

Study Session

Tuesday, December 5, 2023 6:00 PM

Stillwater Middle School, 523 Marsh St W, Stillwater, Minnesota 55082

I. Call to Order	Speaker (s) : Ms. Alison Sherman, School Board Chair
II. Roll Call	Speaker (s) : Ms. Alison Sherman, School Board Chair
III. Pledge of Allegiance	Speaker (s) : Ms. Alison Sherman, School Board Chair
IV. Truth in Taxation Report - Public Input	Speaker (s) : Ms. Marie Schrul, Executive Director of Finance
V. Approval of Agenda	Speaker (s) : Ms. Alison Sherman, School Board Chair
VI. Consent Agenda	
VI.A. Payment of Invoices from 11/23/23 - 12/1/23 & Off Cycle Payments From Previous Register	Speaker (s) : Ms. Marie Schrul, Executive Director of Finance
VII. Strategic Direction A: Ensure the learning process is adaptable to meet individual student needs	
VII.A. Report: Start Time Research	Speaker (s) : Ms. Carissa Keister Chief of Staff
VII.B. Action: New Course Approval and Name Changes	Speaker (s) : Dr. Caleb Drexler Booth, Director of Teaching and Learning
VIII. Strategic Direction B: Foster a safe, welcoming and inclusive environment for all staff and students	
IX. Strategic Direction C: Utilize systems and align resources in an efficient manner to support learning	
X. Strategic Direction D: Develop strong partnerships with the communities we serve	
XI. Adjournment	Speaker (s) : Ms. Alison Sherman, School Board Chair



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Truth in Taxation 2023 Levy Payable 2024

December 5, 2023

Marie Schrul

Executive Director of Finance

Purpose

- State statute requires all local governments (cities, counties and school districts) to hold a public hearing prior to finalizing their levy authority and allow for public comment
- School districts are required to discuss the levy and the budget
- The hearing must follow the release of the proposed tax notices from the county



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Approval of District's Tax Levy in 2023 (Payable 2024)





School District Budget

Levy Basics

- School levy authority is established in law
- A School District Tax Levy may be either:
Set by State Formulas or Voter Approved
- School budgets are a combination of state, federal and local funding, including voter approved operating, bond & technology levies
- Unlike cities and counties, the 2023 Levy Payable 2024 for school districts is for the following school year's budget (2024-2025)
- Levy revenue is approximately 31% of the district's total 2023-24 budget



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2023-24 Preliminary Revenue Budget

<u>Revenue</u>	<u>Actual 2022-2023</u>	<u>Preliminary 2023-2024</u>	<u>% Difference</u>	<u>% of Total</u>
General Fund				
Levy	\$ 37,746,805	\$ 38,547,595	2.1%	28.1%
State Aid	82,712,039	91,825,447	11.0%	67.0%
Federal	5,567,636	3,149,375	-43.4%	2.3%
Other Local Revenue	6,010,769	3,490,500	-41.9%	2.6%
General Fund	<u>\$ 132,037,250</u>	<u>\$ 137,012,917</u>	3.8%	100.0%
Food Service Fund	\$ 5,946,274	\$ 6,219,577	4.6%	
Community Service Fund	8,306,944	7,989,957	-3.8%	
Building Construction Fund	130,270	77,000	-40.9%	
Debt Service Fund	9,774,544	9,867,848	1.0%	
Trust and Agency Fund	<u>6,529</u>	<u>10,000</u>	53.2%	
Total Revenue	<u>\$ 156,201,811</u>	<u>\$ 161,177,299</u>	3.2%	



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2023-24 Preliminary Expenditure Budget

