

BLHS SCHOOLS
Independent School District 2159

2024 PAYABLE 2025
PROPERTY TAX HEARING

For the school year
July 1, 2024 – June 30, 2025

REQUIREMENTS OF THE TRUTH IN TAXATION HEARING

- The 2024 Pay 2025 Proposed Property Tax Levy
 - Proposed Changes
 - Specific Purposes for Changes
- Current Year Budget (Fiscal Year 2025)
 - 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 2024 taxes are payable and collected in 2025
- District Revenue for 2025-2026 School year
- Fiscal year 2026

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 2025 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

81.40%

Community Education Fund

Funding for Community Education programs
Early Childhood Family Education and School Readiness

3.30%

Debt Service Fund

Levy for repayment of principal and interest on district debt

15.30%

Total Levy before credits and exclusions:

100.00%

The School District Levy is changing by

\$31,135.18

Or

1.87%

Source: MDE Levy Limitation and Certification Report for taxes payable 2025 (page 30 of 39)

SCHOOL DISTRICT BUDGET

**CURRENT SCHOOL YEAR
2024-2025**

BLHS PUBLIC SCHOOLS
FISCAL YEAR 2024-2025
COMPOSITE BUDGET

REVENUES					
	GENERAL FUND	FOOD SERVICE FUND	COMM. ED. FUND	DEBT FUND	TOTALS
	FUND 01	FUND 02	FUND 04	FUND 07	
Levy	1,360,583		56,353	249,064	\$1,666,000
Misc. Local Rev.	461,347		393,020		854,367
State Aid	5,557,635	102,810	61,485		5,721,930
Federal Aid	510,761	169,500	7,500		687,761
Other		30,850	100,000		130,850
Totals	\$7,890,326	\$303,160	\$618,358	\$249,064	\$9,060,908

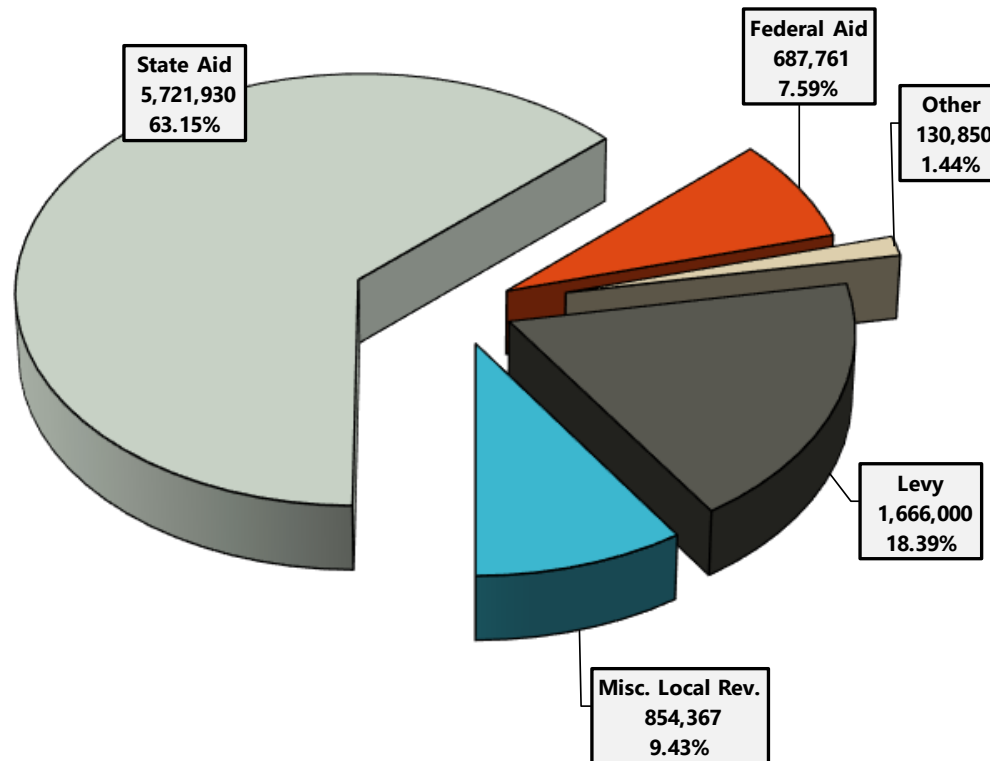
EXPENSES					
	GENERAL FUND	FOOD SERVICE FUND	COMM. ED. FUND	DEBT FUND	TOTALS
	FUND 01	FUND 02	FUND 04	FUND 07	
Administration	\$513,400				\$513,400
District Support Services	362,991				362,991
Elem. And Secondary Regular Ins.	3,512,561				3,512,561
Vocational Ed Inst.	185,844				185,844
Special Ed. Inst.	1,188,886				1,188,886
Instructional Support Services	233,188				233,188
Pupil Support Services	1,023,212	323,452	693,490		2,040,154
Sites & Buildings	785,589				785,589
Fiscal & Other Fixed Costs	195,000				195,000
Capital	463,872			239,494	703,366
Other					0
Totals	\$8,464,543	\$323,452	\$693,490	\$239,494	\$9,720,979

