

Hayfield School District

2024 Payable 2025

Truth In Taxation Public Meeting

6:01

12/11/2024

at the

Hayfield Elementary Conference Room

9 6th Ave SE

Hayfield, MN 55940

Truth in Taxation Law

Minnesota's Truth in Taxation Law requires that cities, counties and school districts follow certain steps before adopting a tax levy for the following year.

- The law requires a mailed notice to each property owner in the county, which describes the tax levies proposed by the city, county and school district and what percent increase (decrease) such a levy would mean in dollars.
- School districts are required to hold a single meeting in which the public is allowed to speak and the budget and levy is discussed. This meeting may be part of a regularly scheduled meeting but must occur after 6:00 P.M.
- The meeting date and location must be provided at the same time or prior to certifying the proposed property tax levy. The meeting date must be between November 25 and December 27.
- You are here tonight as part of the school district's public meeting process.

Requirements of the Truth in Taxation Public Meeting

1. Discuss proposed property tax levy for taxes payable 2025
2. Provide and discuss information on the current budget (2024-2025).
3. Public must be given a reasonable amount of time to comment on the proposed property tax levy and budget and to ask questions.

- Minnesota Statute 275.065

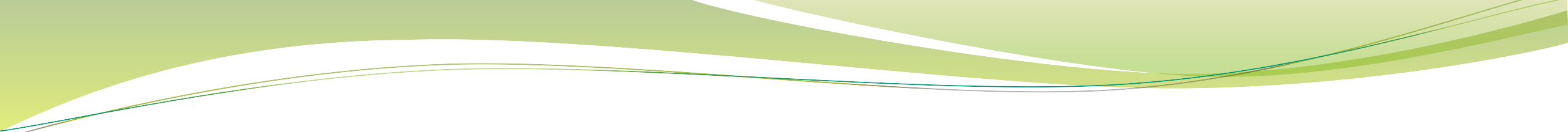
Points to Remember

1. Revenue formulas are set by the State Legislature except for voter approved referendums.
2. Local Levy and State Aid mix are set by the State Legislature.
3. An increase in local taxes does not necessarily mean an increase in revenues for the school district.

- Minnesota Statute 275.065

Levy Cycles

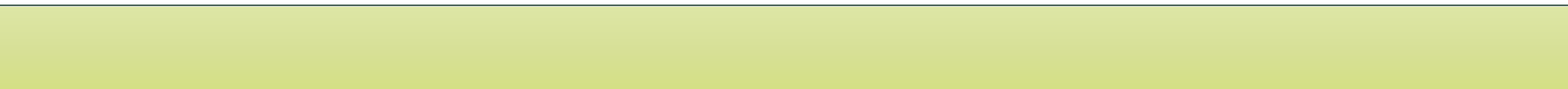
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Hayfield School District

School District Budget

**Current School Year
2024-2025**



Fund Accounting Overview

All school districts' budgets are divided into separate funds, as required by law.

For our District, there are 5 funds:

1. GENERAL FUND (Fund 01)

- Revenue is based on student enrollment
- The local referendum levy is part of the General Fund
- Provides for classroom instruction, instructional supplies and equipment, and other educational activities
- Special Education, and State / Federal Mandated Programs
- Extra-curricular Activities
- Pupil Transportation
- Facilities Operation and Maintenance
- Capital Expenditures and Improvements
- Health and Safety Code Compliance

Fund Accounting Overview

2. FOOD SERVICE (Fund 02)

- School Breakfast and Lunch Program

3. COMMUNITY SERVICE (Fund 04)

- Levy is based on adult population in the District
- Early childhood levy is based on the number of children under 5 years of age
- Provides for enrichment programs for any age level that are not part of the K-12 education program
- Early Childhood Family Education
- School Readiness
- Adult Basic Education

4. CONSTRUCTION FUND (Fund 06)

- Building Project

5. DEBT SERVICE (Fund 07)

- Based on annual debt retirement schedules for the district's outstanding bonded indebtedness. Annual levy is for the payment of principal and interest on bonds as due. Current debt is a result of the voter approved Bond Issue for
 - Building Bonds 2017A \$9,694,000
 - Building Bonds 2017B \$10,565,000

