



Public Meeting for Taxes Payable in 2023

Robbinsdale Area Schools
Ukee Dozier, Executive Director of Finance

December 5, 2022



OUR UNIFIED DISTRICT VISION

Our mission is to inspire and educate all learners to develop their unique potential and positively contribute to their community.

Agenda

- Background on Property Tax Levies
- Legislative Changes that Affect the 2023 Levy
- Information on School Current Year Funding & District Budget
 - Proposed Taxes Payable in 2023
 - Estimated Impact on Taxpayers
 - Minnesota Property Tax Refunds
 - Public Comments & Questions



Background on Property Tax Levies



Truth in Taxation Law

- Minnesota Truth in Taxation Law was revised in 2009
- Requirements:
 - Public meeting may now be held at a regularly scheduled meeting
 - Discussion of proposed property tax levy for taxes payable in 2023
 - Current year budget must be discussed
 - Levy may be adopted at same meeting
 - Must allow for public comment and question

- *Minnesota Statute 275.065*

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Levy Cycle Process

1. Assessors determine a property's estimated market value and assign a property class to each parcel.
2. The County Auditor calculates the net tax capacity for each parcel in the county, as well as the total net tax capacity for each taxing jurisdiction.
 - a) A property's net tax capacity is determined by multiplying the property's market value by the relevant class rate.
 - i. Class rates are set by statute, vary by property type, and are uniform statewide.
3. The local tax rate of a taxing jurisdiction is determined by dividing the jurisdiction's total levy by the jurisdiction's taxable net tax capacity.
 - a) Each jurisdiction sets its own levy and follows specific limits set by state law.

Levy Cycle Process

4. The County Auditor divides the final levy by the District's net tax capacity (or referendum market value) to establish rates.
5. The County Auditor applies those rates to each parcel and prepares the final statements for mailing.
6. Minnesota Department of Education (MDE) sets the maximum levy limit for each school district, based on current legislation and formulas.
7. The School Board adopts a proposed levy in September, holds a public meeting, then finalizes the levy amount in December.

Authority for School Levies

A school district tax levy must be either:

Voter approved

or

Set by state law



Legislative Changes That Affect the 2023 Levy

Legislative Changes That Affect the 2023 Levy

- The 2023 legislature will address the next biennium for formula allowances for the 2023-24 and 2024-25 fiscal years.
- At this time, no legislative changes affect the Pay 2023 levy
- It is possible that legislation that will be passed during the 2023 legislative session that will impact school district funding for the 2023-24 school year



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The Basic Formula Has Not Kept Up With Inflation

Critical School Funding Revenue from the State



Schools for Equity in Education

www.schoolsforequity.org



Information on School Funding & District Budget

Fiscal Year 2023 Budget Overview

The Robbinsdale Area School District's fiscal year commences July 1 of each year, which is consistent with most school districts (and is law) in Minnesota. The School Board, by law, must have a budget adopted for the upcoming fiscal year prior to July 1.

The budget sets forth the financial plan for the forthcoming fiscal year. It is based on the projected financial needs of the District and serves to allocate limited resources in the best possible way to provide educational opportunities to students.

Fiscal Year 2023 Financial Structure

GENERAL FUND

The General Fund is used to account for K-12 educational activities, instruction and student support programs. Administrative, operational, building cleaning, maintenance and utilities, transportation, capital expenditures (excluding building construction and Long-Term Facilities Maintenance) and expenditures not required by State law to be accounted for in any other fund are also recorded within the General Fund.

Fiscal Year 2023 Financial Structure

CHILD NUTRITION FUND

The Child Nutrition Fund is used to record financial activities of the school district's food service program. Food service includes preparation and service of milk, meals and snacks in connection with school and community service activities.

All expenditures relating to meal preparation and service must be recorded in the Child Nutrition Fund. Eligible expenditures include application processing, Food Service management and staff tech support, food preparation, and meal service.

Fiscal Year 2023 Financial Structure

COMMUNITY SERVICE FUND

The Community Service Fund is used to record all financial activities of the Community Service program.

The focus of Community Education is to provide enrichment programs for any age level that are not part of the K-12 education program. Community Education programming may also include K-12 summer school enrichment activities which, although educational in nature, are not for credit and are not required for graduation.

A district may spend up to 10 percent of its community education revenue (levy, aids and fees) to purchase or lease computers and related items as well as equipment for instructional programs and library books used exclusively for community education.

Fiscal Year 2023 Financial Structure

BUILDING CONSTRUCTION FUND

The Building Construction Fund is used to record all operations of a district's building construction program that are funded by the sale of bonds or by capital loans. Revenues and expenses relating to the District's state approved Long Term Facility Maintenance (LTFM) Program are recorded in this fund when bonds have been issued for project costs, or if a single project cost is \$2,000,000 or greater using pay-as-you-go LTFM levy.

Construction costs for buildings and additions consist of the following: expenditures for general construction, advertisement for contracts, payments on contracts for construction, installations of plumbing, heating, lighting, ventilation and electrical systems, expenditures for lockers, elevators, and other equipment, architectural and engineering services, paint and decorating expenses, and any other related costs.

