

BLHS SCHOOLS
Independent School District 2159

2023 PAYABLE 2024
PROPERTY TAX HEARING

For the school year
July 1, 2023 – June 30, 2024

REQUIREMENTS OF THE TRUTH IN TAXATION HEARING

- The 2023 Pay 2024 Proposed Property Tax Levy
 - Proposed Changes
 - Specific Purposes for Changes
- Current Year Budget (Fiscal Year 2024)
 - Distribution of Revenues by Revenue Source
 - Spending by Program Area
- Public Comment and Questions

Minnesota Statute 275.065

School District Levy and School District Funds

School District Levy

- Tax is levied in the fall of 2023 taxes are payable and collected in 2024
- District Revenue for 2024-2025 School year
- Fiscal year 2025

School District Funds

General Fund Levy

- A. Based on student enrollment

Community Education Fund Levy

- A. Based on the population of the District
 1. Includes basic community education revenue, youth services and after school revenue
 2. Early childhood family education levy is based on number of children under 5 years of age in district

School District Levy and School District Funds

School District Funds (continued)

Debt Service Fund Levy

- A. Based on annual debt retirement schedules
 - 1. Annual levy is what is needed to pay principal and interest payments of bonded debt plus 5%
 - 2. A calculation is done annually by the Minnesota Department of Education to determine level of fund balance
 - a. If over cap of 5% a levy reduction will be made to bring debt fund balance to the 5% over levy requirement
 - 3. Debt Service Fund may be composed of voter-approved bonds, as well as non-voter approved bonds such as alternative facilities bonds, capital facilities bonds and long-term facilities maintenance bonds

Who determines your school property tax?



A) Legislature and Governor

B) County Assessor



C) School Board



D) Voters

How will your payable 2024 School Taxes be spent?

General Fund	Percent
Provides funding for district regular and special education instructional programs including but not limited to support services, transportation, instructional, athletic, and operational equipment, technology, building maintenance, additions	81.70%
Community Education Fund	
Funding for Community Education programs	
Early Childhood Family Education and School Readiness	3.40%
Debt Service Fund	
Levy for repayment of principal and interest on district debt	15.00%
Total Levy before credits and exclusions:	100.00%

The School District Levy is changing by

\$499,975.04

Or

42.89%

Source: MDE Levy Limitation and Certification Report for taxes payable 2024 (page 30 of 39)

SCHOOL DISTRICT BUDGET

**CURRENT SCHOOL YEAR
2023-2024**

BLHS PUBLIC SCHOOLS

FISCAL YEAR 2023-2024

COMPOSITE BUDGET

REVENUES						
	GENERAL FUND	FOOD SERVICE FUND	COMM. ED. FUND	DEBT FUND	Construction Fund	TOTALS
	FUND 01	FUND 02	FUND 04	FUND 07	FUND 06	
Levy	\$1,040,421		\$59,189	\$66,000		\$1,165,610
Misc. Local Rev.	283,767	132,700	257,000			673,467
State Aid	5,099,002	123,800	123,779			5,346,581
Federal Aid	1,124,739	44,300	10,000			1,179,039
Other	495,000		50,000			545,000
Totals	\$8,042,929	\$300,800	\$499,968	\$66,000	\$0	\$8,909,697

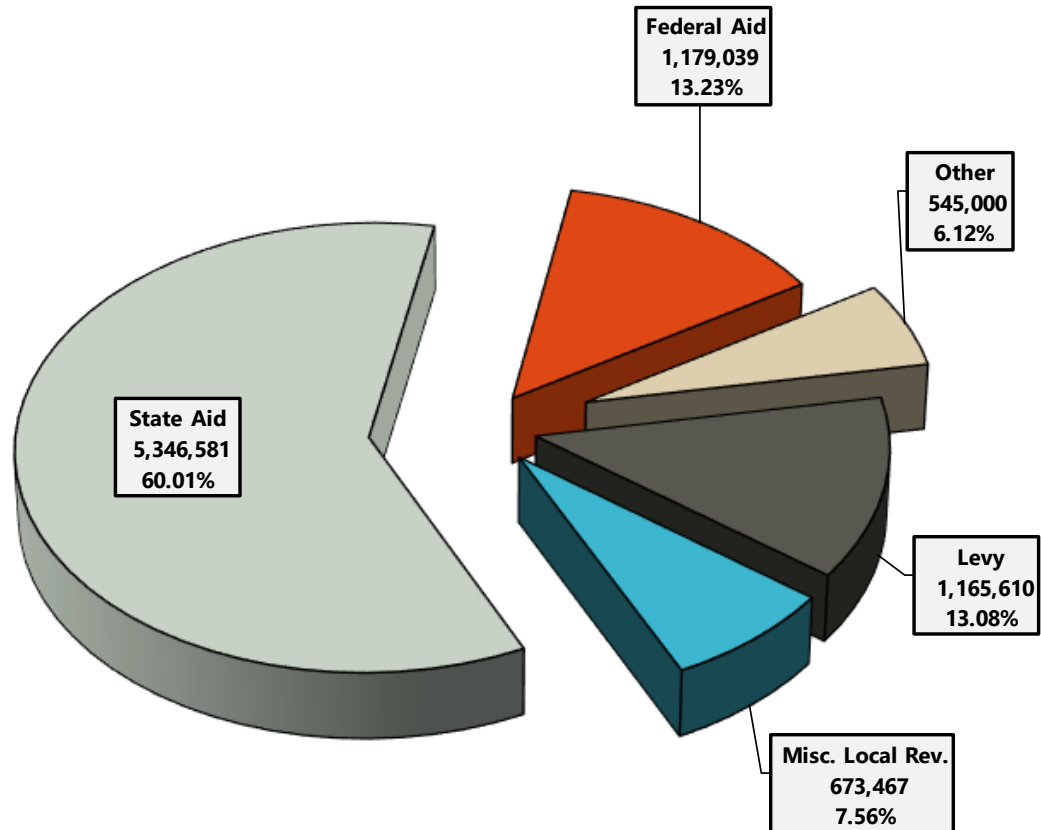
EXPENSES						
	GENERAL FUND	FOOD SERVICE FUND	COMM. ED. FUND	DEBT FUND	Construction Fund	TOTALS
	FUND 01	FUND 02	FUND 04	FUND 07	FUND 06	
Administration	\$515,832					\$515,832
District Support Services	332,000					332,000
Elem. And Secondary Regular Ins.	3,061,258					3,061,258
Vocational Ed Inst.	179,760					179,760
Special Ed. Inst.	877,255					877,255
Instructional Support Services	206,425					206,425
Pupil Support Services	803,625	335,717				1,139,342
Sites & Buildings	1,640,549				29,320	1,669,869
Fiscal & Other Fixed Costs	77,000			66,000		143,000
Capital	408,540		5,000			413,540
Other			583,434			583,434
Totals	\$8,102,244	\$335,717	\$588,434	\$66,000	\$29,320	\$9,121,715

