



# ORONO SCHOOLS

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

## Truth in Taxation

Final Levy - Pay 2019



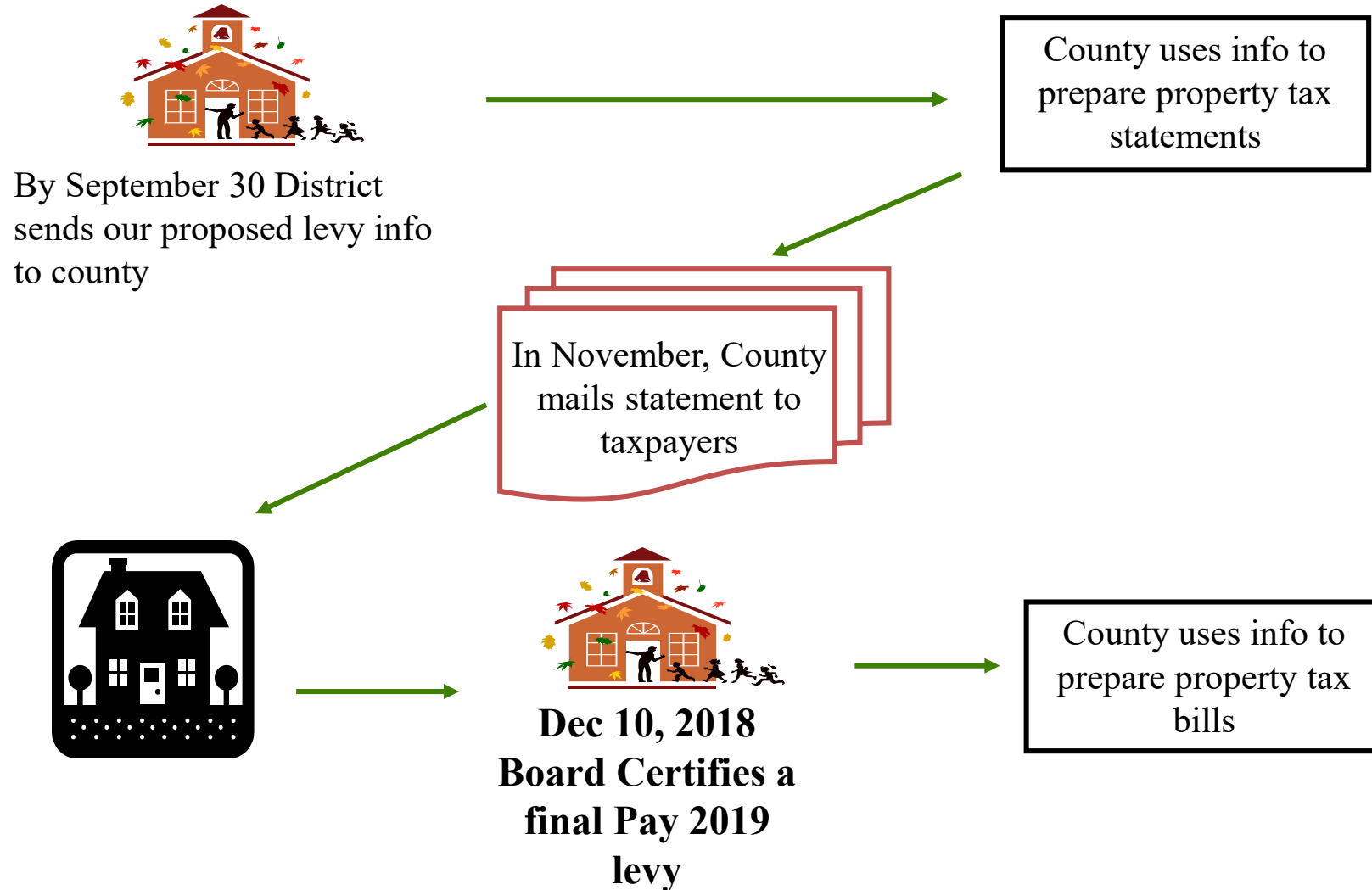
12/10/2018

# Truth in Taxation Agenda

- General Background Information on School District Property Taxes
- Provide an analysis of the Property Tax Levy for our 2019-20 School Year
- Information on the Current 2018-19 Budget
- Public Comment