Fiscal Year 2023 Financial Structure

DEBT SERVICE FUND AND OPEB DEBT SERVICE FUND

The Debt Service Fund and the OPEB Debt Service Fund are used to record revenue and expenditures for a school district's outstanding bonded indebtedness, whether for building construction, capital or OPEB liabilities, and whether for initial or refunding bonds.

When a bond issue is sold, the school board must levy a direct general tax upon the property of the District for the payment of principal and interest. The revenue from such a tax and related state aid must be separately accounted for in the two Debt Service Funds.

Fiscal Year 2023 Financial Structure

OPEB TRUST FUND

The OPEB Trust Fund is used to record revenue and expenditures for the school district's earnings on investments of OPEB Assets in the trust as well as retiree medical claims and direct reimbursement of Medicare supplement premiums as required by one union labor contract, net of any retiree premiums paid

Fiscal Year 2023 Financial Structure

INTERNAL SERVICE FUNDS

The district's medical and dental self-insured funds record premium revenues, claims and fixed costs associated with the medical and dental plans for employees and retirees.

FY23 General Fund Overview and Assumptions

GENERAL FUND OVERVIEW (Fund 01)

General Fund Revenues are estimated at \$185,695,070, which is about \$1.3 Million under FY22 unaudited estimations. This is primarily due to the decline in budgeted Average Daily Membership in comparison to prior year.

FY23 General Fund Overview and Assumptions

GENERAL FUND REVENUE ASSUMPTIONS (Fund 01)

State General Education Aid

State Basic General Education Aid is budgeted at \$81,089,708. Under current law the basic formula amount is derived from estimated adjusted pupil units served multiplied by \$6,863. The basic formula reflects an increase of \$135 in comparison to the 2021-22 school year basic formula allowance. The basic general education aid serves as the district's primary funding source, accounting for 43.67% of the general operating fund revenue.

Per-Pupil Unit Allocation – Basic General Ed:

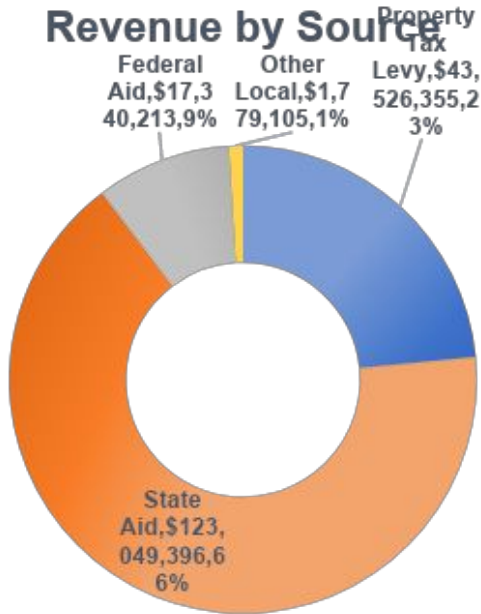
School Year	Basic Formula	Formula Change
2017-18	\$6,188	2.0%
2018-19	\$6,312	2.0%
2019-20	\$6,438	2.0%
2020-21	\$6,567	2.0%
2021-22	\$6,728	2.45%
2022-23	\$6,863	2.0%

FY23 General Fund Overview and Assumptions

Other components of General Education Aid amount to \$14,487,902. These components are as follows:

Pension Adjustment	\$855,115
Gifted and Talented	\$153,601
Extended Time	\$767,550
Compensatory Revenue	\$11,000,013
Limited English Program	\$975,058
Declining Enrollment	\$736,565
Total	\$14,487,902

FY23 General Fund Overview and Assumptions



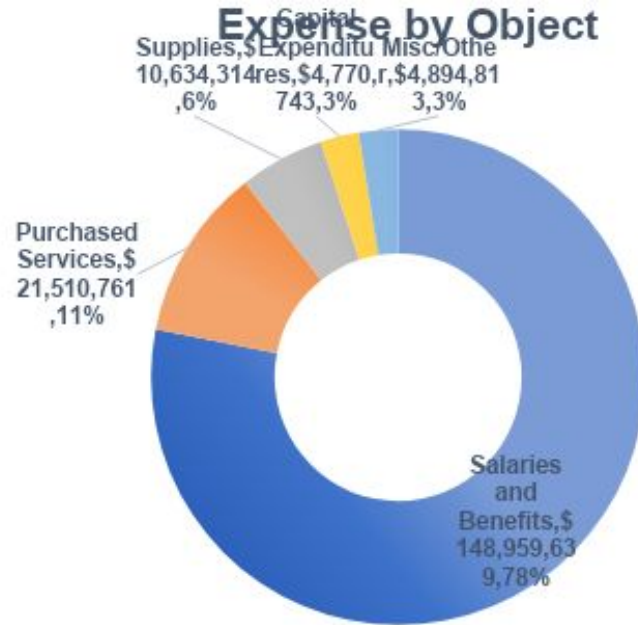
FY23 General Fund Overview and Assumptions

EXPENDITURE OVERVIEW

General Fund Expenditures are estimated to be \$190,770,269, which is up from previous year.

Increase anticipated from prior year within salary and fringe benefits cost due to natural steps and lanes increases, in addition to increased curriculum capital expenditures and contingency set aside dollars.