BUDGET BALANCE	(\$59,315)	(\$34,917)	(\$88,466)	\$0	(\$29,320)	(\$212,018)
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BLHS PUBLIC SCHOOLS

FISCAL YEAR 2023-2024

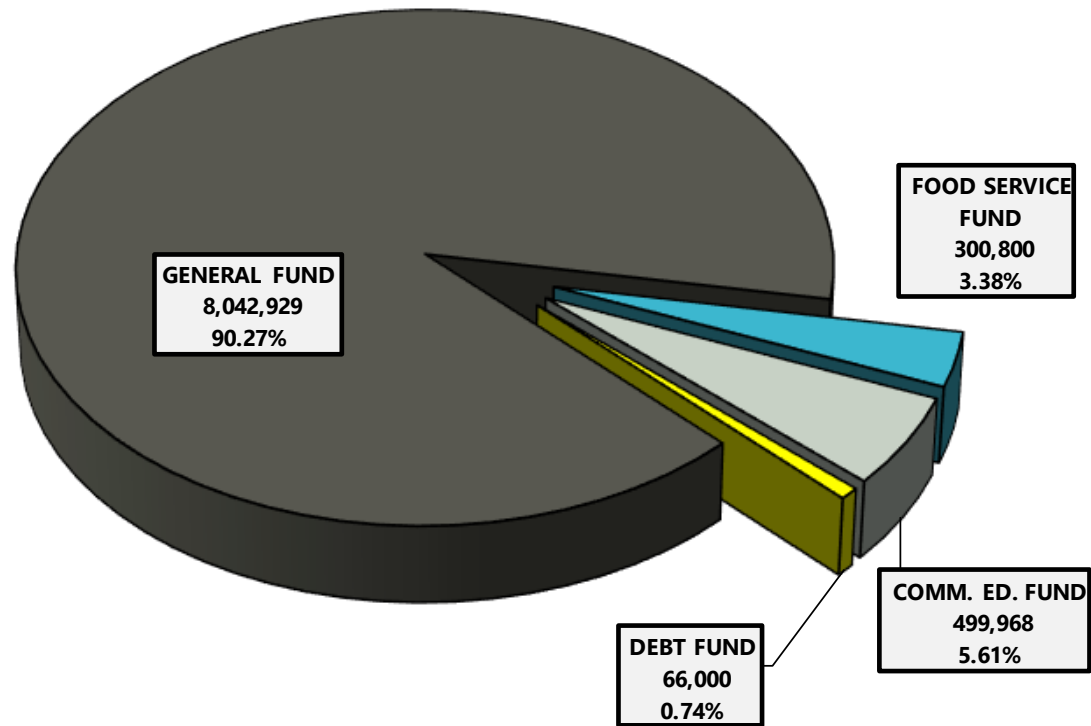
REVENUE BY SOURCE



BLHS PUBLIC SCHOOLS

FISCAL YEAR 2023-2024

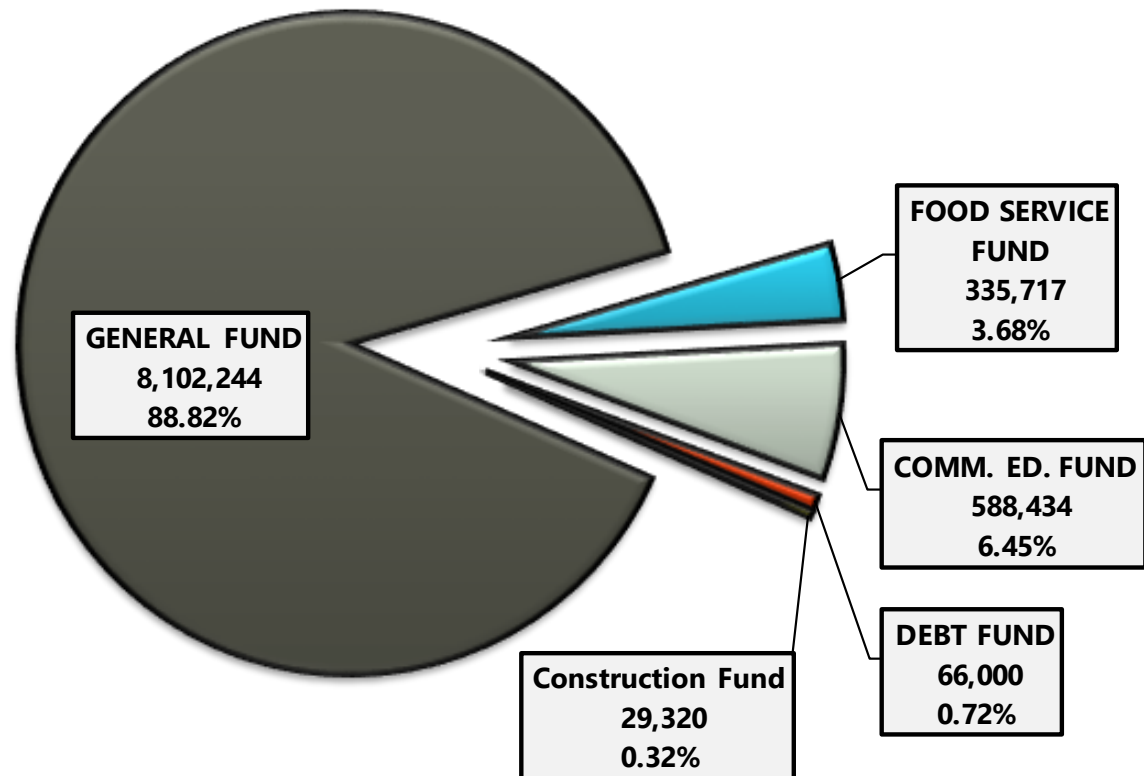
REVENUE BY FUND



BLHS PUBLIC SCHOOLS

FISCAL YEAR 2023-2024

EXPENDITURE BY FUND



BLHS PUBLIC SCHOOLS

FISCAL YEAR 2023-2024

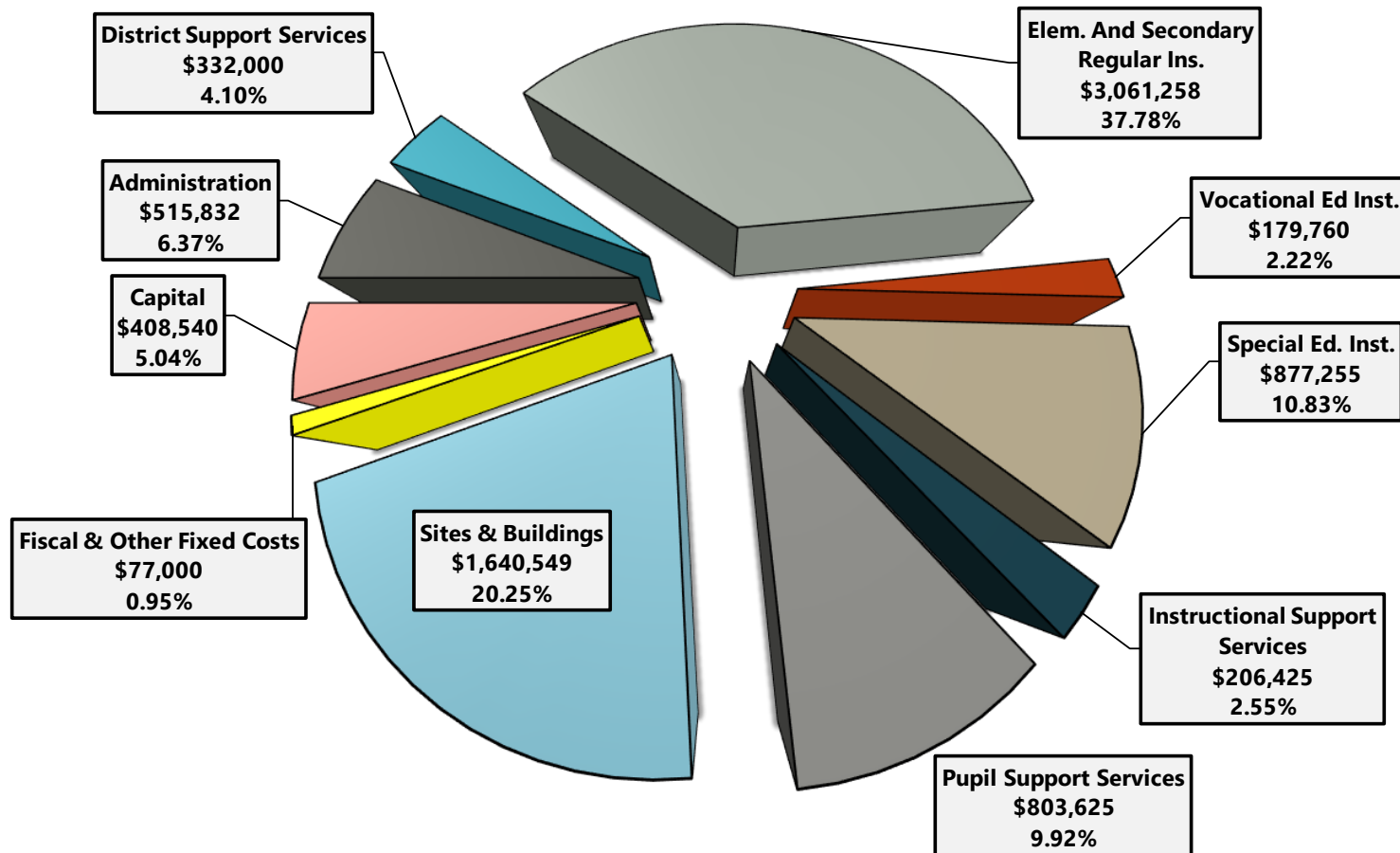