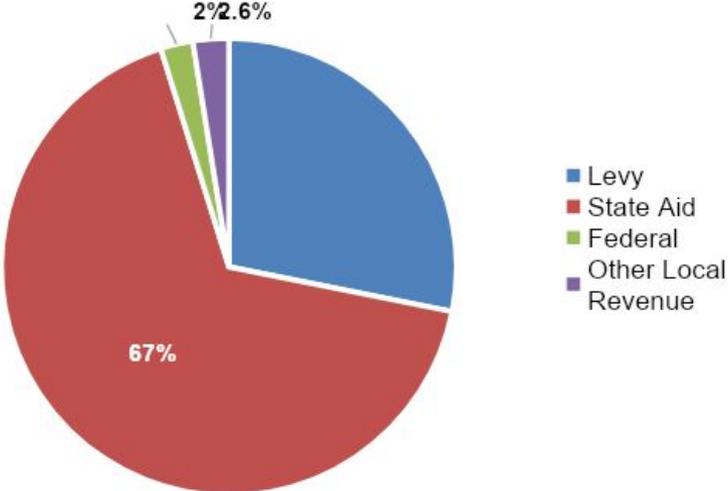
<u>Expenditures</u>		<u>Actual 2022-2023</u>	<u>Preliminary 2023-2024</u>	<u>% Difference</u>	<u>% of Total</u>
General Fund					
	District & School Administration	\$ 3,775,595	\$ 3,810,558	0.9%	2.7%
	District Support Services	6,956,780	7,396,882	6.3%	5.3%
	Regular Instruction and Vocational Instruction	78,694,424	80,810,950	2.7%	57.4%
	Instructional Support Services	8,666,047	9,061,943	4.6%	6.4%
	Pupil Support Services	17,987,071	16,814,845	-6.5%	11.9%
	Operations and Maintenance	25,615,165	22,082,765	-13.8%	15.7%
	Fiscal and Other Fixed Costs	610,378	797,000	30.6%	0.6%
	General Fund	\$ 142,305,460	\$ 140,774,943	-1.1%	100.0%
	Food Service Fund	\$ 6,091,510	\$ 6,920,047	13.6%	
	Community Service Fund	7,877,235	8,113,899	3.0%	
	Building Construction Fund	1,801,890	6,199,427	244.1%	
	Debt Service Fund	9,859,745	9,934,746	0.8%	
	Trust and Agency Fund	12,000	10,000	-16.7%	
	Total Expenditures	\$ 167,947,839	\$ 171,953,062	2.4%	



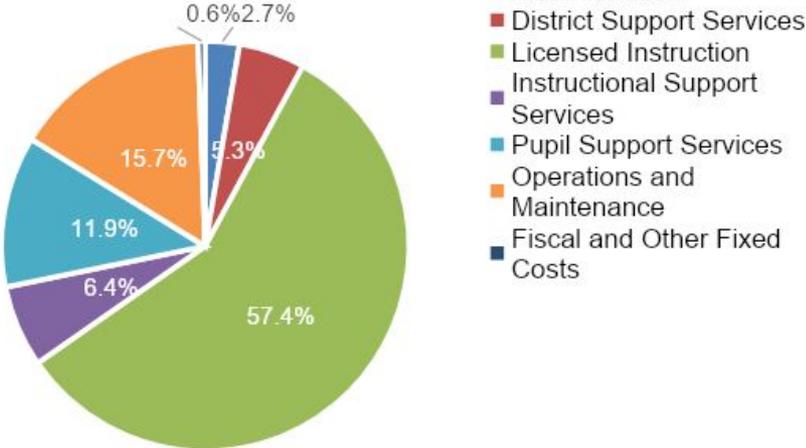
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2023-24 Preliminary General Fund Budget

Revenue by Source



Expenditures by Program Category



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Proposed Pay 2024 Levy

Factors Impacting School Levies

- Changes in tax base – increases often result in less state aid
- Changes in enrollment
- Legislative changes to education formulas
- Referendum inflationary increases
- Pension contribution changes required by law
- Employment changes that drive severance and unemployment levies
- Capital bonding, refunding/refinancing bonds, abatements, long term facilities maintenance & health and safety projects, lease costs



