



Property Tax Levy Taxes Payable 2025

*School Board Meeting, December 17,
2024*



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

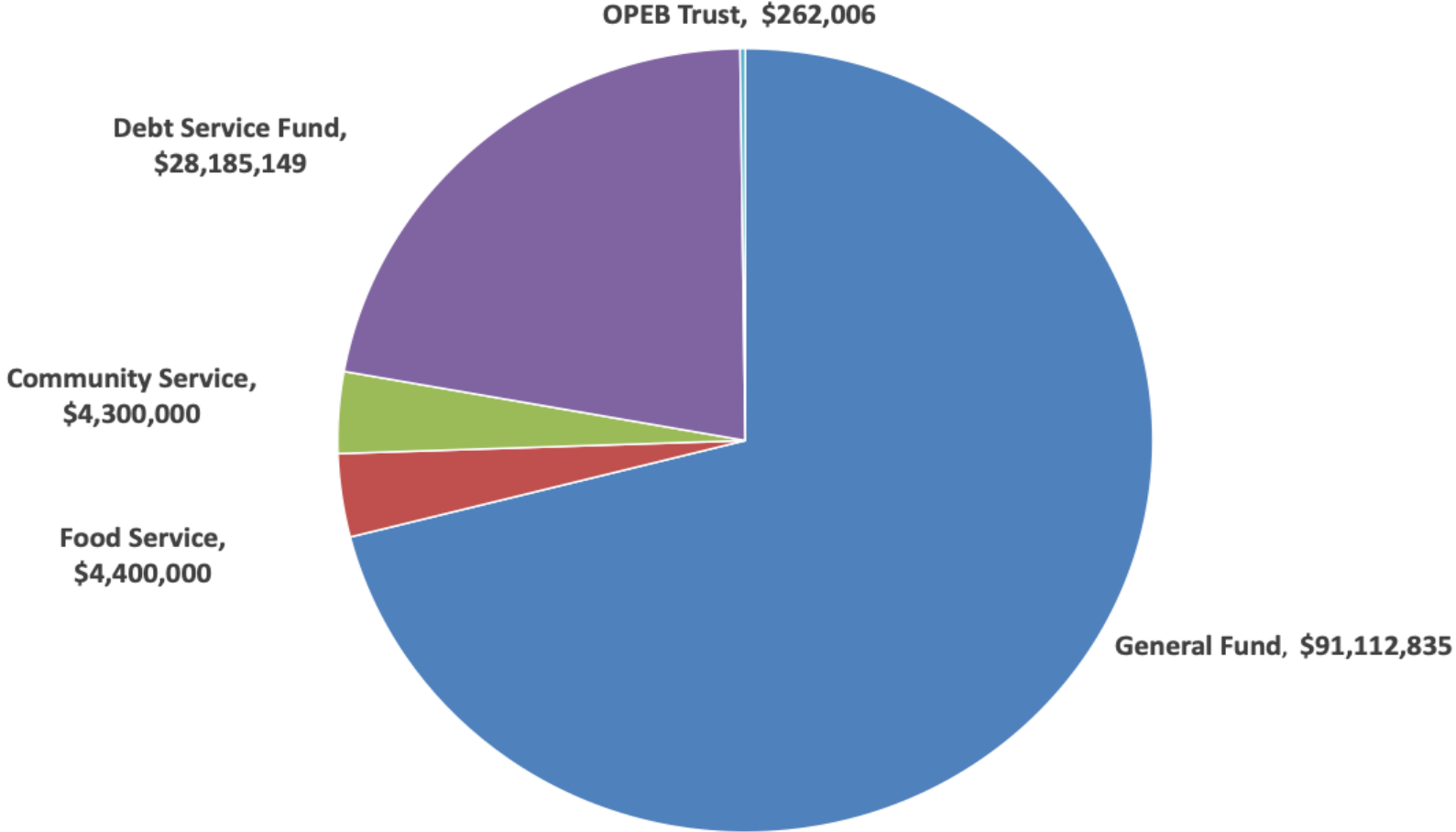
2024-2025 Budget

2024-2025 Budget

	Revenue Budget 2024-25	Expenditure Budget 2024-25
General Fund		
General Operations	\$ 86,454,360	85,372,454
Capital Account	2,228,878	2,218,756
Long Term Facilities Maintenance	2,429,597	3,174,017
General Fund	\$ 91,112,835	\$ 90,765,227
Food Service Fund	4,400,000	4,400,000
Community Service Fund	4,300,000	4,300,000
Debt Service Fund	28,185,149	27,906,509
OPEB Debt Service Fund	262,006	280,315
Total All Funds	\$ 128,259,990	\$ 127,652,051

