



Dawson-Boyd School District

# Truth in Taxation

Public Hearing  
for Taxes Payable in 2026  
December 8, 2025 at 6:00pm

Presented by:  
Stacy Stratmoen  
Director of Finance



# Dawson-Boyd School District

## Minnesota State Law Requires:

### A Public Meeting...

- Between November 25<sup>th</sup> & December 30<sup>th</sup>
- At 6:00 pm or later
- May be part of regularly scheduled meeting
- Must allow for public comments
- May adopt final levy at same meeting

### ... and Presentation of:

- Current year 2026 budget
- Pay 2026 (fiscal year 2026-27)  
Proposed Tax Levy
- Specific purpose & reasons taxes are being increased/decreased



# Dawson-Boyd School District

## Agenda

- Background on School Funding & Review of Meeting Requirements per MN Statutes 275.065
- Presentation of District's current year budget
- District's Proposed Tax Levy for Taxes Payable in 2026
- Public Comments



## MN Legislature Must Set Funding for Minnesota Public Schools

Minnesota Constitution ARTICLE XIII

MISCELLANEOUS SUBJECT

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.”



# Dawson-Boyd School District

As a result...

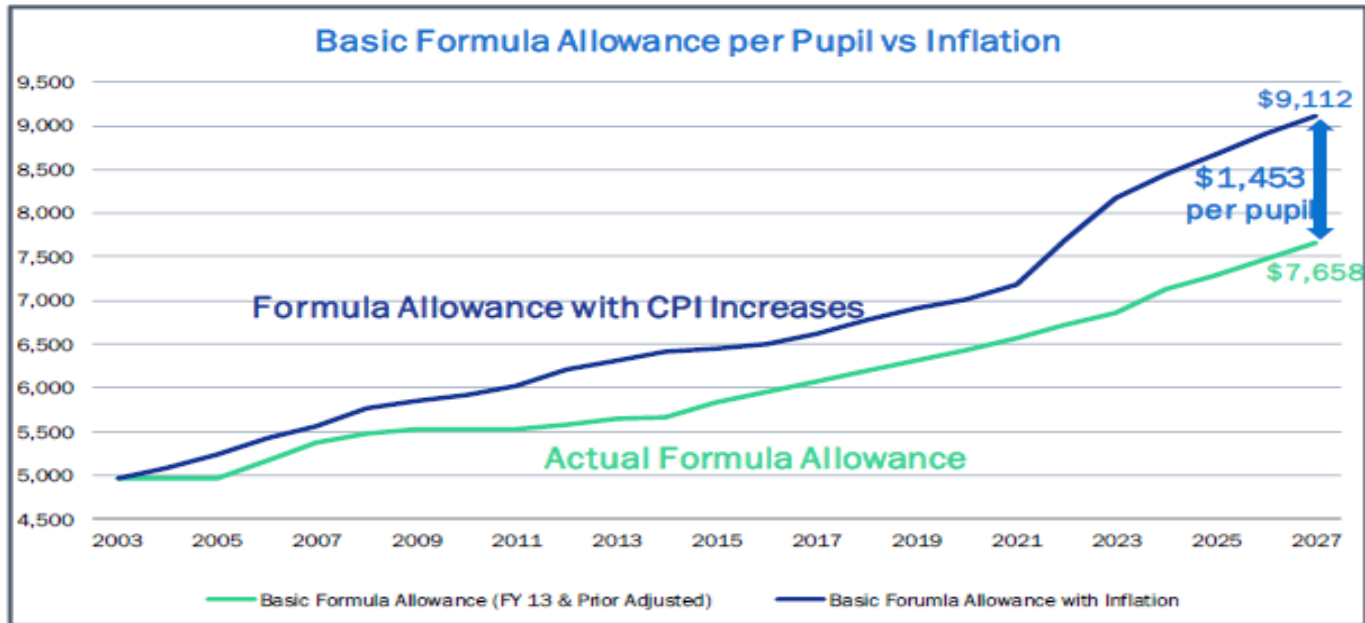
## Minnesota Funding is Highly Regulated

State Sets:

- Formulas which determine revenue; most revenue based on specified amounts per pupil
- Tax policy for local schools
- Maximum authorized property tax levy (districts can levy less but not more than amount authorized by state, unless approved by voters in November)

State also authorizes school board to submit referendums for operating and capital needs to voters for approval.

