

# Truth In Taxation Public Hearing for Taxes Payable 2025

December 2, 2024  
Red Wing Public Schools

Presented by Lisa Rider  
Director of Finance and Operations

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**COURAGEOUS**

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**RED WING PUBLIC SCHOOLS**

# Overview

- Background on School Funding , Property Tax Levies, and the Budgets
- Information on the District Budget
- Information on the District's Proposed Tax Levy for Taxes Payable in 2025 Public Comments and Questions

# School Funding is Highly Regulated by the State Legislature and Governor's Administration

- State sets formulas which determine revenue; most revenue is based on specified amounts per pupil.
- State sets tax policy for local schools.
- State sets maximum authorized property tax levy (districts can levy less but not more than amount authorized by state, unless approved by the voters).
- State authorizes school board to submit referendums for operating and capital needs to voters for approval.

# School Boards

- School Boards participate in state education programs for district's children, financed entirely by levies or combination of levy and state aid.
- School Boards ask voters to approve referendums for general operations and major capital projects.
- School Boards can only decrease the levy from the parameters set by the legislature without an election after September 30.

## WHEN ARE FUNDS USED?

### CITY/TWP/COUNTY

Funds received in Calendar 2025 are used in Calendar 2025

### SCHOOL DISTRICT

Funds received in Calendar 2025 are used in the School Year Beginning July 2025 and ending June 30, 2026

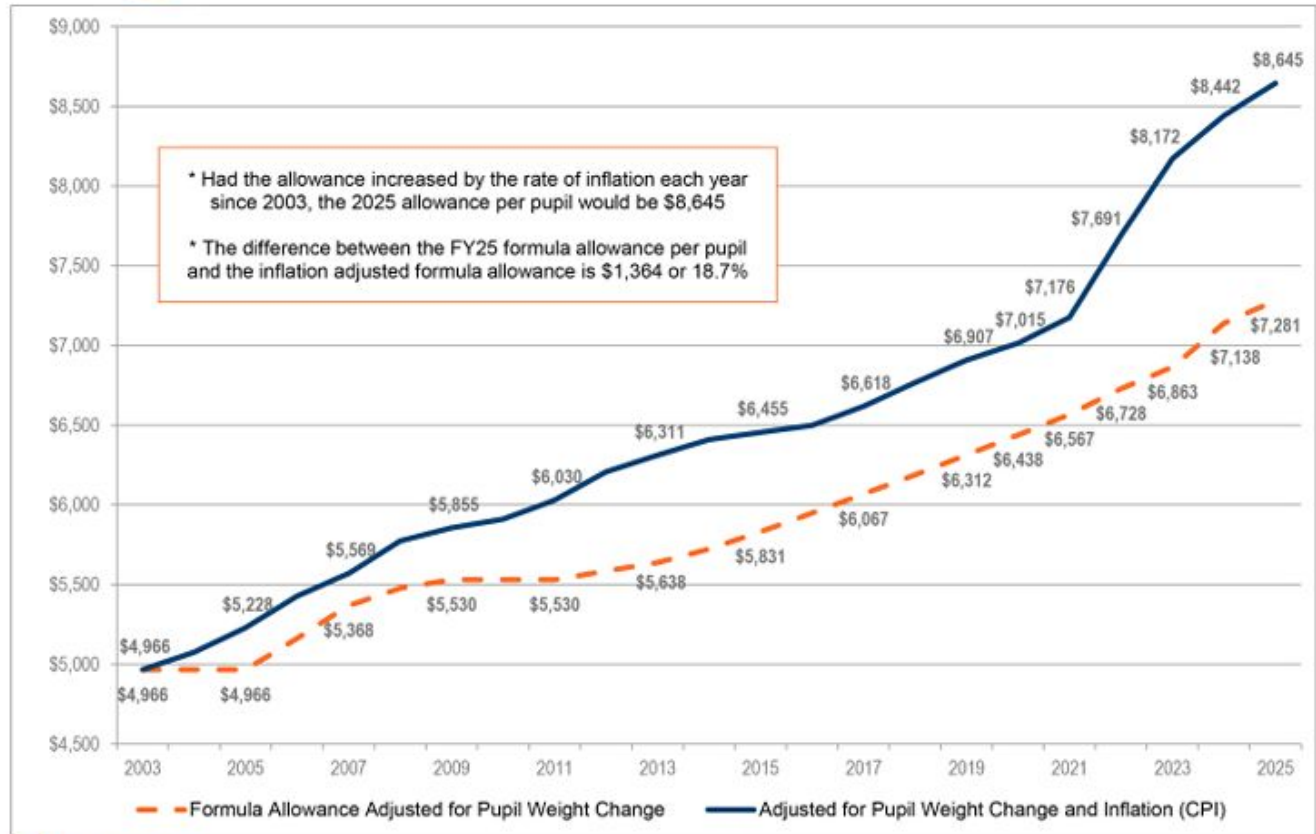
		2024												2025												2026											
		J	F	M	A	M	J	J	A	S	O	N	D	J	F	M	A	M	J	J	A	S	O	N	D	J	F	M	A	M	J	J	A	S	O	N	D
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	Legislation	█																																			
	City/Twp/County																																				
	Tax Levy Decision													█																							
	Collection of Levy													█																							
	Budget Year													█																							
	School District																																				
	Tax Levy Decision	█																																			
	Collection of Levy													█																							
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# General Education Formula




