

Fillmore Central ISD 2198

2020 Payable 2021

Truth In Taxation Public Meeting

6:01 p.m.

December 22, 2020

at the

Fillmore Central Elementary Meeting Room

700 Chatfield Street

Preston, MN 55965

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 28.
- 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 2021
2. Provide and discuss information on the current budget (2020-2021).
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

	Calendar 2020												Calendar 2021												Calendar 2022												
	J	F	M	A	M	J	J	A	S	O	N	D	J	F	M	A	M	J	J	A	S	O	N	D	J	F	M	A	M	J	J	A	S	O	N	D	
SCHOOL YEAR / STATE YEAR	SY 2020						SY 2021						SY 2022						SY 2023						SY 2024												
LEVY							SY 2021												SY 2022												SY 2023						
BUDGETING	SY 2021												SY 2022																		SY 2024						
AUDIT																								SY 2023												SY 2024	

Whizbang School District

School District Budget

**Current School Year
2020-2021**

Fund Accounting Overview

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

For our District, there are 4 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. 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 _____.

Whizbang School District

2020-2021 BUDGET OVERVIEW

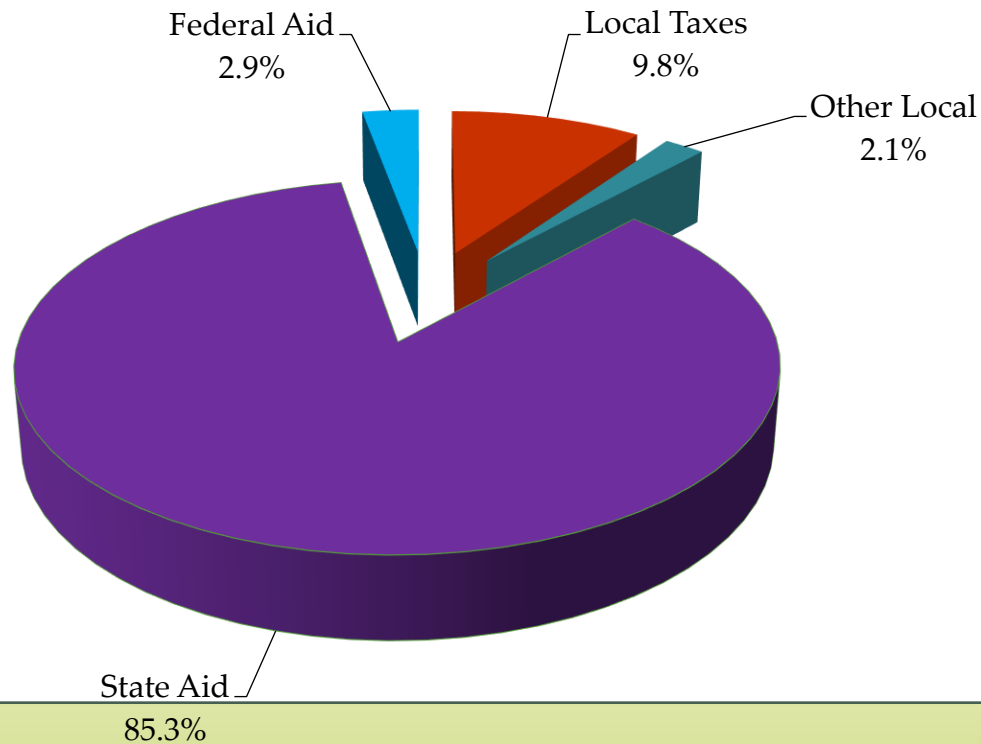
REVENUES

	19-20 Actual	20-21 Budget	Percent Change
General Fund	9,623,550	8,999,976	-6.48%
Food Service	497,408	504,710	1.47%
Community Service	381,015	382,924	0.50%
Debt Service	1,075,935	887,245	-17.54%
Totals	<u>\$ 11,577,908</u>	<u>\$ 10,774,855</u>	<u>-6.94%</u>

Whizbang School District

General Fund Revenue Budget

Where Do Our School Revenues Come From?



Whizbang School District

2020-2021 BUDGET OVERVIEW EXPENDITURES

	19-20 Actual	20-21 Budget	Percent Change
General Fund	9,764,460	9,436,781	-3.36%
Food Service	476,370	500,905	5.15%
Community Service	367,335	388,184	5.68%
Debt Service	830,493	835,466	0.60%
Totals	<u>\$ 11,438,658</u>	<u>\$ 11,161,336</u>	<u>-2.42%</u>

Whizbang School District

HOW ARE GENERAL FUND DOLLARS SPENT?