# Dawson-Boyd School District



<sup>1</sup> Inflation is based on consumer price index

<sup>2</sup> Basic formula allowance includes changes made by legislature in 2023 and is adjusted for FY 2014 and earlier due to pupil weight changes

<sup>3</sup> FY 25-26 & FY 26-27 are based on estimated inflation forecasts updated in July 2025 by the State of Minnesota

State Funding Basic general formula has not kept up with state funding over the last 20+ years

## Change in Tax Levy does not Determine Change in Budget

- Tax levy is based on many state-determined formulas plus voter approved referendums
- Some changes in tax levies are revenue neutral, offset by reductions or increases in state aid
- Expenditure budget is limited by state-set voter-approved levies, and fund balance
- An increase in school taxes does not correlate to an equal increase in the expenditure budget

## School District Levy Cycle Differs from City/County Levy Cycle

### City/County

- Budget Year same as calendar year
- 2026 taxes provide revenue for 2026 calendar year budget

### Schools:

- Budget year begins July 1<sup>st</sup> and coincides with school year
- 2025 taxes provide revenue for 2025-26 school fiscal year
- Budget will be adopted in June 2025

## Budget Information

- All school districts' budgets are divided into separate funds, based on purpose of revenue, as required by law
- Fund Accounting Structure:
  - General Fund
  - Food Service Fund
  - Community Service Fund
  - Debt Service Fund
  - Custodial Fund

## Fund Accounting Overview

### **GENERAL FUND – FUND 1**

#### **INSTRUCTION/MAINTENANCE**

- Classroom Instruction
- Extra-Curricular Activities
- Federal and State Instructional Programs
- Repair and Maintenance

#### **TRANSPORTATION OPERATIONS**

- Transportation of Students

#### **CAPITAL EXPENDITURES**

- Long Term Facility Maintenance (LTFM)
  - Includes Health and Safety
- Safe Schools
- Building Improvements
- Equipment Purchases

### **FOOD SERVICE FUND – FUND 2**

- School Lunch Program

### **COMMUNITY SERVICE FUND – FUND 4**

- Adult Continuing Education Classes
- Early Childhood Family Education Classes/Preschool
- School and Community Sponsored Recreation Programs
- Senior Citizen's Programs
- Levy is based on:
  - Adult population of the district
    - 2838 – 2020 Census
    - 3021 – 2010 Census
  - Early childhood levy is based on the number of children 0-4 years old in the district on 9-1-2025

