

TRUTH IN TAXATION

**PUBLIC HEARING FOR
TAXES PAYABLE IN 2024**

December 11, 2023

MERT WOODARD

Director of Finance & Operations



DEFINING EXCELLENCE

STATUTORY REQUIREMENTS

- Public meeting between November 25th and December 28th at 6:00 pm or later
- All government agencies with taxing authority must hold a meeting
- The final certified levy may be adopted at the same meeting
- Must allow for public comment
- A presentation of the current year budget and proposed property tax levy is required

HEARING AGENDA

- Background Information on School Funding
- District's Budget
- District's Proposed Property Tax Levy for Taxes Payable in 2024
- Public Comment

STATE REGULATED FUNDING

The State of Minnesota regulates all major funding for public school districts:

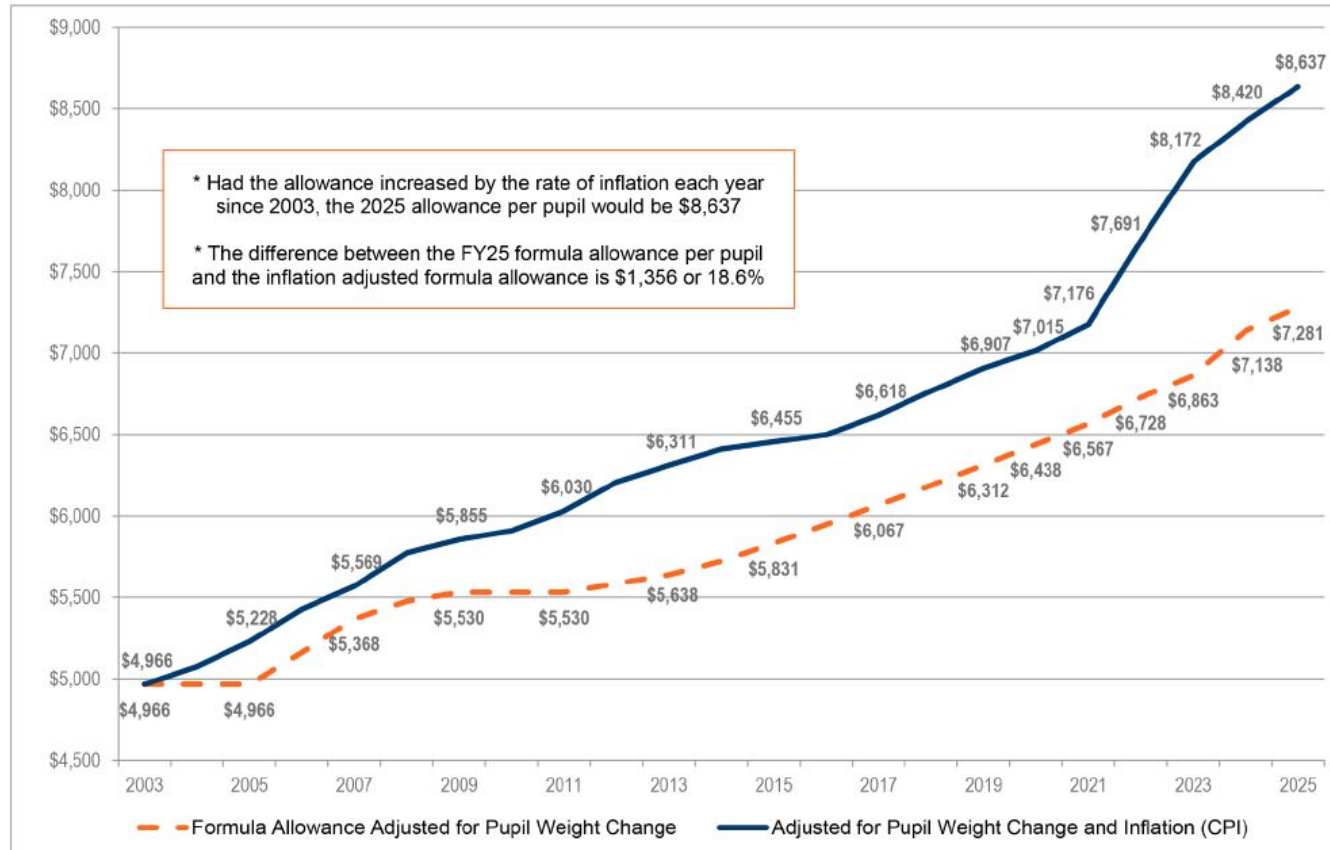
- The state sets formulas that determine revenue - most revenue is based on specific amounts per student
- Determines the amount of taxing authority each school district has access to
- Authorizes school districts to generate additional funds through voter-approved referendums

BASIC GENERAL EDUCATION FORMULA

- Primary funding source for all public school districts in the state
- For fiscal year 2023-24, an increase of 4.0% or \$275 over 2022-23
- For fiscal year 2024-25, an increase of 2.0% or \$143 over 2023-24
- Over the last 20 years, the formula allowance has significantly lagged behind inflation
- The State Legislature agreed to tie future formula increases to inflation beginning with 2025-26, with a floor of 2.0% and cap of 3.0%

