

Truth In Taxation

Monday, December 5, 2022 6:00 PM

LS-H MS/HS Media Center, 901 Ferry St., Le Sueur, MN 56058

1. Truth in Taxation Presentation

Presenter: Jodie
Zesbaugh

1.1. Budget Review

1.2. Review of 2022 payable 2023 levy

1.3. Public Comments



Le Sueur-Henderson Public Schools

2022 Payable 2023 Truth In Taxation Public Meeting

6:00PM

December 5, 2022

Middle School/High School Media Center

901 Ferry Street

Le Sueur, MN 56058

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Giant
opportunities*

Why Have A Truth in Taxation Meeting?

- **Truth in Taxation Law, passed in 1989**
- **Two major Requirements:**
 1. **Tax Statements**
 - Counties must send out proposed property tax statements in November based on proposed tax levies set by all taxing jurisdictions (counties, cities, townships, school districts, etc.)
 2. **Public Hearing**
 - Most taxing jurisdictions must hold a public hearing prior to certifying final levy and discuss:
 - Payable 2023 levy
 - Fiscal year 2023 budget
 - Public comments

This is the school district's
Annual required hearing



Who Sets the School Levy ?

Components of a District Tax Levy are either:

- **Set By State Formula By Legislature**
 - General Education Formula, Operating Capital, Career & technical, Reemployment, etc.
- **Voter Approved as Authorized by the State**
 - Operating referendum or Building Bond

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How Is My Property Tax Determined?

- County Assessor determines market value for each parcel of property.
- MN Legislature sets formulas for Tax Capacity. These formulas determine how the tax burden is split on different types of property (residential, commercial, ag, etc.).
- County Auditor calculates the tax capacity for each parcel based on the above.
- County Auditor divides the total levy by total tax capacity of the Districts to determine tax rate needed. Tax rate is multiplied by each property's tax capacity*.

*Certain levies are spread based on Market Value rather than tax capacity.



Know Your Valuation

- Property classification and market value
- Sent Spring 2022; cannot change value
- Watch for 2023 statement in SPRING and where to appeal

PROPOSED TAXES 2023

THIS IS NOT A BILL. DO NOT PAY.

Step	VALUES AND CLASSIFICATION		
	Taxes Payable Year	2022	2023
1	Estimated Market Value	\$125,000	\$150,000
	Homestead Exclusion	\$	\$23,800
	Taxable Market Value	\$125,000	\$126,200
	Class	Res NHmstd	Res Hmstd
2	PROPOSED TAX		
	Property Taxes before credits	\$1,479.52	
	School building bond credit	\$ 12.00	
	Agricultural market value credit		
	Other credits		
Property Taxes after credits	\$1,467.52		
3	PROPERTY TAX STATEMENT		
	Coming in 2023		
The time to provide feedback on PROPOSED LEVIES is NOW			
It is too late to appeal your value without going to Tax Court.			

Effective Tax Rates

Property Classification	2022 Estimate
Farm	0.54%
Seasonal Rec	0.95%
Residential Homestead	1.22%
Apartment	1.56%
Public Utility	2.82%
Commercial-Industrial	3.17%

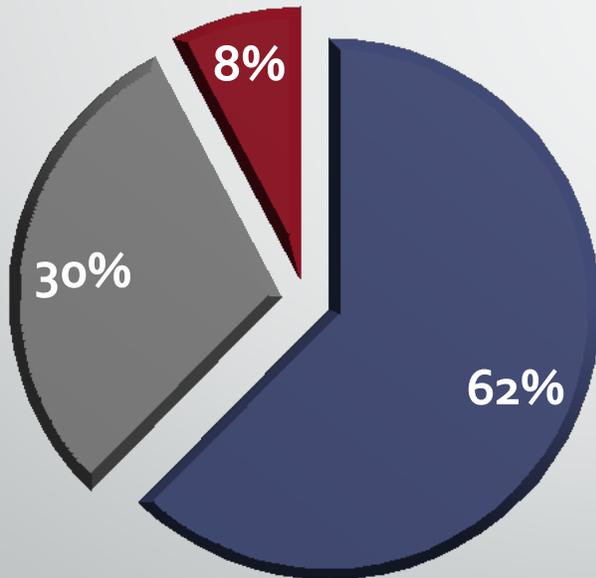
Share of Tax Liability

Property Classification	Market Value Share (2021 Assessment)	Share of Net Taxes (Payable in 2022)
Farms	17.1%	6.6%
Seasonal Rec Residential	3.9%	2.6%
Commercial and Industrial	13.9%	31.1%
Residential Homes	58.5%	52.1%
Other Residential	6.6%	7.6%