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**General
Fund
Levies**

GENERAL FUND	Certified 2022 Payable 2023			Proposed 2023 Payable 2024			Proposed Levy Change
	RMV Information	NTC Information	Total	RMV Information	NTC Information	Total	
Operating Referendum - Voter Approved	\$ 15,814,576.80	\$ -	\$ 15,814,576.80	\$ 16,335,722.02	\$ -	\$ 16,335,722.02	\$ 521,145.22
Prior Years Adjustments	(352,191.24)	-	(352,191.24)	82,963.51	-	82,963.51	435,154.75
Sub Total	15,462,385.56	0.00	15,462,385.56	16,418,685.53	0.00	16,418,685.53	956,299.97
Equity	859,400.51	-	859,400.51	780,662.11	-	780,662.11	(78,738.40)
Local Optional	6,533,831.81	-	6,533,831.81	6,495,170.21	-	6,495,170.21	(38,661.60)
Transition	27,934.55	-	27,934.55	27,770.60	-	27,770.60	(163.95)
1st Tier Board Approved Referendum	0.00	-	0.00	0.00	-	0.00	0.00
Prior Years Adjustments	(268,345.92)	-	(268,345.92)	(354,826.12)	-	(354,826.12)	(86,480.20)
Sub Total	7,152,820.95	0.00	7,152,820.95	6,948,776.80	0.00	6,948,776.80	(204,044.15)
Tech Levy	-	5,210,401.51	5,210,401.51	-	6,319,386.41	6,319,386.41	1,108,984.90
Operating Capital	-	1,353,547.93	1,353,547.93	-	1,610,864.33	1,610,864.33	257,316.40
Alt Teacher Comp (QCOMP)	-	777,671.11	777,671.11	-	758,876.30	758,876.30	(18,794.81)
Achievement & Integration	-	347,745.38	347,745.38	-	361,312.06	361,312.06	13,566.68
Reemployment Ins	-	75,000.00	75,000.00	-	68,000.00	68,000.00	(7,000.00)
Safe Schools	-	328,125.60	328,125.60	-	329,162.40	329,162.40	1,036.80
Safe Schools Intermediate	-	136,719.00	136,719.00	-	137,151.00	137,151.00	432.00
Career and Technical	-	350,179.17	350,179.17	-	350,179.17	350,179.17	0.00
Annual OPEB	-	879,347.00	879,347.00	-	1,017,454.00	1,017,454.00	138,107.00
Long Term Facilities Maintenance	-	7,116,990.00	7,116,990.00	-	9,521,174.00	9,521,174.00	2,404,184.00
Building / Land Lease	-	1,927,981.00	1,927,981.00	-	1,957,742.00	1,957,742.00	29,761.00
Total Before Adjustments	0.00	13,293,306.19	13,293,306.19	0.00	16,111,915.26	16,111,915.26	2,818,609.07
Prior Years Adjustments	0.00	(2,041,867.69)	(2,041,867.69)	0.00	(1,681,112.71)	(1,681,112.71)	360,754.98
Sub Total	0.00	11,251,438.50	11,251,438.50	0.00	14,430,802.55	14,430,802.55	3,179,364.05
Total General	\$ 22,615,206.51	\$ 16,461,840.01	\$ 39,077,046.52	\$ 23,367,462.33	\$ 20,750,188.96	\$ 44,117,651.29	\$ 5,040,604.77

