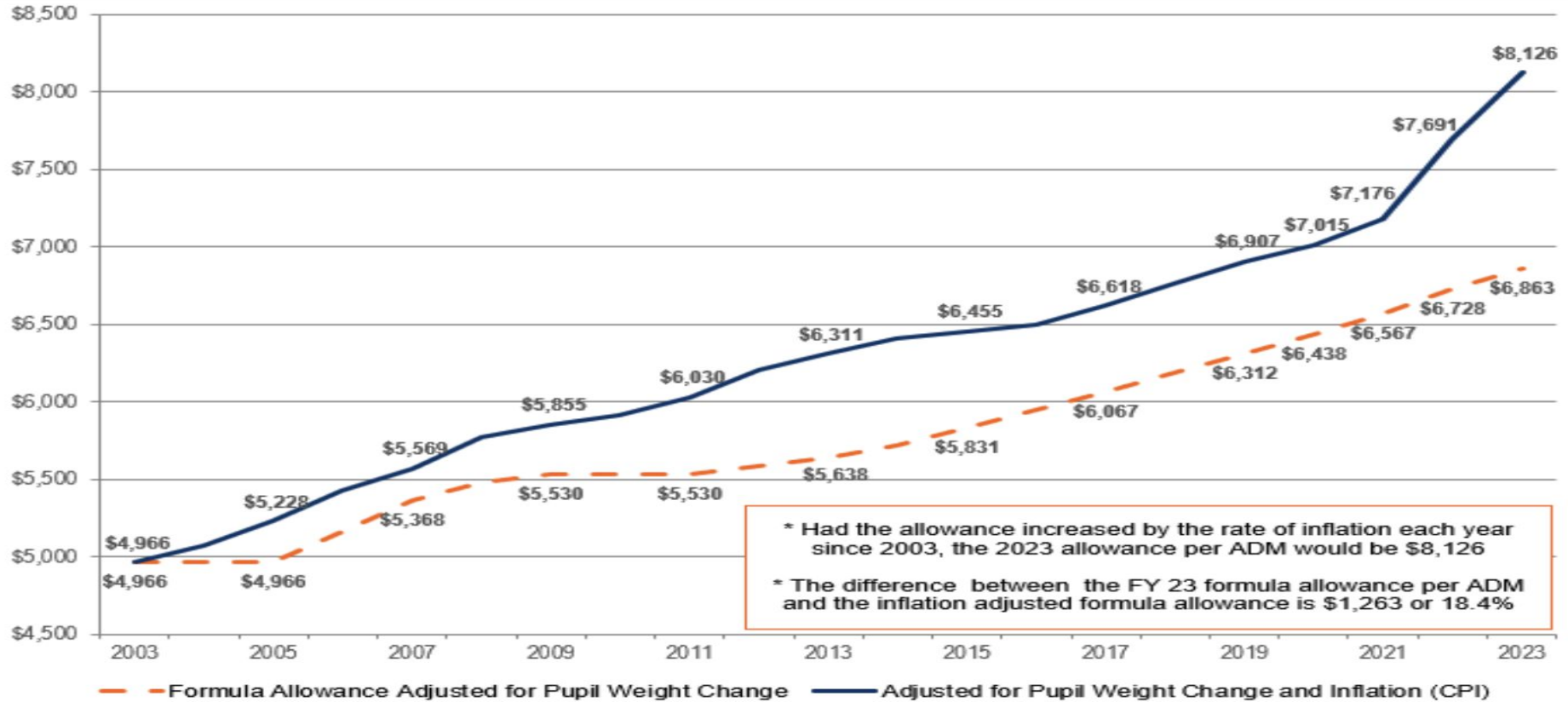




WE ARE FARIBAULT

Why are we in this situation?