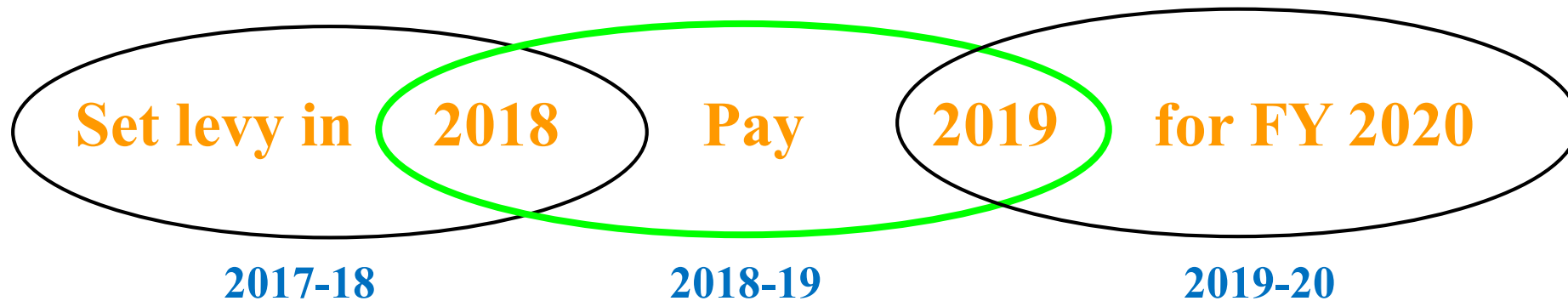


# Truth in Taxation Timeline



# 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**



# 2019 Property Tax Levy Highlights

- **Operating Referendum** inflationary increase of \$288,108. This accounts for 50.6% of the overall increase.
- **Refunding of OPEB Bonds** reduced annual tax impact by (- \$60,268) versus 2018.
- **Health & Safety, Deferred Maintenance, & Student Achievement levies** all have been sunset and no longer have an impact.

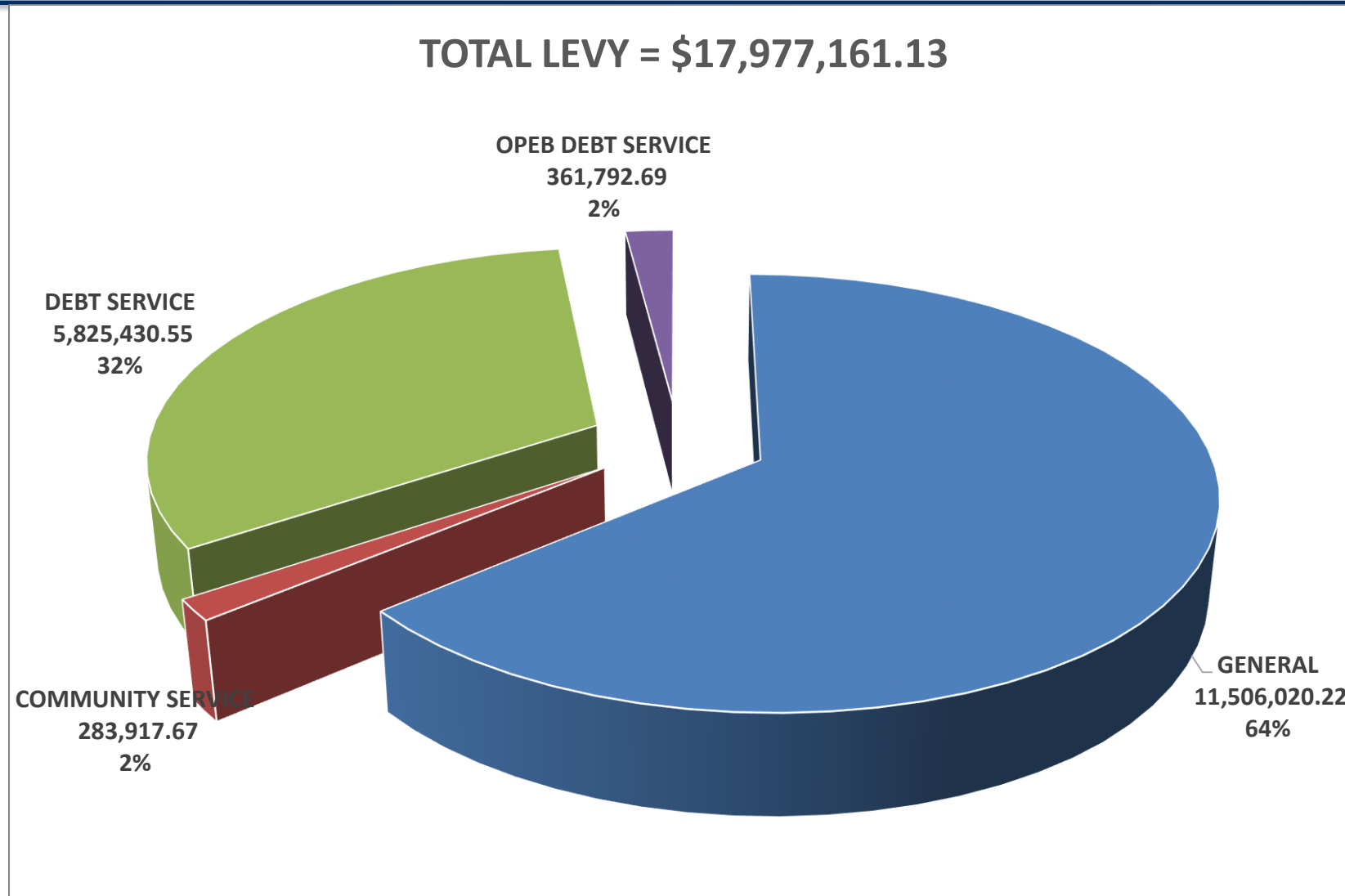


# 2019 Property Tax Levy Highlights

- **Equity** calculation increased by \$71,774 or 12.6% of the total levy increase. An Equity adjustment of \$51,436 or 9.0% of the levy increase was also included.
  - Regular equity revenue is calculated by ranking all districts in each region according to their total basic and referendum revenue. Districts below the 95th percentile of revenue in those two components combined are eligible for regular and low-referendum equity revenue. Many districts increased referendum revenue, which affected Orono's equity calculation.
- **Capital Projects Levy (Technology)** increased by \$53,866 or 9.5% of the levy increase. This levy is base on the Net Tax Capacity of the District.
- Total levy will increase of **3.27%** next year