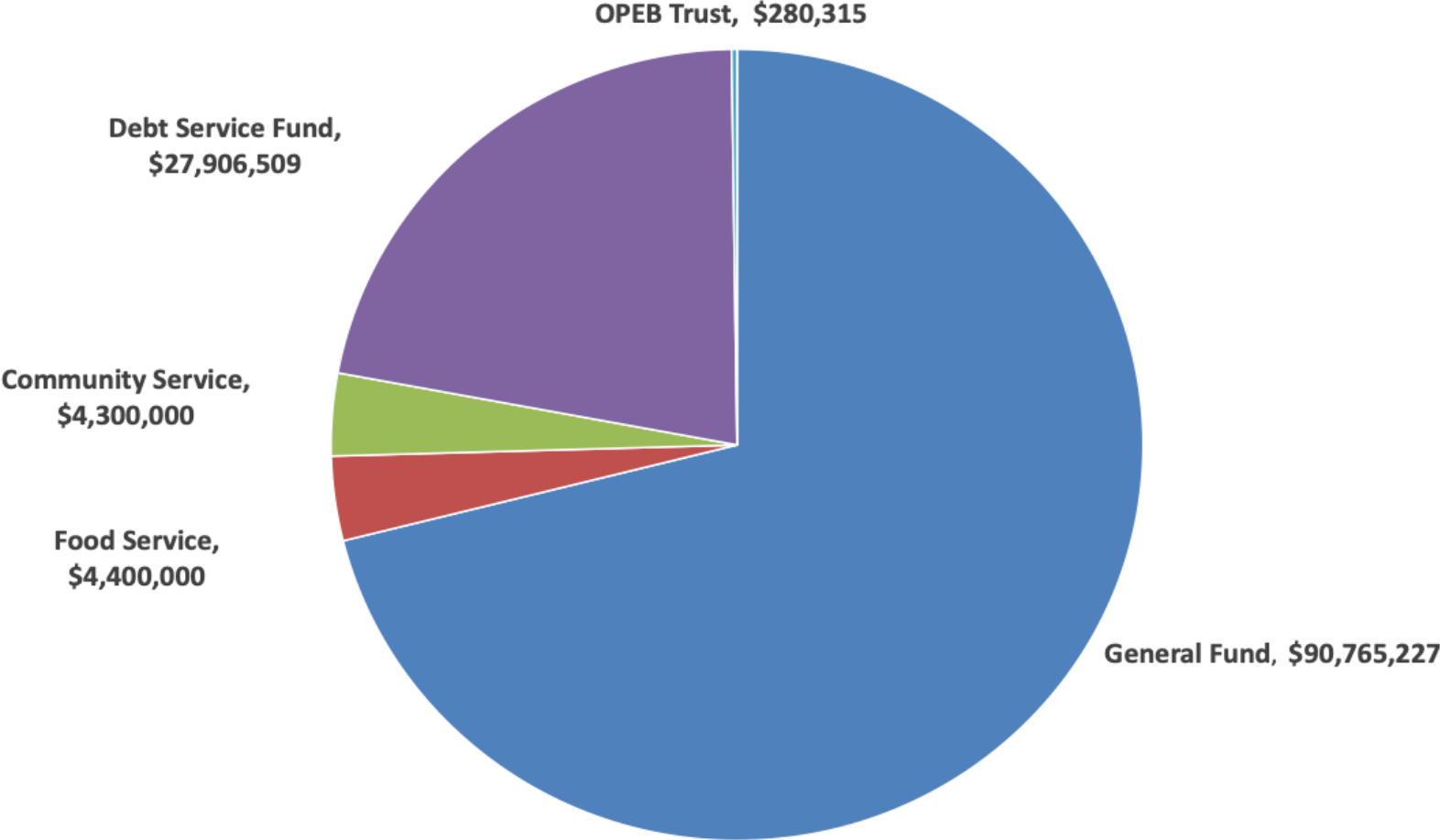
2024-2025 Budget - Revenues

All Funds



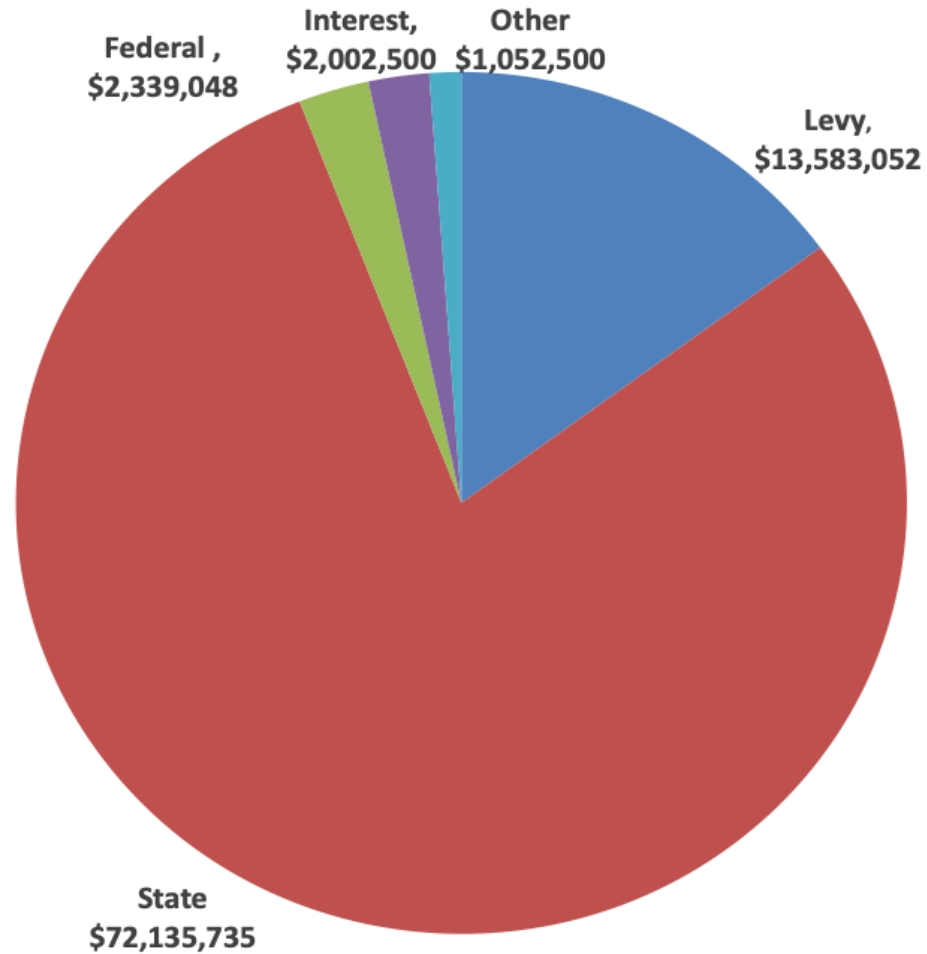
2024-2025 Budget - Expenditures