**Community
Service &
Debt Service
Levies**

COMMUNITY SERVICE	Certified 2022 Payable 2023			Proposed 2023 Payable 2024			Proposed Levy Change
	RMV	NTC	Total	RMV	NTC	Total	
	Information	Information		Information	Information		
Basic Community Education	\$ -	\$ 482,445.45	\$ 482,445.45	\$ -	\$ 546,017.46	\$ 546,017.46	\$ 63,572.01
Early Child Family	-	339,331.45	339,331.45	-	310,911.71	310,911.71	(28,419.74)
Home Visiting	-	9,452.00	9,452.00	-	10,665.00	10,665.00	1,213.00
Adults w/ Disabilities	-	2,000.00	2,000.00	-	9,811.20	9,811.20	7,811.20
School Age Care	-	200,000.00	200,000.00	-	300,000.00	300,000.00	100,000.00
Prior Years Adjustments	-	23,974.91	23,974.91	-	87,349.64	87,349.64	63,374.73
Total Comm Service	\$ -	\$ 1,057,203.81	\$ 1,057,203.81	\$ -	\$ 1,264,755.01	\$ 1,264,755.01	\$ 207,551.20

DEBT SERVICE	Certified 2022 Payable 2023			Proposed 2023 Payable 2024			Proposed Levy Change
	RMV	NTC	Total	RMV	NTC	Total	
	Information	Information		Information	Information		
Debt Service Voter-Approved	\$ -	\$ 10,171,272.00	\$ 10,171,272.00	\$ -	\$ 10,172,584.00	\$ 10,172,584.00	\$ 1,312.00
Debt Service Voter-Approved	-	0.00	0.00	-	6,855,615.00	6,855,615.00	6,855,615.00
Debt Excess	-	(654,013.40)	(654,013.40)	-	(178,991.60)	(178,991.60)	475,021.80
Prior Years Adjustments	-	8,035.49	8,035.49	-	18,210.39	18,210.39	10,174.90
Sub Total	0.00	9,525,294.09	9,525,294.09	0.00	16,867,417.79	16,867,417.79	7,342,123.70
Debt Service Other	-	252,810.00	252,810.00	-	252,810.00	252,810.00	0.00
Debt Excess	-	(16,255.73)	(16,255.73)	-	(4,448.36)	(4,448.36)	11,807.37
Prior Years Adjustments	-	0.00	0.00	-	0.00	0.00	0.00
Sub Total	0.00	236,554.27	236,554.27	0.00	248,361.64	248,361.64	11,807.37
Total Debt Service	\$ -	\$ 9,761,848.36	\$ 9,761,848.36	\$ -	\$ 17,115,779.43	\$ 17,115,779.43	\$ 7,353,931.07

Total Proposed 2023 Payable 2024 Levy

Fund	Certified 2022 Payable 2023			Proposed 2023 Payable 2024			Proposed Levy Change	Proposed % Change
	RMV Information	NTC Information	Total	RMV Information	NTC Information	Total		
General	\$ 22,615,206.51	\$ 16,461,840.01	\$ 39,077,046.52	\$ 23,367,462.33	\$ 20,750,188.96	\$ 44,117,651.29	\$ 5,040,604.77	12.90%
Community Service	0.00	1,057,203.81	1,057,203.81	0.00	1,264,755.01	1,264,755.01	207,551.20	19.63%
Debt Service	0.00	9,761,848.36	9,761,848.36	0.00	17,115,779.43	17,115,779.43	7,353,931.07	75.33%
Total	\$ 22,615,206.51	\$ 27,280,892.18	\$ 49,896,098.69	\$ 23,367,462.33	\$ 39,130,723.40	\$ 62,498,185.73	\$ 12,602,087.04	25.26%



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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



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Four Year School Levy Comparison

- Examples include school district taxes only and are shown based on no change 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
- Examples are for property in the City of Stillwater
- Amounts for 2024 are preliminary estimates; final amounts could change slightly
- Estimates prepared by Ehlers (District's municipal financial advisors)



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Estimated Changes in School Property Taxes, 2021 to 2024

