Proposed Levy
2024 Payable 2025
Truth in Taxation

December 9, 2024

DeeDee Kahring
Business Services

St. Francis Area Schools

Equip. Empower. Achieve.

Agenda

- Background:
  - School Funding
  - Property Tax Levies
  - Budgets
- Information on District's FY25 Budget
- Proposed 2024 Payable 2025 Levy
- Public Comment



Truth & Taxation Requirements

- Meeting between November 25 & December 30th at 6:00 pm or later
- May be part of a regularly scheduled meeting
- Levy may be adopted at same meeting
- Presentation must include discussion on:
  - Current year budget
  - Proposed levy
- Public allowed to comment

Funding School Districts



State of Minnesota:

- Sets funding formulas
- Sets tax policy
- Sets maximum authorized property tax levy
- Authorizes school board to submit referendums to voters for approval
  - Operating
  - Capital

Levy Development

General Levy

- Student enrollment
- Voter approved operating referendum
- Voter approved capital project referendum
- Facilities

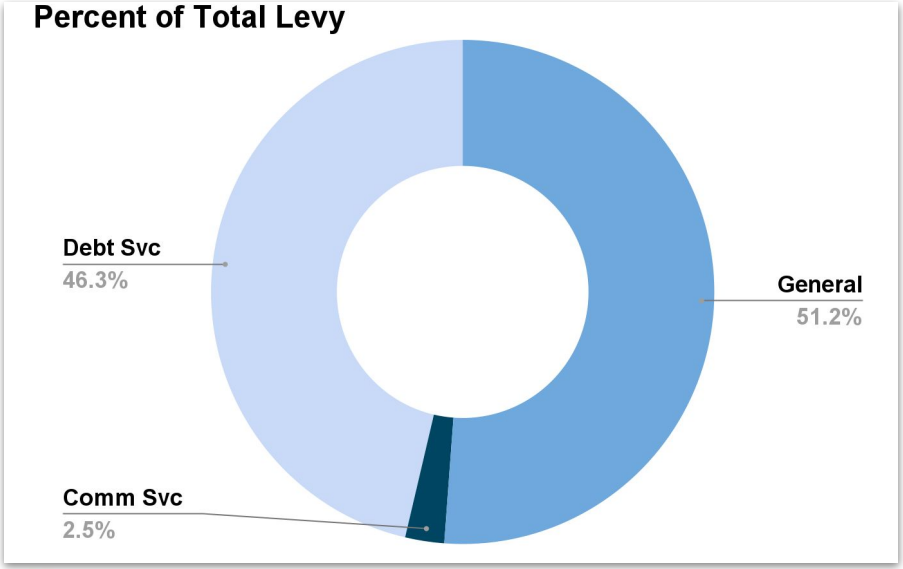
Community Service

- Based on population:
  - Adults
  - Children <5 years

Debt Service

- Levy to pay bond principal & interest
  - Voter approved
  - Facility Bonds

Saint Francis Area Schools Tax Levy



General Fund

Provides funding for regular and special education instructional programs, transportation, equipment, capital projects, long term facility maintenance

