

Truth In Taxation

**for Taxes Payable in 2019
And Fiscal Year 2019 Budget**

December 18, 2018

Proposed Levy Payable in 2019

Timeline for approval of Payable 2019 tax levy (for Fiscal Year 2020):

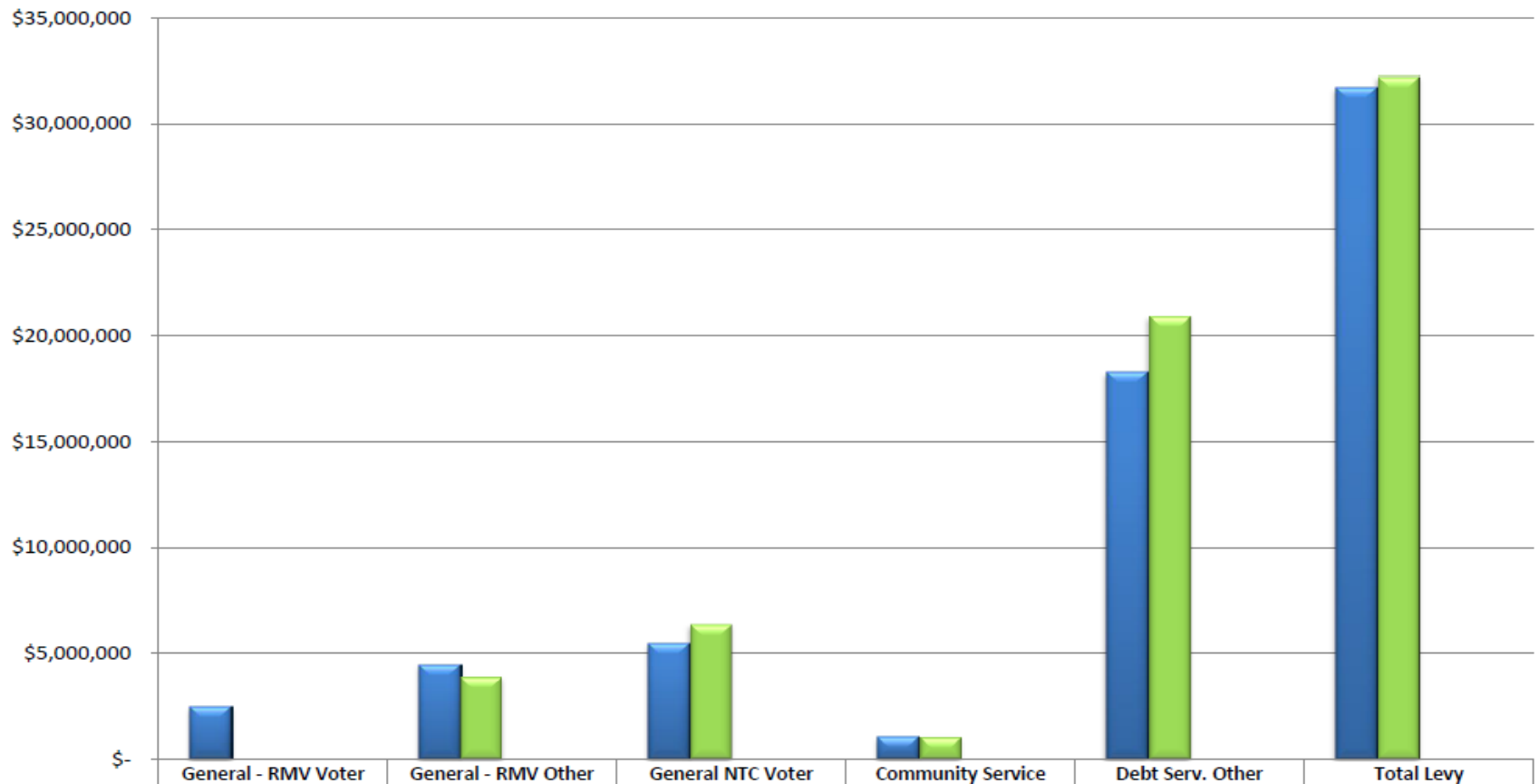
- **July/August 2018:**
 - District reviews and submits data to MN Dept. of Education (MDE)
- **September 2018:**
 - First run of proposed Levy created & published by MDE
 - District and MDE may edit through September 30
 - School Board approves PROPOSED levy prior to September 30
- **November 2018:**
 - Operating Referendum (Education Levy) Vote November 6
 - Proposed tax statements sent to property owners (does not include Referendum)
- **December 18, 2018:**
 - Public hearing on proposed levy at regular School Board meeting & certification of final levy

