

PUBLIC HEARING

**FY2020-21 Budget
& Proposed Pay 2021
Property Taxes**

CHOKIO-ALBERTA SCHOOL DISTRICT #771

December 2020

Resources provided

December 21, 2020

TRUTH in TAXATION LAW

- Counties must send out “proposed property tax statements” in November, based on preliminary tax levies set by all jurisdictions.
- Most taxing jurisdictions must hold a hearing prior to certifying the final levy.

You are here for the Chokio-Alberta School District’s annual required hearing.

Tax Hearing Requirements

We Must...

- Present information on the current year budget and the proposed property tax levy (which impacts the following fiscal year)
- Allow for public comments and questions

THE BIG PICTURE

LEGISLATURE & GOVERNOR

- ▶ Establishes overall tax policy for state
- ▶ Sole authority to create school levy options
- ▶ Controls school levy parameters, including:
 - ▶ Amount of state aid
 - ▶ Tax bases used for levies

FY21 APPROVED BUDGET

FINAL - Approved by
Board June 15, 2020

	General Fund	Food Service	Community Service	Trust	Total
	Fund 1	Fund 2	Fund 4	Fund 8	All Funds
Revenue	\$ (2,398,148)	\$ (117,115)	\$ (93,641)	\$ (500)	\$ (2,609,404)
Expenditures	\$ 2,461,658	\$ 117,060	\$ 92,678	\$ 2,600	\$ 2,673,996
(Gain) or Deficit	\$ 63,510	\$ (55)	\$ (963)	\$ 2,100	\$ 64,592
	(deficit)	(deficit)	(surplus)	(deficit)	

2020-2021 Budget

- ▶ All school districts' budgets are divided into separate funds, which is required by law.
- ▶ For our district, this includes four (4) major funds:
 - ▶ **Fund 1:** General Fund (includes former transportation and capital expenditure funds)
 - ▶ **Fund 2:** Food Service Fund
 - ▶ **Fund 4:** Community Service Fund
 - ▶ **Fund 8:** Trust Fund (Scholarships)

Overview of Funds

- Fund 1: General Fund

- Accounts for most daily operating expenses of the district - everything not included in other funds.
- Nearly 75% of revenue in this fund is linked directly to student enrollment.
- This year, Fund 1 accounts for 92% of total revenue.
 - This is typically the major fund for school districts that are not undergoing a construction project.
 - Salaries, benefits, supplies, other costs for instruction, administration, special education, transportation, custodial services, etc.
 - Insurance, utilities, other purchased services
 - Also includes annual capital expenses

Overview of Funds

- ▶ Fund 2: Food Service Fund
 - ▶ Accounts for all revenue and expenses of the breakfast, lunch, and after school food programs

- ▶ Fund 4: Community Service Fund
 - ▶ Accounts for all revenue and expenses of educational and recreational programs that are not part of the “regular” K-12 and special education programs
 - ▶ Early Childhood Family Education
 - ▶ Programs for adults
 - ▶ Recreational programs

- ▶ Fund 8: Trust Fund
 - ▶ Accounts for revenues and expenses for scholarship programs funded by donations

BASIC EDUCATION FORMULA

- ▶ Supreme Court in 1993 upheld fundamental right to “general and uniform system of education”
- ▶ Led Minnesota to provide basic school funding:
 - ▶ 100% of basic education formula
 - ▶ Using equalization factors for various property tax-supported formulas to provide basic education regardless of wealth
- ▶ Since started in 2003, state funding for schools has not kept up with inflation.

FACTORS AFFECTING PROPOSED TAXES FOR CHOKIO-ALBERTA SCHOOL DISTRICT

**Total tax levy is increasing in 2021 by
\$3,810.58 or .68%.**

Affecting all levies:

- ▶ Due to changes in total valuation or enrollment, which affect equalization formulas

Chokio-Alberta FINAL Levy Certification Comparison

Fund	Levy Category	Actual Levy 2019 Pay 2020	FINAL APPROVED Levy 2020 Pay 2021 (10/15/20)	Amount of Change	% Change
General	Voter Approved Referendum	\$ 357,421.08	\$ 369,581.81	\$ 12,160.73	3.40%
	Local Optional Revenue (LOR)	\$ 57,515.00	\$ 51,193.43	\$ (6,321.57)	-10.99%
	Equity	\$ 4,606.64	\$ 6,081.36	\$ 1,474.72	0.00%
	Student Achievement (GenEd)	\$ -	\$ -	\$ -	100.00%
	Operating Capital	\$ 40,143.92	\$ 41,144.66	\$ 1,000.74	2.49%
	Reemployment Insurance	\$ (300.00)	\$ (300.00)	\$ -	0.00%
	Safe Schools	\$ 6,289.20	\$ 5,922.72	\$ (366.48)	-5.83%
	Career and Technical	\$ -	\$ -	\$ -	0.00%
	LTFM - Long Term Fac Maint	\$ 66,245.24	\$ 64,645.60	\$ (1,599.64)	-2.41%
	Health and Safety	\$ -	\$ -	\$ -	0.00%
	Deferred Maintenance	\$ -	\$ -	\$ -	0.00%
	Adjustments (Abatement)	\$ 96.43	\$ 62.48	\$ (33.95)	0.00%
	Total General Fund	\$ 532,017.51	\$ 538,332.06	\$ 6,314.55	1.19%
Community Service	Basic Community Education	\$ 8,570.70	\$ 8,570.70	\$ -	0.00%
	Early Child Family Education	\$ 18,564.60	\$ 16,087.50	\$ (2,477.10)	-13.34%
	Home Visiting	\$ -	\$ -	\$ -	0.00%
	School-Age Care	\$ -	\$ -	\$ -	0.00%
	Adjustments (Abatement)	\$ 24.47	\$ (2.40)	\$ (26.87)	0.00%
	Total Community Service Fund	\$ 27,159.77	\$ 24,655.80	\$ (2,503.97)	-9.22%
TOTAL LEVY - ALL FUNDS		\$ 559,177.28	\$ 562,987.86	\$ 3,810.58	0.68%

The background features abstract, overlapping green geometric shapes, primarily triangles and polygons, in various shades of green, creating a modern and dynamic look.

Thank you for coming.

Any Questions?