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# Truth in Taxation 2024 Levy Payable 2025

**December 3, 2024**

**Marie Schrul**

**Chief Financial Officer**

# Purpose

- State statute requires all local governments (cities, counties and school districts) to hold a public hearing prior to finalizing their levy authority and allow for public comment
- School districts are required to discuss the levy and the budget
- The hearing must follow the release of the proposed tax notices from the county



# Approval of District's Tax Levy in 2024 (Payable 2025)



# Levy Basics

- School levy authority is established in law
- A School District Tax Levy may be either  
***Set by State Formulas or Voter Approved***
- School budgets are a combination of state, federal and local funding, including voter approved operating, bond & technology levies
- Unlike cities and counties, the 2024 Levy (Payable 2025) for school districts is for the following school year (2025-2026)
- Levy revenue is approximately 34% of the district's total budget



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# School District Budget

# 2024-25 Preliminary Revenue Budget



<u>Revenue &amp; Other Financing Sources</u>		Actual	Prelim. Budget		%	% of
		2023-2024	2024-2025	Difference	Difference	Total
<b>General Fund</b>						
	Ley	\$ 40,783,143	\$ 44,014,182	\$ 3,231,039	7.9%	29.5%
	State Aid	93,579,000	97,556,640	3,977,640	4.3%	65.3%
	Federal	3,388,082	3,724,990	336,908	9.9%	2.5%
	Other Local Revenue	4,803,728	4,043,540	(760,188)	-15.8%	2.7%
	Other Financing Sources	21,235	312	(20,923)	-98.5%	0.0%
<b>Total General Fund</b>		<b>\$ 142,575,188</b>	<b>\$ 149,339,664</b>	<b>\$ 6,764,476</b>	<b>4.7%</b>	<b>100.0%</b>
<b>Food Service Fund</b>		\$ 7,639,754	\$ 7,087,758	\$ (551,996)	-7.2%	
<b>Community Service Fund</b>		8,849,231	8,750,054	(99,177)	-1.1%	
<b>Building Construction Fund</b>						
	Revenue	2,802,698	652,000	(2,150,698)	-76.7%	
	Other Financing Sources - sale of bonds	118,461,415	-	(118,461,415)	-100.0%	
<b>Debt Service Fund</b>						
	Revenue	10,339,105	17,521,879	7,182,774	69.5%	
	Other Financing Sources - sale of bonds	61,318,279	-	(61,318,279)	-100.0%	
<b>Custodial Fund</b>		6,084	7,000	916	15.1%	
<b>Total Non-General Fund</b>		<b>\$ 209,416,566</b>	<b>\$ 34,018,691</b>	<b>\$(175,397,875)</b>		
<b>Total Revenue &amp; Other Financing Sources</b>		<b>\$ 351,991,754</b>	<b>\$ 183,358,355</b>	<b>\$(168,633,399)</b>		

*Other Financing Sources include: funds from the sale of equipment, insurance recovery and proceeds from bond sales*

