

Monthly Committee of the Whole Board Meeting

Duluth Public Schools, ISD 709

Agenda

Tuesday, December 6, 2022

UnitedHealth Group Building

4316 Rice Lake Road

Suite 108

Duluth, MN 55811

4:30 PM

1. **CALL TO ORDER**

2. **ROLL CALL**

3. **AGENDA ITEMS**

A. Action Items - Consent Agenda

1) Presentation Items Requiring Approval - None

2) Resolutions - None

3) Other Action Items - None

B. Informational Items

1) Presentations

a. Strategic Planning Update

COO and Principal Consultant, Dr. Ray Queener

2

b. Duluth Public Schools Planning for our Operational Future

Managing Director Baird Public Finance, Michael Hoheisel

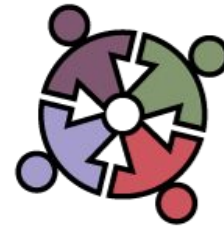
29

c. District Legislature Platform

58

C. Other - None

4. **ADJOURN**



Classroom To Boardroom

Comprehensive Strategic Planning

School Board Meeting Update

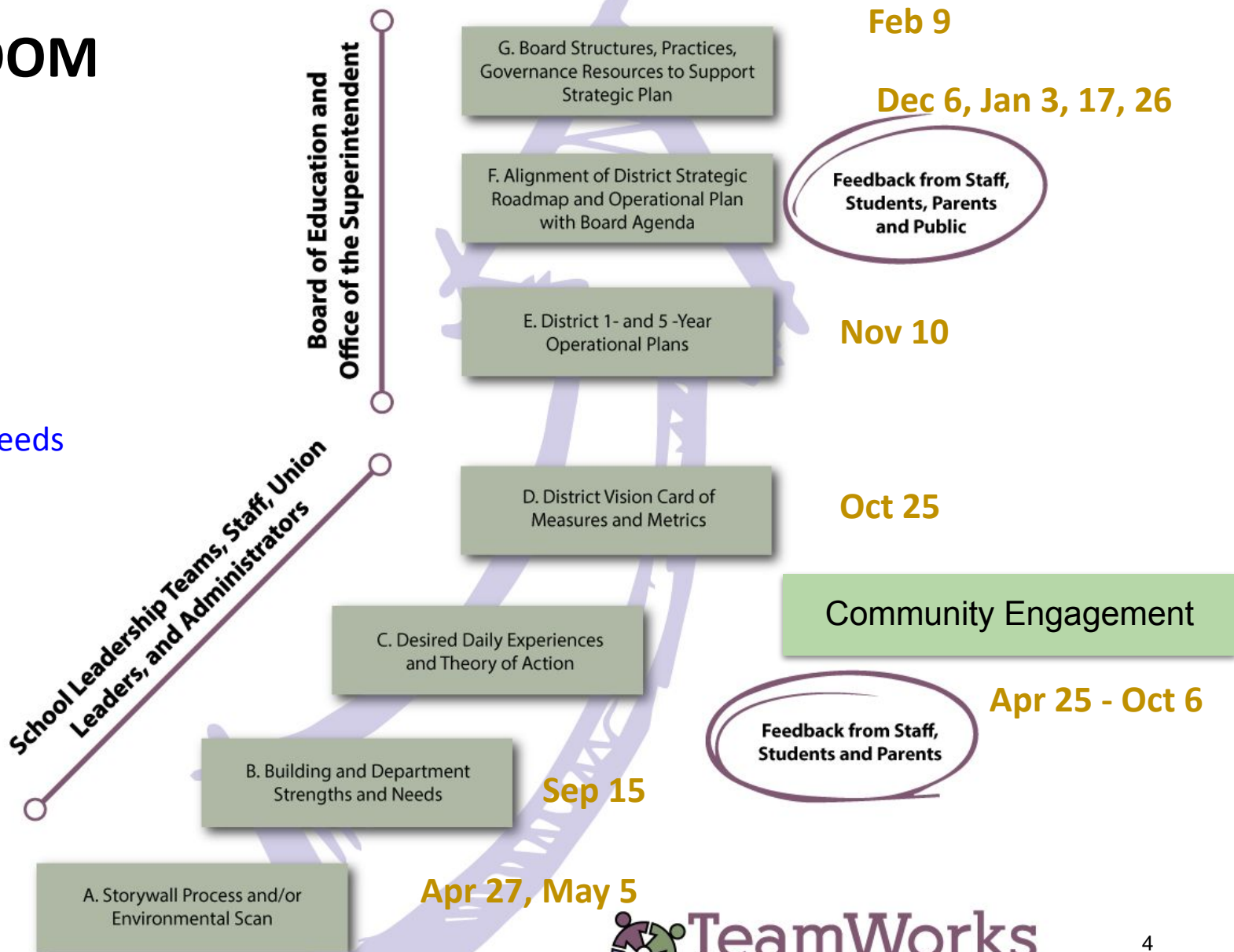
December 6, 2022

Purpose

- Provide a review of the Classroom to Boardroom process
- Provide an update on work completed to date
- Share draft Desired Daily Experience statements
- Share key next steps and timeline
- Strategic Roadmap
- Questions

CLASSROOM TO BOARDROOM STRATEGIC PLANNING PROCESS

- Assessing Our Reality
 - Storywall
 - Environmental Scan
 - Building and Dept Strengths & Needs
- Describing Our Vision
 - Desired Daily Experience
 - Theory of Action
 - VisionCard
- Setting Our Strategic Plan
 - 3-yr Operational Plan
 - School Improvement Plans
 - 3-yr Board Agenda

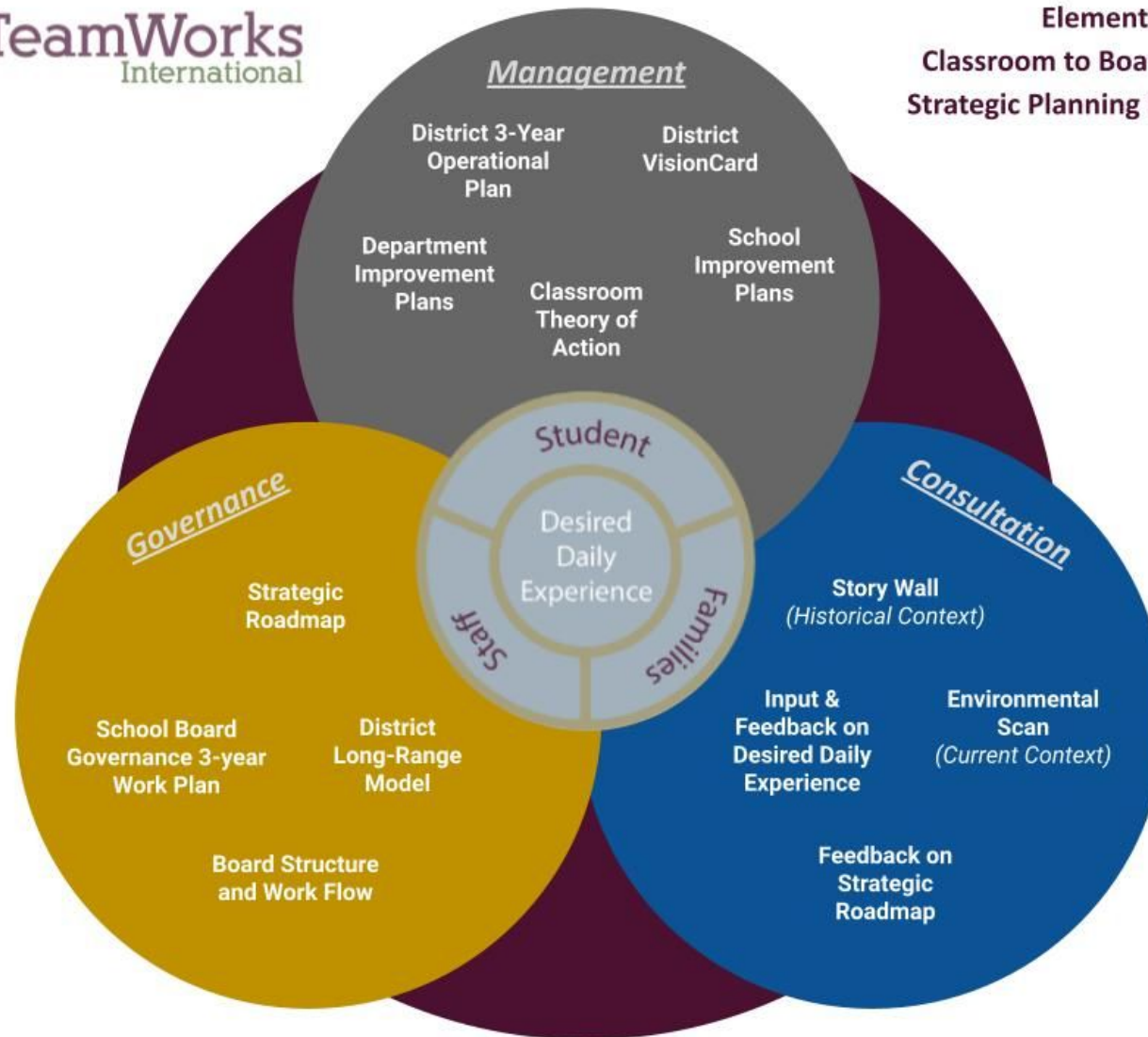


Additional Dates and Sessions

- School Board and Public Updates
 - February 28
- School and Department Improvement Plans with ActionCards
 - February 13



Elements of the Classroom to Boardroom Strategic Planning Process




Storywall

Time Periods

- 1993-2004
- 2005-2011
- 2012-2016
- 2017-2019
- 2020-Present

For each time period:

- Key influential events
- Behaviors encouraged / rewarded
- Characteristics of successes
- Characteristics of challenges
- Lifecycle

Period	Major Events/Actions of Duluth Public Schools	Observations/Characteristics	Lifecycle(s)
1993 To 2004	<ul style="list-style-type: none"> • 1st Gulf War – students’ parents deployed to war • 9/11/2001 – housing market impact, school lockdowns began, stock market decline – concerns about finances • Central 7-12 school 1993 • Many more school sites (Cobb, Chester, Birchwood, Washington Jr. Central, Woodland, Morgan Park, Washburn, Lakeside, Nettleton, Lincoln MS, Piedmont) • Bubble sheets • STC/VoTech, LSC – 1995 • Internet introduced (web sites) • Carbon copies (sp. Ed.) • TV on a card with VHS • 2001 funding formula from state • Budget retrenchments (from state) • 16,000 students / 1200 teachers • Less competition • Edison 1997 (started by superintendent) • Magnet schools (music, language, science / math) • Nonstandard spending (tech, SpEd, specialists) • Columbine – 1999 • Reg Noland • Mark Myles 94-98 (different focus) • Julio Almonza 98-05 (different focus) • Hiring policies varied • Lots of volunteers from community • Start of police liaisons (low key presence) • Resource competition • Grade level meetings – different decisions in schools • More administrators in elementary schools / fewer in high school • Smaller class sizes • Lunch tickets • Desegregation money – EEAC made funding decisions • Sp. Ed. Service no core or co-teach least restrictive • Greater public respect for teaches • 2001 – NCLB, OBE • 2004 – HS 7 period day to 6 period day • Job market? 	<p>Most Influential Events</p> <ul style="list-style-type: none"> • Edison Opening <p>Behaviors Encouraged/Rewarded</p> <ul style="list-style-type: none"> • Competition (internal within each school and external (community)) <p>Characteristics of Successes</p> <ul style="list-style-type: none"> • Technology <ul style="list-style-type: none"> ○ Efficiency ○ Autonomy ○ innovation <p>Characteristics of Failures</p> <ul style="list-style-type: none"> • Top-down • Accountability <ul style="list-style-type: none"> ○ Stress on teachers ○ Initiatives ○ Mandates ○ Unfunded ○ Standardization ○ Constant change ○ Stress on students 	Start of decline – past stability

Environmental Scan

Key Trends and Influences

Edge and Emerging

- Student/staff increasing social/emotional needs
- Societal influences and political landscape impacting district direction
- Continuing divide across district
- Evolving student options and performance
- Changing employment trends

Established and Ebbing

- Student choice and shifting approaches to school programming
- Continual divide within community based in shifting political landscape and inequities
- Increasing challenges with current and future resources
- Increasing employment challenges impacting diversity and experience of staff to fill positions

Desired Daily Experiences

The focus is to describe the desired daily experiences of the district's three primary stakeholder groups — students, families and staff — as articulated by the stakeholders who participated in input sessions between April 25 and May 16, 2022.

