

Truth-in-Taxation Hearing Truth-in-Budgeting Hearing



June 26, 2017

Truth - in - Taxation Hearing



PROPERTY TAX 101

“MILLAGE RATE”

- Mill = \$1 per thousand of “taxable value”
- Example: A house has.....
 - “Market Value” of \$200,000
 - “State Equalized Value” of \$100,000
 - “Taxable Value of \$80,000
 - 1 mill = \$80/year

How millage rates work

$$X \times Y = Z$$

Taxable Value x Millage Rate = Total Revenue



Grand Ledge Public Schools Tax Collection Schedule

Tax Levy	Delta Twp & City of Grand Ledge	All Others
General Fund (Non-Principal Residence only)	Summer	Winter
Debt & Sinking Fund (all property)	50%/50%	Winter

Funding Accounting Rules

General (Operating) Fund

- Source: Foundation Grant (Non-PRE property taxes & state aid), grants
- Uses: Day-to-day operations
- Restrictions: None on Foundation Grant, grants restricted to purpose

Debt Fund

- Source: Tax on all property
- Uses: Bond proceeds used for building, land, buses, technology. Taxes used to make principal and interest payments on voted debt
- Restrictions: Cannot be used for day-to-day operations (Section 1351a)

Capital Improvement (Sinking) Fund

- Source: Tax on all property
- Uses: Building renovation and land acquisition
- Restrictions: Uses controlled by Department of Treasury. Cannot be used for buses, technology, or day-to-day operations



The General Fund

(Operating Fund)

Grand Ledge Public Schools
2016-17
General Fund Millage Rates

- Non-Homestead Tax Rates = 18 mills
- Industrial Personal Property = 0 mills
- Commercial Personal Property = 6 mills
- State Education Tax = 6 mills

The millage rate is constant and the revenue is variable!