BUDGET BALANCE	(\$574,217)	(\$20,292)	(\$75,132)	\$9,570	(\$660,071)
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BLHS PUBLIC SCHOOLS

FISCAL YEAR 2024-2025

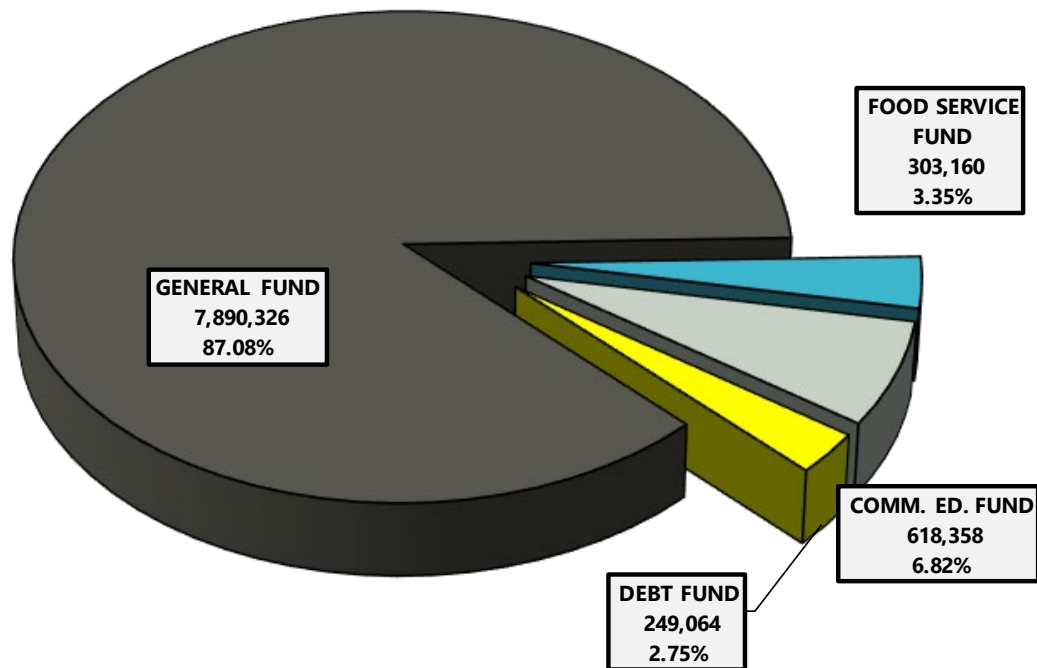
REVENUE BY SOURCE



BLHS PUBLIC SCHOOLS

FISCAL YEAR 2024-2025

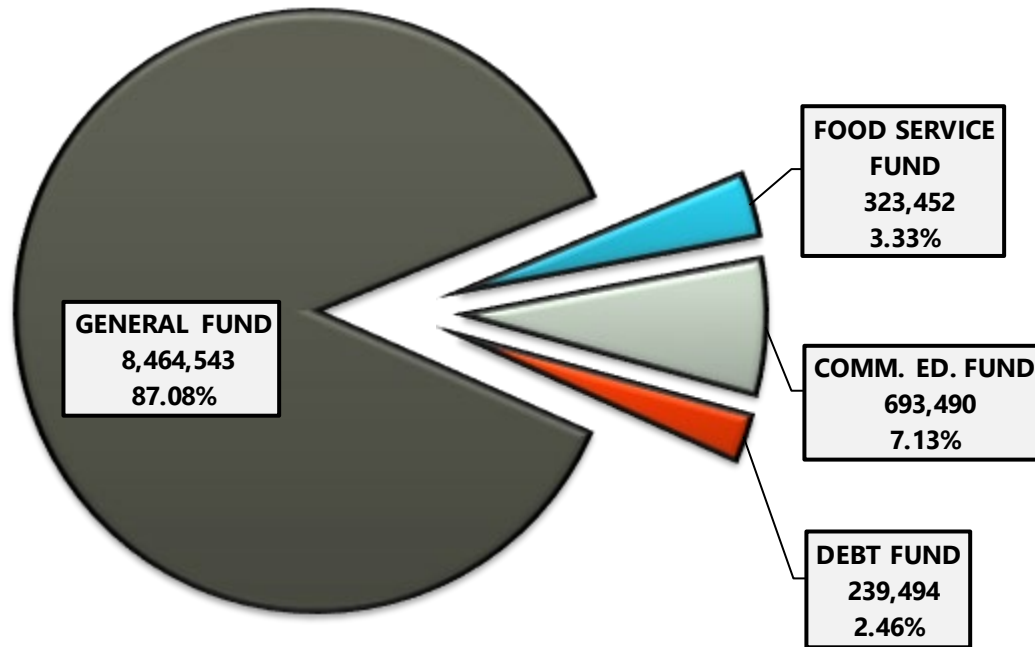
REVENUE BY FUND



BLHS PUBLIC SCHOOLS

FISCAL YEAR 2024-2025