FY23 General Fund Overview and Assumptions





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FY23 Budget – All Funds Overview

Revenues	General	Food Service	Community Education	Building Construction	Debt Service	Trust	OPEB Revocable Trust	OPEB Debt Service	Total
Property Tax Levy	43,526,356		2,230,793		18,936,407			2,698,613	67,392,169
State Aid Revenue	123,252,199	419,242	2,928,996						126,600,437
Federal Aid Revenue	17,137,410	5,259,825	811,934						23,209,169
Other Local Revenue	1,779,105	2,089,623	4,569,710	18,800,000		21,650,000	700,000		49,588,438
Transfers									-
Total Revenues	185,695,070	7,768,690	10,541,433	18,800,000	18,936,407	21,650,000	700,000	2,698,613	266,790,213

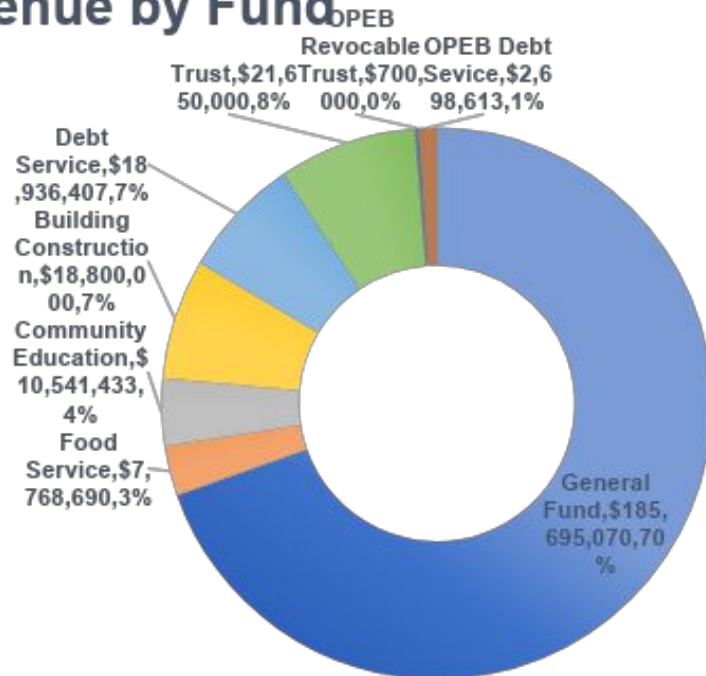
Expenses	General	Food Service	Community Education	Building Construction	Debt Service	Trust	OPEB Revocable Trust	OPEB Debt Service	Total
Salaries/Benefits	148,959,639	3,391,093	9,003,883			18,775,000	850,000		180,979,615
Purchased Services	21,510,761	177,000	837,702			1,750,000	50,000		24,325,463
Supplies	10,634,314	4,116,218	157,184						14,907,716
Capital Expenditures	4,770,743	268,000	52,400	22,500,000					27,591,143
Debt Service					19,256,365			2,602,693	21,859,058
Misc.	4,894,813	33,900	13,291						4,942,004
Total Expenses	190,770,270	7,986,211	10,064,460	22,500,000	19,256,365	20,525,000	900,000	2,602,693	274,604,999

Budget Balance	(5,075,200)	(217,521)	476,973	(3,700,000)	(319,958)	1,125,000	(200,000)	95,920	(7,814,786)
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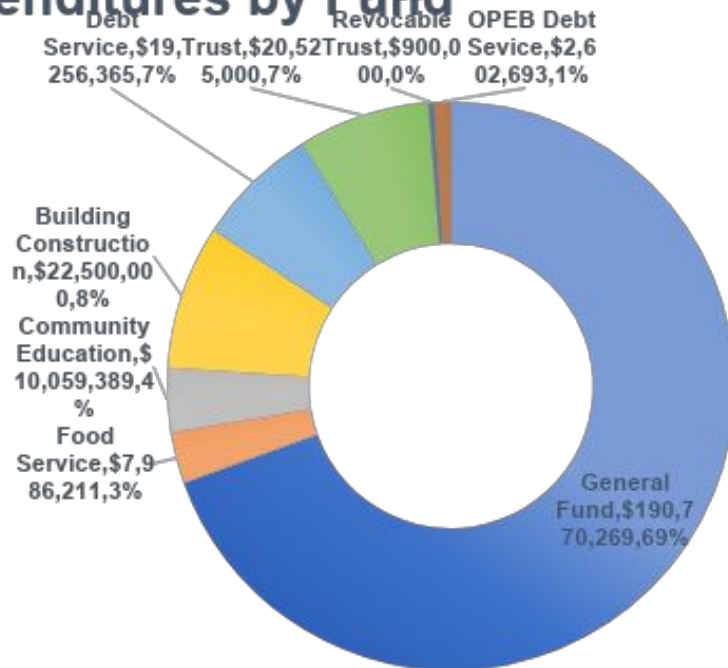
Revenue by Fund





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Expenditures by Fund





Proposed Taxes Payable in 2023

Proposed Property Taxes Payable in 2023

Category	Certified Pay 22	Proposed Pay 23	\$ Change	% Change
Voter Approved Levies	29,384,610	33,324,862	3,940,252	13.4%
Other Local Levies	37,980,558	38,882,354	901,797	2.4%
School District Total	67,365,168	72,207,217	4,842,048	7.2%

