

# FOCUSED FORUM TAXES PAYABLE 2012

# Meeting Goals

- I. Explanation of the property tax statement (school portion only)
- II. Discussion of taxes payable 2012
- III. Discussion of budgets
- IV. Comments

# 2012 PROPOSED PROPERTY TAX STATEMENT

## Independent School District 621

1. Voter Approved Levies
2. Other Local Levies

# SCHOOL PORTION OF YOUR TAX STATEMENT

## 1. VOTER APPROVED LEVIES:

- 1999 **debt service levy** for \$80 million for remodeling and renovation that will expire in 2024
- 2006 **operating levy** for \$990 per student that expires in 2015
- 2010 **operating levy** for \$533 per student that expires in 2019

# **SCHOOL PORTION OF YOUR TAX STATEMENT**

## **2. STATE AUTHORIZED LEVIES (Other Local Levies)**

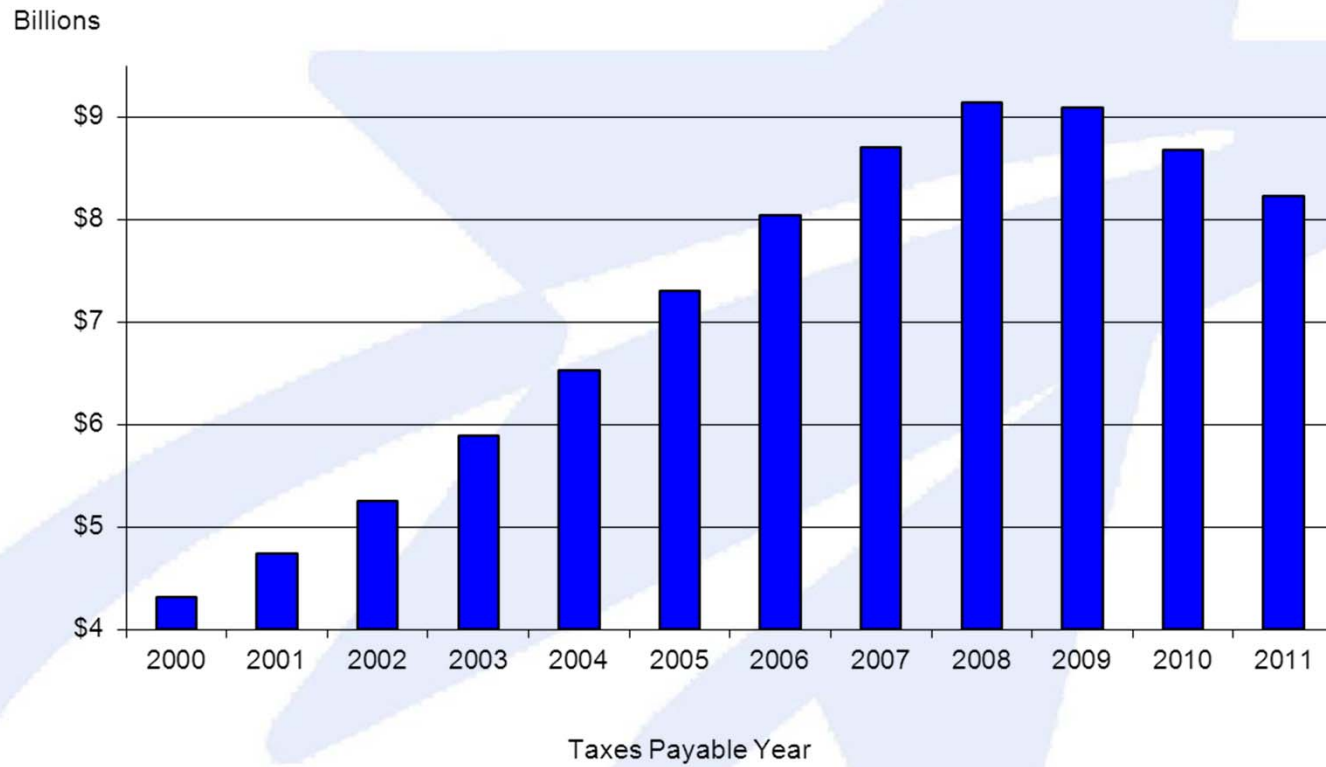
- **Operating Capital**
- **Health & Safety**
- **Building Leases**
- **Deferred Maintenance**
- **Alternative Teacher Compensation**
- **Community Education**
- **Other Post Employment Benefits**

# WHAT VARIABLES WOULD CAUSE THE SCHOOL PORTION OF YOUR TAXES TO INCREASE OR DECREASE?

What the district can't control:

1. Changes in market values
2. State formulas and mandates
3. Changes in enrollment

# Changes in Market Value



# 2011 Legislative Change

A new **Homestead Market Value Exclusion** replaces the **Market Value Homestead Credit**

## Old Law:

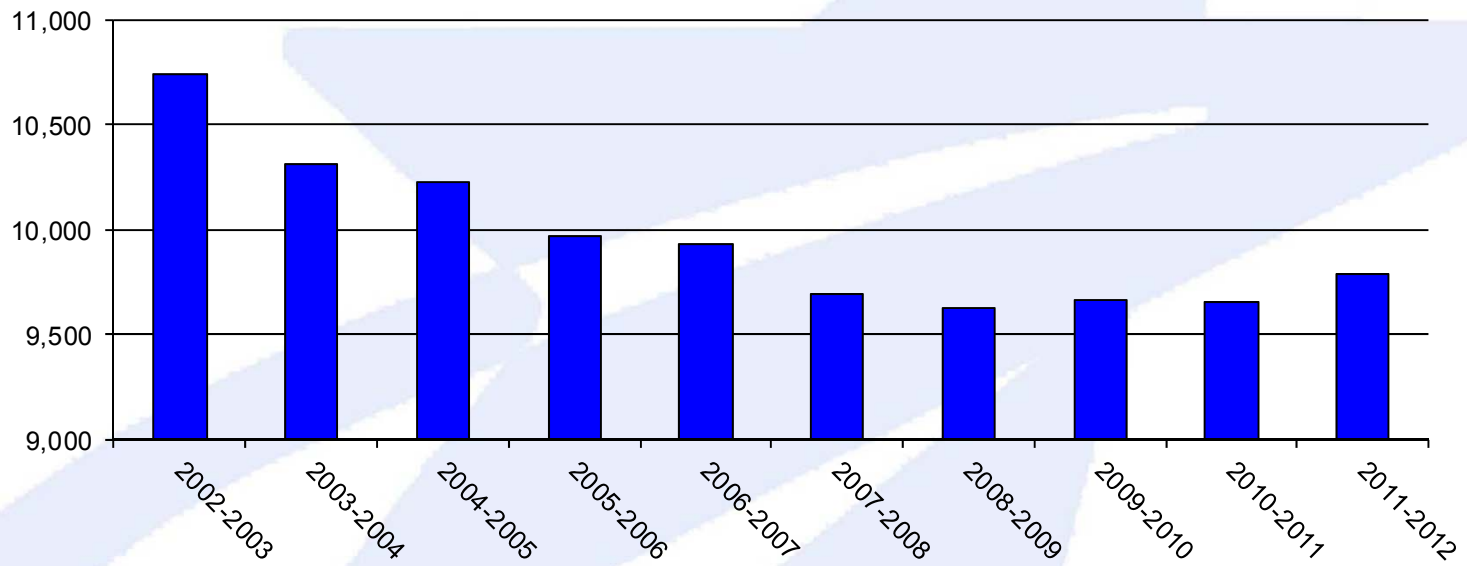
- Homesteads received a credit on their tax statements reducing their gross tax
- State reimbursed local governments for the credits

## New Law:

- A portion of homestead market value credit will be excluded from taxation
- The State will no longer pay a share of the tax on homesteads

# Student Enrollment

(October 1st)



# **WHAT VARIABLES WOULD CAUSE THE SCHOOL PORTION OF YOUR TAXES TO INCREASE OR DECREASE?**

**What the district can consider:**

- 1. Mission, vision & goals of the district**
- 2. Level of service provided with each levy authority**

# THE PROPOSED SCHOOL TAX LEVY FOR 2012

	<u>2011</u>	<u>2012</u>	<u>\$ Change</u>	<u>% Change</u>
Voter Approved	<u>24,981,889</u>	<u>25,212,690</u>	<u>230,801</u>	<u>0.9%</u>
Other Local	<u>15,532,855</u>	<u>16,712,075</u>	<u>1,179,220</u>	<u>7.6%</u>
School District Total	<u><u>40,514,744</u></u>	<u><u>41,924,765</u></u>	<u><u>1,410,021</u></u>	<u><u>3.5%</u></u>