Community Service

Levy for community education services

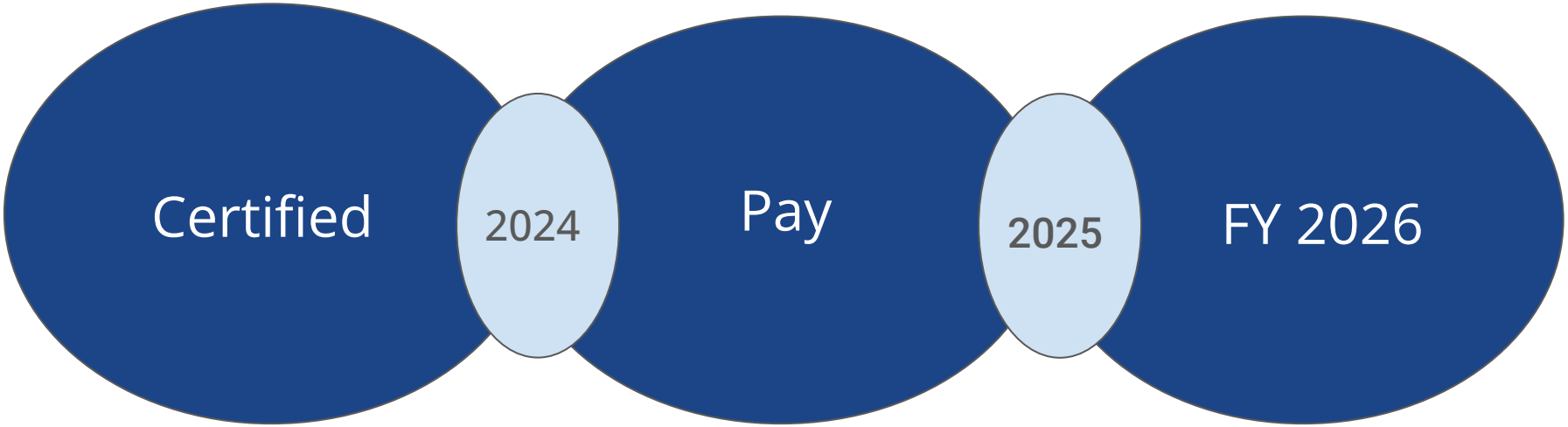
Debt Service

Levy for principal & interest payments

Levy Certification Process

July/August	September	November	December
Data submission to the Mn Department of Education	Preliminary Levy Certification	County mails proposed property tax statements	Truth in Taxation Hearing Final Levy Certification

Levy Certification Process



School Board adopts final levy in December 2024

Taxes collected May & October 2025

Record revenue in fiscal year 2026

FY 2024-25 Budget





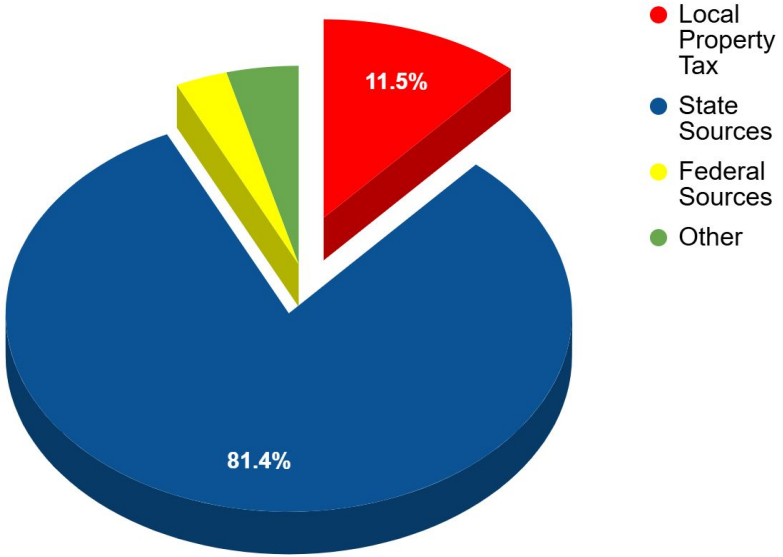
FY 2024-25 Preliminary Budget

Fund	Revenue	Expense	Estimated Fund Balance*
General	$62,233,184	$62,972,382	$22,144,614
Food & Nutrition Services	2,986,622	2,927,533	1,647,943
Community Service	2,886,447	3,186,669	1,022,610
Construction	75,000	2,222,013	75,000
Debt Service	7,025,669	6,818,008	1,862,209
Internal Service - Dental	415,815	415,615	149,494
Total	**$75,622,737**	**$78,542,220**	**$26,901,870**

