



ALEXANDRIA PUBLIC SCHOOLS ISD #206

2016 PAYABLE 2017 FINAL LEVY CERTIFICATION

**Regular School Board Meeting
Monday, December 19th, 2016 – 7:00 PM**

Governing Entities



- State Legislature & Governor's Administration
 - Establish overall tax policy for the state
 - Sole authority to create levy options for school districts
 - Controls school levy parameters including amount of state aid and tax bases used for levies
- School Board
 - Participate in state education programs that are financed entirely by levies or a combination of levy and state aid
 - Ask voters to approve referendums for general operations and major capital projects

Key Steps in the Levy Process

- Step 1 – County Assessors offices (Douglas & Pope Counties) determine the estimated market value for each parcel of property in the School District.
- Step 2 – The Minnesota State Legislature sets the formulas for tax capacity and market value. These formulas determine how much of the tax burden will fall on different types of properties.
- Step 3 – The County Auditors calculate the tax capacity and market value for each parcel of property in the School District, as well as the total tax capacity.

Key Steps in the Levy Process

- Step 4 – The Minnesota State Legislature sets the formulas which determine the maximum amounts of taxes the School District may levy in every category.
- Step 5 – The Minnesota Department of Education calculates detailed levy limits for the School District. These calculations are based on the formulas approved by the Minnesota State Legislature. These limits tell the School District the exact amounts that may be levied in every category.
- Step 6 – The School Board adopts a proposed levy in September based on the limits set by the Minnesota State Legislature.

Key Steps in the Levy Process

- Step 7 – The School Board adopts a final levy in December, where the public is given the opportunity to discuss the levy. The final levy cannot be greater than the preliminary levy, except for amounts approved by the voters or changes made by the Minnesota Department of Education.
- Step 8 – The County Auditors divide the final levy by the tax capacity to determine the tax rate needed to fund the approved levy amount. Multiplying the tax rate by each parcel's tax capacity and market value will determine the School District Tax amount.

City / County vs. School Levy Cycle

- City & County

- Budget Year is same as Calendar Year (January 1 – December 31)
- 2017 taxes provide revenue for Calendar Year 2017

- School District

- Budget Year is July 1 – June 30
- 2017 taxes provide revenue for Fiscal Year '18 (7/1/17 – 6/30/18)

Tax Rates by Classification

(Statistics for Douglas County, not the School District)

- The Estimated Market Value (EMV) of Douglas County was \$5,517,675,100 in 2016
- The majority of Douglas County's EMV (93.9%) comes from these four property classifications:
 - Residential \$2,511,942,600 (45.5% of total)
 - Agricultural \$1,169,552,100 (21.2% of total)
 - Seasonal / Recreational \$1,006,683,500 (18.2% of total)
 - Commercial / Industrial \$497,991,200 (9.0% of total)
- The remaining 6.1% comes from Apartments, Resorts, Personal Property, & Public Utilities
- EMV is reduced by \$291,222,143 (5.3%) for the Homestead Market Value Exclusion, resulting in Taxable Market Value of \$5,226,452,957



Spruce County
 Jane Smith, Auditor-Treasurer
 345 12th Street East, Box 78
 Spruceville, MN 55555-5555
 (555) 345-6789
 www.co.spruce.mn.us

TAXPAYER(S):

John and Mary Johnson
 123 Pine Rd S
 Spruceville, MN 55555-5555

Property Information

PIN Number: 01.234.56.789.R1
Property Address: 789 Pine Rd S
 Spruceville, MN 55555

Property Description:
 Lot 1, Block 1, Spruce Acres Subdivison

PROPOSED TAXES 2017

THIS IS NOT A BILL. DO NOT PAY.

VALUES AND CLASSIFICATION			
Step		2016	2017
1	Taxes Payable Year		
	Estimated Market Value	\$125,000	\$150,000
	Homestead Exclusion	\$	\$23,800
	Taxable Market Value	\$125,000	\$126,200
	Class	Res NHmstd	Res Hmstd
PROPOSED TAX			
2	Proposed Tax		\$1,467.52
PROPERTY TAX STATEMENT			
3		Coming in 2017	
The time to provide feedback on PROPOSED LEVIES is NOW <i>It is too late to appeal your value without going to Tax Court.</i>			

Reading your Tax Statement

Change in property value has a large impact

What classification is your property being valued and taxed as?

Can appeal classification for the following year each spring

Proposed Property Taxes and Meetings by Jurisdiction for Your Property

Contact Information	Meeting Information	Actual 2016	Proposed 2017
State General Tax	No public meeting	\$0	\$0
County of Spruce Spruce County Courthouse 123 Spruce St Spruceville, MN 55555 www.co.spruce.mn.us (555) 123-4567	December 9, 7:00 PM	\$438.06	\$484.18
City of Spruceville Mayor's Office 456 Spruce St Spruceville, MN 55555 www.ci.spruceville.mn.us (555) 123-7654	December 1, 6:30 PM Spruceville City Hall	\$273.79	\$312.06
Spruceville School District 999 150 1st St N Spruceville, MN 55555 www.spruceville.k12.mn.us (555) 123-6789	December 2, 7:00 PM Spruceville High School Cafeteria		
Voter Approved Levies		\$289.35	\$296.68
Other Levies		\$340.11	\$374.60
<i>Your school district was scheduled to hold a referendum at the November general election. If the referendum was approved by the voters, the school district's voter approved property tax for 2017 may be higher than the proposed amount shown on this notice.</i>			
Total excluding any special assessments		\$1,341.31	\$1,467.52 9.0%

Amount of state equalization aid depends on overall district property wealth per pupil

As pupil counts decline, or as property wealth increase, the district's wealth per pupil increases, which results in a reduction of state equalization aid