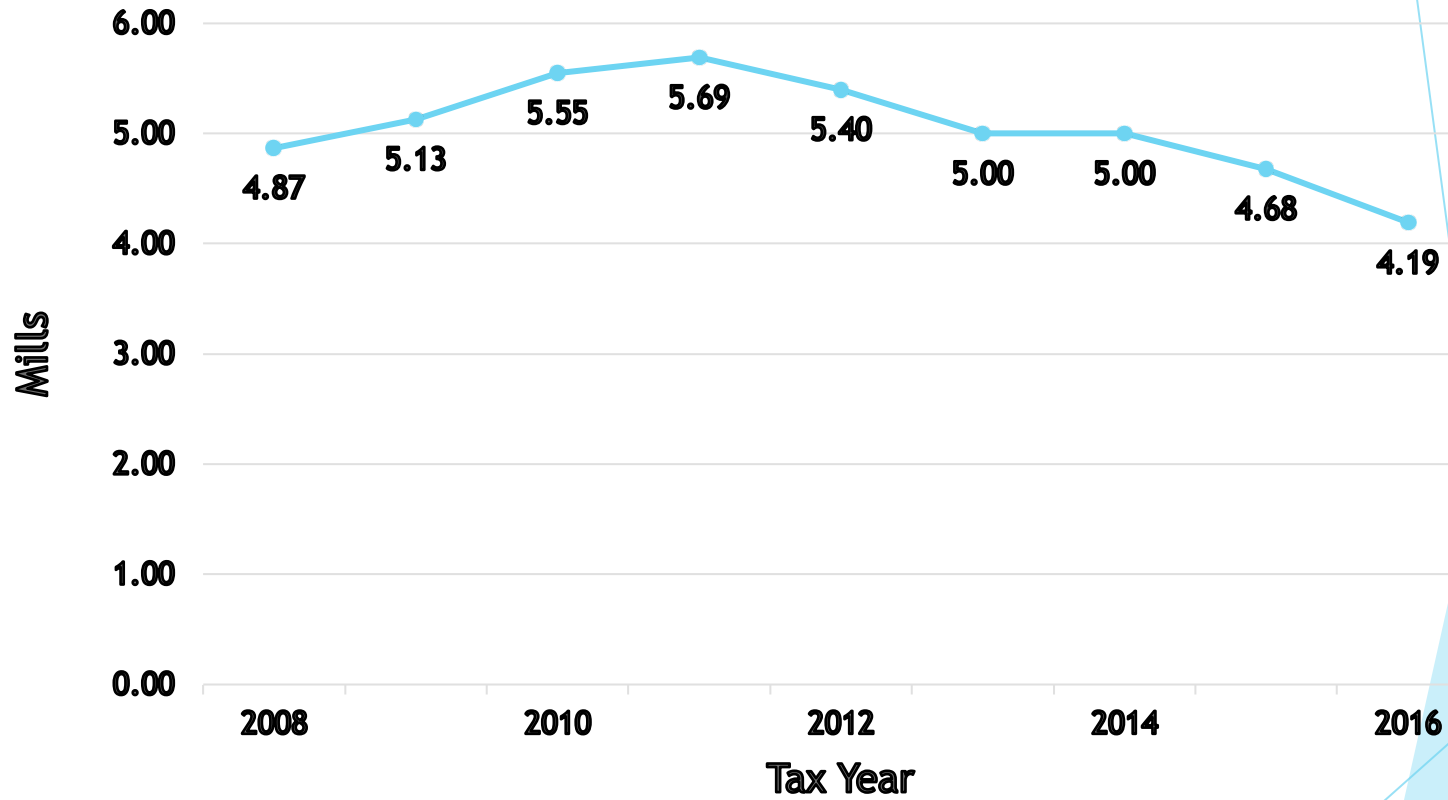
Debt Fund

Debt Fund Details

- Total outstanding debt: \$43.1 million
- Total “Taxable Value” of \$1.34 billion
- Principal and interest payments of \$5.25 million
- Millage rate needed to make bond payments: 4.19 mills

The millage rate is variable but the revenue is fixed

Debt Millage History





The
Capital Improvement
Fund
(Sinking)

Capital Improvement (Sinking) Fund Details

- Approved 0.8 mill for 10 years
- Expires 12/21

The millage rate is constant but the revenue is variable

Grand Ledge Public Schools Changes in Property Tax Rates

- ❑ Non Homestead (Operating) - No Change
- ❑ Debt Service - No Change
- ❑ Capital Improvement - No Change



Don't always believe what
you hear...

“Grand Ledge Public Schools
have high taxes.”

Comparative Millage Rates Area School Districts

DISTRICT	DEBT	SINKING FUND	RECREATION	TOTAL
Potterville	7.65	4.9840		12.6340
Dewitt	10.00			10.0000
Holt	10.00			10.0000
Haslett	8.33	2.0153		10.3453
Williamston	7.84	0.9957	0.7467	9.5824
Leslie	5.95	3.0000		8.9500
Webberville	7.45	0.9807		8.4307
Charlotte	7.59		0.5000	8.0900
Eaton Rapids	7.00	1.0000		8.0000
Waverly	7.00	1.0000		8.0000
Dansville	7.00	0.9992		7.9992
Okemos	7.00	0.9888		7.9888
Maple Valley	7.00			7.0000
St. Johns	7.00			7.0000
East Lansing	5.21	1.2860		6.4910
Grand Ledge	4.18	0.8000		4.9800
Lansing	4.65			4.6500
Stockbridge	4.28			4.2800
Mason	2.95	0.9959		3.9459

Truth - in - Budgeting Hearing



Funds

- ❑ General Fund (Includes Athletics)
 - ❑ Food Service
 - ❑ Community Education
 - ❑ School Store
 - ❑ Sinking Fund
 - ❑ Debt Fund

The General Fund



2016-17 FINAL REVISION

Estimated Final Revenues	\$52,032,037
Estimated Final Expenditures	<u>\$51,216,823</u>
Operating Excess (Deficit)	\$ 815,214
June 30 Ending Fund Balance	\$ 5,009,266
Fund Balance as a % of Expenditures	9.8%

Revenues

Per Pupil Foundation Grant

- GLPS 2016-2017 per pupil allowance - \$7,511
- Increased enrollment (100 pupils) - \$631,000
- ERESA Sp. Ed Fund Balance distribution - \$700,000 **(ONE TIME FUNDS)**
- Medicaid Revenue for Fiscal Years 2014-2016 - \$90,000