## General Education Formula Allowance, 2003-2025

Adjusted for Pupil Weight Change and Inflation (CPI)



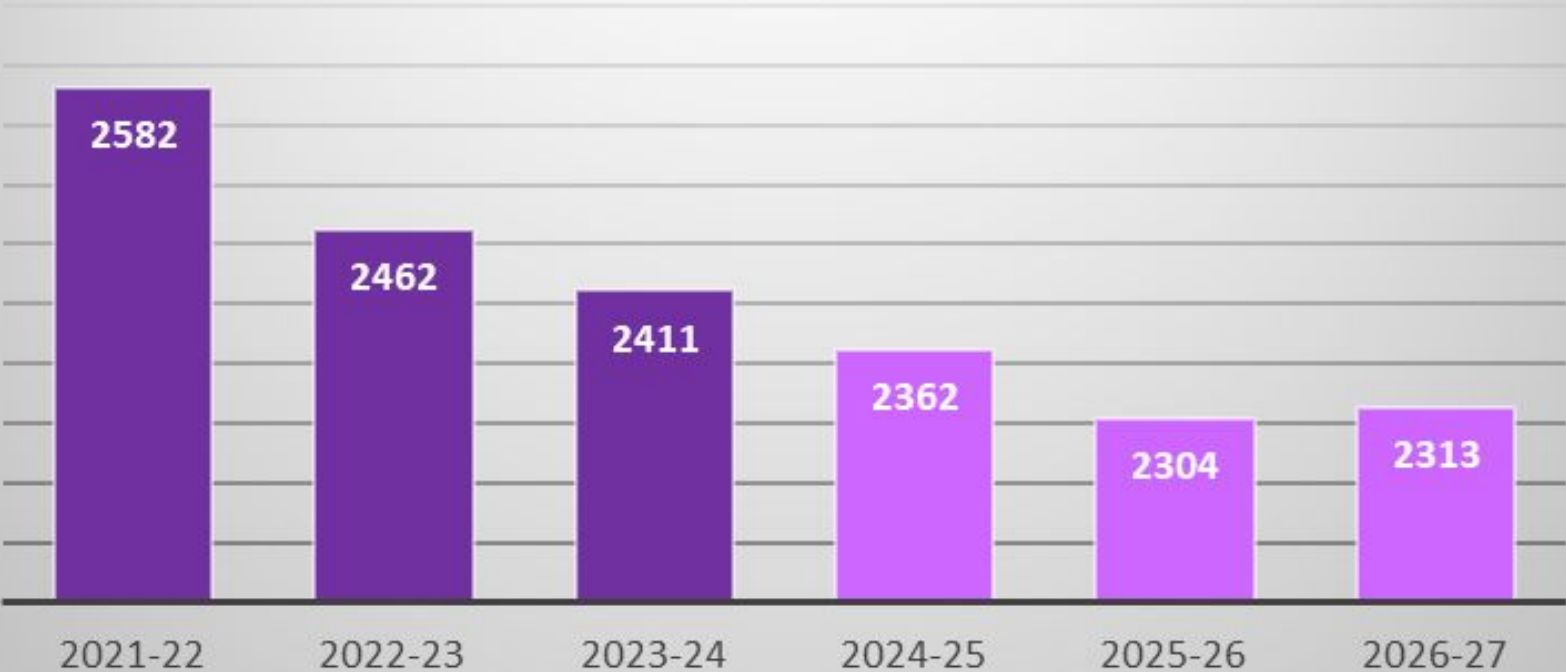
# Audited Fund Balances Through June 30, 2024 (UFARS basis)