Proposed Property Taxes Payable in 2023

Category	Certified Pay 22	Proposed Pay 23	\$ Change	% Change
Referendum	21,587,202	25,141,476	3,554,274	16.5%
Local Optional	7,621,959	7,726,743	104,784	1.4%
Equity	834,145	813,219	(20,926)	-2.5%
Transition	227,510	222,117	(5,393)	-2.4%
Technology	5,524,476	5,863,119	338,643	6.1%
Operating Capital	1,456,520	1,520,616	64,096	4.4%
Q Comp	1,066,658	1,025,754	(40,904)	-3.8%
Achievement & Integration	825,635	819,851	(5,784)	-0.7%
Unemployment	300,000	200,000	(100,000)	-33.3%
Safe Schools	601,504	587,245	(14,259)	-2.4%
Career Tech Education	364,887	239,185	(125,702)	-34.4%
Long-Term Facilities Maintenance	1,393,745	2,519,743	1,125,998	80.8%
Lease Levy	2,877,212	3,180,847	303,635	10.6%
Adjustments and Abatement	(255,812)	(1,703,055)	(1,447,243)	
Total General Fund	44,425,641	48,156,859	3,731,218	7.7%
Community Education	2,204,508	1,752,692	(451,816)	-20.5%
Debt	18,036,407	19,634,408	1,598,001	8.9%
OPEB	2,698,613	2,663,258	(35,355)	-1.3%
TOTAL PROPOSED LEVY	67,365,169	72,207,217	4,842,048	7.2%

Factors That Cause Property Tax Changes

Many factors may cause the individual property tax statement to increase or decrease from year to year:

- New Voter approved referendums
- Changes in enrollment
- Levy adjustments to prior years
- Inflationary Adjustments
- Legislative changes
- Changes in market values
- Changes in class rates/history

Areas of significant change in Proposed Levy

Significant changes occurred in the following areas in this year's proposed levy

- Referendum – \$3.5m Increase
- Capital Projects Referendum – \$339k Increase
- LTFM – \$1.1m Increase
- Lease Levy - \$304k Increase
- Adjustments - \$1.4m Decrease
- Community Service - \$452k Decrease
- Debt Service – \$1.6m Increase

Major Areas of Change in Proposed Levy

Category: General Fund - Voter Approved Referendum Authority

Change: +\$3.5m

Use of Funds: Unrestricted general fund use

Cause of Change: Inflationary adjustments for current and prior year levies multiplied by prior year actual and current year estimated adjusted pupil units. Increased despite a decline in adjusted pupil units from prior year numbers. (Estimated -304 APU)

Major Areas of Change in Proposed Levy

Category: General Fund – Capital Project Referendum

Change: +\$339k

Use of Funds: Restricted general fund use – as established in approved Review & Comment

Cause of Change: Revenue is set at a % of Net Tax Capacity. With increasing NTC, the amount of revenue increases

Major Areas of Change in Proposed Levy

Category: General Fund – Long Term Facilities Maintenance

Change: +\$1.1m

Use of Funds: Restricted general fund use for deferred maintenance and health & safety projects for district facilities

Cause of Change: Increase in Health and Safety initiatives submitted to and approved by MDE in connection to the districts 10-year LTFM plan.

Major Areas of Change in Proposed Levy

Category: General Fund - Lease Levy

Change: +\$304k

Use of Funds: Renting or leasing of building space or land for instructional purposes or school district related storage.

Cause of Change: New lease agreement for centralized multi purpose warehouse space.

Major Areas of Change in Proposed Levy

Category: General Fund – Adjustments

Change: -\$1.4m

Use of Funds: Adjustments occur every year in various categorical funding areas

Cause of Change: Categorical accumulated adjustments from prior year actuals

Major Areas of Change in Proposed Levy

Category: Community Service

Change: -\$452k

Use of Funds: For Community Services related programs

Cause of Change: Adjustments occur due to verification of enrollment, changes in property valuations, etc.

Major Areas of Change in Proposed Levy

Category: Debt Service

Change: +\$1.6m

Use of Funds: Restricted to use for payment of semi-annual debt service payments

Cause of Change: Increase will be used for debt service payment on the issuance of LTFM bond series 2022A that was issued in fall of 2022.