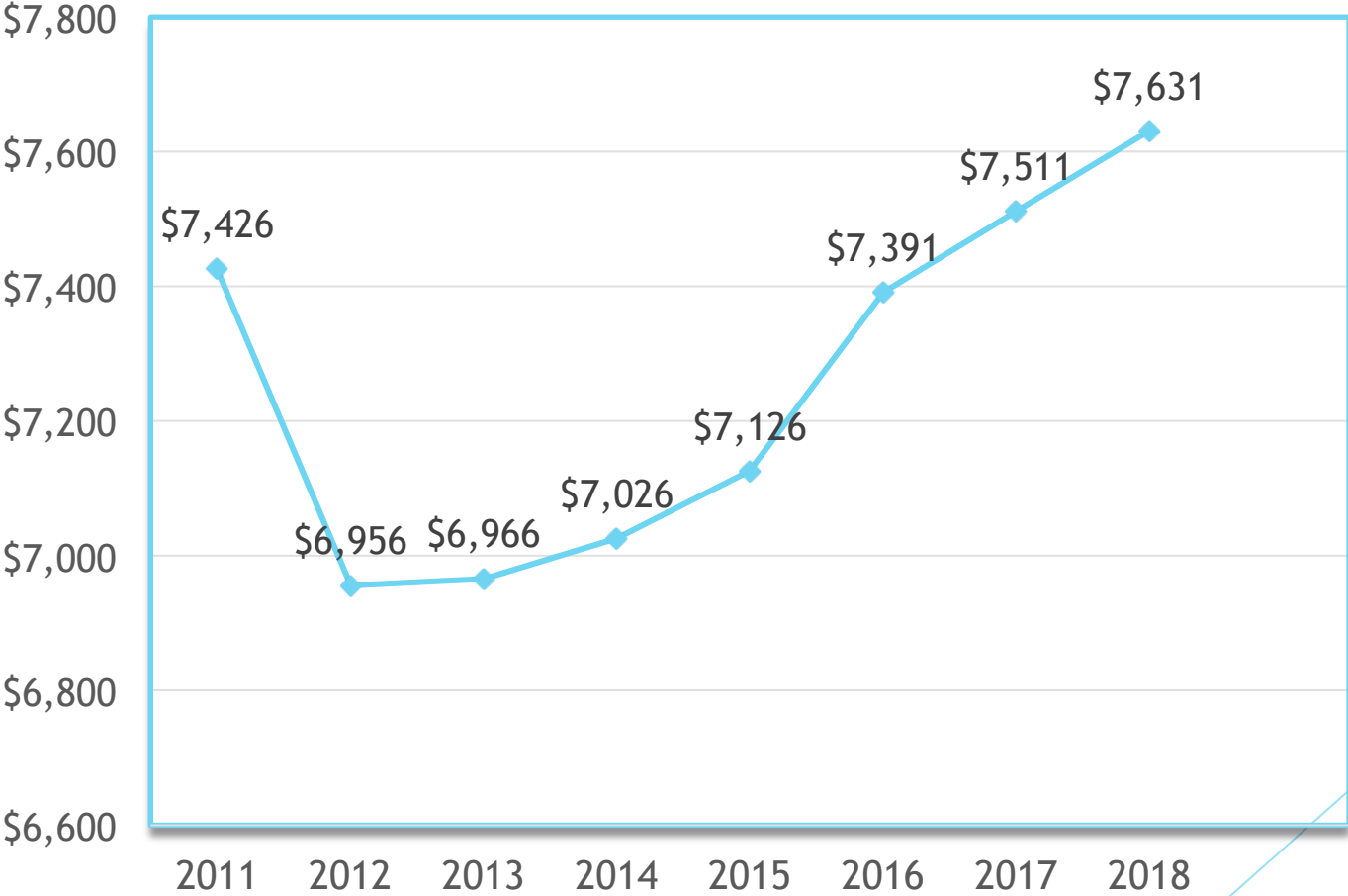
Revenues

Per Pupil Foundation Grant -

- \$120 increase for 2017-18
 - New statewide base = \$7,631
 - New statewide maximum = \$8,289



Per Pupil Foundation Allowance



Per Pupil Funding 2017-2018

Additional \$120 per pupil
equates to

A net increase of 1.6%



Enrollment

(Blended Count)

- 2016-17
 - StanFred predicted GLPS to be down slightly
 - Middle Cities predicted GLPS would be up slightly
 - Actual enrollment was up 100 students
- 2017-18
 - Enrollment forecasters are predicting GLPS to be down
 - We are estimating a decrease in enrollment of 33 pupils

2017-18 Revenue Summary

Base Revenues	\$52,032,037
Changes:	
State Aid Increase (Net)	\$ 264,000
E-Rate Revenue	(\$ 72,300)
Federal Grant Revenue	(\$ 300,000)
ERESA Parapro Revenue	(\$ 802,000)
Misc. Grant Revenue	(\$ 150,000)
Sp. Ed Fund Balance Distribution	(\$ 700,000)
Medicaid Revenue	(\$ 66,000)
Total Adopted Revenue	\$ 50,205,764

Revenues - Bottom Line

Down
\$1,826,275



2017-18 Expenditure Summary

Base Expenditures	\$51,216,823
Changes:	
Wage/Fringe Increases (all staff)	\$ 540,000
ERESA Parapros	(\$ 802,000)
Expenditure Reductions - (buses, computers, software training)	(\$ 785,000)
Total Adopted Revenue	\$50,167,734

Expenditures - Bottom Line

Down
\$1,049,089



2017-18 General Fund Budget Summary

Beginning, Undesignated Fund Balance	\$ 5,009,266	9.8%
Total Revenue	\$50,205,764	
Total Expenditures	\$50,167,734	
Operating Surplus (deficit)	\$ 38,030	
Estimated, Ending Undesignated Fund Balance	\$ 5,047,296	10.0%



QUESTIONS/COMMENTS

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