BASIC GENERAL EDUCATION FORMULA (2003-2025)

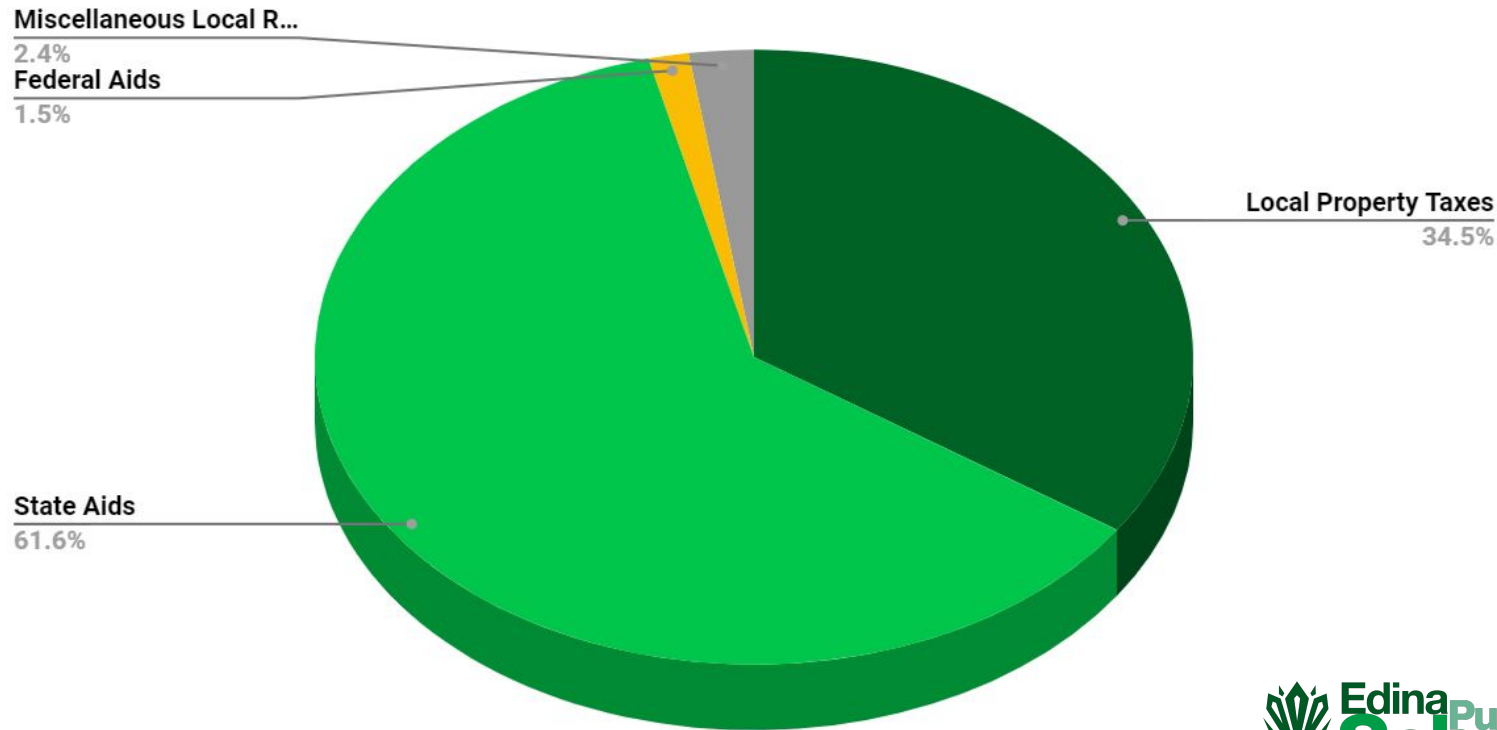
Adjusted for Inflation (CPI)



