



Property Tax Levy Taxes Payable 2024

*School Board Meeting, December 12,
2023*



Property Tax Levies and Schools

- Property tax levies are one important source of funding for schools.
- **The State of Minnesota** is highly regulated and has the responsibility to set formulas determining the maximum level of funding school districts can levy.
 - School districts are allowed to levy *less* than the maximum which often results in a corresponding loss of state aid.
- **The Counties** also play a part in how school district levies are spread by determining the value of each land parcel in the district.

Truth in Taxation Law

The state's **Truth in Taxation Law** requires school districts to present the following information and allow for public comment:

- 1. Current year budget**
- 2. Proposed property tax levy, including:**
 - Percentage increase or decrease over the prior year
 - Specific purposes and reasons for which taxes have significantly changed

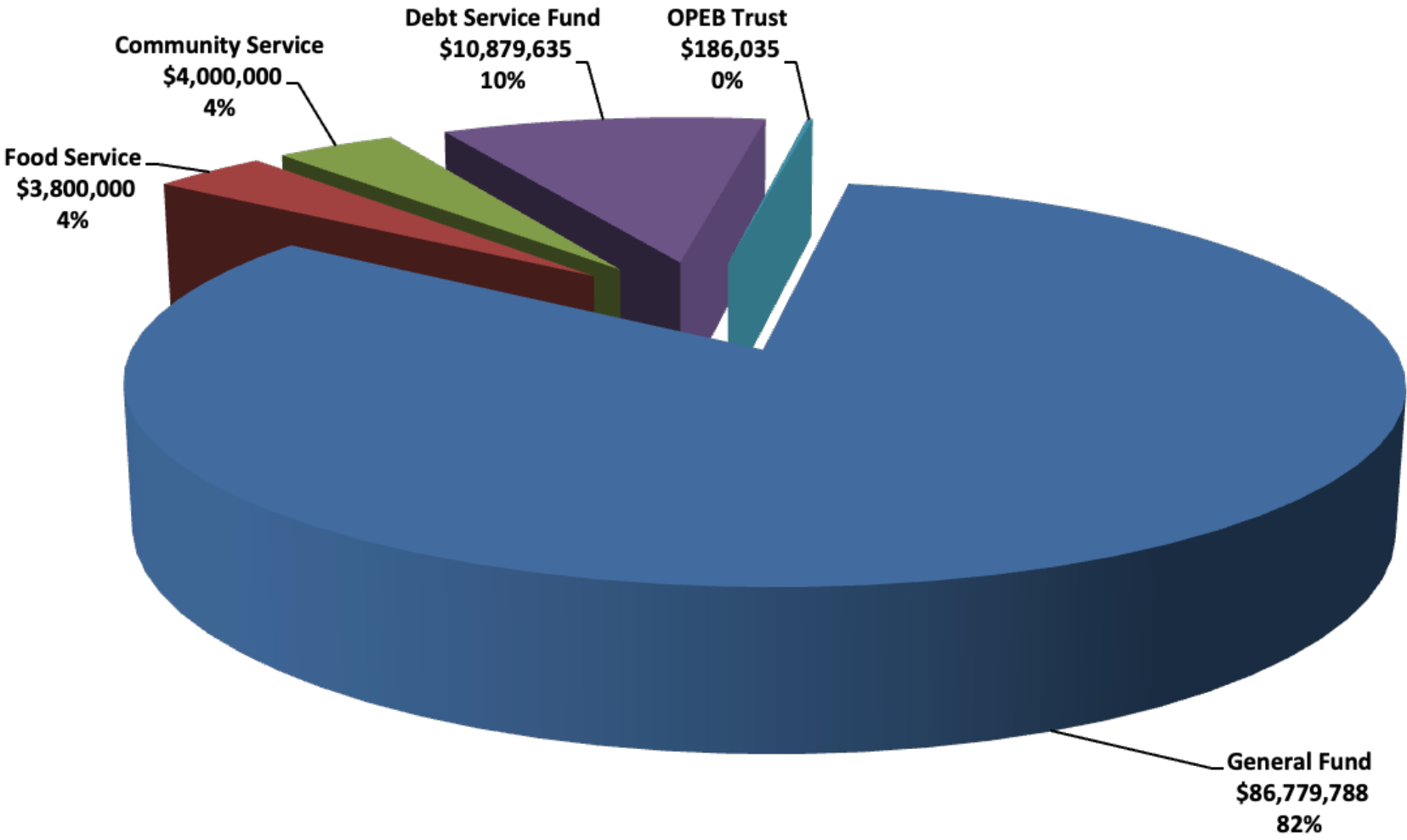
2023-2024 Budget

2023-2024 Budget

	Revenue Budget 2023-24	Expenditure Budget 2023-24
General Fund		
General Operations	\$ 82,073,205	81,670,180
Capital Account	2,209,841	2,232,092
Long Term Facilities Maintenance	2,496,742	2,748,900
General Fund	\$ 86,779,788	\$ 86,651,172
Food Service Fund	3,800,000	3,800,000
Community Service Fund	4,000,000	4,000,000
Debt Service Fund	10,879,635	10,735,150
OPEB Debt Service Fund	186,035	253,305
Total All Funds	\$ 105,645,458	\$ 105,439,627

