



ORONO SCHOOLS

Serving the communities of Independence, Long Lake, Maple Plain, Medina, Minnetonka Beach, and Orono

Proposed Levy Final Levy - Pay 2020



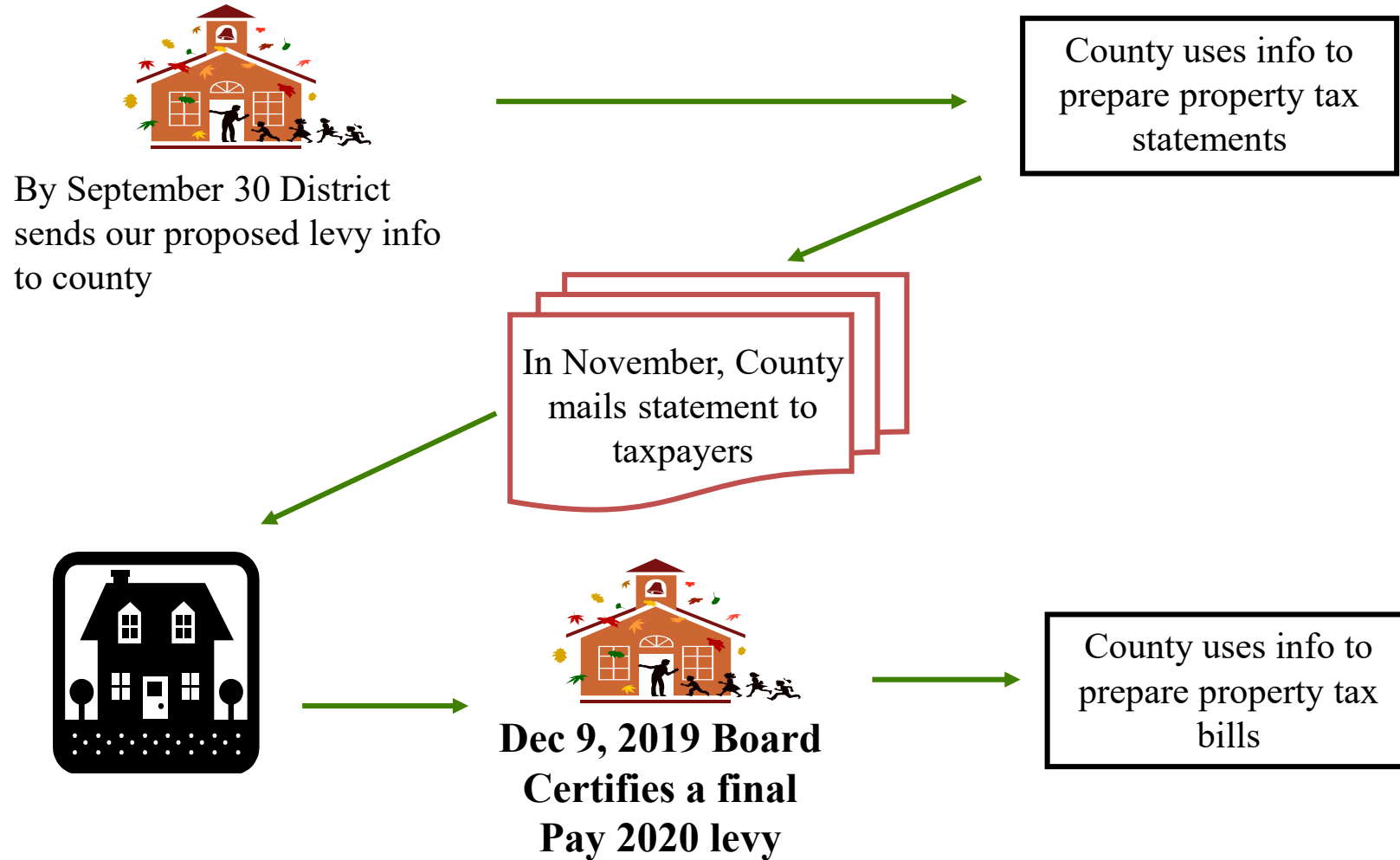
December 9, 2019

Truth in Taxation Agenda

- General Background Information on School District Property Taxes
- Provide an analysis of the Property Tax Levy for our 202-21 School Year
- Information on the Current 2019-20 Budget
- Public Comment