GENERAL FUND PROGRAM EXPENDITURES

EXPENSES	GENERAL FUND 01
Administration	\$515,832
District Support Services	\$332,000
Elem. And Secondary Regular In	\$3,061,258
Vocational Ed Inst.	\$179,760
Special Ed. Inst.	\$877,255
Instructional Support Services	\$206,425
Pupil Support Services	\$803,625
Sites & Buildings	\$1,640,549
Fiscal & Other Fixed Costs	\$77,000
Capital	<u>\$408,540</u>
Totals	\$8,102,244

BLHS PUBLIC SCHOOLS

FISCAL YEAR 2023-2024

GENERAL FUND 01 PROGRAM EXPENDITURES



Local Financial Reminders

November 7, 2023 Operating Levy Referendum

- Voters approved the increase of \$833 / APU for 10 years, commencing with taxes payable in 2024 for 10 years
- Margin of 651 votes in favor (70.23%) and 276 votes opposed (29.77%)
- This authority generates an additional \$402,305.72 of net new operating revenue for taxes payable in 2024

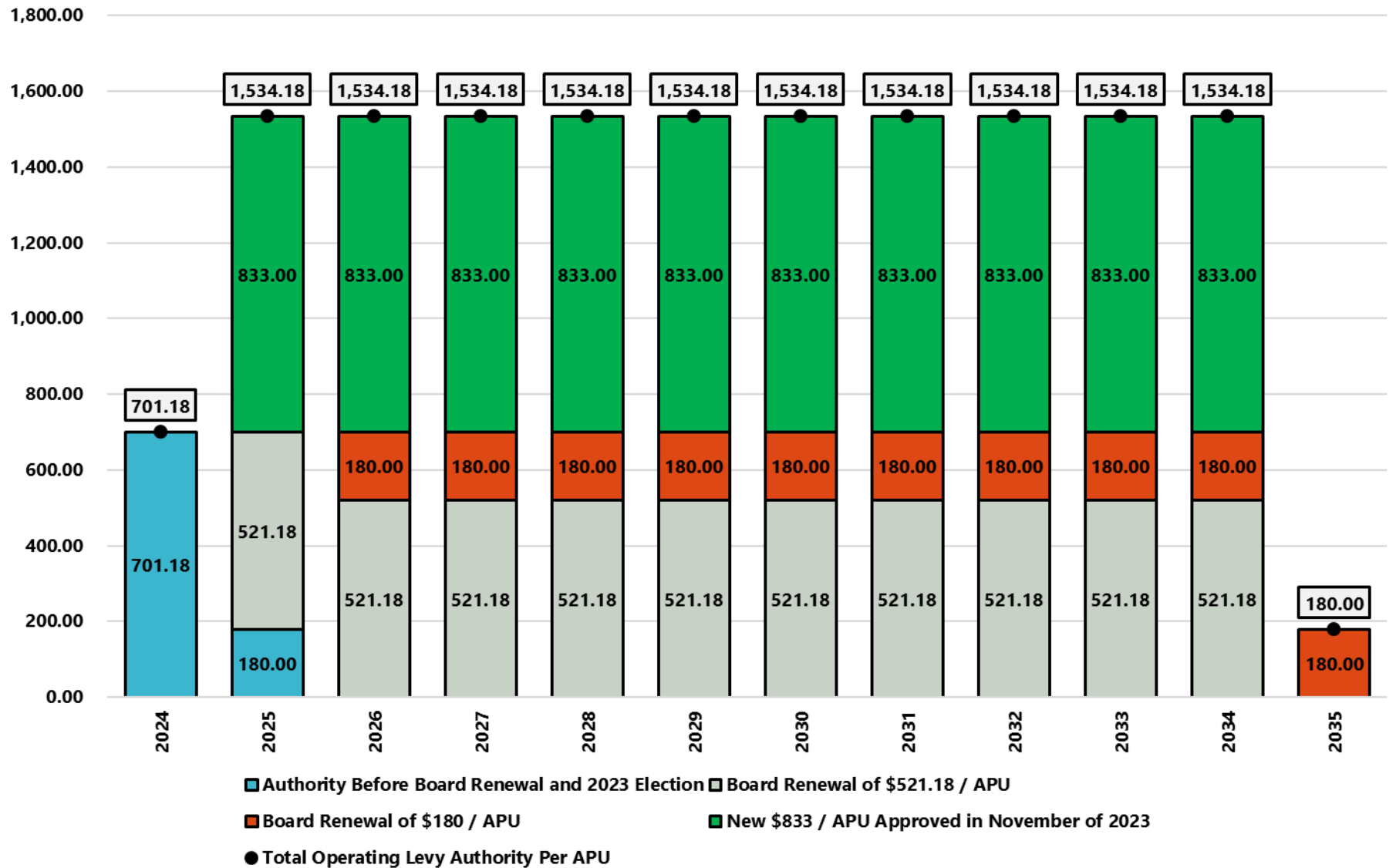
G.O. Facilities Maintenance Bonds, Series 2023A

