

Public Hearing

for Taxes Payable in 2017

December 20, 2016



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 2017

Schedule of events in approval of district's 2016 (payable 2017) tax levy:

- **Mid-September:** MDE first draft of levy limit worksheets setting maximum authorized levy (finalized by end of September)
- **September 20:** School Board approved maximum
- **Mid-November:** County mailed "Proposed Property Tax Statements" to all property owners
- **December 20:** Public hearing on proposed levy at regular School Board meeting
- **Following hearing:** School Board certifies final levy amounts

ISD 709 District Revenue & Expenditures

ISD 709

District Revenues and Expenditures

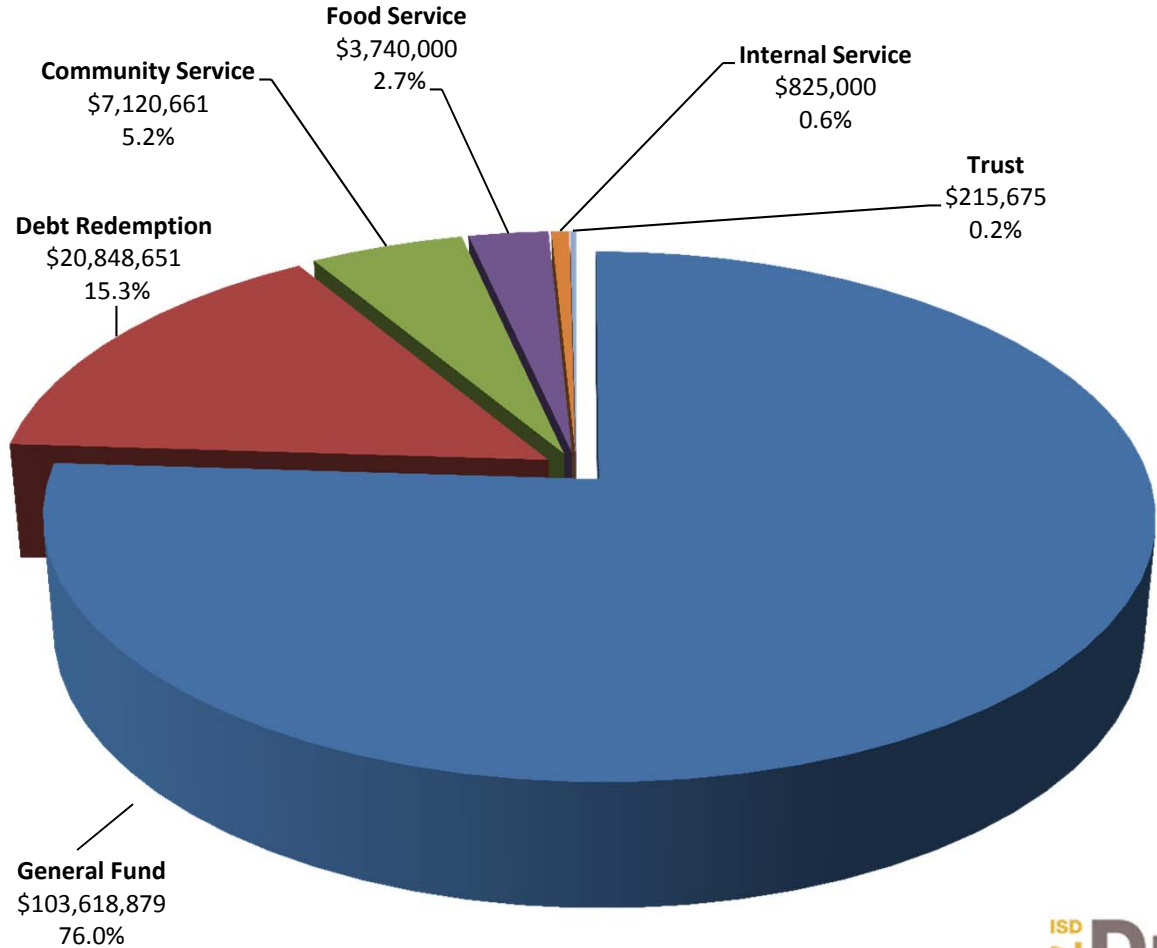
Actual for FY 16, Budget for FY 17

FUND	FISCAL 2016 BEGINNING FUND BALANCES	2015-16 ACTUAL REVENUES AND TRANSFERS IN	2015-16 ACTUAL EXPENDITURES & TRANSFERS OUT	JUNE 30, 2016 ACTUAL FUND BALANCE	2016-17 BUDGET REVENUES & TRANSFERS IN	2016-17 BUDGET EXPENDITURES & TRANSFERS OUT	JUNE 30, 2017 PROJECTED FUND BALANCE
General	\$ 3,695,052*	\$ 100,875,408	\$ 101,473,812	\$ 3,096,648	\$ 103,618,879	\$ 103,618,879	\$ 3,096,648
Food service	\$ 1,025,104	\$ 3,769,964	\$ 3,893,697	\$ 901,371	\$ 3,740,000	\$ 4,113,837	\$ 527,534
Community Service	\$ 1,108,189	\$ 7,404,608	\$ 7,184,207	\$ 1,328,590	\$ 7,120,661	\$ 7,308,343	\$ 1,140,908
Building Construction	\$ 5,598,139	\$ 1,188,526	\$ 3,657,997	\$ 3,128,668	\$ -	\$ 3,128,668	\$ -
Debt Service	\$ 50,259,059	\$ 23,542,812	\$ 22,783,367	\$ 51,018,504	\$ 20,848,651	\$ 22,446,296	\$ 49,420,859
Trust	\$ 1,816,016	\$ 291,946	\$ 200,000	\$ 1,907,962	\$ 215,675	\$ 200,000	\$ 1,923,637
Internal Service	\$ 75,142	\$ 831,494	\$ 773,376	\$ 133,260	\$ 825,000	\$ 754,000	\$ 204,260
TOTAL ALL Funds	\$ 63,576,701	\$ 137,904,758	\$ 139,966,456	\$ 61,515,003	\$ 136,368,866	\$ 141,570,023	\$ 56,313,846