Based on No Changes in Property Values

Type of Property	Estimated Market Value	Actual Taxes Payable in 2021	Actual Taxes Payable in 2022	Actual Taxes Payable in 2023	Estimated Taxes Payable in 2024			Change in Taxes 2021 to 2024
					Without Referendum*	Approved Referendum*	Total	
Residential Homestead	\$100,000	\$290	\$324	\$275	\$271	\$28	\$299	\$24
	300,000	1,000	1,116	952	946	113	1,059	107
	500,000	1,696	1,893	1,615	1,608	195	1,803	188
	700,000	2,461	2,748	2,347	2,341	292	2,633	286
	900,000	3,225	3,603	3,079	3,074	390	3,464	385
Commercial/Industrial #	1,000,000	3,608	4,030	3,445	3,441	439	3,880	435
	\$500,000	\$1,864	\$2,078	\$1,732	\$1,867	\$251	\$2,118	\$386
	1,000,000	3,811	4,250	3,544	3,829	522	4,351	807
Apartments and Res. Non-Homestead (2 or more units)	2,000,000	7,705	8,594	7,166	7,752	1,065	8,817	1,651
	\$500,000	\$1,912	\$2,137	\$1,830	\$1,833	\$244	\$2,077	\$247
	1,000,000	3,824	4,274	3,659	3,667	487	4,154	495
	2,000,000	7,648	8,548	7,318	7,333	975	8,308	990

* "Approved referendum" includes estimates of additional taxes for bond authority of \$174,845,000 approved by voters on November 7, 2023.

For commercial-industrial property, amounts above are for property in Stillwater. Taxes for commercial-industrial property in other municipalities may be slightly different, due to the impact of the Fiscal Disparities Program.

General Notes

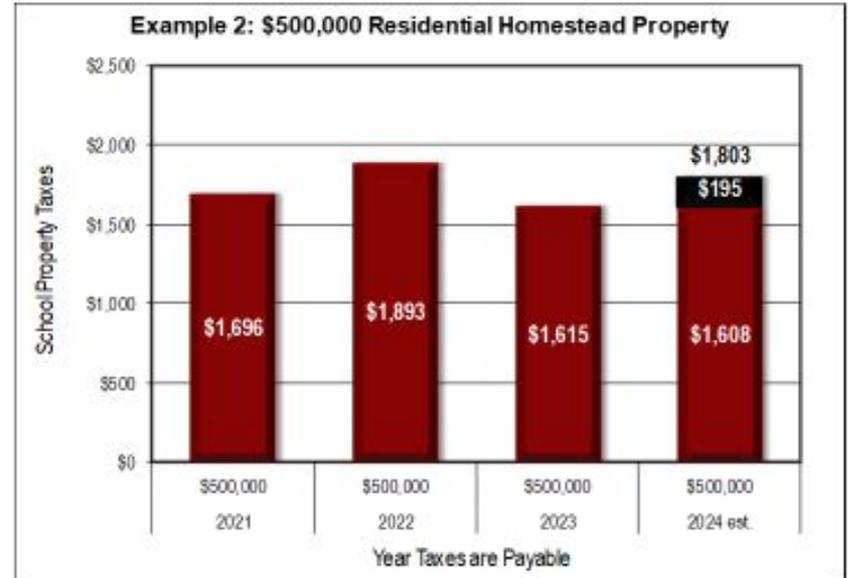
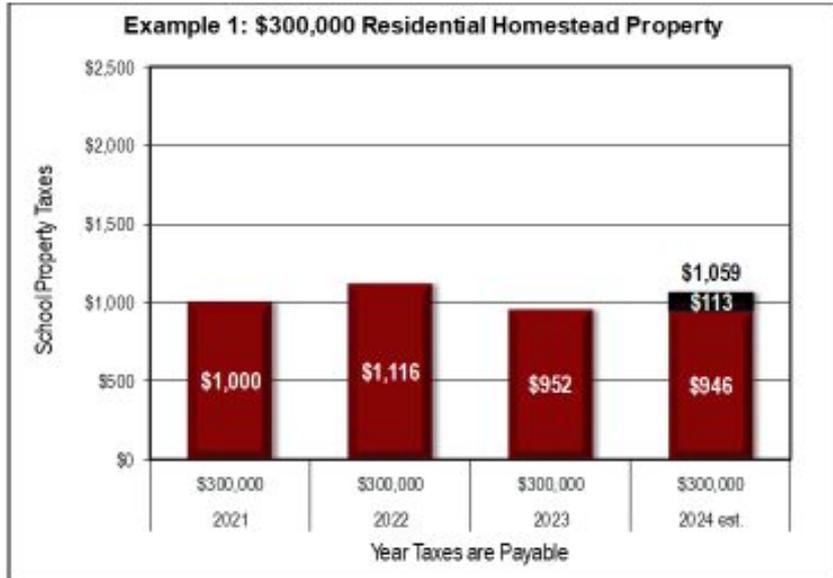
1. Amounts are based on school district taxes only, and do not include taxes for the city or township, county, state, or other taxing jurisdictions.
2. Estimates of taxes payable in 2024 are preliminary, based on the best data available.
3. For all examples of properties, taxes are calculated based on no changes in estimated market value from 2021 to 2024.



