Voted & Board Local Levy Program

2019 GS | State Property Tax Guarantee Programs

- **State Guarantees Minimum Revenue per WPU**
  - FY 2019 Rate is $43.10 per WPU/Tax Increment
    - 1 Tax Incr. = Tax Rate of 0.0001
    - Up to 20 Tax Increments Guaranteed by State (0.002)
      - Voted Levy = 16 Incr. Maximum (Tax Rate = 0.0016)
      - Board Levy = Balance of Incr. (20 Minus Voted Incr.)
  - Local Property Tax Must Generate Less than the Guarantee Rate to Receive State Funding
  - Original Program to Expand Educational Opportunities Above the Minimum Program
  - State Guarantee Increases Each Year by Statute
    - FY 2020 Estimated Guarantee Rate - $44.98 per WPU

MSP: Voted & Board Local Levy Programs

2019 GS | State Supported Property Tax Guarantee Programs

- **State Guarantees Minimum Revenue per WPU**
  - FY 2019 Rate is $43.10 per WPU/Tax Increment
    - 1 Tax Incr. = Tax Rate of 0.0001
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  - Original Program to Expand Educational Opportunities Above the Minimum Program
  - State Guarantee Increases Each Year by Statute
    - FY 2020 Estimated Guarantee Rate - $44.98 per WPU
MSP: Voted & Board Formula
2019 GS | How The Formula Works

Hypothetical School District
- FY 2020 State Guarantee: $44.98/WPU/0.0001 Tax Increment
- Total Assessed Value: $2,000,000,000
- Voted Local Levy Rate: 0.0010
- Weighted Pupil Units: 10,000

Minimum Guaranteed Revenue
- Guarantee amount X # increments X WPUs
  - $44.98 X 10 X 10,000 = $4,498,000

Property Tax Revenue Generated by Rate
- Voted Local Levy Rate X Total Assessed Value
  - 0.0010 X $2,000,000,000 = $2,000,000

State Contribution
- Minimum Guaranteed Revenue – Property Tax Revenue
  - $4,498,000 – $2,000,000 = $2,498,000

Voted & Board State Guarantee: Tax Increments Guaranteed Per for Each WPU
- 45 Tax Increments Possible
- State Guarantees Up to 20 for Each WPU
- 25 Increments NOT Guaranteed
Variables That May Cause Difference in Collections

- **Rate Levied**
- **Statutory Caps on Rates**
- **Taxable Value of Property**
- **Number of Students**

### Public Education: Estimated Tax Revenue Compared to Tax Rate
Revenue Generated per Tax Increment (0.0001) per Weighted Pupil Unit Compared to Combined Tax Rate (Less Basic Levy) | FY 2018

### Voted & Board Local Levy Programs - State Guarantee
Estimated Local Property Tax Revenue Generated per Tax Increment (0.0001) per Weighted Pupil Unit and Impact of the State Guarantee of $44.98 per Weighted Pupil Unit | FY 2020 Estimated

- Local Revenue
- State Guarantee @ $44.98

- **Variables That May Cause Difference in Collections**
  - **Rate Levied**
  - **Statutory Caps on Rates**
  - **Taxable Value of Property**
  - **Number of Students**
Guarantee Rate (per 0.0001 Tax Rate per WPU): $43.10

<table>
<thead>
<tr>
<th>Revenue Sources</th>
<th>Amount</th>
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<tbody>
<tr>
<td>A. State Revenue</td>
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<tr>
<td>1. Education Fund</td>
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<td>a. Education Fund, One-time</td>
<td>128,740,500</td>
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<td>B. Restricted State Revenue</td>
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<tr>
<td>1. EFR - Minimum Basic Growth Account</td>
<td>56,250,000</td>
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<tr>
<td>2. EFR - Local Levy Growth Account</td>
<td>36,117,300</td>
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<td>Subtotal - State Revenues:</td>
<td>221,107,800</td>
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<td>C. Local Property Tax Revenue</td>
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<tr>
<td>1. Voted Local Levy</td>
<td>324,424,900</td>
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<tr>
<td>2. Board Local Levy</td>
<td>109,864,100</td>
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<td>a. Reading Improvement Program</td>
<td>15,000,000</td>
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<td>Subtotal - Local Property Tax Revenues:</td>
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<td>Total Revenues:</td>
<td>$670,396,800</td>
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Expenditures by Categorical Program

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<tr>
<th>Expenditures by Categorical Program</th>
<th>Changes</th>
<th>Amount</th>
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</thead>
<tbody>
<tr>
<td>A. Voted and Board Local Levy Programs</td>
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<tr>
<td>1. Voted Local Levy Program</td>
<td>49,897,900</td>
<td>495,172,900</td>
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<td>2. Board Local Levy Program</td>
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<td>3. Board Local Levy - Early Literacy Program</td>
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<td>Total Expenditures:</td>
<td>$75,580,200</td>
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Budget Issues:
Voted & Board Local Levy Programs
FY 2019 & FY 2020 Issues for Consideration by the Legislature

- Enrollment Growth
  - State Funds – ($20,906,500) one-time
  - Local Funds - $124,827,100 ongoing

- State Guarantee Rate in FY 2020
  - Statute Ties Rate to Prior-Year WPU Value Increase (FY2019) + Accelerator
  - Revenue from “Basic Rate Freeze” Used to Increase Rate (Est. $12,880,600 Increase)
  - Increases from $43.10 to $44.98 per WPU for each Tax Increment (0.0001) Guaranteed