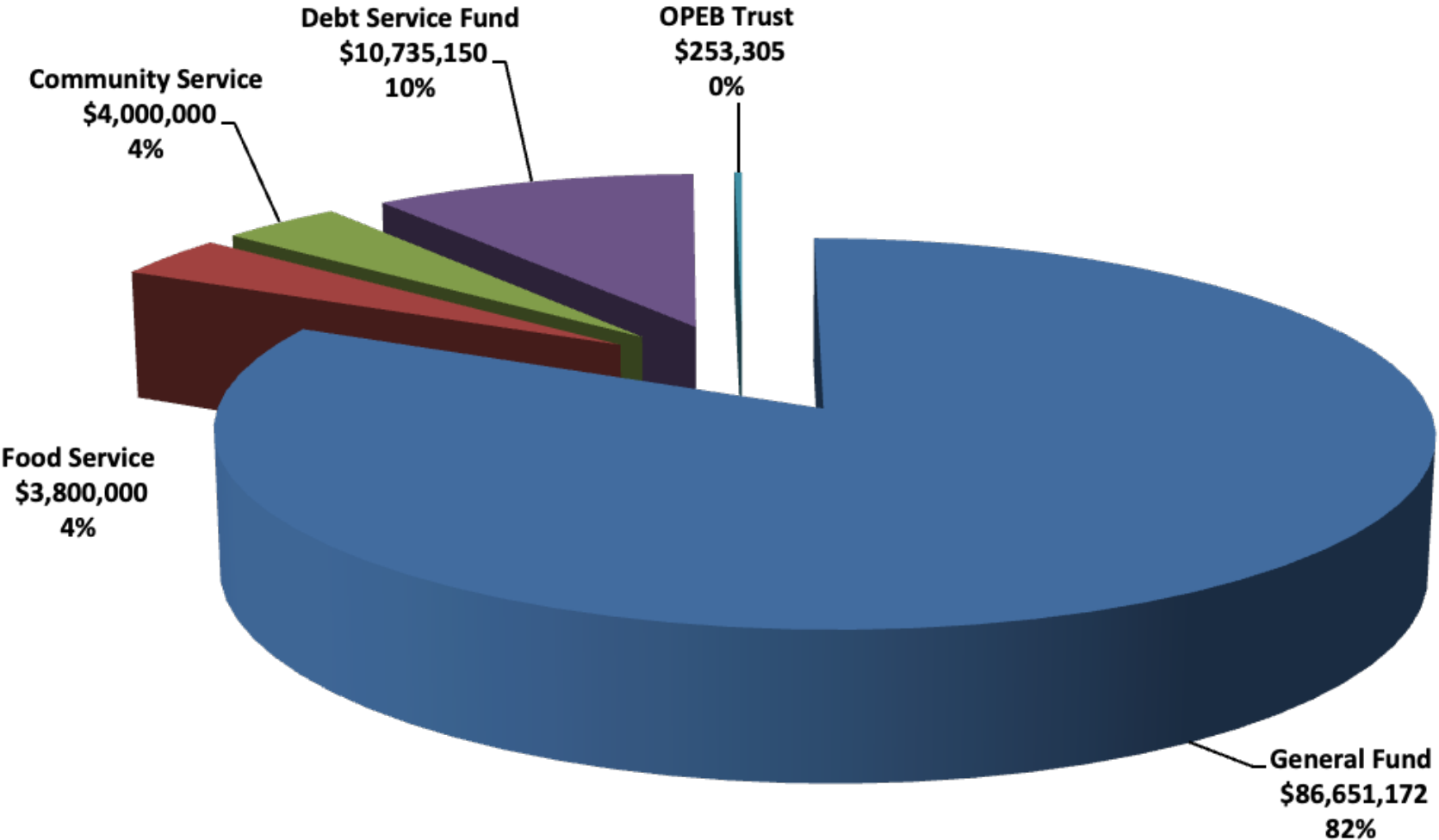
2023-2024 Budget - Revenues

All Funds



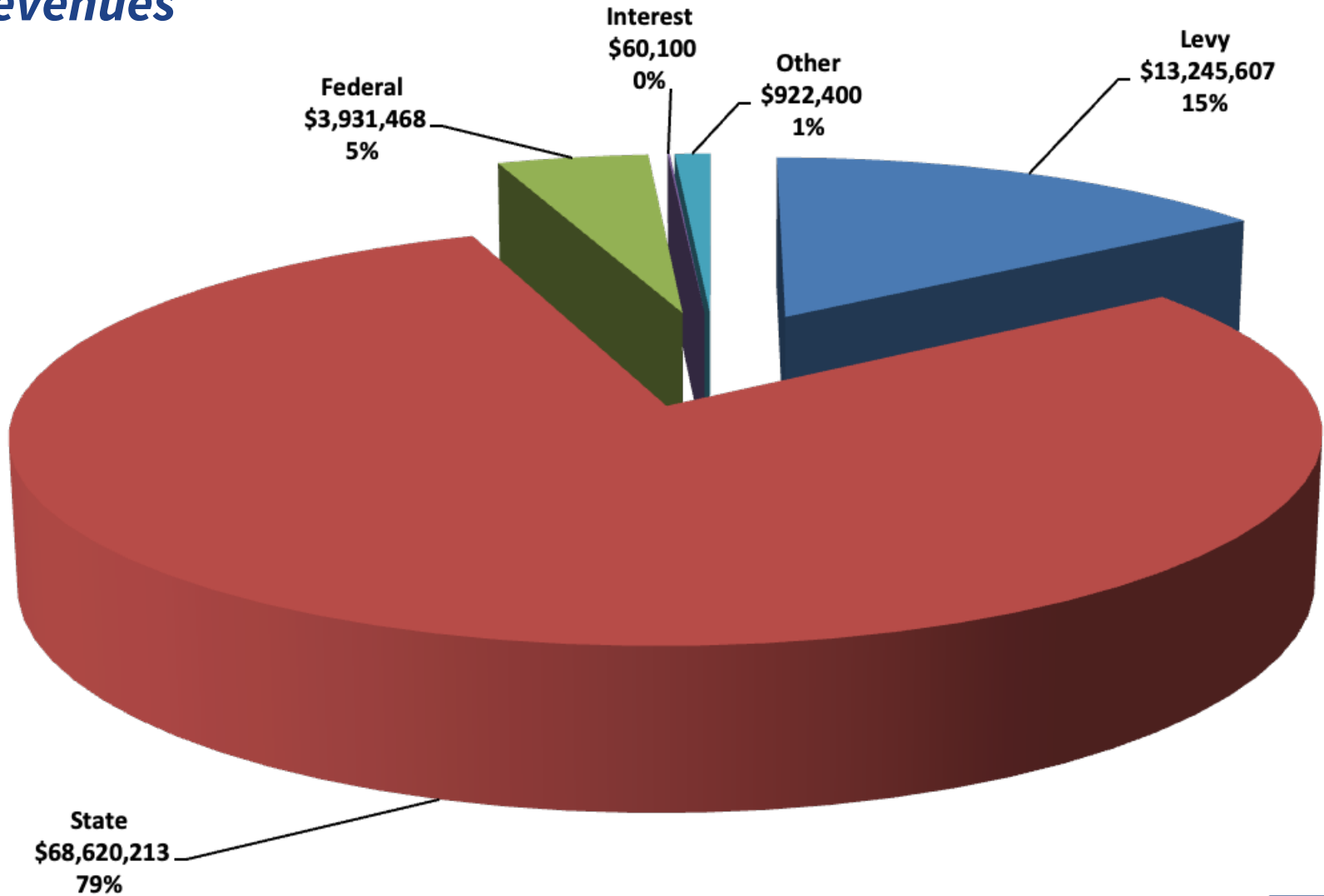
2023-2024 Budget - Expenditures

All Funds



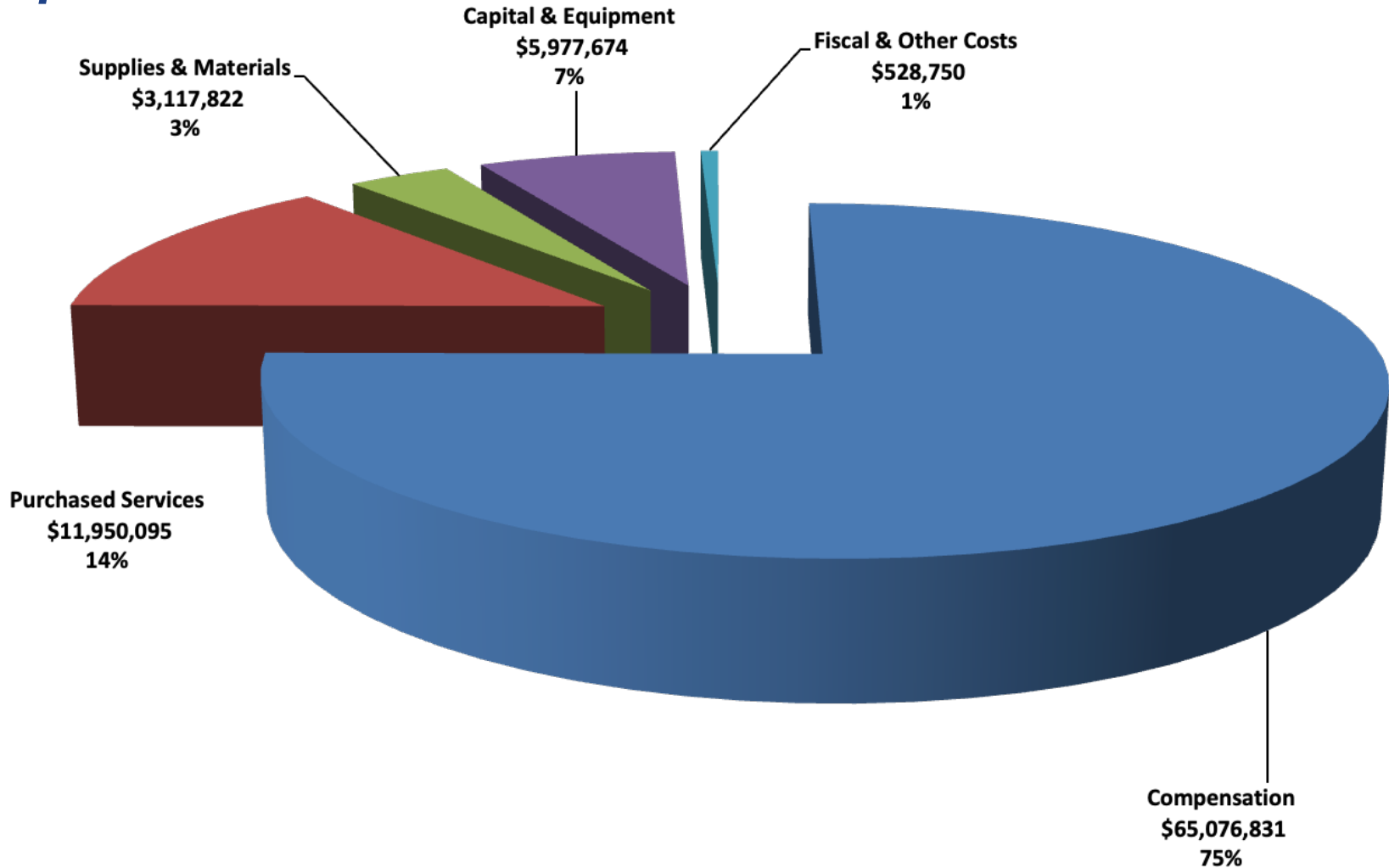
2023-2024 Budget – General Fund

Revenues



2023-2024 Budget – General Fund

Expenditures



2023-2024 Budget Review Process

- The Spring Lake Park Schools' budget is reviewed internally several times during the school year.
- Informal updates are given to the school board throughout the year.
- Revisions for the 2023-2024 budget, if necessary, will be brought to the school board for approval prior to June 2024.

Property Taxes Payable 2024

Levy Calendar

Key milestones:

- **Summer 2023:** Data submissions to MN Department of Education
- **September 2023:** Preliminary levy approval by school board
- **November 2023:** Preliminary tax statements mailed by county