[www.rwps.org/our-district/departments/finance-operations](http://www.rwps.org/our-district/departments/finance-operations)

	Division of School Finance 400 NE Stinson Blvd. Minneapolis, MN 55413	<b>District Revenues and Expenditures</b> <b>Budget for Fiscal Year (FY) 2024 and FY 2025</b>					ED-00110-47	
<b>General Information:</b> Minnesota Statutes 2023, section 123B.10, requires that every school board shall publish the subject data of this report.								
District Name:		Red Wing Public Schools					District Number:	0256-01
Fund	FY 2024 Beginning Fund Balances	FY 2024 Actual Revenues and Transfers In	FY 2024 Actual Expenditures and Transfers Out	June 30, 2024 Actual Fund Balances	FY 2025 Budget Revenues and Transfers In	FY 2025 Budget Expenditures and Transfers Out	June 30, 2025 Projected Fund Balances	
General Fund/Restricted	\$ 2,228,503	\$ 5,368,102	\$ 5,374,519	\$ 2,222,086	\$ 5,131,241	\$ 5,543,935	\$ 1,809,392	
General Fund/Other	\$ 5,242,626	\$ 34,168,029	\$ 33,151,877	\$ 6,258,778	\$ 34,157,782	\$ 33,870,088	\$ 6,546,472	
Food Service Fund	\$ 643,989	\$ 2,089,899	\$ 1,993,025	\$ 740,863	\$ 1,826,750	\$ 1,962,505	\$ 605,108	
Community Service Fund	\$ 751,475	\$ 3,114,976	\$ 2,961,672	\$ 904,779	\$ 2,710,839	\$ 3,038,012	\$ 577,606	
Building Construction Fund	\$ 148,214	\$ 29,934	\$ 156,148	\$ 22,000	\$ -	\$ -	\$ 22,000	
Debt Service Fund	\$ 336,091	\$ 2,366,210	\$ 1,789,819	\$ 912,482	\$ 1,790,098	\$ 1,806,669	\$ 895,911	
Trust Fund	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
Internal Service Fund	\$ 53,398			\$ 57,605			\$ 52,605	
* OPEB Revocable Trust Fund	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
OPEB Irrevocable Trust Fund	\$ 8,068,215	\$ 715,928	\$ 964,039	\$ 7,820,104	\$ 600,000	\$ 823,705	\$ 7,596,399	
OPEB Debt Service Fund	\$ 490,873	\$ -	\$ 490,873	\$ -	\$ -	\$ -	\$ -	
<b>Total - All Funds</b>	<b>\$ 17,963,384</b>	<b>\$ 47,853,078</b>	<b>\$ 46,881,972</b>	<b>\$ 18,938,697</b>	<b>\$ 46,216,710</b>	<b>\$ 47,044,914</b>	<b>\$ 18,105,493</b>	

# Enrollment Past and Projected (average daily membership)

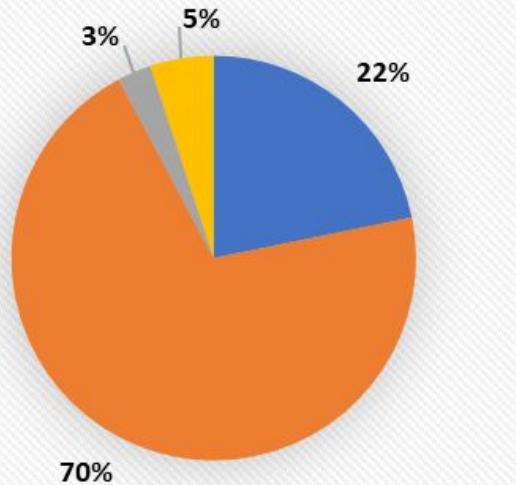
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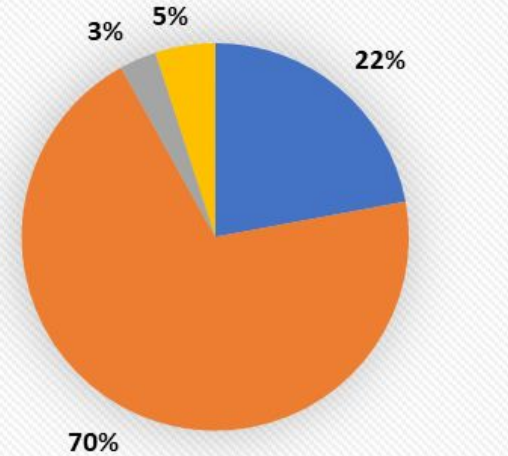
# General Fund Revenue Compared