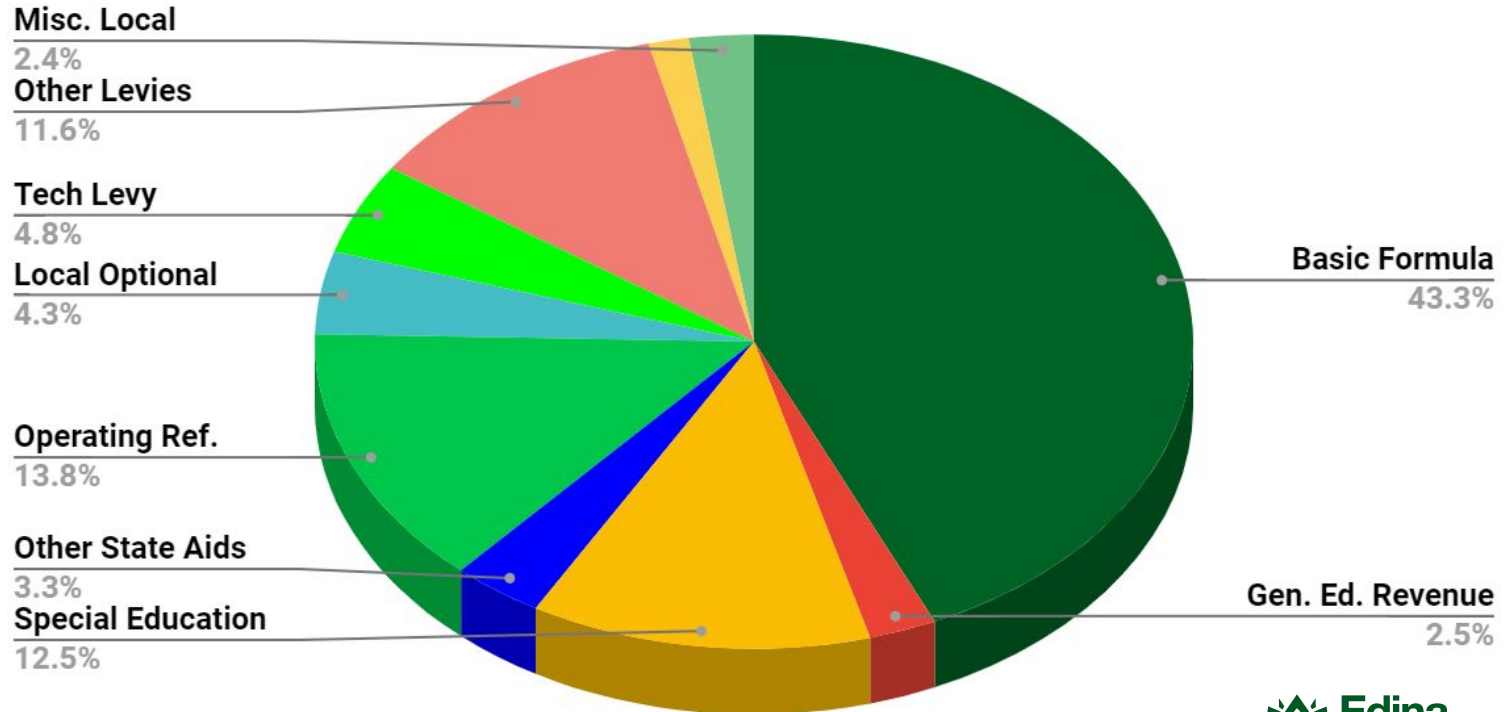
FISCAL YEAR 2024 BUDGET

Fund	Revenues		Expenditures	
	Amount	% of Total	Amount	% of Total
General	\$154,449,311	80.40%	\$149,411,639	75.61%
Food Service	3,749,153	1.95%	3,749,153	1.90%
Community Service	12,081,362	6.29%	11,892,848	6.02%
Building Construction	6,642,886	3.46%	17,092,568	8.65%
Debt Service	14,299,501	7.44%	14,587,840	7.38%
Internal Service	870,000	0.45%	870,000	0.44%
Total	\$192,092,213	100.00%	\$197,604,048	100.00%