*Prior to Final FY 2024 Audit

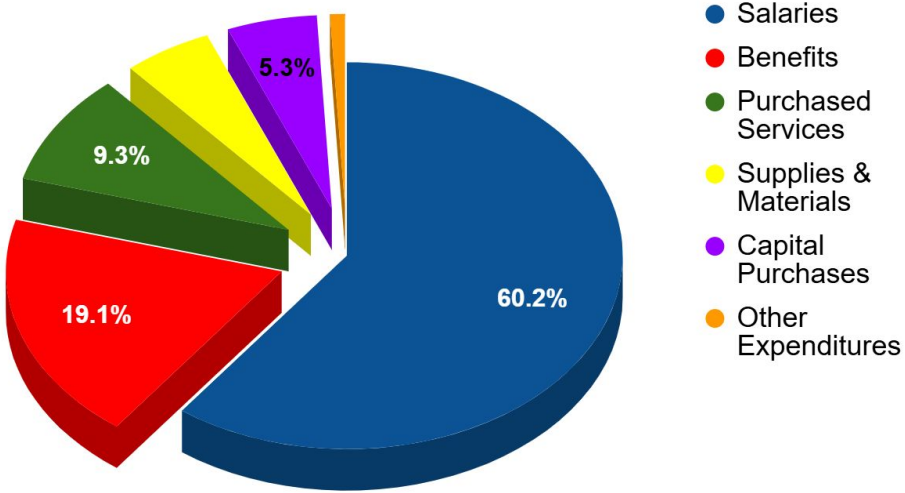
FY 2024-25 General Fund

Revenue



92.8% of Revenue Comes From State Sources & Local Taxes

Expense



Salaries & Benefits are 79.3% of Expenses

FY 2024-25 General Fund Expenses by Category

81.35 cents of every dollar goes to directly support students



11.23 cents
Operations & Fixed Costs

3.17 cents
District & School Administration

4.25 cents
District Support

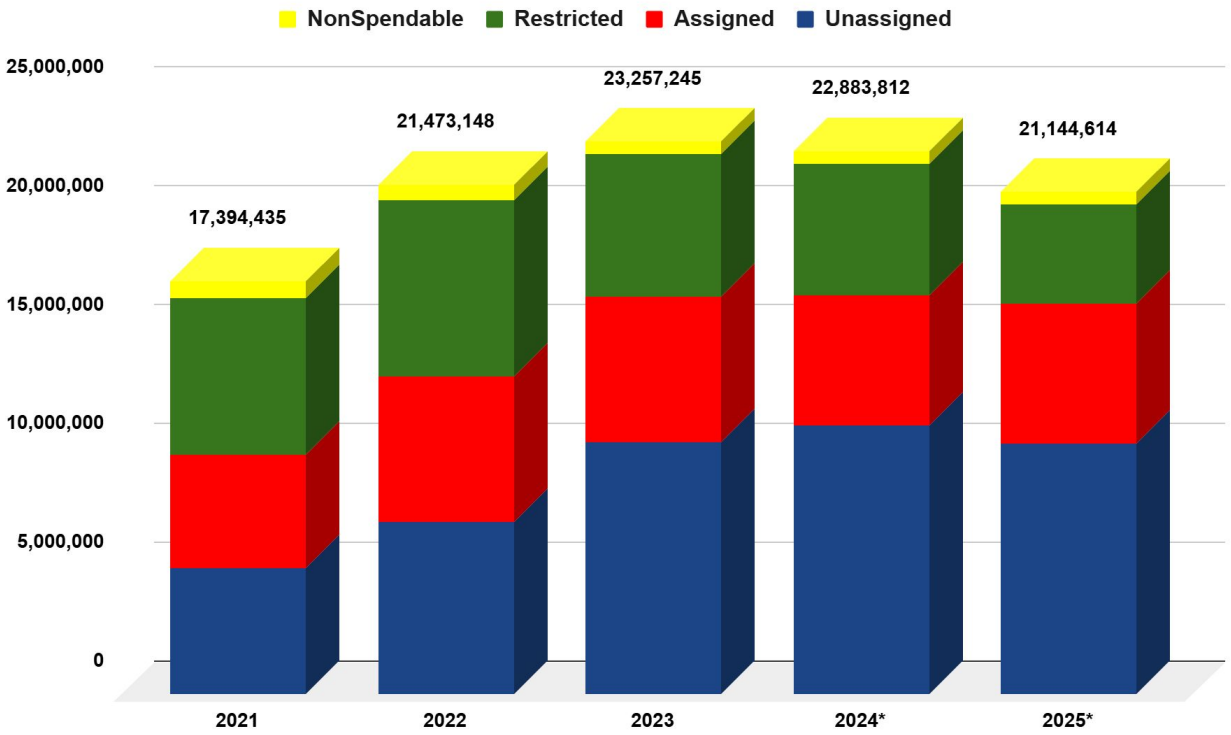
72.51 cents
Instruction & Instructional Support