# 2024-25 Preliminary Expenditure Budget

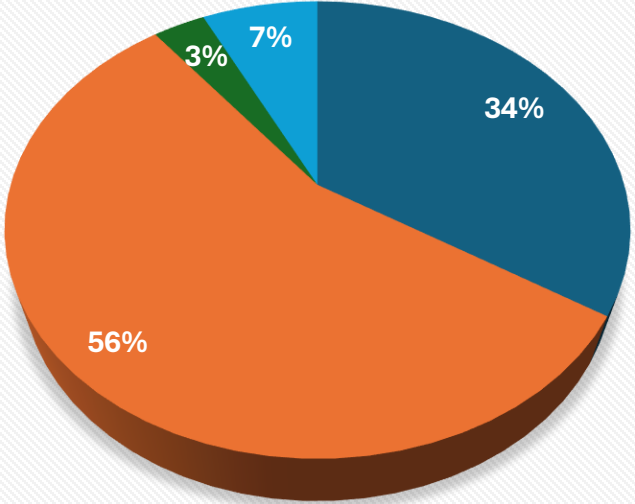


<u>Expenditures and Other Financing Uses</u>		Actual	Prelim Budget		%	% of
		2023-2024	2024-2025	Difference	Difference	Total
<b>General Fund</b>						
	District & School Administration	\$ 3,828,091	\$ 3,893,752	\$ 65,661	1.7%	2.6%
	District Support Services	7,973,283	8,717,961	744,678	9.3%	5.8%
	Regular Instruction and					
	Vocational Instruction	58,891,793	60,897,208	2,005,415	3.4%	40.5%
	Special Education	26,336,101	27,782,974	1,446,873	5.5%	18.5%
	Instructional Support Services	9,310,662	9,139,416	(171,246)	-1.8%	6.1%
	Pupil Support Services	5,749,891	6,089,376	339,485	5.9%	4.0%
	Transportation (Pupil Support)	12,784,917	11,663,498	(1,121,419)	-8.8%	7.8%
	Operations and Maintenance	19,167,988	20,992,158	1,824,170	9.5%	14.0%
	Fiscal and Other Fixed Costs	820,342	1,010,000	189,658	23.1%	0.7%
<b>Total General Fund</b>		<b>\$ 144,863,068</b>	<b>\$ 150,186,343</b>	<b>\$ 5,323,275</b>	<b>3.7%</b>	<b>100.0%</b>
	<b>Food Service Fund</b>	\$ 6,968,433	\$ 7,095,588	\$ 127,155	1.8%	
	<b>Community Service Fund</b>	8,744,317	8,917,263	172,946	2.0%	
	<b>Building Construction Fund</b>	16,704,658	36,958,781	20,254,123	121.2%	
	<b>Debt Service Fund</b>					
	Expenditures	10,890,123	16,749,471	5,859,348	53.8%	
	Other Financing Uses - bond refunding	60,380,000	-	(60,380,000)	-100.0%	
	<b>Custodial Fund</b>	13,831	7,000	(6,831)	-49.4%	
<b>Total Non-General Fund</b>		<b>\$ 103,701,362</b>	<b>\$ 69,728,103</b>	<b>\$(33,973,259)</b>		
<b>Total Expenditures and Other Financing Uses</b>		<b>\$ 248,564,430</b>	<b>\$ 219,914,446</b>	<b>\$(28,649,984)</b>		

*Other Financing Uses include bond refunding payments*

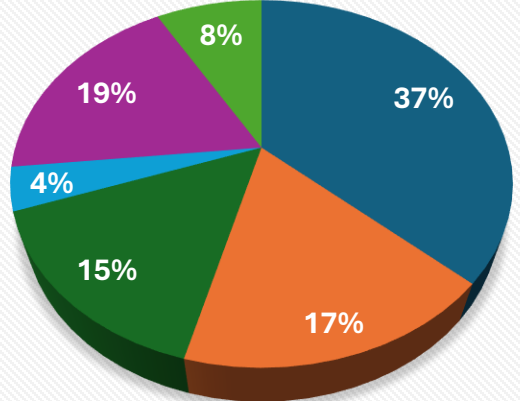
# 2024-25 Preliminary Budget – All Funds

### Revenue by Source - All Funds



■ Levy ■ State Aid ■ Federal ■ Other

### Expenditures by Category - All Funds



■ Salaries ■ Benefits  
■ Purchased Services ■ Supplies & Materials  
■ Capital Expenditures ■ Other/Debt Service