# 2018 Payable 2019 Property Tax Levy



**Property taxes are 34% of Total Budget**



# 2019 Property Tax Levy Highlights

Category	Proposed Levy (Sept)	Final Levy (December)	Difference
General Fund	11,506,020.22	11,506,020.22	-
Community Service	283,917.67	283,917.67	-
Debt Service	5,825,430.55	5,825,430.55	-
OPEB Debt Service	421,877.01	361,792.69	(60,084.32)
<b>TOTAL</b>	<b>18,037,245.45</b>	<b>17,977,161.13</b>	<b>(60,084.32)</b>





# Three Funds in the Levy

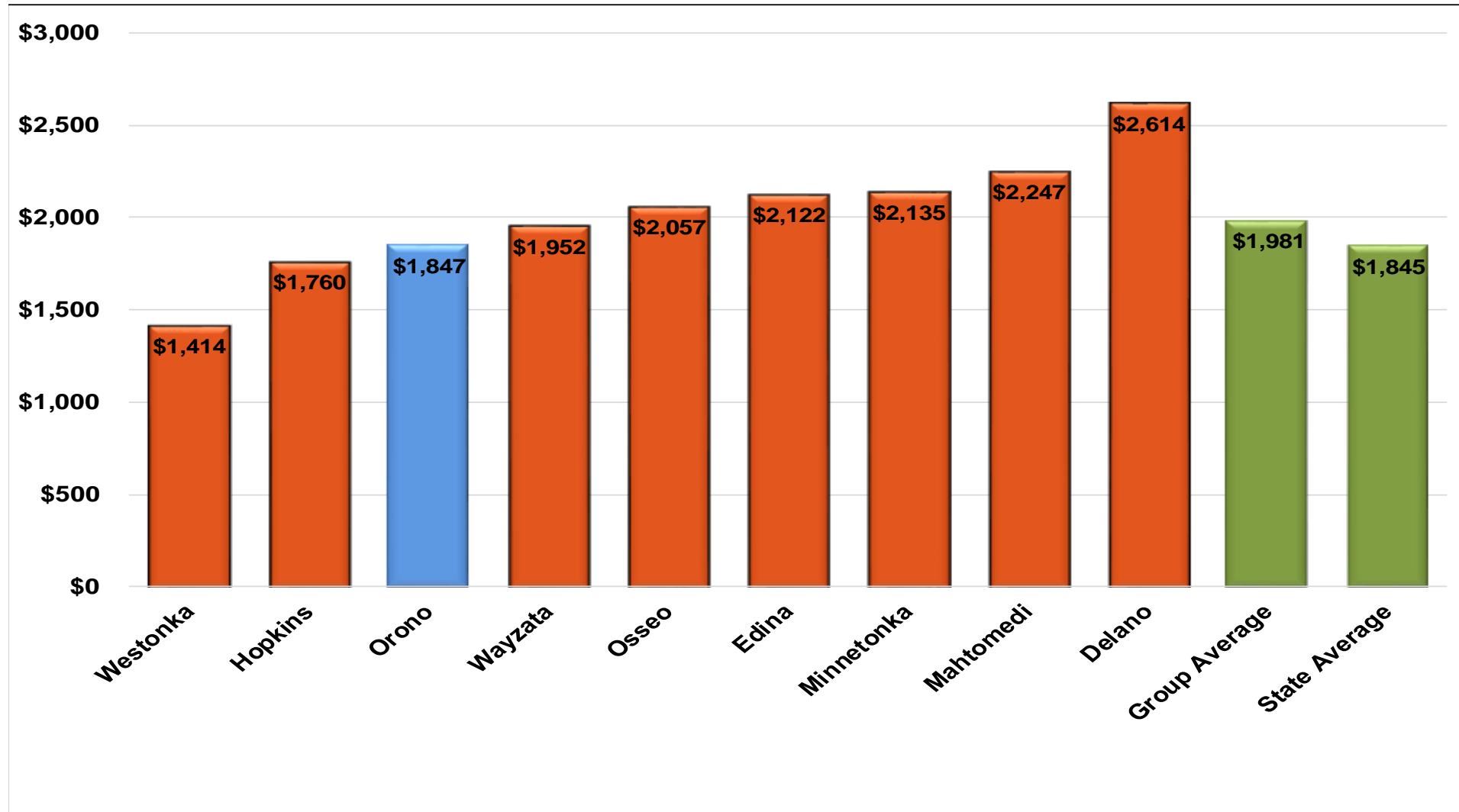
- **General Fund**
  - 24.3% comes from the levy
  
- **Community Service Fund**
  - 8.8% comes from the levy
  
- **Debt Service Fund**
  - 100.0% comes from the levy



# Levy Comparison

## Orono School District No 278

Total School Property Taxes, Payable 2018, on a Home with an Estimated Market Value of \$400,000