Duluth Public Schools

#709

Pre-Referendum Levy Comparison by Levy Category

Payable 2018 Final Certified - Payable 2019 Proposed (as of 10.6.18)



Pay18 Levy	\$2,462,325.72	\$4,467,737.04	\$5,452,363.17	\$1,047,799.46	\$18,267,630.77	\$31,697,856.16
Pay19 Levy	\$-	\$3,888,226.08	\$6,368,565.15	\$1,045,278.73	\$20,920,240.30	\$32,222,310.26
Change Pay18 to Pay19	\$(2,462,325.72)	\$(579,510.96)	\$916,201.98	\$(2,520.73)	\$2,652,609.53	\$524,454.10
Percent Change	-100.00%	-12.97%	16.80%	-0.24%	14.52%	1.65%

Summary of Levy Changes (PRIOR to Referendum):

Levy increasing due to:

- Updated Pupil Counts recalculated several levy components
- Long-Term Facilities Maintenance (LTFM) project approvals and prior year adjusts
- A change in unemployment adjustment
- Debt Service payment schedule adjustments

Levy decreasing due to:

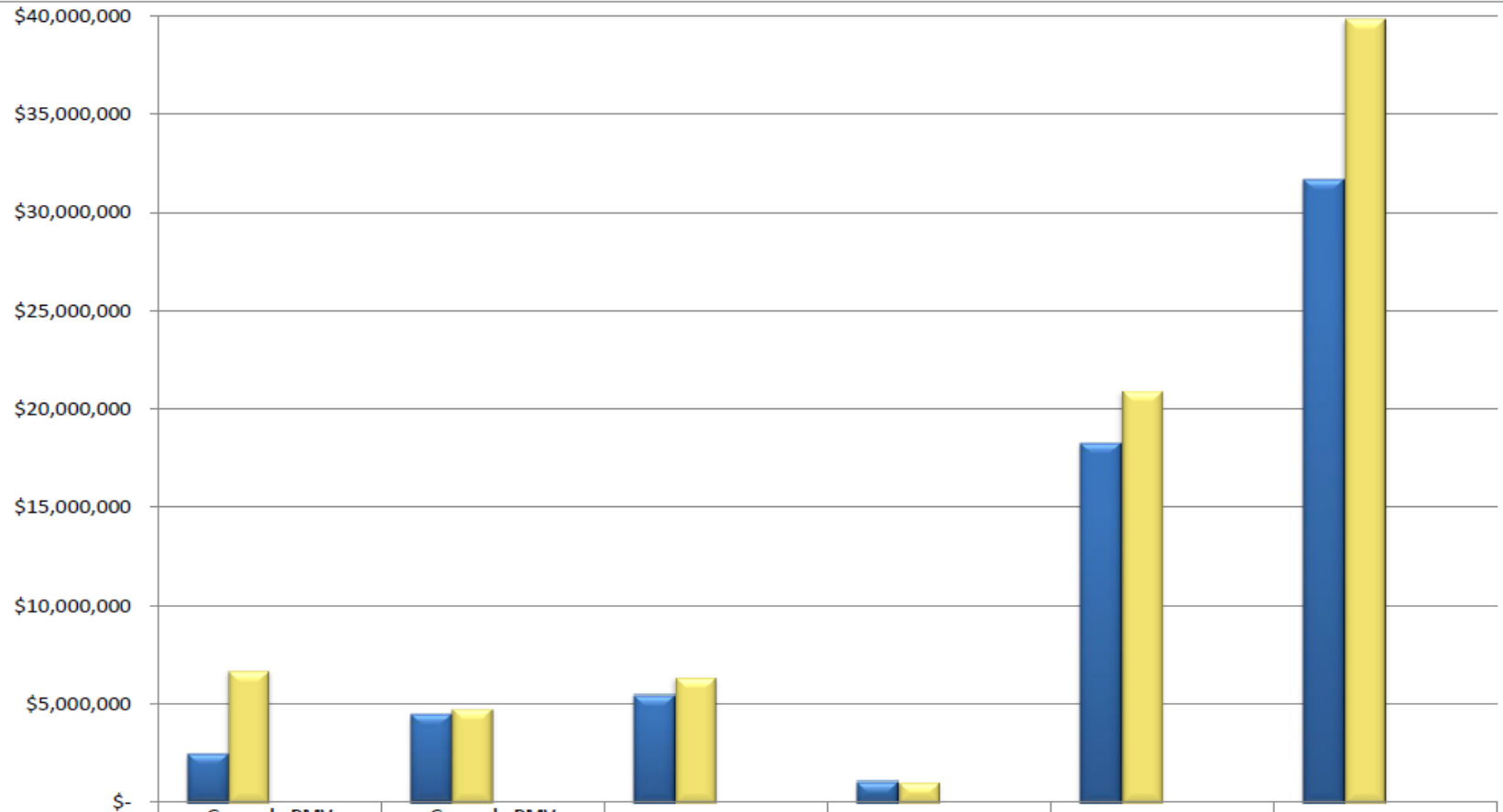
- 2013 Operating Referendum expiring (needed renewal)
- Prior year adjustments