Eight groups of middle and high school students representing a variety of achievement levels, student involvement, and race, ethnicity and gender. About **125** students participated in the sessions. The schools represented were:

- Ordean East and Lincoln Park Middle Schools (4)
- Duluth East and Denfeld High Schools (4)

Desired Daily Experiences

Eight family groups, including about **30** parents, representing students in all grades and a variety of student achievement and involvement.

The family group sessions were:

- Early Childhood, Elementary, Secondary, Education Equity Advisory Committee

Five groups of staff representing all grades and a variety of positions across the school district. About **45** staff members participated in the group conversations. Group sessions were as follows:

- Licensed staff, Non-licensed staff

Desired Daily Experiences

Four community engagement sessions were opened to the public which included staff, families, and community members.

Approximately **45** participants engaged in these sessions located at:

- Ordean East Middle School
- Lincoln Park Middle School
- Denfeld High School
- Duluth East High School

Draft Desired Daily Experiences - Students

I am accepted, cared for, and respected regardless of the color of my skin, how I identify or my beliefs.

- I have multiple options for courses including “real life” classes and extracurricular activities.
- Staff and teachers keep me safe, believe I can succeed, hear my voice, and support me.

I enjoy school, have fun, and feel like I belong.

- I feel connected to my classmates and the staff.
- My school meals have a variety of options and I am given enough time to eat and socialize.
- I have access to physical and mental health support at school.
- I know what is expected from me and know that I am treated fairly if I make a mistake.
- Important information is shared and is accessible to me.

Draft Desired Daily Experiences - Families

My child's school values equity, diversity and inclusivity.

- My child feels welcomed, seen, heard, engaged and happy at school.
- My family has a sense of belonging with the school community where we feel welcomed by school staff and other families.
- My voice is heard and I am informed through multiple communication methods.

My child's school provides relevant and engaging academic learning experiences that support multiple pathways.

- My child has equitable access to many activities before, during, and after school.
- My child has access to resources that support their mental health and social-emotional learning.
- My child has class sizes that allow for individualized attention to meet their needs.

My child is treated respectfully when they make mistakes.

Draft Desired Daily Experiences - Staff

I am part of a diverse workforce that values relationships, teamwork, and inclusivity.

- I have systems and equitable resources to sustainably support students' academic, social-emotional/behavioral, and socio-economical needs
- We have class sizes and caseloads that allow us to reach students' individual, social-emotional/behavioral and academic needs.

I enjoy my job and find it fulfilling.

- I have dedicated and adequate time during my workday to collaborate, prepare, connect with colleagues and grow professionally.
- I have access to and the ability to use current, relevant, educational resources and technology.
- I am provided with resources to support safety at my site for all staff and/or students.
- I have quality, meaningful professional development opportunities to support my role.
- I receive clear, timely, and relevant communication.
- I am a valued voice in the decision-making process with my colleagues and administration.

Process and Next Steps Update

- Next Session - January 4, 2023
 - Finalize Draft Desired Daily Experiences
 - Finalize District Theory of Action
 - Finalize Draft Vision Card
 - Finalize District Operational Plan



© 2022 TeamWorks International, Inc. All Rights Reserved.

District Strategic Roadmap

Mission, Vision, and Core Values

Mission

Duluth Public Schools is working to inspire **every student** to achieve their potential and preparing students to lead **productive, fulfilling lives** as citizens of Duluth and the wider world.

Mission Statement

1. **Who do you serve?**
2. **What do you specifically do for those you serve?**
3. **Why do you do what you do?**
4. **How do you do what you do?**

Vision

We will build on our shared beliefs and values of unity, high achievement and responsible use of resources to create Duluth Public Schools and classrooms that are safe, supportive and inclusive. We will work to inspire every student to achieve their potential, and prepare students to lead productive, fulfilling lives as citizens of Duluth and the wider world.

Working together as educators, parents and citizens, we can make a difference for every student, every day.

Vision Statement

Culture

- If you talk with a neighbor or a parent on the sideline, what will you be saying about school district academics?
- What will student to student relationships be like? Student and staff? Staff and family?
- In three years, what will you be most proud of in our schools?

Work

- What will be a premier program that people will be talking about in the school district?
- What resources or instruction will you see in the classroom that will prove the district is serving the Desired Daily Experiences of students, staff, families?
- Walk through the future facilities plan for 2025 – what will make you smile?
- What will staff say about their work and professional development?

Organization

- What are 3 words that describe how the board is supporting the academic model?
- What will communication about academics be like between school and home?
- What great things will be said internally about the academic focus of the schools?
- What will the external community and realtors say about the school's academics?

Core Values

- Teachers and staff are highly qualified and diverse, providing opportunities for students of every culture and ability to be successful.
- Schools are safe, respectful, caring environments for children and adults.
- We are closing the achievement gap by using best practices and by partnering with community, state and national organizations to bring the best possible education to our children.
- Class sizes are suitable and appropriate to students' development and needs.
- A wide range of enriching activities and curriculum are provided for students before, during and after school.
- Our schools serve as community resources for residents of all ages.
- Strategies are sought to reduce costs and increase funding; people inside and outside schools are regularly invited to share ideas and creative options.
- People inside and outside schools feel comfortable asking questions and sharing concerns and feel satisfied that they are heard.

Core Values

Beliefs

- Beliefs don't need proof
- Beliefs are assumptions we make about others and ourselves
- Beliefs grow from what we experience and think about
- Beliefs affect our morals

Core Values

- Values stem from our beliefs
- Values govern the way we behave
- Values are things we deem important
- Values affect behavior and character

Core Values

Accountability: *To fulfill one's roles and responsibilities and be responsive to the results.*

Adaptability: *engaging in flexible, continuous and purposeful change grounded in data*

Collaboration: *working together for common goals*

Collaboration: *operating with a preference and capacity for partnership across our community*

Community: *it's about all of us, all the time*

Compassion: *to show empathy, generosity, kindness, patience and sensitivity*

Courage: *facing challenges with hope & persistence*

Courage: *to do what is right and to support each other in courageous thought and action*

Engagement: *showing up fully present with a Mission-focus and Values-driven attitude*

Excellence: *to be our best, expect our best*

Excellence: *high expectations for all and in all we do*

Excellence: *to be inspired daily to become the very best we can be*

Excellence: *A relentless and intentional effort in continuous improvement.*

Expectations: *I will set a high bar for myself and others in learning, behavior, commitment to do one's best and service to others and community*

Innovation: *finding new way to excel*

Core Values

Integrity: *I will do the right thing...even when no one is looking*

Integrity: *by staying true to our convictions in all that we say and do even when no one is watching*

Integrity: *Doing the “right thing” at all times with honesty and authenticity*

Integrity: *Always aligning our actions with our values and beliefs.*

Kids First: *Students’ diversity and needs drive decisions and actions*

Knowledge: *Skilled in accessing, navigating and using a broad array of facts and viewpoints from a global perspective*

Learning: *Continuous, meaningful, and challenging effort that results in student success.*

Partnership: *I will engage in relationships and action which empowers learning for ALL*

Partnership: *Together, we achieve more than alone*

Respect: *I will honor the uniqueness of myself and others, treating others as we wish to be treated*

Respect: *pride in who we are, accepting of our differences*

Respect: *in thought and action for the individual, for humanity and for the global community we all share*

Responsibility: *Shared stewardship of and accountability for our words, acts, choices and results*

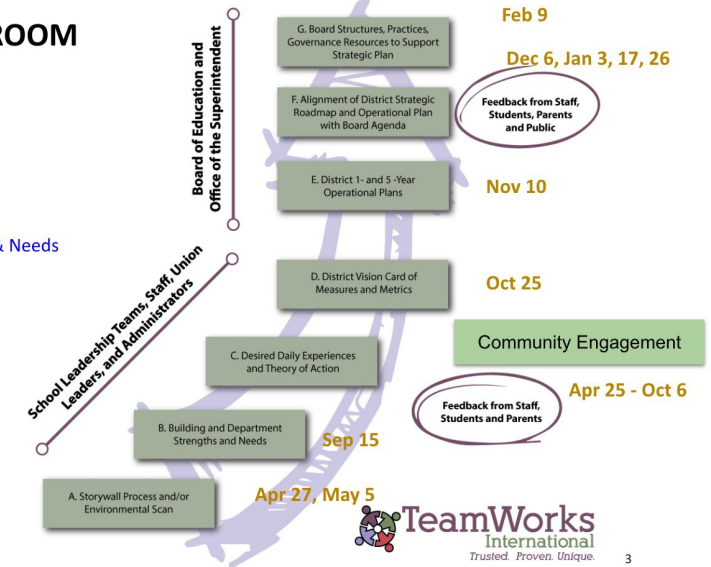
Responsibility: *Working together interdependently and collaboratively, learning from one another, entrusting one’s self interest to another, and taking ownership for our individual and collective actions and decisions.*

Strategic Directions

After final draft of operational plan

CLASSROOM TO BOARDROOM STRATEGIC PLANNING PROCESS

- Assessing Our Reality
 - Storywall
 - Environmental Scan
 - Building and Dept Strengths & Needs
- Describing Our Vision
 - Desired Daily Experience
 - Theory of Action
 - VisionCard
- Setting Our Strategic Plan
 - 3-yr Operational Plan
 - School Improvement Plans
 - 3-yr Board Agenda

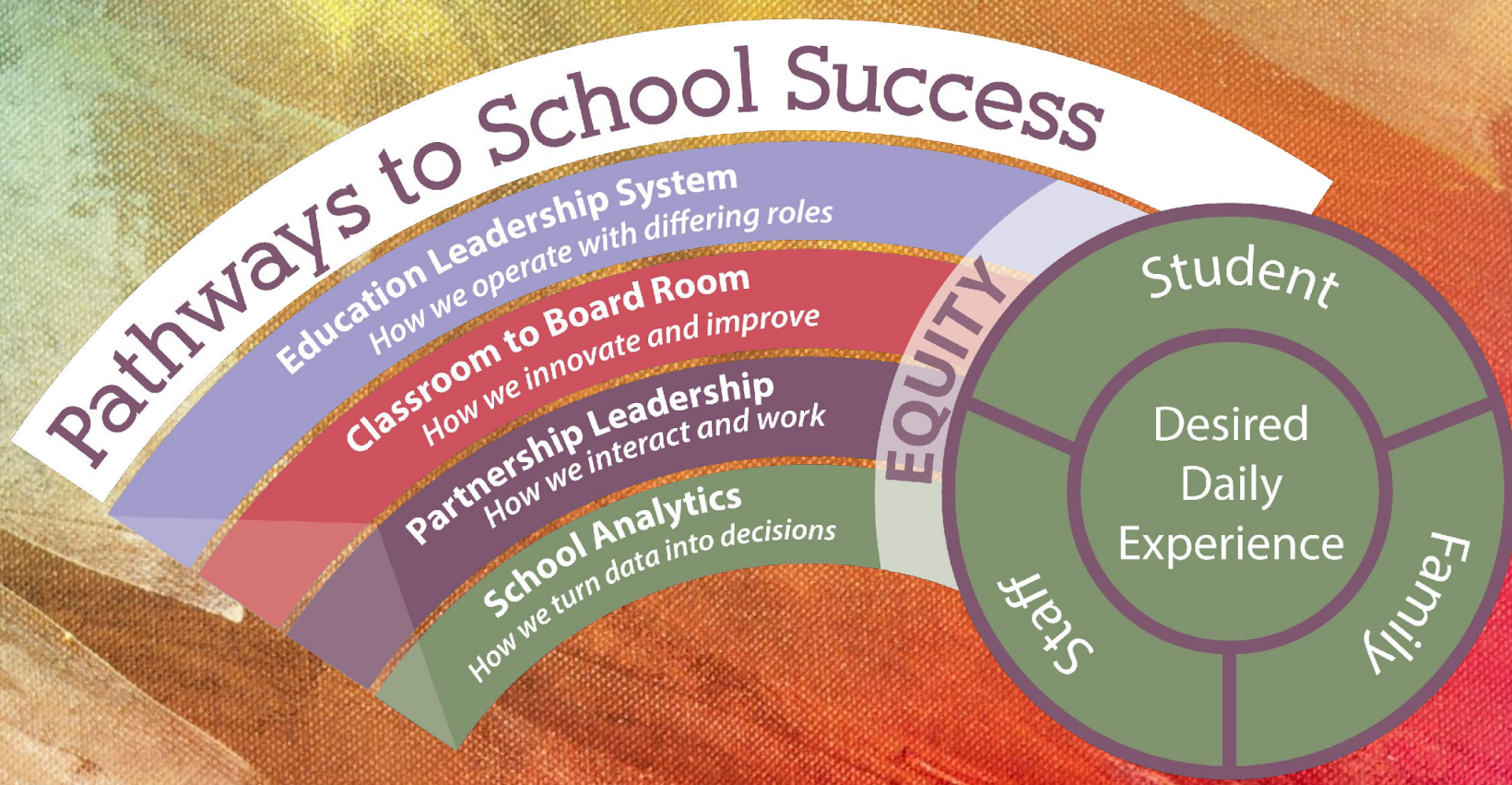


Duluth Public Schools

TeamWorks International
Trusted. Proven. Unique.