School District Levy Categories

Voter Approved Levies

- Operating Referendum Levies
- Voter Approved Bonded Debt Levies

Other Local Levies

- Everything else

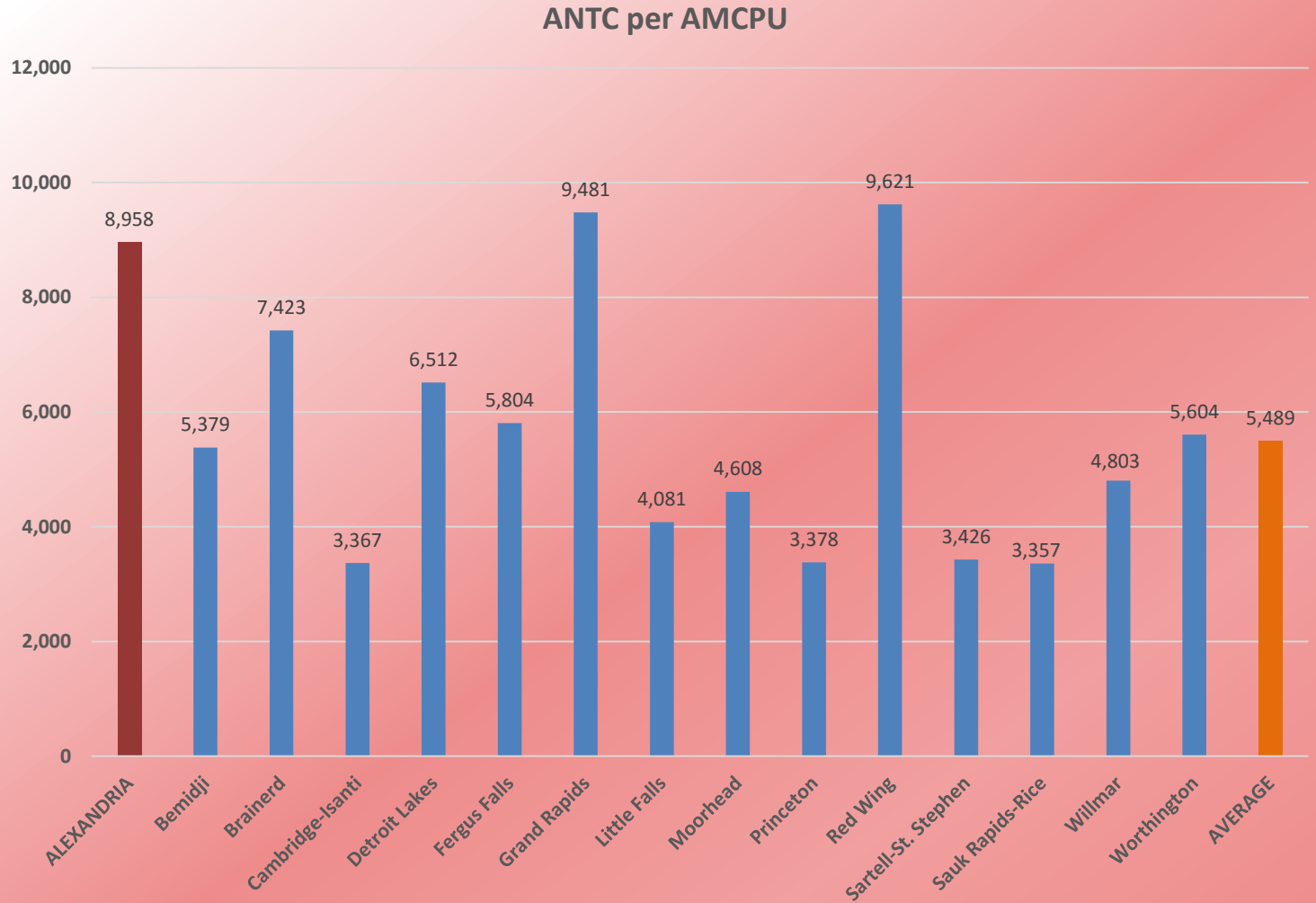
Minnesota Market Value Trends

1-Year Change from 2015 to 2016

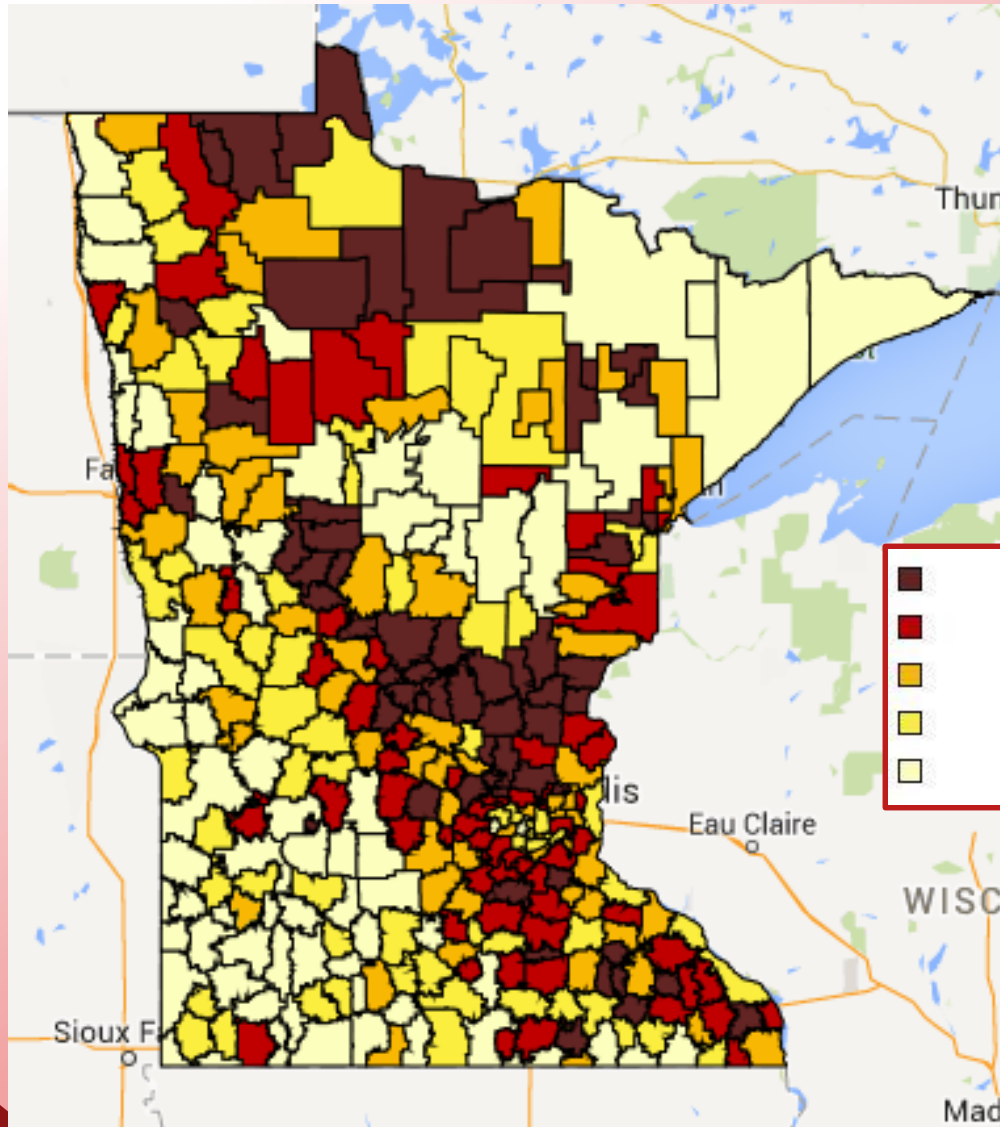
- Agricultural - 4% (first decline in 20 years)
 - Residential 4%
 - Seasonal / Recreation 3%
 - Commercial / Industrial 5%
 - Apartments 13%
 - Public Utilities 9%
-
- Based on 12 and 18 month sales studies required of County Assessor's office
 - Agricultural classifications increased 2.5 times faster than residential property for 19 years, shifting more of the tax burden to farms
 - For districts with a higher number of agricultural properties, that increased the district's ANTC, resulting in less state equalization aid and more local tax burden

ANTC Per Adjusted Pupil Unit

Comparable Districts



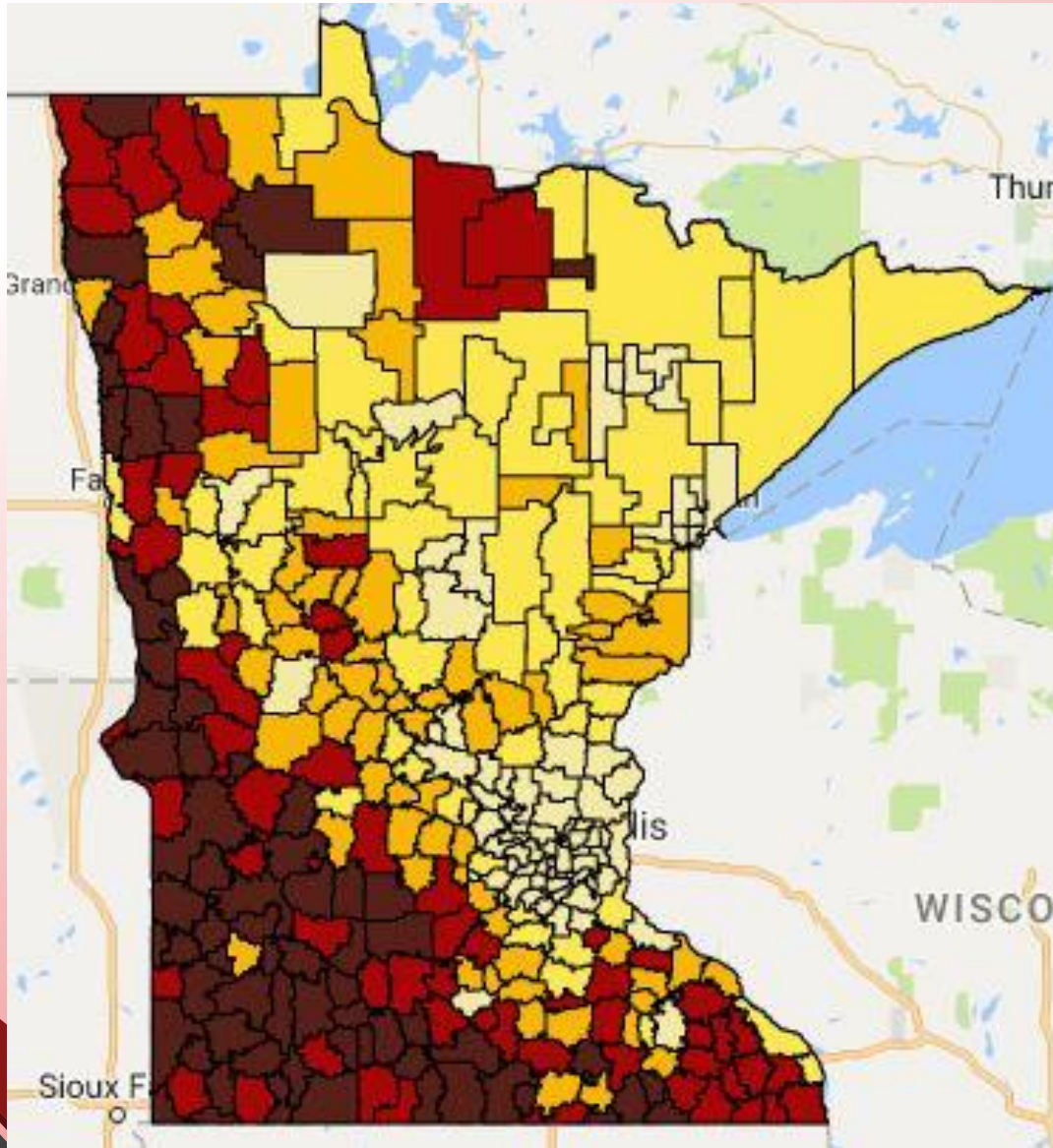
ANTC Per Adjusted Pupil Unit



Alexandria \$8,958
Comparable \$5,489
State Avg \$6,625

Dark Brown	0.00 to	4,499.99
Red	4,500.00 to	5,964.99
Orange	5,965.00 to	8,280.99
Yellow	8,281.00 to	11,999.99
Light Yellow	12,000.00 to	53,000.00