- District sold the bonds in September of 2023 with a total par amount of \$745,000 generating \$749,816.72 in project proceeds
- Use of Bond Proceeds: Roof Project and costs of projects included in the 10-year facility plan
- True interest cost: 4.46%
- Last payment on the bonds is 2/1/2031
- This financing converted the district's LTFM revenue from an annual levy to a debt levy
- Why is this Important? Debt Levies are eligible for the Ag2School Tax Credit
 - (70% for taxes payable in 2024 for eligible agricultural/timber/rural vacant land properties)

June 6, 2023 School Board Renewal of Operating Referendum(s)

- Operating Levy Authority was composed of two voter-approved amounts - \$521.18 and \$180 for a total of \$701.18
- \$521.18 Portion was renewed for 10 years commencing with taxes payable in 2024
- \$180 Portion was renewed for 10 years commencing with taxes payable in 2025
- Pay 2024 TOTAL Operating Levy Revenue: **\$775,681.41**

ISD 2159 BLHS - Summary of Operating Levy Authority / APU



Projected vs. Actual Revenue and Tax Impact of Operating Levy Referendum

Description	Estimates used for Referendum	Figures Based on Updated Pay 2024 LLC	Difference
APU	505.60	505.60	0.00
Existing Authority	701.18	701.18	0.00
NEW Additional Authority	833.00	833.00	0.00
Total Authority	1,534.18	1,534.18	0.00
Operating Levy Revenue	775,681.41	775,681.41	0.00
Equity Revenue Reduction	(21,165.68)	(18,858.88)	2,306.80
Net New Revenue	399,999.12	402,305.92	2,306.80

Annual Tax Impact Change (Pay 2023 - Pay 2024)			
Property Description	Estimates used for Referendum	Figures Based on Updated Pay 2024 LLC	Difference
\$100K Home	133.24	129.77	(3.47)
\$150K Home	199.85	194.66	(5.19)
\$200K Home	266.47	259.54	(6.93)

HOW ARE STATE AID AND LOCAL LEVIES DETERMINED?

AUTHORITY FOR SCHOOL LEVIES

A SCHOOL DISTRICT TAX LEVY MAY BE EITHER:

SET BY STATE FORMULA

OR

VOTER APPROVED

BLHS PUBLIC SCHOOLS

GENERAL FUND

GROSS LEVY COMPARISON

Total % Change = 30.752%

	Actual 2022 Pay 2023	Proposed 2023 Pay 2024	Dollar Difference
1 Referendum	294,409.06	764,992.59	\$470,583.53
2 Local Optional	262,893.30	286,562.20	23,668.90
3 Equity	58,225.93	48,744.39	(9,481.54)
4 Transition	22,606.19	26,212.31	3,606.12
5 Operating Capital	117,284.32	124,404.62	7,120.30
6 Achievement & Integration	0.00	0.00	0.00
7 Remployment Insurance	5,000.00	5,000.00	0.00
8 Safe Schools	17,596.44	18,705.60	1,109.16
9 Career Technical	40,475.75	40,796.00	320.25
10 OPEB	10,000.00	(10,000.00)	(20,000.00)
11 LTFM Equalized	177,076.20	13,722.07	(163,354.13)
12 LTFM Unequalized	0.00	0.00	0.00
13 Building/Land Lease	99,720.44	106,829.85	7,109.41
14 Fac & Equip Bond Adjust.	(66,199.00)	(65,338.00)	861.00
15 Tax Abatement / Other Adj.	<u>1,332.44</u>	<u>(264.59)</u>	<u>(1,597.03)</u>
Total Gross Levy	1,040,421.07	1,360,367.04	\$319,945.97

BLHS PUBLIC SCHOOLS COMMUNITY SERVICE GROSS LEVY COMPARISON

Total % Change = -4.791%

	Actual 2022 Pay 2023	Proposed 2023 Pay 2024	Dollar Difference
1 Basic Community Education	32,062.79	\$28,495.95	(\$3,566.84)
2 Early Child Family	26,518.80	27,347.18	828.38
3 Home Visiting	456.00	510.00	54.00
4 Adults w/ Disabilities	0.00	0.00	0.00
5 School Age Care	0.00	0.00	0.00
6 Other Adjustments	0.00	0.00	0.00
7 Tax Abatement	<u>151.50</u>	<u>0.10</u>	<u>(151.40)</u>
Total Gross Levy	\$59,189.09	\$56,353.23	(\$2,835.86)