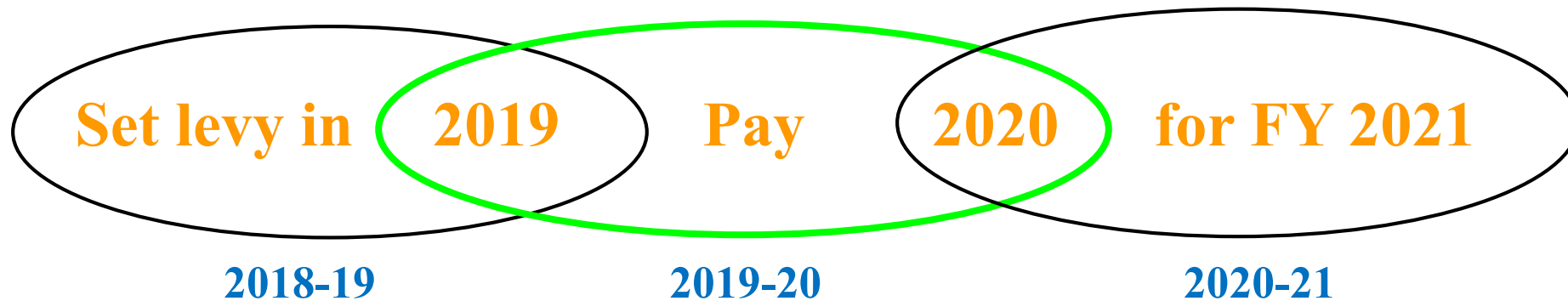


Truth in Taxation Timeline



The Levy and The Budget

**School levies don't fit the yearly cycle
like Cities and Counties**



**District is working on Three Fiscal
years at any given time**



2020 Property Tax Levy Highlights

➤ **Operating Referendum Legislative Changes:**

- 2019 Legislature moved \$300 per pupil for Board Authorized from operating referendum to Local Optional Revenue. Operating Referendum decrease of **(\$527,892)**

➤ **Local Optional Revenue:**

- Legislature reallocated \$300 per pupil Board approved operating referendum and added it to the \$424 per pupil local optional revenue. Total is now \$724 per pupil. Increase of \$917,422

- **Long-Term Facilities Maintenance** increased by \$48,343 or 7.5% of the levy increase. These funds are used to maintain the District's facilities.



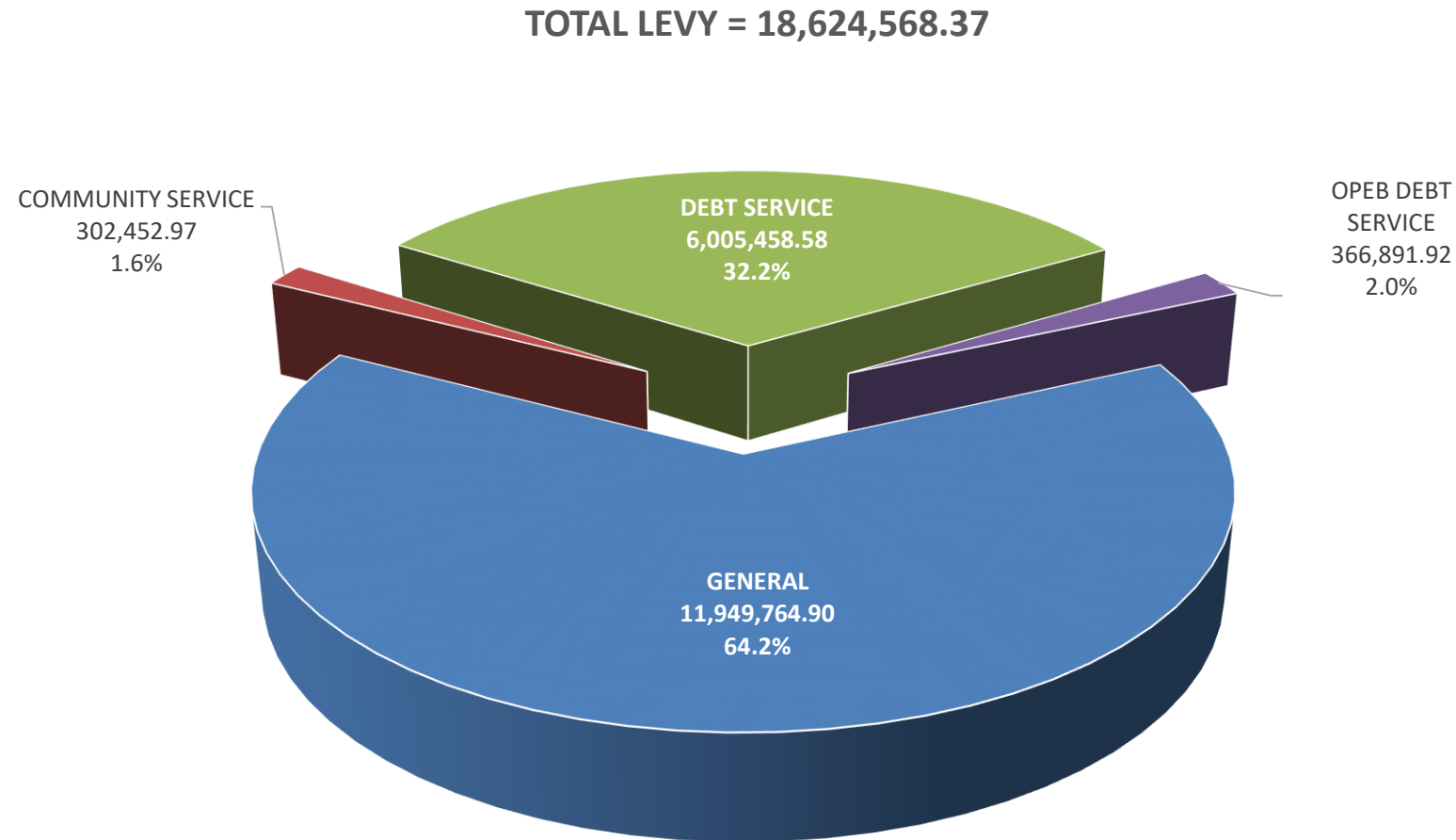
2020 Property Tax Levy Highlights

- **Capital Projects Levy (Technology)** increased by \$33,601 or 7.8% of the levy increase. This levy is base on the Net Tax Capacity of the District.
- **Voter Approved Debt Service** increased \$91,087 or 21.2% of the levy increase. This is based on scheduled principle and interest payments.
- **Abatement Debt Service** increased by \$246,383 or 57.4% of the levy increase. This is the principle and interest payments for the abatement bonds the District issued in 2018.