Source: Pay 18 School Tax Report

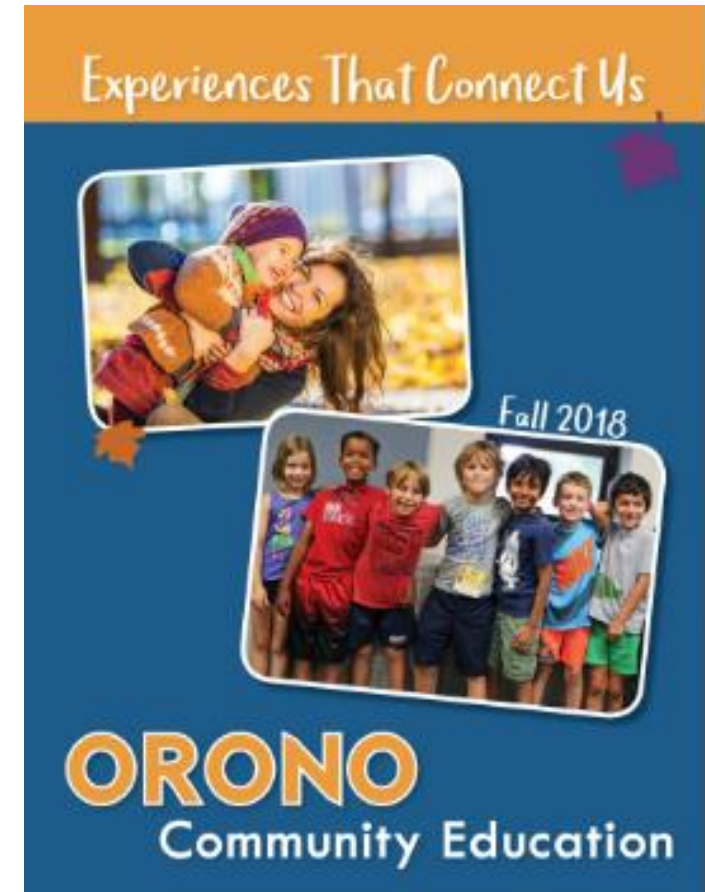
# Other General Fund Levies

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



# 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 (2017)

**➤ Major Maintenance Projects**

➤ Deferred Maintenance Project (2008)

➤ Parking Lot Maintenance (2018)

**➤ Other Post Employment Benefits (OPEB)**



# 2018-19 Budget

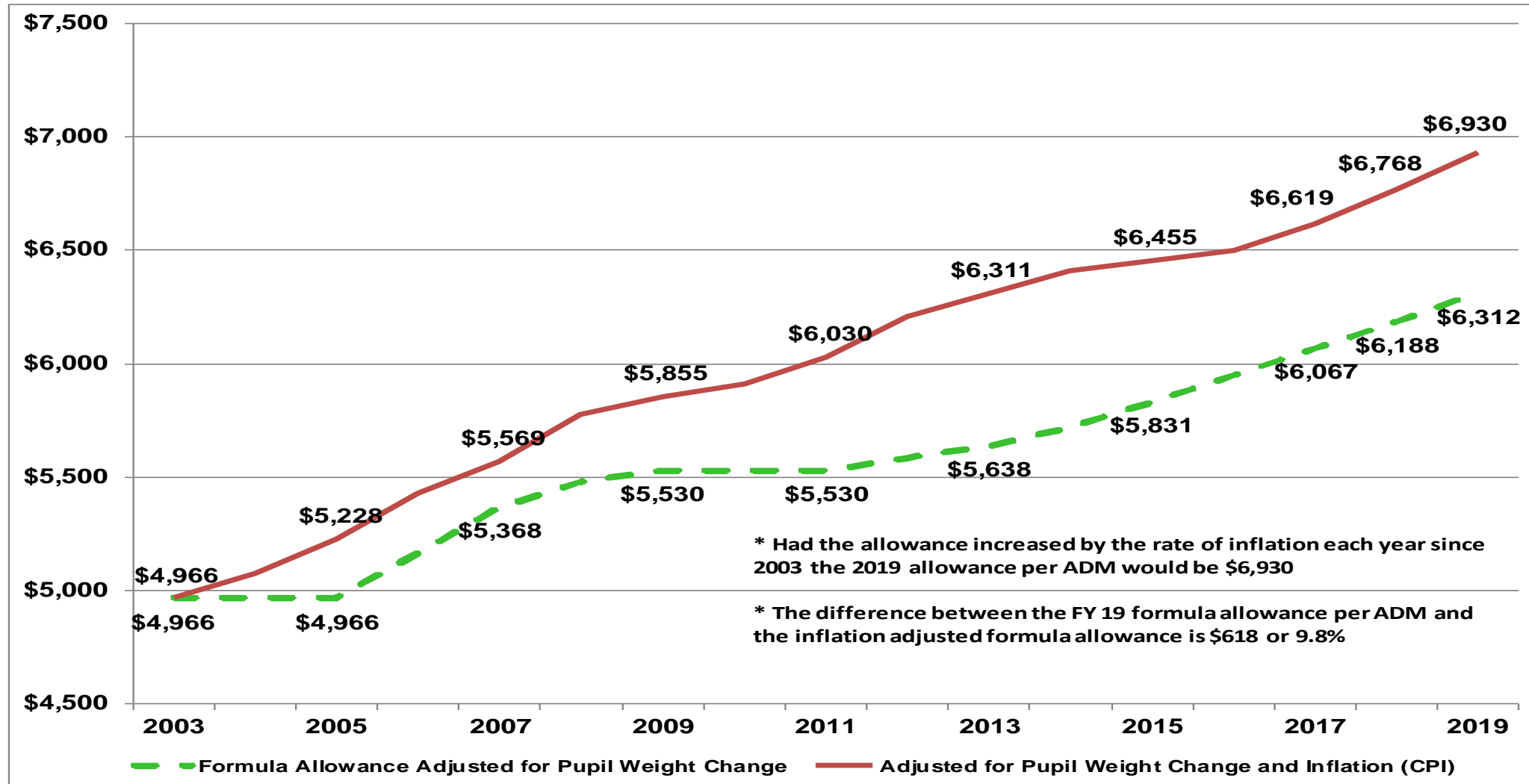
## Highlights:

- 1.2% Increase in Enrollment
  - Added a 9<sup>th</sup> section to Kindergarten
- 2% increase in per pupil funding
- Enrollment study predicting 6.6% residential growth over the next five years
  - Monitored monthly with adjustments to Open Enrollment assumptions to manage growth
- Investment in Teacher training, Staff Development, Literacy, and a focus on Math
- Activities Center operational in February



# Basic General Education Formula Lags Inflation

**General Education Formula Allowance, 2003-2019**  
Adjusted for Pupil Weight Change and Inflation (CPI)

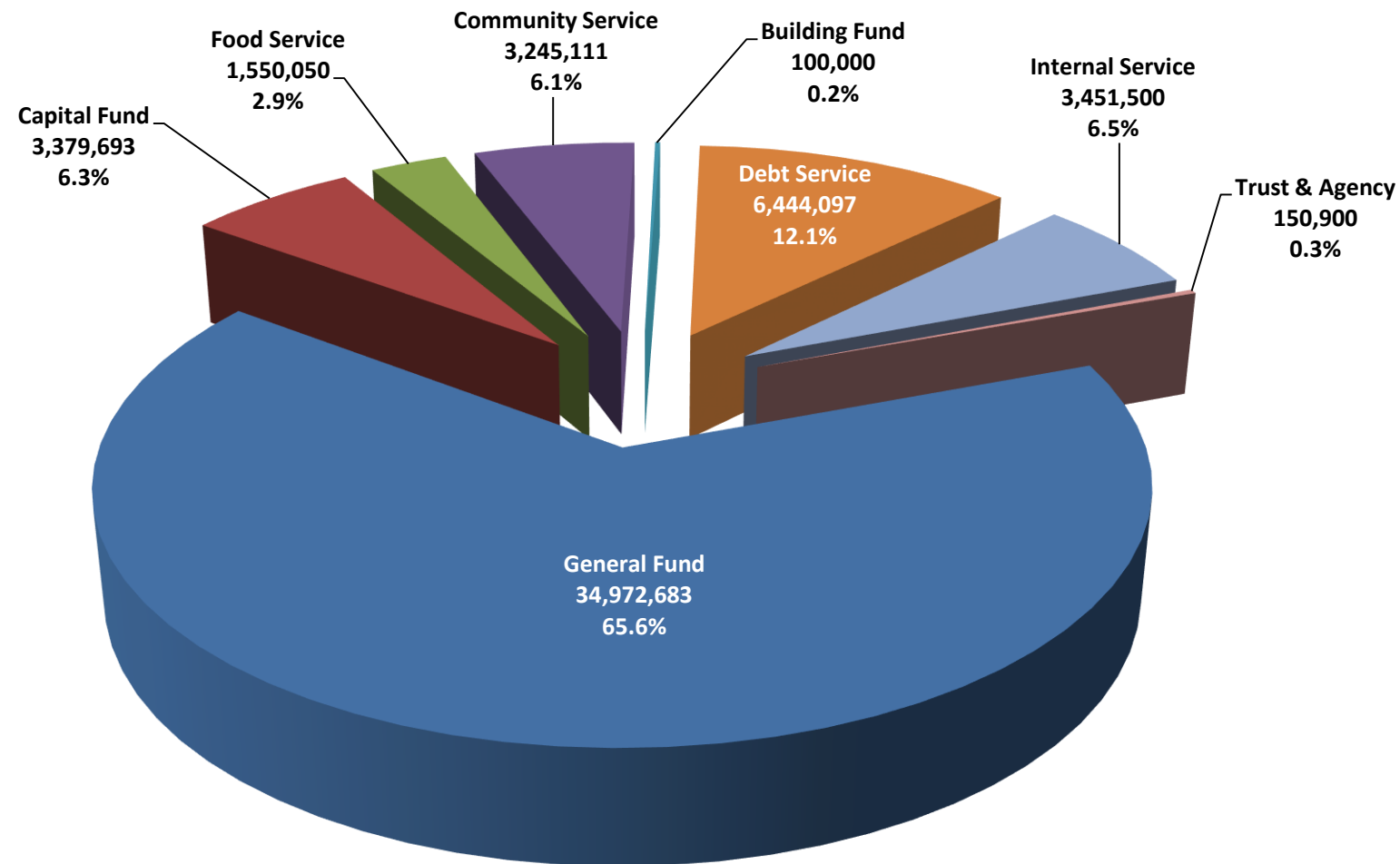