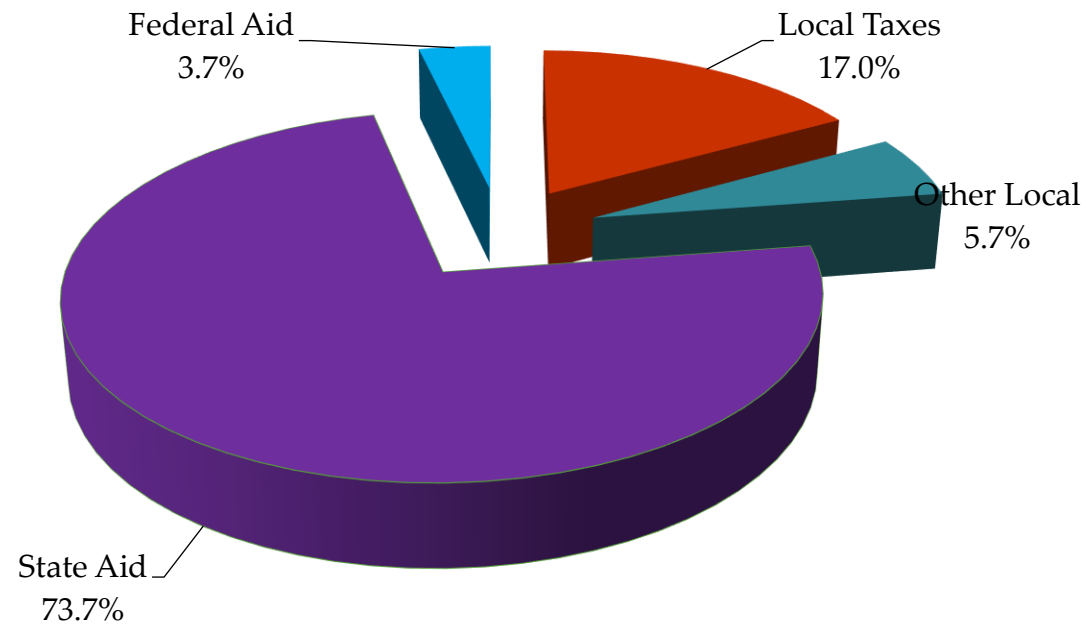
Hayfield School District

2024-2025 Budget Overview Revenues	2023-2024	24-25 Budget	Percent Change
Gen. Fund	\$9,942,578.00	\$9,390,045.00	-5.557240788
Food Serv.	\$603,308.00	\$565,800.00	-6.217056628
Community serv.	\$389,538.00	\$286,256.00	-26.51397296
Construction Fund	X	X	X
Debt Service	\$875,631.00	\$1,780,106.00	103.2940816

Hayfield School District

General Fund Revenue Budget

Where Do Our School Revenues Come From?



Hayfield School District

2024-2025 Budget Overview Expenditures	2023-2024	24-25 Budget	Percent Change
Gen. Fund	\$10,087,010.00	\$9,321,999.00	-7.584120567
Food Serv.	\$493,251.00	\$452,349.00	-8.292329869
Community serv.	\$386,936.00	\$247,298.00	-36.08813861
Construction Fund	X	X	X
Debt Service	\$946,734.00	\$946,479.00	-0.02693470394

Hayfield School District

HOW ARE GENERAL FUND DOLLARS SPENT?