Total levy increase of **3.60%** for 2020



2019 Payable 2020 Property Tax Levy



Property taxes are 33% of Total Budget



2020 Property Tax Levy Highlights

Category	Proposed Levy (Sept)	Final Levy (December)	Difference
General Fund	11,949,764.90	11,949,764.90	-
Community Service	302,452.97	302,452.97	-
Debt Service	6,005,458.58	6,005,458.58	-
OPEB Debt Service	366,891.92	366,891.92	-
TOTAL	18,624,568.37	18,624,568.37	-



Three Funds in the Levy

- **General Fund**
 - 29.5% comes from the levy

- **Community Service Fund**
 - 8.4% comes from the levy

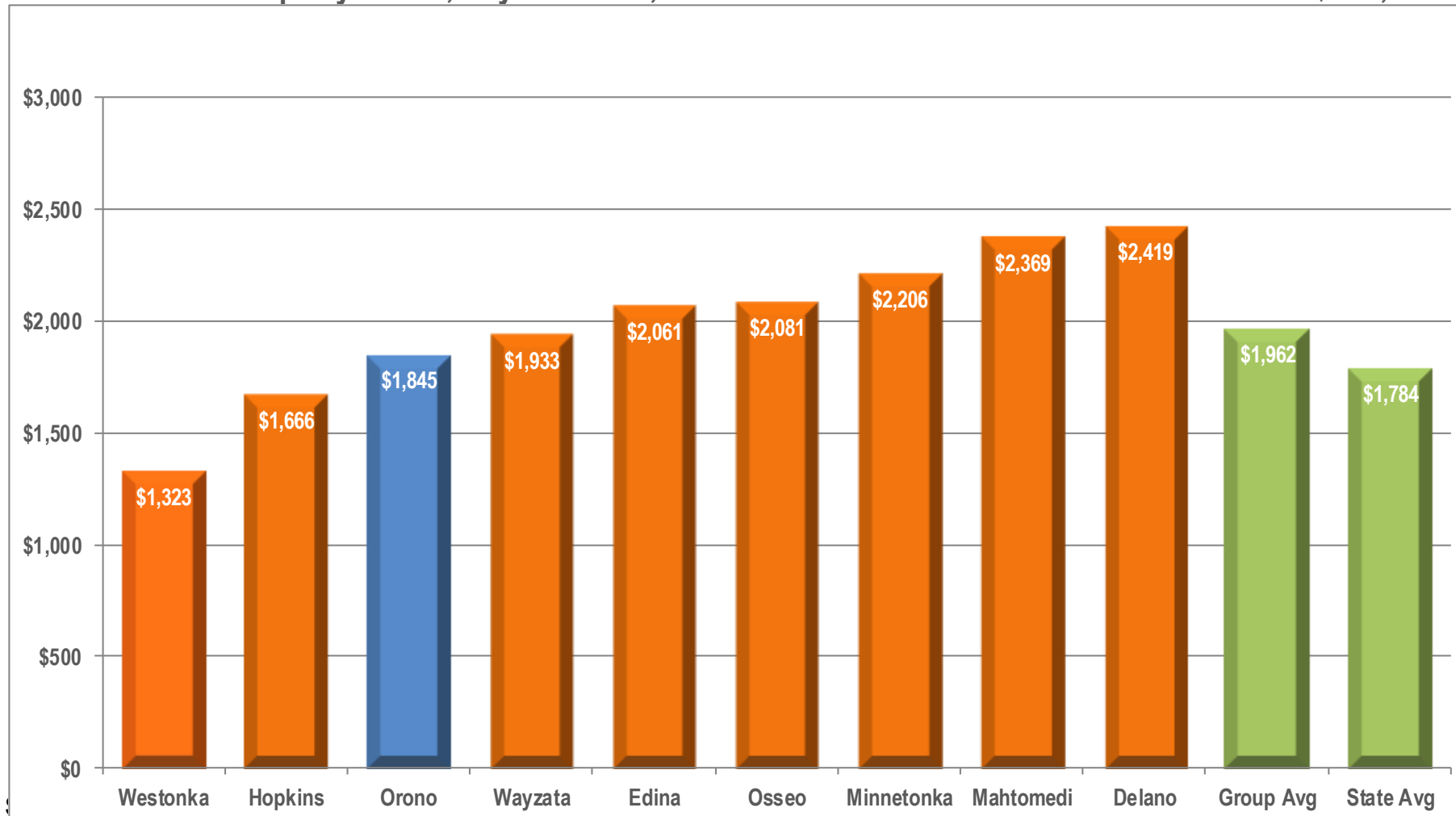
- **Debt Service Fund**
 - 100.0% comes from the levy



Levy Comparison

Orono School District

Total School Property Taxes, Payable 2019, on a Home with an Estimated Market Value of \$400,000