EXPENDITURE BY FUND



BLHS PUBLIC SCHOOLS

FISCAL YEAR 2024-2025

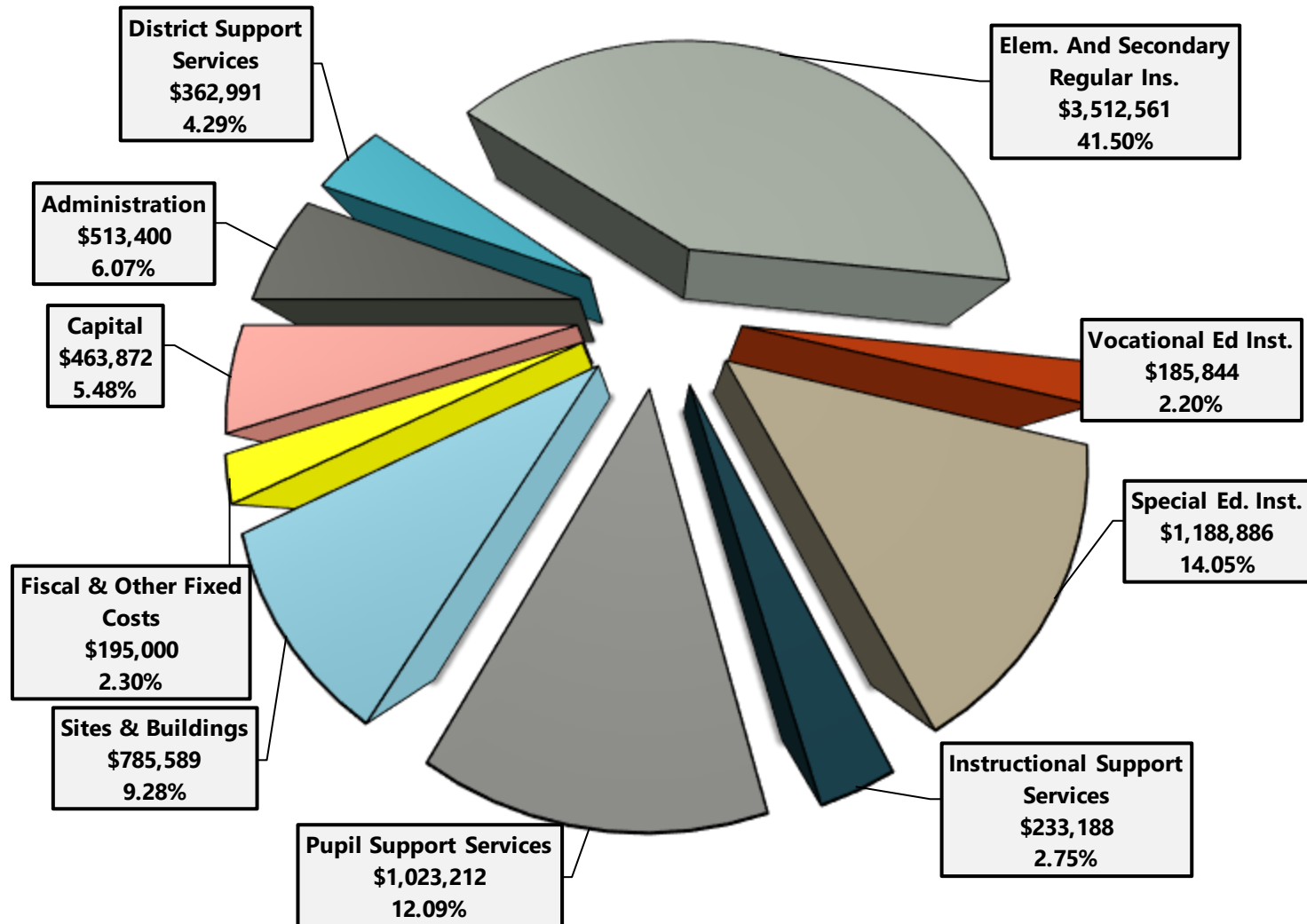
GENERAL FUND PROGRAM EXPENDITURES

EXPENSES	GENERAL FUND 01
Administration	\$513,400
District Support Services	\$362,991
Elem. And Secondary Regular In	\$3,512,561
Vocational Ed Inst.	\$185,844
Special Ed. Inst.	\$1,188,886
Instructional Support Services	\$233,188