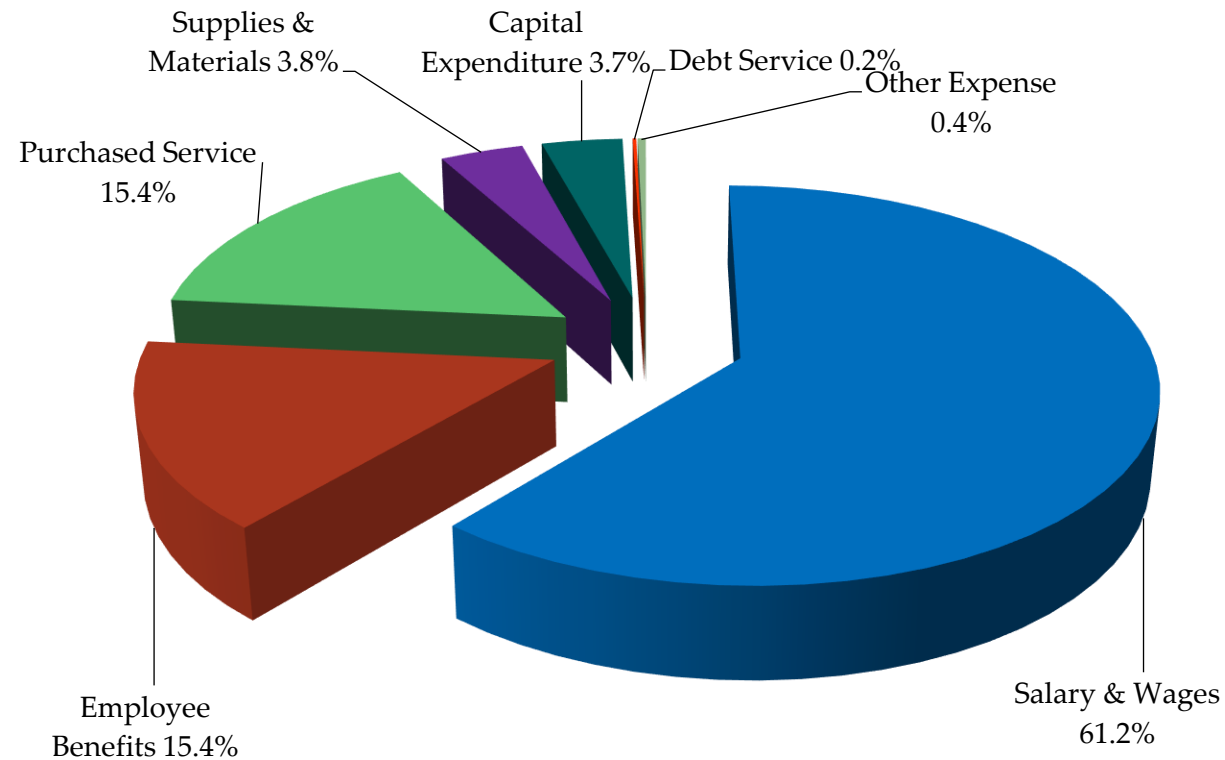
Expenses incurred in the operation of the district are paid from the General Fund. The following schedule relates how the dollars allocated to the General Fund are spent:

District & School Administration	6.5%
District Support Services	2.2%
Regular Instruction	48.3%
Vocational Instruction	2.4%
Special Education Instruction	16.0%
Instructional Support Services	4.0%
Pupil Support Services	9.7%
Sites-Buildings, Equipment	10.4%
Fiscal and Other	0.5%
	100.0%

