

FOCUSED FORUM TAXES PAYABLE 2020



Meeting Goals

- Explanation of the property tax statement (school portion only)
- Discussion of taxes payable 2020
- Discussion of FY 19-20 budget
- Comments



2020 PROPOSED PROPERTY TAX STATEMENT

Independent School District 621

1. Voter Approved Levies
2. Other Local Levies



SCHOOL PORTION OF YOUR TAX STATEMENT

1. VOTER APPROVED LEVIES:

- 1999 **bond levy** for \$80 million for building renovations
- 2017 **bond levy** for \$164.8 million for building renovations
- 2019 **operating levy** for \$1735 per student



SCHOOL PORTION OF YOUR TAX STATEMENT

2. STATE AUTHORIZED LEVIES (Other Local Levies)

- **Operating Capital**
- **Safe Schools**
- **Building Leases**
- **Long-Term Facilities**
- **Alternative Teacher Compensation**
- **Location Equity**
- **Other Debt Service**



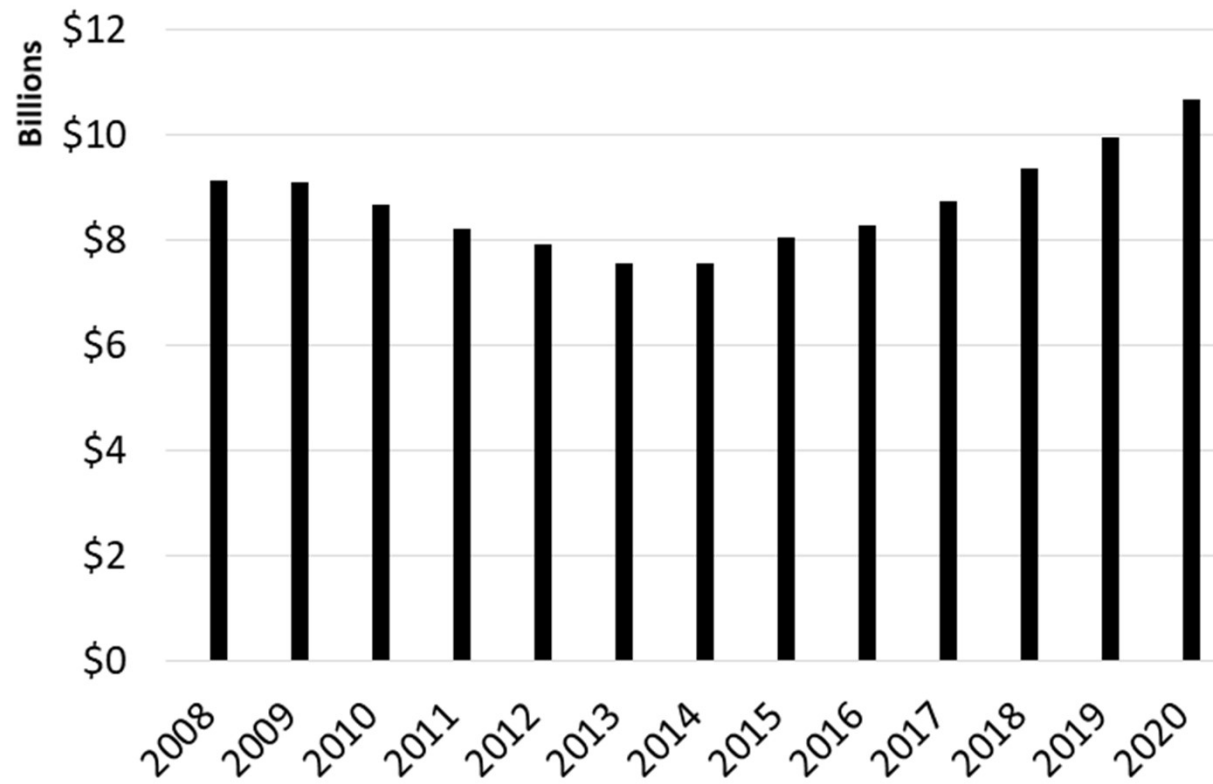
**WHAT VARIABLES WOULD
CAUSE THE SCHOOL PORTION
OF YOUR TAXES TO INCREASE
OR DECREASE?**

What the District can't control:

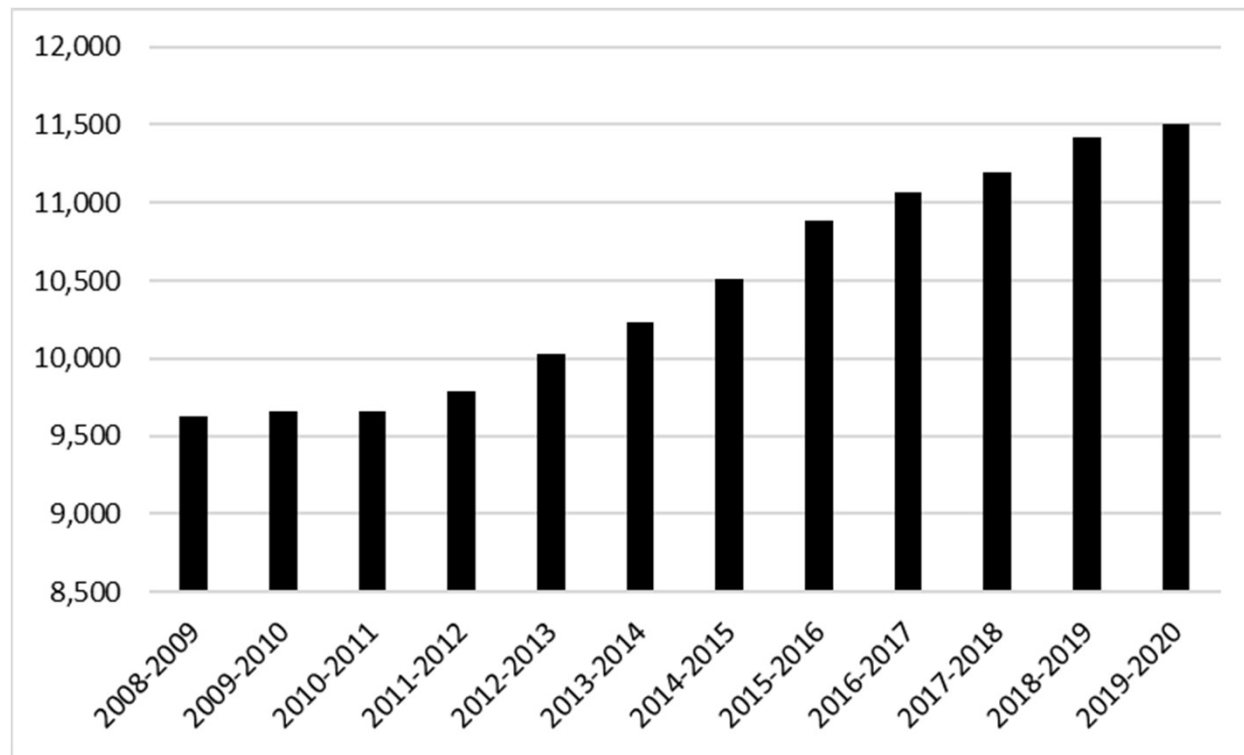
- 1. Changes in market values**
- 2. State formulas and mandates**
- 3. Changes in enrollment**



Changes in Market Value



Student Enrollment (October 1st)



WHAT VARIABLES WOULD CAUSE THE SCHOOL PORTION OF YOUR TAXES TO INCREASE OR DECREASE?

What the District can consider:

- 1. Mission, vision & goals of the District**
- 2. Level of service provided with each levy authority**



Taxes Payable 2020 Summary

- The taxes for 2020 are projected to increase \$12.7 million or 25% from the prior year.
- The increase is a combination of many funding formulas.
 - ❖ The General Fund increases by \$13.1 million, which is mainly the result of a voter approved levy in November 2019.
 - ❖ The Debt Service Fund decreased by \$400,000 which is due to interest savings from refunding bonds.
- The change in the school's portion of taxes for property owners will vary based on many factors. A median-valued home across the communities in our district will see the school portion of their taxes range from an increase of \$263 to an increase of \$512 annually.



THE FINAL SCHOOL TAX LEVY FOR 2020

SUMMARY:

Description	Payable 2019	Payable 2020	Dollar Increase	Percentage Increase
General	\$30,711,023.48	\$43,861,326.79	\$13,150,303.31	42.82%
Community Service	\$1,014,506.40	\$1,024,253.90	\$9,747.50	0.96%
Debt Service	\$18,662,334.70	\$18,228,386.52	(\$433,948.18)	-2.33%
Total Proposed Levy	<u>\$50,387,864.58</u>	<u>\$63,113,967.21</u>	<u>\$12,726,102.63</u>	<u>25.26%</u>



BUDGET SUMMARY 2019-2020

	<u>REVENUE</u>	<u>EXPENDITURES</u>
General Fund	<u>\$158,687,937</u>	<u>\$160,104,392</u> *
Nutrition Service Fund	6,238,186	6,238,186
Community Service Fund	6,752,541	6,655,351
Buidling Construction Fund	3,375,500	44,327,418 *
Debt Service Fund	<u>19,043,784</u>	<u>19,043,378</u>
Total All Funds	<u><u>\$194,097,948</u></u>	<u><u>\$236,368,725</u></u>