Pupil Support Services	\$1,023,212
Sites & Buildings	\$785,589
Fiscal & Other Fixed Costs	\$195,000
Capital	<u>\$463,872</u>
Totals	\$8,464,543

BLHS PUBLIC SCHOOLS

FISCAL YEAR 2024-2025

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 \$408,803.20 of operating revenue for taxes payable in 2025

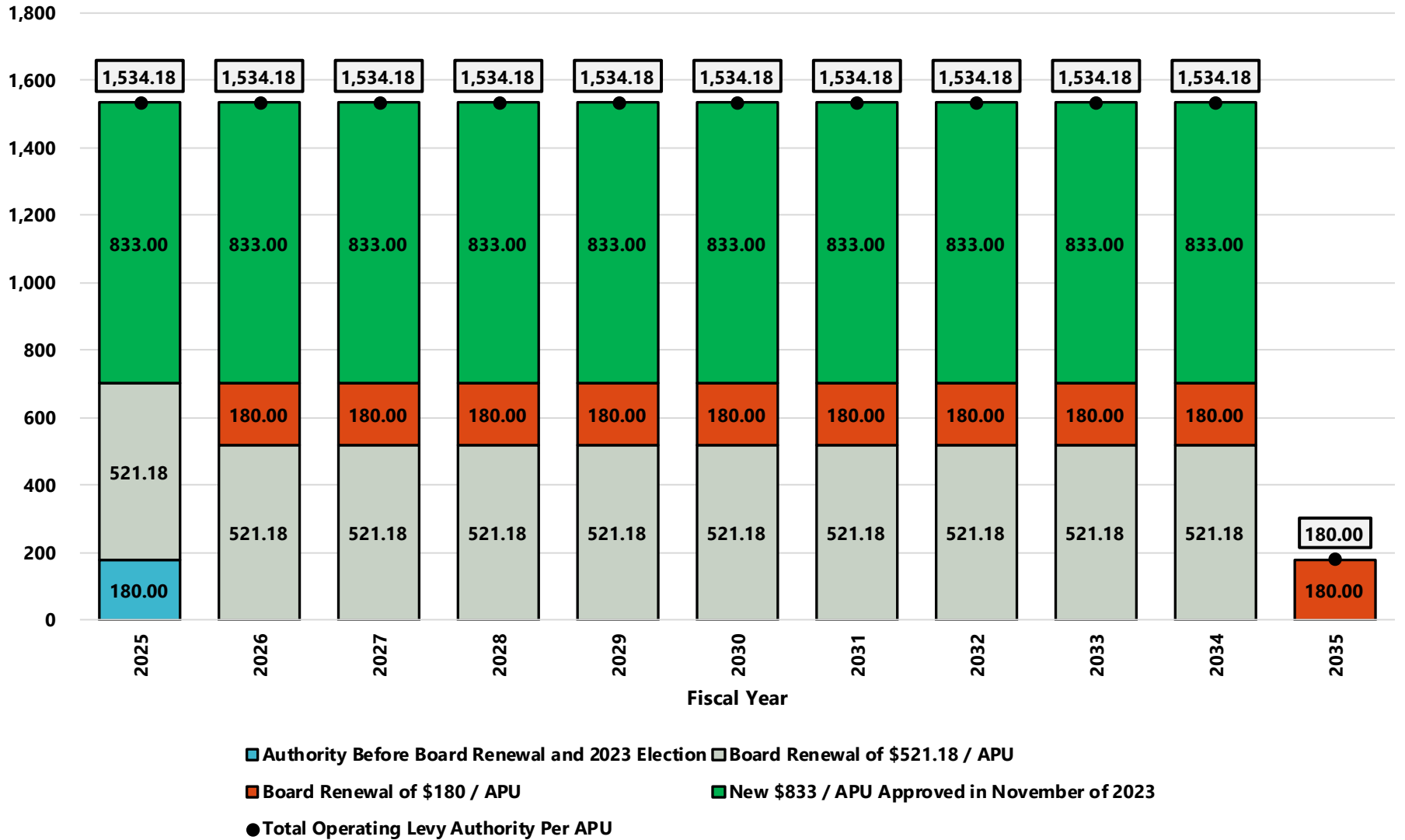
G.O. Facilities Maintenance Bonds, Series 2023A