State Aid Impact

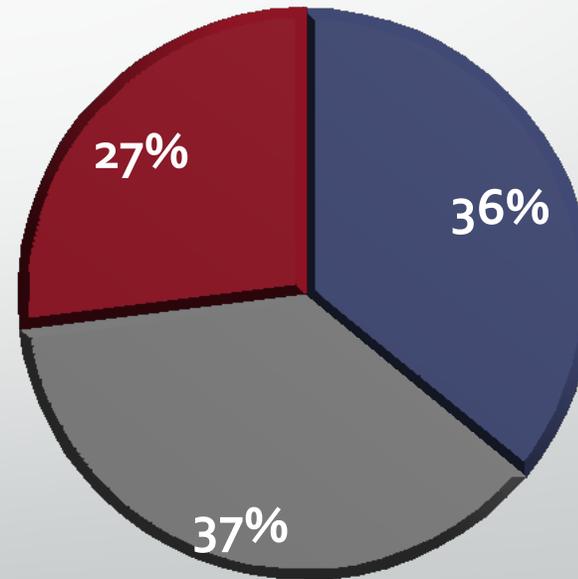
WHO COLLECTS

- State
- Non-School Local
- School District



WHO SPENDS

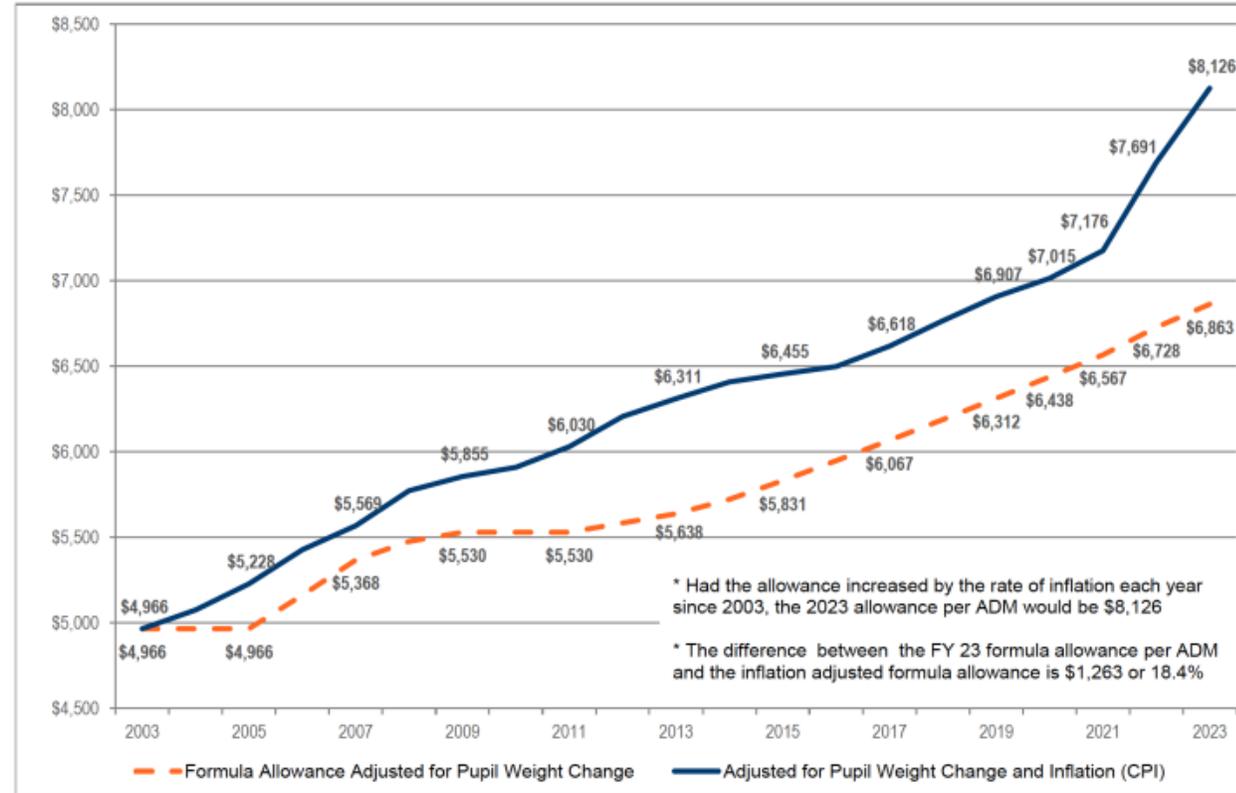
- State
- Non-School Local
- School Districts