*These are a sampling of changes, levy includes several other minor changes in all levy categories.

Duluth Public Schools

Levy Comparison by Levy Category

Payable 2018 Final Certified - Payable 2019 Proposed & After Referendum Election



	General - RMV Voter	General - RMV Other	General NTC Voter	Community Service	Debt Serv. Other	Total Levy
Pay18 Levy	\$2,462,325.42	\$4,467,737.04	\$5,452,363.17	\$1,047,799.46	\$18,267,630.77	\$31,697,855.86
Pay 19 w/Referendum	\$6,707,802.35	\$4,795,737.58	\$6,368,565.15	\$1,045,278.73	\$20,920,240.30	\$39,837,624.11
Change Pay18 to Pay19 REF	\$4,245,476.93	\$328,000.54	\$916,201.98	\$(2,520.73)	\$2,652,609.53	\$8,139,768.25
% Change after Referendum	172.42%	7.34%	16.80%	-0.24%	14.52%	25.68%

Referendum Property Tax Impacts

- Initial property **tax rates**, which calculate the individual parcel taxes, are based on the total levy generated divided by the applicable property tax base. The parcel value is multiplied by the tax rate to get the initial cost per levy category.
 - **Question 2 Referendum calculation:** \$575 per Adjusted Pupil Unit (EST) 8,851 = \$5,089,325
 - ESTIMATED Referendum Market Value (RMV) in District: \$7,425,800,253
 - Tax rate: $5,089,325 / 7,425,800,253 = .00068536$
 - Average home value: $\$150,000 \times .00068536 = \102.80
 - Monthly Average Cost: **\$8.56**