- 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 2025 TOTAL Operating Levy Revenue: **\$752,361.87**

ISD 2159 BLHS - Summary of Operating Levy Authority / APU



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 = 1.556%

	Actual 2023 Pay 2024	Proposed 2024 Pay 2025	Dollar Difference
1 Referendum	764,992.59	742,646.29	(\$22,346.30)
2 Local Optional	286,562.20	328,428.61	41,866.41
3 Equity	48,744.39	49,127.85	383.46
4 Transition	26,212.31	25,228.84	(983.47)
5 Operating Capital	124,404.62	116,740.02	(7,664.60)
6 Achievement & Integration	0.00	0.00	0.00
7 Remployment Insurance	5,000.00	11,083.07	6,083.07
8 Safe Schools	18,705.60	17,409.24	(1,296.36)
9 Career Technical	40,796.00	38,166.45	(2,629.55)
10 OPEB	(10,000.00)	0.00	10,000.00
11 LTFM Equalized	13,722.07	3,872.20	(9,849.87)
12 LTFM Unequalized	0.00	0.00	0.00
13 Building/Land Lease	106,829.85	118,555.72	11,725.87
14 Fac & Equip Bond Adjust.	(65,338.00)	(69,728.00)	(4,390.00)
15 Tax Abatement / Other Adj.	(264.59)	0.00	264.59
Total Gross Levy	1,360,367.04	1,381,530.29	\$21,163.25

BLHS PUBLIC SCHOOLS COMMUNITY SERVICE GROSS LEVY COMPARISON

Total % Change = -1.317%

	Actual 2023 Pay 2024	Proposed 2024 Pay 2025	Dollar Difference
1 Basic Community Education	28,495.95	\$28,495.95	\$0.00
2 Early Child Family	27,347.18	26,626.14	(721.04)
3 Home Visiting	510.00	489.00	(21.00)
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>0.10</u>	<u>0.00</u>	<u>(0.10)</u>
Total Gross Levy	\$56,353.23	\$55,611.09	(\$742.14)