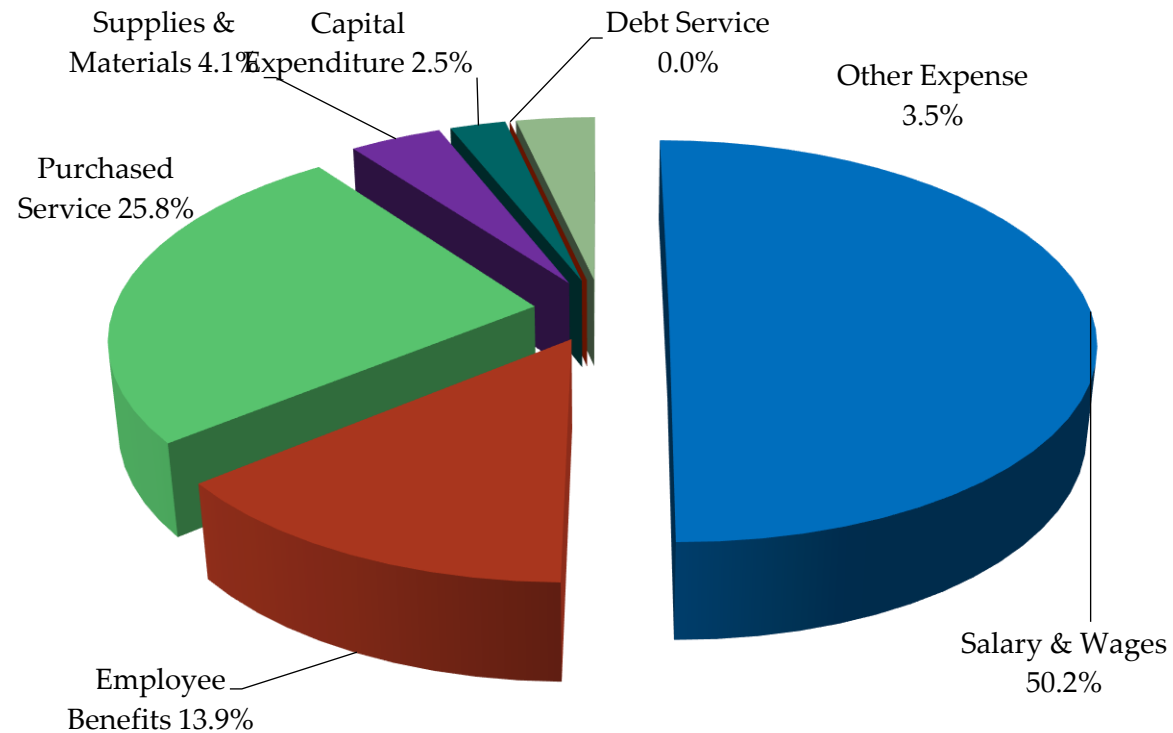
Expenses incurred in the operation of the district are paid from the General Fund. The following schedule relates how the dollars allocated to the General Fund are spent:

General Fund Expenses	\$10,087,010.00	
District & School Administration	\$789,065.00	7.82%
District Support Services	\$550,431.00	5.46%
Regular Instruction	\$4,427,449.00	43.89%
Vocational Instruction	\$272,831.00	2.70%
Special Education	\$1,141,395.00	11.32%
Instructional Support services	\$178,243.00	1.77%
Pupil Support Services	\$1,325,396.00	13.14%
Sites-Buildings, Equipment	\$1,329,809.00	13.18%
Fiscal and Other	\$72,391.00	0.72%

