



Public Sector Advisors



 Springsted

PRESENTATION TO



**MASA Great Start
Workshop**
**Essentials of the Property
Tax Levy Process**
July 21, 2011


PRESENTERS:

Carter Christie, Consultant, Springsted Incorporated

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Agenda

- Basis for the Property Tax Levy
- Summer Data Submissions
- Proposed Levy
- Truth in Taxation Requirements
- Final Levy Certification
- Suggestions
- Help is Available

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Minnesota School Finance

Acquisition, Allocation and Protection of Resources

- Prescriptive
- Complex
- Politically Influenced
- Controlled by Legislature
- Billions of Dollars

The District's Property Tax Levy Represents the Local Share of Education Costs

- Local Share of Formulas
- School Board Initiatives / Decisions
- Voter Approved Levies (Operating and Bond Referendums)

Minnesota School Revenue 2008-2009

Source	General Fund \$8,488,791,402	All Funds \$10,187,151,317
Property Tax	12.9%	18.7%
Other Local	4.5%	8.9%
Federal	4.6%	66.8%
State	78.0%	5.6%

Source: Minnesota Department of Education

Districts are Dependent on State

- School Levies are Limited by State Law
- Education is a State Responsibility
- State is Concerned with Equity (Common and Uniform System)

Levy Calendar

- | | |
|--|---------------------------------|
| • Summer Data Submissions | • May 1 – Aug. 26 |
| • Proposed Levy | • Sept. 30 |
| • Truth in Taxation Notice | • Nov. 11 – 24 |
| • School Board Discussion / Public Input | • Nov. 24 – Final Certification |
| • Final Certification | • Dec. 28 |

See Detailed Calendar on MDE Website and Verify Dates

Summer Data Submissions

- ADM and LEP Projections
- Health and Safety
- Re-employment
- Referendum Authority
- Bond / Interest Payments
- Community Education Programs
- Excess Debt Calculation
- Health Benefits
- Other Post Employment Benefits

Summer Data Submissions *cont.*

- Q Comp
- Non-public Transportation
- Training and Experience Index
- Elementary and Secondary Sparsity
- Facility Lease
- Career and Technical
- Disabled Access
- Ice Arena
- Etc.

Follow Instructions Provided by MDE

Proposed Levy

- Due: Sept. 30
- Requires School Board Approval
- Based on Data Submissions and MDE Data
- Levy at "Maximum"
- Initiates Truth in Taxation Process

Levy Limitation Form

- Data
- Funding Formulas and Levy Authority
- Prior Years Adjustments
- Final Authority

Definitions


- True Market Value
- Assessor's Market Value
- NTC – Net Tax Capacity
- ANTC – Adjusted Net Tax Capacity
- Referendum Market Value
- Sales Ratio
- Limited Market Value
- ADM – Average Daily Membership
- AMCPU – Adjusted Marginal Cost Pupil Units
- Referendum AMCPU

Truth in Taxation

- Parcel Specific Notices
 - Prepared and Mailed by County
 - Proposed Tax Compared with Prior Year
 - Contact Information
 - TNT Meeting Date and Location
- Public Meeting
 - Current Budget
 - Proposed Taxes
 - Tax Impact (Optional)
 - Public Comment


Budget

Budget

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Tax Impact – Property Types

- Residential
 - Homestead
 - Non-homestead
- Apartments
- Commercial/Industrial
- Seasonal Recreational
- Agricultural
- Other

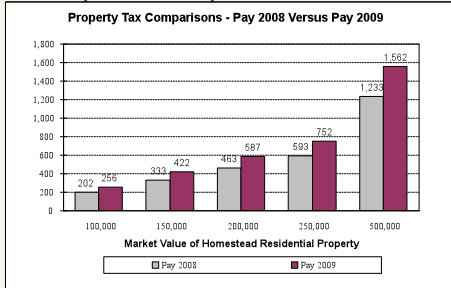
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Tax Impact – Levy Comparison

	Proposed 2008 Pay 2009	Payable 2007 Pay 2008	\$ Change	% Change
General	2,550,598.42	2,632,842.11	-82,243.69	-3.22%
Community Service	370,456.17	348,830.26	21,622.91	5.84%
Debt Service	5,104,948.61	4,795,300.38	309,648.23	6.07%
Total Levy	8,026,000.20	7,776,972.75	249,027.45	3.10%

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Tax Impact - Example



Final Certification

- Adopted by School Board
- Submit to County Auditor by Dec. 28
- Submit to MDE by Jan. 7

Suggestions

- Use the MDE Website, Program Finance, Levy Certification
- Verify all Data Whether Submitted or State Generated
- Emphasize Accurate, Realistic Projections and Estimates
- Review Adjustments from Prior Years
- Compare Levy Limitation with Prior Year (Historical Data)
- Follow the Calendar Provided by MDE
- Understand the "Cost" of an Underlevy
- Approve Proposed Levy at "Maximum"
- Be Prepared for TNT Meeting

Suggestions *cont.*

- Use TNT Presentation as an Opportunity to Share Financial Information
- Certify Final Levy at Exact Dollar Amounts
- All Data Submitted Electronically

Help is Available

- MDE
- Your Predecessor
- Independent Auditors
- Financial Advisor
- Neighboring School Administrators
- Professional Organizations
- Attend Levy Workshop

Questions

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