Ag Tax Capacity Exemption from RMV



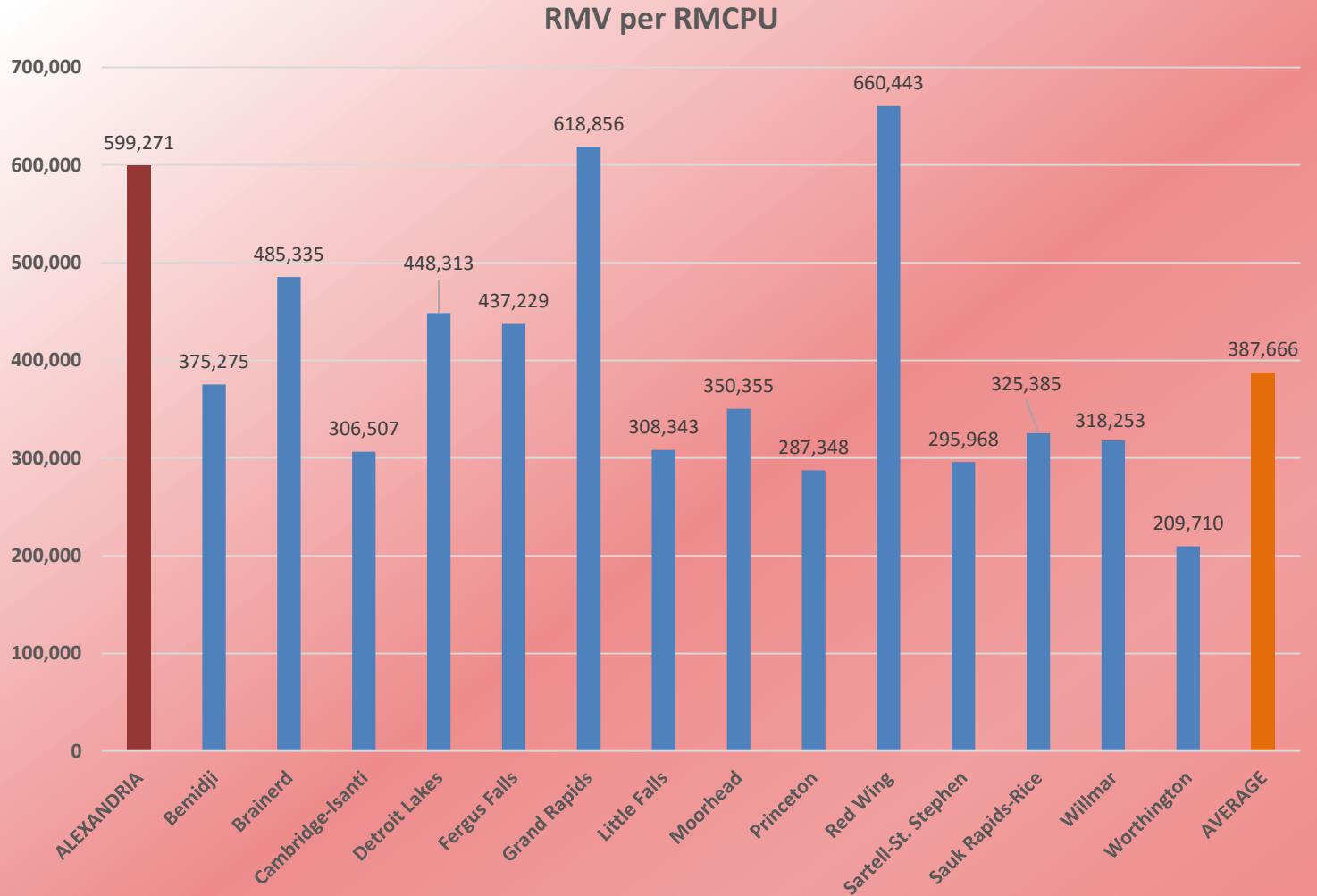
Alexandria 6.66%
Comparable 11.36%
State Avg 26.54%

Ag Tax Capacity
as % of ANTC

0.00 to 8.49
8.50 to 21.49
21.50 to 41.49
41.50 to 75.49
75.50 to 99.50

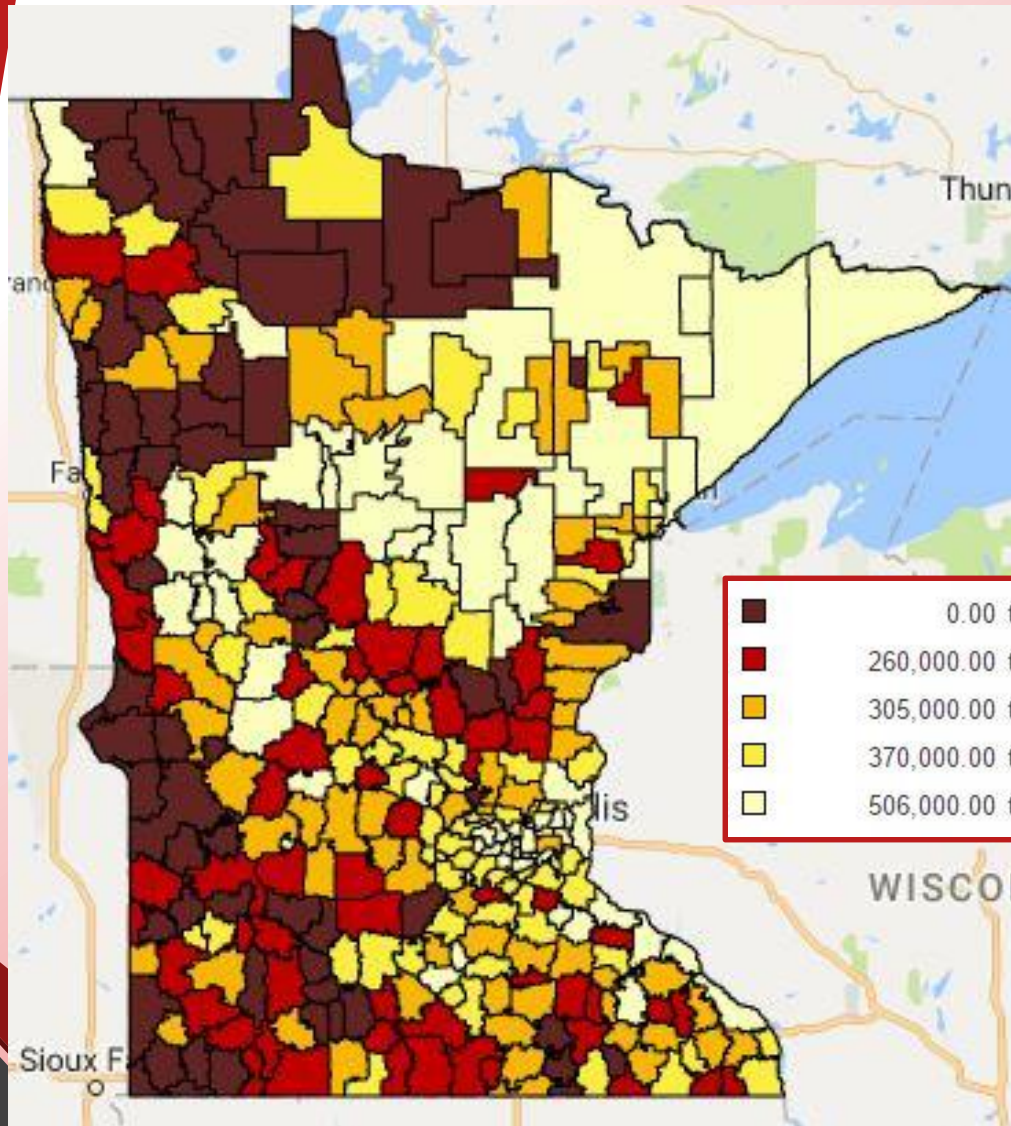
RMV Per Resident Pupil Unit

Comparable Districts



RMV Per Resident Pupil Unit

Largest Factor in Equalization Aid Calculations



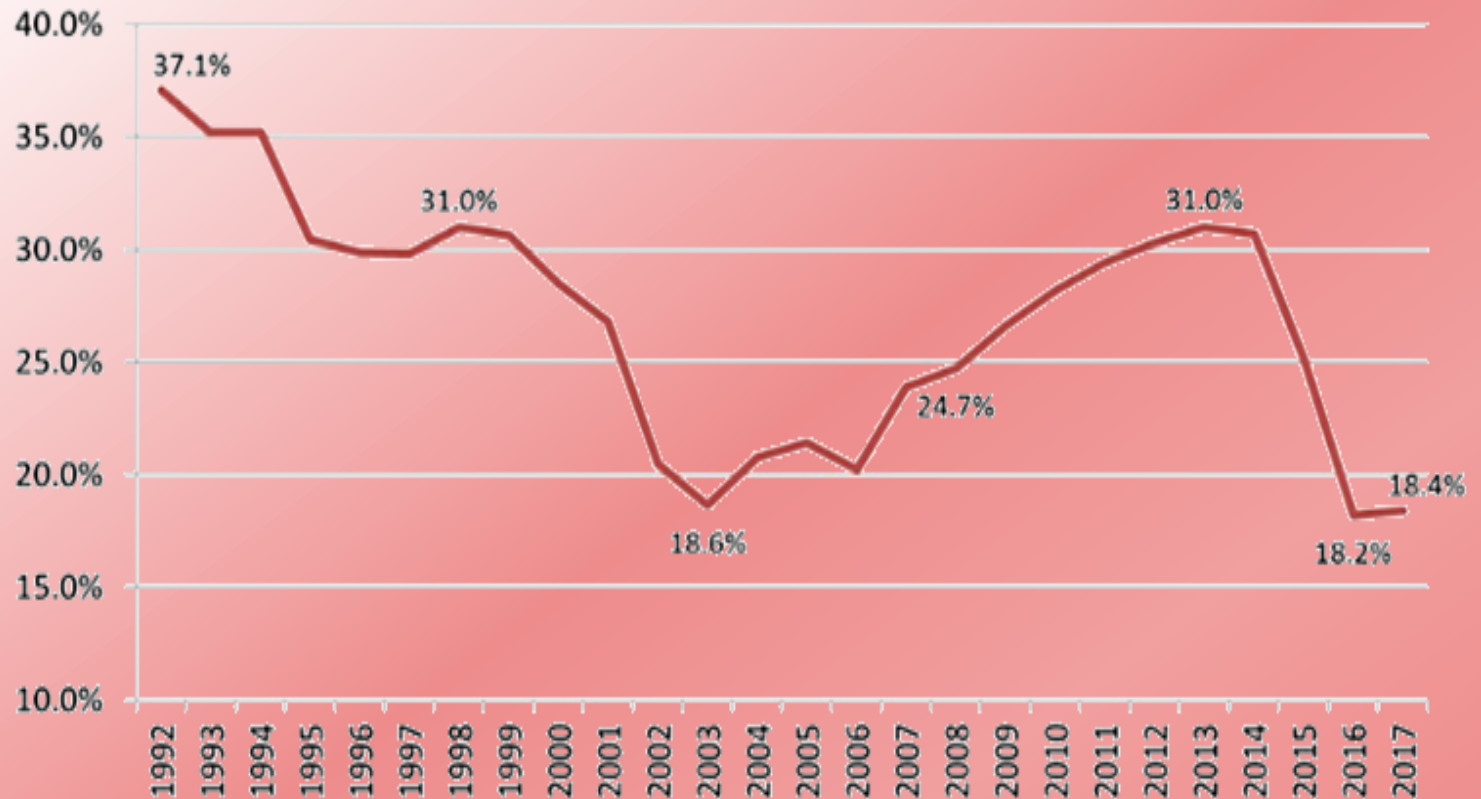
Alexandria	\$599,271
Comparable	\$387,666
State Avg	\$341,149