BLHS PUBLIC SCHOOLS

DEBT SERVICE

GROSS LEVY COMPARISON

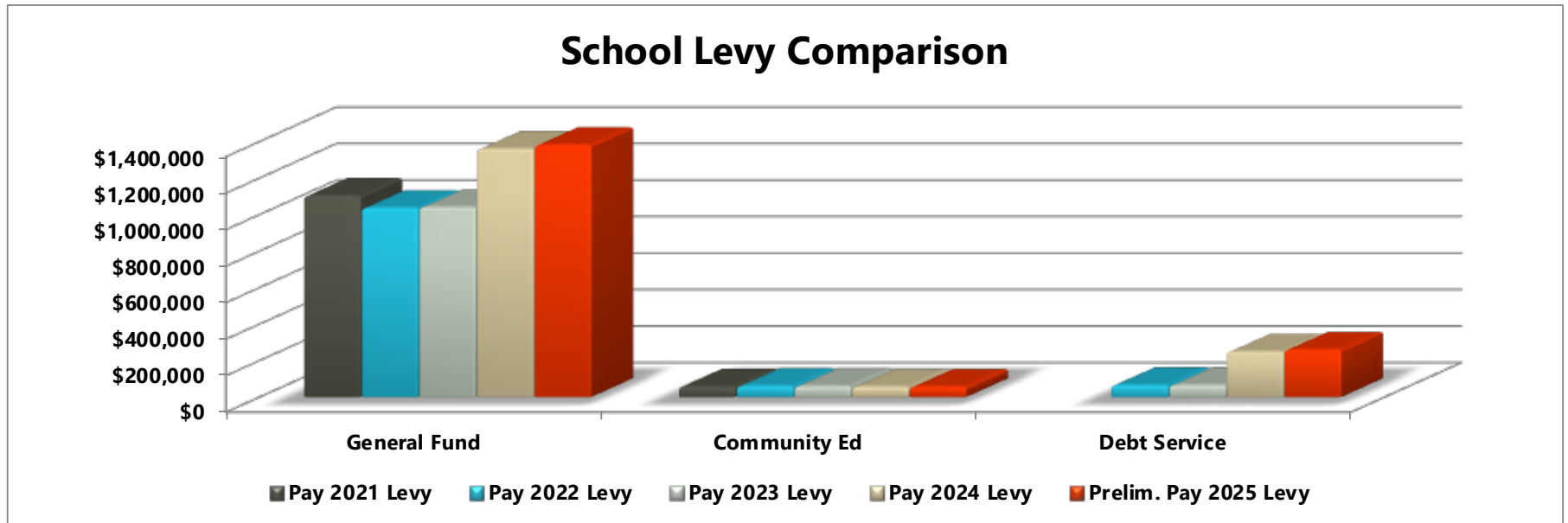
Total % Change = 4.302%

	Actual 2023 Pay 2024	Proposed 2024 Pay 2025	Dollar Difference
1 Voter Approved Debt Service	\$0.00	\$0.00	\$0.00
1 Other Debt Service	65,338.00	69,728.00	4,390.00
2 LTFM Bond Debt Service	183,725.93	190,050.00	6,324.07
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	\$249,063.93	\$259,778.00	\$10,714.07

BLHS PUBLIC SCHOOLS

SCHOOL PORTION of PROPERTY TAX LEVY

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 Pay 2024 Levy = \$1,665,784.20
 Total Prelim. Pay 2025 Levy = \$1,696,919.38



	Pay 2021 Levy	Pay 2022 Levy	Pay 2023 Levy	Pay 2024 Levy	Prelim. Pay 2025 Levy
General Fund	1,103,065.57	1,036,071.54	1,040,421.07	1,360,367.04	1,381,530.29
Community Ed	57,561.81	60,130.72	59,189.09	56,353.23	\$55,611.09
Debt Service		65,641.09	66,199.00	249,063.93	\$259,778.00
Total Levy	1,160,627.38	1,161,843.35	1,165,809.16	1,665,784.20	1,696,919.38

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**

(Newly adjusted Pay 2025 credit amount and value range)

- 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.

HOMESTEAD MARKET VALUE EXCLUSION

Commencing with taxes payable 2025, Minnesota residential homestead property taxpayers will see an adjusted homestead market value exclusion formula

MN Statute 273.13 subd. 35 provides a homestead market exclusion. This residential market value exclusion originated as a credit and was established by the 2001 Legislature. The 2011 Legislature converted this credit to a market value exclusion. As with the previous credit, qualifying property includes homestead property classified as 1a (residential), 1b (blind/disabled), and 2a (agricultural). In the case of an agricultural homestead or resort homestead, only the market value of the house, garage and immediately surrounding one acre of land is eligible in determining the exclusion. Homesteaded manufactured homes are eligible, as are relative homesteads to the degree the owner would be eligible if they lived there (MN Stat. 272.02)

MN Stat 273.13 subd. 35 (b) **formerly stated:**

For a homestead valued at \$76,000 or less, the exclusion is 40 percent of market value. For a homestead valued between \$76,000 and \$413,800, the exclusion is \$30,400 minus nine percent of the valuation over \$76,000. For a homestead valued at \$413,800 or more, there is no valuation exclusion. The valuation exclusion shall be rounded to the nearest whole dollar and may not be less than zero.