* Restated



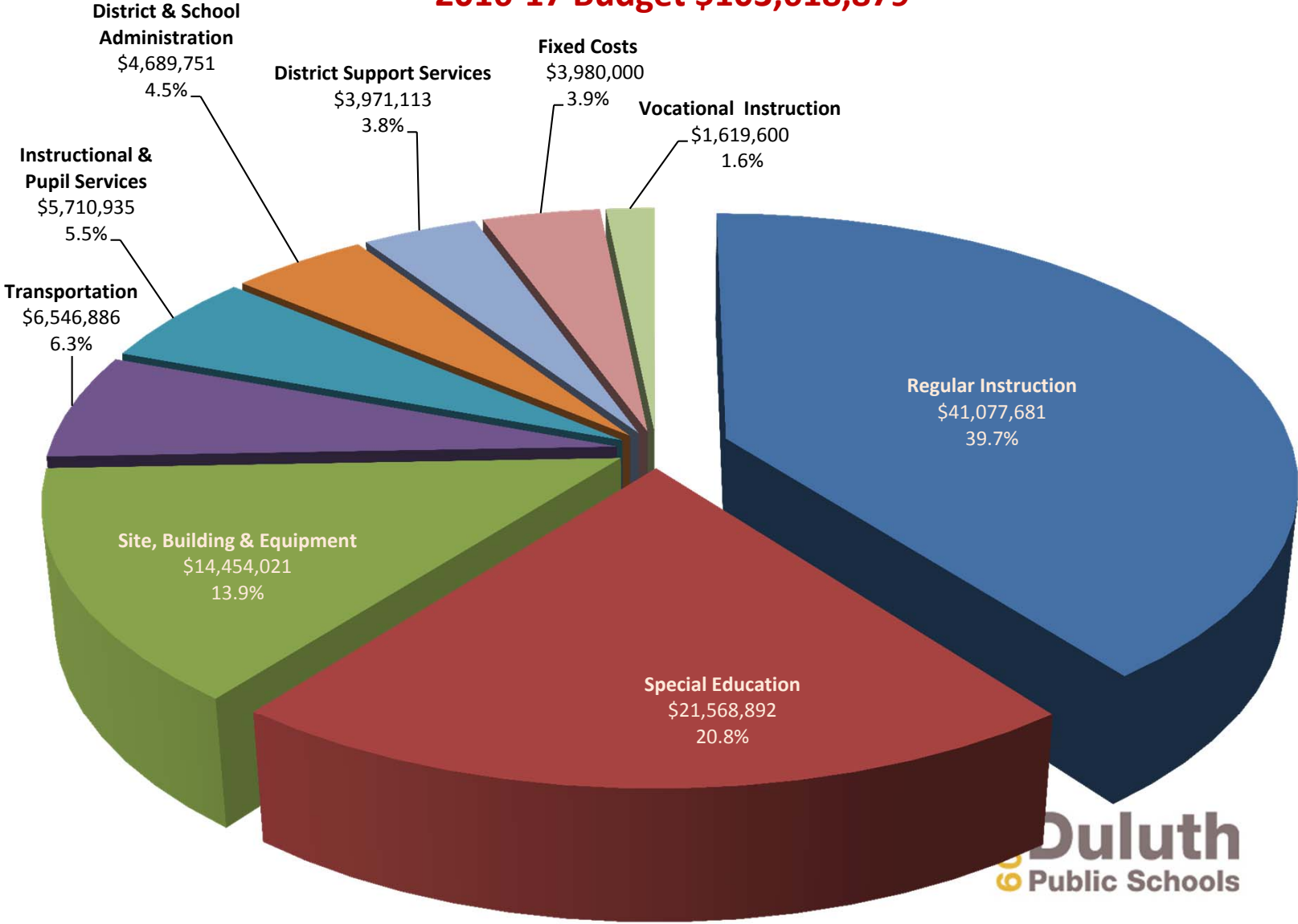
**Duluth Public Schools
Revenue All Funds
2016-17 Budget \$136,368,866**



Duluth Public Schools

Operating Fund Expenditures by Program

2016-17 Budget \$103,618,879



Levy Analysis

	Certified Levy Payable 2016	Levy Limitation Payable 2017	Recommended		
			Levy Payable 2017	Levy \$ Change	Levy % Change
General Fund	\$12,212,964	\$12,241,729	\$12,241,729	\$28,765	0.2%
Community Services Fund	\$1,020,508	\$1,028,842	\$1,028,842	\$8,334	0.8%
Debt Redemption Fund	\$19,916,075	\$18,545,521	\$18,545,521	(\$1,370,554)	-6.9%
Total Levy	\$33,149,547	\$31,816,092	\$31,816,092	(\$1,333,455)	-4.0%



Levy Changes

New / Increased:

- Long-term Facilities Maintenance \$671,000
- OPEB \$579,000

Reductions:

- Reemployment Insurance (\$231,000)
- Debt Service (\$1,370,555)
- Operating Capital (\$274,281)
- Referendum Adjustment (\$410,000)
- Student Achievement (\$105,000)



Estimated Tax Impact

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

Source: County Auditor's Office



Summary

- Recommended levy decrease is \$1,333,455 or 4.0%
- With this decreased levy, and the expectation of continued growth in the local tax base, we anticipate that the school tax rate reduction will exceed 4.0%
- 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