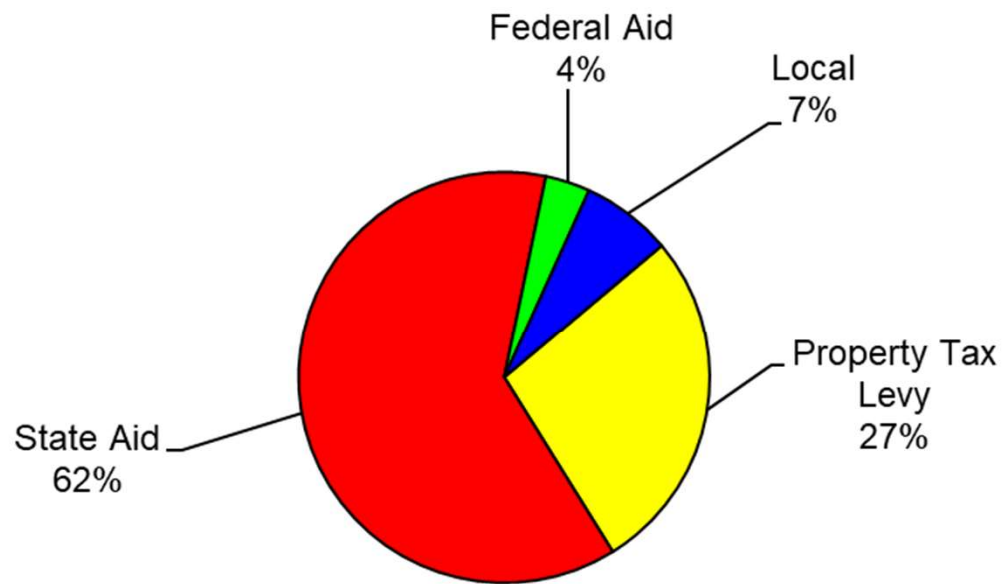
* Both the General Fund and the Building Construction Fund have reserve balances to cover the gap between revenues and expenditures.



APPROVED REVENUE BUDGETS

2019-2020

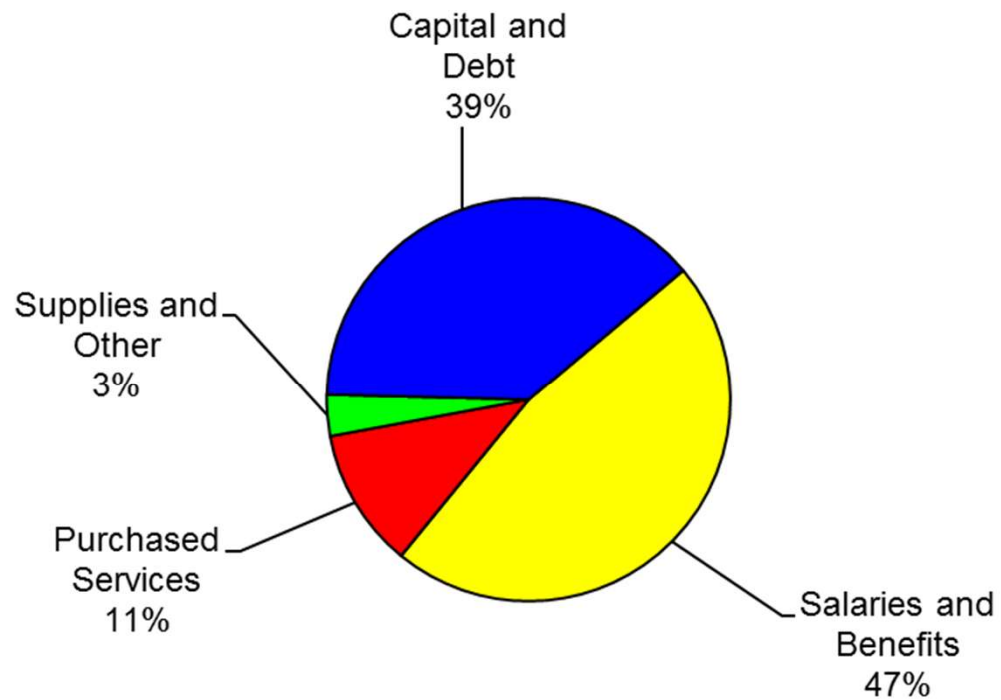
(\$194,079,948)



APPROVED EXPENDITURE BUDGETS

2019-2020

(\$236,368,725)



MAJOR COMPONENTS for the 2020-2021 BUDGET

Expenditure Adjustments

- **Salary & benefit negotiations**
- **Staffing levels**
- **Transportation costs**
- **Property & liability insurance**
- **Utility costs**

Revenue Adjustments

- **Enrollment changes**
- **Legislative changes**
- **Participation fees**
- **Grant changes**



MINNESOTA PROPERTY TAX RELIEF

Minnesota Homestead Credit Refund

- Has existed since 1970 and available each year
- Annual income limits apply
- Complete MN State Tax form M-1PR

Minnesota Special Property Tax Refund

- Available each year
- No annual income limits
- Available to properties with gross tax increases greater than 12%
- Complete MN State Tax form M-1PR

More Information is available on the state's web page at
[**www.revenue.state.mn.us**](http://www.revenue.state.mn.us)



To Summarize

- Public schools have a process to follow in order to authorize tax levies.
- Tax revenues are an important component of school district budgets.
- An individual's property tax liability is influenced by many factors.
- The taxes collected for the School District in 2020 will increase by \$12.7 million or 25% from taxes collected in 2019.
- Mounds View Public Schools will certify the final tax levy at the regular December 10th School Board meeting.

Public Comment