All Funds



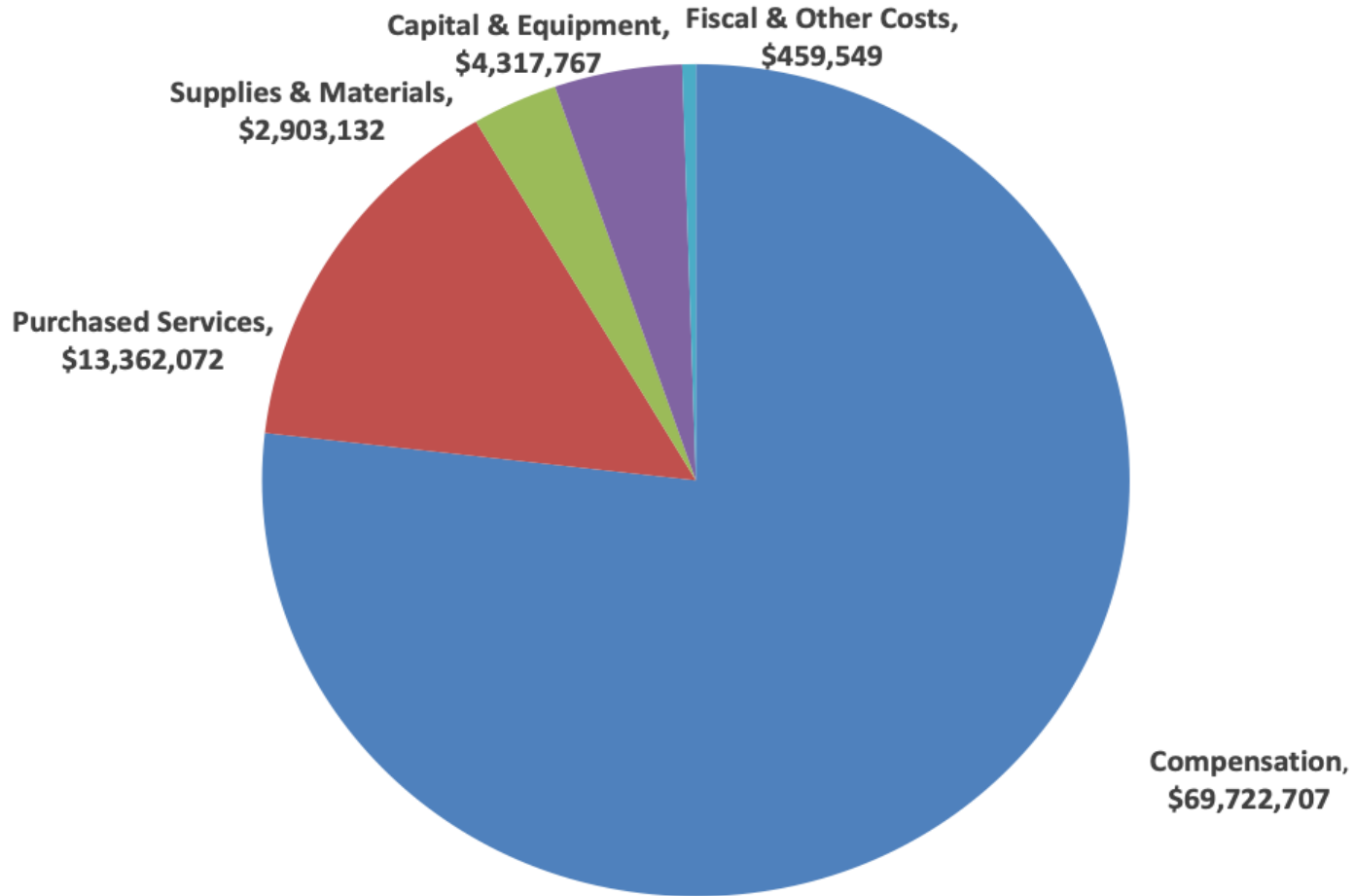
2023-2024 Budget – General Fund

Revenues



2024-2025 Budget – General Fund

Expenditures



2024-2025 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 2024-2025 budget, if necessary, will be brought to the school board for approval prior to June 2025.