MN Stat 273.13 subd. 35 (b) **now states:**

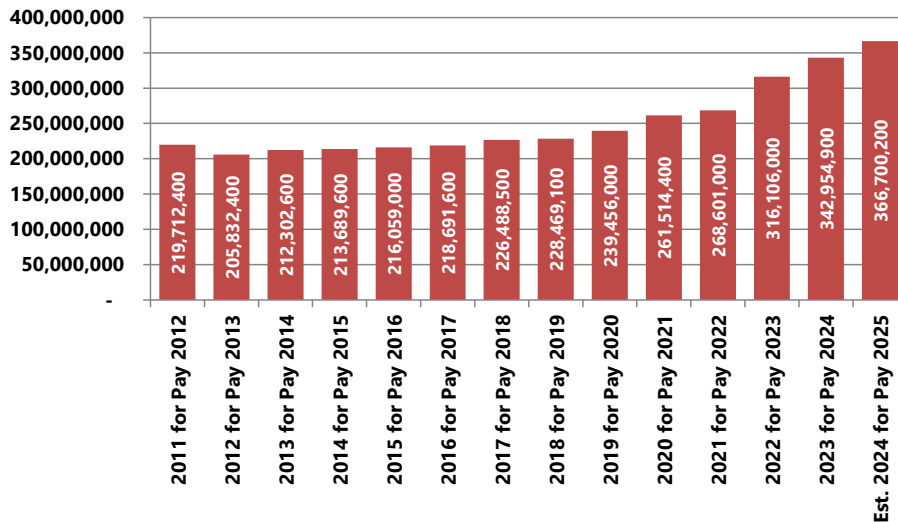
For a homestead valued at \$95,000 or less, the exclusion is 40 percent of market value. For a homestead valued between \$95,000 and \$517,200, the exclusion is \$38,000 minus nine percent of the valuation over \$95,000. For a homestead valued at \$517,200 or more, there is no valuation exclusion. The valuation exclusion shall be rounded to the nearest whole dollar and may not be less than zero.

**Please
note
market
value range
and credit
amount
both
increased**

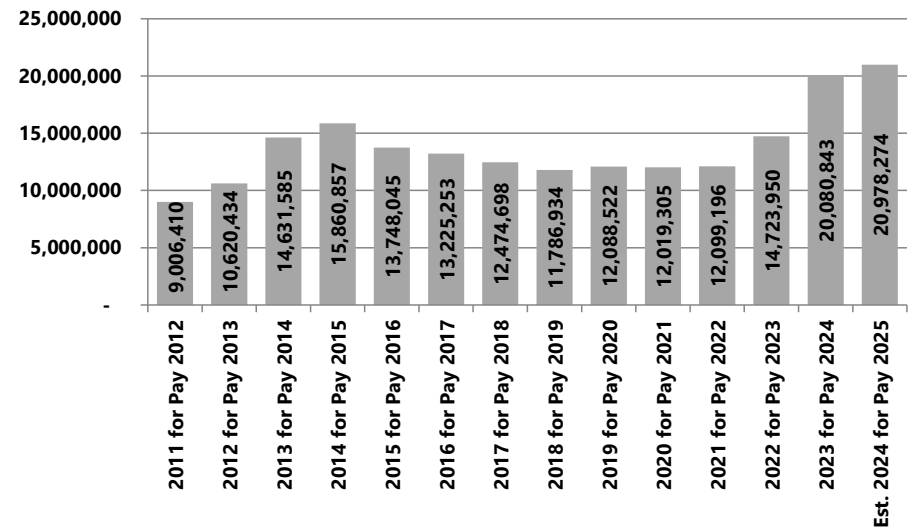
BLHS PUBLIC SCHOOLS TAX BASE HISTORY

Assessment Year	Taxes Payable	RMV - Referendum Market Value	% Change	NTC - Net Tax Capacity	% Change
2024	2025	366,700,200	6.924%	20,978,274	4.469%
2023	2024	342,954,900	8.494%	20,080,843	36.382%
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