BLHS PUBLIC SCHOOLS

DEBT SERVICE

GROSS LEVY COMPARISON

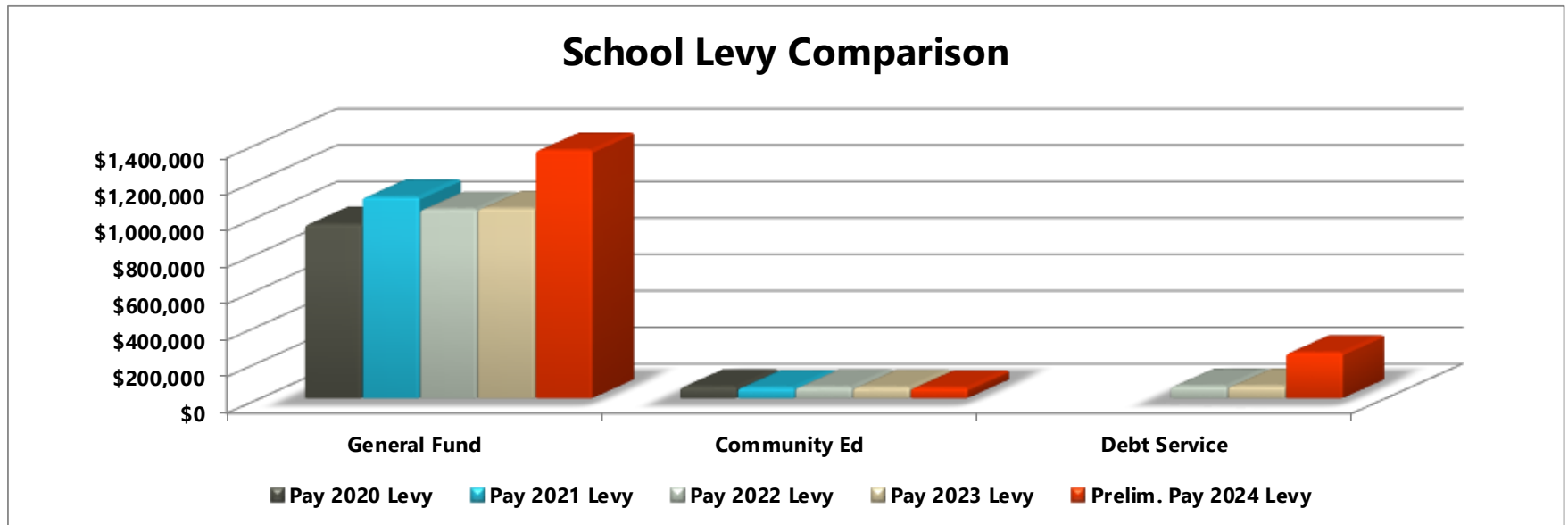
Total % Change = 276.235%

	Actual 2022 Pay 2023	Proposed 2023 Pay 2024	Dollar Difference
1 Voter Approved Debt Service	\$0.00	\$0.00	\$0.00
1 Other Debt Service	66,199.00	65,338.00	(861.00)
2 LTFM Bond Debt Service	0.00	183,725.93	183,725.93
3 Debt Excess	0.00	0.00	0.00
4 Tax Abatement	0.00	0.00	0.00
5 Other Adjustments	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>
Total Gross Levy	\$66,199.00	\$249,063.93	\$182,864.93

BLHS PUBLIC SCHOOLS

SCHOOL PORTION of PROPERTY TAX LEVY

Total Pay 2020 Levy = \$1,015,378.86
 Total Pay 2021 Levy = \$1,160,627.38
 Total Pay 2022 Levy = \$1,161,843.35
 Total Pay 2023 Levy = \$1,165,809.16
 Total Prelim. Pay 2024 Levy = \$1,665,784.20



	Pay 2020 Levy	Pay 2021 Levy	Pay 2022 Levy	Pay 2023 Levy	Prelim. Pay 2024 Levy
General Fund	953,521.22	1,103,065.57	1,036,071.54	1,040,421.07	1,360,367.04
Community Ed	61,857.64	57,561.81	60,130.72	59,189.09	\$56,353.23
Debt Service			65,641.09	66,199.00	\$249,063.93
Total Levy	1,015,378.86	1,160,627.38	1,161,843.35	1,165,809.16	1,665,784.20

WHAT ARE THE MAIN VARIABLES THAT MAY CAUSE PROPERTY TAX INCREASES AND DECREASES?

- 1. Changes in market values**
- 2. Changes in class rates/history**
- 3. Market value exclusion**
- 4. Voter approved referendums**
- 5. State adjustments**

(i.e. Ag2School Tax Credit Program)

- 6. New programs authorized or
mandated by legislature**

(i.e. Long-Term Facilities Maintenance [LTFM] Revenue Program)