## FY25 Budget Revenues



■ Property Taxes ■ State ■ Federal ■ Other

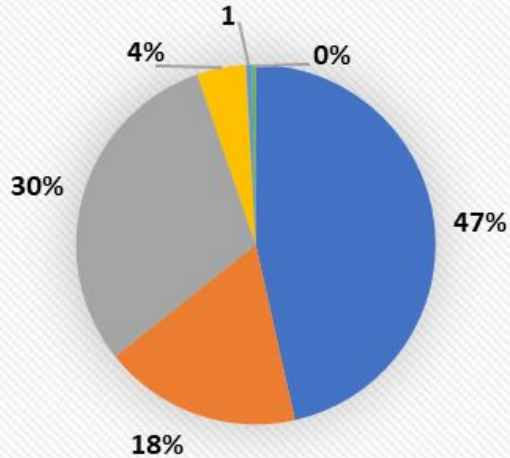
## Audited FY24 Revenues



■ Property Taxes ■ State ■ Federal ■ Other

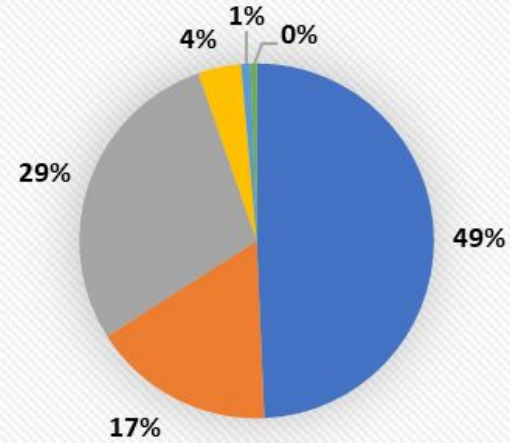
# General Fund Expenditures Compared

## FY25 Budget Expenditures



- Salaries
- Benefits
- Purchased Services
- General Supplies
- Capital Expenses
- Debt Service

## Audited FY24 Expenditures



- Salaries
- Benefits
- Purchased Services
- General Supplies
- Capital Expenses
- Debt Service

# Approval of District's Tax Levy in 2024 (Payable 2025)



# ISD 256 Comparison

## Payable 2024 vs. Payable 2025 Certified Levies

LEVY COMPARISON	Pay 2024 Levy	Pay 2025 Levy	Dollar Increase (Decrease)	% Change
General Fund	8,455,752.92	8,152,969.16	(302,783.76)	-3.58%
Community Service Fund	577,635.50	596,452.38	18,816.88	3.26%
Debt Redemption Fund	1,786,098.62	1,638,244.98	(147,853.64)	-8.28%
<b>LEVY CERTIFICATION</b>	<b>10,819,487.04</b>	<b>10,387,666.52</b>	<b>(431,820.52)</b>	<b>-3.99%</b>

# General Fund

Proposed  
Tax Levy  
for Taxes  
Payable  
2025

Red Wing Public Schools #256	2023 Payable 2024 Final Total	2024 Payable 2025 Final Total	Increase (Decrease)
<b>General Levies:</b>			
1 Equity Revenue	253,999.22	240,840.11	(13,159.11)
2 Referendum	4,342,447.60	4,105,038.65	(237,408.95)
3 Local Optional Revenue	1,909,820.44	1,801,203.40	(108,617.04)
4 Operating Capital	399,208.19	486,289.71	87,081.52
5 Achievement&Integration	(78,598.04)	(1,169.80)	77,428.24
6 Reemployment	57,741.05	12,756.35	(44,984.70)
7 Safe Schools	91,240.20	90,181.80	(1,058.40)
8 Career Technical	221,116.32	221,116.32	-
9 Annual Post Employment Benefits		-	-
10 Long Term Facilities Maintenance	886,697.62	818,121.72	(68,575.90)
11 Building /Land Lease	372,080.32	378,590.90	6,510.58
<b>Total General Levies</b>	<b>8,455,752.92</b>	<b>8,152,969.16</b>	<b>(302,783.76)</b>

