



NRHEG Public School

Independent School District No. 2168

High School
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New Richland, MN 56072
(507)465-3205
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Elementary School
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Ellendale, MN 56026
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Our Mission

Empowering students with knowledge and skills to succeed.

Our Vision

To be the school district of choice, inspiring excellence in academics, arts, and activities.

School District Update

Dale Carlson, Superintendent

December 2019

Our vision as a school community is to *be the school district of choice, inspiring excellence in academics, arts, and activities*. We strive to do this every day by *empowering students with knowledge and skills to succeed*.

I invited our School District Business Manager, Karla Christopherson, to share information below about the upcoming Truth in Taxation Public Hearing to be held at 6:00 pm on Monday, December 16, in the Secondary School Media Center. Thank you to Ms. Christopherson for the important work she does in managing the finances of the school district.

A reminder that the School Board conducts its regular monthly meeting on the third Monday of each month. The location of the meeting is rotated monthly between the NRHEG Secondary School Media Center in New Richland and the NRHEG Elementary School Media Center in Ellendale. The December 16, 2019, School Board meeting will be at the Secondary School beginning at 6:30 pm, and the January 21, 2020, School Board meeting will be at the Elementary School beginning at 6:30 pm. Please note the January School Board meeting is on a Tuesday since Monday, January 20, is a holiday.

The School Board will also be holding a special School Board meeting on either Tuesday, January 7, or Wednesday, January 8, 2020, for the purpose of conducting the annual organizational meeting of the School Board. The Board will determine the date at the December 16 School Board meeting.

We celebrate together in the accomplishments of our students because we are in this journey together as a school community. Thank you for all you do to support NRHEG Public Schools and our students!

What is Truth in Taxation?

Karla Christopherson, Business Manager

Dale N. Carlson, Superintendent

David A. Bunn, High School Principal

Douglas A. Anderson, Elementary Principal

Minnesota's Truth in Taxation Law requires that cities, counties and school districts follow certain steps before adopting a tax levy for the following year as explained in a publication by **Minnesota Department of Revenue** called *Truth in Taxation Instructions for Payable 2020*. Each school district must have adopted its proposed property tax for the taxes payable year 2020 and certified that amount to the home county auditor on or before September 30, 2019. The proposed property tax levy certified should be the school district's proposed property tax levy for all purposes, including debt service. The school district must certify its proposed levy in two amounts: (1) the voter-approved referendum and debt levies; and (2) the sum of the remaining school levies, or the maximum levy limitation certified by the commissioner of education according to Minnesota Statutes 126C.48, subdivision 1, minus the amounts levied under (1). "Voter-approved levies" means school district taxes approved at referendums for both operating purposes and debt.

Our school district was very fortunate to pass a \$9.1 million referendum this past April to fund building improvements, security enhancements and deferred maintenance projects. The increase in property taxes needed to make the debt payments is reflected under the Voter Approved portion of your property tax statement. We were fortunate to have had a successful bond sale and locked in a borrowing rate lower than was originally anticipated. As Reed Waller reported in the July 30th Star Eagle, "thanks to the NRHEG district's A+ credit rating and a S&P rating of "AAA," the results were better than predicted last November. The bonds were expected to carry an interest rate of about four percent and have a tax impact of \$33 per \$100,000 residential, but on July 15 it came out at 2.6 percent and \$26". This lower interest rate along with law changes to the Ag2School Credit have resulted in voter approved property tax increases less than the tax impact calculator showed during the referendum campaign.

The Ag2School Credit was enacted into law in 2017 and had provided a 40% reduction in the debt service levy for ag properties. In 2019, Legislators increased the reduction to 50% for taxes payable in 2020 and it is scheduled to scale up to 70% in 2023. The revenue for the Ag2School credit comes from state income, sales and other tax revenue. Because this affects all existing debt levies, ag land owners have been receiving this credit on our outstanding alternative facility bond and now will receive an additional credit on property tax increases due to the passed building bond. This has been a very positive funding change for our taxpayers with agriculture properties.

Another piece of legislation to highlight that has had an effect on local property taxes is the Long Term Facility Maintenance (LTFM). The LTFM, was passed in 2015. It was based on the idea that all districts statewide should have the same opportunity to generate facility maintenance funds from their tax base with equalization as do the larger districts in the state. The LTFM program included a three-year phased approach that began in FY 2017. Districts received up to \$193 per pupil of revenue the first year and that amount has scaled up to \$380 per pupil in FY 2019. A component of the LTFM legislation requires that districts develop a 10 year facilities maintenance plan adopted by its school board. A few examples of LTFM projects being completed recently include mechanical and plumbing improvements at both schools, a remodeled walk in cooler at the secondary building and overhead door repairs at both bus garages.

As part of the required public hearing, administration will discuss the proposed property tax levy and present an overview of the District budget approved by the School Board in November, 2019. The 2019-2020 budget includes a projected revenue of \$10,829,176 across the four primary funds including General, Food Service, Community Service, and Debt Service, and reflects a decrease of about 3.8% from the prior year. The budget also includes planned expenditures of \$10,937,719 which reflects a decrease of about 2.5% from the prior year.

At the regular School Board meeting on December 16, the School Board will consider certifying the final payable 2020 property tax levy. The School Board will consider the following resolution.

Whereas, Pursuant to Minnesota Statutes the School Board of NRHEG School District, New Richland, Minnesota, is authorized to make the following proposed tax levies for general purposes:

Maintenance (General Fund)	\$ 894,801.70
• Includes Referendum	
Community Service	90,755.78
Debt Service	707,939.97
Total Proposed School Tax Levy	\$1,693,497.45

Now Therefore, Be it resolved by the School Board of NRHEG School District, New Richland, Minnesota, that the levy to be levied in 2019 to be collected in 2020 is set at \$1,693,497.45. The clerk of the NRHEG School Board is authorized to certify the proposed levy to the County Auditor of Waseca County, Minnesota.

The proposed levy of \$1,693,497.45 represents an 34.28% increase over the prior year in which our school district experienced a very slight .53% increase.

For more information regarding *Truth In Taxation* and NRHEG's school levy, please plan to attend the public hearing on December 16 beginning at 6:00 pm in the Secondary School Media Center in New Richland, or visit our school website at nrheg.k12.mn.us to view the power point presentation.