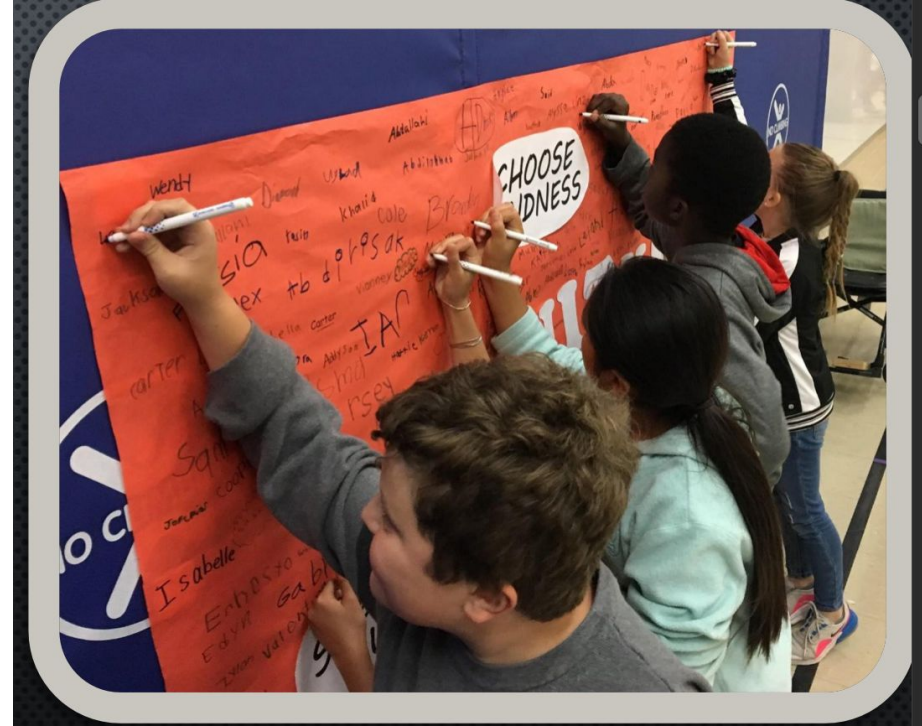
Why are we in this situation?

Cross-subsidies

Special Education \$5,727,459 from the 21-22 school year.

English Language Learners \$1,452,311 from the 21-22 school year.

Total cross subsidy is \$7,179,770 !!!



Budget Reductions over the last 7 years.

Reductions and projected reductions 2017-2024

2017-2018	\$544,162.00	
2018-2019	\$460,047.00	
2019-2020	\$905,263.00	
2020-2021	\$1,500,000.00	
2021-2022	\$2,161,000.00	
2022-2023	\$1,050,000.00	
2022-2023	\$778,645.00	(fund balance coverage)
Total	\$7,399,117.00	

Our Mission for these Levies

Faribault Public Schools strives to promote pathways to excellence for all students. Providing strong educational opportunities leads to better attendance, higher graduation rates, and readiness for careers. Approval of the three questions for this operating levy will allow FPS to:

- Maintain current classroom programs and electives.
- Maintain reasonable class sizes.
- Maintain and support classroom technology, including equipment and software that is necessary for our industry and trades electives.
- Avoid significant budget cuts due to a lack of state funding.

Community support for these operating levies will allow us to continue the high levels of quality education for Faribault Public School students. As a reflection of our district, Faribault Public Schools is an important contributor to this community, including our business and industry partners.

SCHOOL DISTRICT BALLOT QUESTION NO. 1



RENEWAL OF SCHOOL DISTRICT REFERENDUM REVENUE AUTHORIZATION

The Board of Independent School District No. 656, Faribault, has proposed to renew its referendum revenue authorization, which is set to expire in 2023 for taxes payable in 2024, in an amount equal to \$716.22 per pupil, subject to an annual increase at the rate of inflation. The proposed referendum revenue authorization would be first levied in 2023 for taxes payable in 2024 and applicable for 10 years unless otherwise revoked or reduced as provided by law.

SCHOOL DISTRICT BALLOT QUESTION NO. 2



APPROVAL OF SCHOOL DISTRICT CAPITAL PROJECT LEVY AUTHORIZATION

The Board of Independent School District No. 656, Faribault, has also proposed a capital project levy authorization of 3.855% times the net tax capacity of the school district. The money raised by this authorization will provide funds for the acquisition and installation of technology equipment, improvements, and systems. The proposed capital project levy authorization will raise approximately \$1,366,200 for taxes payable in 2023, the first year it is to be levied, and would be authorized for 10 years. The estimated total cost of the projects to be funded over that time period is approximately \$13,662,000.

SCHOOL DISTRICT BALLOT QUESTION NO. 3



APPROVAL OF SCHOOL DISTRICT REFERENDUM REVENUE AUTHORIZATION

The Board of Independent School District No. 656, Faribault, has proposed to increase its general education revenue by \$302.00 per pupil if Ballot Question No. 1 is approved, subject to an annual increase at the rate of inflation. The proposed referendum revenue authorization would be first levied in 2023 for taxes payable in 2024 and applicable for 10 years unless otherwise revoked or reduced as provided by law.