- **December 2023:** Final levy approval by school board

Taxes related to this levy are collected during the 2024 calendar year, generating revenue for the 2024-2025 school year.

How Components Are Calculated

- Levy formulas are set by the legislature and determine the maximum amount of funding the school district can levy.
- Each component has its own formula calculated on one, or a combination of student enrollment, actual expenditures, property values.
- Levy amounts can fluctuate year-to-year based on property values in the school district and/or the amounts of revenue the school district generates compared to other metro school districts.
- Formulas determine if the state will subsidize a portion of the tax levy, replacing that portion of property taxes with state aid (referred to as equalization). Equalization reduces taxes for taxpayers while keeping school district funding the same.

Total Levy by Fund

Fund	Proposed 2024 Levy	Final 2023 Levy	Change	Percent Change
General	\$ 13,448,051	\$ 13,110,607	\$ 337,444	2.57 %
Community Service	\$ 497,490	\$ 502,711	\$ (5,221)	(1.04) %
Debt Service	\$ 10,913,222	\$ 10,679,635	\$ 233,587	2.19 %
OPEB Debt Service	\$ 257,006	\$ 176,035	\$ 80,971	46.00 %
	\$ 25,115,769	\$ 24,468,988	\$ 646,781	2.64 %

Levy Components

General Fund

	Proposed 2024 Levy	Final 2023 Levy	Change	Percent Change
Referendum Authority	\$ 1,255,330	\$ 1,297,144	\$ (41,814)	(3.22) %
Local Option *	4,629,851	4,494,546	135,305	3.01 %
Transition	307,846	318,101	(10,255)	(3.22) %
Equity	1,013,994	1,047,769	(33,775)	(3.22) %
Capital Projects Referendum	1,813,614	1,558,802	254,812	16.35 %
Operating Capital *	654,145	548,354	105,791	19.29 %
Alternative Teacher Comp	554,202	580,477	(26,275)	(4.53) %
Safe Schools/Crime	330,043	341,037	(10,994)	(3.22) %
Achievement & Integration	365,636	361,993	3,643	1.01 %
Lease	766,107	782,192	(16,085)	(2.06) %
Career Technical	227,338	185,901	41,437	22.29 %
LT Facilities Maintenance *	1,675,460	1,700,925	(25,465)	(1.50) %
Unemployment	50,000	75,000	(25,000)	(33.33) %
Adjustments	(414,910)	(227,977)	(186,933)	82.00 %
Abatements	219,395	46,343	173,052	373.42 %
	\$ 13,448,051	\$ 13,110,607	\$ 337,444	2.57 %

* Equalized levies where aid is received

Changes to General Fund Levy

Significant changes include:

- Increase in Capital Projects Referendum is due to an increase in market values.
- Increases to Local Option and Operating Capital levies are due to an increase in market values which result in a corresponding decrease in state equalization aid.