■	0.00 to 259,999.99	Lowest RMV per RPU
■	260,000.00 to 304,999.99	Below the Average RMV per RPU
■	305,000.00 to 369,999.99	Average RMV per RPU
■	370,000.00 to 505,999.99	Above the Average RMV per RPU
■	506,000.00 to 1,330,000.00	Highest RMV per RPU

Opportunity Gap

Gap Between 95th and 5th Percentiles

- Includes Referendum, Equity, & Local Optional Revenue



Legislative Actions to Close Opportunity Gap

- 2013 Legislature addressed funding gap with increased equalization and up to \$300/APU School Board-authorized Operating Referendum Revenue
- 2014 Legislature created up to \$424/APU School Board-authorized Local Optional Revenue
- 2015 Legislature addressed facility needs of districts statewide with new Long Term Facility Maintenance Revenue with equalization aid

Current Referendum / Local Optional Revenue

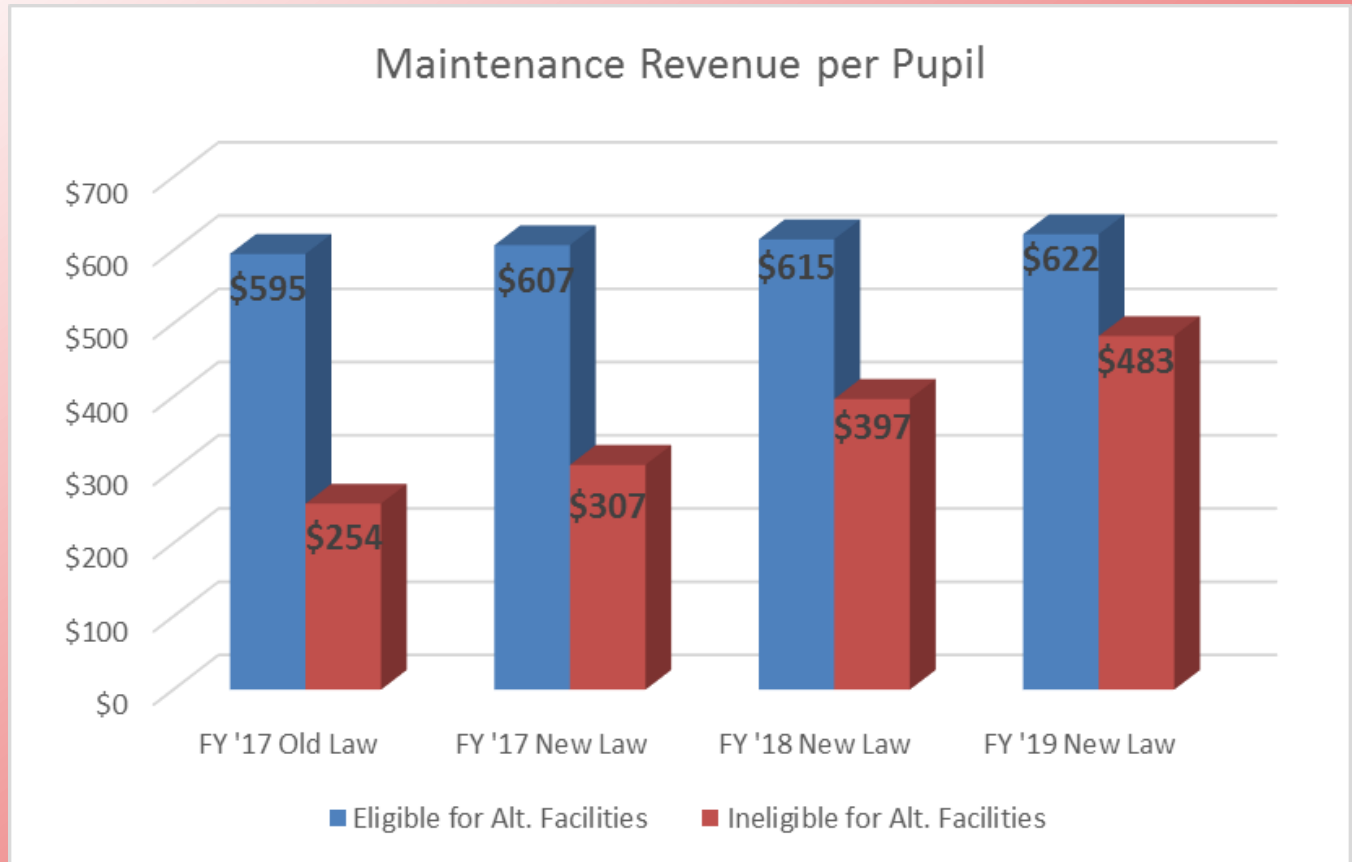
	<u>Revenue per APU</u>
Alexandria	\$724*
Comparable Districts Average	\$837
State Average	\$1,267

*Only 27 districts (out of 332) have less than \$724.
90 districts have \$724.

Long-Term Facilities Maintenance Revenue

- LTFM, passed in 2015, based on idea that all districts statewide should have equal opportunity to generate facility maintenance funds from net tax capacity tax base with equalization.
- Before LTFM, the 25 largest school districts in Minnesota were investing \$2.79/sf in maintenance projects, compared to \$0.58/sf for all other districts.
- Revenue began in FY '17 calculated at \$193 per pupil, increasing to \$292 per pupil in FY '18, and \$380 in FY '19
- Replaced Health & Safety, Deferred Maintenance, and Alternative Facilities funding sources

Long-Term Facilities Maintenance Revenue Largest 25 Districts vs. Others



General Fund Levy

Description	2016 Pay 2017 Final Levy	2015 Pay 2016 Final Levy	\$ Change from PY	% Change from PY
Operating Capital	449,749.92	594,948.61	(145,198.69)	-24.41%
Student Achievement	60,815.20	127,842.11	(67,026.91)	-52.43%
Equity Allowance	706,409.65	635,500.80	70,908.85	11.16%
Local Optional Revenue	1,912,155.20	1,871,196.80	40,958.40	2.19%
Reemployment Insurance	10,609.28	27,246.72	(16,637.44)	-61.06%
1st Tier Referendum - Voter Approved	-	-	-	
1st Tier Referendum - Board Approved	968,912.65	911,402.89	57,509.76	6.31%
Safe Schools	162,352.80	158,875.20	3,477.60	2.19%
Lease Levy	80,063.00	85,000.00	(4,937.00)	-5.81%
Transition Revenue	68,188.17	66,551.05	1,637.12	2.46%
Career & Technical	169,333.46	149,924.43	19,409.03	12.95%
Long-Term Facilities Maintenance	760,769.76	467,731.11	293,038.65	62.65%
Alternative Teacher Compensation	371,320.04	-	371,320.04	
Previous Years Adjustments	(240,402.49)	(56,188.10)	(184,214.39)	327.85%
TOTAL GENERAL FUND	5,480,276.64	5,040,031.62	440,245.02	8.73%

Community Service Fund Levy

<u>Description</u>	<u>2016 Pay 2017 Final Levy</u>	<u>2015 Pay 2016 Final Levy</u>	<u>\$ Change from PY</u>	<u>% Change from PY</u>
Basic Levy	219,556.15	219,556.15	-	0.00%
Early Childhood Family Educ.	142,310.18	144,857.89	(2,547.71)	-1.76%
Home Visit	2,423.97	2,336.00	87.97	3.77%
School Age Care	75,000.00	75,000.00	-	0.00%
Previous Years Adjustments	55,079.50	7,582.59	47,496.91	626.39%
TOTAL COMMUNITY SERVICE FUND	494,369.80	449,332.63	45,037.17	10.02%

Debt Service Fund Levy

<u>Description</u>	<u>2016 Pay 2017 Final Levy</u>	<u>2015 Pay 2016 Final Levy</u>	<u>\$ Change from PY</u>	<u>% Change from PY</u>
Basic Levy	5,785,187.00	5,761,140.80	24,046.20	0.42%
Alternative / Capital Facilities Bonds	482,404.00	130,068.75	352,335.25	270.88%
Long-Term Facilities Maintenance	819,224.00	1,163,472.72	(344,248.72)	-29.59%
Debt Excess Reduction	(2,071,422.13)	(288,193.97)	(1,783,228.16)	618.76%
Previous Years Adjustments	(353,433.98)	-	(353,433.98)	
TOTAL DEBT SERVICE FUND	4,661,958.89	6,766,488.30	(2,104,529.41)	-31.10%

OPEB Debt Service Levy & Total

Description	2016 Pay 2017 Final Levy	2015 Pay 2016 Final Levy	\$ Change from PY	% Change from PY
Basic Levy	749,653.00	786,095.63	(36,442.63)	-4.64%
Debt Excess Reduction	-	-	-	
Previous Years Adjustments	-	-	-	
TOTAL OPEB DEBT SERVICE FUND	749,653.00	786,095.63	(36,442.63)	-4.64%