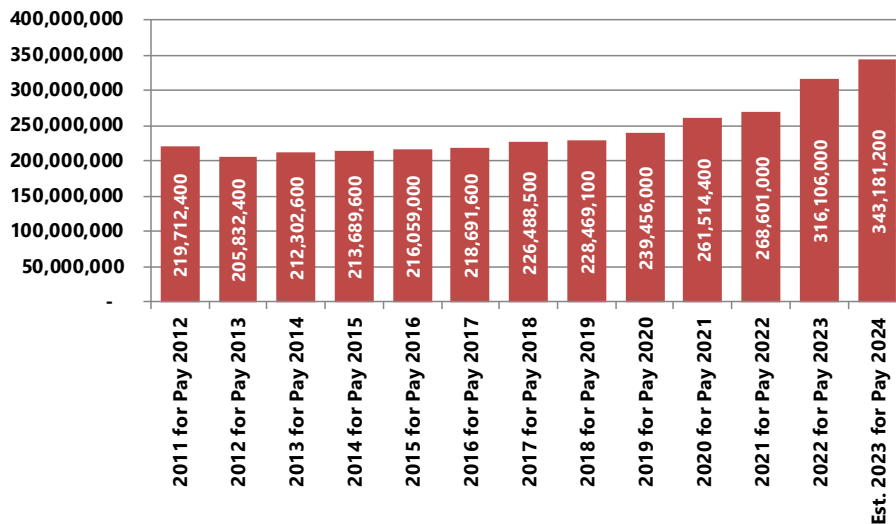
CHANGES IN MARKET VALUE

The market values are final and are not a subject for the upcoming budget hearings. They were discussed at the local County Board of Review and County Board of Equalization hearings held earlier this year. The final taxable market values may reflect a reduction under the limited value law. If this property is a qualifying homestead, the final taxable market values may exclude improvements which you made to this property.

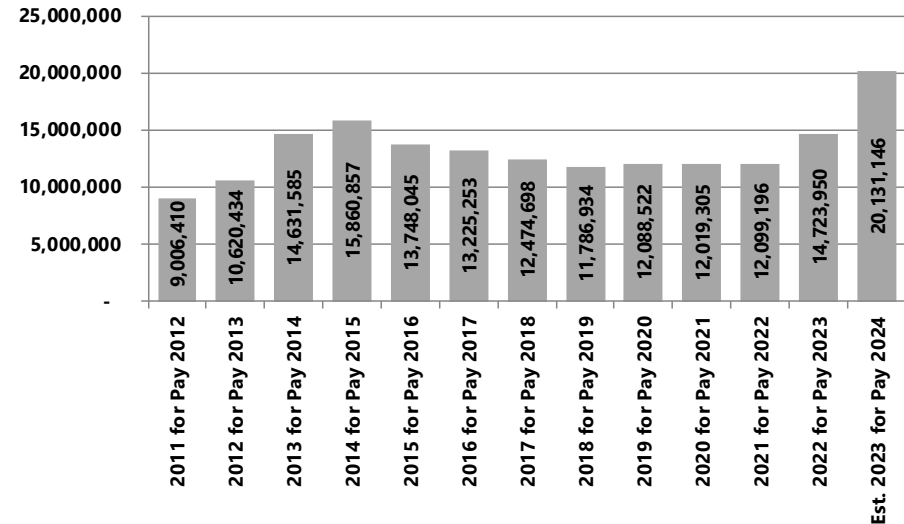
BLHS PUBLIC SCHOOLS TAX BASE HISTORY

Assessment Year	Taxes Payable	RMV - Referendum Market Value	% Change	NTC - Net Tax Capacity	% Change
2023	2024	343,181,200	8.565%	20,131,146	36.724%
2022	2023	316,106,000	17.686%	14,723,950	21.694%
2021	2022	268,601,000	2.710%	12,099,196	0.665%
2020	2021	261,514,400	9.212%	12,019,305	-0.573%
2019	2020	239,456,000	4.809%	12,088,522	2.559%
2018	2019	228,469,100	0.874%	11,786,934	-5.513%
2017	2018	226,488,500	3.565%	12,474,698	-5.675%
2016	2017	218,691,600	1.218%	13,225,253	-3.803%
2015	2016	216,059,000	1.109%	13,748,045	-13.321%
2014	2015	213,689,600	0.653%	15,860,857	8.401%
2013	2014	212,302,600	3.143%	14,631,585	37.768%
2012	2013	205,832,400	-6.317%	10,620,434	17.921%
2011	2012	219,712,400		9,006,410	

RMV (Referendum Market Value)



NTC (Net Tax Capacity)



School Portion of Taxes – No Property Appreciation

0.00%

DATA BELOW ASSUMES NO CHANGE IN PROPERTY VALUE

Type of Property	Estimated Market Value - Taxes Payable 2023	Estimated Market Value - Taxes Payable 2024	Actual Pay 2023 School Portion of Taxes	Prelim. Pay 2024 School Portion of Taxes	Estimated Tax Increase / (Decrease) - Pay 2023 vs Pay 2024	Estimated Percent Change
Residential Homestead	75,000	75,000	167.53	258.25	90.72	54.15%
	100,000	100,000	227.60	347.49	119.89	52.68%
	150,000	150,000	348.07	526.22	178.16	51.18%
	200,000	200,000	468.53	704.95	236.42	50.46%
	250,000	250,000	589.00	883.68	294.68	50.03%
	300,000	300,000	709.47	1,062.41	352.94	49.75%
	400,000	400,000	950.40	1,419.87	469.47	49.40%
	500,000	500,000	1,188.54	1,775.24	586.70	49.36%
Commercial Industrial	250,000	250,000	656.99	934.50	277.51	42.24%
	500,000	500,000	1,340.85	1,889.09	548.24	40.89%
	750,000	750,000	2,024.71	2,843.68	818.97	40.45%
Seasonal Recreational	100,000	100,000	35.84	26.79	(9.05)	-25.25%
	200,000	200,000	71.68	53.58	(18.10)	-25.25%
	300,000	300,000	107.51	80.36	(27.15)	-25.25%
Agricultural Homestead	5,500	5,500	0.90	0.50	(0.40)	-44.55%
	6,500	6,500	1.06	0.59	(0.47)	-44.55%
	7,500	7,500	1.23	0.68	(0.55)	-44.55%
Agricultural Non-Homestead	5,500	5,500	1.80	1.00	(0.80)	-44.55%
	6,500	6,500	2.12	1.18	(0.95)	-44.55%
	7,500	7,500	2.45	1.36	(1.09)	-44.55%