Source: MDE June 2018 Inflation Estimates

# 2018-19 Revenue by Fund

## \$53,294,034

### 2018-19 Revenue Budget - All Funds

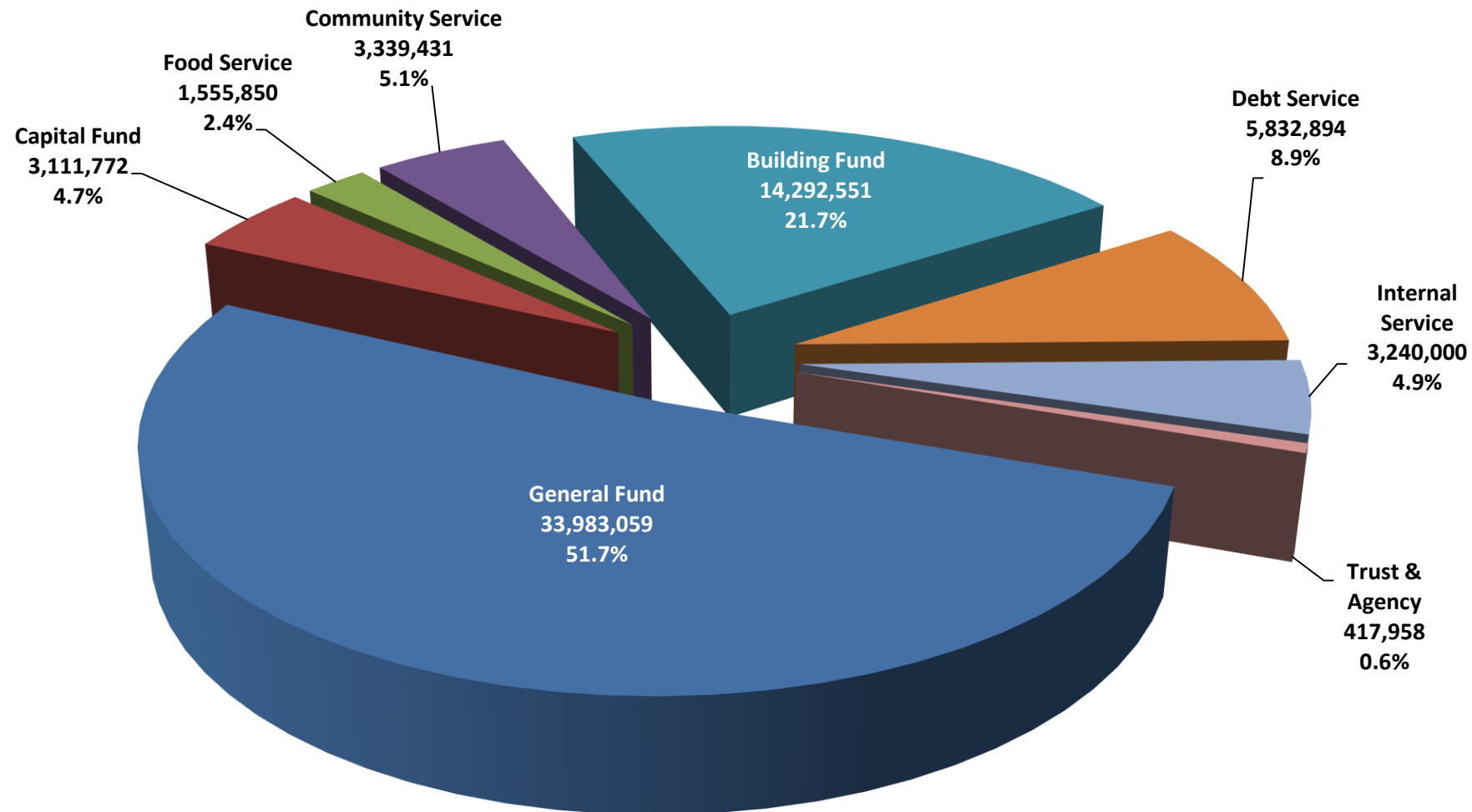




# 2018-19 Expenditures by Fund

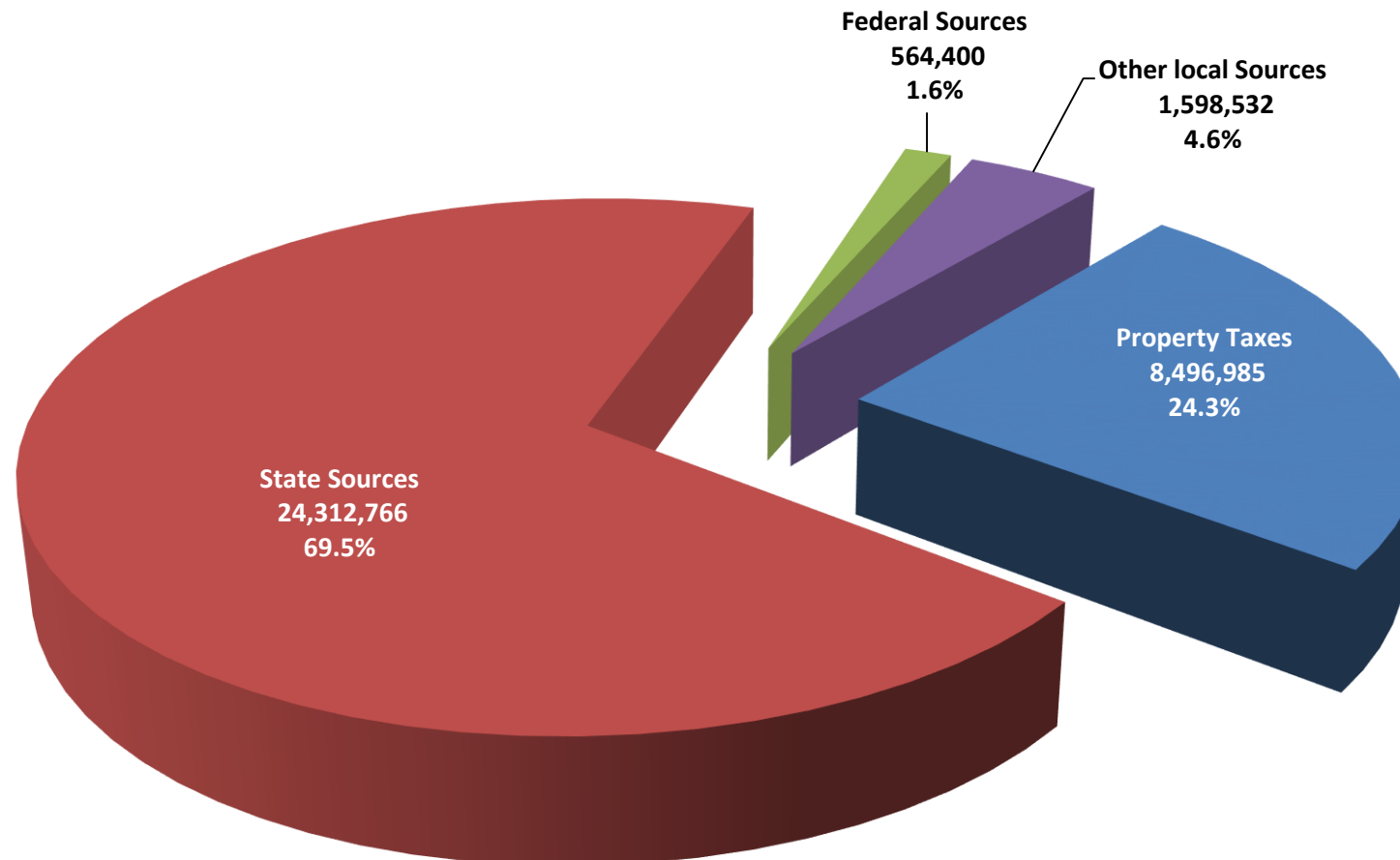
## \$65,773,515

### 2018-19 Expenditure Budget - All Funds



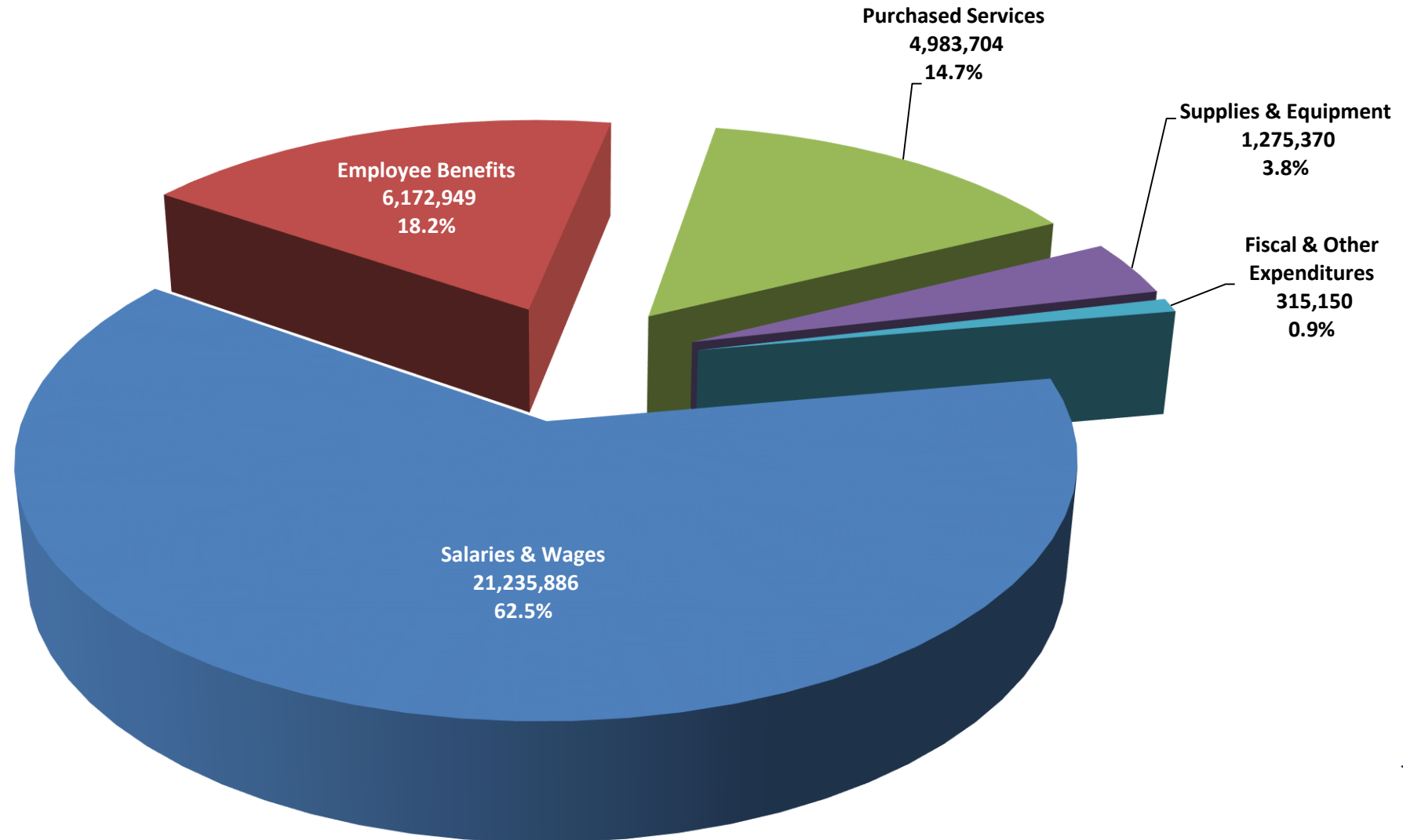