	2016 Pay 2017 Final Levy	2015 Pay 2016 Final Levy	\$ Change from PY	% Change from PY
General Fund	5,480,276.64	5,040,031.62	440,245.02	8.73%
Community Service Fund	494,369.80	449,332.63	45,037.17	10.02%
Debt Service Fund	4,661,958.89	6,766,488.30	(2,104,529.41)	-31.10%
OPEB Debt Service Fund	749,653.00	786,095.63	(36,442.63)	-4.64%
TOTAL - ALL FUNDS	11,386,258.33	13,041,948.18	(1,655,689.85)	-12.70%

Levy by Authorization Category

<u>Description</u>	<u>2015 Pay 2016 Levy</u>	<u>2015 Pay 2016 Levy</u>	<u>\$ Change from PY</u>	<u>% Change from PY</u>
<u>AUTHORIZED BY LEGISLATION</u>				
Student Achievement	60,815.20	127,842.11	(67,026.91)	-52.43%
Operating Capital	449,749.92	594,948.61	(145,198.69)	-24.41%
Equity Allowance	706,409.65	635,500.80	70,908.85	11.16%
Reemployment Insurance	10,609.28	27,246.72	(16,637.44)	-61.06%
Community Education	494,369.80	449,332.63	45,037.17	10.02%
Safe Schools	162,352.80	158,875.20	3,477.60	2.19%
Lease Levy	80,063.00	85,000.00	(4,937.00)	-5.81%
Transition Revenue	68,188.17	66,551.05	1,637.12	2.46%
Career & Technical	169,333.46	149,924.43	19,409.03	12.95%
Long-Term Facilities Maintenance	1,579,993.76	1,631,203.83	(51,210.07)	-3.14%
Alternative Teacher Compensation	371,320.04	-	371,320.04	
Abatement & Previous Years Adjustments	(593,836.47)	(56,188.10)	(537,648.37)	956.87%
TOTAL AUTHORIZED BY LEGISLATION	3,559,368.61	3,870,237.28	(310,868.67)	-8.03%
<u>AUTHORIZED BY SCHOOL BOARD</u>				
OPEB Debt Service	749,653.00	786,095.63	(36,442.63)	-4.64%
General Fund - Referendum	968,912.65	911,402.89	57,509.76	6.31%
Local Optional Revenue	1,912,155.20	1,871,196.80	40,958.40	2.19%
Alternative / Capital Facilities Bonds	482,404.00	130,068.75	352,335.25	270.88%
TOTAL AUTHORIZED BY SCHOOL BOARD	4,113,124.85	3,698,764.07	414,360.78	11.20%
<u>AUTHORIZED BY VOTERS</u>				
General Fund - Referendum	-	-	-	
Debt Service	5,785,187.00	5,761,140.80	24,046.20	0.42%
Debt Excess Reduction	(2,071,422.13)	(288,193.97)	(1,783,228.16)	618.76%
TOTAL AUTHORIZED BY VOTERS	3,713,764.87	5,472,946.83	(1,759,181.96)	-32.14%
TOTALS	11,386,258.33	13,041,948.18	(1,655,689.85)	-12.70%

Changes from Preliminary Levy

Preliminary Levy: \$11,270,205.99 (-13.58%)

Final Levy: \$11,386,258.33 (-12.70%)

Change \$116,052.34

Increase of \$87,726.80 due to Projected Enrollment Changes:

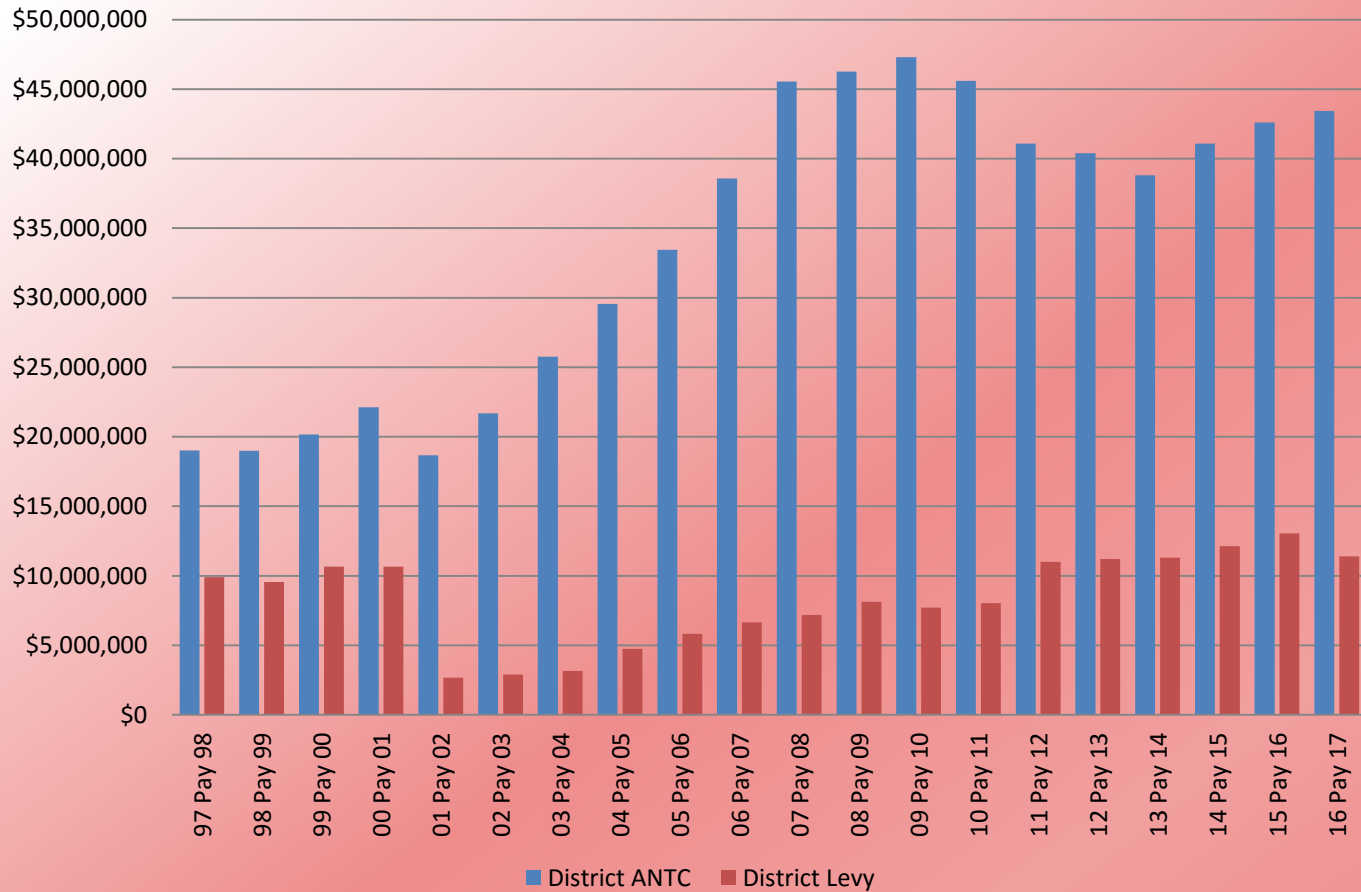
Local Optional Revenue, Equity, Transition, Referendum, Alternative Teacher Compensation, Safe Schools, Long-Term Facilities Maintenance, Operating Capital

Increase of \$30,242.57 for PY Health & Safety Adjustments

Decrease of \$1,917.03 in Home Visits (Community Ed)