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Estimated Changes in School Property Taxes, 2021-24

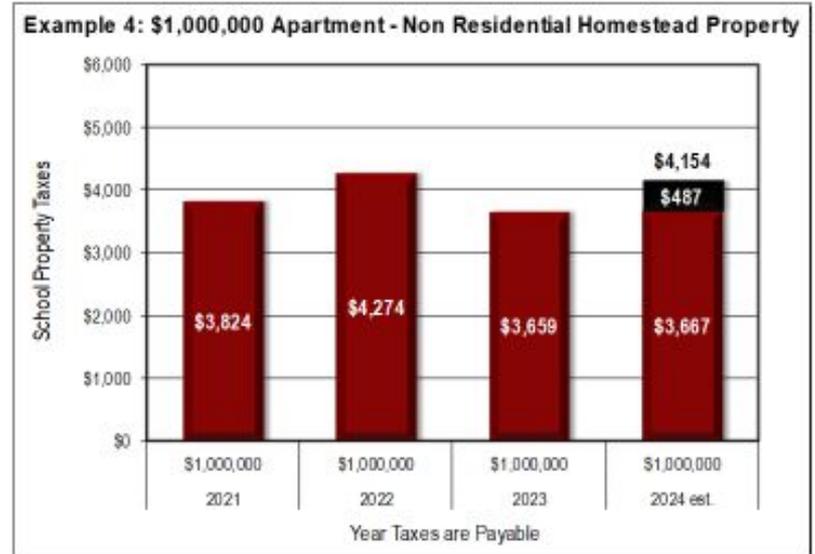
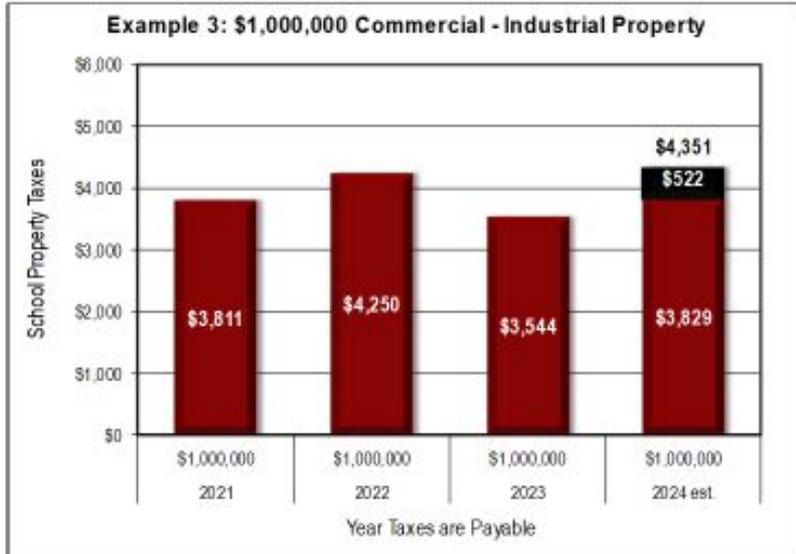
Based on No Changes in Property Value