Levy Summary

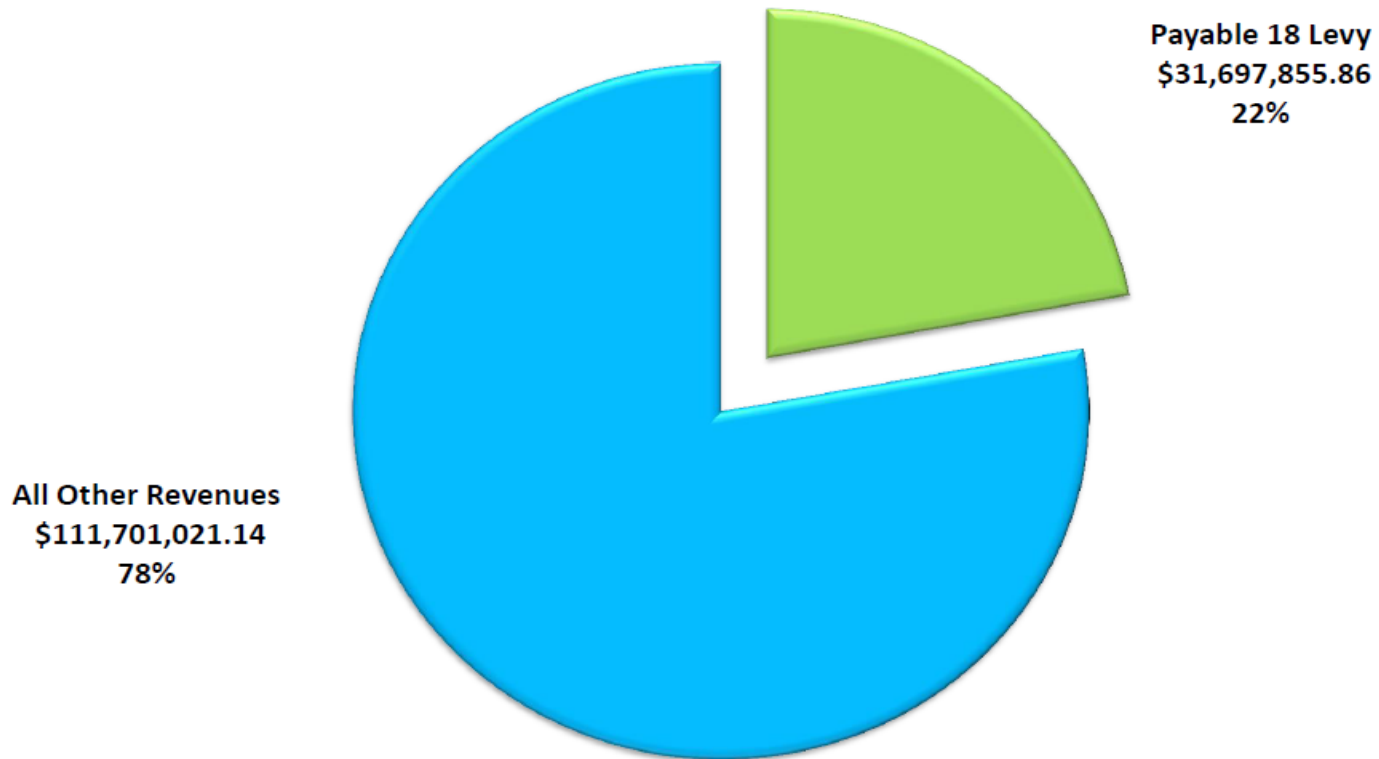
- Prior to November Education Levy, the proposed levy increased 1.65%. This was the result of original 2013 referendum dropping off (needing renewal) and the addition of new district levy items and prior year adjustments.
- With the passage of 2 questions on the November referendum, the adjusted levy increase is now 25.68%. This includes the additional revenue from Question 2 (16.06%) and the impact of those new levy items now that the 2013 referendum was renewed(9.62%).
- Proposed property tax statements do not reflect the newly passed referendum questions.

Duluth Public Schools

#709

Payable 2018 Final Levy as a Component of Revenue Budget

Payable 2018 Levy is a component of the Fiscal Year 2018-19 Budget



Duluth Public Schools

#709

2018-19 Expense and Revenue Budget Comparison

Fund		REVENUE	EXPENSE	Projected Surplus/(Deficit)
01,03,05	General Fund	\$ 108,484,323.00	\$ 108,364,256.00	\$120,067.00
02	Food Service Fund	\$ 4,102,500.00	\$ 4,182,661.00	(\$80,161.00)
04	Community Service Fund	\$ 7,402,699.00	\$ 7,674,184.00	(\$271,485.00)
06	Building Construction Fund	\$ -	\$ -	\$0.00
07	Debt Redemption Fund	\$ 22,306,905.00	\$ 105,560,113.00	(\$83,253,208.00) *
08	Trust Fund	\$ 262,450.00	\$ 250,000.00	\$12,450.00
20	Internal Service Fund	\$ 840,000.00	\$ 819,000.00	\$21,000.00
Total All Funds:		\$ 143,398,877.00	\$ 226,850,214.00	(\$83,451,337.00)