Levy Adjustments & Abatements

The Adjustments and Abatements components to the levy reflect a “clean up” to previous levies.

- **Adjustments:** Levies are set seven months prior to the start of the school year for which the funds are levied. Once a year is complete and the actual data for that school year is available, adjustments for final student counts and expenditures are compared to the initial levy and adjustments are made accordingly.
- **Abatements:** Reflect changes to property values by the county. If a parcel has its value decreased on appeal, the taxes collected are reduced. The reduction is then added to future levies and re-spread to all taxpayers.

Levy Components

Community Service Fund

	Proposed 2024 Levy	Final 2023 Levy	Change	Percent Change
Basic Levy	\$ 250,553	\$ 253,491	\$ (2,938)	(1.16) %
Early Childhood	\$ 133,810	\$ 138,678	\$ (4,868)	(3.51) %
Home Visitation	\$ 3,058	\$ 2,592	\$ 466	17.98 %
Adults with Disabilities	\$ 4,009	\$ -	\$ 4,009	na %
School Age Care	\$ 115,000	\$ 95,000	\$ 20,000	21.05 %
Adjustments	\$ (16,708)	\$ 11,590	\$ (28,298)	(244.16) %
Abatements	\$ 7,768	\$ 1,360	\$ 6,408	471.18 %
	\$ 497,490	\$ 502,711	\$ (5,221)	(1.04) %

For an explanation on Adjustments and Abatements, see previous slide

Levy Components

Debt Service Fund

	Proposed 2024 Levy	Final 2023 Levy	Change	Percent Change
Required Levy of 105% of Scheduled Principal & Interest Payments	\$ 11,238,204	\$ 11,268,759	\$ (30,555)	(0.27) %
Adjustments	\$ (483,862)	\$ (629,767)	\$ 145,905	(23.17) %
Abatements	\$ 158,880	\$ 40,643	\$ 118,237	290.92 %
	\$ 10,913,222	\$ 10,679,635	\$ 233,587	2.19 %

Bond principal and interest payments decreased per bond amortization schedule.

For an explanation on Adjustments and Abatements, see previous slide.