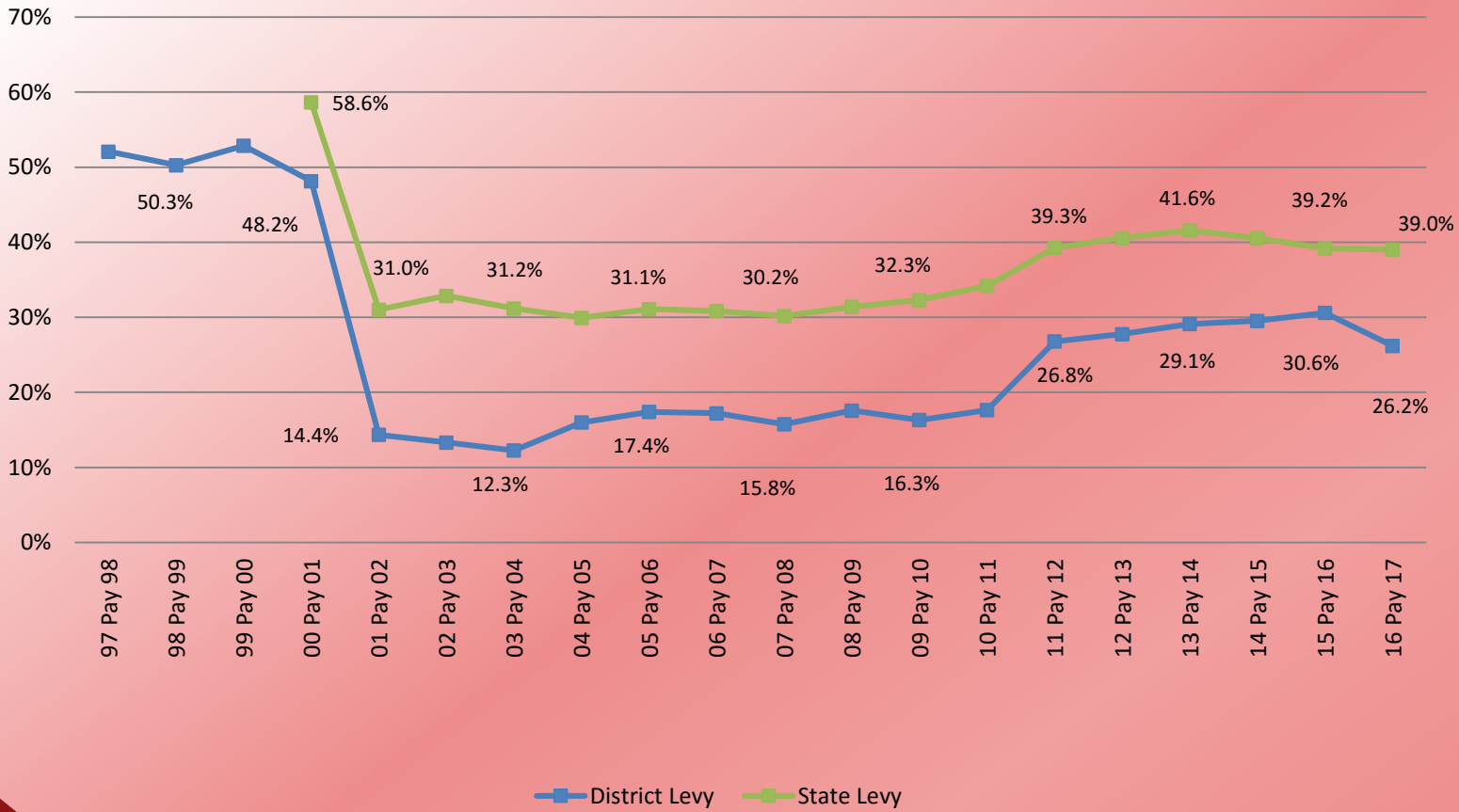
ANTC vs. Certified Levy Ratio

ANTC vs. Certified Levy



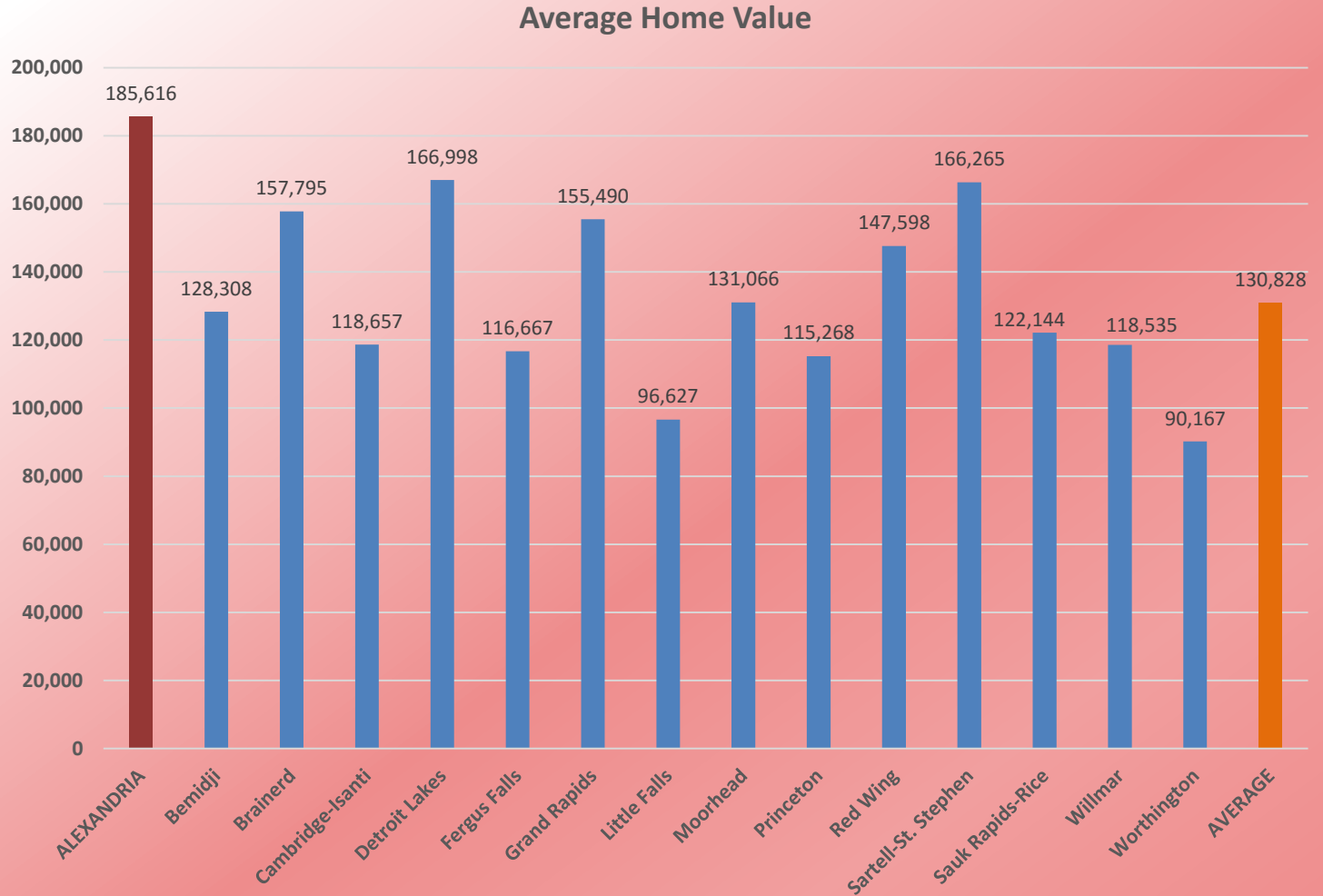
District vs. State % of Certified Levy vs. ANTC