Contact Information

- Ray Queener
- rayq@teamworksintl.net
- 651.336.4015
- Twitter: @queener1
- Instagram: @rqueener



**Planning for our Operational Future – Focusing on the Next Ten Years
Seeking Committee Permission to Explore the Following:**

➤ **Upcoming Operating Budget Challenges**

1) Personnel

- a. ESSER funded positions
- b. Class size optimization
- c. Scheduling
 - i. Elementary: eight-day rotation
 - ii. Middle: art curriculum mandate
- d. Maintain & attract quality staff

2) Program Offerings

- a. Review
- b. Assessment
- c. Enhancement

3) Technology

- a. Provide dedicated technology funding
 - i. Maintain ESSER 1:1 initiative
 - ii. Replacement cycles
 - iii. Future technology flexibility

➤ **Investigate Expenditure Efficiencies**

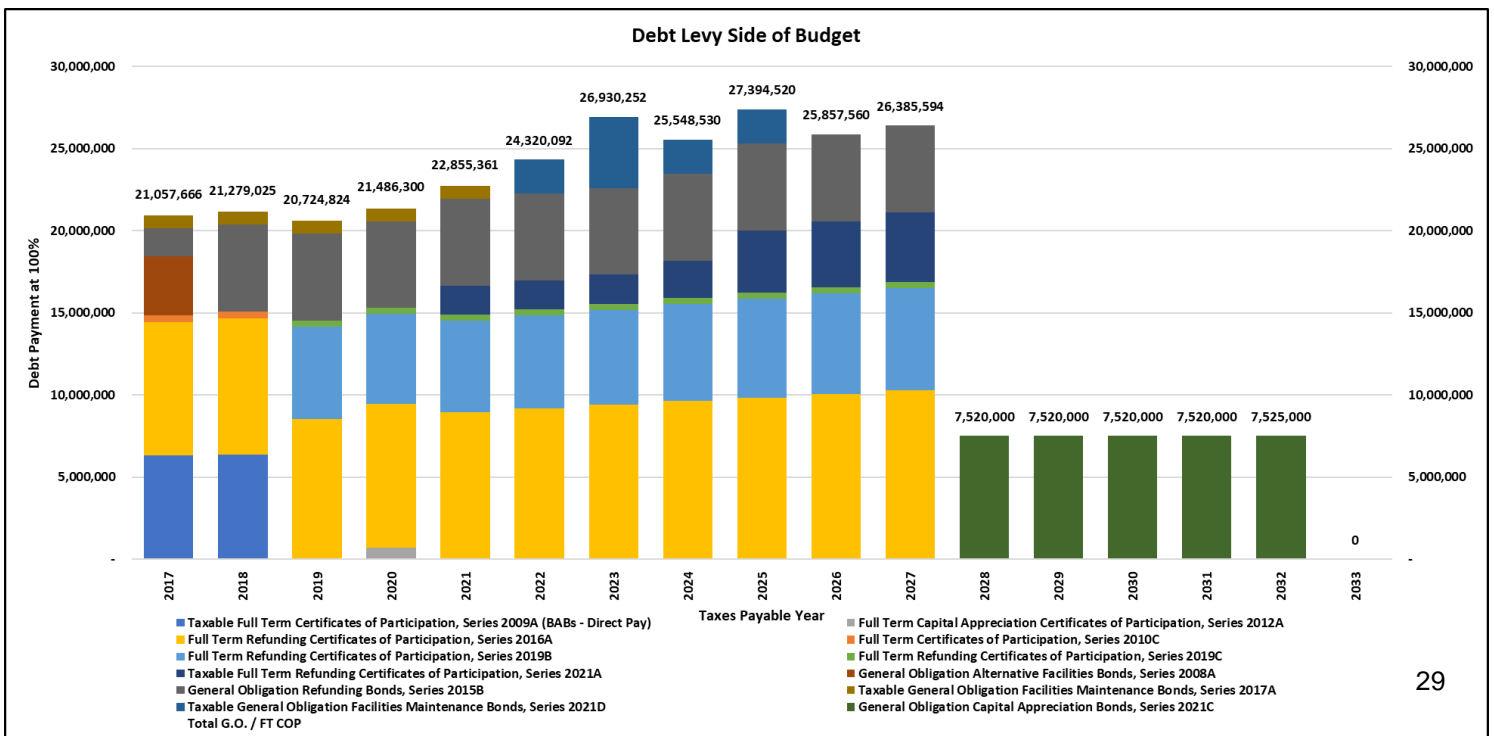
➤ **Explore Revenue Raising Funding Considerations**

1) Voter Approved Tax Requests

- a. Minimize additional local tax effort
- b. Use strategic phase-in approach
- c. Maximize student benefit

2) Voter Approved Funding Mechanisms

- a. Operating Referendum Levy
- b. Capital Projects Levy
- c. Taxable Technology Bond



ISD 709 DULUTH
THE NEXT 10 YEARS
FINANCIAL PLANNING DISCUSSION

PREPARED BY: MICHAEL HOHEISEL

MATT RANTAPAA

SAM HYLLE

Robert W. Baird & Co. Incorporated is providing this information to you for discussion purposes. The materials do not contemplate or relate to a future issuance of municipal securities. Baird is not recommending that you take any action, and this information is not intended to be regarded as "advice" within the meaning of Section 15B of the Securities Exchange Act of 1934 or the rules thereunder.

Duluth
Public Schools



AVERAGE DAILY MEMBERSHIP (ADM)

Grade	2013-2014	2014-2015	2015-2016	2016-2017	2017-2018	2018-2019	2019-2020	2020-2021	2021-2022
K (total) + EC	833.29	785.96	724.76	729.81	819.79	797.02	830.04	737.24	756.32
1	652.69	704.31	647.13	636.59	602.43	644.98	641.06	588.40	614.82
2	653.92	628.66	673.36	622.13	617.88	591.03	637.68	574.16	597.78
3	650.09	630.00	606.88	662.99	624.05	597.55	572.54	597.62	590.84
4	599.45	630.27	593.91	582.37	646.85	620.48	589.52	507.84	605.84
5	611.12	581.88	605.06	586.63	570.25	621.52	619.65	540.73	516.78
6	507.52	557.25	545.60	551.39	572.48	571.29	610.70	542.05	561.90
7	633.93	526.02	555.44	567.26	579.71	584.07	589.04	581.07	593.59
8	554.58	611.60	547.75	551.08	586.18	576.26	622.87	555.74	587.95
9	639.75	681.65	694.90	647.17	668.14	707.65	697.70	695.44	658.15
10	699.47	634.01	670.54	696.38	634.02	660.50	711.16	650.09	690.45
11	636.78	674.09	602.20	619.99	664.72	609.90	646.82	672.61	638.94
12	680.42	634.81	647.49	612.03	628.87	646.91	602.23	621.11	668.29
Total ADM	8,353.01	8,280.51	8,115.02	8,065.82	8,215.37	8,229.16	8,371.01	7,864.10	8,081.65
Elementary ADM 1-6	3,674.79	3,732.37	3,671.94	3,642.10	3,633.94	3,646.85	3,671.15	3,350.80	3,487.96
Secondary ADM 7-12	3,844.93	3,762.18	3,718.32	3,693.91	3,761.64	3,785.29	3,869.82	3,776.06	3,837.37
Total Adjusted Pupil Units	9,122.00	9,032.95	8,858.68	8,804.60	8,967.70	8,986.22	9,144.97	8,619.31	8,849.12

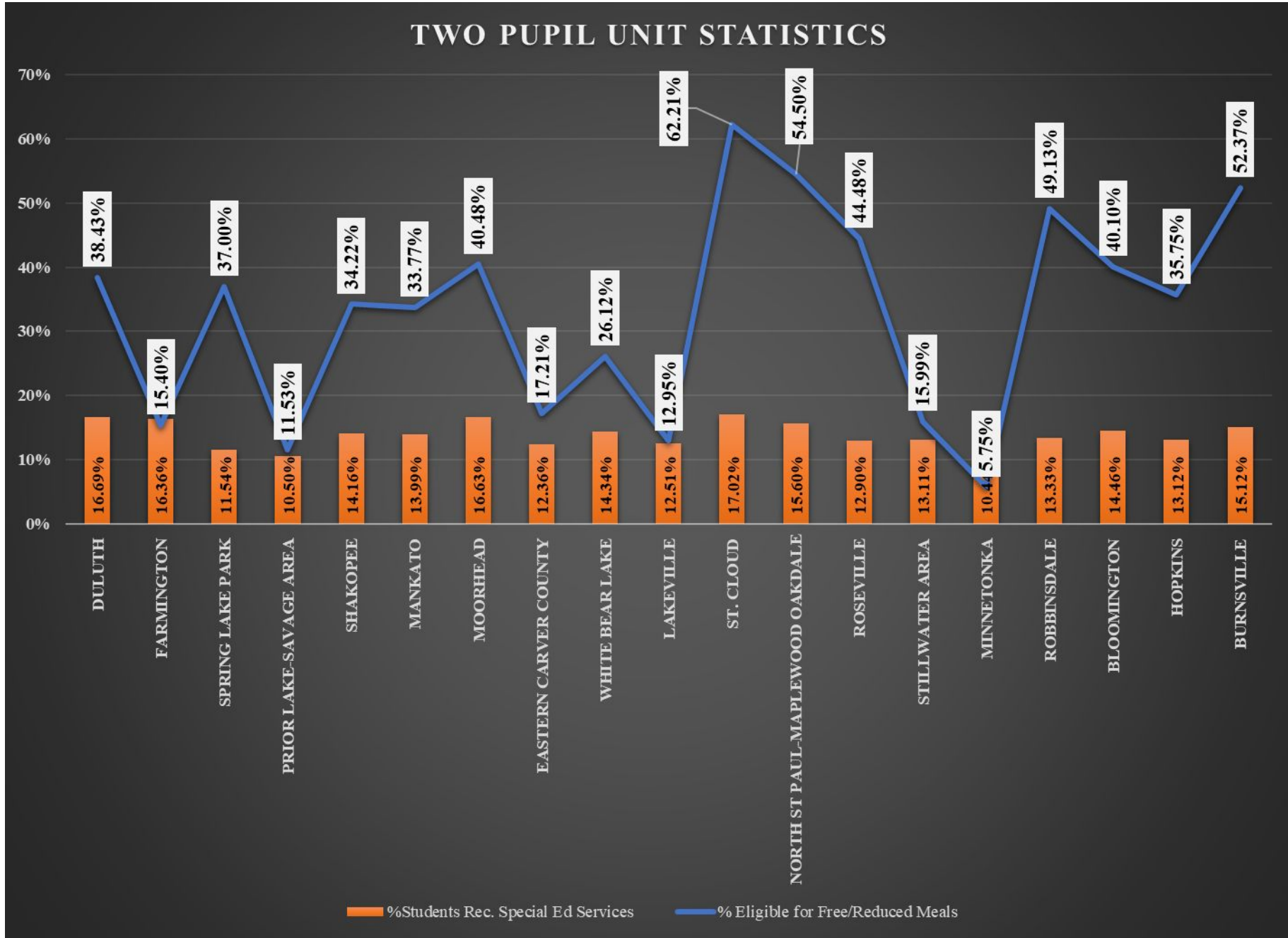
HISTORICAL ENROLLMENT INFORMATION

	2013-2014	2014-2015	2015-2016	2016-2017	2017-2018	2018-2019	2019-2020	2020-2021
RESIDENT ADM	10,436	10,432	10,340	10,401	10,540	10,494	10,540	9,991
ENROLLMENT OPTIONS OUT TO ALL EDUCATION ENTITIES	2,205	2,270	2,359	2,486	2,492	2,422	2,343	2,301
CAPTURE RATE (% of RESIDENTS SERVED)	78.87%	78.24%	77.19%	76.10%	76.36%	76.92%	77.77%	76.98%