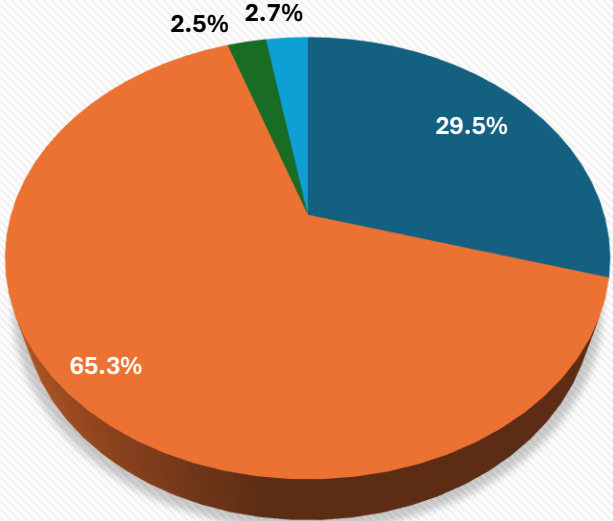


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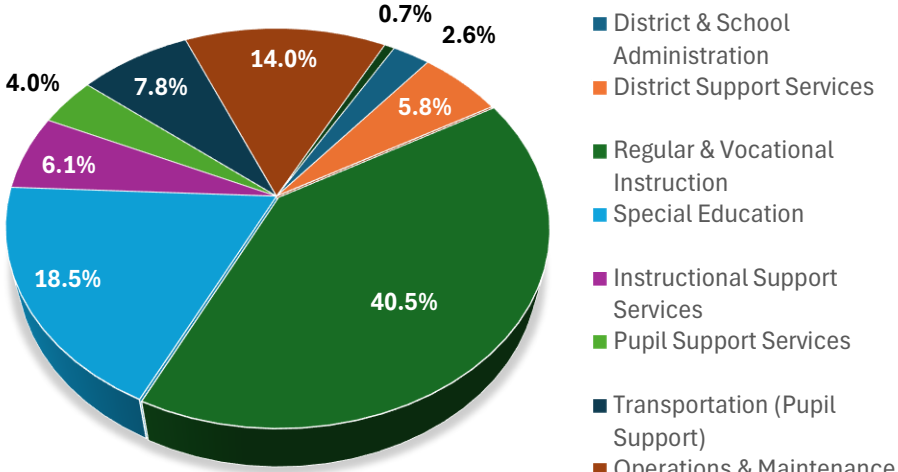
# 2024-25 Preliminary General Fund Budget

### General Fund Revenue by Source



■ Levy ■ State Aid ■ Federal ■ Other

### General Fund Expenditures by Program Category



- District & School Administration
- District Support Services
- Regular & Vocational Instruction
- Special Education
- Instructional Support Services
- Pupil Support Services
- Transportation (Pupil Support)
- Operations & Maintenance
- Fiscal & Other Fixed Costs



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# Proposed Pay 2025 Levy

# Factors Impacting School Levies

- Changes in tax base – increases often result in less state aid
- Changes in enrollment
- Legislative changes to education formulas
- Referendum inflationary increases
- Pension contribution changes required by law
- Employment changes that drive severance and unemployment levies
- Capital bonding, refunding of bonds, abatements, long term facilities maintenance & health and safety projects, lease costs