Ag2School Credit Offset Percentage

70%

70%

School Portion of Taxes – With 8.50% Property Appreciation

8.50%

DATA BELOW ASSUMES A 8.50% CHANGE IN PROPERTY VALUE

Type of Property	Estimated Market Value - Taxes Payable 2023	Estimated Market Value - Taxes Payable 2024	Actual Pay 2023 School Portion of Taxes	Prelim. Pay 2024 School Portion of Taxes	Estimated Tax Increase / (Decrease) - Pay 2023 vs Pay 2024	Estimated Percent Change
Residential Homestead	75,000	81,375	167.53	280.92	113.39	67.68%
	100,000	108,500	227.60	377.86	150.26	66.02%
	150,000	162,750	348.07	571.80	223.73	64.28%
	200,000	217,000	468.53	765.71	297.18	63.43%
	250,000	271,250	589.00	959.65	370.65	62.93%
	300,000	325,500	709.47	1,153.56	444.10	62.60%
	400,000	434,000	950.40	1,540.91	590.51	62.13%
	500,000	542,500	1,188.54	1,928.97	740.44	62.30%
Commercial Industrial	250,000	271,250	656.99	1,015.64	358.65	54.59%
	500,000	542,500	1,340.85	2,051.37	710.52	52.99%
	750,000	813,750	2,024.71	3,087.10	1,062.39	52.47%
Seasonal Recreational	100,000	108,500	35.84	29.06	(6.77)	-18.90%
	200,000	217,000	71.68	58.13	(13.55)	-18.90%
	300,000	325,500	107.51	87.19	(20.32)	-18.90%
Agricultural Homestead	5,500	5,968	0.90	0.54	(0.36)	-39.83%
	6,500	7,053	1.06	0.64	(0.42)	-39.83%
	7,500	8,138	1.23	0.74	(0.49)	-39.83%
Agricultural Non-Homestead	5,500	5,968	1.80	1.08	(0.72)	-39.83%
	6,500	7,053	2.12	1.28	(0.85)	-39.83%
	7,500	8,138	2.45	1.48	(0.98)	-39.83%

Ag2School Credit Offset Percentage

70%

70%

School Portion of Taxes – With 36% Property Appreciation

36.00%

DATA BELOW ASSUMES A 36.00% CHANGE IN PROPERTY VALUE

Type of Property	Estimated Market Value - Taxes Payable 2023	Estimated Market Value - Taxes Payable 2024	Actual Pay 2023 School Portion of Taxes	Prelim. Pay 2024 School Portion of Taxes	Estimated Tax Increase / (Decrease) - Pay 2023 vs Pay 2024	Estimated Percent Change
Residential Homestead	75,000	102,000	167.53	354.62	187.09	111.68%
	100,000	136,000	227.60	476.17	248.57	109.21%
	150,000	204,000	348.07	719.23	371.17	106.64%
	200,000	272,000	468.53	962.30	493.77	105.39%
	250,000	340,000	589.00	1,205.40	616.39	104.65%
	300,000	408,000	709.47	1,448.46	738.99	104.16%
	400,000	544,000	950.40	1,934.41	984.01	103.54%
	500,000	680,000	1,188.54	2,426.38	1,237.84	104.15%
Commercial Industrial	250,000	340,000	656.99	1,278.15	621.17	94.55%
	500,000	680,000	1,340.85	2,576.39	1,235.54	92.15%
	750,000	1,020,000	2,024.71	3,874.64	1,849.92	91.37%
Seasonal Recreational	100,000	136,000	35.84	36.43	0.59	1.66%
	200,000	272,000	71.68	72.86	1.19	1.66%
	300,000	408,000	107.51	109.30	1.78	1.66%
Agricultural Homestead	5,500	7,480	0.90	0.68	(0.22)	-24.59%
	6,500	8,840	1.06	0.80	(0.26)	-24.59%
	7,500	10,200	1.23	0.92	(0.30)	-24.59%
Agricultural Non-Homestead	5,500	7,480	1.80	1.36	(0.44)	-24.59%
	6,500	8,840	2.12	1.60	(0.52)	-24.59%
	7,500	10,200	2.45	1.85	(0.60)	-24.59%

Whereas, Pursuant to Minnesota Statutes the School Board of Independent School District No. 2159, Buffalo Lake – Hector - Stewart, Minnesota, is authorized to make the following proposed tax levies for general purposes:

General Fund	\$ 1,360,367.04
Community Services	\$ 56,353.23
Debt	<u>\$ 249,063.93</u>
Total Proposed Tax Levy	\$ 1,665,784.20

Now Therefore, Be it resolved by the School Board of Independent School District No. 2159, Buffalo Lake – Hector - Stewart, Minnesota, that the levy to be levied in 2023 to be collected in 2024 is set at \$1,665,784.20. The clerk of the ISD 2159 School Board is authorized to certify the proposed levy to the County Auditors of Mcleod, Renville, and Steele County, Minnesota.