## Fund Accounting Overview

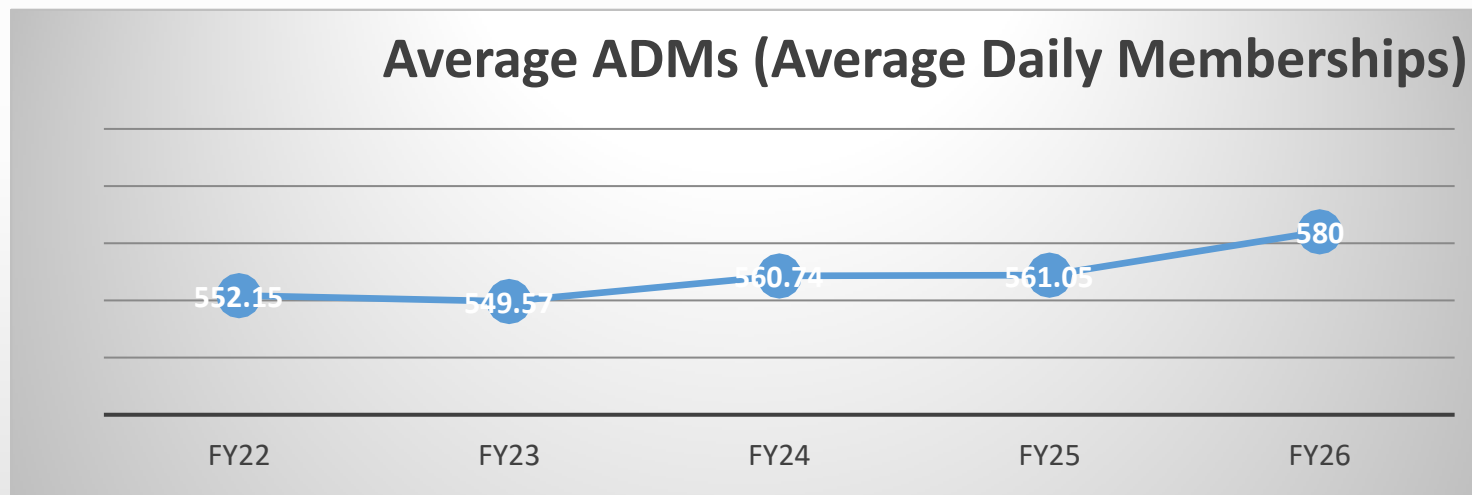
### DEBT SERVICE FUND – FUND 7

- Repayment of Bond Principal and Interest

### CUSTODIAL FUND – FUND 18

- Funds received, held and expended as directed by outside sources
- Usually donated funds
- Senior Citizens Funds
- No Levy

## Districts Enrollment



## District Revenues and Expenditures: Actual for FY 2025

	FY 2025 Beginning Fund Balances	FY 2025 Actual Revenues and Transfers In	FY 2025 Actual Expenditures and Transfers Out	June 30, 2025 Actual Fund Balances
General Fund/Restricted	\$427,567	\$1,443,920	\$1,218,131	\$653,356
General Fund/Unassigned	\$621,947	\$7,275,109	\$7,433,302	\$463,754
Food Service Fund	\$146,046	\$578,058	\$574,584	\$149,520
Community Service Fund	(\$8,562)	\$1,017,796	\$870,604	\$138,630
Construction Fund	\$3,606,513	\$105,405	\$2,817,594	\$894,324
Debt Service Fund	\$301,238	\$2,314,988	\$2,170,846	\$445,380
Custodial Fund	\$28,818	\$3,031	\$1,500	\$30,349
<b>Totals</b>	<b>\$5,123,567</b>	<b>\$12,738,307</b>	<b>\$15,086,561</b>	<b>\$2,775,313</b>



# Dawson-Boyd School District

## History of General Fund Balance

<u>Fiscal Year</u>	<u>Unassigned</u>	<u>Total</u>
2012-2013	\$1,067,958.00	\$1,014,866.00
2013-2014	\$1, 191,574.00	\$1,187,315.00
2014-2015	\$1,188,450.00	\$1,291,766.00
2015-2016	\$1,460,247.00	\$1,695,695.00
2016-2017	\$1,496,945.00	\$1,621,864.00
2017-2018	\$1,571,764.00	\$1,755,606.00
2018-2019	\$1,702,301.00	\$2,029,405.00
2019-2020	\$1,690,743.00	\$2,191,643.00
2020-2021	\$1,343,771.00	\$1,894,490.00
2021-2022	\$ 955,657.00	\$1,524,815.00
2022-2023	\$ 568,328.00	\$ 1,030,546.00
2023-2024	\$ 621,947.00	\$ 1,049,514.00
2024-2025	\$ 463,754.00	\$ 1,117,110.00



# Dawson-Boyd School District

## History of Levy Limitations (Approved)

<u>Fund</u>	<u>Pay 2019</u>	<u>Pay 2020</u>	<u>Pay 2021</u>	<u>Pay 2022</u>	<u>Pay 2023</u>	<u>Pay 2024</u>	<u>Pay 2025</u>
General	\$651,174.50	\$601,315.95	\$699,047.12	\$834,264.19	\$897,540.42	\$1,029,911.20	\$1,024,775.31
Com Svc	\$87,546.89	\$ 81,671.47	\$ 69,756.39	\$ 87,102.64	\$ 86,227.28	\$ 69,571.72	\$ 67,737.90
Debt Svc	\$1,798,457.98	\$1,783,109.56	\$1,782,770.70	\$1,714,140.08	\$2,128,674.19	\$2,065,019.57	\$2,044,306.47
Total	\$2,537,179.37	\$2,466,096.98	\$2,551,574.21	\$2,635,506.91	\$3,112,441.89	\$3,164,502.49	\$3,136,819.68
% Change	32.92%	-2.80%	3.47%	3.29%	18.10%	1.67%	-.87%