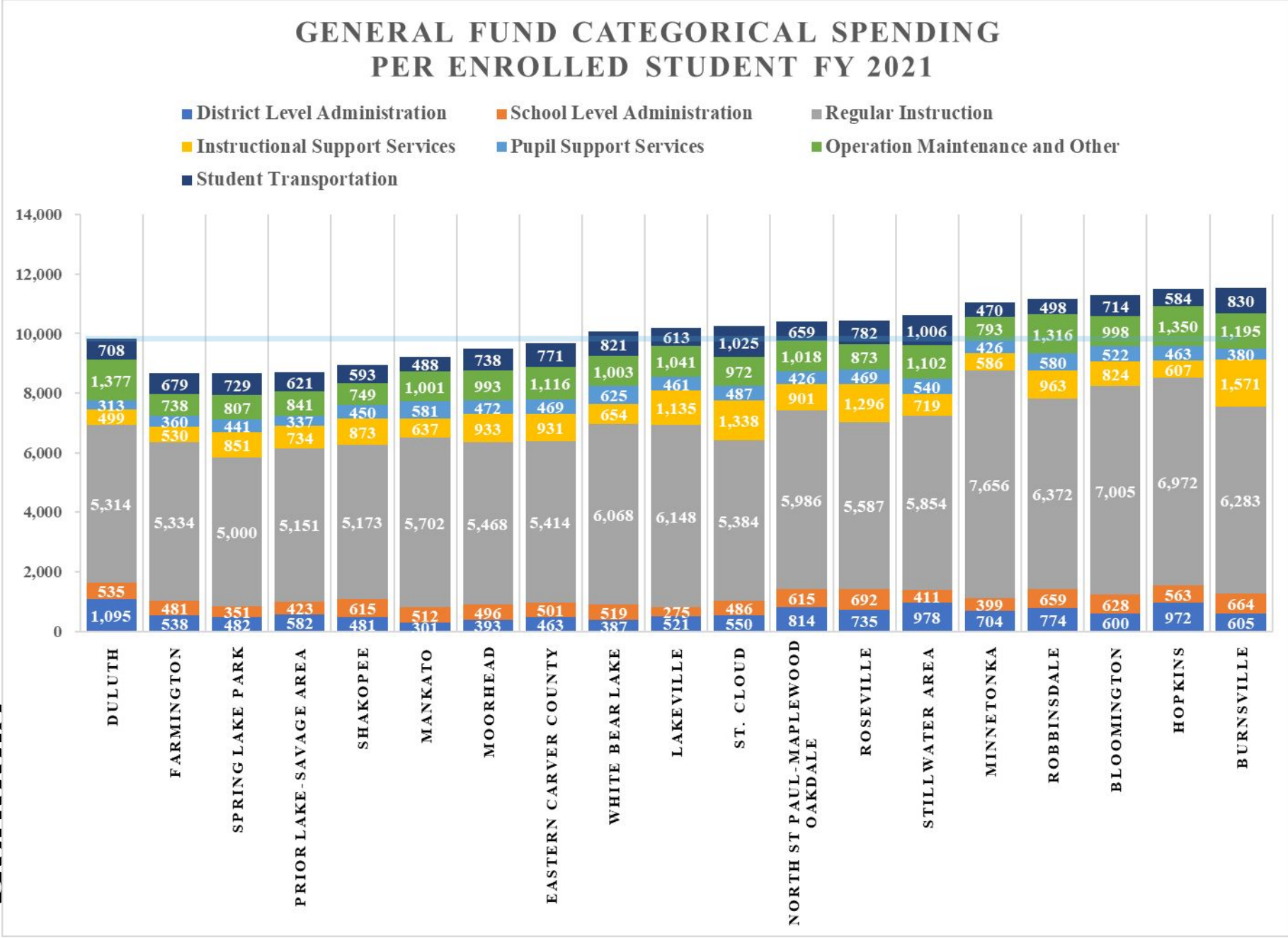
WHAT IS THE DISTRICT'S HISTORICAL CAPTURE RATE?

- Capture rate focuses solely on the number of resident students the District is educating or paying tuition for to educate within their system

MN School Districts with Similar Enrollment as Duluth Public Schools

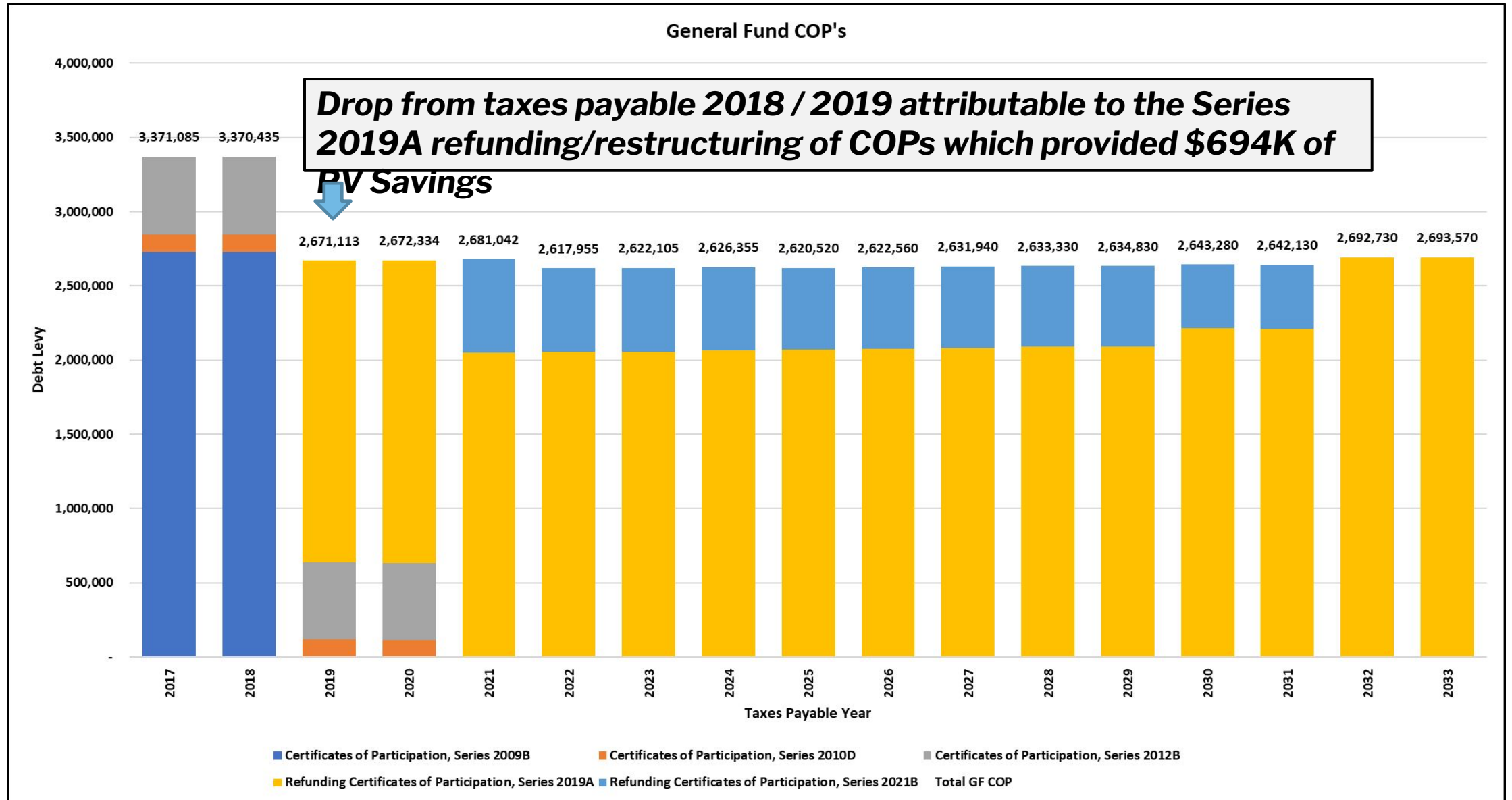


MN School Districts with Similar Enrollment as Duluth Public Schools

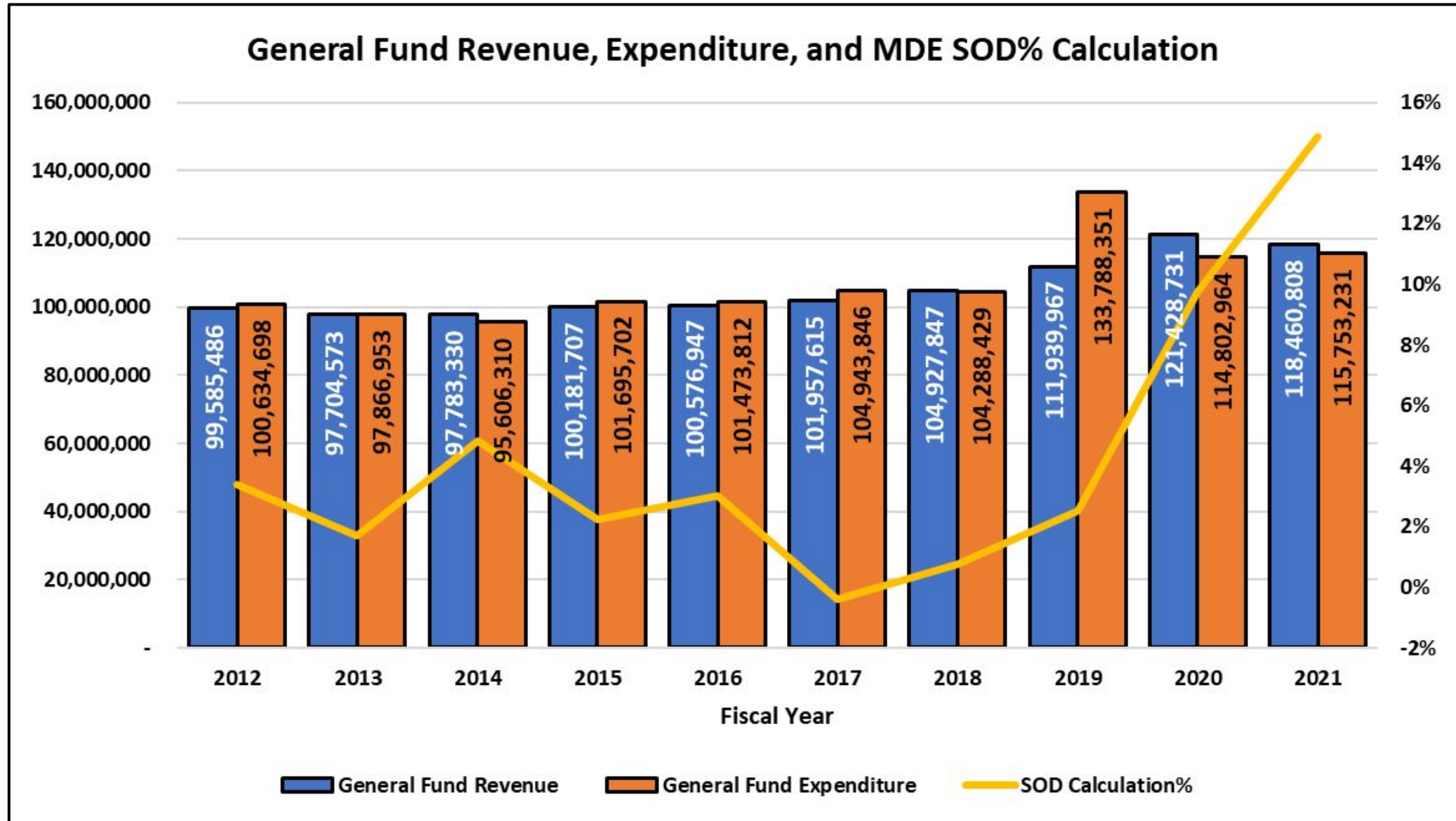


Note – The Blue Line Indicates the general fund spending in 7 comparable categories per pupil in ISD 709. 7 out of the 19 districts are below Duluth