## 2018-19 Revenues by Source

**General Fund \$34,972,683**



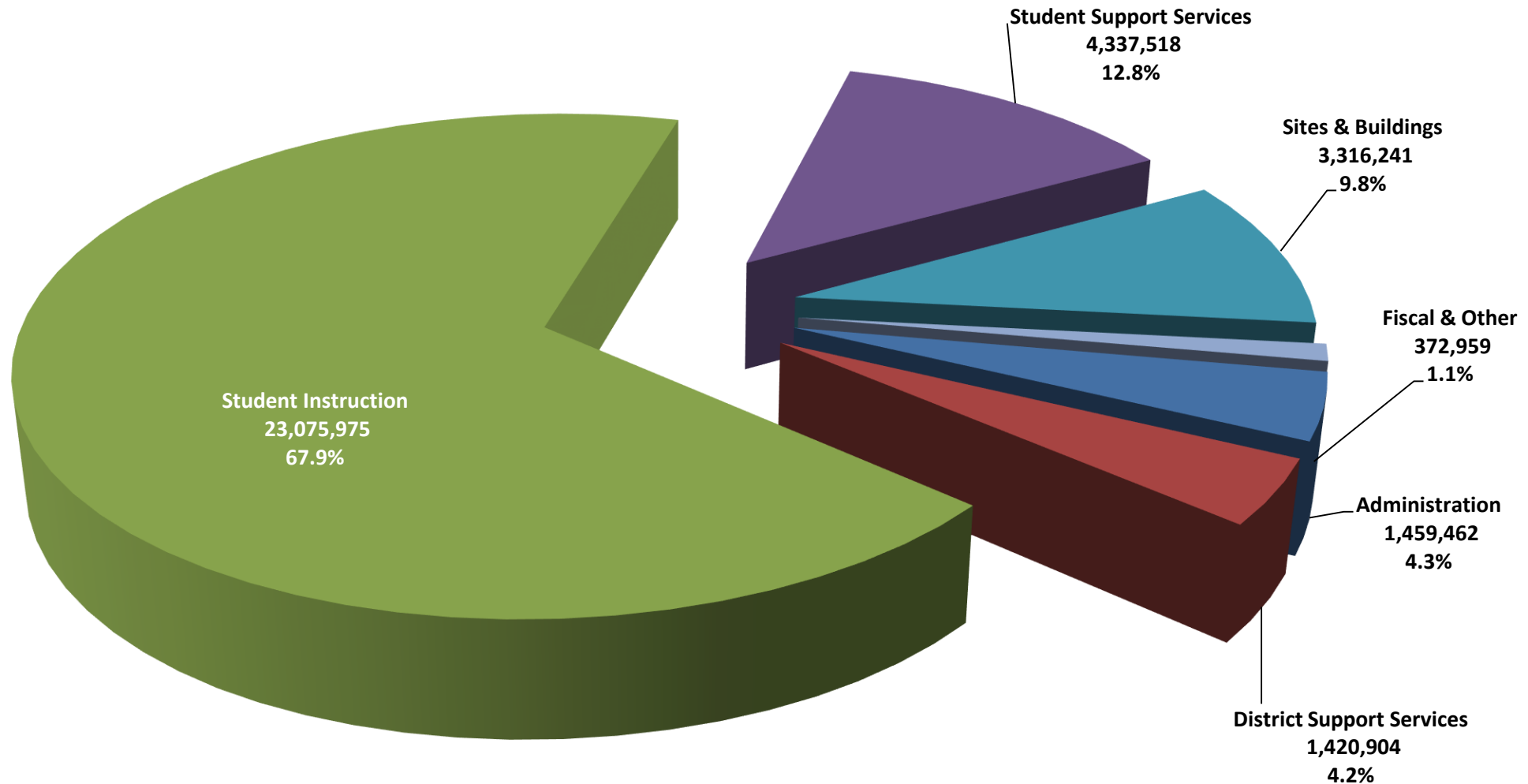
# 2018-19 Expenditures by Object Area

**General Fund \$33,983,059**



# 2018-19 Expenditures by Program Area

**General Fund \$33,983,059**



# Public Comment