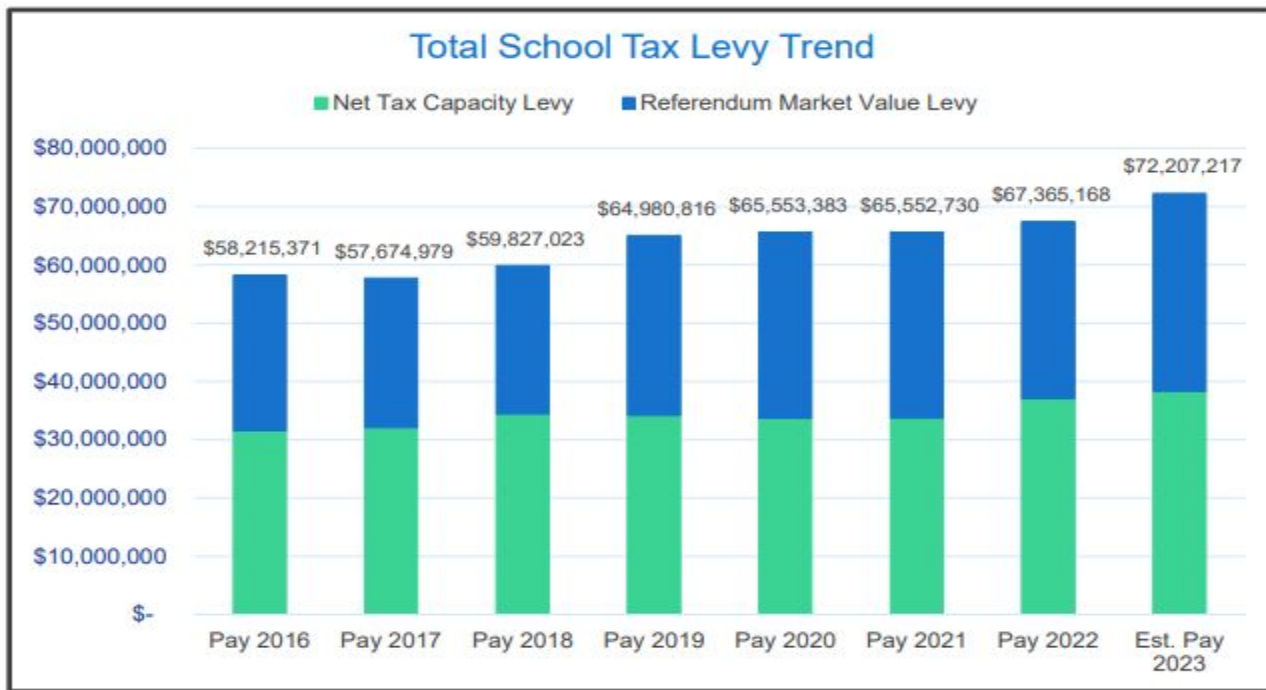


Impact on Taxpayer

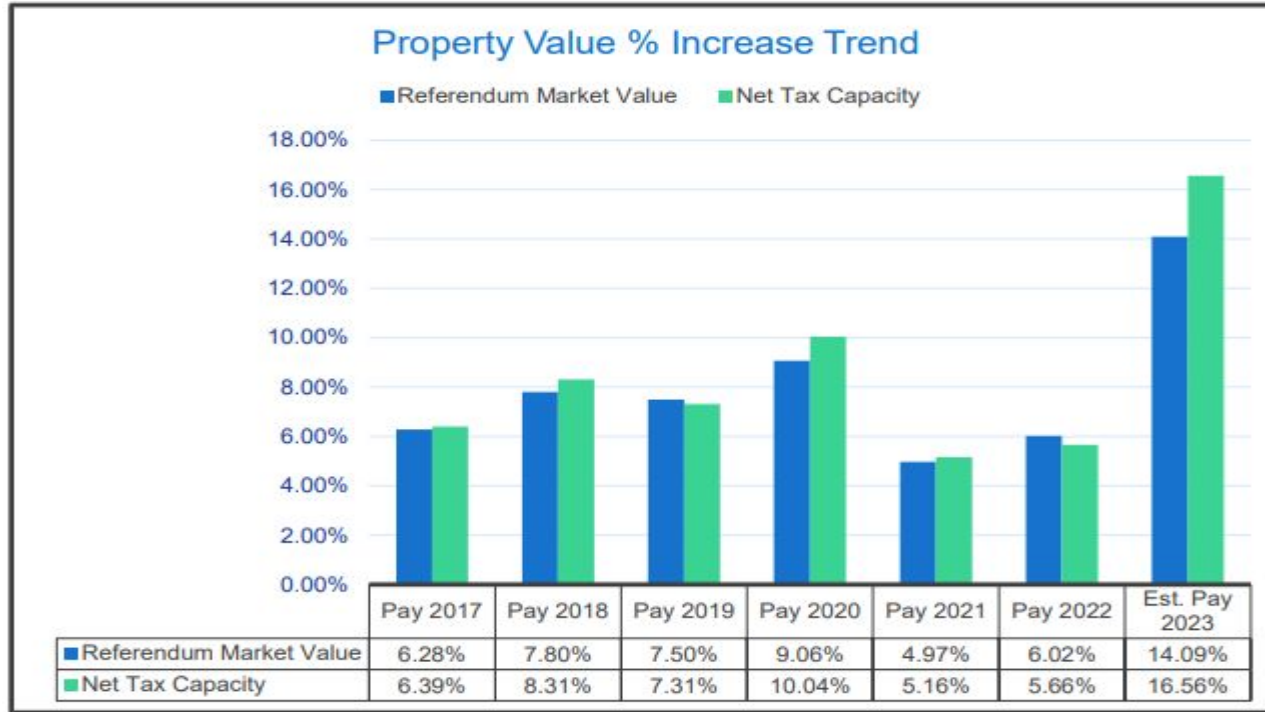
Impact on Taxpayer

- Following, are charts showing examples of changes in the School District portion of property taxes
- Examples include School District taxes only
- Figures for 2023 are estimates based on data available from the County (final figures may change slightly)