ISD 709 – HISTORY OF DEBT IMPACTING OPERATIONS

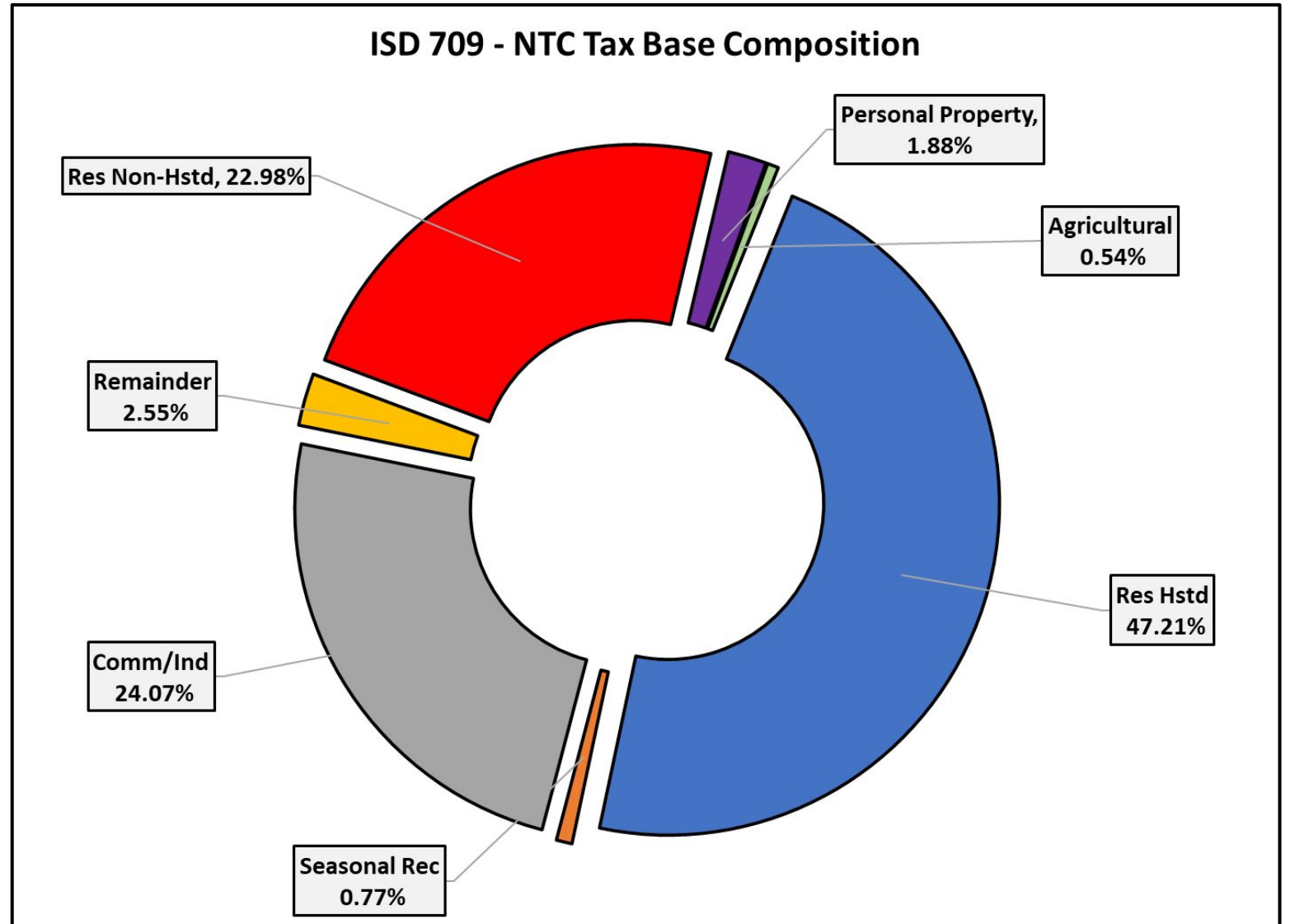


REVENUE, EXPENDITURE, AND FUND BALANCE HISTORY

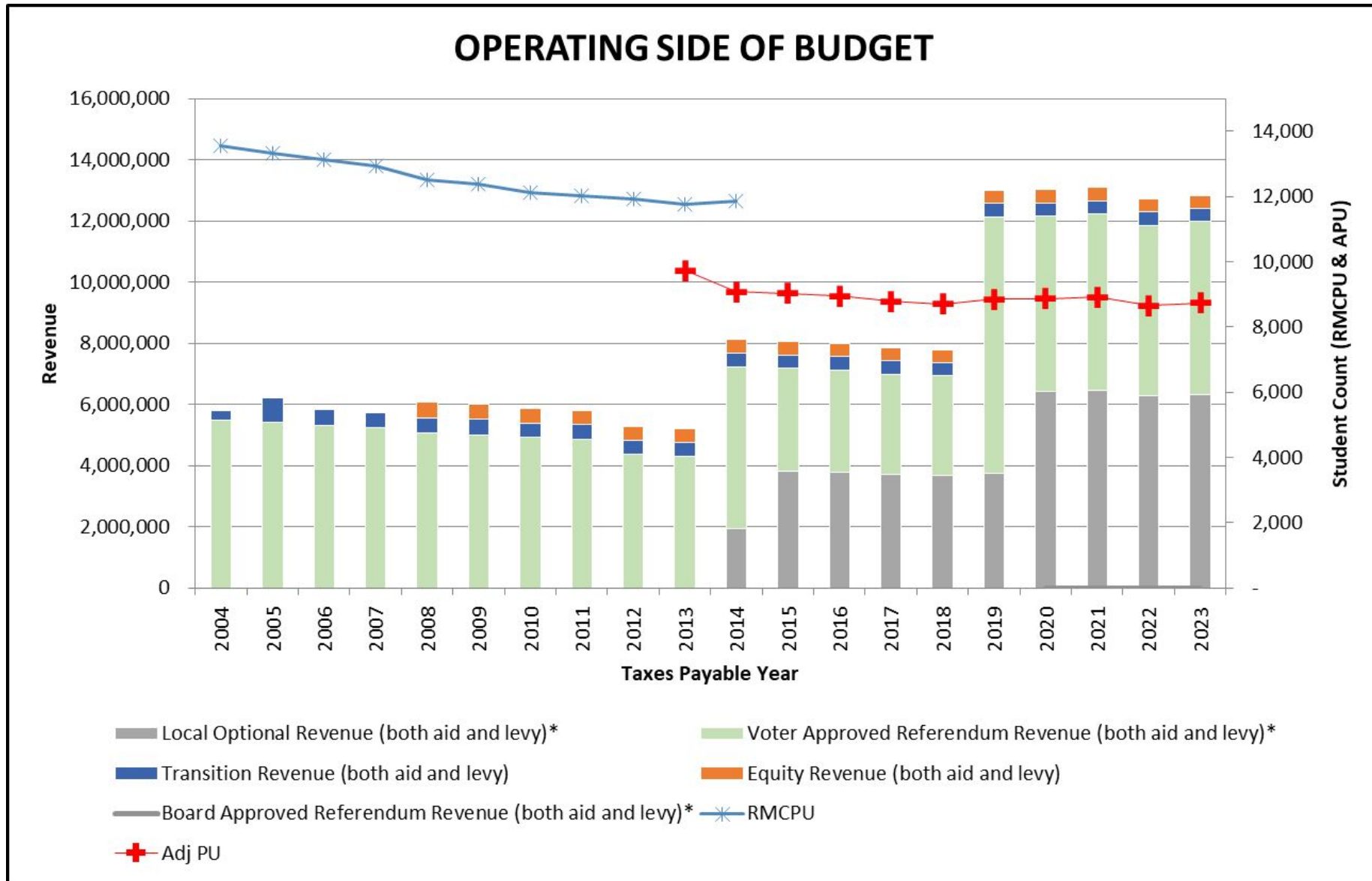


ESTIMATED PAY 2023 TAX BASE COMPOSITION

*SOURCE: MN
DOR PRISM*

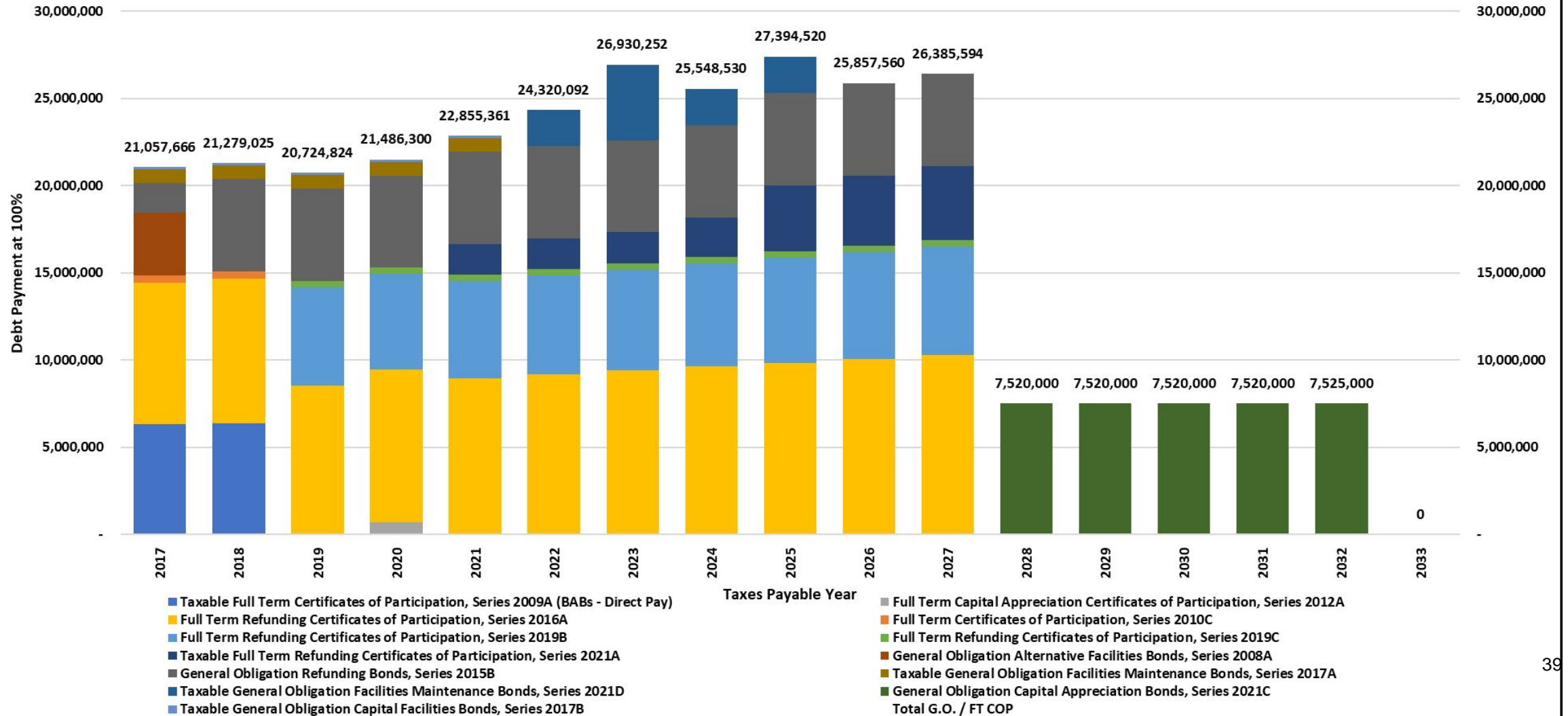


ISD 709 – HISTORY OF RMV (REFERENDUM MARKET VALUE) REVENUE



ISD 709 – HISTORY OF DEBT IMPACTING THE LEVY

Debt Levy Side of Budget



ISD 709 – SCHOOL PORTION HISTORY OF TAXES



Year Taxes Payable

	2017	2018	2019	2020	2021	2022
RMV Rate	0.10835%	0.09780%	0.15481%	0.15286%	0.15304%	0.14166%
GO Debt Rate (Ag2School Qualified)	24.434%	23.007%	25.072%	23.819%	23.528%	22.757%
Remainder of NTC Levy Rate	7.852%	8.187%	8.886%	8.000%	6.684%	8.888%
Total NTC Rate	32.286%	31.194%	33.958%	31.819%	30.212%	31.645%