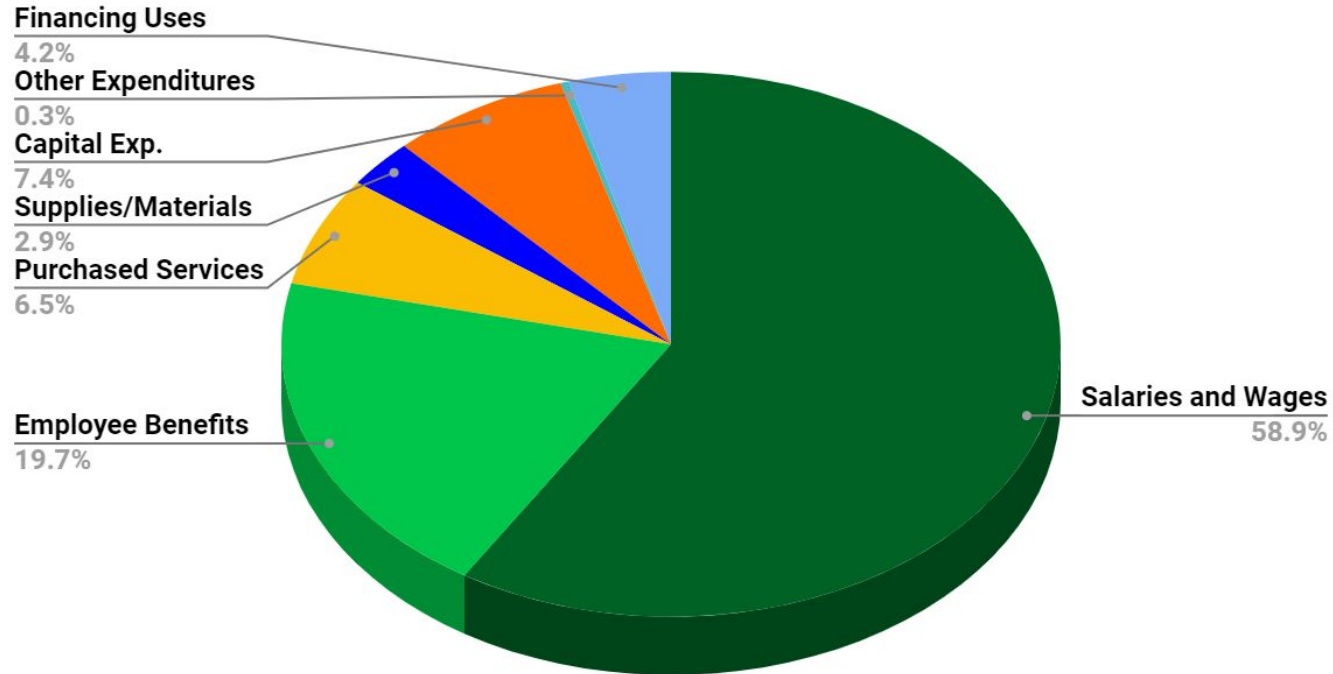
GENERAL FUND - REVENUE SOURCES



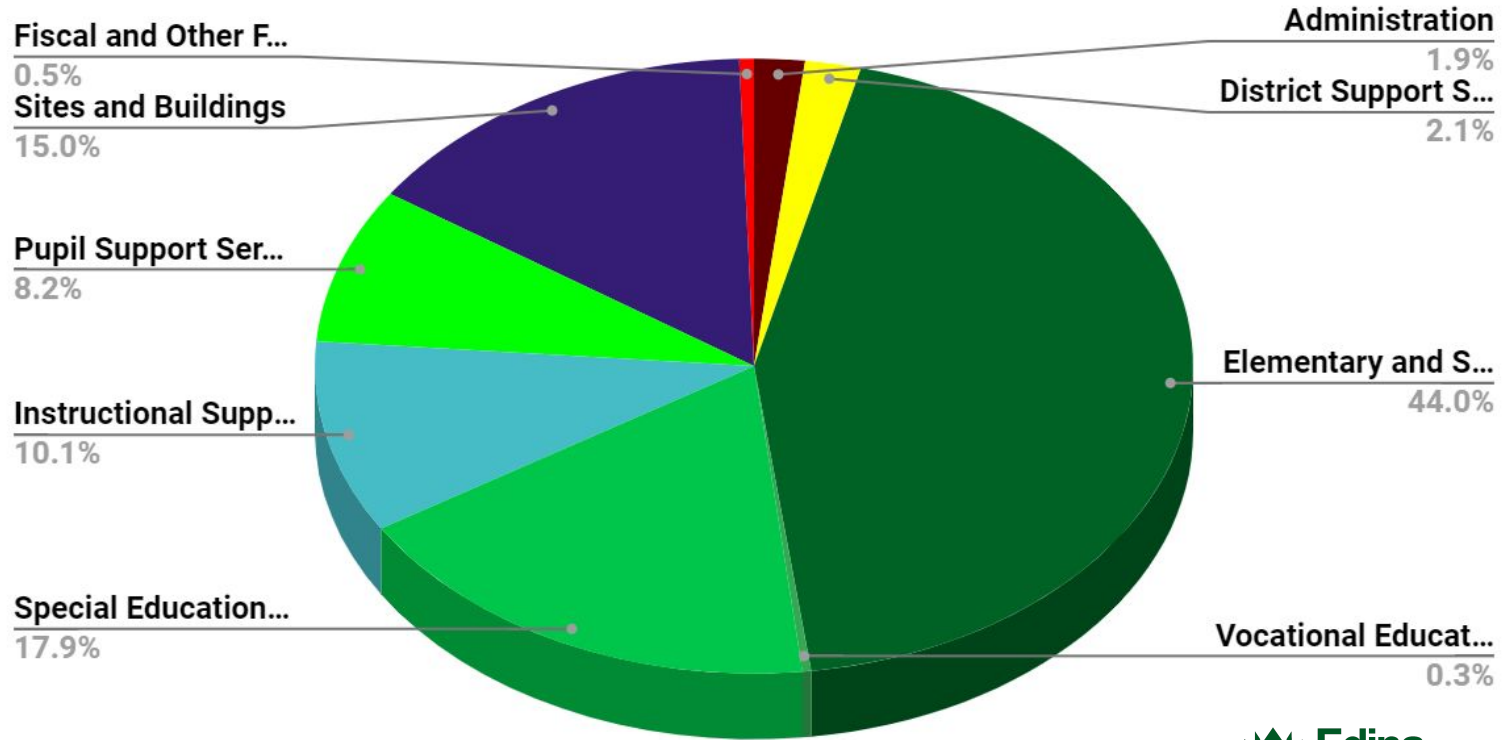
GENERAL FUND - REVENUE SOURCES (cont.)



GENERAL FUND - EXPENDITURES



GENERAL FUND - EXPENDITURES (cont.)