(Data source, MN Department of Management and Budget-Price of Government, 2022)

General Education Formula Allowance, 2003-2023

Adjusted for Pupil Weight Change and Inflation (CPI)

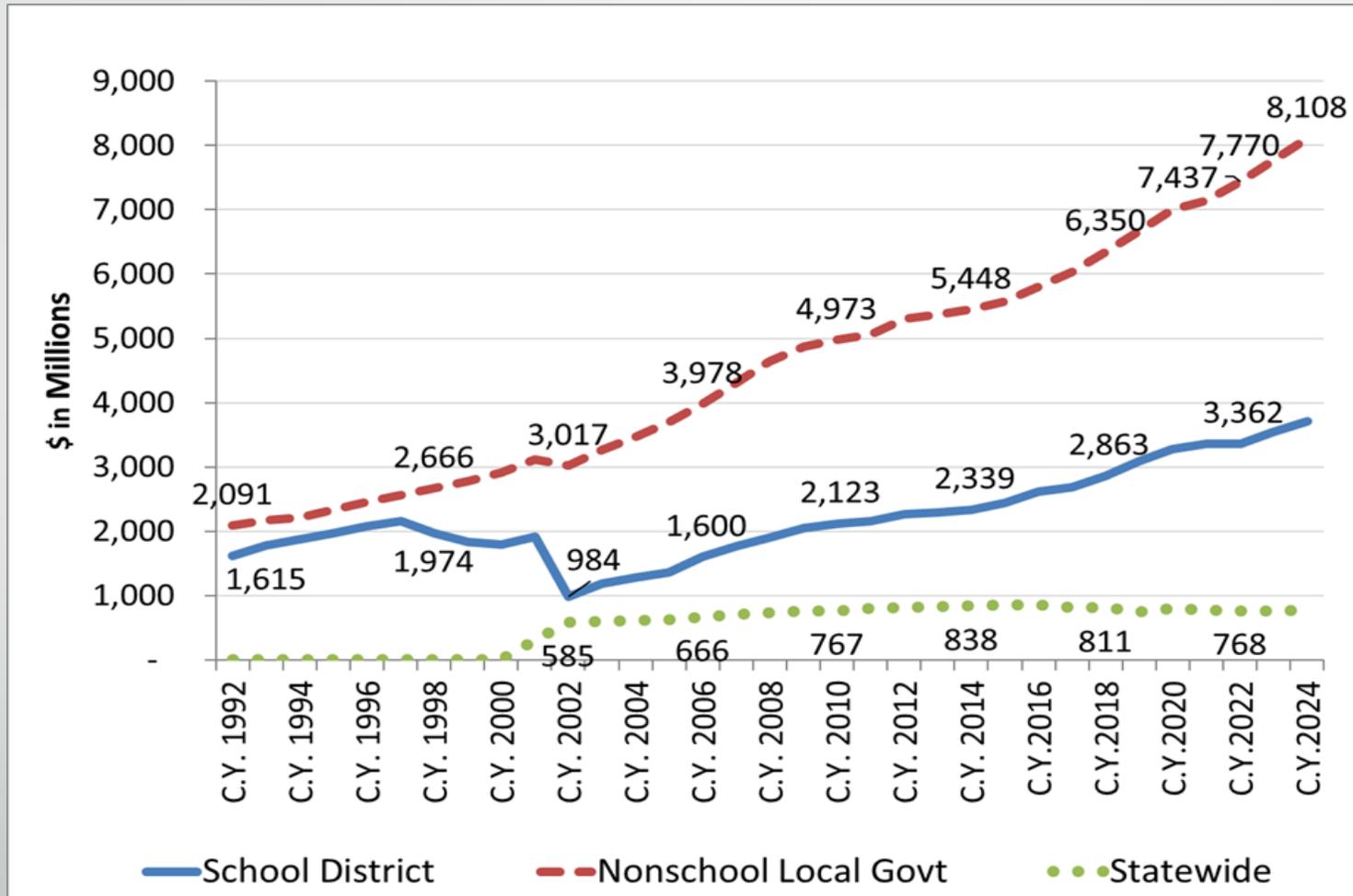


Funding trails inflation by **\$1263** per pupil since 2003



Property Tax Levies: School vs Non School

Payable 1992-2024



*data source MDE Minnesota Prek-12 Education
 Finance System Overview: MSBA-Summer
 Conference July 2022

Le Sueur-Henderson Public Schools

School District Budget