Source: Pay 19 School Tax Report

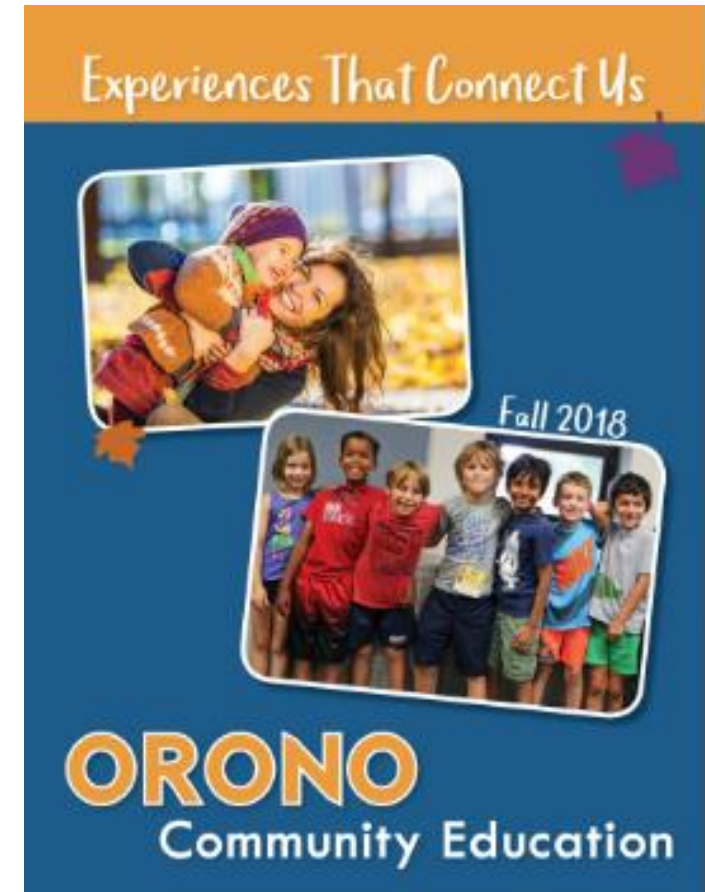
Other General Fund Levies

- **Achievement & Integration**
- **Alternative Teacher (Q) Comp**
- **Safe Schools**
- **Building Leases**
- **Career & Technical**
- **Other adjustments**



Community Service Levy

- **Basic Community Service Levy**
- **Early Childhood/ Family Education**
- **School Age Childcare**
 - **(Before & After School)**



Levy provides approximately 9% of total budget



Debt Service Levy

Used to pay the District's long term debt

➤ This debt is used for:

➤ Building Projects

➤ Indoor Activity Center (Series 2017A)

➤ Major Maintenance Projects

➤ Deferred Maintenance Project (2008) - Refunded in 2016 (Series 2016A)

➤ Long-Term Facilities Maintenance Bond (Series 2017B)

➤ Parking Lot Maintenance (Series 2018B)

➤ Other Post Employment Benefits (OPEB)

➤ Refunded in 2018 (Series 2018A)



2019-20 Budget

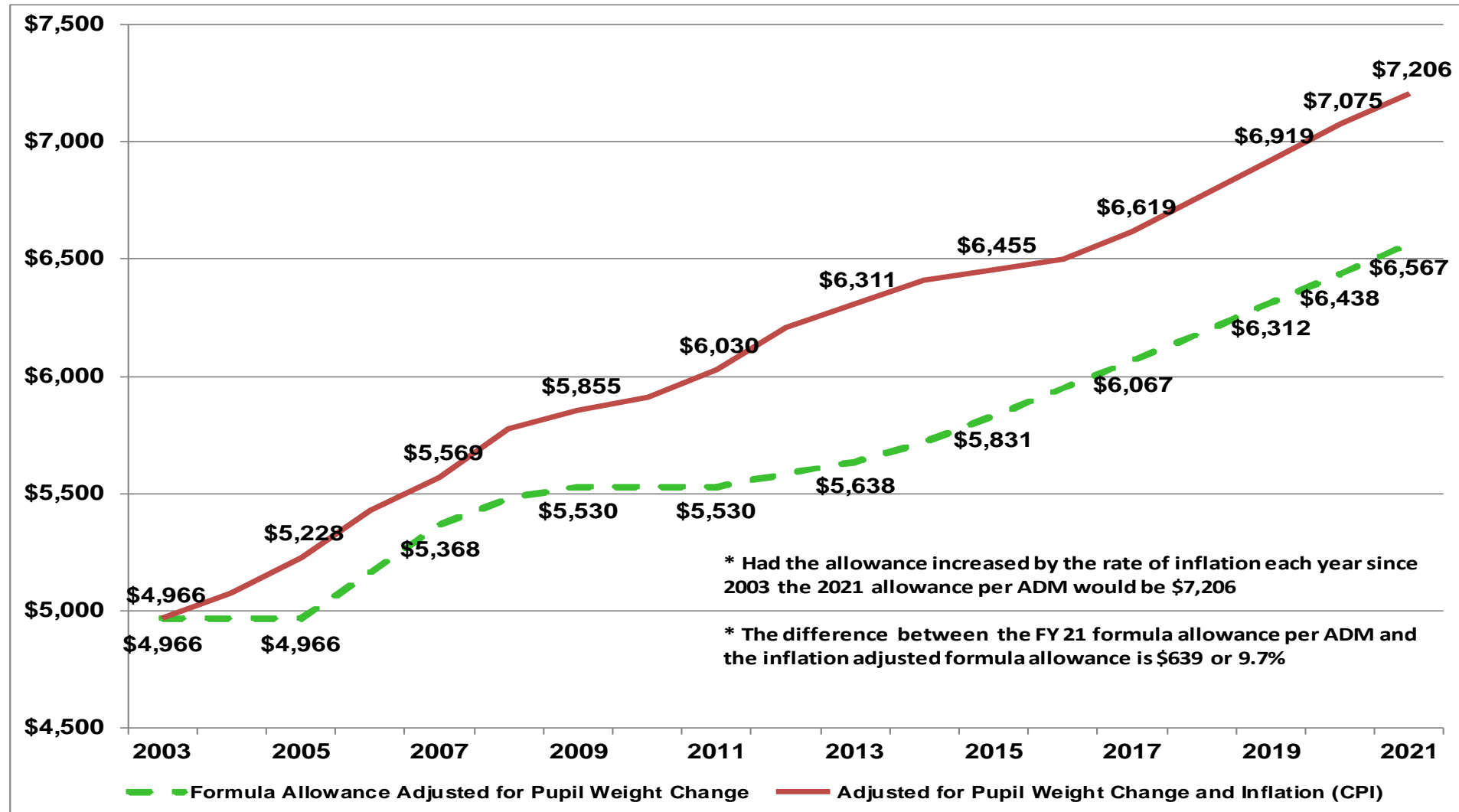
Highlights:

- 1.2% Increase in Enrollment
 - Added a 9th section to 4th grade
- 2% increase in per pupil funding
- First full year with the Activities Center open



Basic General Education Formula Lags Inflation

General Education Formula Allowance, 2003-2021
Adjusted for Pupil Weight Change and Inflation (CPI)



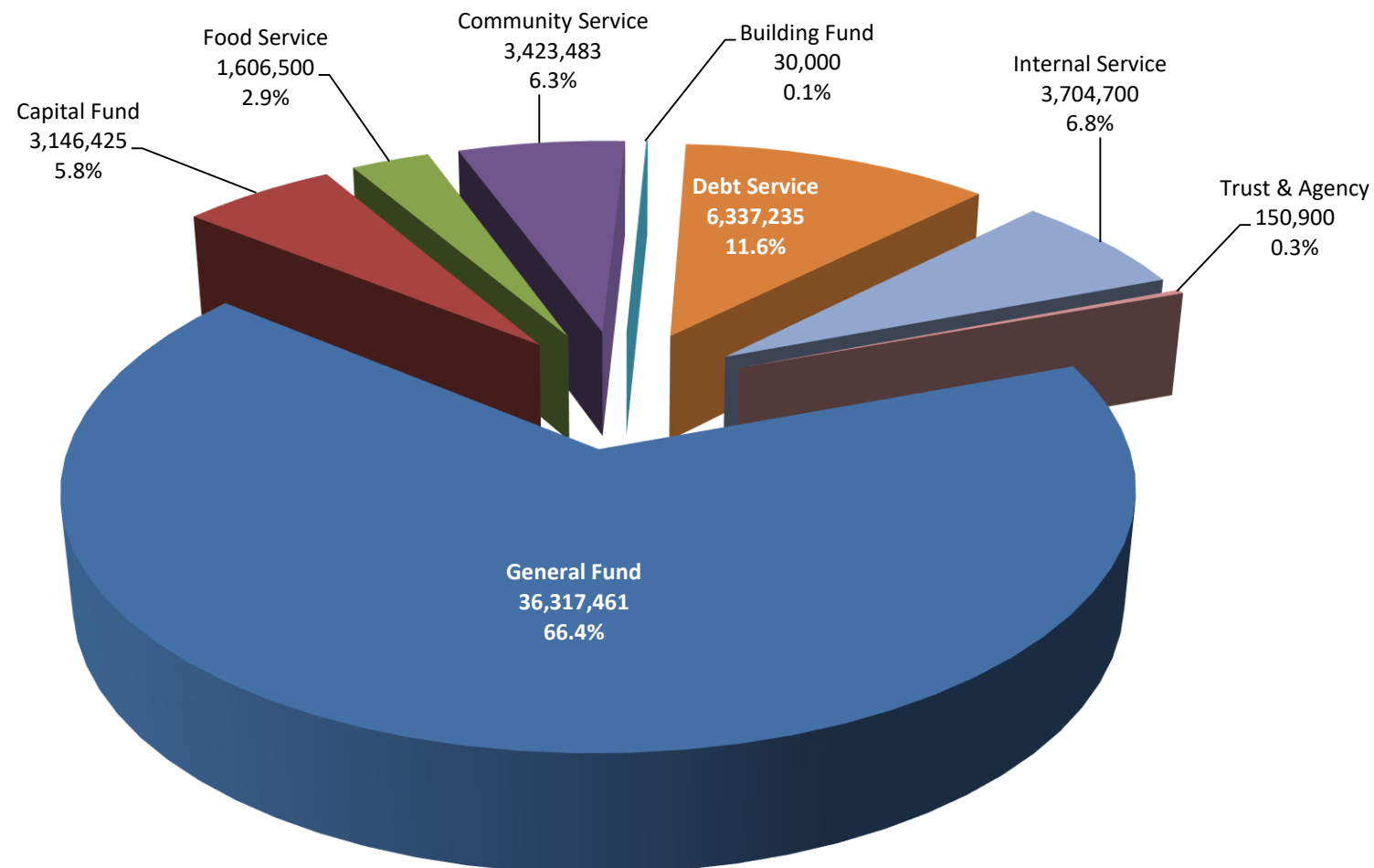
Source: MDE August 2019 Inflation Estimates