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# General Fund Levies

General Fund	Certified 2023 Payable 2024			Proposed 2024 Payable 2025			Proposed Change
	RMV Amount	NTC Amount	Total	RMV Amount	NTC Amount	Total	Amount
Operating Referendum - Voter Approved	\$ 16,335,722.02	\$ -	\$ 16,335,722.02	\$ 17,406,637.76	\$ -	\$ 17,406,637.76	\$ 1,070,915.74
Prior Years Adjustments	82,963.51	-	82,963.51	(184,999.00)	-	(184,999.00)	(267,962.51)
<b>Subtotal</b>	<b>16,418,685.53</b>	<b>0.00</b>	<b>16,418,685.53</b>	<b>17,221,638.76</b>	<b>0.00</b>	<b>17,221,638.76</b>	<b>802,953.23</b>
Equity	780,662.11	-	780,662.11	859,023.44	-	859,023.44	78,361.33
Local Optional	6,495,170.21	-	6,495,170.21	6,792,010.21	-	6,792,010.21	296,840.00
Transition	27,770.60	-	27,770.60	29,029.31	-	29,029.31	1,258.71
1st Tier Board Approved Referendum	0.00	-	0.00	0.00	-	0.00	0.00
Prior Years Adjustments	(354,826.12)	-	(354,826.12)	13,073.96	-	13,073.96	367,900.08
<b>Subtotal</b>	<b>6,948,776.80</b>	<b>0.00</b>	<b>6,948,776.80</b>	<b>7,693,136.92</b>	<b>0.00</b>	<b>7,693,136.92</b>	<b>744,360.12</b>
Capital Projects Referendum/Tech Levy	-	6,319,386.41	6,319,386.41	-	7,186,622.56	7,186,622.56	867,236.15
Operating Capital	-	1,610,864.33	1,610,864.33	-	1,888,790.42	1,888,790.42	277,926.09
Alt Teacher Comp (QComp)	-	758,876.30	758,876.30	-	772,093.14	772,093.14	13,216.84
Achievement & Integration	-	361,312.06	361,312.06	-	374,326.65	374,326.65	13,014.59
Reemployment Ins	-	68,000.00	68,000.00	-	92,000.00	92,000.00	24,000.00
Safe Schools	-	329,162.40	329,162.40	-	338,140.80	338,140.80	8,978.40
Safe Schools Intermediate	-	137,151.00	137,151.00	-	140,892.00	140,892.00	3,741.00
Career and Technical	-	350,179.17	350,179.17	-	385,308.34	385,308.34	35,129.17
Annual OPEB	-	1,017,454.00	1,017,454.00	-	2,053,817.00	2,053,817.00	1,036,363.00
Long Term Facilities Maintenance	-	9,521,174.00	9,521,174.00	-	5,060,914.00	5,060,914.00	(4,460,260.00)
Building/Land Lease	-	1,957,742.00	1,957,742.00	-	1,965,195.00	1,965,195.00	7,453.00
<b>Total Before Adjustments</b>	<b>0.00</b>	<b>16,111,915.26</b>	<b>16,111,915.26</b>	<b>0.00</b>	<b>13,071,477.35</b>	<b>13,071,477.35</b>	<b>(3,040,437.91)</b>
Prior Years Adjustments	0.00	(1,681,112.71)	(1,681,112.71)	0.00	1,668,325.02	1,668,325.02	3,349,437.73
<b>Subtotal</b>	<b>0.00</b>	<b>14,430,802.55</b>	<b>14,430,802.55</b>	<b>0.00</b>	<b>14,739,802.37</b>	<b>14,739,802.37</b>	<b>308,999.82</b>
<b>Total General Fund</b>	<b>\$ 23,367,462.33</b>	<b>\$ 20,750,188.96</b>	<b>\$ 44,117,651.29</b>	<b>\$ 24,914,775.68</b>	<b>\$ 21,926,424.93</b>	<b>\$ 46,841,200.61</b>	<b>\$ 2,723,549.32</b>