Tax Levy Trends



Tax Levy Trends



Property Tax Comparisons – Pay 2022 versus Pay 2023

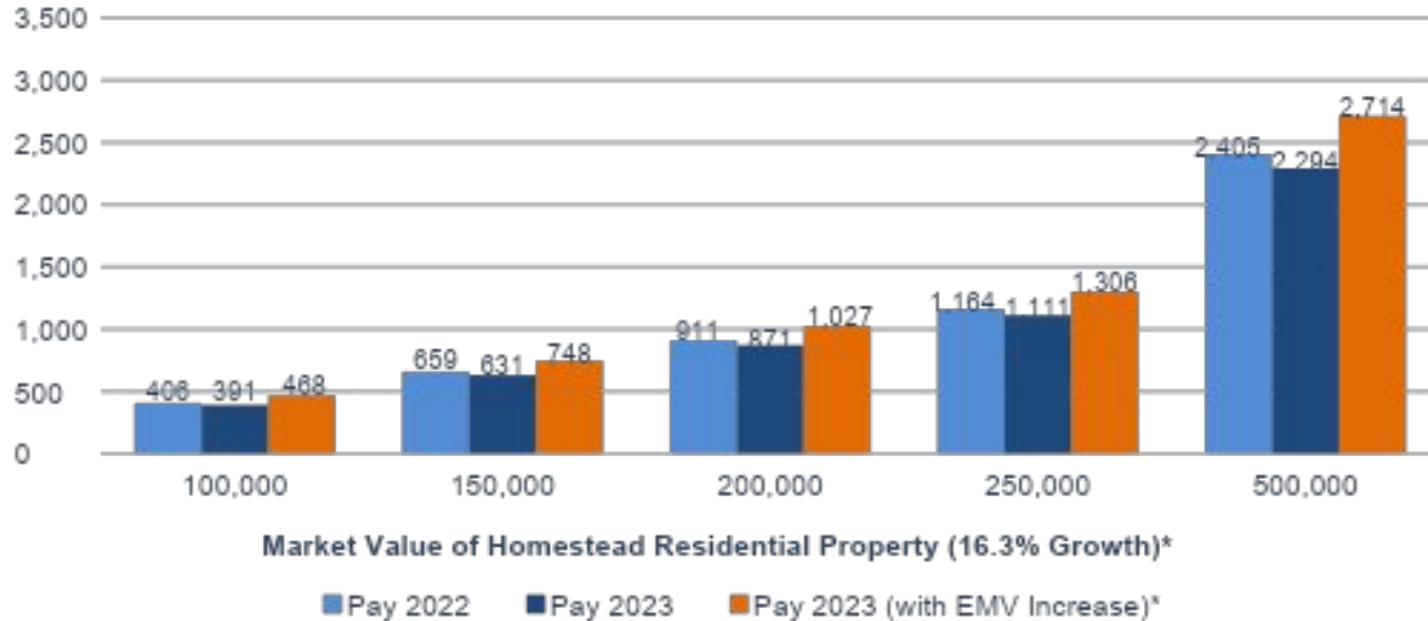
Summary			
	Pay 2022	Est. Pay 2023	% Change
Referendum Market Value	\$ 11,952,166,700	\$ 13,636,264,150	14.09%
RMV Tax Rate	0.21607%	0.21885%	1.29%
Net Tax Capacity	\$ 119,405,401	\$ 139,184,382	16.56%
NTC Tax Rate	26.50%	23.95%	-9.65%

Types of Property	Pay 2022 Value	Pay 2023 Est. Value	Pay 2022	Pay 2023	\$ Change	% Change
Residential Homestead	\$150,000	\$174,444	\$659	\$748	\$89	13.52%
	200,000	232,592	911	1,027	\$116	12.69%
	250,000	290,741	1,164	1,306	\$142	12.22%
	270,000	314,000	1,265	1,418	\$153	12.08%
	300,000	348,889	1,416	1,585	\$169	11.91%
	400,000	465,185	1,921	2,132	\$211	10.97%
	500,000	581,481	2,405	2,714	\$308	12.82%
Commercial / Industrial**	\$100,000	\$110,000	\$455	\$478	\$23	5.10%
	250,000	275,000	1,216	1,284	\$68	5.62%
	500,000	550,000	2,551	2,676	\$125	4.90%
	1,000,000	\$1,100,000	5,222	5,460	\$239	4.57%

