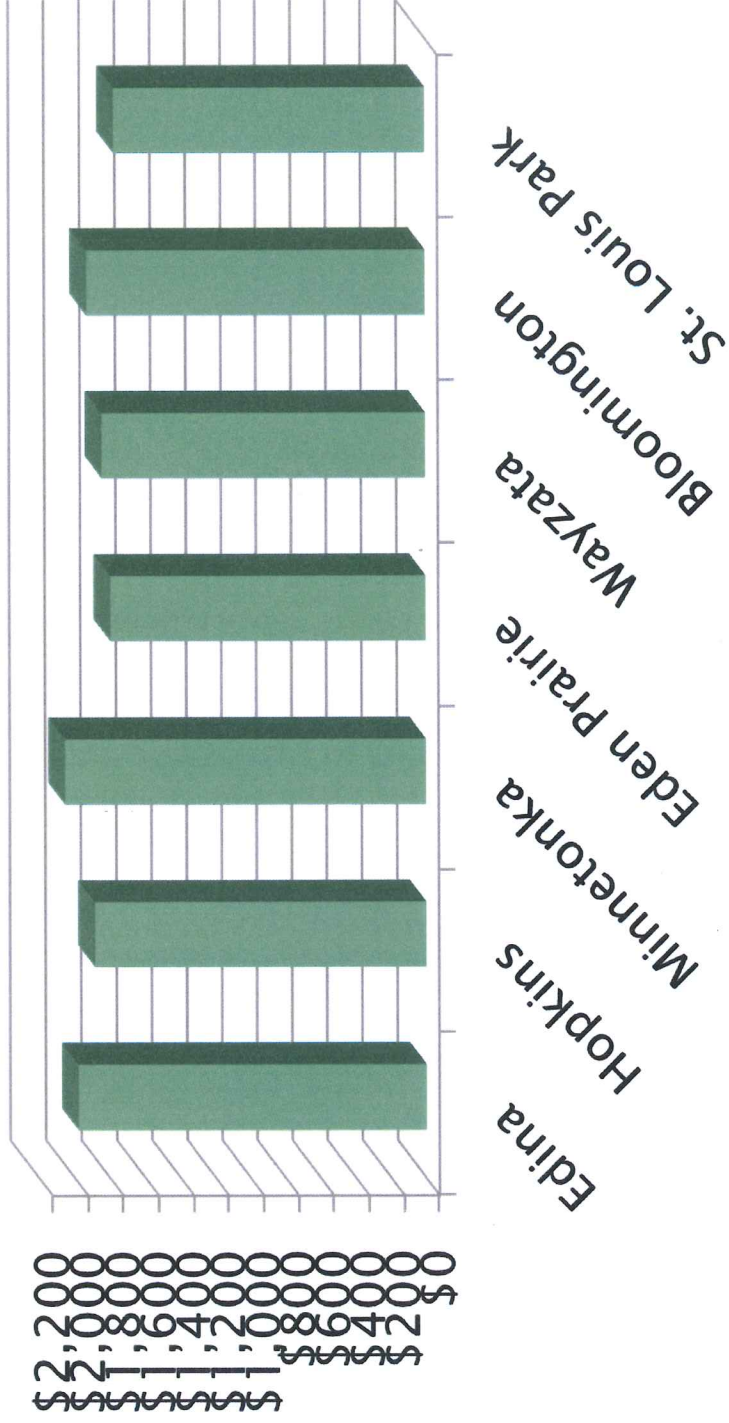
- ❖ Values chosen were selected by Hennepin County staff under the assumption that they reflect a typical value range in ISD 273.