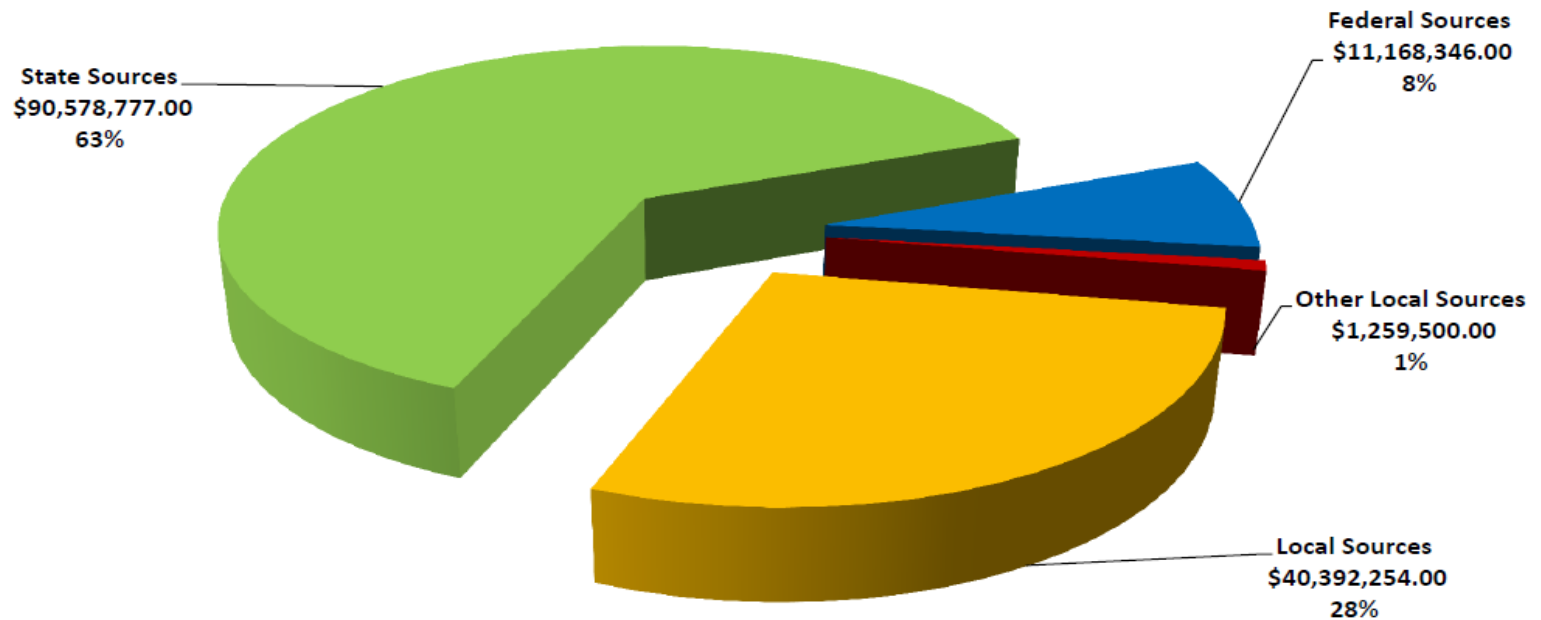
* Debt Redemption Fund includes a bond refunding line item payment, with the revenue being held in the debt redemption fund balance.

Duluth Public Schools

#709

2018-19 Revenues by SOURCE Code

SRC	(local source codes may be different)	REVENUE	% of Total Budget All Funds
001-099			
601-622	Local Sources	\$ 40,392,254.00	28.17%
200-399	State Sources	\$ 90,578,777.00	63.17%
400-599	Federal Sources	\$ 11,168,346.00	7.79%
631-649	Other Local Sources	\$ 1,259,500.00	0.88%
Total Revenues All Funds		\$ 143,398,877.00	