0.000%

DATA BELOW ASSUMES NO CHANGE IN PROPERTY VALUE

Type of Property	Estimated Market Value - Taxes Payable 2024	Estimated Market Value - Taxes Payable 2025	Taxes Payable 2024	Taxes Payable 2025	Estimated Tax Increase / (Decrease) - Pay 2024 vs Pay 2025	Estimated Percent Change
Residential Homestead	75,000	75,000	258.44	246.10	(12.33)	-4.77%
	100,000	100,000	347.75	328.79	(18.96)	-5.45%
	125,000	125,000	437.17	414.03	(23.14)	-5.29%
	150,000	150,000	526.62	499.30	(27.32)	-5.19%
	173,762	173,762	611.62	580.33	(31.29)	-5.12%
	175,000	175,000	616.04	584.54	(31.50)	-5.11%
	200,000	200,000	705.48	669.81	(35.68)	-5.06%
	225,000	225,000	794.91	755.05	(39.86)	-5.01%
	275,000	275,000	973.77	925.56	(48.22)	-4.95%
	325,000	325,000	1,152.64	1,096.06	(56.58)	-4.91%
	375,000	375,000	1,331.51	1,266.57	(64.94)	-4.88%
	400,000	400,000	1,420.96	1,351.84	(69.12)	-4.86%
Commercial Industrial	250,000	250,000	935.29	892.63	(42.66)	-4.56%
	500,000	500,000	1,890.71	1,804.98	(85.73)	-4.53%
	1,000,000	1,000,000	3,801.56	3,629.68	(171.88)	-4.52%
	2,500,000	2,500,000	9,534.11	9,103.78	(430.33)	-4.51%
Ag Homestead (Average Value per Acre)	6,000	6,000	0.55	0.53	(0.02)	-3.00%
	7,000	7,000	0.64	0.62	(0.02)	-3.00%
	8,000	8,000	0.73	0.70	(0.02)	-3.00%
	9,000	9,000	0.82	0.79	(0.02)	-3.00%
Ag Non-Homestead (Average Value per Acre)	6,000	6,000	1.09	1.06	(0.03)	-3.00%
	7,000	7,000	1.27	1.23	(0.04)	-3.00%
	8,000	8,000	1.45	1.41	(0.04)	-3.00%
	9,000	9,000	1.64	1.59	(0.05)	-3.00%

School Portion of Taxes – With Property Appreciation

5.696%

DATA BELOW ASSUMES A 5.70% CHANGE IN PROPERTY VALUE

Type of Property	Estimated Market Value - Taxes Payable 2024	Estimated Market Value - Taxes Payable 2025	Taxes Payable 2024	Taxes Payable 2025	Estimated Tax Increase / (Decrease) - Pay 2024 vs Pay 2025	Estimated Percent Change
Residential Homestead	75,000	79,272	258.44	260.13	1.69	0.66%
	100,000	105,696	347.75	348.21	0.47	0.13%
	125,000	132,121	437.17	438.30	1.13	0.26%
	150,000	158,545	526.62	528.41	1.79	0.34%
	173,762	183,660	611.62	614.09	2.47	0.40%
	175,000	184,969	616.04	618.54	2.51	0.41%
	200,000	211,393	705.48	708.65	3.17	0.45%
	225,000	237,817	794.91	798.76	3.86	0.49%
	275,000	290,665	973.77	978.98	5.21	0.54%
	325,000	343,513	1,152.64	1,159.20	6.56	0.57%
	375,000	396,362	1,331.51	1,339.42	7.91	0.59%
	400,000	422,786	1,420.96	1,429.53	8.57	0.60%
Commercial Industrial	250,000	264,241	935.29	944.60	9.32	1.00%
	500,000	528,482	1,890.71	1,908.92	18.21	0.96%
	1,000,000	1,056,964	3,801.56	3,837.57	36.00	0.95%
	2,500,000	2,642,410	9,534.11	9,623.49	89.38	0.94%
Ag Homestead (Average Value per Acre)	6,000	6,342	0.55	0.56	0.01	2.52%
	7,000	7,399	0.64	0.65	0.02	2.52%
	8,000	8,456	0.73	0.75	0.02	2.52%
	9,000	9,513	0.82	0.84	0.02	2.52%
Ag Non-Homestead (Average Value per Acre)	6,000	6,342	1.09	1.12	0.03	2.52%
	7,000	7,399	1.27	1.30	0.03	2.52%
	8,000	8,456	1.45	1.49	0.04	2.52%
	9,000	9,513	1.64	1.68	0.04	2.52%

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	\$ 1,381,530.29
Community Services	\$ 55,611.09
Debt	<u>\$ 259,778.00</u>
Total Proposed Tax Levy	\$ 1,696,919.38

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 2024 to be collected in 2025 is set at \$1,696,919.38. The clerk of the ISD 2159 School Board is authorized to certify the proposed levy to the County Auditors of Mcleod, Renville, and Sibley County, Minnesota.