# CHANGES IN PROPOSED SCHOOL TAX LEVY FOR 2012

- Voter approved

\$230,801 increase is operating referendum as a result of enrollment increases

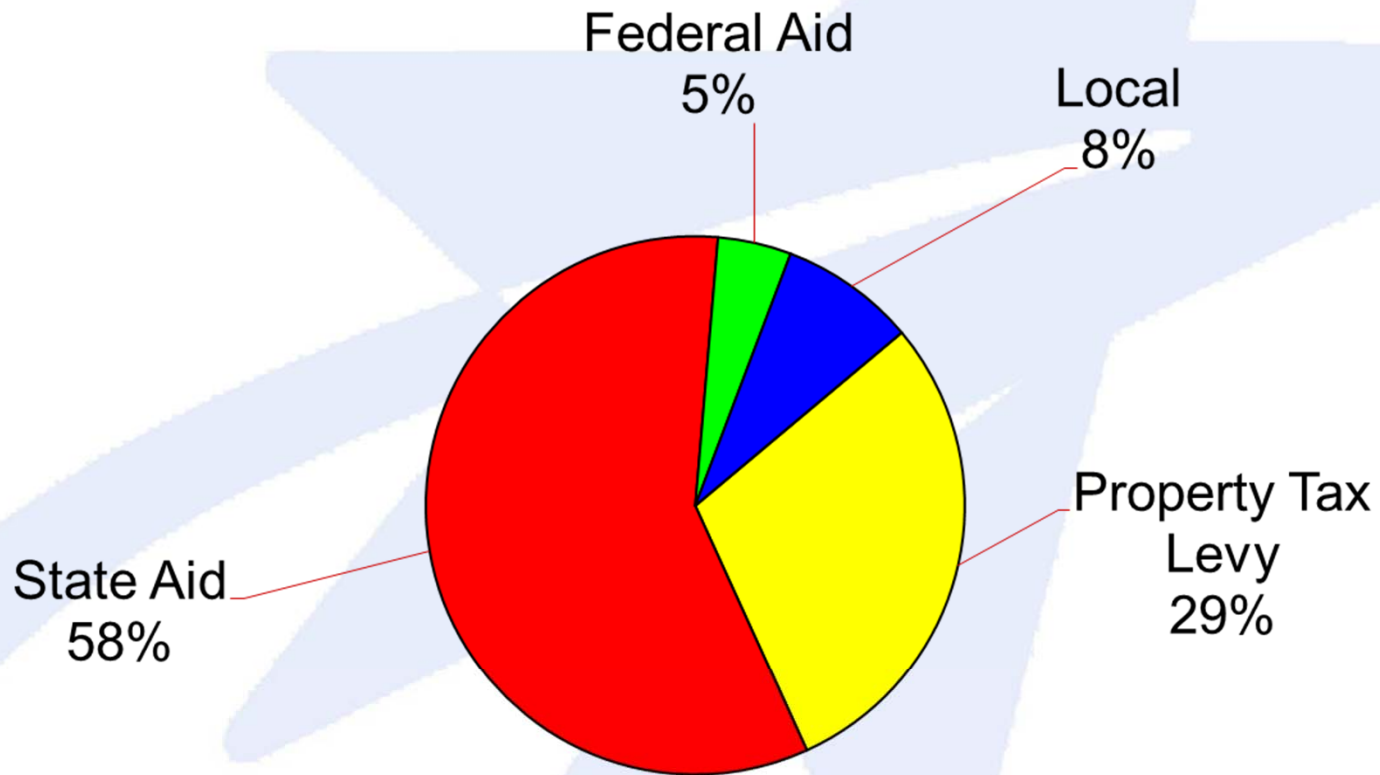
- Other local levies

\$1,179,220 increase is Tax Increment Financing (TIF) as a result of a legislative requirement