PROPOSED TAXES PAYABLE IN 2024

Fiscal Year 2025 Revenue

Fund	Taxes Payable in 2023	Taxes Payable in 2024	Change	
			\$	%
General	\$53,290,711	\$56,342,167	\$3,051,456	5.73%
Community Service	1,232,060	1,398,027	165,967	13.47%
Debt Service	14,277,476	14,677,525	400,049	2.80%
Total Levy	\$68,800,247	\$72,417,719	\$3,617,472	5.26%

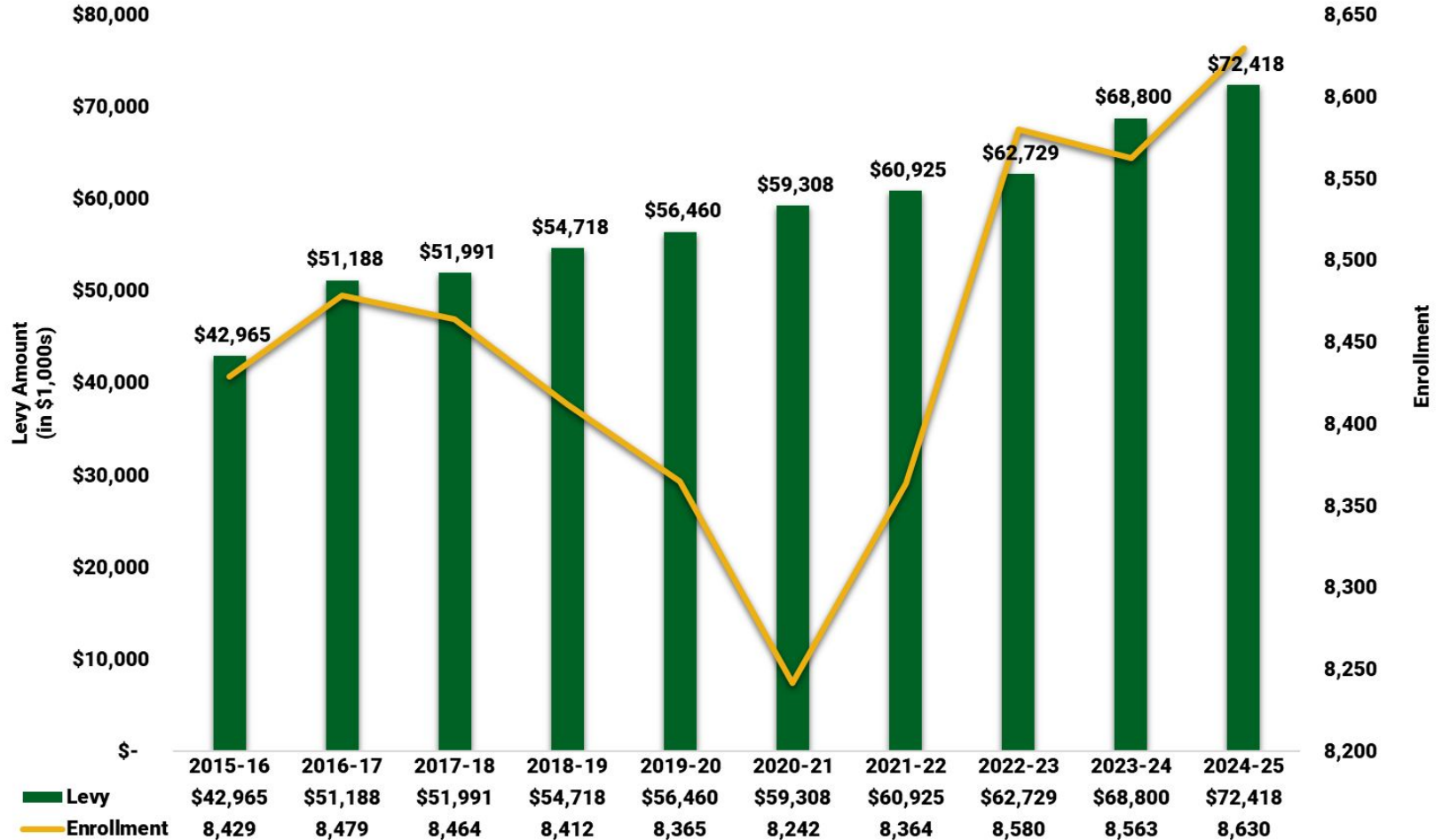


DEFINING EXCELLENCE

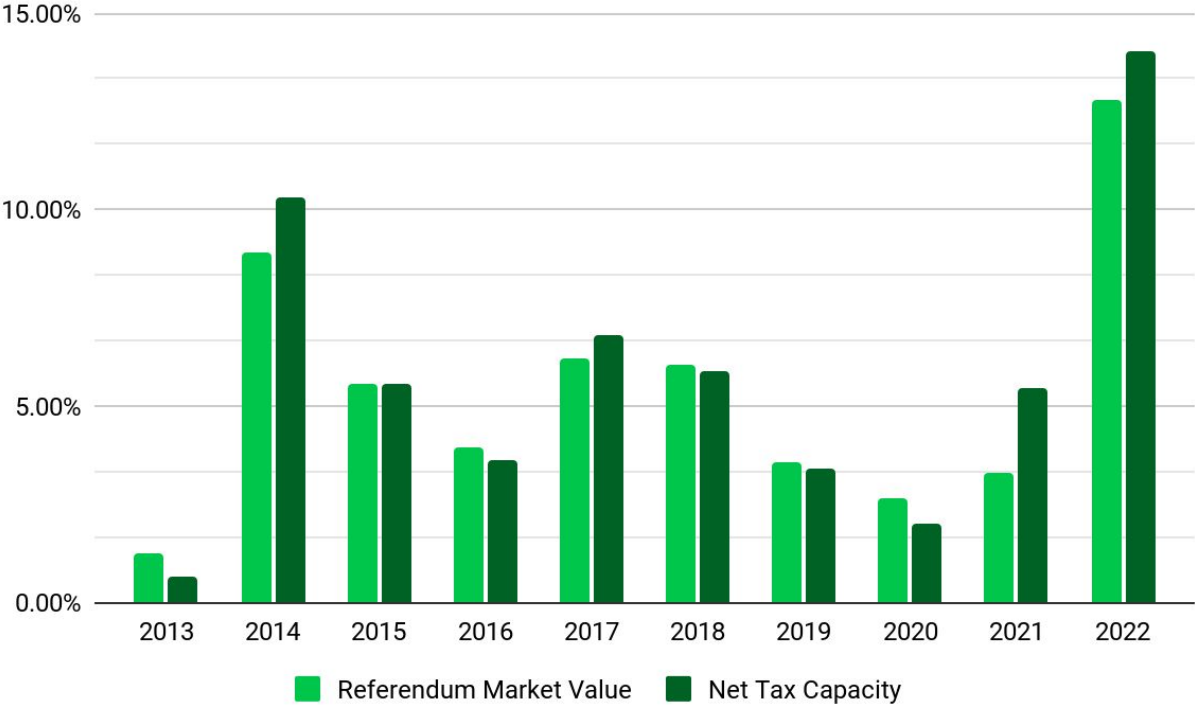
MAJOR LEVY CHANGES

Levy Component	Taxes Payable in 2023	Taxes Payable in 2024	Change	
			\$	%
Operating Referendum	\$19,707,621	\$20,764,959	\$1,057,338	5.37%
Capital Projects Levy	7,431,835	8,476,346	1,044,511	14.05%
Other Post-Employment Benefits	613,276	1,400,891	787,615	128.43%
Long-Term Facilities Maintenance	10,946,893	11,974,428	1,027,535	9.39%
Total Levy	\$38,699,625	\$42,616,624	\$2,101,849	5.43%

LEVY HISTORY



TAX BASE GROWTH HISTORY



TAX PAYER IMPACT

Several factors can impact the tax bill of a property owner:

- Changes in the value of individual property
- Changes in total value of all property within the district
- Changes to the total amounts levied by the district, the city, and the county
- Changes to state funding formulas or voter-approved levies

FOUR-YEAR SCHOOL LEVY COMPARISON

- Examples include school district taxes only & are shown based on no change and a 18.3% increase in property value for residential homes over the past four years