RMV = Referendum Market Value  
 NTC = Net Tax Capacity



## Community Service & Debt Service Levies

	Certified 2023 Payable 2024			Proposed 2024 Payable 2025			Proposed Change
	RMV Amount	NTC Amount	Total	RMV Amount	NTC Amount	Total	Amount
<b>Community Service Fund</b>							
Basic Community Education	\$ -	\$ 546,017.46	\$ 546,017.46	\$ -	\$ 553,112.82	\$ 553,112.82	\$ 7,095.36
Early Child Family	-	310,911.71	310,911.71	-	381,176.77	381,176.77	70,265.06
Home Visiting	-	10,665.00	10,665.00	-	10,260.00	10,260.00	(405.00)
Adults w/ Disabilities	-	9,811.20	9,811.20	-	10,121.67	10,121.67	310.47
School Age Care	-	300,000.00	300,000.00	-	300,000.00	300,000.00	0.00
Prior Years Adjustments	-	87,349.64	87,349.64	-	103,242.27	103,242.27	15,892.63
<b>Total Community Service Fund</b>	\$ -	\$ 1,264,755.01	\$ 1,264,755.01	\$ -	\$ 1,357,913.53	\$ 1,357,913.53	\$ 93,158.52
	Certified 2023 Payable 2024			Proposed 2024 Payable 2025			Proposed Change
	RMV Amount	NTC Amount	Total	RMV Amount	NTC Amount	Total	Amount
<b>Debt Service Fund</b>							
Debt Service Voter-Approved	\$ -	\$ 10,172,584.00	\$ 10,172,584.00	\$ -	\$ 17,821,336.00	\$ 17,821,336.00	\$ 7,648,752.00
Debt Service Voter-Approved	-	6,855,615.00	\$ 6,855,615.00	-	0.00	0.00	(6,855,615.00)
Debt Excess	-	(178,991.60)	(178,991.60)	-	(440,010.92)	(440,010.92)	(261,019.32)
Prior Years Adjustments	-	18,210.39	18,210.39	-	19,811.21	19,811.21	1,600.82
<b>Sub Total</b>	0.00	16,867,417.79	16,867,417.79	0.00	17,401,136.29	17,401,136.29	533,718.50
Debt Service Other	-	252,810.00	252,810.00	-	552,848.00	552,848.00	300,038.00
Debt Excess	-	(4,448.36)	(4,448.36)	-	(13,649.82)	(13,649.82)	(9,201.46)
Prior Years Adjustments	-	0.00	0.00	-	0.00	0.00	0.00
<b>Sub Total</b>	0.00	248,361.64	248,361.64	0.00	539,198.18	539,198.18	290,836.54
<b>Total Debt Service Fund</b>	\$ -	\$ 17,115,779.43	\$ 17,115,779.43	\$ -	\$ 17,940,334.47	\$ 17,940,334.47	\$ 824,555.04

RMV = Referendum Market Value  
NTC = Net Tax Capacity

# Total Proposed 2024 Payable 2025 Levy

Fund	Certified 2023 Payable 2024			Proposed 2024 Payable 2025			Proposed Levy Change	Proposed % Change
	RMV Amount	NTC Amount	Total	RMV Amount	NTC Amount	Total		
General	\$ 23,367,462.33	\$ 20,750,188.96	\$ 44,117,651.29	\$ 24,914,775.68	\$ 21,926,424.93	\$ 46,841,200.61	\$ 2,723,549.32	6.17%
Community Service	0.00	1,264,755.01	1,264,755.01	0.00	1,357,913.53	1,357,913.53	93,158.52	7.37%
Debt Service	0.00	17,115,779.43	17,115,779.43	0.00	17,940,334.47	17,940,334.47	824,555.04	4.82%
<b>Total</b>	<b>\$ 23,367,462.33</b>	<b>\$ 39,130,723.40</b>	<b>\$ 62,498,185.73</b>	<b>\$ 24,914,775.68</b>	<b>\$ 41,224,672.93</b>	<b>\$ 66,139,448.61</b>	<b>\$ 3,641,262.88</b>	<b>5.83%</b>

Source: MDE Levy Limitation and Certification Report as of 11/25/24

RMV = Referendum Market Value  
 NTC = Net Tax Capacity



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# Factors Impacting Individual Taxpayers' School Taxes

Many factors can cause a tax bill for an individual property to increase or decrease from year to year

- Changes in value of individual property
- Changes in total value of all property within District
- Increases or decreases in levy amounts caused by changes in state funding formulas, local needs & costs, voter-approved referendums & other factors



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# Four Year School Levy Comparison

- Examples include school district taxes only & are shown based on no change in property value for residential homes
- Examples are for property in City of Stillwater
- Amounts for 2025 are preliminary estimates; final amounts could change slightly
- Estimates prepared by Ehlers (District's municipal financial advisors)