District vs. State



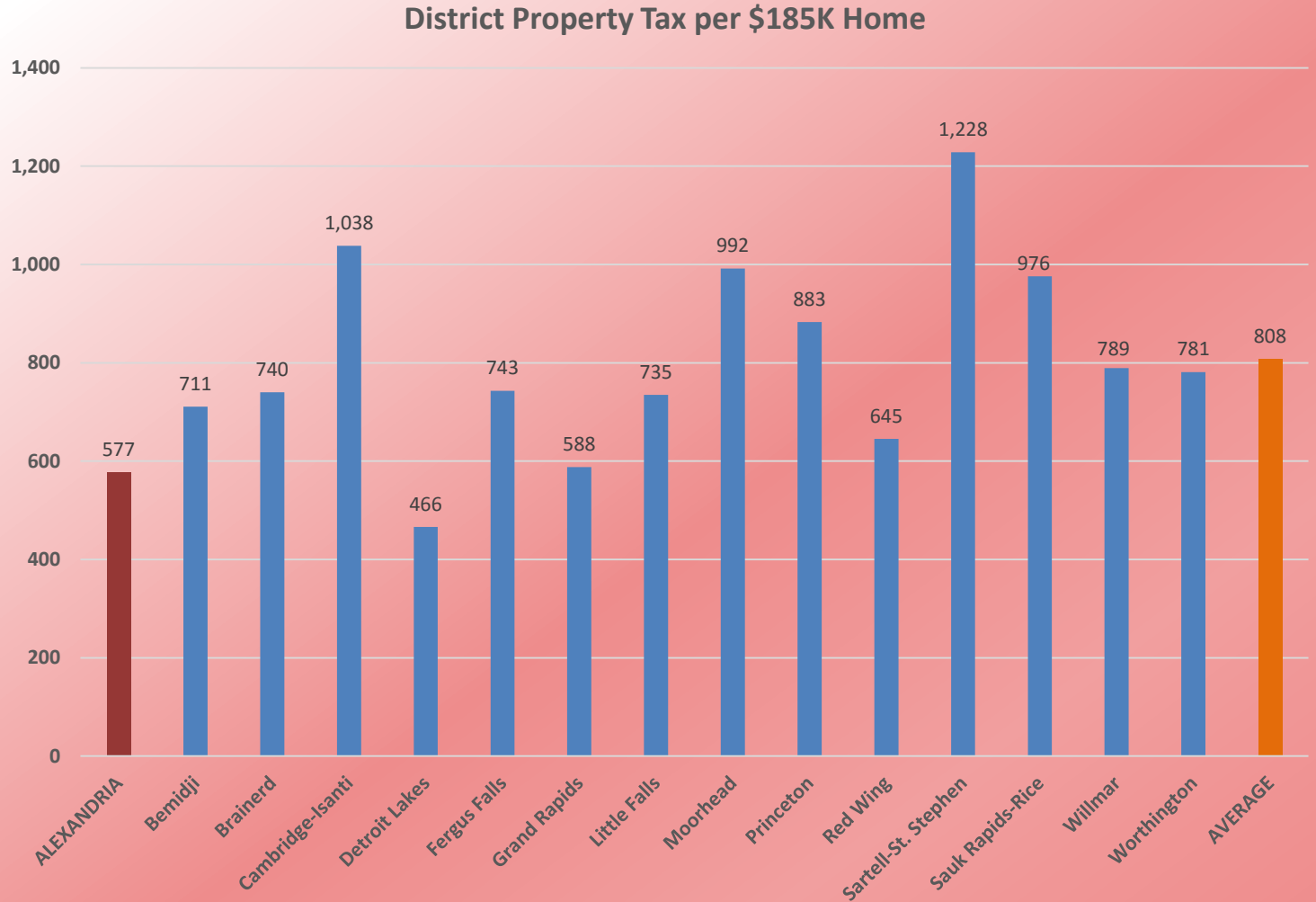
Home Value

Comparable Districts



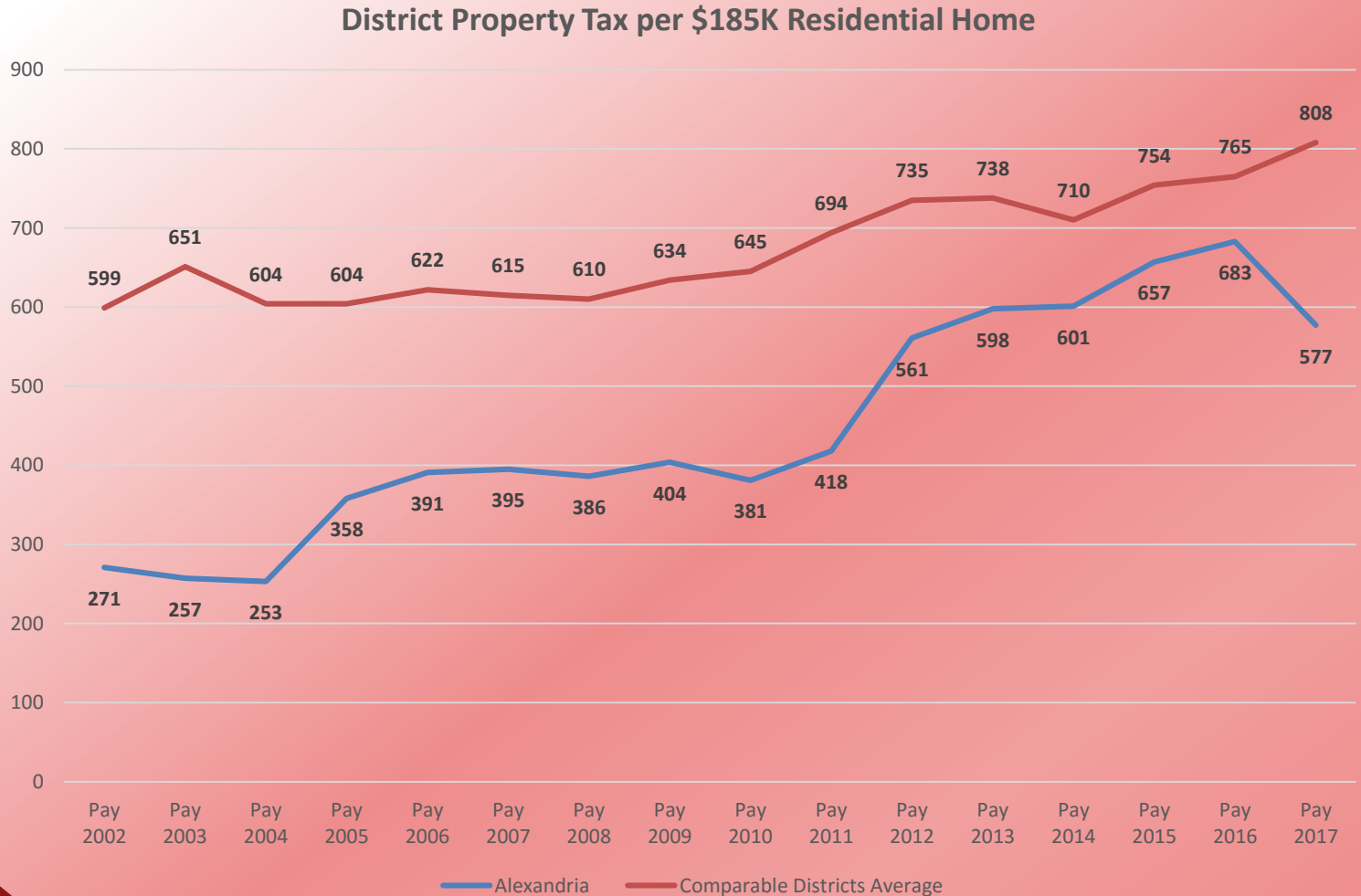
District Property Tax Per \$185K Home

Comparable Districts

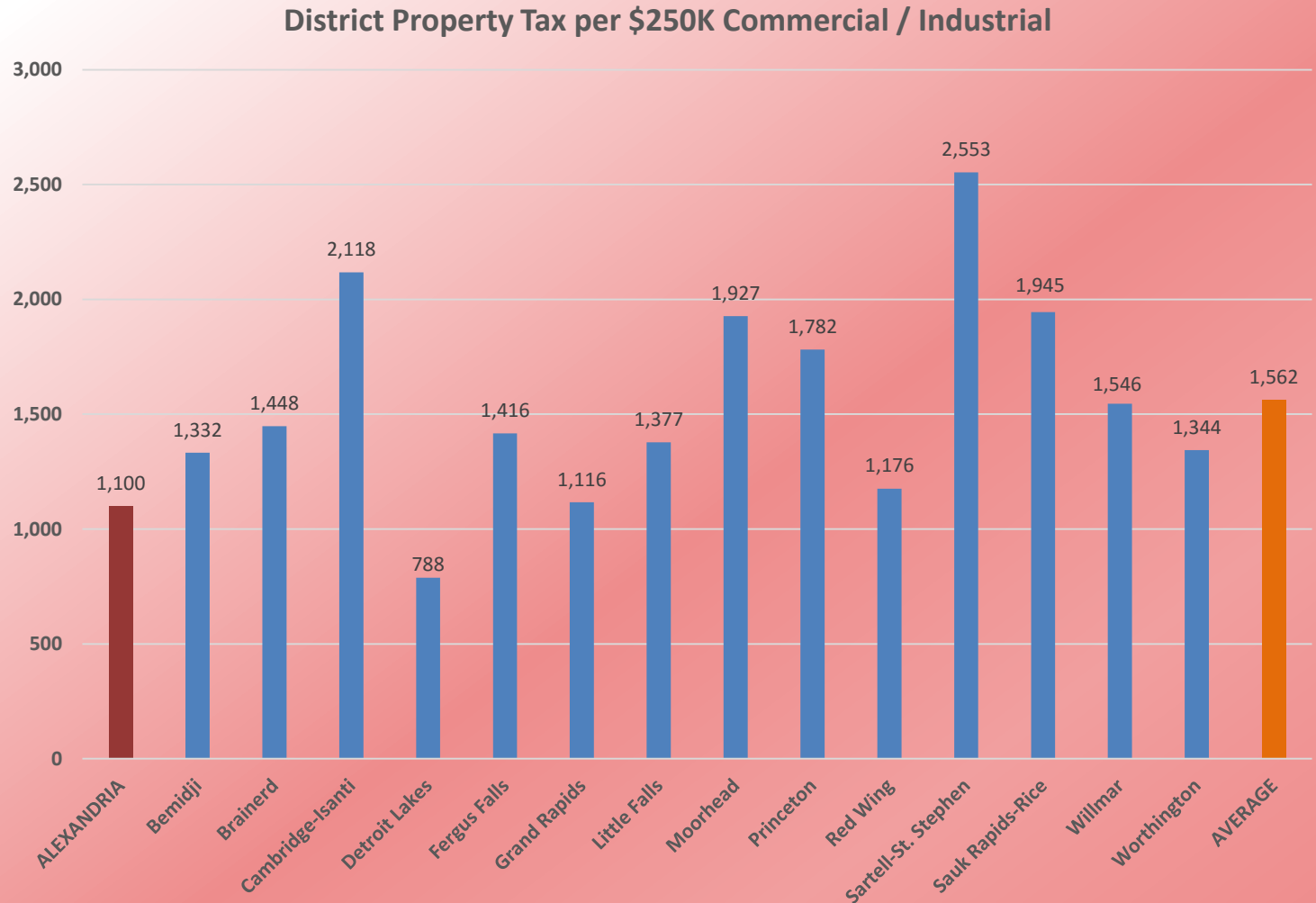


District Property Tax Per \$185K Home

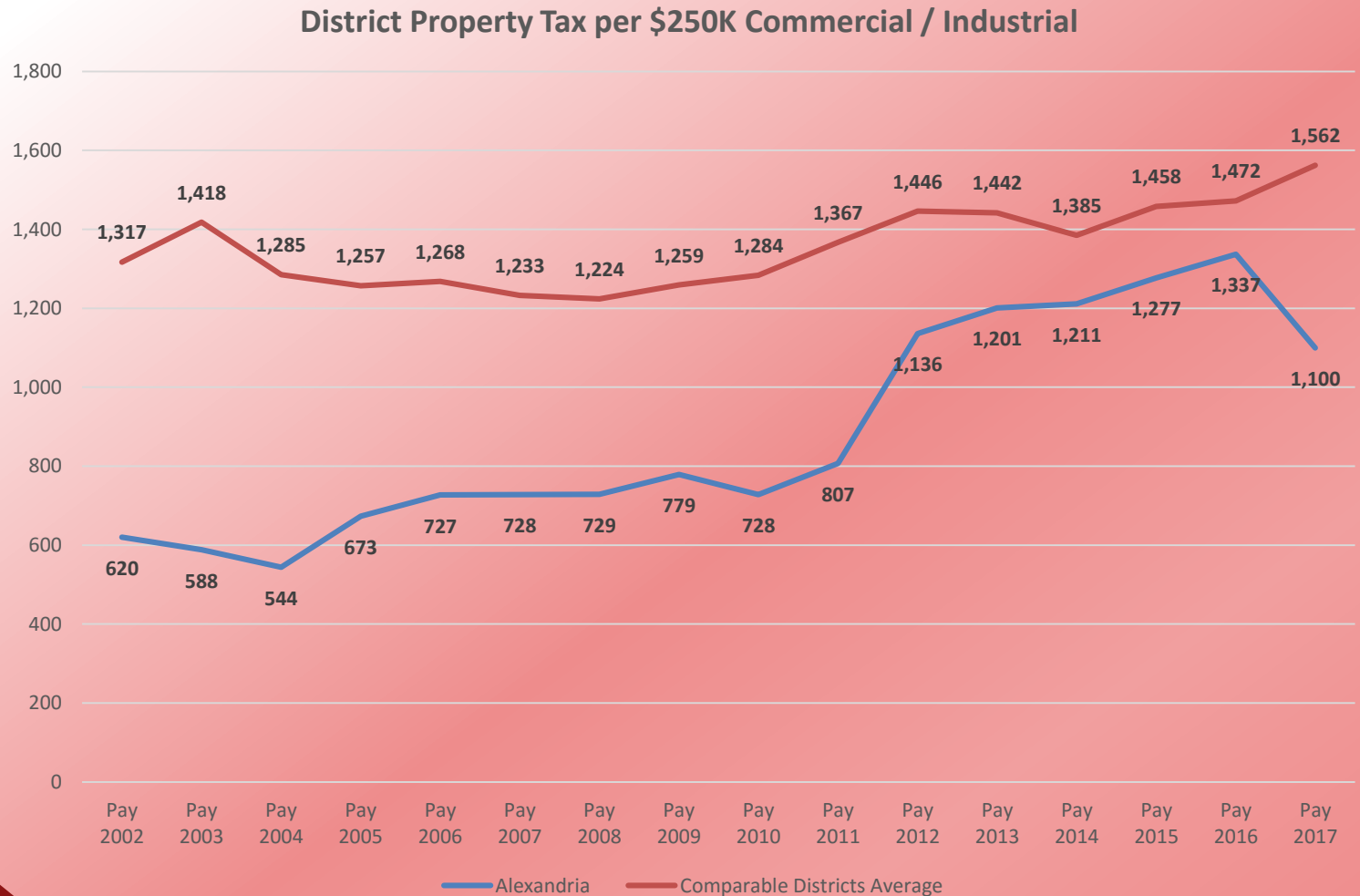
Comparable Districts



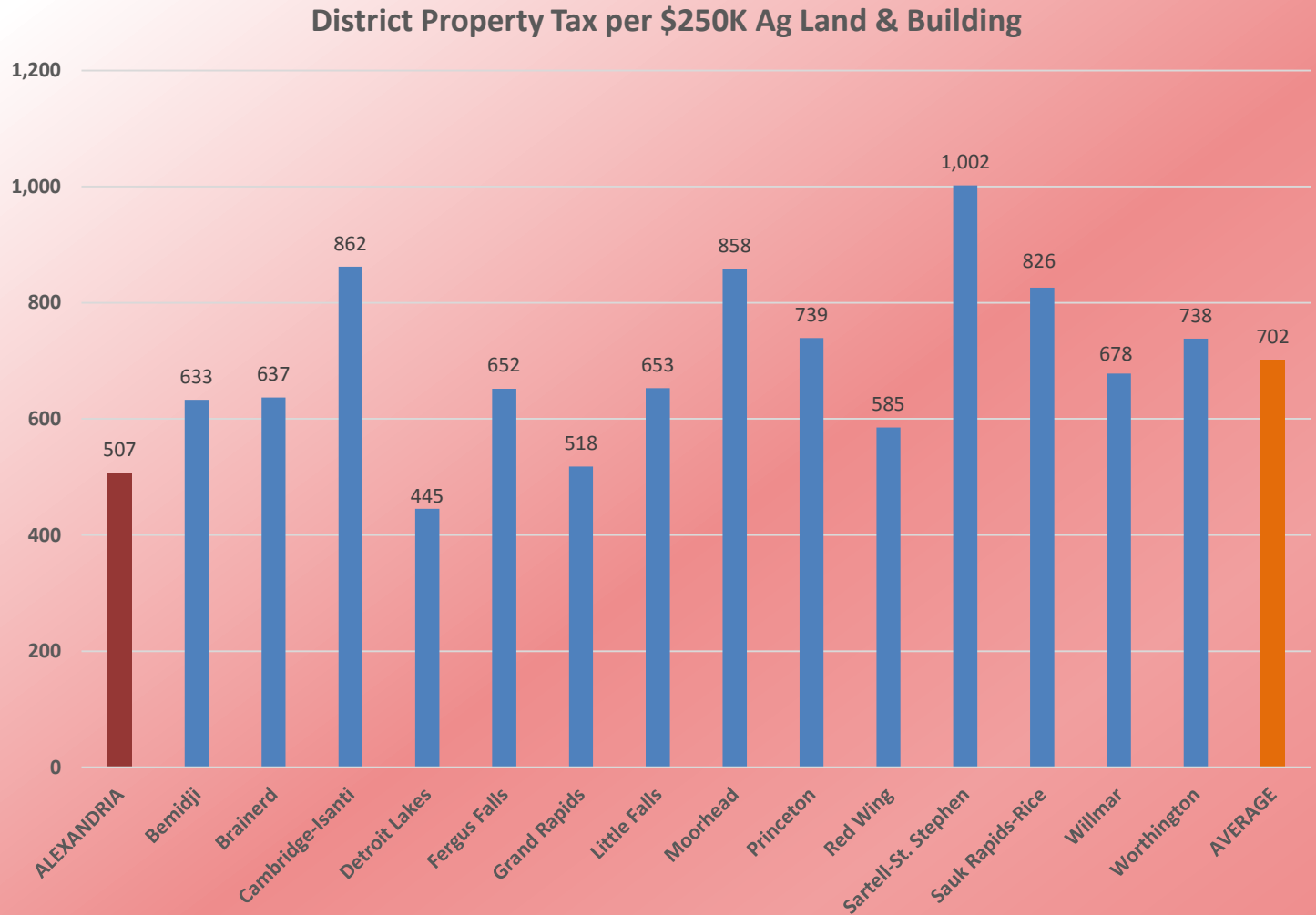