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Estimated Changes in School Property Taxes, 2021-24

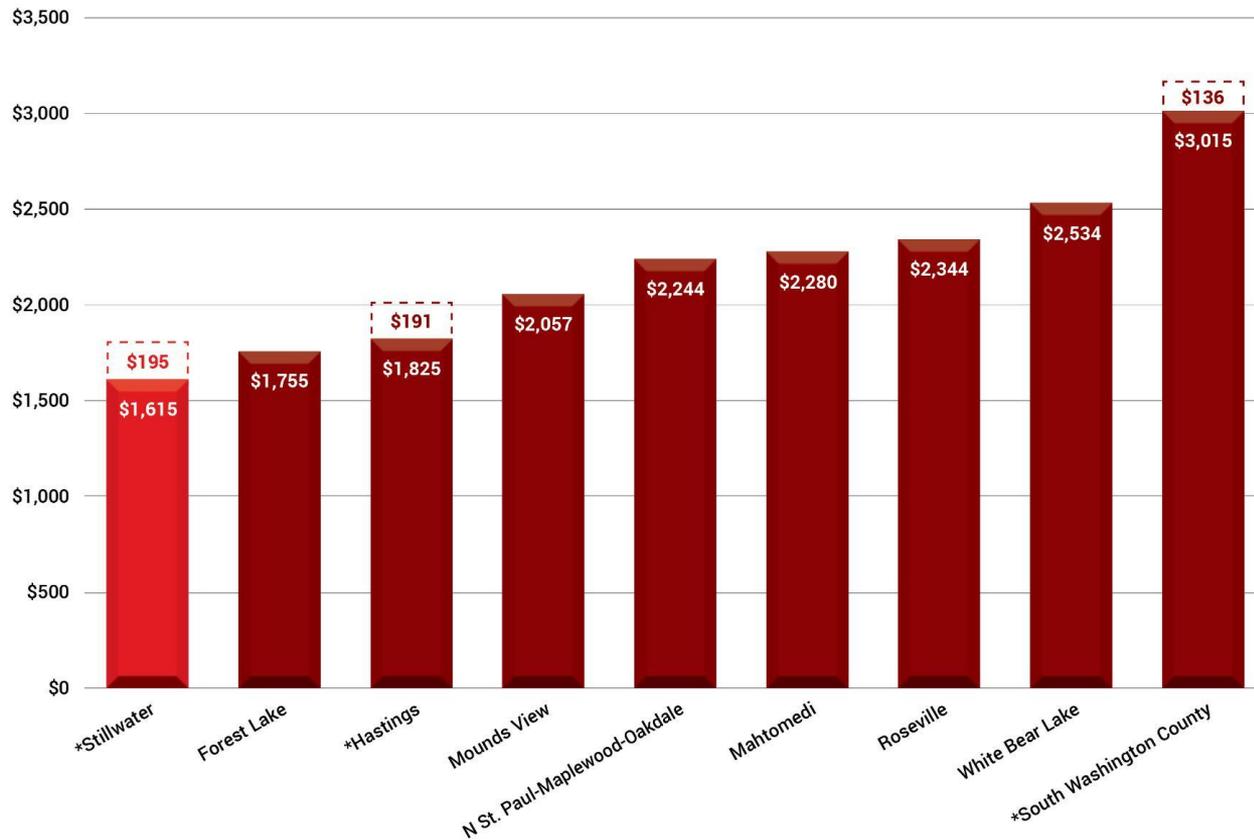
Based on No Changes in Property Value



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Stillwater Area Public Schools

Total School Property Taxes, Payable 2023, on a Home with an Estimated Market Value of \$500,000



* Districts holding referendums in Nov 2023. Total projected increase if approved by voters.

Source: Pay 23 School Tax Report



Questions?



Public Comment