Whizbang School District

General Fund Expenditure Budget

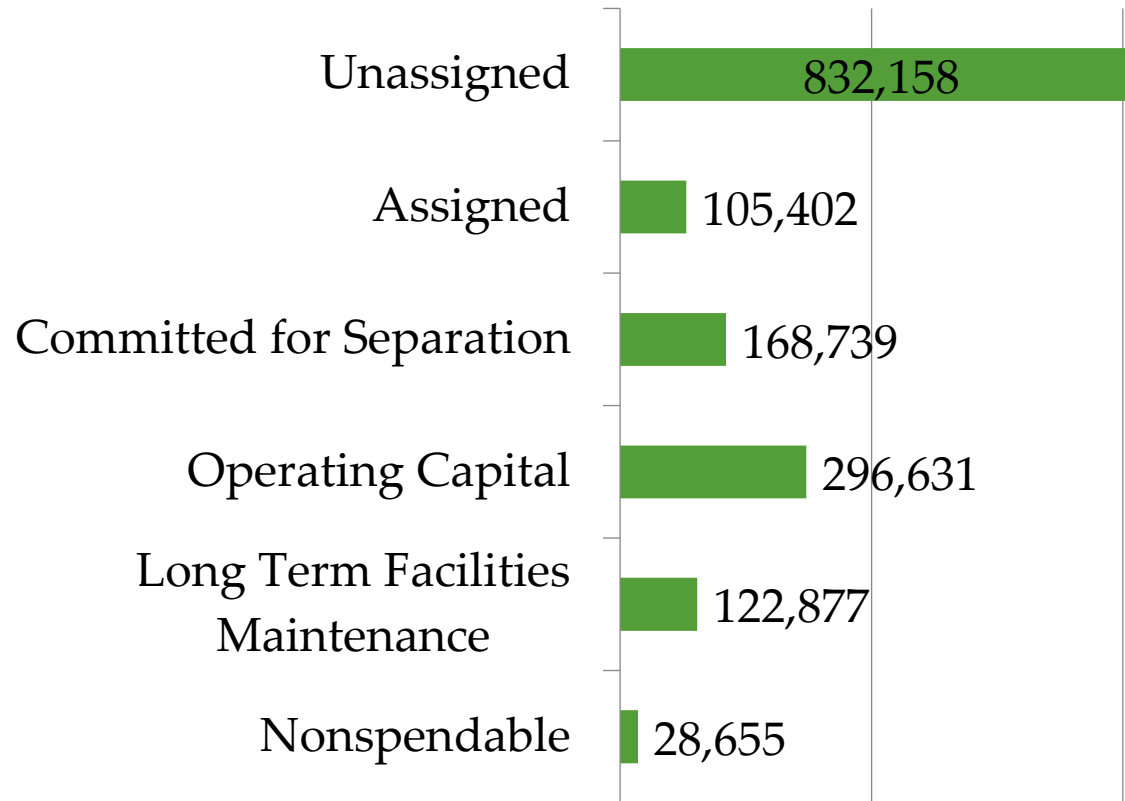
What Do Our Expenditures Pay For?



Whizbang School District

Components of the Projected General Fund

Balance at June 30, 2021



Whizbang School District

School District Levy

- 2020 Payable 2021
 - Certified in 2020
 - Collected in 2021
- Recognized as revenue in Fiscal Year 2022

Whizbang School District

Authority for School Levies

A School District Tax Levy must be either:

- Set by State Formula
- or-
- Voter Approved

Whizbang 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

Whizbang 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*)

Whizbang School District

How will your 2021 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:

48%

Community Education Fund

Levy for Community Education Programs:

4%

Debt Service

Levy for repayment of principal and interest on district debt:

48%

Total Levy Before Credits:

100.0%

Whizbang School District

LEVY LIMITATION AND CERTIFICATION 2020 Payable 2021

Comparison of Certified Payable 2020 Levy with Proposed Payable 2021 Levy

GROSS LEVIES BY FUND	ACTUAL 19 PAY 20	PROPOSED 20 PAY 21	DOLLAR DIFFERENCE	PERCENT DIFFERENCE
General Fund	871,393.90	868,179.69	(3,214.21)	-0.37%
Community Services	79,999.16	76,707.51	(3,291.65)	-4.11%
Debt Redemption	869,801.55	870,149.00	347.45	0.04%
Total	1,821,194.61	1,815,036.20	(6,158.41)	-0.34%

Whizbang School District

Major Changes to Levy Categories

Category	Pay 2020	Pay 2021	Change
General Fund			
Operating Capital	164,621.17	140,814.87	(23,806.30)
Judgement	-	165,003.29	165,003.29
Long Term Facilities	134,165.00	7,080.61	(127,084.39)
Referendum Voter App	382,623.37	369,561.35	(13,062.02)
Equity and Transition	115,727.16	106,126.13	(9,601.03)
Other General Fund	74,257.20	79,593.44	5,336.24
Sub-Total	871,393.90	868,179.69	(3,214.21)
Community Service	79,999.16	76,707.51	(3,291.65)
Debt Service	869,801.55	870,149.00	347.45
Total Change			(6,158.41)

Whizbang 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

Whizbang 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.

Whizbang School District

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

Maintenance (General Fund)	\$ 868,179.69
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- Includes Referendum

Community Service	76,707.51
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Debt Service	870,149.00
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Total Proposed School Tax Levy
\$1,815,036.20

Now Therefore, Be it resolved by the School Board of Whizbang School District, Whizbang, Minnesota, that the levy to be levied in 2020 to be collected in 2021 is set at \$1,815,036.20. The clerk of the Whizbang School Board is authorized to certify the proposed levy to the County Auditor of Whizbang County, Minnesota.