Levy Components

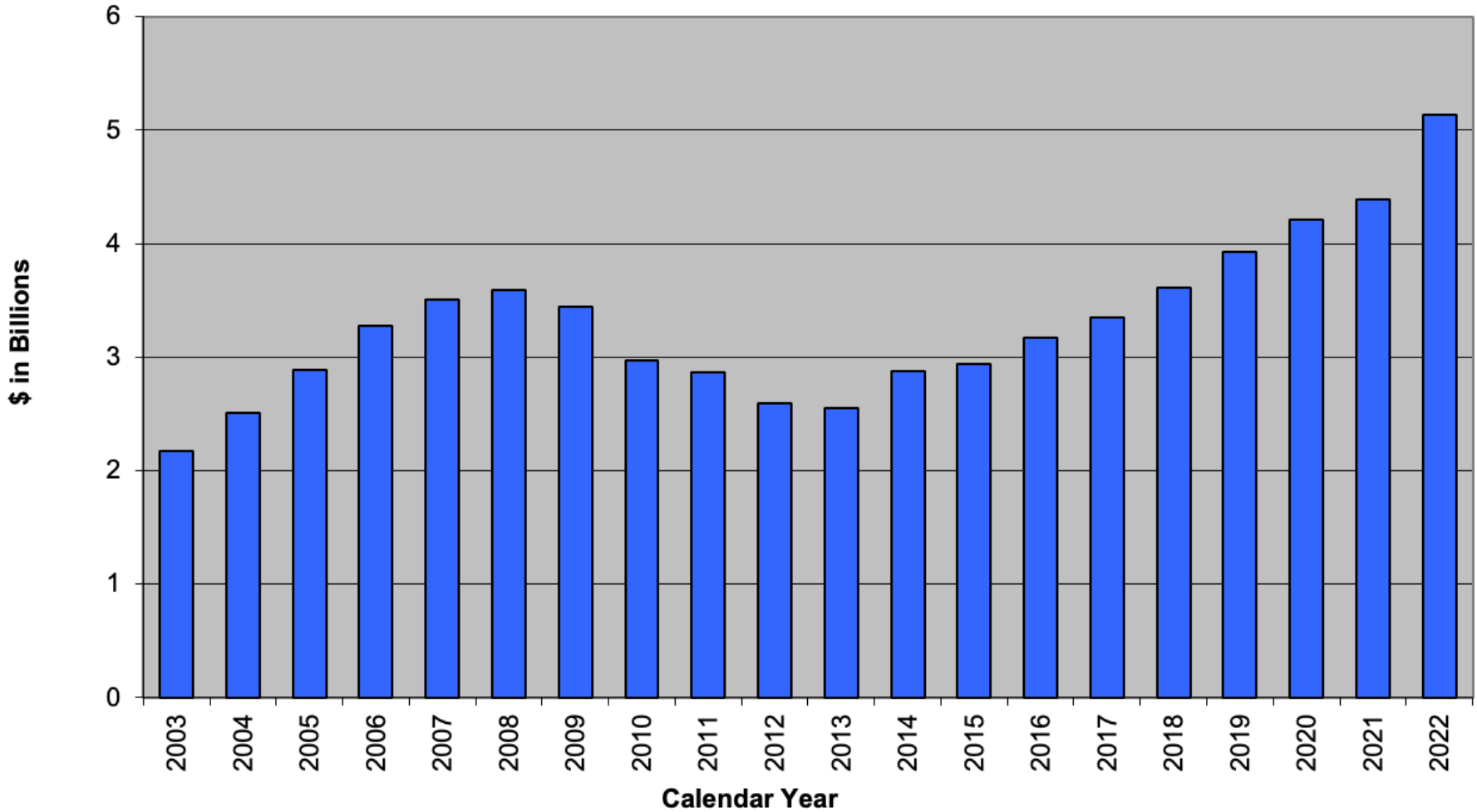
OPEB Debt Service Fund

	<u>Proposed 2024 Levy</u>	<u>Final 2023 Levy</u>	<u>Change</u>	<u>Percent Change</u>
Required Levy of 105% of Scheduled Principal & Interest Payments	\$ 293,281	\$ 264,921	\$ 28,360	10.71 %
Adjustments	\$ (41,736)	\$ (93,033)	\$ 51,297	(55.14) %
Abatements	\$ 5,461	\$ 4,147	\$ 1,314	31.69 %
	\$ 257,006	\$ 176,035	\$ 80,971	46.00 %

Bond principal and interest payments increased per bond amortization schedule.

For an explanation on Adjustments and Abatements, see previous slide.

Market Value Changes Over Time



Applying for Tax Relief

Minnesota has three property tax programs to assist residents with their property tax liability:

- Property Tax “Circuit Breaker” Refund
- Special Property Tax Refund
- Senior Citizen Property Tax Deferral

Please contact your tax professional or visit the Department of Revenue website at www.taxes.state.mn.us for additional information or to learn if you qualify for a refund.

Responsibly Managing Resources

What Spring Lake Park Schools does to keep property taxes down

- **Under-levying** is one way in which the district has historically accomplished lower property taxes for residents
- **Bond refunding** – refinancing existing debt at lower interest rates – has reduced future tax levies by a total of \$11,092,975. All savings from each bond refunding is passed on to taxpayers, and the owners of an average valued home are seeing an annual savings of over \$120 per year.
 - 2010 resulted in savings of \$475,734
 - 2014 resulted in savings of \$6,131,671
 - 2015 resulted in savings of \$4,353,421
 - 2017 resulted in savings of \$1,994,880
 - 2018 resulted in savings of \$132,149
 - Refunding opportunities are reviewed every six months, or sooner if markets are highly favorable



Public Comment Period

SLP