# Community Service Fund

Proposed  
Tax Levy  
for Taxes  
Payable  
2025

Red Wing Public Schools #256	2023 Payable 2024 Final Total	2024 Payable 2025 Final Total	Increase (Decrease)
<b>Community Services Levies:</b>			
1 Basic Community Education	172,124.83	162,046.69	(10,078.14)
2 Ice Arena	201,283.25	209,879.06	8,595.81
3 Early Child Family Education	96,728.90	98,093.71	1,364.81
4 Home Visiting	3,493.90	3,419.62	(74.28)
5 Adults w/ Disabilities	3,059.11	2,605.61	(453.50)
6 School-Age Care	100,945.51	120,407.69	19,462.18
<b>Total Community Services Levies</b>	<b>577,635.50</b>	<b>596,452.38</b>	<b>18,816.88</b>

# General Debt Service and OPEB Fund

Proposed  
Tax Levy  
for Taxes  
Payable  
2025

Red Wing Public Schools #256	2023 Payable 2024 Final Total	2024 Payable 2025 Final Total	Increase (Decrease)
<b>Debt Service Levies:</b>			
1 Debt Service	1,894,849.35	1,697,231.75	(197,617.60)
2 Reduction for Debt Service	(108,750.73)	(58,986.77)	49,763.96
<b>Total Debt Service Levies</b>	<b>1,786,098.62</b>	<b>1,638,244.98</b>	<b>(147,853.64)</b>

# Reasons for (Decreases) in Total Levy

Total Levy decreased 3.99% or \$431,821

Decline is primarily due to the changes in the following:

- Levies dependent upon the enrollment which as projected
- Reduction in Debt due to completion of a bond issue's payments
- Reduction in typical reemployment levies



# Factors Impacting Individual Taxpayers' School Taxes

Many factors can cause a tax bill for an individual property to increase or decrease from year to year

- Changes in value of individual property
- Changes in total value of all property within District
- Increases or decreases in levy amounts caused by changes in state funding formulas, local needs & costs, voter-approved referendums & other factors

# Four Year School Levy Comparison

- Examples include school district taxes only & are shown based on no change and a 16.6% increase in property value for residential homes over the past four years
  - Actual changes in value may be more or less than this for any parcel of property
  - Intended to provide a fair representation of what happened to school district property taxes over this period for typical properties
- Amounts for 2025 are preliminary estimates; final amounts could change slightly
- Estimates prepared by Ehlers (District's municipal financial advisors)

Estimated Changes in School Property Taxes, 2022 to 2025  
*Based on No Changes in Property Values*

