

# CASE Financial Topics

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## School District Mill Levy Setting

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And

CASE Panel



# Basic School Finance

## Total Program Funding

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- Total Program Calculation
  - Per-Pupil Revenue x Pupil Count
- Total Program Components
  - Property Taxes
  - Specific Ownership Taxes
  - State Equalization
- FY 2020-21 School Finance Act
  - Budget Stabilization Factor = \$1.05B
  - Average Per Pupil Funding = \$8,000
  - Total Program = \$7B (state and local share)

# Basic School Finance Categorical Funding (for Cat. Buyout)

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- English Language Proficiency Act (ELPA)
- Gifted and Talented
- Special Education (ECEA)
- Transportation
- Vocational Education

# Definitions

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- **AV - Assessed Valuation**
- **Mill - 1/1000**
- **Mill Levy - Property Tax Rate**
- **How to calculate = Revenue Req/AV**
- **Pupil Count - Oct 1 Count (Best of 1, 2, 3, 4, or 5 yr avg)**

# Deadlines

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- **Preliminary Assessed Valuation from County Assessor - Aug 31**
- **Final Certification of Assessed Valuation - Dec 10**
- **Deadline to certify Mill Levy to County Treasurer & Cty Comm-  
Dec 15**
  - **Board of Education Resolution (See CDE Website)**
- **Deadline to return Mill Levy Cert to CDE - Dec 21 (Approved Form)**

# Components of the Total Mill Levy

- General Fund Levy
- Bond Debt Levy
- Hold Harmless Levy
- Mill Levy Overrides
- Abatement Levy
- Other Allowable Levies:
  - Technology
  - Capital Construction
  - Maintenance
  - Transportation
  - Kindergarten Mill
- For Cat Buyout
  - Categorical Buyout Mill
  - Total Program Reserve Mill

# Mill Levy - General Levy - DeTabored Districts

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- **HB 20-1418 Objective is to levy 27 mills and provide a credit to taxpayers**
- **Mill Levy at the time of De-Taboring/DeBrucing**
- **CDE Spreadsheet Model Provided by Tim Kahle**
  - **You need to double check your District's data**
  - **GF Levy (and bond & mlo) for the year of De-Brucing**
  - **Assessed Valuations on the CDE form usually don't match the final AV**
  - **SOT calculations**

# HB 20-1418 Calculation

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- The “correct” interpretation of 20-1418 is:
  - The lesser of:
    - 27 mills
      - with offsetting credit to equal PY levy (if applic.)
    - The number of mills the district was required to levy in the year of De-Brucing
      - Authorized (where AV was highest) vs Unauthorized Reductions in Levy\*
    - The number of mills required to get to Total Program Funding for the applicable budget year (current year)

\* For further conversations later in the presentation



# Sample District Calculation

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County	1	2	3	4
	District Already at 27 mills	District PY below 27 mills but above 27 at DeBruce	DeBruced at <27 mills (18.30) and then dropped further	Categorical Buyout (33.282 when DeBruced but ratcheted Down)
CATEGORY				
1. Mill Levy per HB20-1418	27.000	27.000	18.300	5.624
1a. HB20-1418 Tax Credit	0.000	0.990	7.543	0.000
1b. HB20-1418 Net Mill Levy (amt collected by county)	27.000	26.010	10.757	5.624

# Legislative Intent 20-1480 (Julie P)

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- If you are a District that CDE has indicated that you were fully funded (local share)
- You need to contact to CDE to find out when that was
- In order that you have documentation for setting your mill levy and tax credit

# Mill Levy Template (Aaron Oberg)

**Assessed valuation section**

<b>Step 1</b>	<b>CERTIFICATION OF VALUATION BY each COUNTY ASSESSOR</b>	<i>County 1</i>	<i>County 2</i>	<i>County 3</i>	<i>County 4</i>	<i>Total</i>
	<i>Enter line 2</i>					
	CURRENT YEAR'S GROSS TOTAL TAXABLE ASSESSED VALUATION	\$ -	\$ -	\$ -	\$ -	\$ -
	<i>Enter line 3</i>					
	LESS TIF DISTRICT INCREMENT, IF ANY	\$ -	\$ -	\$ -	\$ -	\$ -
	<i>Calculates line 4</i>					
	CURRENT YEAR'S NET TOTAL TAXABLE ASSESSED VALUATION	\$ -	\$ -	\$ -	\$ -	\$ -
	<i>Enter line 11</i>					
	TAXES ABATED AND REFUNDED	\$ -	\$ -	\$ -	\$ -	\$ -
	<i>Enter the bottom line</i>					
	TOTAL ACTUAL VALUE OF ALL TAXABLE PROPERTY	\$ -	\$ -	\$ -	\$ -	\$ -

**Total Program Mill section**

<b>Step 2</b>	<b>Various sources</b>	<b>Total Program Mill Levy</b>		
	a 27 mills	27.000		
	Total Program Mill Levy in the year the TABOR de-bruce ballot question b passed	0.000		
	c Fully funded mill levy	0.000		
	d Last year's Total Program Mill Levy	0.000		
	e <b>Total program mill levy</b>	<input type="text" value="0.000"/>	lowest of a, b, c	
	<b>Temporary property tax credit</b>	<input type="text" value="0.000"/>	e minus d	

# Categorical Buyout Districts (Glenn M & Jeremy B)

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- The calculation is more complicated
- Total Program before BSF/Negative Factor
- Less: (GF Mill Levy/All Mills except MLO and Total Program Reserve Fund = % to Apply
- SOT attributable to GF + SOT Collected for Total Program Reserve Fund

# Check for Understanding

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# Mill Levy Components - Bond Levy

