

# NRHEG Public School

Independent School District No. 2168



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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 2017

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 about the upcoming Truth in Taxation Public Hearing to be held at 6:00 pm on Monday, December 18, 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 18, 2017, School Board meeting will be at the Secondary School beginning at 6:30 pm, and the January 16, 2018, 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 15, is a holiday.

The School Board will also be holding a special School Board meeting on Tuesday, January 2, 2018, for the purpose of conducting the annual organizational meeting of the School Board.

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 2018*. Each school district must have adopted its proposed property tax for the taxes payable year 2018 and certified that amount to the home county auditor on or before October 2, 2017. 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. Voter approved levies include those referendum levies based on market value and net tax capacity.

Two pieces of legislation to highlight that have had an effect on local property taxes recently include the Long Term Facility Maintenance (LTFM) and the Ag2School Credit. The LTFM, was passed in 2015, and 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. According to state statute 123B.595, the new LTFM program includes a three-year phased approach beginning in FY 2017. Districts will receive up to \$193 per pupil of revenue the first year, then in FY 2018, districts can obtain up to \$292 per pupil and up to \$380 per pupil in FY 2019. As Rod Schumacher explains in an article entitled *New MN Legislation for Long-Term Facilities Maintenance Revenue*, "a key element of the equalization of this program is that half of the agricultural land in a district is not counted when calculating the district's value per pupil. The result is that districts with significant concentrations of agricultural land such as NRHEG, will reflect a lower value when compared to land areas with more dense populations, potentially qualifying them for additional state aid."

A component of the LTFM legislation requires that districts develop a 10 year facilities maintenance plan adopted by its school board. As a result of the plan approved by the NRHEG School Board, a few examples of LTFM projects being completed this year include the New Richland football stadium crowd's nest renovations, mechanical system improvements at both schools, seal coating and striping of parking lots, and improving the Ellendale softball complex parking and access.

The Ag2School Credit was passed in 2017 and provides a 40% reduction in the debt service levy for ag properties. In our case, this means that this credit will apply to the already outstanding alternative facilities bond. Currently, since our debt is relatively low at this time, the credit has a less significant impact per acre. However, going forward this will be a positive for our taxpayers with agriculture properties.

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 June, 2017. The 2017-2018 budget includes a projected revenue of \$11,015,227 across the four primary funds including General, Food Service, Community Service, and Debt Service, and reflects an increase of about 3.5% from the prior year. The budget also includes planned expenditures of \$11,040,546 which reflects an increase of about 4.1% from the prior year.

At the regular School Board meeting on December 18, the School Board will consider certifying the final payable 2018 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:**

<b>Maintenance (General Fund)</b>	<b>\$ 912,208.39</b>
• Includes Referendum	
<b>Community Service</b>	<b>61,560.71</b>
<b>Debt Service</b>	<b>280,842.42</b>
<b>Total Proposed School Tax Levy</b>	<b>\$1,254,611.52</b>

**Now Therefore, Be it resolved by the School Board of NRHEG School District, New Richland, Minnesota, that the levy to be levied in 2017 to be collected in 2018 is set at \$1,254,611.52. 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 \$1,254,611.52 represents an 8.79% decrease over the prior year in which our school district experienced a 3.58% increase.

For more information regarding *Truth In Taxation* and NRHEG's school levy, please plan to attend the public hearing on December 18 beginning at 6:00 pm in the Secondary School Media Center in New Richland, or visit our school website at [nrheg.k12.mn.us](http://nrheg.k12.mn.us) to view the power point presentation.