

2023-24 Property Tax Request & Budget Draft Information & Considerations

Total Property Tax Request for 2022-23 (Prior Year) :

- TOTAL: \$5,853,013
- General Fund: \$5,186,221
- Special Building Fund: \$666,972

Total Base Allowable Property Tax Request for 2023-24 : \$5,655,602

*Note: The total allowable property tax request amount is now certified to all school districts by NDE as a result of the change in statute (Governor's School Finance Formula-Change In TEEOSA). Each year, the district will now have limited, defined property tax request authority. ***The total base allowable property tax request is only applicable to the total tax request of the General Fund & the Special Building Fund.***

Increased Total Allowable Property Tax Request for 2023-24 with 70% Board Approval : \$6,142,731

*Note: The new statute provides for a maximum increased property tax request that the board can vote to approve above the "Total Base Allowable Property Tax Request" through a 70% (5 out of 6) affirmative vote by the board members. Future years property tax authority will be based on the amount approved by the board of education. So, getting that property tax authority as high as possible, is important for future years. ***To be clear, if the board chooses to vote increase the property tax authority to \$6,142,731, that does **NOT** mean the total tax request for the General Fund & Special Building Fund is going to be \$6,142,731 for the 2023-24 Budget Cycle. Current budget modeling calls for a total property tax request that will be at least \$200,000-\$600,000 lower than the 2022-23 property tax request. The district never taxes any more than absolutely necessary to deliver a quality instructional program, keep up with needed building repairs and improvements, and maintain adequate cash reserves.***

LB644 – Allowable Property Tax Growth Percentage Computation Base Amount : \$5,853,013

*Note: This calculation and legislation was new last year for the 2022-23 budget cycle. This legislation limits districts' property tax requests to a base limitation of 2.00% plus the actual real property growth. If a school district exceeds the Allowable Property Tax Growth Percentage Computation Base Amount, they get to be a part of a joint hearing with other school districts in Buffalo County and have to provide a presentation that explains why they are proposing a budget to exceed the Allowable Property Tax Growth Percentage Computation Base Amount. If they don't exceed this amount, they don't have to be a part of the hearing. This requirement did not go away, with the introduction of the creation of NDE Certifying the Total Base Allowable Property Tax Request. *Essentially, the district is now working under two property tax request benchmarks (or lids) for developing its total property tax request, namely the Allowable Property Tax Growth Percentage Computation Base Amount & The Total Base Allowable Property Tax Request.*

Relationship Between Allowable Property Tax Growth Percentage Computation Base Amount & Total Base Allowable Property Tax Request

LB644 – Allowable Property Tax Growth Percentage Computation Base Amount : \$5,853,013

Total Base Allowable Property Tax Request for 2023-24 : \$5,655,602

Note: Since the amount of the Total Base Allowable Property Tax Request is lower than the Allowable Property Tax Growth Percentage Computation Base Amount, the school district will not need to be a part of the joint public meeting, provided that they do not request more property taxes than the Total Base Allowable Property Tax Request for 2023-24 of \$5,655,602. *Current budget modeling indicates that a total property tax request of \$5,655,602 for the 2023-24 Budget is MORE THAN sufficient to meets the district's revenue needs. The only way the district would need to participate in the LB644 meeting is if they decide to increase the Property Tax Request authority above \$5,853,013 AND actually propose a total property tax request in excess of that amount, which is absolutely unnecessary.*

TEEOSA Changes & Additional Revenue

As a result of the changes in TEEOSA & Special Education Funding, it is estimated that Ravenna Public Schools will receive an additional \$571,032 in state aid funding and an additional \$500,000 in special education reimbursement for a total anticipated increased revenue of approximately \$1,071,032. *If the school gets more money through state aid and through special education reimbursement, the district can ask for less property tax revenue and still maintain its financial position.* Earlier it was stated that last year's total property tax request could be reduced by \$200,000 - \$600,000. The added revenue from these two sources (state aid & increased SPED reimbursement) is what make the reduction in the property tax request possible.