 - Actual changes in value may be more or less than this for any parcel of property
 - Intended to provide a fair representation of what happened to school district property taxes over this period for typical properties
- Amounts for 2024 are preliminary estimates; final amounts may change slightly

Estimated Changes in School Property Taxes, 2021 to 2024

Based on No Changes in Property Values

Type of Property	Estimated Market Value	Actual Taxes Payable in 2021	Actual Taxes Payable in 2022	Actual Taxes Payable in 2023	Estimated Taxes Payable in 2024	Change in Taxes 2021 to 2024	Change in Taxes 2023 to 2024
Residential Homestead	\$600,000	\$3,233	\$3,187	\$3,086	\$2,990	-\$243	-\$96
	650,000	3,535	3,484	3,372	3,268	-267	-104
	700,000	3,837	3,781	3,659	3,547	-290	-112
	750,000	4,140	4,078	3,945	3,825	-315	-120
	800,000	4,442	4,374	4,232	4,104	-338	-128
	900,000	5,046	4,968	4,804	4,661	-385	-143
	1,000,000	5,651	5,562	5,377	5,218	-433	-159
Commercial/ Industrial #	\$1,000,000	\$6,126	\$5,807	\$5,744	\$5,616	-\$510	-\$128
	3,000,000	18,691	17,702	17,508	17,126	-1,565	-382
	5,000,000	31,256	29,598	29,271	28,637	-2,619	-634

For commercial-industrial property, amounts above are for property in Edina. Taxes for commercial-industrial property in other municipalities may be slightly different, due to the impact of the Fiscal Disparities Program.