8.84 cents
Pupil Support

Fund Balance Categories

Non-Spendable	Consists of amounts that are not in spendable form, such as prepaid items, inventory, and other long-term assets.
Assigned	Amounts intended to be used by the District for specific purposes.
Restricted	Consists of constraints imposed by state statutes or external creditors, grantors or contributors.
Committed	Fund balance designated for a specific purpose through formal school board action.
Unassigned	The residual classification for the General Fund, which also reflects negative residual amounts in other funds.

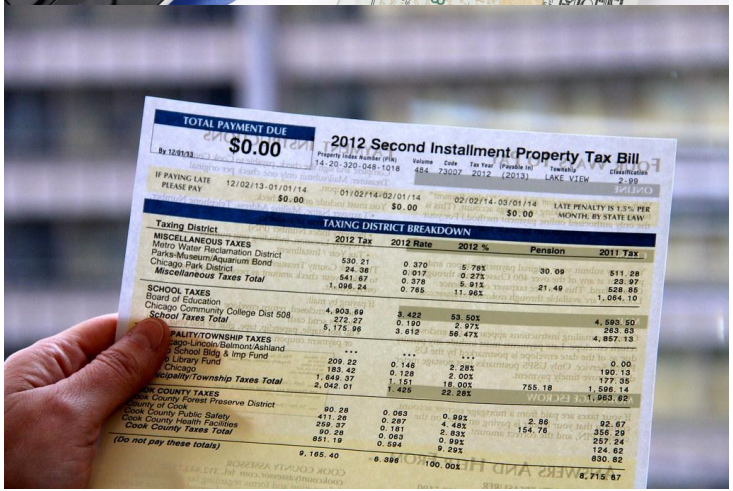
General Fund Estimated Fund Balances



*Prior to Final FY 2024 Audit

2024 Payable 2025 Tax Levy





What Causes Increases/Decreases in Levies?

1. Changes in state law
2. Pupil unit and population changes
3. Market value/tax capacity changes
4. Changes in expenditures

Proposed Tax Levy for Taxes Payable in 2025

Fund	2025 Proposed Levy
General	6,650,726.19
Community Service	325,443.33
Debt Service	6,020,888.93
Total Levy	**12,997,058.45**

General Fund Levy - Referendum Market Value

General Fund RMV Levies	2024 Certified Levy	2025 Proposed Levy	Change ($)	Change (%)
Local Optional	3,185,310.40	3,311,778.72	126,468.32	
Equity	736,933.00	766,191.90	29,258.90	
Transition	48,219.61	50,134.10	1,914.49	
Adjustments	828,696.17	4,865.68	(823,830.49)	
Total General Fund RMV Levies	**4,799,159.18**	**4,132,970.40**	**(666,188.78)**	**-13.88%**