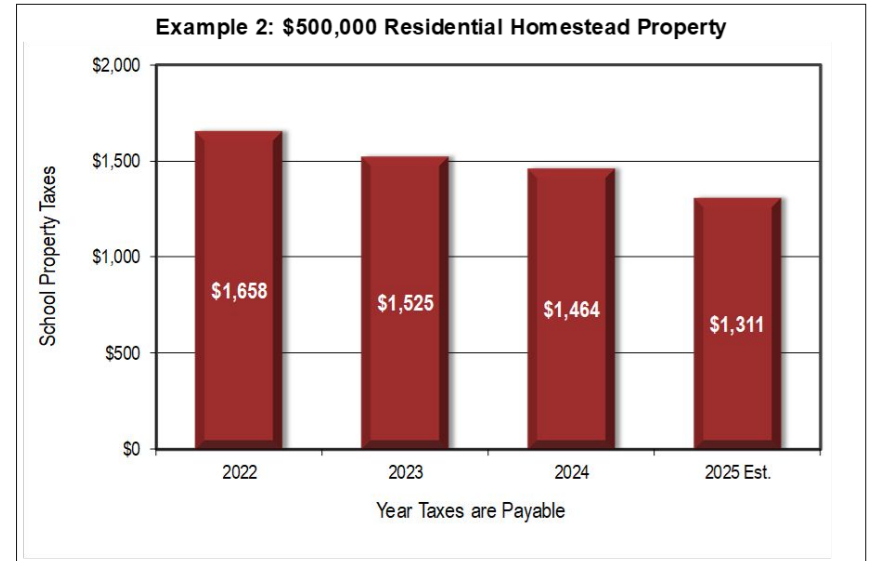
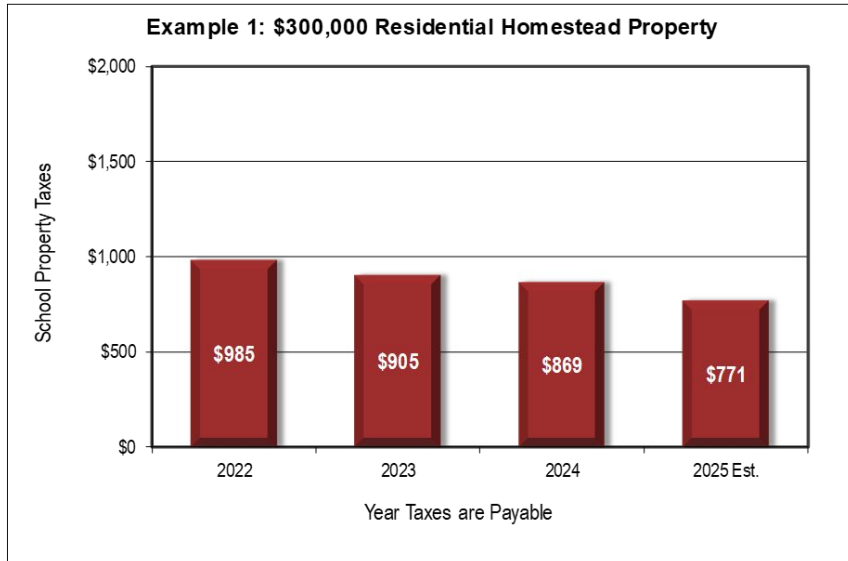
Type of Property	Estimated Market Value	Actual Taxes Payable in 2022	Actual Taxes Payable in 2023	Actual Taxes Payable in 2024	Estimated Taxes Payable in 2025	Change in Taxes 2022 to 2025	Change in Taxes 2024 to 2025
Residential Homestead	\$100,000	\$303	\$277	\$267	\$231	-\$72	-\$36
	150,000	473	434	417	366	-107	-51
	200,000	644	591	568	501	-143	-67
	250,000	814	748	719	636	-178	-83
	300,000	985	905	869	771	-214	-98
	350,000	1,155	1,062	1,020	906	-249	-114
	400,000	1,325	1,219	1,170	1,041	-284	-129
	450,000	1,493	1,373	1,318	1,176	-317	-142
	500,000	1,658	1,525	1,464	1,311	-347	-153
Commercial/Industrial	\$250,000	\$1,010	\$936	\$895	\$805	-\$205	-\$90
	500,000	2,096	1,945	1,859	1,674	-422	-185
	750,000	3,183	2,955	2,823	2,542	-641	-281
	1,000,000	4,270	3,965	3,787	3,411	-859	-376
	2,000,000	8,617	8,003	7,644	6,886	-1,731	-758

**General Notes**

1. Amounts are based on school district taxes only, and do not include taxes for city or township, county, state, or other taxing jurisdictions.
2. Estimates of taxes payable in 2025 are preliminary, based on the best data available.
3. For all examples of properties, taxes are calculated based on no changes in estimated market value from 2022 to 2025.