Faribault Public Schools, ISD 656

Analysis of Tax Impact for Potential Referendum Levy

August 17, 2022

Tax Impact of
the Renewal and
question #3.

Year Taxes are Payable	Question 1			Question 3
	2023	2024		2024
	Expired	Renewed	Net	New
Est. Adjusted Pupil Units (APU)	3,351.00	3,250.60	-100.40	3,250.60
Revenue per Pupil Unit	-\$716.22	\$716.22	\$0.00	\$302.00
Estimated Change in Referendum Revenue	-\$2,400,053	\$2,328,145	-\$71,908	\$981,681
- Estimated Change in Aid	\$0	\$0	\$0	\$0
- Estimated Change in Levy	-\$2,400,053	\$2,328,145	-\$71,908	\$981,681
Estimated Market Value Tax Rate	-0.08777%	0.08430%	-0.00347%	0.03554%

Type of Property	Estimated Market Value	Estimated Taxes for Referendum Levy Only*			
	\$100,000	-\$88	\$84	-\$4	\$36
	\$125,000	-110	105	-5	44
	\$150,000	-132	126	-6	53
	\$175,000	-154	148	-6	62
	\$200,000	-176	169	-7	71
Residential	\$225,000	-197	190	-7	80
Homesteads,	\$252,900	-222	213	-9	90
Apartments,	\$289,400	-254	244	-10	103
and Commercial-	\$350,000	-307	295	-12	124
Industrial Property	\$400,000	-351	337	-14	142
	\$450,000	-395	379	-16	160
	\$500,000	-439	421	-18	178
	\$600,000	-527	506	-21	213
	\$700,000	-614	590	-24	249
	\$800,000	-702	674	-28	284
	\$900,000	-790	759	-31	320
	\$1,000,000	-878	843	-35	355
	\$1,250,000	-1,097	1,054	-43	444
	\$1,500,000	-1,317	1,264	-53	533
	\$2,000,000	-1,755	1,686	-69	711

Annual Revenue (Fiscal Year 2022-23)

\$1,366,200

Tax Impact of the Capital Project Levy.

Type of Property	Estimated Market Value	Estimated Annual Taxes Payable in 2023 for Capital Project Levy*
Residential Homestead	\$100,000	\$27
	125,000	37
	150,000	48
	175,000	58
	200,000	68
	225,000	79
	252,900	90
	289,400	105
Commercial/ Industrial	350,000	130
	400,000	151
	\$75,000	\$43
	150,000	85
Agricultural Homestead ** (average value per acre of land & buildings)	250,000	161
	500,000	350
	\$5,000	\$0.94
	6,000	1.13
	7,000	1.32
Agricultural Non-Homestead ** (average value per acre of land & buildings)	8,000	1.51
	9,000	1.70
	\$5,000	\$1.89
	6,000	2.27
	7,000	2.65
	8,000	3.02
	9,000	3.40

How do we compare to our conference?

#	District Name	Home Value	RMV Voter	RMV Other	NTC Voter	NTC Other	Total	Levy
656	Faribault	220,000 \$	209 \$	208 \$	124 \$	192 \$	\$ 732	
256	Red Wing	220,000 \$	363 \$	178 \$	72 \$	140 \$	\$ 754	
861	Winona Area	220,000 \$	250 \$	171 \$	186 \$	170 \$	\$ 776	
535	Rochester	220,000 \$	202 \$	217 \$	135 \$	278 \$	\$ 832	
77	Mankato	220,000 \$	153 \$	279 \$	193 \$	242 \$	\$ 868	
492	Austin	220,000 \$	16 \$	332 \$	154 \$	432 \$	\$ 934	
763	Medford	220,000 \$	- \$	486 \$	385 \$	104 \$	\$ 976	
241	Albert Lea	220,000 \$	209 \$	302 \$	77 \$	481 \$	\$ 1,069	
761	Owatonna	220,000 \$	162 \$	304 \$	553 \$	217 \$	\$ 1,236	
659	Northfield	220,000 \$	608 \$	242 \$	319 \$	288 \$	\$ 1,457	
Group Average			\$ 216	\$ 266	\$ 211	\$ 249	\$ 942	