Property Taxes Payable 2025

Levy Calendar

Key milestones:

- **Summer 2024:** Data submissions to MN Department of Education
- **September 2024:** Preliminary levy approval by school board
- **November 2024:** Preliminary tax statements mailed by county
- **December 2024:** Final levy approval by school board

Taxes related to this levy are collected during the 2025 calendar year, generating revenue for the 2025-2026 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 2025 Levy	Final 2024 Levy	Change	Percent Change
General	\$ 14,076,268	\$ 13,448,051	\$ 628,217	4.67 %
Community Service	\$ 551,128	\$ 497,490	\$ 53,638	10.78 %
Debt Service	\$ 11,097,976	\$ 10,913,222	\$ 184,754	1.69 %
OPEB Debt Service	\$ -	\$ 257,006	\$ (257,006)	(100.00) %
	\$ 25,725,372	\$ 25,115,769	\$ 609,603	2.43 %

Levy Components

General Fund

	Proposed 2025 Levy	Final 2024 Levy	Change	Percent Change
Referendum Authority	\$ 1,262,670	\$ 1,255,330	\$ 7,340	0.58 %
Local Option *	4,710,033	4,629,851	80,182	1.73 %
Transition	309,646	307,846	1,800	0.58 %
Equity	1,024,723	1,013,994	10,729	1.06 %
Capital Projects Referendum	2,038,720	1,813,614	225,106	12.41 %
Operating Capital *	742,471	654,145	88,326	13.50 %
Alternative Teacher Comp	558,348	554,202	4,146	0.75 %
Safe Schools/Crime	331,973	330,043	1,930	0.58 %
Achievement & Integration	381,079	365,636	15,443	4.22 %
Lease	756,233	766,107	(9,874)	(1.29) %
Career Technical	227,338	227,338	-	-
LT Facilities Maintenance *	1,736,404	1,675,460	60,944	3.64 %
Unemployment	20,000	50,000	(30,000)	(60.00) %
Adjustments	(221,016)	(414,910)	193,894	(46.73) %
Abatements	197,646	219,395	(21,749)	(9.91) %
	\$ 14,076,268	\$ 13,448,051	\$ 628,217	4.67 %

* 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, Operating Capital and Long-term Facilities Maintenance 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 2025 Levy	Final 2024 Levy	Change	Percent Change
Basic Levy	\$ 249,517	\$ 250,553	\$ (1,036)	(0.41) %
Early Childhood	\$ 151,244	\$ 133,810	\$ 17,434	13.03 %
Home Visitation	\$ 2,923	\$ 3,058	\$ (135)	(4.41) %
Adults with Disabilities	\$ 4,010	\$ 4,009	\$ 1	na %
School Age Care	\$ 135,000	\$ 115,000	\$ 20,000	17.39 %
Adjustments	\$ 2,372	\$ (16,708)	\$ 19,080	(114.20) %
Abatements	\$ 6,062	\$ 7,768	\$ (1,706)	(21.96) %
	\$ 551,128	\$ 497,490	\$ 53,638	10.78 %

For an explanation on Adjustments and Abatements, see previous slide

Levy Components

Debt Service Fund

	<u>Proposed 2025 Levy</u>	<u>Final 2024 Levy</u>	<u>Change</u>	<u>Percent Change</u>
Required Levy of 105% of Scheduled Principal & Interest Payments	\$ 11,510,942	\$ 11,238,204	\$ 272,738	2.43 %
Adjustments	\$ (579,798)	\$ (483,862)	\$ (95,936)	19.83 %
Abatements	\$ 166,832	\$ 158,880	\$ 7,952	5.01 %
	\$ 11,097,976	\$ 10,913,222	\$ 184,754	1.69 %

Bond principal and interest payments increased per bond amortization schedule.