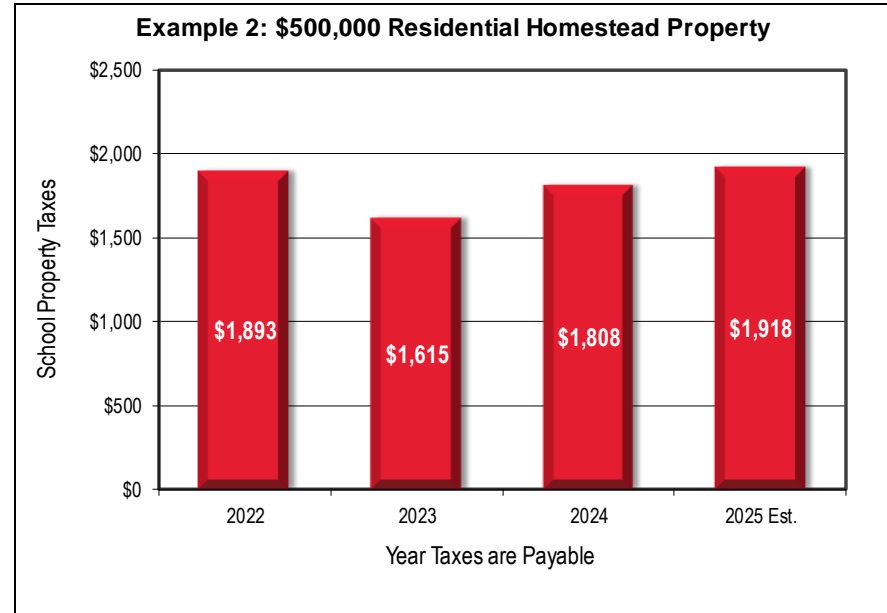
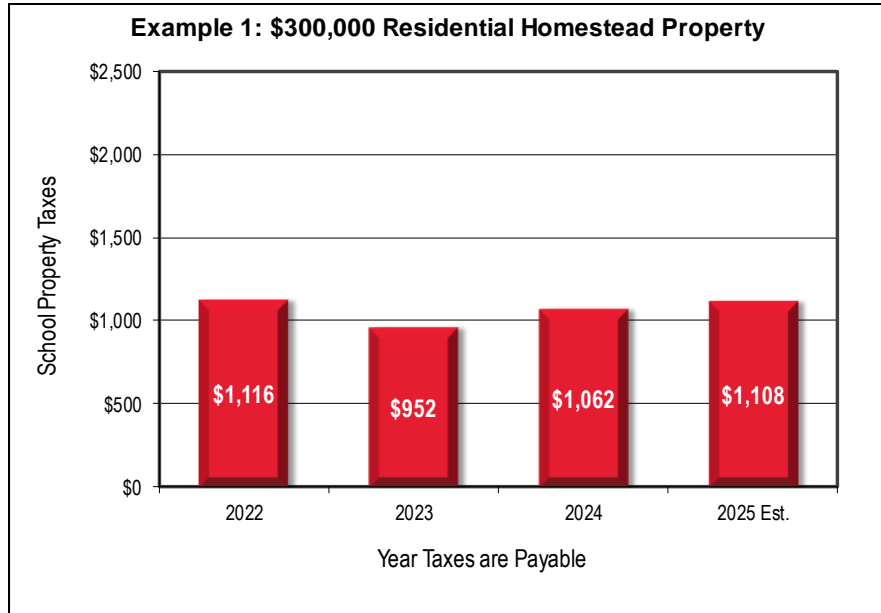


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# Estimated Changes in School Property Taxes, 2022-25