\*2020 is the first year Bond was applied to taxes for addition/remodel

\*2021 includes the 2011 Operating Referendum dropping off

\*2022 Taxes includes the approved Operating Levy from November 2, 2021 election results

\*2024 is the first year Bond was applied to taxes for the parking lots/roofing/HVAC project



# Dawson-Boyd School District

## Dawson-Boyd Public School District Proposed Property Tax Levy Summary by Fund

	Final Pay 2025	Proposed Pay 2026	\$ Change	% Change
<b>General Fund (Fund 1)</b>				
Operating Referendum	235,155	247,337	12,182	5.2%
Local Optional	290,233	296,479	6,246	2.2%
Equity	82,836	87,889	5,053	6.1%
Transition	19,505	20,516	1,010	5.2%
Operating Capital	104,447	104,420	(26)	0.0%
Achievement and Integration	17,844	19,450	1,606	9.0%
Reemployment Insurance	1,700	4,917	3,216	189.2%
Safe Schools	21,802	23,047	1,246	5.7%
Career & Technical	87,391	70,925	(16,466)	-18.8%
Annual OPEB	3,900	3,900	-	0.0%
Long Term Facilities Maintenance	119,644	132,764	13,120	11.0%
Building/Land Lease	23,760	24,786	1,026	4.3%
Adjustments and Abatements	21,694	(11,654)	(33,349)	-
<b>General Fund Total Levy</b>	<b>1,029,911</b>	<b>1,024,775</b>	<b>(5,136)</b>	<b>-0.5%</b>
<b>Community Service (Fund 4)</b>				
Basic Community Education	26,110	26,110	-	0.0%
Early Childhood Education	20,952	18,491	(2,461)	-11.7%
Home Visiting	549	633	84	15.2%
Adjustments and Abatements	21,961	22,505	544	2.5%
<b>Community Service Fund Total Levy</b>	<b>69,572</b>	<b>67,738</b>	<b>(1,834)</b>	<b>-2.6%</b>
<b>Debt Service Fund (Fund 7)</b>				
Voter Approved Debt Service	1,808,559	1,813,137	4,578	0.3%
Non-Voter Approved Debt Service	338,247	328,046	(10,201)	-3.0%
Adjustments and Abatements	(81,787)	(96,876)	(15,090)	-
<b>Debt Service Fund Total Levy</b>	<b>2,065,020</b>	<b>2,044,306</b>	<b>(20,713)</b>	<b>-1.0%</b>
<b>Total Property Tax Levy All Fund</b>	<b>3,164,502</b>	<b>3,136,820</b>	<b>(27,683)</b>	<b>-0.87%</b>

## The Levy Cycle

Certified in 2025 PAY 2026 for FY 2027

School Board adopts  
final levy in December  
2025.

Property owners pay  
taxes to counties in May  
2026 and October 2026.  
Counties remit these  
funds to school districts.

School districts record  
funds collected in  
calendar year 2026 as  
revenues in school fiscal  
year 2027.

## Property Tax Background

- Every owner of taxable property pays property taxes for the various “taxing jurisdictions” (county, city or township, school district, special districts) in which the property is located.
- Each taxing jurisdiction sets its own tax levy, most often based on limits set in state law.
- Each county sends out bills, collects taxes from property owners, and distributes funds back to other taxing jurisdictions.

## Key Dates for Levy Certification

- September 8: Minnesota Department of Education (MDE) prepared and distributed first draft of levy limit worksheets setting maximum authorized levy as permitted by law
- September 8: School board approved proposed levy amounts (set maximum allowed)
- Mid-November: Each county mailed “Proposed Property Tax Statements” to all property owners
- December 8: Public hearing on proposed levy held by DB School Board as required by law at Truth in Taxation 6:00 p.m. hearing
- Following the hearing the school board will certify final levy amounts at its regular meeting.