General Notes

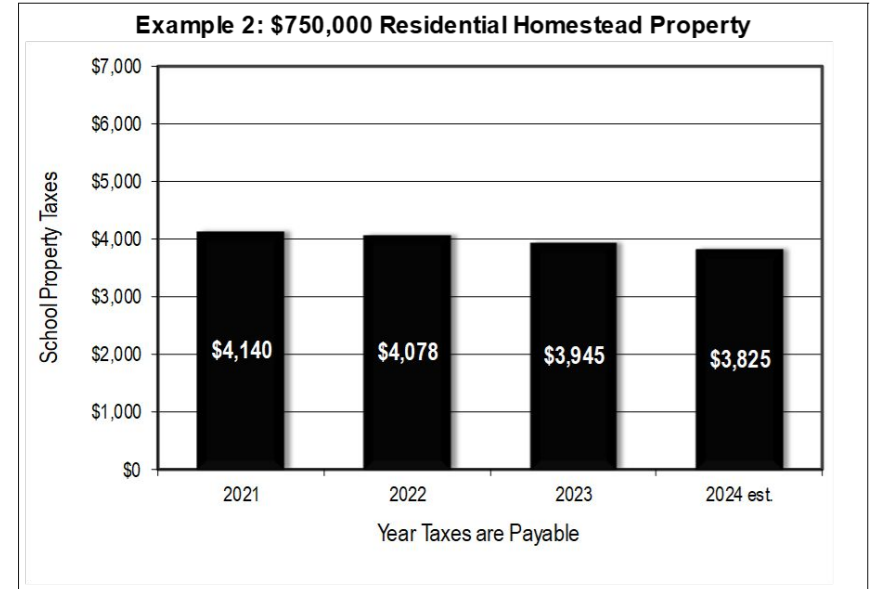
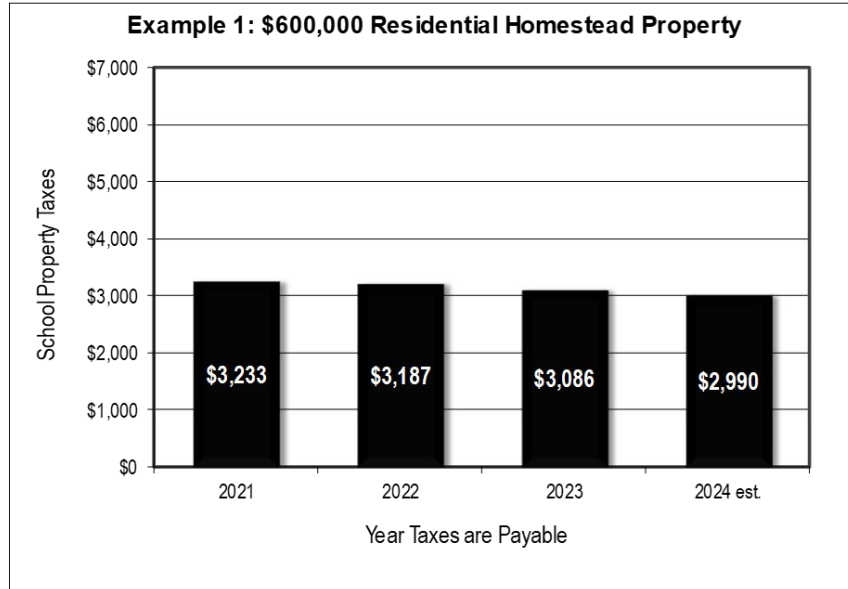
1. Amounts are based on school district taxes only, and do not include taxes for city or township, county, state, or other taxing jurisdictions.
2. Estimates of taxes payable in 2024 are preliminary, based on the best data available.
3. For all examples of properties, taxes are calculated based on no changes in estimated market value from 2021 to 2024.