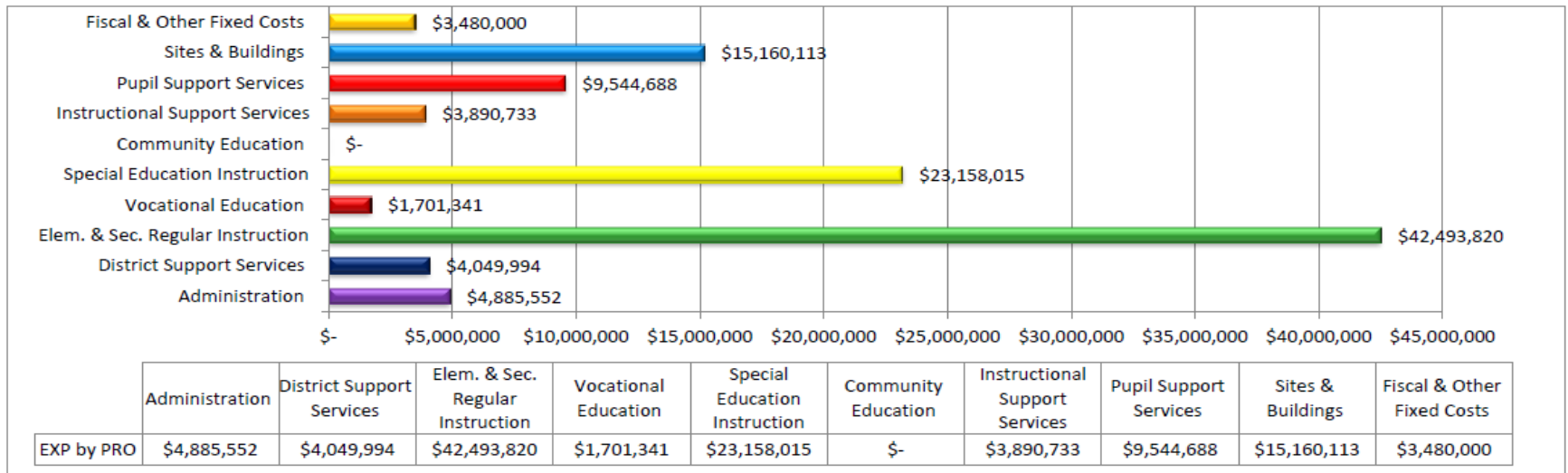


Duluth Public Schools

#709

2018-19 Expense by PROGRAM Area -General Fund

PRO	REVENUE	% of Total Budget All Funds
000-099 Administration	\$ 4,885,552.00	4.51%
100-199 District Support Services	\$ 4,049,994.00	3.74%
200-299 Elem. & Sec. Regular Instruction	\$ 42,493,820.00	39.21%
300-399 Vocational Education	\$ 1,701,341.00	1.57%
400-499 Special Education Instruction	\$ 23,158,015.00	21.37%
500-599 Community Education	\$ -	0.00%
600-699 Instructional Support Services	\$ 3,890,733.00	3.59%
700-799 Pupil Support Services	\$ 9,544,688.00	8.81%
800-899 Sites & Buildings	\$ 15,160,113.00	13.99%
900-999 Fiscal & Other Fixed Costs	\$ 3,480,000.00	3.21%
Total Expenses All Funds		\$ 108,364,256.00

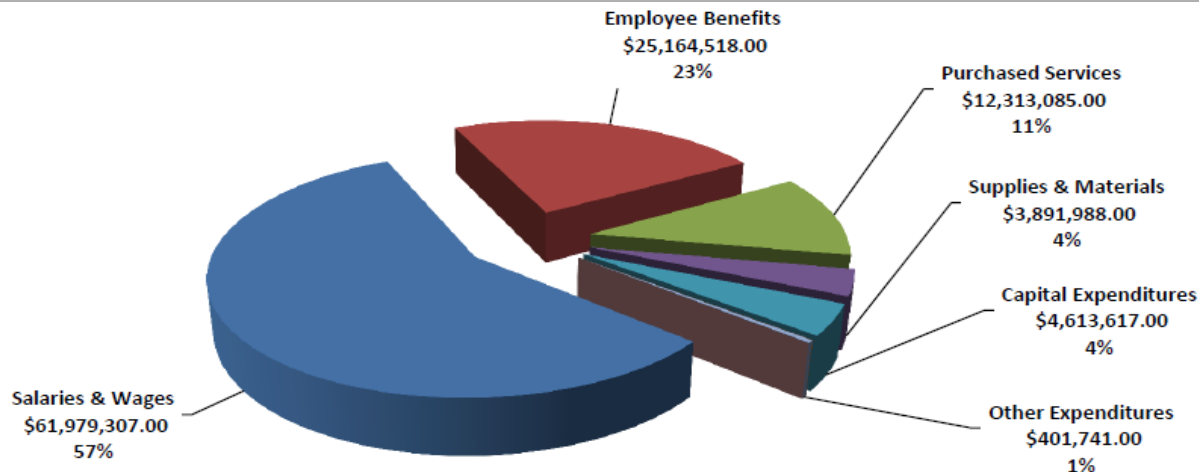


Duluth Public Schools

#709

2018-19 Expense by OBJECT Area - General Fund

PRO		REVENUE	% of Total Budget All Funds
100-199	Salaries & Wages	\$ 61,979,307.00	57.20%
200-299	Employee Benefits	\$ 25,164,518.00	23.22%
300-399	Purchased Services	\$ 12,313,085.00	11.36%
400-499	Supplies & Materials	\$ 3,891,988.00	3.59%
500-599	Capital Expenditures	\$ 4,613,617.00	4.26%
700-799	Debt Service	\$ -	0.00%
800-899	Other Expenditures	\$ 401,741.00	0.37%
900-999	Other Financing Uses	\$ -	0.00%
Total Expenses All Funds		\$ 108,364,256.00	



Public Comment and Questions