2019-20 Revenue by Fund

\$54,716,704

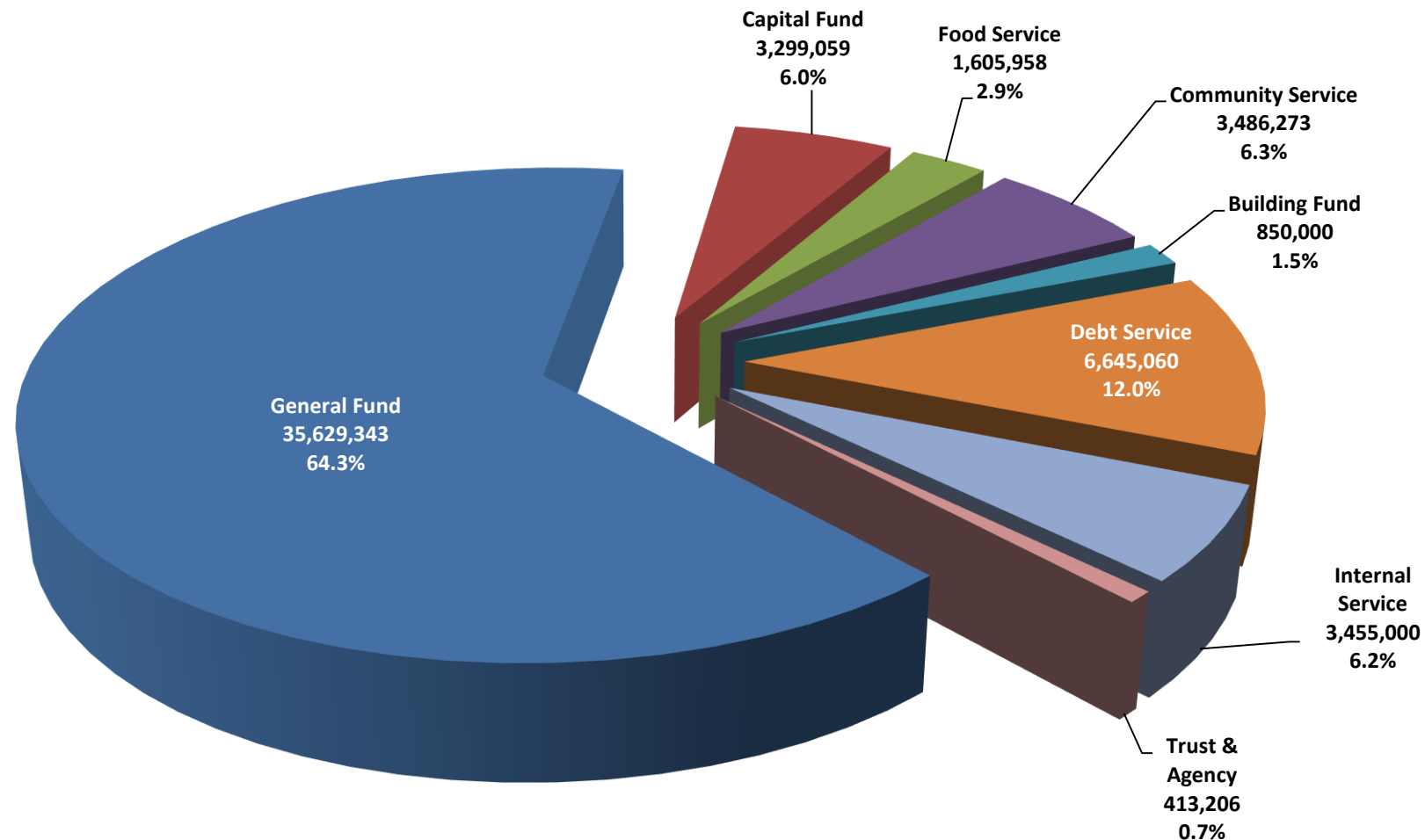
2019-20 Revenue Budget - All Funds



2019-20 Expenditures by Fund

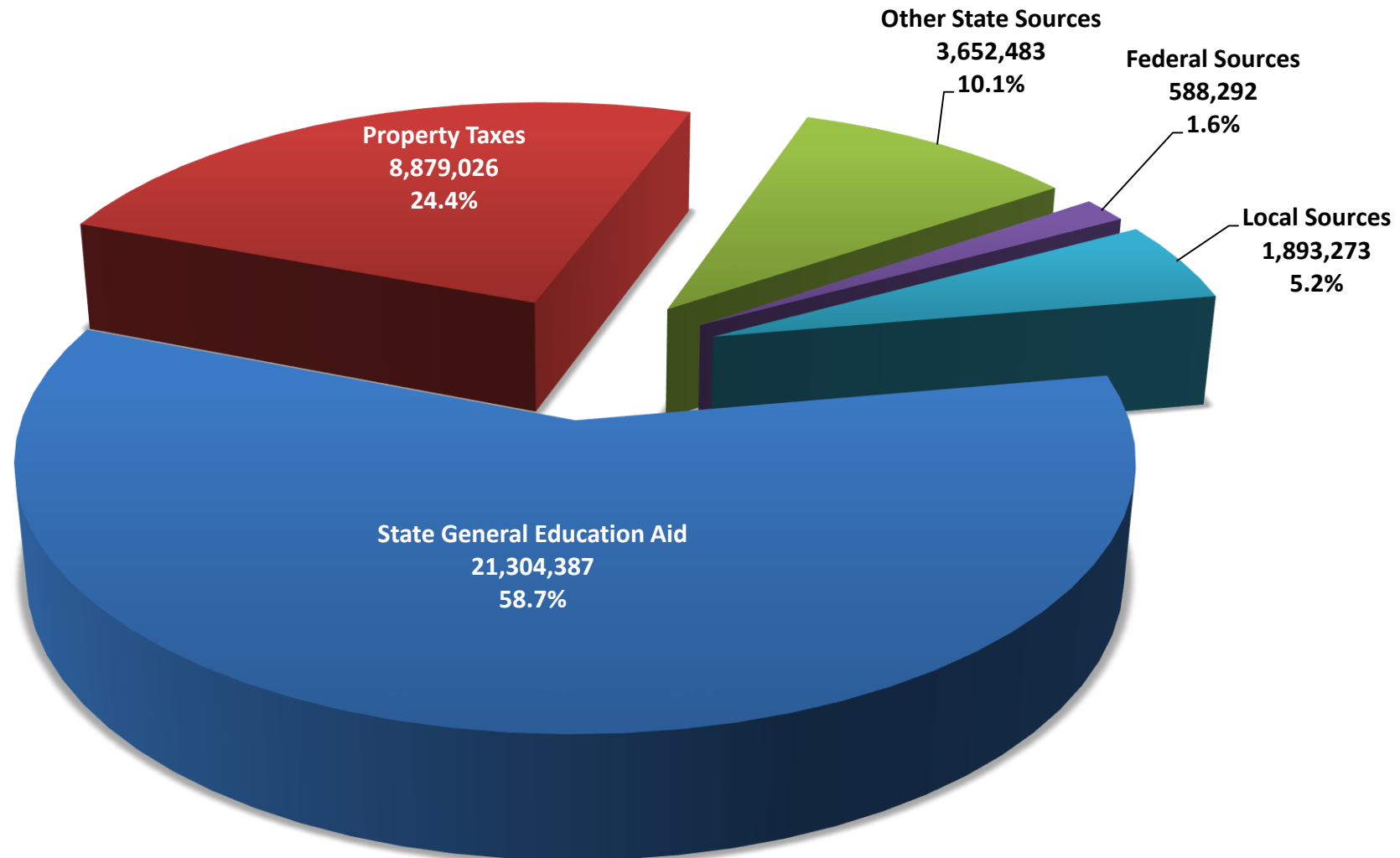
\$55,383,899

2019-20 Expenditure Budget - All Funds