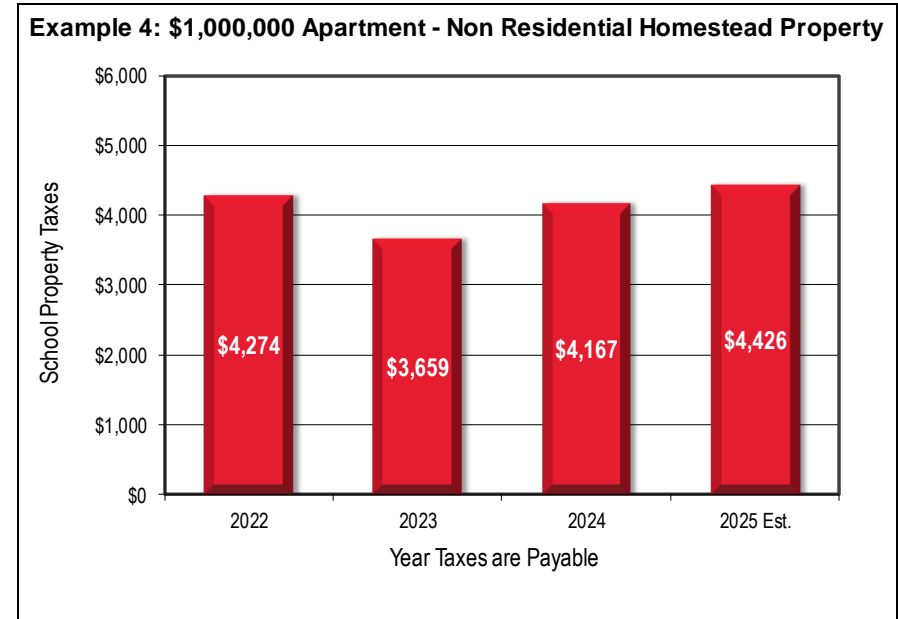
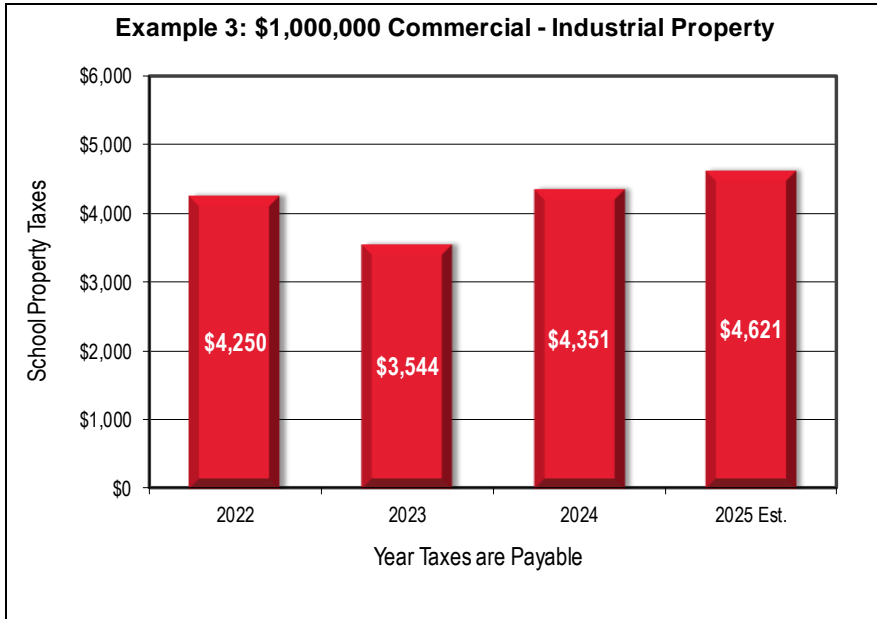
*Based on No Changes in Property Value*



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# Estimated Changes in School Property Taxes, 2022-25

*Based on No Changes in Property Value*



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# Estimated Annual Property Tax Impact

	Actual Taxes Payable in 2024	Preliminary Estimate of Taxes Payable in 2025	Estimated Change in Annual Taxes	Estimated % Change
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Type of Property	Estimated Market Value	Estimated Annual School District Property Taxes *			
Residential Homestead	\$100,000	\$299	\$297	-\$2	-0.7%
	200,000	681	702	21	3.1%
	300,000	1,062	1,108	46	4.3%
	400,000	1,444	1,513	69	4.8%
	500,000	1,808	1,918	110	6.1%
	550,000	2,016	2,143	127	6.3%
	600,000	2,225	2,365	140	6.3%
	700,000	2,641	2,807	166	6.3%
	800,000	3,058	3,250	192	6.3%
	900,000	3,475	3,692	217	6.2%
	1,000,000	3,891	4,135	244	6.3%
Commercial/ Industrial	\$250,000	\$1,002	\$1,064	\$62	6.2%
	500,000	2,118	2,250	132	6.2%
	750,000	3,235	3,435	200	6.2%
	1,000,000	4,351	4,620	269	6.2%
	2,000,000	8,817	9,362	545	6.2%
Apartments	\$250,000	\$1,042	\$1,106	\$64	6.1%
	500,000	2,083	2,213	130	6.2%
	1,000,000	4,167	4,426	259	6.2%
	2,000,000	8,334	8,852	518	6.2%