SCHOOL DISTRICT TAX COMPARISON on \$400,000 HOME

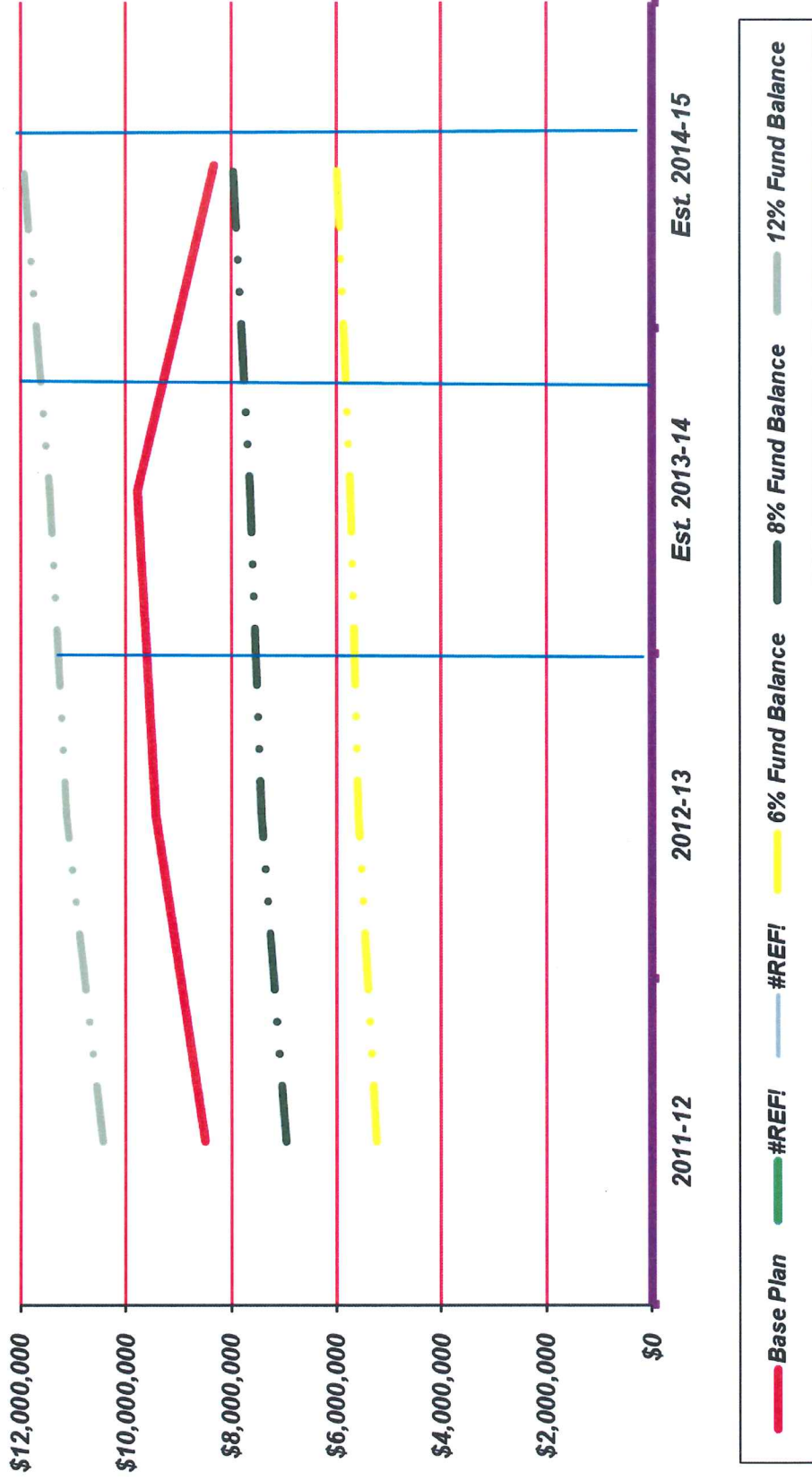
Information from Hennepin County based on school district tax by city

Tax Impact



Undesignated Unreserved Fund Balance

(includes the 2% committed for cash flow)



Note: 1% change in general ed formula = \$550,000
12/11/2013

Edina Public Schools

Questions