Data sourced from Minnesota Department of Education Pay 2021 School Tax Report

Projections if all Three Are Not Passed

Funding Projections FY2023-FY2027

	Projected 2022-2023	Projected 2023-2024	Projected * 2024-2025	Projected 2025-2026	Projected 2026-2027	
State Funding Formula	2%	1%	1%	1%	1%	
\$1,050,000 in reductions						
Revenues:	\$45,845,225	\$45,891,897	\$43,819,632	\$43,921,542	\$44,024,470	
Expenses:	\$46,623,870	\$46,164,467	\$43,982,401	\$43,736,873	\$43,978,979	
Revenue Over (Under) Expenses:	(\$778,645)	(\$272,570)	(\$162,769)	\$184,669	\$45,491	
Fund Balance	\$ 5,904,720	\$5,632,150	\$5,469,381	\$5,654,050	\$5,699,541	
Fund Balance Percent	10.37%	9.50%	9.50%	9.50%	9.50%	
						TOTAL **
Cuts Needed to maintain FB		\$1,625,000	\$3,567,000	\$1,565,000	\$1,070,000	\$7,827,000
* Assumes existing operating referendum is not renewed						
** Does not include ESSER Reductions						

Projections if Existing Renewal is Passed

Funding Projections FY2023-FY2027						
	Projected	Projected	Projected *	Projected	Projected	
	2022-2023	2023-2024	2024-2025	2025-2026	2026-2027	
State Funding Formula	2%	1%	1%	1%	1%	
\$1,050,000 in reductions						
Revenues:	\$45,845,225	\$45,891,897	\$45,884,132	\$46,006,687	\$46,130,466	
Expenses:	\$46,623,870	\$46,164,467	\$45,867,401	\$45,968,423	\$46,127,476	
Revenue Over (Under) Expenses:	(\$778,645)	(\$272,570)	\$16,731	\$38,264	\$2,990	
Fund Balance	\$ 5,904,720	\$5,632,150	\$5,648,881	\$5,687,145	\$5,690,135	
Fund Balance Percent	10.37%	9.50%	9.50%	9.50%	9.50%	
						TOTAL **
Cuts Needed to maintain FB		\$1,625,000	\$1,682,000	\$1,275,000	\$1,220,000	\$5,802,000
* Assumes existing operating referendum is renewed						
** Does not include ESSER Reductions						

Projections if Renewal and Capital Levy Project Are Passed

Funding Projections FY2023-FY2027

	Projected 2022-2023	Projected 2023-2024	Projected * 2024-2025	Projected 2025-2026	Projected 2026-2027	
State Funding Formula	2%	1%	1%	1%	1%	
\$1,050,000 in reductions						
Revenues:	\$45,845,225	\$47,258,097	\$47,263,994	\$47,400,347	\$47,538,064	
Expenses:	\$46,623,870	\$47,408,467	\$47,345,721	\$47,391,093	\$47,527,826	
Revenue Over (Under) Expenses:	(\$778,645)	(\$150,370)	(\$81,727)	\$9,254	\$10,238	
Fund Balance	\$ 5,904,720	\$5,754,350	\$5,672,623	\$5,681,878	\$5,692,115	
Fund Balance Percent	10.37%	9.50%	9.50%	9.50%	9.50%	
						TOTAL **
Cuts Needed to maintain FB		\$381,000	\$1,485,000	\$1,375,000	\$1,285,000	\$4,526,000
* Assumes existing operating referendum is renewed						
** Does not include ESSER Reductions						

Projections if all Three Are Passed

Funding Projections FY2023-FY2027

	Projected 2022-2023	Projected 2023-2024	Projected * 2024-2025	Projected 2025-2026	Projected 2026-2027	
State Funding Formula	2%	1%	1%	1%	1%	
\$1,050,000 in reductions						
Revenues:	\$45,845,225	\$47,258,097	\$48,202,541	\$48,348,279	\$48,495,475	
Expenses:	\$46,623,870	\$47,504,467	\$48,219,601	\$48,401,189	\$48,503,225	
Revenue Over (Under) Expenses:	(\$778,645)	(\$246,370)	(\$17,060)	(\$52,910)	(\$7,750)	
Fund Balance	\$ 5,904,720	\$5,658,350	\$5,641,290	\$5,588,380	\$5,580,630	
Fund Balance Percent	10.37%	9.50%	9.50%	9.50%	9.50%	
						TOTAL **
Cuts Needed to maintain FB		\$285,000	\$710,000	\$1,265,000	\$1,350,000	\$3,610,000
* Assumes existing operating referendum is renewed						
** Does not include ESSER Reductions						

QUESTIONS??

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