



ISD 318 District Newsletter

Teaching & Learning for Life to Achieve Excellence

Winter 2021-2022

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District contact information

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Looking Forward to 2022

It's hard to believe we've nearly reached the end of 2021. So much learning has taken place already and I am excited for what we have in store for the remainder of the school year. I hope you and your family find time to rest and recharge over the holidays as we prepare for 2022.

Before we get there, though, I want to provide you with a few updates. I'm happy to say that our board has worked hard to examine our funding needs and will be able to structure it in such a way that reduces the property tax impact. The reduction does not change the amount of revenue the district receives, but the adjusted structure will lessen taxpayer impact. You can read more about that on page two.

Earlier this month, the board also approved the school district audit. Each year, the district is required to hire a team of auditors to ensure compliance in school finance regulations. I'm happy to report that we have once again received a positive audit. You can view a copy of the report on our website under Departments > Business Office.

Approval of the audit now allows us to begin planning for next year's budget. You may have heard that the district has been deficit spending. This means we have been spending more funds than we receive from the government and our taxpayers. You might wonder how we got to this point. The short answer is that we have received a number of grants through the years that help fund programs or positions. Grants are not indefinite, but often when the money goes away, we have found that the positions or programs are so necessary that we continue to pay for them out of our general budget. Moving forward, we have made the difficult decision to no longer fund long-term positions with short-term funds. So, while we have received COVID funds to help support learning gaps and academic needs, we know that the money will not last forever. We are going to be forced to make some difficult reductions at the end of this school year.

In a school district, our primary expense is in the form of salaries and benefits. Up to this point, we have made as many reductions as possible without eliminating positions. With this being our third year of reductions, staff reductions will be part of what we need to do again. While we are working to address spending, we also recognize that our district has a revenue problem. In general, school districts are not adequately funded by the state, and our school district is one of the minority of school districts in the state without an operating referendum. Without addressing our revenue problem, we are going to continue to have to make really tough decisions.

As we begin planning for what's next in 2022, I want to let families know that we are undertaking strategic planning. You can read more about that and how to get involved on page four of this newsletter.

All of us at ISD 318 are wishing you happy holidays and the best in 2022!

Matt Grose, Superintendent of Schools

Board Approves Levy Reduction

At a School Board workshop on November 8, the ISD 318 School Board discussed options for reducing the levy and the tax impact on ISD 318 residents. In September, the Board approved levying the max, which allows a school district flexibility in planning for its coming budget before the state finalizes levy amounts and allows the School Board time to make the most informed decision with the most accurate information.

"After reviewing the debt structures and the rest of our levy, the board felt that reducing the levy from the preliminary amounts made the most sense for the district and its constituents at this time," said ISD 318 Superintendent Matt Grose. The final levy certification will take place on December 20, after the public has a chance to share their input at the annual Truth in Taxation Meeting on December 6. "It's important for the public to realize that the tax statements sent this fall reflected an initial, higher proposed levy. The final statements that our taxpayers receive in March will reflect the lower certified levy," said Superintendent Grose.

A portion of this reduction was due to the structure of the Indoor Air Quality and Abatement Bonds that are being issued for District improvements and were approved by the ISD 318 School Board in September. These bonds allow the district to obtain funding to complete indoor air quality projects and parking lot

projects. "By changing the debt issuance, we were able to reduce the levy by approximately 7%," said ISD 318 Business Manager Kara Lundin.

"Looking back at our levy data, we can see that the proposed levy for fiscal year 2022 is only a 1.4% increase over the average levy for the past three years. If you think about the increases in services provided because of the pandemic and inflation in our economy, this is a significant savings for our taxpayers, but will impact our operating budget," said Lundin. The district will still need to find ways to make budget reductions and eliminate deficit spending in future school years.

"Really, local property taxes are a small part of our budget," said Lundin. "Our overall operating dollars are primarily in the form of state and federal monies." Local property taxes are reduced by Taconite Aid. School districts in the Taconite Relief Area receive tax support from iron mining organizations. This money is paid as a tax by the mining organizations, which reduces the responsibility for 318 taxpayers even if they do not live in the Taconite Relief District. The amount provided to districts in Taconite Relief has decreased since 2019.

The levy reduction at this time will flatten the levy increases for ISD 318 taxpayers. The bond issuance was reviewed at the November 16 School Board Meeting. Recordings of meetings are available on the school district website at isd318.org.

Itasca Area Community Education

We have a class for that! Get learning with Community Education by exploring the many new opportunities available to children and adults. The winter/spring catalog will be available next month. In it you'll find exciting ways to come meet new people, experience new things, and develop new skills.

For more information about the great Community Education opportunities in the Itasca Area visit www.getlearning.org, call 218-327-5730, text EDUCATE to 22828 to sign up for our monthly email notifications, and connect with Itasca Area Community Education on Facebook, YouTube, and Instagram.

