

Public Hearing

for Taxes Payable in 2016

December 15, 2015

Public Schools Established by Minnesota Constitution

- “ARTICLE XIII MISCELLANEOUS SUBJECTS
- Section 1. **UNIFORM SYSTEM OF PUBLIC SCHOOLS.** The stability of a republican form of government depending mainly upon the intelligence of the people, *it is the duty of the legislature to establish a general and uniform system of public schools.* The legislature shall make such provisions by taxation or otherwise as will secure a thorough and efficient system of public schools throughout the state.”

Proposed Levy Payable in 2016

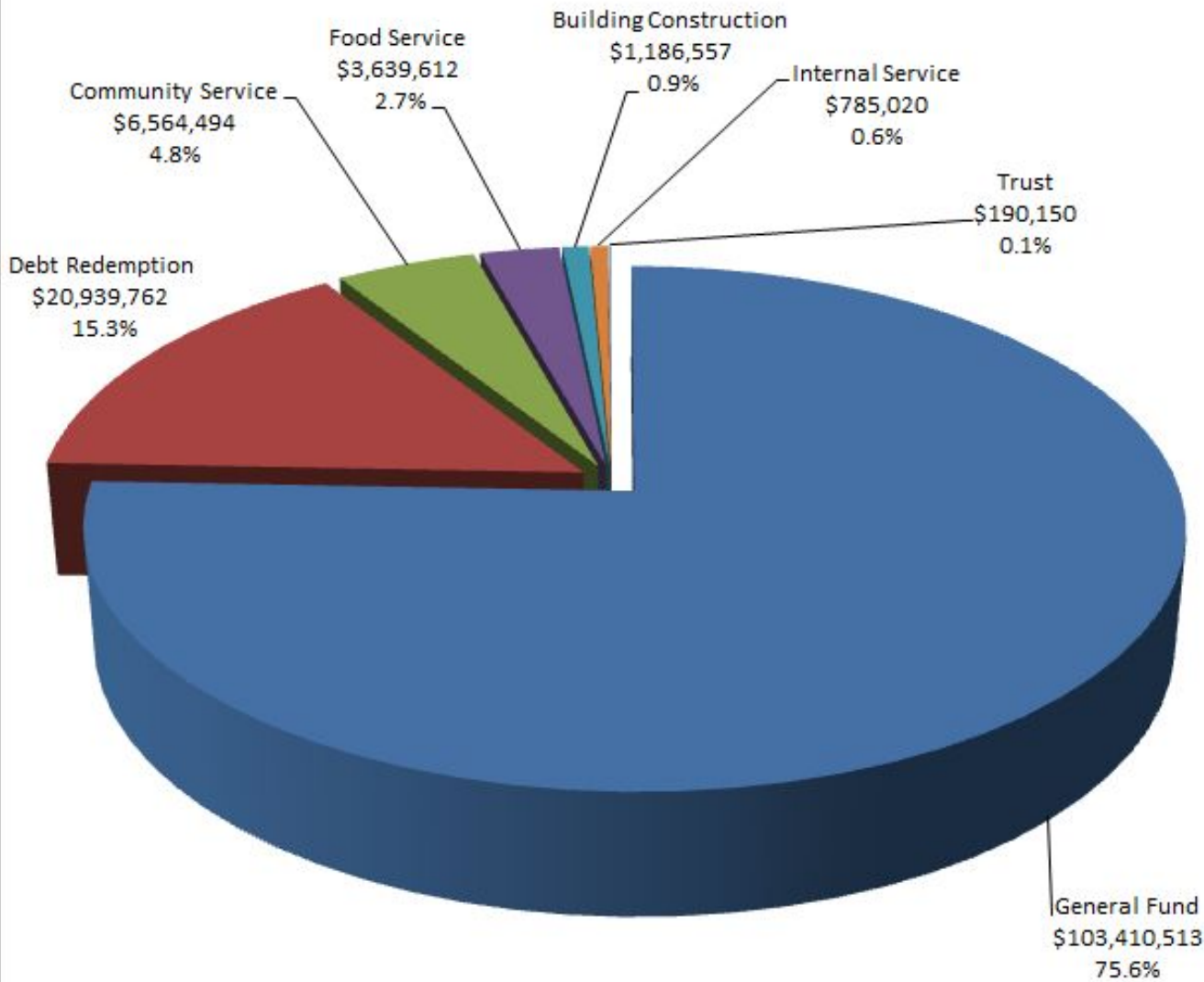
Schedule of events in approval of district's 2015 (Payable 2016) tax levy:

- *Mid-September:* MDE first draft of levy limit worksheets setting maximum authorized levy (finalized by end of September)
- *September 15:* School board approved maximum
- *Mid-November:* County mailed “Proposed Property Tax Statements” to all property owners
- *December 15:* Public hearing on proposed levy at regular meeting
- *Following hearing:* School Board certifies final levy amounts

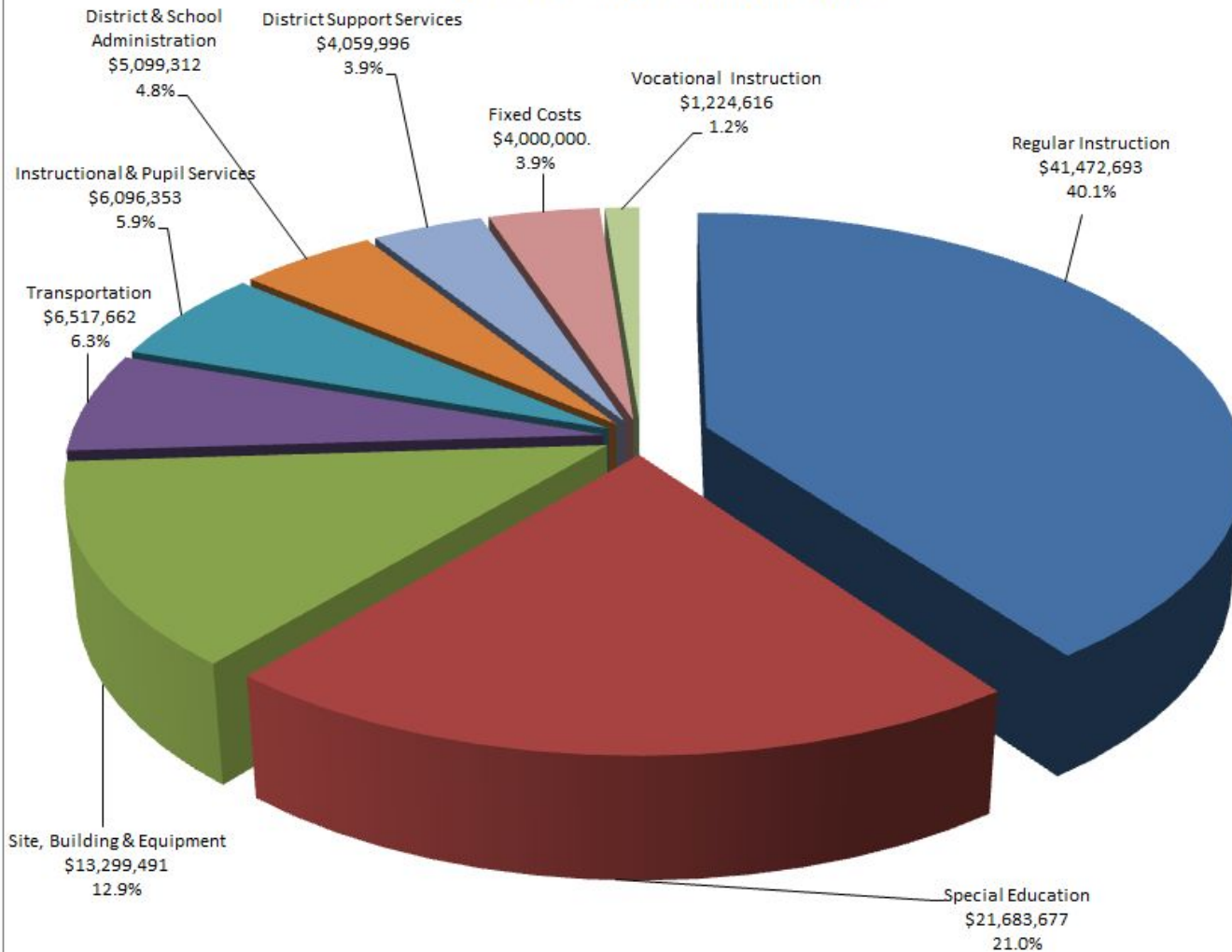
ISD 709 District Revenues & Expenditures