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

Levy Components

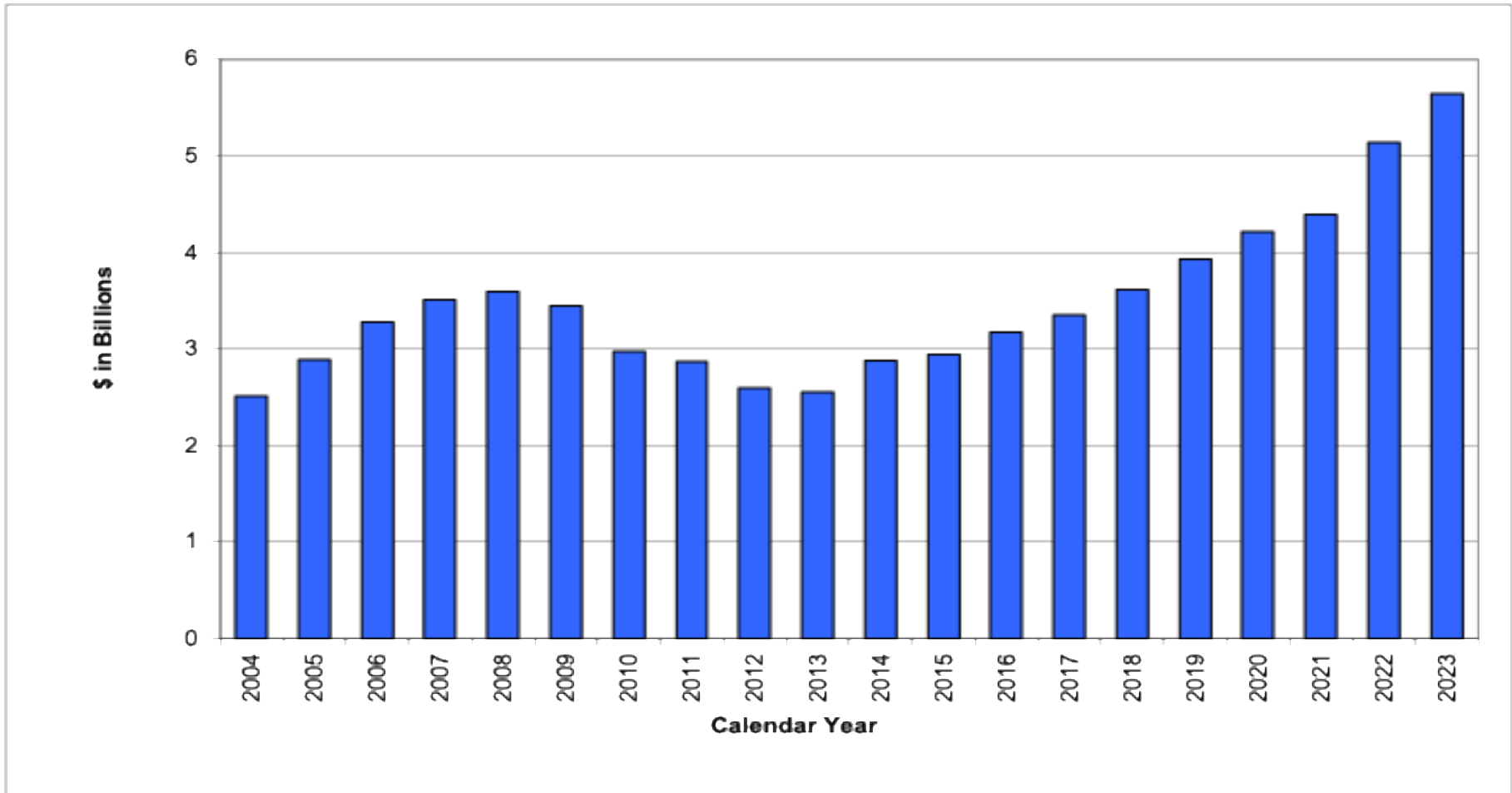
OPEB Debt Service Fund

	<u>Proposed 2025 Levy</u>	<u>Final 2024 Levy</u>	<u>Change</u>	<u>Percent Change</u>
Required Levy of 105% of Scheduled Principal & Interest Payments	\$ -	\$ 293,281	\$ (293,281)	(100.00) %
Adjustments	\$ -	\$ (41,736)	\$ 41,736	(100.00) %
Abatements	\$ -	\$ 5,461	\$ (5,461)	(100.00) %
	<u>\$ -</u>	<u>\$ 257,006</u>	<u>\$ (257,006)</u>	<u>(100.00) %</u>

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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 \$13,461,909. All savings from each bond refunding is passed directly to taxpayers, by lowering the amount levied to make principal and interest payments.
 - 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
 - 2024 resulted in savings of \$374,054
 - Refunding opportunities are reviewed every six months, or sooner if markets are highly favorable



Public Comment Period

SLP