Type of Property	Estimated Market Value	Est. Annual Tax Impact	Est. Annual Tax Impact	Est. Annual Tax Impact	Est. Annual Tax Impact	Est. Annual Tax Impact	Est. Annual Tax Impact
Residential Homestead	50,000	151.03	142.48	179.28	171.89	167.16	165.77
	75,000	226.55	213.72	268.92	257.83	250.73	248.65
	100,000	340.16	321.77	398.63	381.32	369.96	368.87
	150,000	570.30	540.68	661.10	631.16	611.14	612.17
	175,000	685.20	649.98	792.17	755.93	731.57	733.66
	200,000	800.43	759.59	923.58	881.01	852.31	855.46
	250,000	1,030.56	978.49	1,186.06	1,130.85	1,093.49	1,098.76
	275,000	1,145.47	1,087.79	1,317.13	1,255.61	1,213.93	1,220.25
	300,000	1,260.70	1,197.40	1,448.53	1,380.69	1,334.66	1,342.05
	500,000	2,156.05	2,048.70	2,471.95	2,355.25	2,275.80	2,290.55
Commercial/ Industrial	750,000	3,435.86	3,268.01	3,920.16	3,731.74	3,602.53	3,633.61
	250,000	1,643.03	1,570.25	1,830.24	1,734.46	1,666.61	1,699.06
	500,000	3,528.21	3,374.45	3,915.17	3,707.56	3,559.81	3,635.46
	1,000,000	7,298.56	6,982.85	8,085.02	7,653.76	7,346.21	7,508.26
	2,500,000	18,609.61	17,808.05	20,594.57	19,492.36	18,705.41	19,126.66

OPERATING REFERENDUM LEVY - WHAT IS IT?

An operating levy (otherwise known as a referendum revenue request or excess operating levy referendum) is a procedure which allows school districts to raise additional funds to supplement regular state education funding.

The State of Minnesota equalizes many educational levies based upon the district's ability to pay (Equalization Aid). This is one of those levies.

OPERATING LEVY HISTORY

ISD 709 Operating Referendum Results, 1991 to 2022						
Year Held	Start Pay	Net \$/PU	# Years	Pass? Yes=1 No=0	# Yes Votes	# No Votes
1993	1994	345.03	4	1	Missing	Missing
1997	1998	315.00	5	1	12,347	5,468
2001	2002	425.00	5	0	13,409	16,810
2003	2004	365.60	5	1	16,285	14,021
2008	2009	500.00	5	0	15,875	35,430
2008	2009	365.60	5	1	35,196	17,326
2008	2009	334.40	5	0	23,760	28,363
2011	2012	284.77	5	0	9,865	12,504
2011	2012	122.70	5	0	8,323	13,969
2011	2012	98.15	5	0	7,574	14,662
2013	2014	595.78	5	1	12,676	6,627
2013	2014	200.00	5	1	9,781	9,445
2018	2019	371.78	10	1	32,248	12,314
2018	2019	575.00	10	1	23,805	20,346
2018	2019	335.00	10	0	21,387	22,575

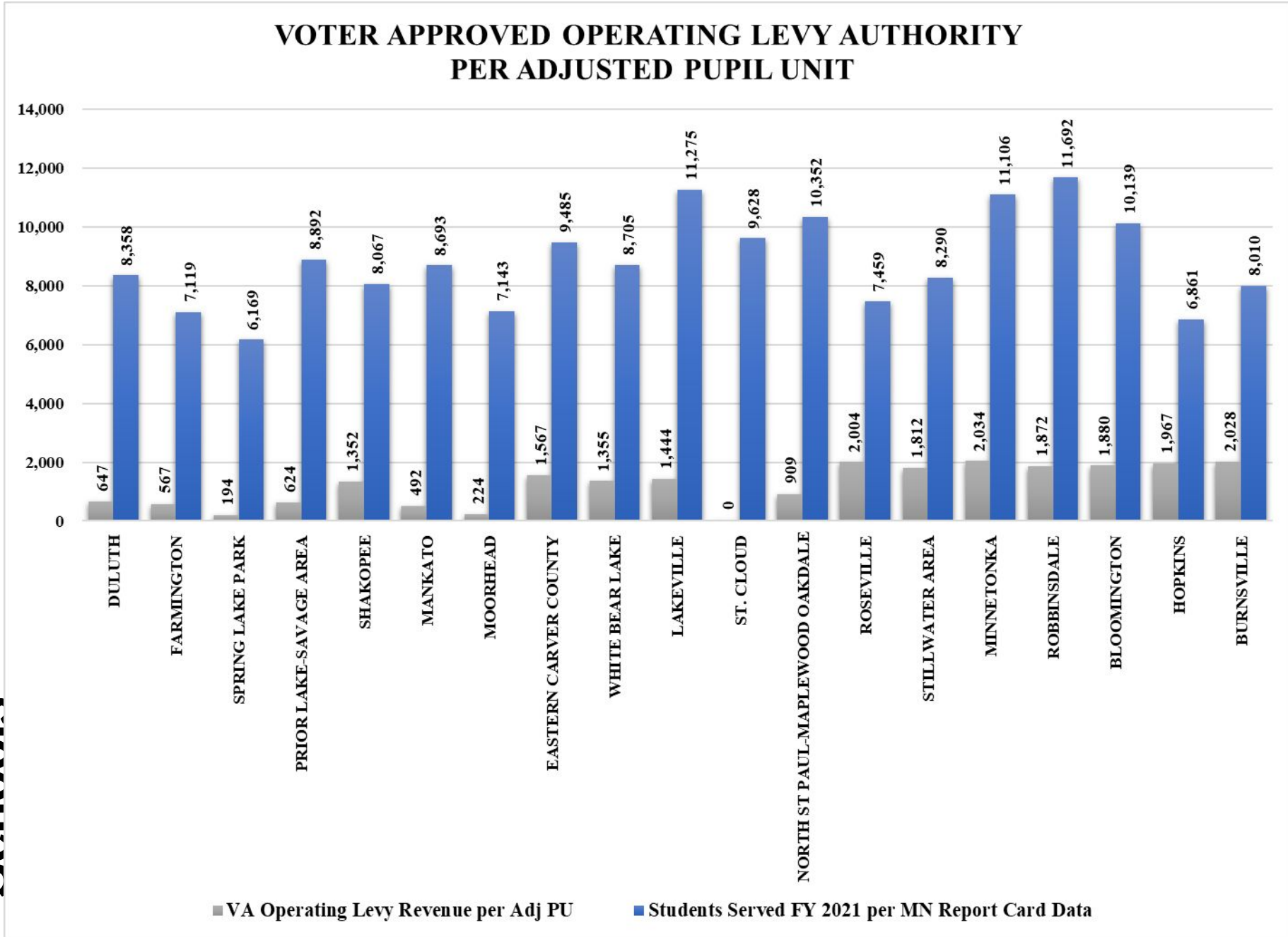
Select district										
709 <-- Enter District Number (1.2 for Minneapolis)										
0709-01 Duluth										
Phase Out Report With 2021 Elections										
Authority After 2021 Elections (see detail below)										
646.78 646.78 646.78 646.78 646.78 646.78 646.78 646.78 646.78 646.78 -										
Elections Before 2019										
FY 2021 FY 2022 FY 2023 FY 2024 FY 2025 FY 2026 FY 2027 FY 2028 FY 2029 FY 2030										
(1) Authority without CPI										
646.78 646.78 646.78 646.78 646.78 646.78 646.78 646.78 646.78 646.78 -										



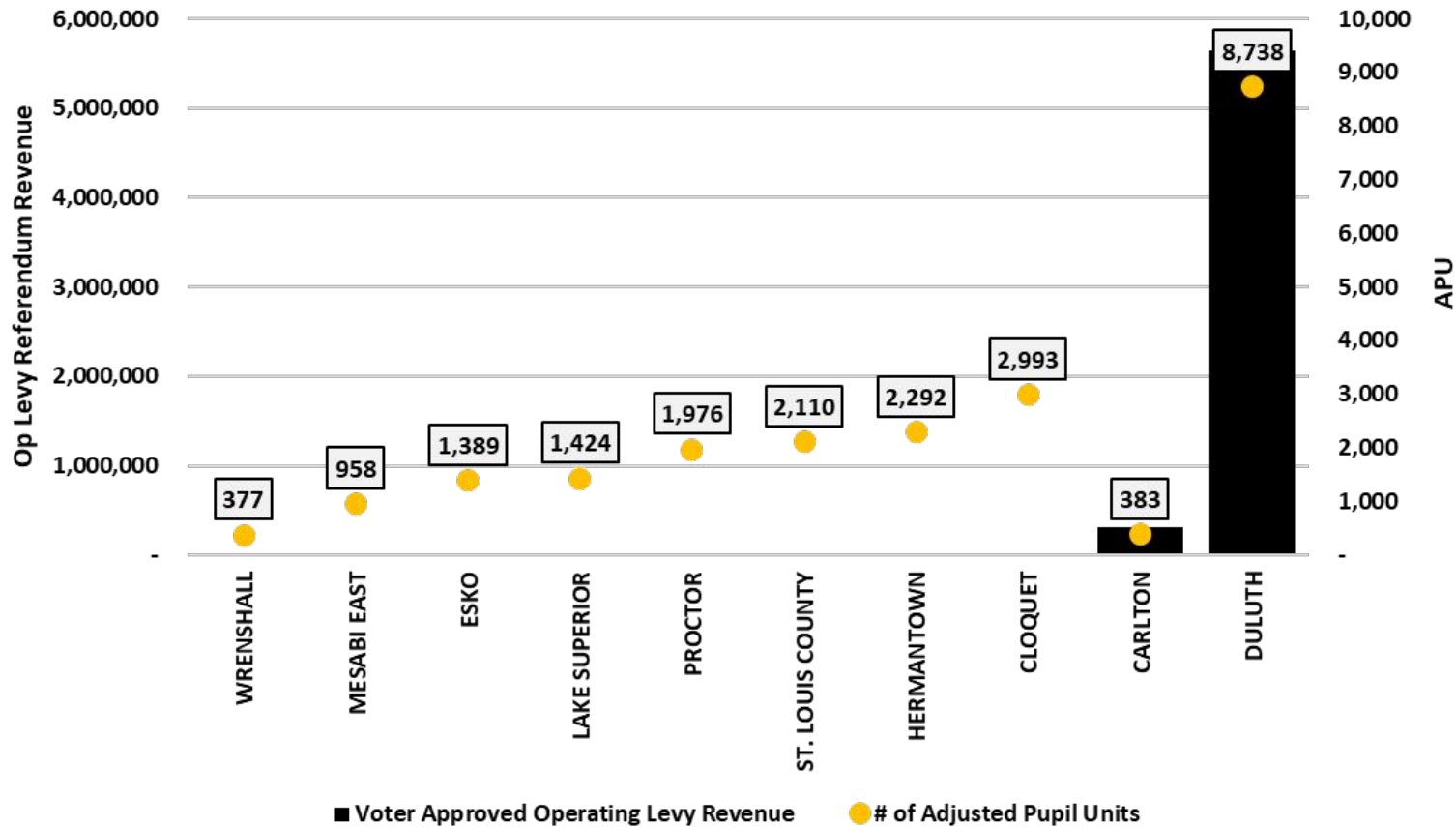
REFERENDUM PHASEOUT REPORT

- For taxes payable 2023, this \$646.78/APU of operating levy authority generated \$5,651,777.08 in revenue
- Last year of collection for current operating levy authority is taxes payable 2028/ FY 2029
- Next available referendum date: November 7, 2023, for regular ballot
- Commencing revenue in taxes payable 2024 requires revoke / replace ballot language which will have disclaimer as follows: "BY VOTING "YES" ON THIS BALLOT QUESTION, YOU ARE VOTING FOR A PROPERTY TAX INCREASE. PASSAGE OF THIS REFERENDUM WILL RESULT IN AN INCREASE IN YOUR PROPERTY TAXES."