Hayfield School District

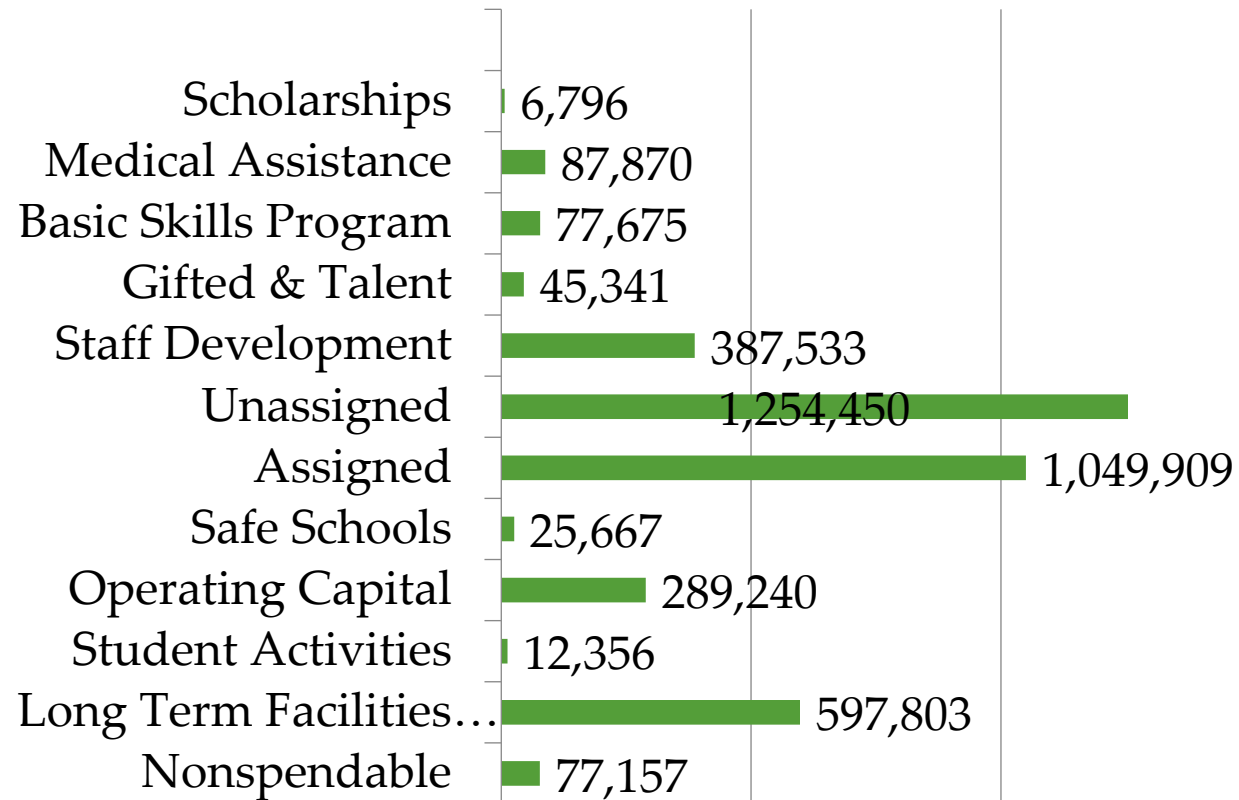
General Fund Expenditure Budget

What Do Our Expenditures Pay For?



Hayfield School District

Components of the Projected General Fund Balance at June 30, 2024



Hayfield School District

School District Levy

- 2024 Payable 2025
- 2025-2026 School Year
- Fiscal Year 2026

Hayfield School District

Authority for School Levies

A School District Tax Levy must be either:

- Set by State Formula
- or-
- Voter Approved

Hayfield School District

Factors Impacting Tax Change

Issues Driven by Legislative Decisions:

- Change in sales ratio (impacting ANTC)
- Change in tax capacity rate structure
- Laws mandating code compliance (Health & Safety and Buildings)

Issues Determined by District Voters:

- Voter approved building bond issue
- Voter approved excess levy referendum

Hayfield School District

Factors Impacting Tax Change (*cont.*)

Local Factors:

- Inflationary pressure on real estate market
- Abatements
- Property improvements not previously taxed
- Change in individual assessed market value
- Possible change in property classification (*e.g. homestead to rental*)

Hayfield School District

How will your 2023 school taxes be spent?

Percent

General Fund

Provides additional funding for district instructional programs by means of the approved excess referendum. Provides funds for operating capital expenses, building/land lease, and Health & Safety costs:

54%

Community Education Fund

Levy for Community Education Programs:

1%

Debt Service

Levy for repayment of principal and interest on district debt:

45%

Total Levy Before Credits:

100.0%

Hayfield School District

Comparison of Certified Payable 2024 Levy with Proposed Payable 2025 Levy

By Fund	Actutal 23 Pay 24	Proposed 24 pay 25	Dollar Difference	Percent Difference
General Fund	\$1,697,473.90	\$1,627,331.67	-\$70,142.23	-4.13%
Community Services	\$44,389.93	\$42,476.23	-\$1,913.70	-4.31%
Debt Redemption	\$1,383,218.79	\$1,379,715.01	-\$3,503.78	-0.25%
Total	\$3,125,082.62	\$3,049,522.91	-\$75,559.71	-2.42%

Hayfield School District

What are the main variables that cause property tax increases and decreases?

- Changes in market values, classification or class rates
- Change in property tax credits (*e.g. change in Homestead Benefit from a credit to an exclusion*)
- Voter approved referendums
- Increases or decreases in levy amounts caused by changes in state funding formulas

Hayfield School District

**What are the main variables that cause property tax increases and decreases?
(*cont.*)**

- The value of your property may increase or decrease
- The value of other properties may increase or decrease and change the share that your property is of the total tax base, whether your property's value changed or not.
- School Board Actions.

Hayfield School District

Whereas, Pursuant to Minnesota Statutes the School Board of Hayfield School District, Hayfield, Minnesota, is authorized to make the following proposed tax levies for general purposes:

Maintenance (General Fund)	\$ 1,627,331.67
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- Includes Referendum

Community Service	42,476.23
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Debt Service	1,379,715.01
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Total Proposed School Tax Levy	\$3,049,522.91
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Now Therefore, Be it resolved by the School Board of Hayfield School District, Hayfield, Minnesota, that the levy to be levied in 2024 to be collected in 2025 is set at \$3,049,522.91. The clerk of the Hayfield School Board is authorized to certify the proposed levy to the County Auditor of Dodge County, Minnesota.