District Property Tax Per \$250K Commercial / Industrial Comparable Districts



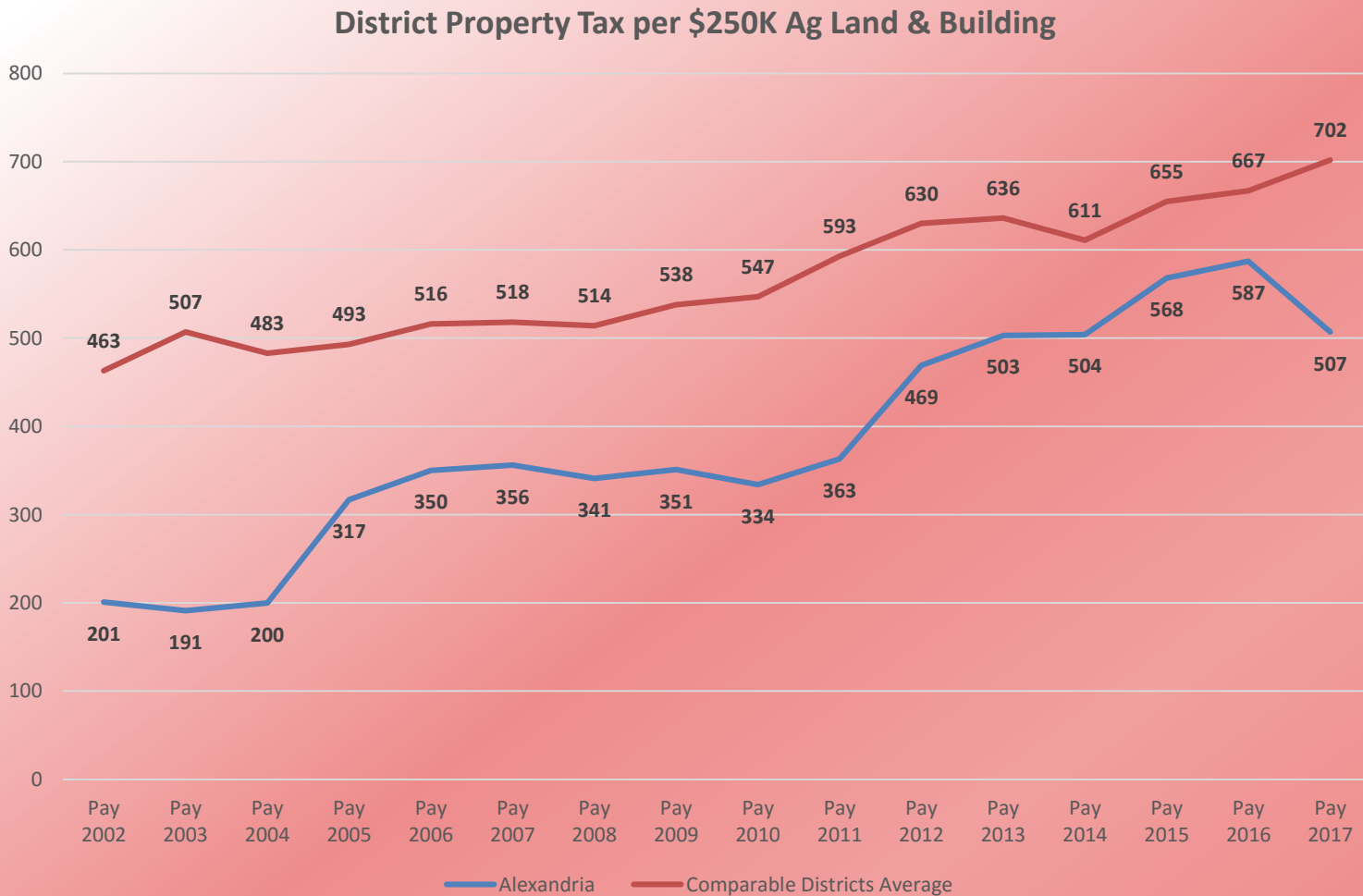
District Property Tax Per \$250K Commercial / Industrial Comparable Districts



District Property Tax Per \$250K Agriculture Land & Building Comparable Districts



District Property Tax Per \$250K Agriculture Land & Building Comparable Districts





2016 Payable 2017 Final
Levy Certification

Questions &
Comments