Current School Year

2022-2023



Fund Accounting Overview

All school districts' budgets are divided into separate funds, as required by law. For our district, there are four main 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 Services (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)

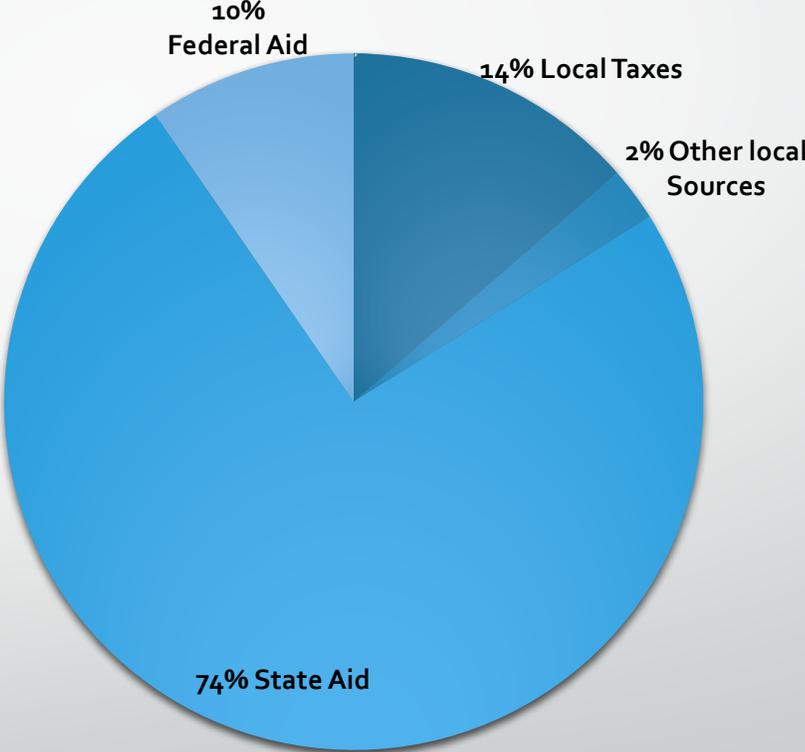
- Based on annual debt retirement schedules for the district's outstanding bonded indebtedness. Annual levy is for the payment of principle and interest on bonds as due.