## Overview of Proposed Levy Payable in 2026

- The total pay 2026 proposed property tax levy for all funds will decrease from Pay 2025, by  $-.87\%$  or \$27,682.81.
- Normally this is revenue neutral for the district because the tax burden from the state will shift the amount from state aid to the tax payer responsibility based on property values. When it is negative the tax payer will experience a decrease.
- Law requires that school districts explain the reasons for changes in the levy.

## General Fund Levy Changes

- Category: General Fund (Referendum/General)
- Net Change: -\$5,136.89
- Reasons for change:
  - Increases in Referendum, Facilities & Equipment Bond Adjustment, Integration & Achievement, LOR (Local Optional Revenue), Unemployment/Reemployment Insurance, Leases, Safe Schools, and LTFM (Long Term Facility Maintenance)
  - Decreases in Career & Technical, Abatements and Operating Capital

## Community Service Levy Changes

- Category: Community Service Fund
- Net Change: -\$1,833.82
- Reasons for change:
  - ECFE (Early Childhood Family Education) Under 5 Population as of 9/1/25 - 223 (2023 - 183)
  - Community Service – Decrease based on 2020 census of 2,838 district residents. Previous years based on 2010 census of 3,021 (decrease of 183).

## Debt Service Levy Changes

- Category: Debt Service/OPEB Debt Service Funds
- Net Change: -\$20,713.10
- Reasons for change:
  - The District is required to levy 105% of the scheduled debt service payment so that there are enough funds available to make the bond payments, even if the taxpayers are delinquent in making their tax payments.
  - Excess funds have accumulated and are being used to pay a portion of the bond payments. This decrease along with increases in the bond payments results in lowering the tax burden this year.



# Dawson-Boyd School District

## Levy Comparison of Pay 2026 and Pay 2025 Totals

Levy Description	Pay 26 Proposed	Pay 25 Final	Difference
Total General fund	1,024,775.31	1,029,911.20	(5,135.89)
Total Community Education	67,737.90	69,571.72	(1,833.82)
Total Debt Redemption	2,044,306.47	2,065,019.57	(20,713.10)
<b>Grand Total Levy (Increase)</b>	<b>3,136,819.68</b>	<b>3,164,502.49</b>	<b>(27,682.81)</b>
<b>Percent Change</b>			
General Fund Percent	32.669%	32.546%	-3.321%
Community Ed. Percent	2.159%	2.199%	29.429%
Debt Redemption Percent	65.171%	65.256%	-0.341%
<b>Total Percent Change</b>	<b>100.000%</b>	<b>100.000%</b>	<b>-0.875%</b>



# Dawson-Boyd School District

## Subtotals by Category

• Voter Approved	\$1,983,090.14
• Referendum	
• (Doesn't include Local Optional Revenue)	
• Other	\$1,153,729.54
• Set by state	
• Allowed by law	
<b>Total</b>	<b>\$3,136,819.68</b>

## Other Factors Impacting Tax Changes

Other factors that may affect your individual property tax statement:

- Increase or decrease in assessed valuation of individual property
- Increase or decrease in total value of all property in the district
- Legislative decisions
- Voter-approved referendums
- Actions taken by other taxing entities



# Dawson-Boyd School District

## Next Steps

- Board will accept public comments and questions on proposed levy
- Board will certify the 2025 Payable 2026 property tax levy
- **Whereas**, Pursuant to Minnesota Statutes the School Board of Independent School District No. 378 is authorized to make the following proposed tax levies for general purposes:

General Fund	\$1,024,775.31
Community Service	\$ 67,737.90
Debt Service/OPEB Debt. Svc.	<u>\$2,044,306.47</u>
Total Proposed Tax levy	\$3,136,819.68

- **Now Therefore**, Be it resolved by the School Board of Independent School District No. 378 that the taxes to be levied in 2025 to be collected in 2026 is set at \$3,136,819.68. The clerk of ISD 378 School Board is authorized to certify the proposed levy to the County Auditor of Lac qui Parle County.



# Dawson-Boyd School District

## Public Comments

## Questions

### District-Specific Levy Questions:

Stacy Stratmoen, Director of Finance

stacys@dwby.k12.mn.us 320-312-2302



### Questions Regarding Your Property Value:

Yellow Medicine East Assessor's Office

320-564-3132

Lac qui Parle County Assessor's Office

320-598-3187