General Fund Levy - Net Tax Capacity

General Fund NTC Levies	2024 Certified Levy	2025 Proposed Levy	Change ($)	Change (%)
Operating Capital	587,248.26	617,483.05	30,234.79	
Alt Teacher Comp	387,424.31	394,466.80	7,042.49	
Reemployment Ins	100,000.00	100,000.00	0.00	
Total Safe Schools	224,379.60	233,288.28	8,908.68	
Career Technical	181,419.62	181,419.62	0.00	
Total LTFM	623,513.46	910,429.76	286,916.30	
Leases	119,336.00	115,012.00	(4,324.00)	
Adjustments	12,710.92	(34,343.72)	(47,054.64)	
Total NTC Levies	**2,236,032.17**	**2,517,755.79**	**281,723.62**	**12.60%**

Community Services Levy

Community Services Levies	2024 Certified Levy	2025 Proposed Levy	Change ($)	Change (%)
Basic Community Ed	219,709.83	201,921.74	(17,788.09)	
Early Child Family	117,337.94	122,394.09	5,056.15	
Home Visits	3,995.09	4,082.92	87.83	
Adults w/ Disabilities	0.00	3,244.95	3,244.95	
School-Age Care	54,000.00	30,000.00	(24,000.00)	
Adjustments	(13,081.91)	(36,200.37)	(23,118.46)	
Total	**381,960.95**	**325,443.33**	**(56,517.62)**	**-14.80%**

Debt Service Levy

Debt Services Levies	2024 Certified Levy	2025 Proposed Levy	Change ($)	Change (%)
Initial Debt Service	5,243,447.25	5,179,389.00	(64,058.25)	
Reduction for Debt Excess	(208,750.52)	(420,018.77)	(211,268.25)	
Adjustments	20,697.31	76,386.11	55,688.80	
LT Facilities Debt Service	1,624,778.73	1,336,514.80	(288,263.93)	
Reduction for Debt Excess	(82,803.99)	(135,357.09)	(52,553.10)	
Adjustments	(16,699.85)	(16,025.12)	674.73	
Total Debt Service	**6,580,668.93**	**6,020,888.93**	**(559,780.00)**	**-8.51%**