MN School Districts with Similar Enrollment as Duluth Public Schools



Taxes Payable 2023 - Neighbor Comparison of Operating Levy Revenue with Adjusted Pupil Units



NEIGHBOR
COMPARISON – TOTAL
VOTER – APPROVED
OPERATING REVENUE
AND APU

NEW \$100/APU NET REVENUE AND TAX IMPACT

<p>Enter Residential Homestead Market Value 200,000</p> <p><i>PLEASE NOTE ALL TAX IMPACT CALCULATIONS WILL UTILIZE THIS FIGURE</i></p>	<p>As a brief example, what will the required Notice to Taxpayers look like?</p>																																												
BALLOT QUESTION #1 - EXAMPLE																																													
<p>Enter New Request Portion for Operating Levy Referendum 115.00</p>																																													
<p>ONLY portion of NEW Operating Referendum Revenue 1,004,907.95</p> <p>Loss of Equity Revenue -</p>																																													
<p>How much NET NEW revenue will the request bring? 1,004,907.95</p>																																													
<p>Estimated District State Aid Percentages shown below</p>																																													
<p>First Tier Aid % <i>(first \$460 per Adj PU)</i> 0.000%</p>																																													
<p>Second Tier Aid % <i>(next \$000 per Adj PU)</i> 0.000%</p>																																													
<p>Does this NEW Request Maximize the State's Aid Participation? YES</p>																																													
	<table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th colspan="3" style="text-align: center;">Effective Taxes Payable 2024</th> </tr> <tr> <td style="width: 30%;">RMV Rate:</td> <td colspan="2" style="text-align: center;">0.010063%</td> </tr> <tr> <th rowspan="2" style="text-align: center;">Property Value</th> <th colspan="2" style="text-align: center;">New Authority</th> </tr> <tr> <th style="text-align: center;">Annual Impact</th> <th style="text-align: center;">Monthly Impact</th> </tr> </thead> <tbody> <tr><td style="text-align: center;">75,000</td><td style="text-align: center;">7.55</td><td style="text-align: center;">0.63</td></tr> <tr><td style="text-align: center;">100,000</td><td style="text-align: center;">10.06</td><td style="text-align: center;">0.84</td></tr> <tr><td style="text-align: center;">125,000</td><td style="text-align: center;">12.58</td><td style="text-align: center;">1.05</td></tr> <tr><td style="text-align: center;">150,000</td><td style="text-align: center;">15.09</td><td style="text-align: center;">1.26</td></tr> <tr><td style="text-align: center;">175,000</td><td style="text-align: center;">17.61</td><td style="text-align: center;">1.47</td></tr> <tr style="background-color: #d9ead3;"><td style="text-align: center;">200,000</td><td style="text-align: center;">20.13</td><td style="text-align: center;">1.68</td></tr> <tr><td style="text-align: center;">210,000</td><td style="text-align: center;">21.13</td><td style="text-align: center;">1.76</td></tr> <tr><td style="text-align: center;">235,000</td><td style="text-align: center;">23.65</td><td style="text-align: center;">1.97</td></tr> <tr><td style="text-align: center;">260,000</td><td style="text-align: center;">26.16</td><td style="text-align: center;">2.18</td></tr> <tr><td style="text-align: center;">300,000</td><td style="text-align: center;">30.19</td><td style="text-align: center;">2.52</td></tr> <tr><td style="text-align: center;">400,000</td><td style="text-align: center;">40.25</td><td style="text-align: center;">3.35</td></tr> </tbody> </table>	Effective Taxes Payable 2024			RMV Rate:	0.010063%		Property Value	New Authority		Annual Impact	Monthly Impact	75,000	7.55	0.63	100,000	10.06	0.84	125,000	12.58	1.05	150,000	15.09	1.26	175,000	17.61	1.47	200,000	20.13	1.68	210,000	21.13	1.76	235,000	23.65	1.97	260,000	26.16	2.18	300,000	30.19	2.52	400,000	40.25	3.35
Effective Taxes Payable 2024																																													
RMV Rate:	0.010063%																																												
Property Value	New Authority																																												
	Annual Impact	Monthly Impact																																											
75,000	7.55	0.63																																											
100,000	10.06	0.84																																											
125,000	12.58	1.05																																											
150,000	15.09	1.26																																											
175,000	17.61	1.47																																											
200,000	20.13	1.68																																											
210,000	21.13	1.76																																											
235,000	23.65	1.97																																											
260,000	26.16	2.18																																											
300,000	30.19	2.52																																											
400,000	40.25	3.35																																											

CAPITAL PROJECTS REFERENDUM LEVY - WHAT IS IT?

Voter-Approved Levy May be used to provide dollars for eligible costs on an annual basis pursuant to M.S. 126C.10 subd. 14

Maximum duration of a capital projects referendum request is 10 levy years

Levy spread on the net tax capacity base of the district

Voters approve a **tax rate** and subsequent tax collections are generated on the approved tax rate (not on a dollar approved basis)

Review and Comment submittal to MDE is not required for a Capital projects Levy Referendum if the dollars are being used solely to fund technology and the District submits a school board resolution stating that funds approved by the voters will be used only as authorized in section 126C.10, subdivision 14.

Eligible Uses for the Capital Projects Levy

MS 126C.10 Subd. 14. Uses of total operating capital revenue. Total operating capital revenue may be used only for the following purposes:

- (1) to acquire land for school purposes;
- (2) to acquire or construct buildings for school purposes;
- (3) to rent or lease buildings, including the costs of building repair or improvement that are part of a lease agreement;
- (4) to improve and repair school sites and buildings, and equip or reequip school buildings with permanent attached fixtures, including library media centers;
- (5) for a surplus school building that is used substantially for a public non-school purpose;
- (6) to eliminate barriers or increase access to school buildings by individuals with a disability;
- (7) to bring school buildings into compliance with the State Fire Code adopted according to chapter 299F;
- (8) to remove asbestos from school buildings, encapsulate asbestos, or make asbestos-related repairs;
- (9) to clean up and dispose of polychlorinated biphenyls found in school buildings;
- (10) to clean up, remove, dispose of, and make repairs related to storing heating fuel or transportation fuels such as alcohol, gasoline, fuel oil, and special fuel, as defined in section 296A.01;
- (11) for energy audits for school buildings and to modify buildings if the audit indicates the cost of the modification can be recovered within ten years;

CAPITAL PROJECTS LEVY REFERENDUM ELIGIBLE USES

CAPITAL PROJECTS LEVY REFERENDUM ELIGIBLE USES (CONTINUED)

Items highlighted in yellow are the most common uses of the capital projects levy across the State

- (12) to improve buildings that are leased according to section 123B.51, subdivision 4;
- (13) to pay special assessments levied against school property but not to pay assessments for service charges;
- (14) to pay principal and interest on state loans for energy conservation according to section 216C.37 or loans made under the Douglas J. Johnson Economic Protection Trust Fund Act according to sections 298.292 to 298.298;
- (15) to purchase or lease interactive telecommunications equipment;
- (16) by board resolution, to transfer money into the debt redemption fund to:
 - (i) pay the amounts needed to meet, when due, principal and interest payments on certain obligations issued according to chapter 475; or
 - (ii) pay principal and interest on debt service loans or capital loans according to section 126C.70;
- (17) to pay operating capital-related assessments of any entity formed under a cooperative agreement between two or more districts;
- (18) to purchase or lease computers and related hardware, software, and annual licensing fees, copying machines, telecommunications equipment, and other noninstructional equipment;
- (19) to purchase or lease assistive technology or equipment for instructional programs;
- (20) to purchase textbooks as defined in section 123B.41, subdivision 2;
- (21) to purchase new and replacement library media resources or technology;
- (22) to lease or purchase vehicles;
- (23) to purchase or lease telecommunications equipment, computers, and related equipment for integrated information management systems for:
 - (i) managing and reporting learner outcome information for all students under a results-oriented graduation rule;
 - (ii) managing student assessment, services, and achievement information required for students with individualized education programs; and
 - (iii) other classroom information management needs;
- (24) to pay personnel costs directly related to the acquisition, operation, and maintenance of telecommunications systems, computers, related equipment, and network and applications software; and
- (25) to pay the costs directly associated with closing a school facility, including moving and storage costs.

CAPITAL PROJECTS LEVY INTERACTIVE MODEL– ANNUAL TAX IMPACT

		<i>CAP. PROJ. LEVY</i>	<i>CAP. PROJ. LEVY</i>	<i>CAP. PROJ. LEVY</i>	<i>CAP. PROJ. LEVY</i>	<i>CAP. PROJ. LEVY</i>
		Add New Capital Projects Levy - Pay 2024	Add New Capital Projects Levy - Pay 2024	Add New Capital Projects Levy - Pay 2024	Add New Capital Projects Levy - Pay 2024	Add New Capital Projects Levy - Pay 2024
		1,000,000.00	4,000,000.00	5,000,000.00	6,000,000.00	7,000,000.00
Estimated Market Value		Add New Capital Projects Levy Impact	Add New Capital Projects Levy Impact	Add New Capital Projects Levy Impact	Add New Capital Projects Levy Impact	Add New Capital Projects Levy Impact
Homestead Residential Property	150,000	11.16	44.66	55.82	66.99	78.15
	200,000	15.98	63.93	79.91	95.89	111.88
	300,000	25.62	102.47	128.09	153.71	179.32
Commercial / Industrial	150,000	19.89	79.56	99.45	119.34	139.23
	200,000	28.73	114.92	143.65	172.37	201.10
	300,000	46.41	185.63	232.04	278.45	324.86
Apartments	150,000	16.57	66.30	82.87	99.45	116.02
	200,000	22.10	88.40	110.50	132.60	154.70
	300,000	33.15	132.60	165.75	198.89	232.04
Ag Dwelling Value of HSTD (house, garage and 1 acre)	150,000	11.16	44.66	55.82	66.99	78.15
	200,000	15.98	63.93	79.91	95.89	111.88
	300,000	25.62	102.47	128.09	153.71	179.32
Ag Dwelling Value of HSTD (house, garage and 1 acre)	3,000	0.13	0.53	0.66	0.80	0.93
	4,000	0.18	0.71	0.88	1.06	1.24
	5,000	0.22	0.88	1.10	1.33	1.55
Ag Dwelling Value of HSTD (house, garage and 1 acre)	3,000	0.27	1.06	1.33	1.59	1.86
	4,000	0.35	1.41	1.77	2.12	2.48
	5,000	0.44	1.77	2.21	2.65	3.09

TAXABLE TECHNOLOGY BOND

- Use a voter – approved general obligation bond consisting of tax – exempt and taxable components to fund technology needs into the foreseeable future while structuring payments around existing debt expiration to mitigate additional tax impact to constituents