*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

Property Tax Comparisons – Pay 2022 versus Pay 2023



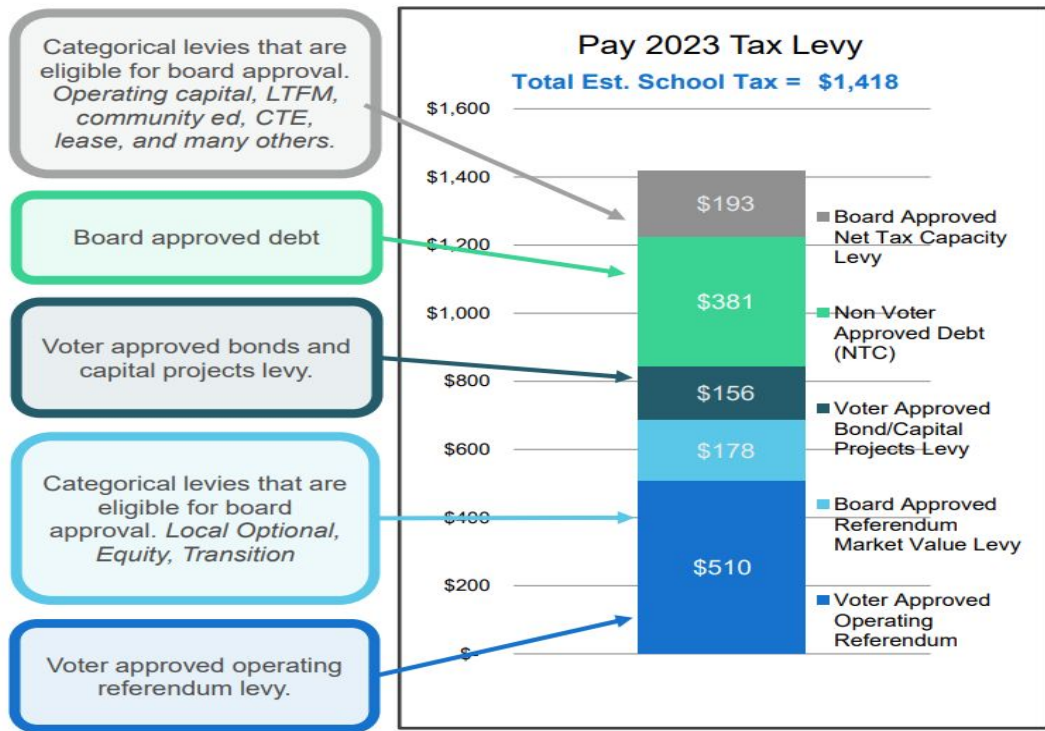
*Assumes estimated district-wide rate of growth of approximately 16.3% in median home value per Hennepin County 2022 Property Assessment Report.

Note: The estimated market value shown does not include the assumed growth rate. Represents the market value of the taxpayer in Pay 2022.

Robbinsdale Public School District

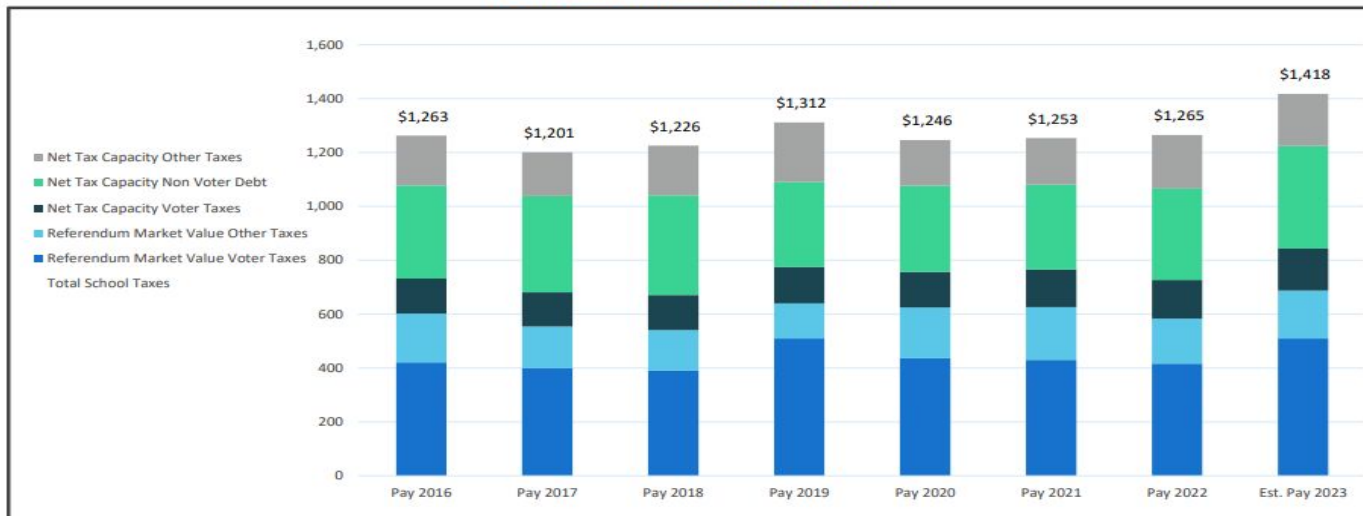
Pay 2023 Tax Levies for Residential Homestead

Home Value = \$314,000



Robbinsdale Public School District

Residential Homestead School Tax Trend



	Pay 2016	Pay 2017	Pay 2018	Pay 2019	Pay 2020	Pay 2021	Pay 2022	Est. Pay 2023
Home Value*	213,385	221,921	230,798	240,029	249,631	259,616	270,000	314,000
Referendum Market Value Voter Taxes	421	400	391	509	437	431	416	510
Referendum Market Value Other Taxes	181	154	150	131	188	196	167	178
Net Tax Capacity Voter Taxes	130	127	130	135	132	139	143	156
Net Tax Capacity Non Voter Debt	345	357	370	315	320	315	339	381
Net Tax Capacity Other Taxes	186	163	185	221	169	173	199	193
Total School Taxes	\$ 1,263	\$ 1,201	\$ 1,226	\$ 1,312	\$ 1,246	\$ 1,253	\$ 1,265	\$ 1,418