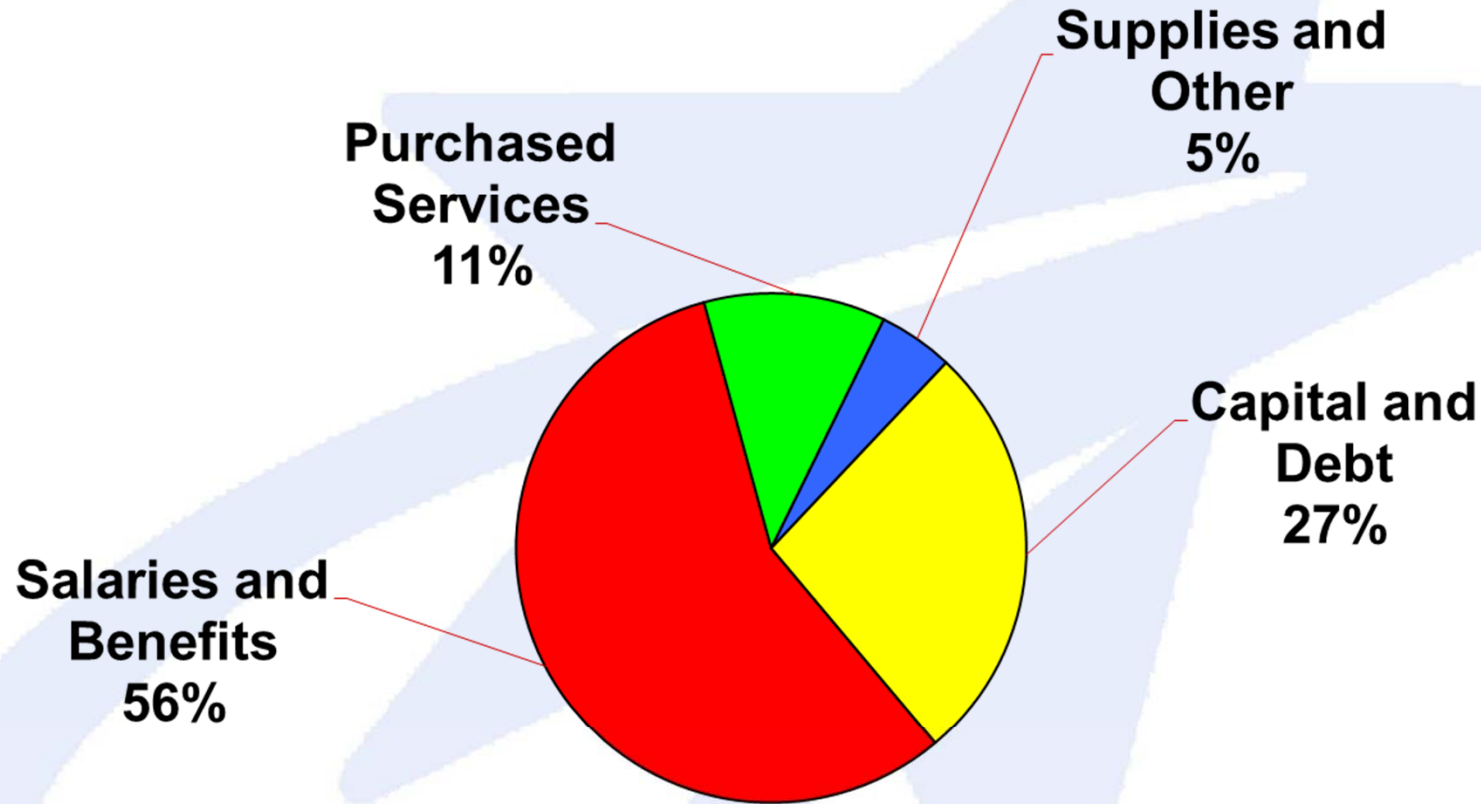
# Taxes Payable 2012 Summary

- The school portion of property taxes for 2012 is volatile and will increase or decrease depending on the property's market value change and the impact of the new market value exclusion.
- Taxes collected for schools in 2012 will increase 3.5 % from 2011, mainly due to the loss of a one-time tax savings from closing a TIF.

# APPROVED REVENUE BUDGETS 2011-2012 (\$139,166,621)



# APPROVED EXPENDITURE BUDGETS 2011-2012 (\$171,505,641)



# BUDGET SUMMARY 2011-2012

	<u>REVENUE</u>	<u>EXPENDITURES</u>
General Fund	\$111,717,782	\$117,108,088
Nutrition Service Fund	4,787,756	4,972,183
Community Service Fund	4,559,983	4,573,312
Building Construction Fund	2,473,995	3,027,432
Debt Service Fund	15,627,105	41,824,626
Total All Funds	<u>\$139,166,621</u>	<u>\$171,505,641</u>

# MAJOR COMPONENTS for the 2012-2013 BUDGET

## Expenditure Adjustments

- Salary & benefit negotiations
- Staffing levels
- Transportation costs
- Property & liability insurance
- Utility costs

## Revenue Adjustments

- Enrollment changes
- Legislative changes
- Participation fees
- Grant changes

# To Summarize

- Public schools have a process to follow in order to authorize levies.
- Tax revenues are an important component of school district budgets.
- An individual's property tax liability is influenced by many factors, but most significant is the volatility of the market value.
- Individual properties will see the school portion of their taxes increase or decrease depending on many factors.
- The proposed final school taxes for 2012 are 3.5% greater than 2011 final taxes, mainly due to the loss of one-time savings from the prior tax year.
- Mounds View Public Schools will certify the final tax levy at the regular December 13<sup>th</sup> board meeting.