Local Property Tax Levy

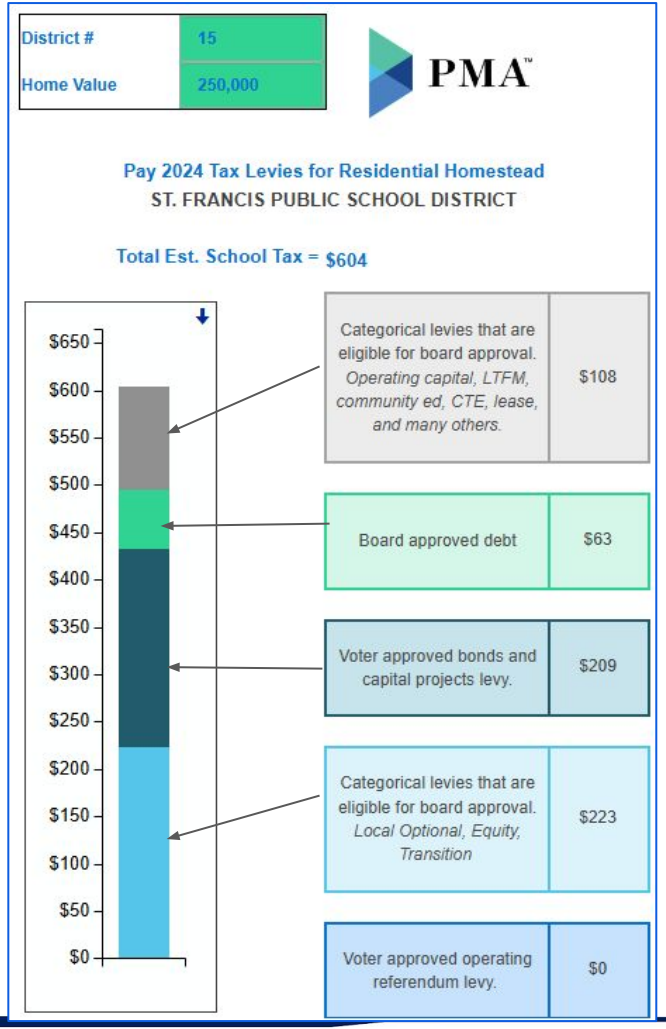


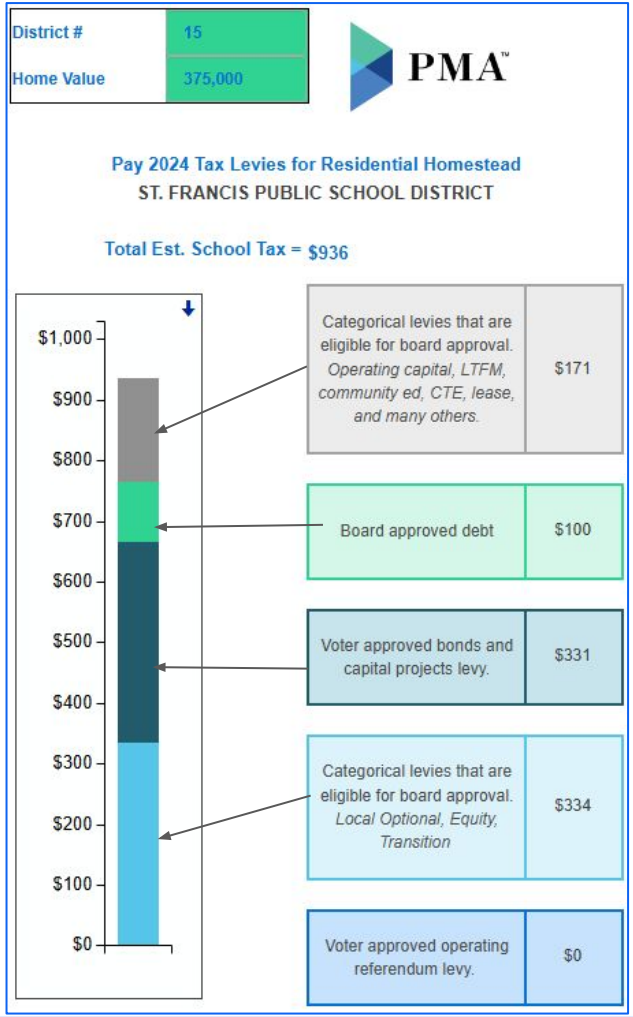
The state limits the local property tax levy by statutorily defined formulas:

- Pupil counts
- Specific eligible expenditure types
- Population
- Voter authorization
- Districtwide property valuations

Examples of Tax Impact for School Taxes Payable in 2025

https://tinyurl.com/yqbqvh5y





Payable 2025 vs Payable 2024 Levy

Fund	2024 Certified Levy	2025 Proposed Levy	Change ($)	Change (%)
General	7,035,191.35	6,650,726.19	(384,465.16)	-5.46%
Community Service	381,960.95	325,443.33	(56,517.62)	-14.80%
Debt Service	6,580,668.93	6,020,888.93	(559,780.00)	-8.51%
Total Levy	**13,997,821.23**	**12,997,058.45**	**(1,000,762.78)**	**-7.15%**

Major Changes

LTFM General Fund Levy	+ $286,916 Increase in General Fund levy for LTFM as Facilities Maintenance Bond payments are reduced from prior year
Local Optional Revenue	+ $126,468 Increase due to increasing enrollment and reduction in state aid
Adjustments and Abatements	- $870,885 Decrease due to fewer adjustments and abatements for prior year levies