# Estimated Changes in School Property Taxes, 2022-25

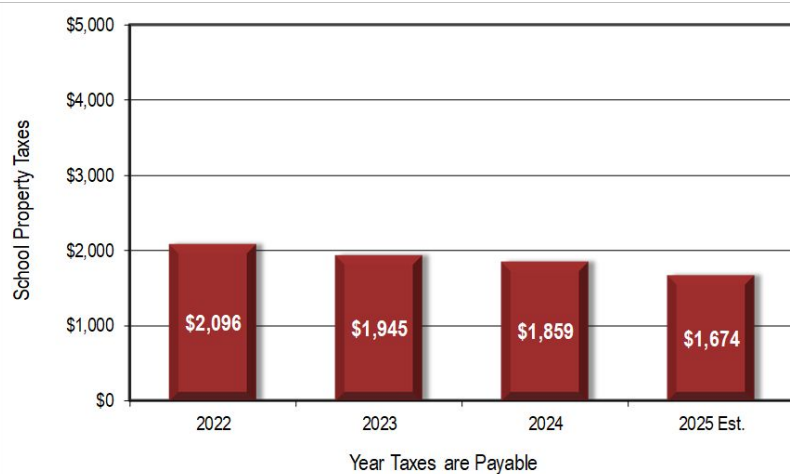
*Based on No Changes in Property Value*



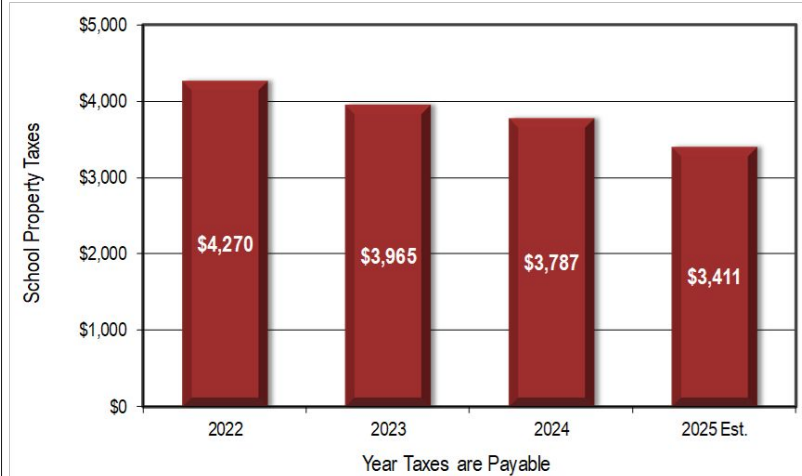
# Estimated Changes in School Property Taxes, 2022-25

*Based on No Changes in Property Value*

**Example 3: \$500,000 Commercial - Industrial Property**



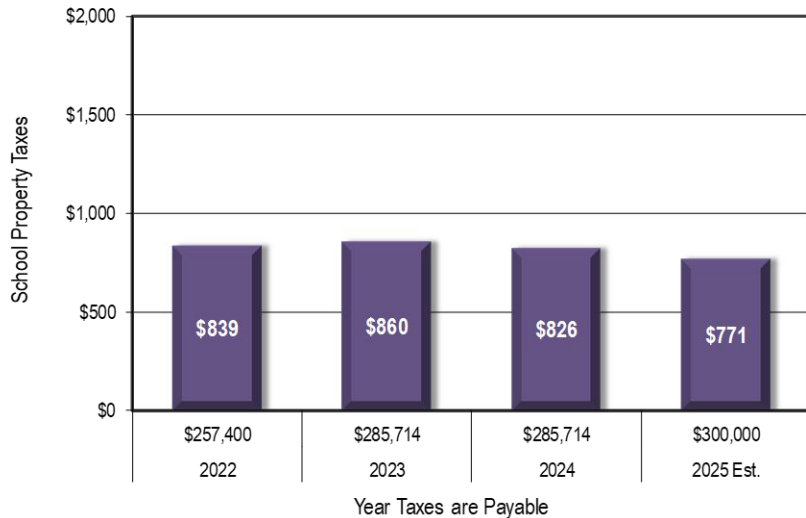
**Example 4: \$1,000,000 Commercial - Industrial Property**



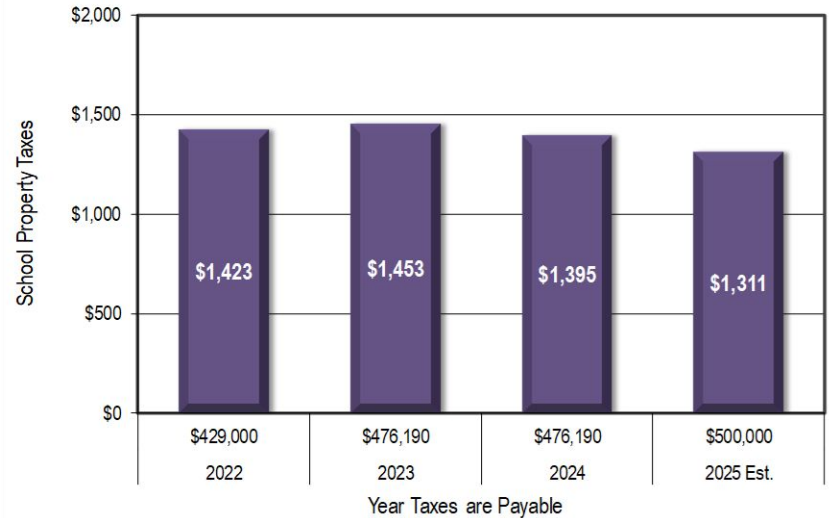
# Estimated Changes in School Property Taxes, 2022-25