ISD 709							
District Revenues and Expenditures							
Actual for FY 15, Budget for FY 16							
FUND	FISCAL 2015 BEGINNING FUND BALANCES	2014-15 ACTUAL REVENUES AND TRANSFERS IN	2014-15 ACTUAL EXPENDITURES & TRANSFERS OUT	JUNE 30, 2015 ACTUAL FUND BALANCE	2015-16 BUDGET REVENUES & TRANSFERS IN	2015-16 BUDGET EXPENDITURES & TRANSFERS OUT	JUNE 30, 2016 PROJECTED FUND BALANCE
General	\$ 4,119,535	\$ 100,181,707	\$ 101,695,702	\$ 2,605,540	\$ 103,410,513	\$ 103,453,800	\$ 2,562,253
Food service	\$ 1,079,687	\$ 3,851,007	\$ 3,905,589	\$ 1,025,105	\$ 3,639,612	\$ 3,901,630	\$ 763,087
Community Service	\$ 854,120	\$ 6,970,311	\$ 6,716,242	\$ 1,108,189	\$ 6,564,494	\$ 6,871,412	\$ 801,271
Building Construction	\$ 6,231,136	\$ 1,095,840	\$ 1,728,837	\$ 5,598,139	\$ 1,186,557	\$ 5,237,509	\$ 1,547,187
Debt Service	\$ 1,910,242	\$ 69,649,877	\$ 21,301,060	\$ 50,259,059	\$ 20,939,762	\$ 20,910,333	\$ 50,288,488
Trust	\$ 1,820,700	\$ 195,316	\$ 200,000	\$ 1,816,016	\$ 190,150	\$ 200,000	\$ 1,806,166
Internal Service	\$ 8,564	\$ 816,927	\$ 750,349	\$ 75,142	\$ 785,020	\$ 754,000	\$ 106,162
TOTAL ALL Funds	\$ 16,023,984	\$ 182,760,985	\$ 136,297,779	\$ 62,487,190	\$ 136,716,108	\$ 141,328,684	\$ 57,874,614

Duluth Public Schools Revenue All Funds 2015-16 Budget \$136,716,108



Duluth Public Schools Operating Fund Expenditures by Program 2015-16 Budget \$103,453,800



Levy Analysis

	Certified Levy Pay 15	Pay 16 Levy Limitation	Rec.	Rec.	Rec.
			Levy Pay 16	Levy \$ Change	Levy % Change
General Fund	\$11,232,879	\$12,392,964	\$12,212,964	\$980,085	8.7%
Community Services Fund	\$1,054,559	\$1,020,508	\$1,020,508	(\$34,051)	(3.2)%
Debt Redemption Fund	\$20,566,043	\$19,916,075	\$19,916,075	(\$649,968)	(3.2)%
Total Levy	\$32,853,481	\$33,329,547	\$33,149,547	\$296,066	0.9%

Levy Changes

New / Increased:

- Long-Term Facilities Maintenance \$1,387,000
- Reemployment Insurance \$275,000
- Referendum \$863,000

Reductions:

- Alternative Facilities (\$1,018,000)
- Debt Service (\$650,000)
- OPEB (\$568,000)

Estimated Tax Impact

Property Type	Taxable Value	Annual Change
Residential Homestead	\$150,000	(\$16.57)
Commercial	\$150,000	(\$40.17)

Source: County Auditors Office

Summary

- Recommended levy increase: \$296,066 or 0.9%
- Despite this increase, the tax impact results in a reduction due to the larger percentage growth in property values.
- Prior Legislative action to implement “Local Optional Revenue” does not increase tax levy, but shifts dollars from “voter approved” to “other” despite the November, 2013 referendum results