Tax Levy & Budget

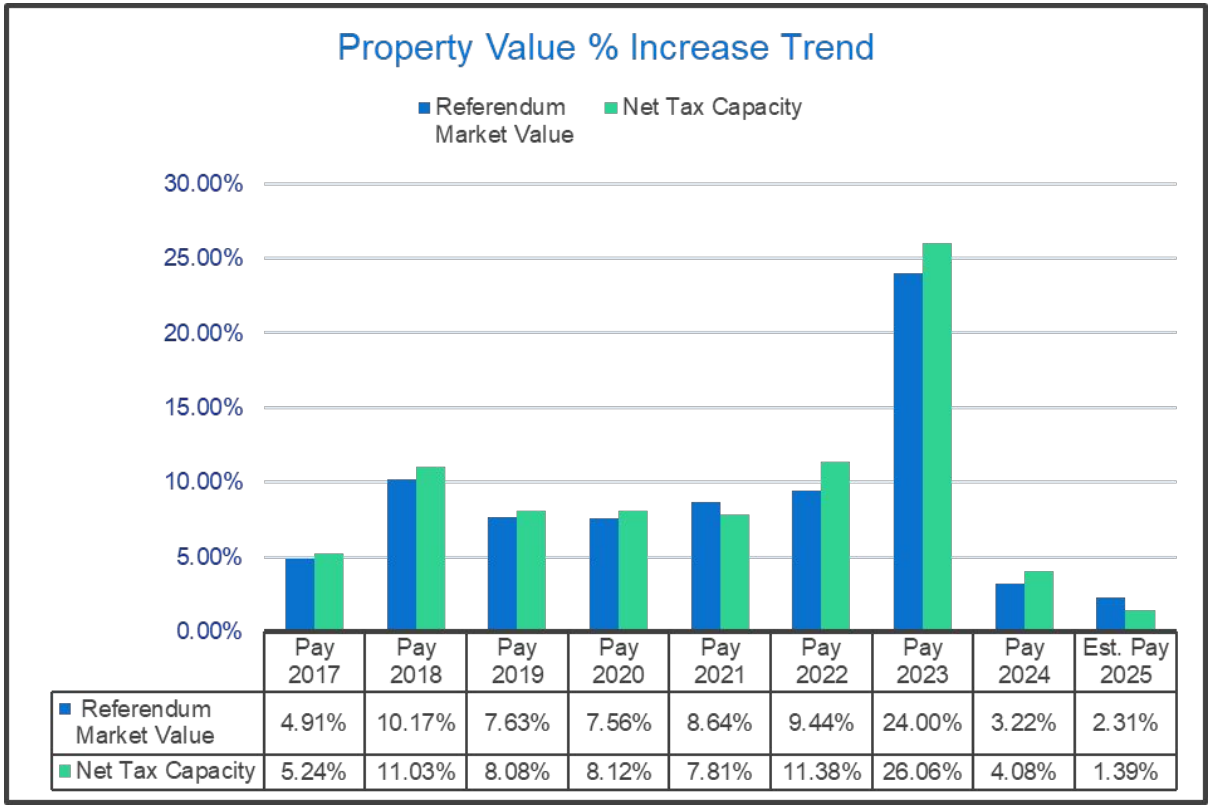
% Change to Tax Levy



% Change to Budget Revenue

Some levy increases are offset by a reduction in state aid meaning no additional revenue for school district budgets