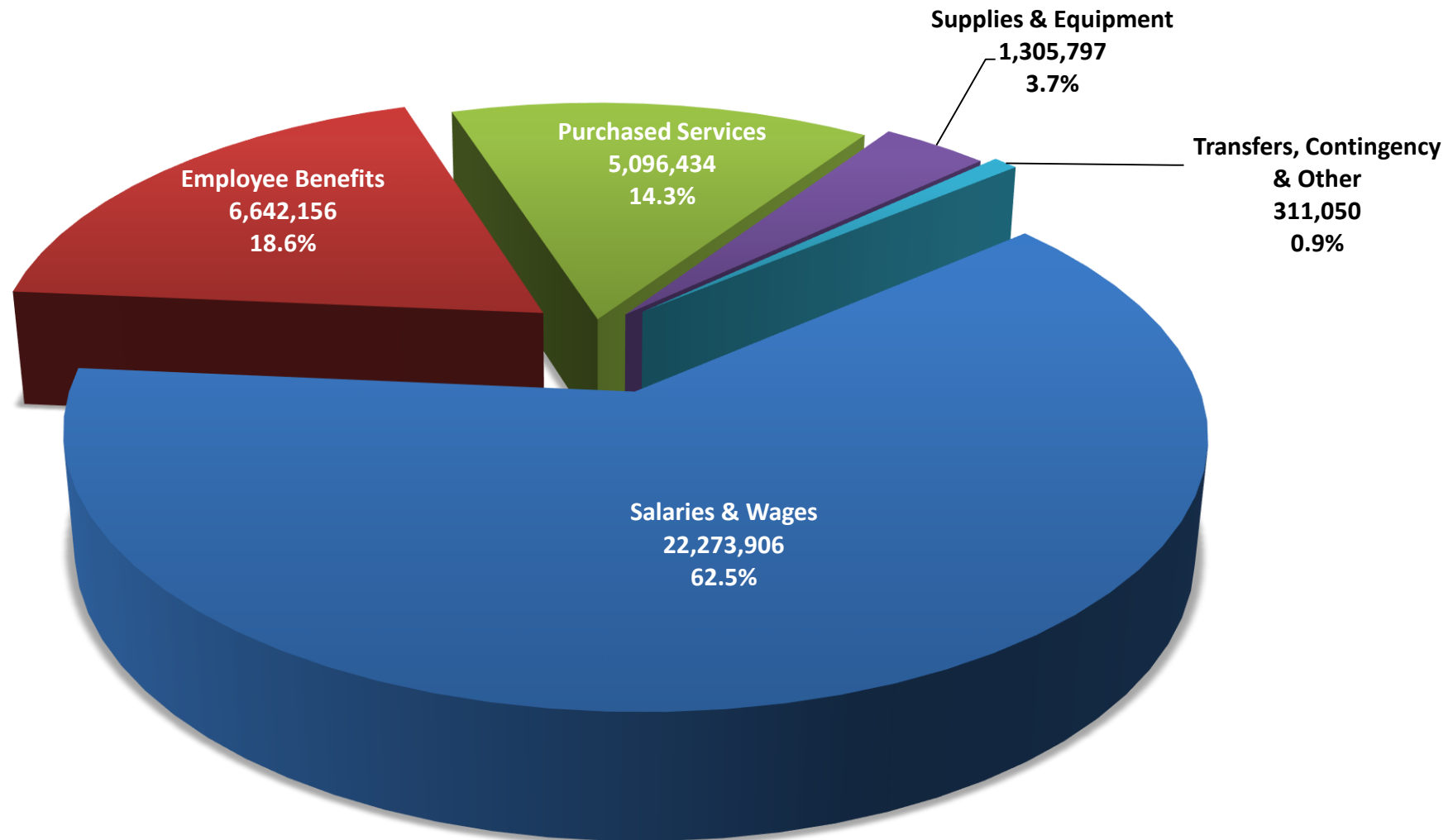
2019-20 Revenues by Source

General Fund \$36,317,461



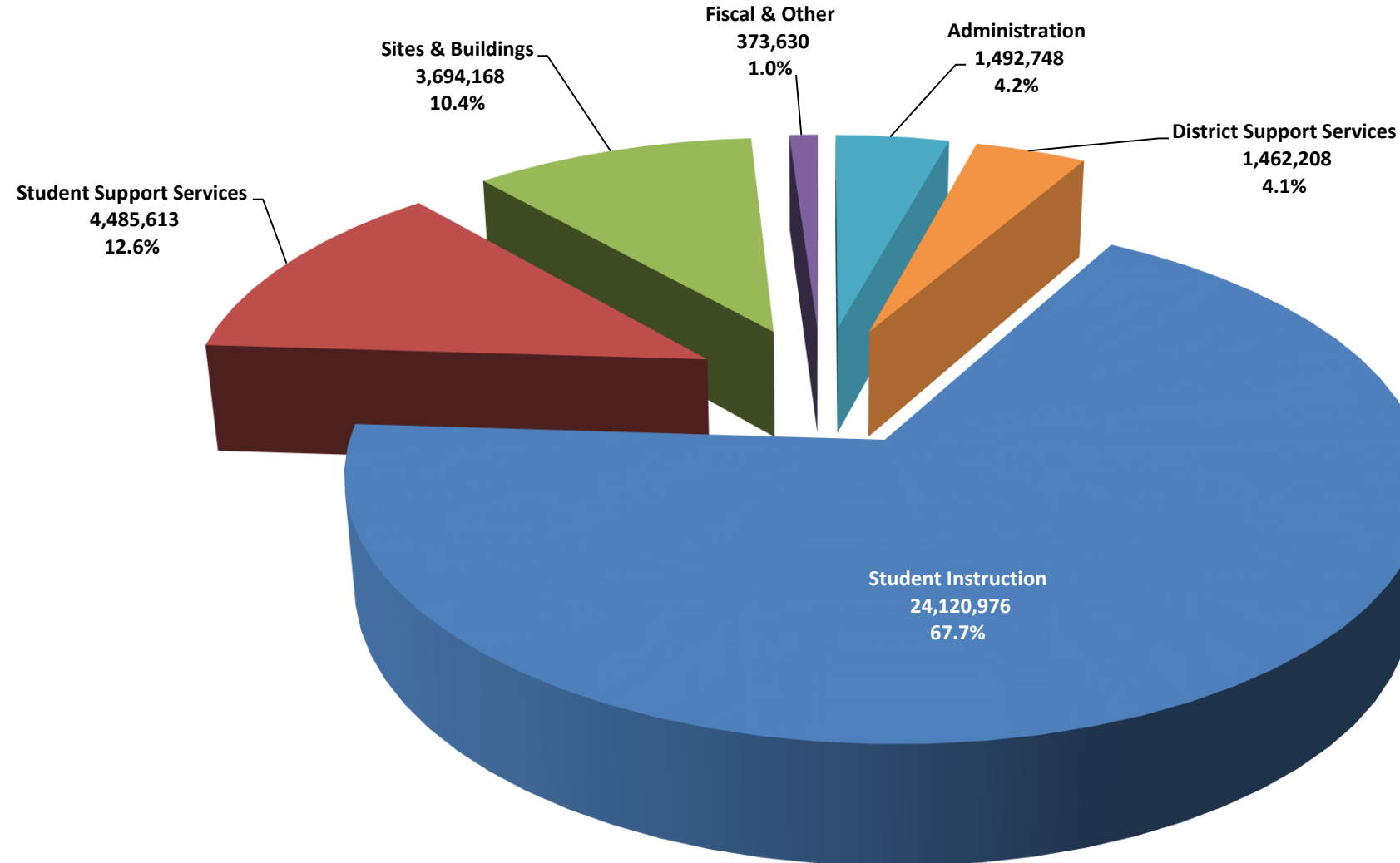
2019-20 Expenditures by Object Area

General Fund \$35,629,343



2019-20 Expenditures by Program Area

General Fund \$35,629,343



Public Comment



LEVY APPROVAL

The District recommends the Board of Education:

- Approve the 2019 Pay 2020 Levy in the amount of \$18,624,568.37
- Direct the Board Clerk to certify the levy in the amount listed above to the Hennepin County Auditor