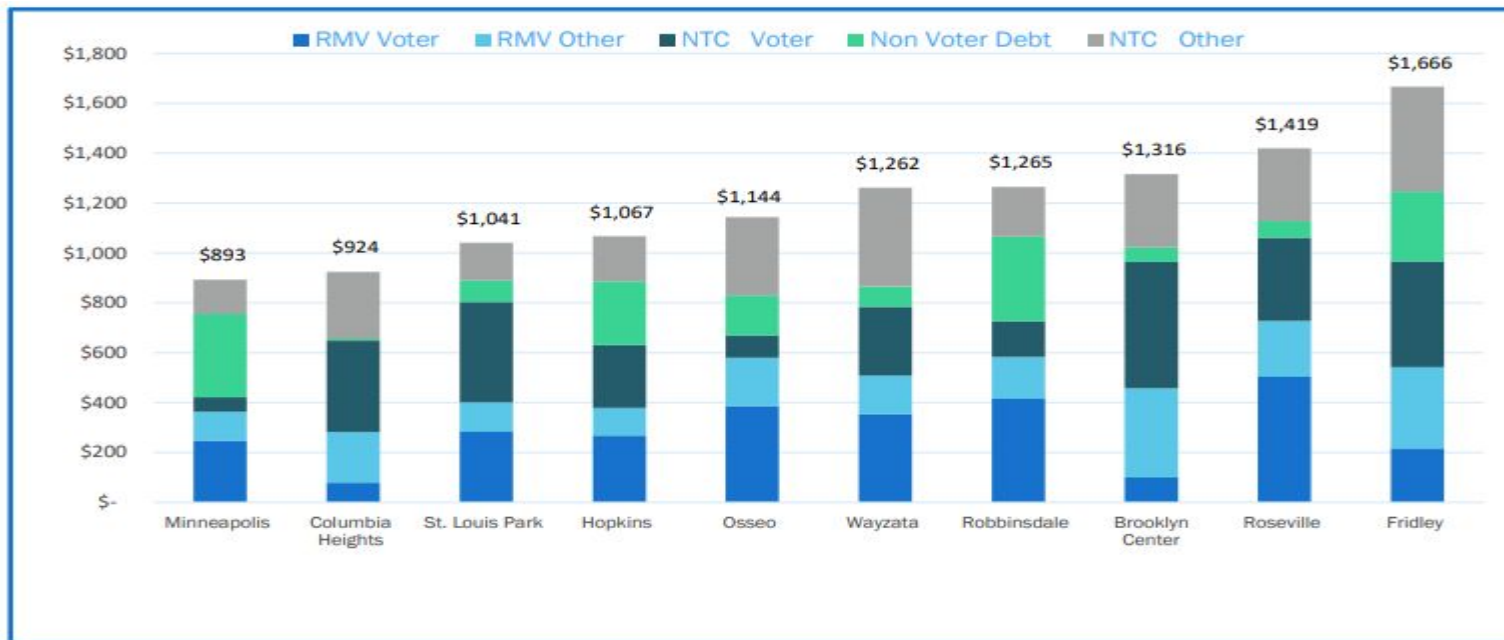
*The chart assumes a 4% annual increase in the home value for taxes payable from 2016 to 2022. A 16.2961% increase in value is assumed for taxes payable in 2023.

Property Tax Comparisons – Surrounding Districts

#	District Name	Home Value	RMV Voter	RMV Other	NTC	Voter	Non Voter Debt	NTC	Other	Total	Levy
1.2	Minneapolis	270,000	\$ 248	\$ 115	\$ 58	\$ 334	\$ 138			\$ 893	
13	Columbia Heights	270,000	\$ 79	\$ 202	\$ 366	\$ 7	\$ 269			\$ 924	
283	St. Louis Park	270,000	\$ 283	\$ 118	\$ 403	\$ 87	\$ 151			\$ 1,041	
270	Hopkins	270,000	\$ 269	\$ 110	\$ 252	\$ 255	\$ 182			\$ 1,067	
279	Osseo	270,000	\$ 387	\$ 193	\$ 90	\$ 160	\$ 314			\$ 1,144	
284	Wayzata	270,000	\$ 355	\$ 154	\$ 276	\$ 81	\$ 397			\$ 1,262	
281	Robbinsdale	270,000	\$ 416	\$ 167	\$ 143	\$ 339	\$ 199			\$ 1,265	
286	Brooklyn Center	270,000	\$ 100	\$ 358	\$ 507	\$ 58	\$ 294			\$ 1,316	
623	Roseville	270,000	\$ 504	\$ 223	\$ 334	\$ 66	\$ 292			\$ 1,419	
14	Fridley	270,000	\$ 217	\$ 325	\$ 423	\$ 280	\$ 420			\$ 1,666	
Group Average			\$ 298	\$ 194	\$ 272	\$ 182	\$ 259			\$ 1,206	

Data sourced from Minnesota Department of Education Pay 2022 School Tax Report

Property Tax Comparisons – Surrounding Districts



Data sourced from Minnesota Department of Education Pay 2022 Tax Report



Minnesota Property Tax Refunds



Minnesota Property Tax Refunds

Two different tax refund program available from the state

- Minnesota Property Tax Refund
(aka “circuit breaker” refund)
- Special Property Tax Refund

Complete form M-1PR

For help with the forms and instructions contact:

- Your tax professional
- Minnesota Department of Revenue
 - (651) 296-4444
 - www.taxes.state.mn.us

Comments and Questions