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- Debt Service Model
- Use property tax Collections and debt service payment by month
- Maximum Levy Calculation - Ballot Question
- Maximum Debt Service Reserve - Check with Bond Counsel (cleaning our reserve on a regular basis)
  - More complicated with refundings

# Debt Service Model (Multi-Yr)

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2021				
Assessed Valuation		3,050,000,000		
Bond Mill Levy		6.600	\$20,130,000	
Beginning Balance		\$6,500,000		Interest Rate 0.50%
	<u>Interest</u>	<u>Revenues</u>	<u>Debt Svc</u>	<u>Cash Balance</u>
-January	2,708	2,013		6,504,721
-February	2,710	1,167,540		7,674,971
-March	3,198	7,319,268		14,997,437
-April	6,249	269,742		15,273,428
-May	6,364	5,145,228	1,563,350	18,861,670
-June	7,859	837,408		19,706,937
-July	8,211	4,501,068		24,216,216
-August	10,090	303,963		24,530,269
-Sept	10,221	130,845		24,671,335
-Oct	10,280	70,455		24,752,070
-Nov	10,313	199,287	15,338,350	9,623,320
-Dec	4,010	10,065		9,637,395
		\$19,956,882		

# Mill Levy Overrides

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- Fixed Dollar MLO vs Inflation Adjusted MLO
- Or Fixed Mill
- Divide total MLO Amount by Assessed Valuation
- Max % Allowed = 25% (30% for some)
- If you passed a bond/MLO in November, don't forget to levy the taxes in December (In addition to BEST grants)



# Mill Levy Override Calculation

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	<u>2000 MLO</u>	<u>2017 MLO</u>
Prior Year Amount	26,998,822	44,683,032
Inflation % (Denver CPI)	0.00%	1.92%
	<u>26,998,822</u>	<u>45,540,946</u>
Assessed Valuation	<u>3,050,219,290</u>	<u>3,050,219,290</u>
Mill Levy Following Year	<u>8.851</u>	<u>14.930</u>

# Abatement Levy

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- Provided to honor 100% Total Program Funding
- CDE determines amount based on prior year abatements
  - Comes from County Cert of Valuation as of August 1st

# Colorado Springs School District 11

## COMPARISON OF YEAR 2020 and 2021 MILL LEVY RATES AND REVENUES

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	Dec 2019 Certified <b>YEAR 2020</b>	Dec 2020 Estimated <b>YEAR 2021</b>	<b>Change</b>		
Assessed Valuation:	\$ 3,026,822,100	\$ 3,050,219,290	23,397,190	<b>0.8%</b>	
<b>Components:</b>	<b><u>Mills</u></b>	<b><u>Mills</u></b>	<b><u>Mills</u></b>		<b>Tax Impact</b>
1 General Fund Levy	20.715	20.715	-		-
2 Bond Levy	6.616	6.600	(0.016)		(0.34)
3 Education Plan Levy 2000	8.920	8.869	(0.051)		(1.09)
4 Education Plan Levy 2017	14.733	14.960	0.227		4.87
Mill Levy Before Abatement Levy	50.984	51.144	0.160		3.43
5 Abatement Levy	0.574	0.410	(0.164)		(3.52)
<b>Total Levy</b>	<b>51.558</b>	<b>51.554</b>	<b>(0.004)</b>	<b>0.0%</b>	<b>-\$0.09</b>

	\$300,000	\$300,000	Annual Property Tax Increase (Decrease)
<b>Sample Market Value</b>			
<b>Assessed Value at 7.15% (2020)</b>			
<b>7.15% (2021) of Market Value</b>	\$21,450	\$21,450	
<b>Total Mills</b>	51.558	51.554	
<b>District 11 Property Taxes</b>	\$1,105.92	\$1,105.83	(\$0.09)

# Total Program & Mill Levy Checklist (1)

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- Obtain Final Assessed Valuation from County
- Enrollment
  - Current
  - Previous 4 Years Enrollment
  - Averaging (FPC)
  - CPP (0.5FTE)
  - At-Risk Count
- Total Program Calculation
- Categorical Amounts

# Total Program & Mill Levy Checklist

- For Districts that could be/might have been locally funded (1994 to current)

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- **General Fund Mill Tax Credit Calculation (New, Mesa County Verdict and HB20-1418)**
  - The lesser of Total Program Mill levy for full funding, the total program mills in the year that the district DeBruced, or 27 Mills. Look this up for your district.
  - The total program mills needed for this year.
  - The credit is the difference between the two

# Total Program & Mill Levy Checklist - Cat Buyout

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- **Categorical Mill Calculation, in Categorical Buy-out**
  - Figuring Categorical Mills if in Categorical Buy-out (100% locally funded)
  - Gather Categorical Information and Add all Categoricals together
  - $\text{Categorical Total} / \text{Assessed Value} = \text{Categorical Mill to Assess for Categorical Funding}$
- **Total Program Reserve Fund Mill Calculation, in Categorical Buy-out**
  - Figuring Total Program Reserve Fund Mills if in Categorical Buy-out (100% locally funded)
  - $\text{Total General Mills Allowed by Statute} - (\text{General Fund Mills} + \text{Categorical}) \text{ Mills} = \text{Total Program Reserve Fund Mills}$
  - $\text{General Fund Mills} - \text{Categorical Mills}$

# Wrap-up

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- Nuggets of Wisdom/Closing Thoughts
- CDE Mill Levy Certification
  - Mill Levy Certification Form
  - HB20-1418 Mill Levy Information
  - Mill Levy Resolution Template
  - <http://www.cde.state.co.us/cdefinance/fiscalyear2020-21schoolfinancefunding>
- Supplemental Materials
  - Powerpoint Presentation
  - Mill Levy Template from Aaron
  - Debt Service Model from Glenn
  - Mill Levy Data Checklist from Jeremy
- Questions and Answers