DEFINING EXCELLENCE

ESTIMATED CHANGES IN SCHOOL TAXES 2021-2024

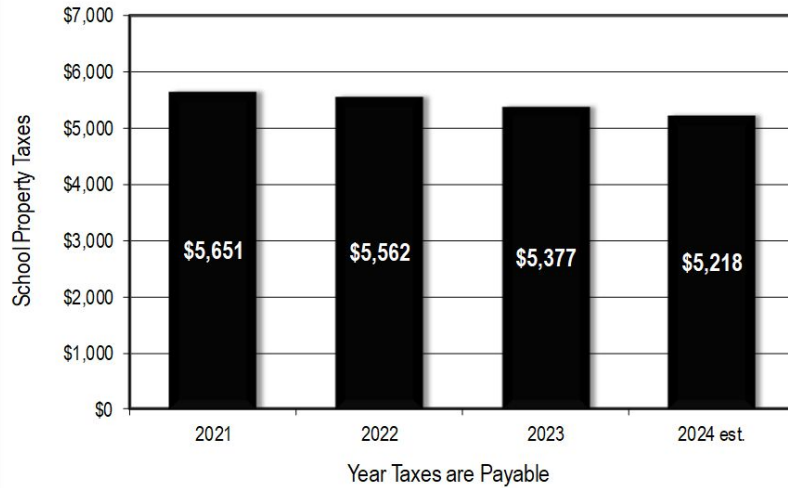
Based on No Changes in Property Value



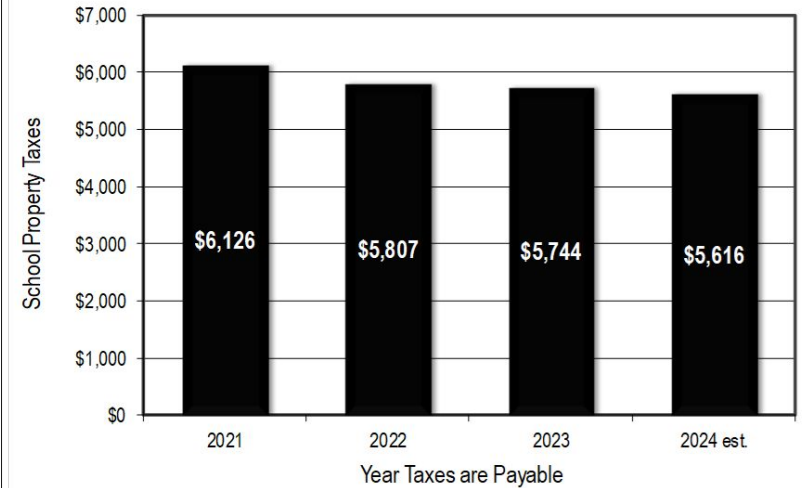
ESTIMATED CHANGES IN SCHOOL TAXES 2021-2024

Based on No Changes in Property Value

Example 3: \$1,000,000 Residential Homestead Property

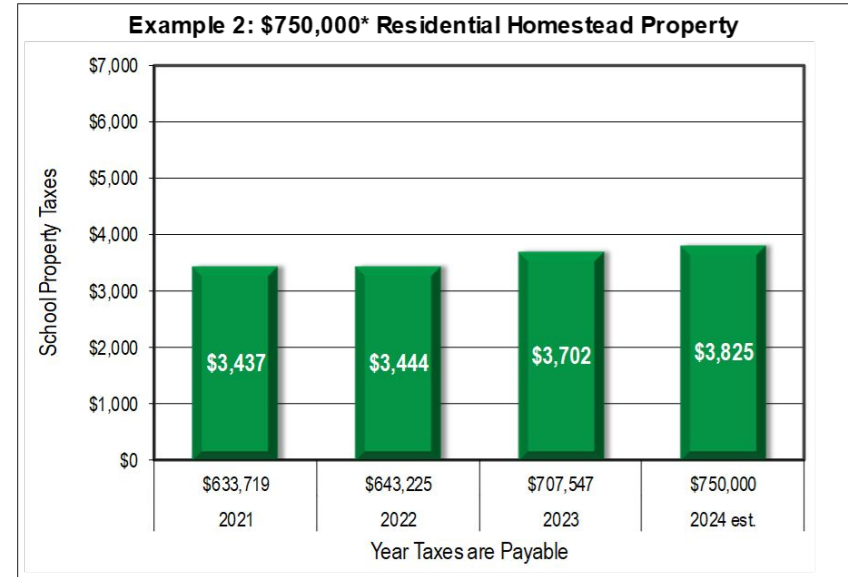
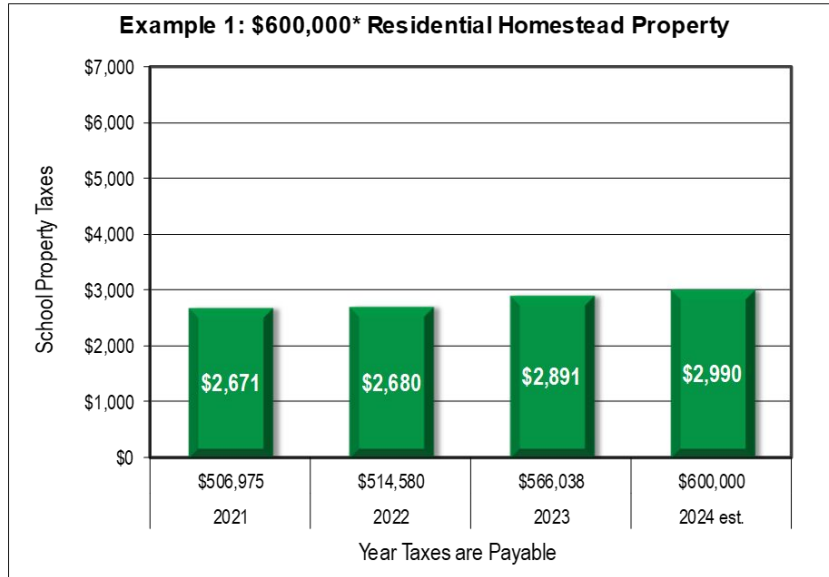


Example 4: \$1,000,000 Commercial - Industrial Property



ESTIMATED CHANGES IN SCHOOL TAXES 2021-2024

Based on 18.3% Cumulative Changes in Property Value



* Estimated market value for taxes payable in 2024. Taxes are calculated based on changes in market value of 1.5% from 2021 to 2022, 10.0% from 2022 to 2023 and 6.0% from 2023 to 2024.

PUBLIC COMMENT

Comments and questions must be relevant to:

- The certification of taxes payable in 2024
- The portion of taxes pertaining to Edina Public Schools

Commenters must be taxpayers within the boundaries of Edina Public Schools and must state their name and address for the record.