Valuation History

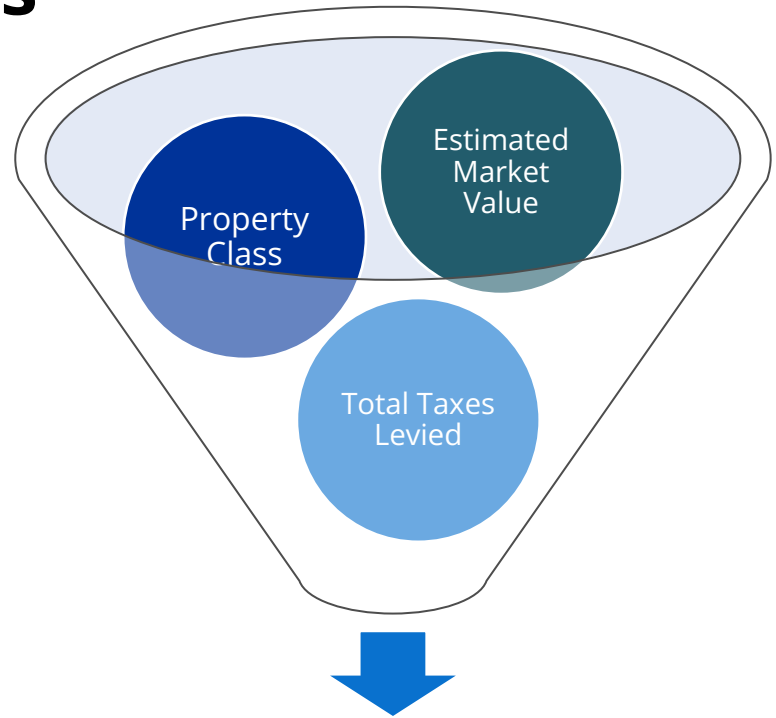


	Pay 2017	Pay 2018	Pay 2019	Pay 2020	Pay 2021	Pay 2022	Pay 2023	Pay 2024	Est. Pay 2025
Referendum Market Value	4.91%	10.17%	7.63%	7.56%	8.64%	9.44%	24.00%	3.22%	2.31%
Net Tax Capacity	5.24%	11.03%	8.08%	8.12%	7.81%	11.38%	26.06%	4.08%	1.39%

Calculating Property Taxes

3 Key Variables

1. **Estimated Market Value** established for each parcel by Assessor
2. **Property Classification** rates established by state legislature
3. **Tax levy** established by taxing jurisdictions (School, City, County and others)



Important Changes to Property Tax Law

- **Homestead Market Value Exclusion** is increasing for taxes payable in 2025
  - This will reduce taxes for residential homestead properties valued up to $517,200

- **Agricultural Homestead Classification** Increasing
  - Limited to $2,150,000 for taxes payable in 2024
  - Limited to $3,500,000 for taxes payable in 2025
    - This will reduce taxes for landowners with greater than $2,150,000 in land classified as homestead

Two Types of Tax Valuation

- **Net Tax Capacity - NTC** $8,864,088.05
  Most all property types pay on NTC

- **Referendum Market Value - RMV** $4,132,970.40
  EXCLUDES Ag Land and Seasonal Rec properties

Total $12,997,058.45

Estimated Tax Impact

All Classifications with a 2% Increase in Value

Types of Property	Pay 2024 Value	Pay 2025 Est. Value	Pay 2024	Pay 2025	$ Change	% Change
Residential Homestead (Value Increase 2%)	$147,100	$150,000	$330	$283	($47)	-14.25%
	245,100	250,000	591	519	(72)	-12.14%
	343,100	350,000	851	755	(96)	-11.31%
	377,500	385,000	942	837	(105)	-11.17%
	392,200	400,000	981	872	(109)	-11.10%
	490,200	500,000	1,230	1,108	(122)	-9.95%
	588,200	600,000	1,512	1,370	(142)	-9.40%
Commercial / Industrial** (Value Increase 2%)	$98,000	$100,000	$242	$218	($24)	-9.81%
	245,100	250,000	654	594	(61)	-9.25%
	490,200	500,000	1,388	1,261	(126)	-9.11%
	980,400	1,000,000	2,854	2,596	(258)	-9.04%
Agricultural Homestead (Value Increase 2%)	$3,900	$4,000	$1.58	$1.58	$0.01	0.46%
	4,900	5,000	1.98	1.98	(0.00)	-0.05%
	5,900	6,000	2.38	2.38	(0.01)	-0.39%
	6,900	7,000	2.79	2.77	(0.02)	-0.63%
Agricultural Non-Homestead (Value Increase 2%)	$3,900	$4,000	$3.15	$3.17	$0.01	0.46%
	4,900	5,000	3.96	3.96	(0.00)	-0.05%
	5,900	6,000	4.77	4.75	(0.02)	-0.39%
	6,900	7,000	5.58	5.54	(0.04)	-0.63%

Levy Certification

Recommended Levy

Certification Amount

$12,997,058.45

Public Comment