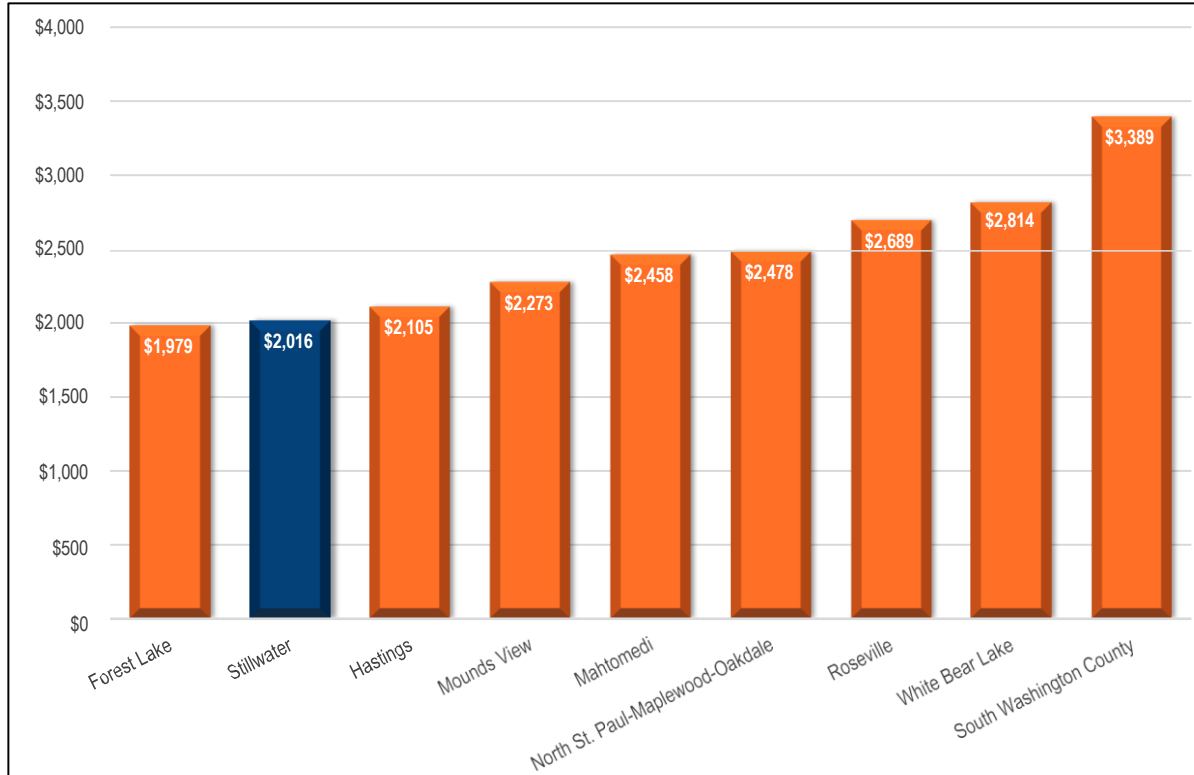
**Key Assumptions:**

1. Preliminary Pay 2025 RMV is estimated to change by -0.37% and NTC by -1.62% as compared to taxes payable 2024.
2. Assumes no change in the value of individual parcels of property from 2024 to 2025 taxes. If the value of a parcel changed, the change in taxes will be different than shown above.
3. Taxes payable in 2025 are based on latest estimates of proposed levy, as of the date above.

\* The Homestead Market Value Exclusion was modified starting with 2024 assessments (taxes payable in 2025) during Minnesota's 2023 legislative session. The change provides additional property tax relief for residential homestead properties with a value greater than \$76,000 and less than \$517,200.

# Stillwater Area Public Schools

Total School Property Taxes, Payable 2024, on a Home with an Estimated Market Value of \$550,000



Source: Pay 2024 School Tax Report



Questions?



# Public Comment