DISTRICT NEEDS, WANTS, AND IDEAS

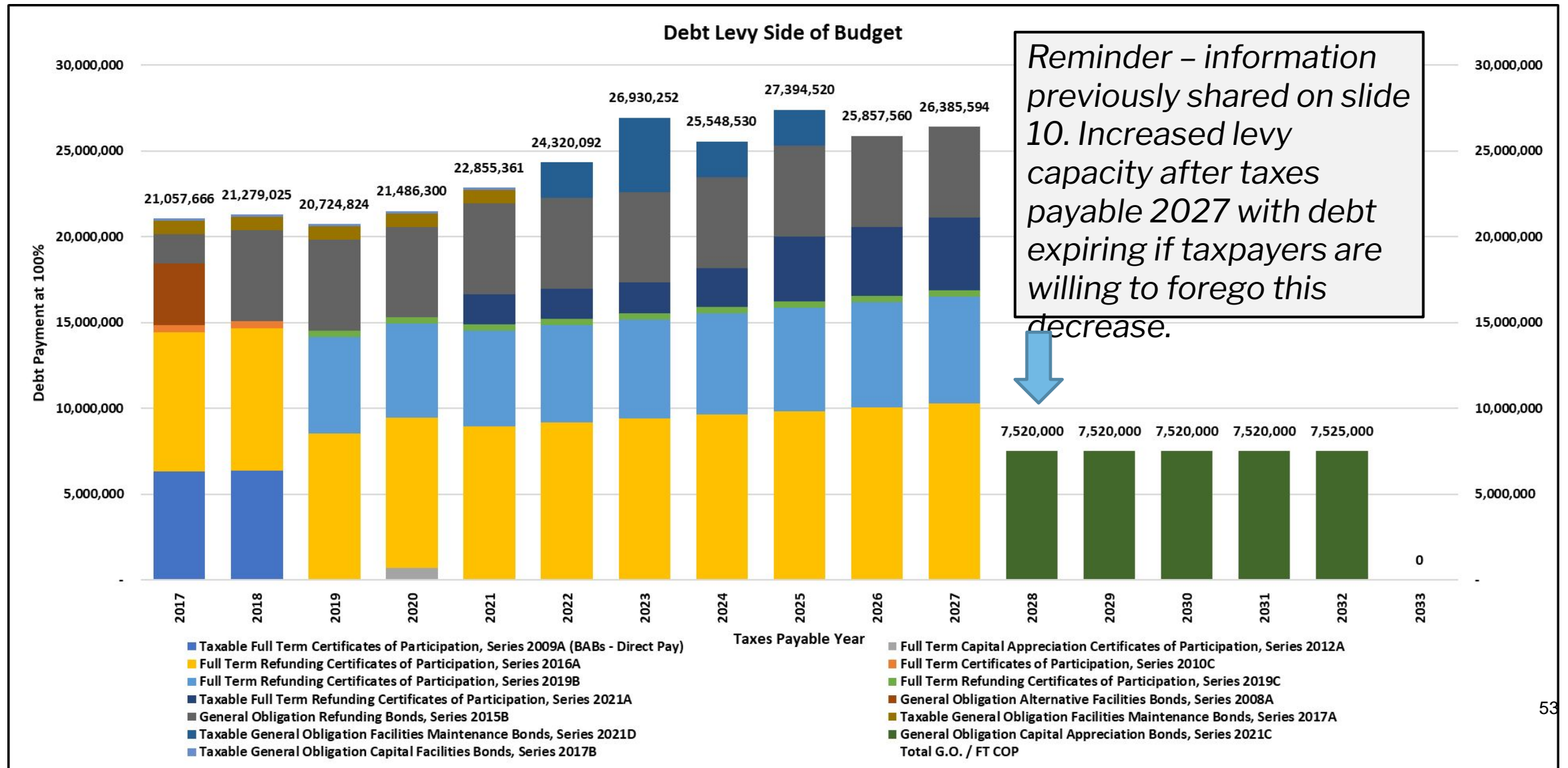
Personnel

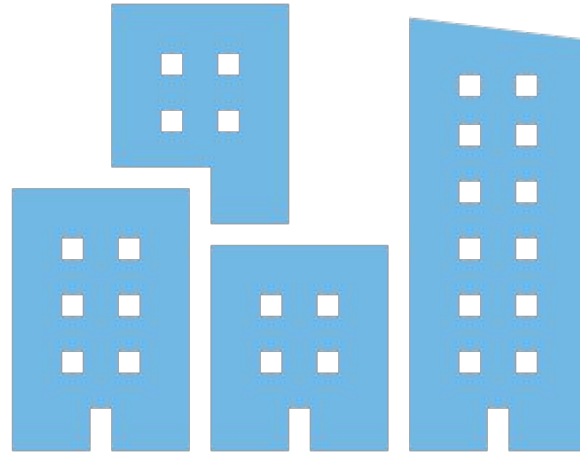
- Previously funded with ESSER dollars – new funding source needed after FY 2024 to retain personnel integral to delivering necessary services
- Class size restructuring
 - District may explore adding new teaching positions
 - For assumption purposes: Total cost per teacher inclusive of salary & benefits: \$125,000
 - Will need to raise an additional \$5 million if 40 new positions were added (40 X \$125,000)
- Contractual Examination and Restructuring Alternatives
 - Explore ability to offer early retirement/retirement options/incentives
 - Assumption: For each personal development day, the estimated cost is \$600,000

Technology

- \$2 million annually needed to maintain current replacement cycles
- Previously funded 1:1 initiative with ESSER and need to provide funding to maintain
- Explore use of operating capital account (where recent sale proceeds of 2 school buildings were placed) to begin tech funding and phase in recurring funding source to coincide with other future levy reductions

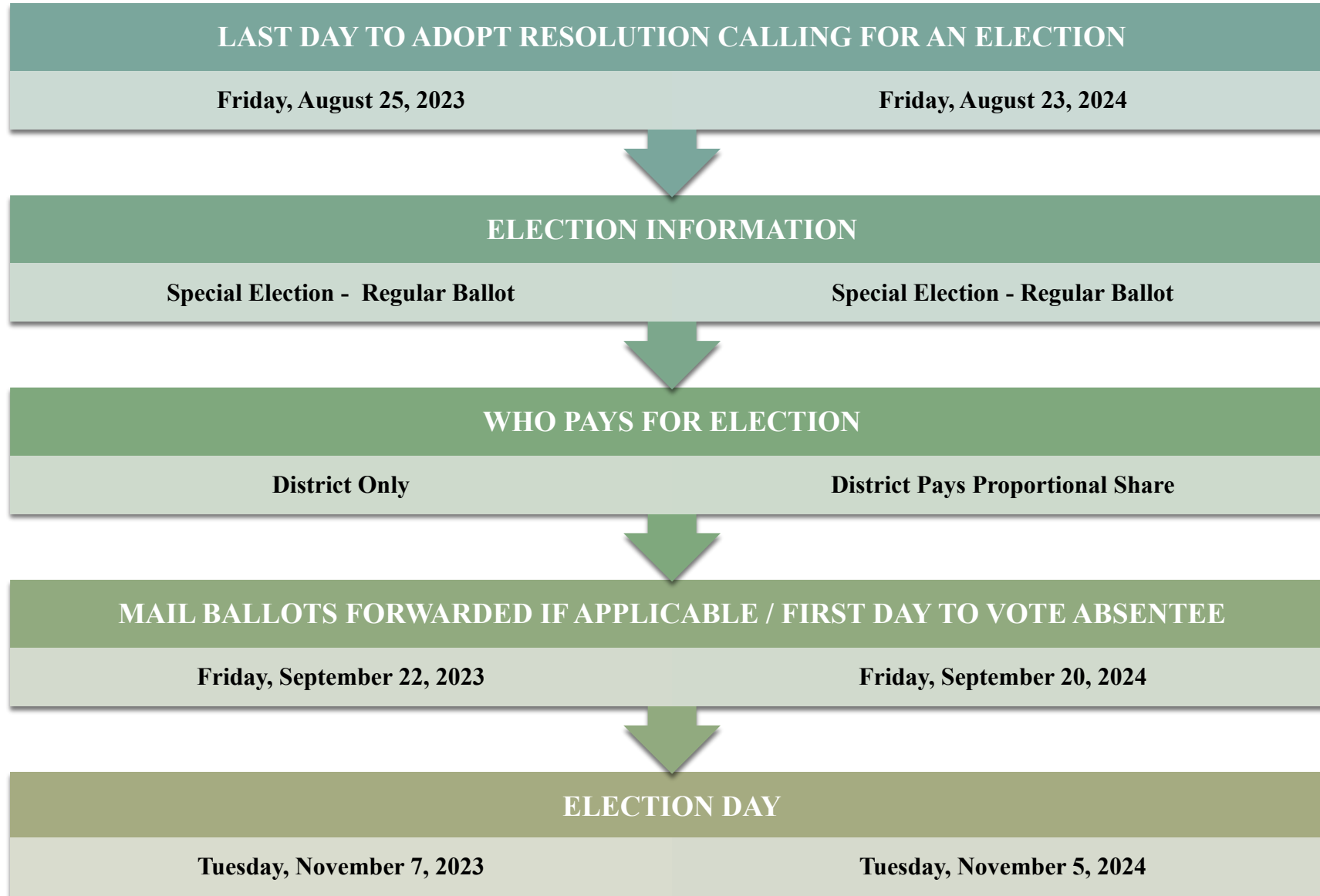
ISD 709 – HISTORY OF DEBT IMPACTING THE LEVY





PLAN DEVELOPMENT/COMMUNICATING WITHIN OUR ORGANIZATION FIRST

KEY OPERATING LEVY ELECTION DATES – 2023 AND 2024



Based on District's financial status (not in SOD), the District can only ask for a voter approved operating referendum from voters once a calendar year. If the voter approved request is not held on the November general election date, it must be by mail ballot.

Pros of a 2023 Election:

- Statistically better passage rate in odd years
- Avoid November 2024 General Election



Provide a history of District operating revenue and operating election results



Prepare an interactive document for District use to help determine revenue generated by such options as Straight Renewal or Renewal plus new amount



Baird coordinates with legal counsel to provide resolution calling for election at future School Board meeting



Base Package cost of \$1,000 which includes two on-site meetings with District



- Baird provides website tax calculator for every specific parcel \$1,000
- Election notice printing and mailing - \$1,000 plus the costs incurred by Baird from the County, Print Shop and Mailing Service
- Informational Post Card printing and mailing - \$1,000 plus the costs incurred by Baird from the County, Print Shop and Mailing Service
- Additional meetings beyond the two meetings included in base package will be

BAIRD'S SERVICE PACKAGE OPERATING LEVY REFERENDUM ASSISTANCE

FURTHER
THOUGHTS/QUESTIONS
REGARDING OPERATING
REFERENDUM?



Duluth Public Schools – 2023 Legislative Priorities

Duluth Public Schools 2023 Legislative Priorities will help our local legislators as they determine the two -year operating budgets for every school district in the state. We believe that critical choices must be made to stabilize and increase public education funding.

In 2023, Duluth Public Schools is prioritizing supporting the following legislative initiatives...

Increased State Aid for Public Education: Support an additional annual increase in the education formula by at least 5% and indexed for inflation. Increased state aid would allow the Duluth Public Schools to invest in:

- Staffing to provide much needed literacy and math interventionists and improved student to teacher ratios
- Revitalizing significantly outdated technology and curriculum resources
- Additional mental and emotional health supports and services for students
- Enhancing safety and behavioral supports
- Improved family and community engagement

Special Education: Support the state fully funding the special education cross subsidy for our schools.

Special Education Funding for Duluth: Support Duluth Public School’s special legislation to recapture one-time special education correction funding of \$2 million dollars.

Construction Sales Tax Exemption: Support legislation exemption Duluth Public Schools from paying sales tax on construction material related to the new District Services Building and Transportation Center.

MTSS Framework: Support funding for MTSS framework support from MDE (the pipeline) and grants to support district resources to continue to implement.

CTE Support: Support a one-time investment in Career and Technical Education, allowing funds to be used for equipment, supply, and technology to support the CTE mission.

School Safety: Support a one-time \$500 allocation per pupil for school safety and support allowing local authority for schools to increase safe school levy revenue to address safety concerns.

LTFM Flexibility: Support an increase in the Long-Term Facility Maintenance (LTFM) and expand allowable uses of LTFM funds. Remove the per pupil limit and broaden eligible uses.

Operating Levies: Allow school board renewal of existing and future operating levies.

DRAFT

Solar & EV: Support adding additional funding to the Solar for Schools Grant Program and increase the grant opportunity to 100% of installation costs for a 40-megawatt array and help schools with federal matching dollars for EV charging stations at school properties.