General Fund Revenue Reconciliation

Revenues: 2022-2023

Local taxes (levy	\$1,725,292.00
Other local Sources	\$314,232.00
State Aid	\$9,433,516.00
Federal aid	\$1,217,977.00
Total	\$12,691,017.00

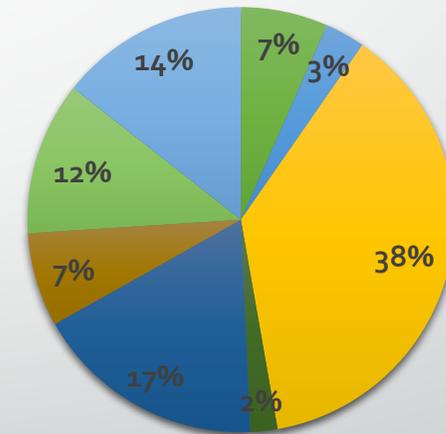
Revenues



General Fund Expenditure

Expenditures	2022-2023		General Program Description
	2022-2023	%	
Administration	\$842,655.00	7%	School Board, Superintendant, Principles
District Support	\$383,594.00	3%	District Office, Business Support Services
Regual Instruction	\$4,785,208.00	38%	Teachers, Paraprofessionals, Activites, Secretaries
Vocational Instruction	\$259,013.00	2%	Family & Consumer Sciences, Business, Trade & Industrial Classes
Special Education	\$2,234,148.00	18%	Costs related to Special Education not including Transportation
Insructional Support	\$908,397.00	7%	Technology, Curriculum, Staff Development, Media Services
Pupil Supprt/Trasportation	\$1,484,156.00	12%	Counselor and Nurse Services, Contracted Transportation
Sites & Buildings	\$1,827,087.00	14%	Building & grounds, Capital Facilites, Property Insurance, LTFM
	\$12,724,258.00	100%	

Expenditures



- Administration
- District Support
- Regual Instruction
- Vocational Instruction
- Special Education
- Insructional Support
- Pupil Supprt/Trasportation
- Sites & Buildings

Approved FY23 Adopted Budget

	<u>Expense</u>	<u>Rev</u>	<u>Net \$ Δ</u>
General Fund	\$12,736,490.00	\$12,691,017.00	-\$45,473.00
Community Ed / Adult Basic Education Fund	\$734,716.00	\$816,754.00	\$82,038.00
Food Service	\$593,087.00	\$615,447.00	\$22,360.00
Debt Service	\$1,306,408.00	\$1,324,012.00	\$17,604.00





**Le Sueur- Henderson
Public Schools**

Schools District Levy

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LeSueur-Henderson Public Schools

GROSS LEVIES BY FUND	ACTUAL 21 Pay 22	PROPOSED 22 Pay 23	DOLLAR DIFFERENCE	PERCENT DIFFERENCE
General Fund	1,721,383.06	1,670,565.56	(50,817.50)	-2.95%
Community Services	102,154.71	103,179.16	1,024.45	1.00%
Debt Redemption	1,315,511.72	3,485,358.03	2,169,846.31	164.94%
Total	3,139,049.49	5,259,102.75	2,120,053.26	67.54%

Le Sueur-Henderson Public Schools

General Fund

Operating Capital	237,660.90	228,805.20	(8,855.70)
Judgement	-	-	-
Long Term Facilities	384,712.00	371,564.00	(13,148.00)
Referendum Voter App	277,482.67	276,087.32	(1,395.35)
Equity and Transition	164,256.72	162,581.24	(1,675.48)
Other General Fund	657,725.77	631,527.80	(26,197.97)
Sub-Total	1,721,838.06	1,670,565.56	(51,272.50)

Community Service	102,154.71	103,179.16	1,024.45
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Debt Service	1,315,511.72	3,485,358.03	2,169,846.31
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Total Change

2,119,598.26

Le Sueur-Henderson Public Schools

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

Maintenance (General Fund) \$ 1,670,565.56

- Includes Referendum

Community Service \$ 103,179.16

Debt Service \$ 3,485,358.03

Total Proposed School Tax Levy
\$5,259,102.75

Now Therefore, Be it resolved by the School Board of Le Sueur-Henderson Public School District, Le Sueur, Minnesota, that the levy to be levied in 2022 to be collected in 2023 is set at \$5,259,102.75. The clerk of the Le Sueur-Henderson Public School Board is authorized to certify the proposed levy to the County Auditor of Le Sueur County, Sibley County, Scott County, and Sherburne County Minnesota.



Questions?

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