*Based on 16.6% Cumulative Changes in Property Value*

**Example 1: \$300,000\* Residential Homestead Property**



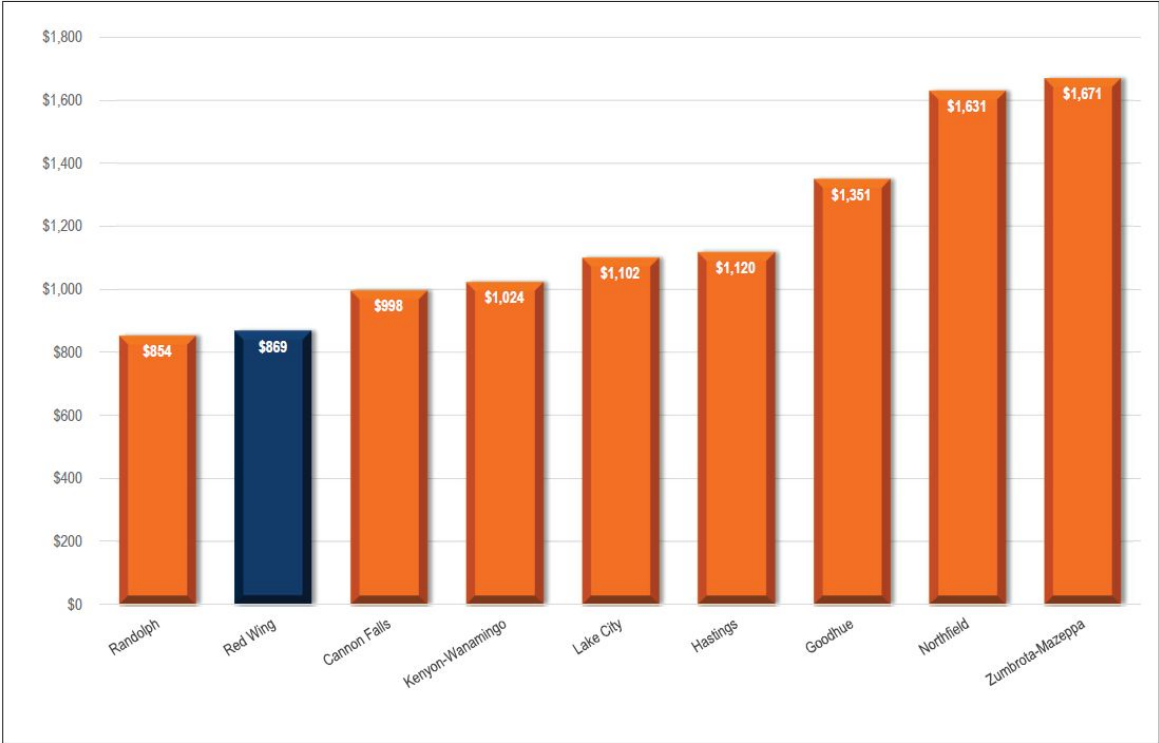
**Example 2: \$500,000\* Residential Homestead Property**



\* Estimated market value for taxes payable in 2025. Taxes are calculated based on changes in market value of 11.0% from 2022 to 2023, 0.0% from 2023 to 2024 and 5.0% from 2024 to 2025.

# Red Wing School District

Total School Property Taxes, Payable 2024, on a Home with an Estimated Market Value of \$300,000



Source: Pay 24 School Tax Report.

# Factors Impacting Individual Taxpayers' School Taxes

Many factors can cause tax bill for an individual property to increase or decrease from year to year

- Changes in value of individual property
- Changes in total value of all property in District
- Increases or decreases in levy amounts caused by changes in state funding formulas, local needs and costs, voter-approved referendums, and other factors.



# Possible Property Tax Refund

- Resident taxpayers on a fixed income, or with significant increases to their property taxes, should inquire of a tax professional regarding eligibility for property tax refunds

# Next Board Action

- December 16, 2024
  - Board of Education Certification of the Final levy for Payable 2025, funding School Year 2025-2026

# Questions or Comments

- Public Comment and Questions

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*thank  
you*

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