



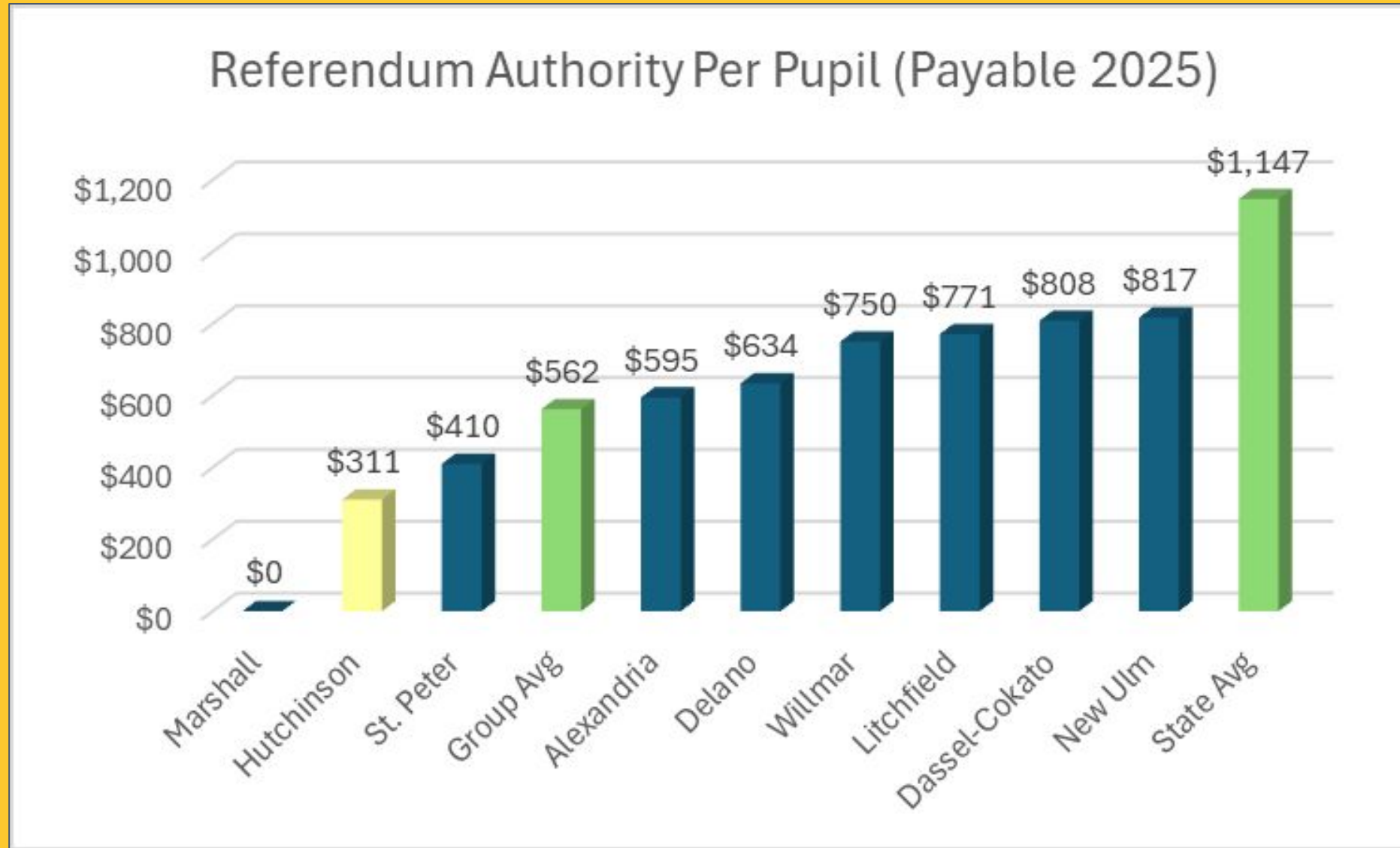
Hutchinson Public Schools

Excellence in Academics, Activities, and Character

OPERATING REFERENDUM INFORMATION

A Culture of High Expectation is Critical

COMPARISON TO OTHER DISTRICTS



Source: MDE Pay 25 Levy
Certification Report.

ISD 423 HUTCHINSON

DOES HUTCHINSON PUBLIC SCHOOLS SPEND ITS MONEY WISELY?

1. Despite reducing its operating budget by \$5.5 million over the past 10 years, students consistently outperform state averages in reading, math and science.
2. A recent community survey indicated that 77% of respondents believe the school district spends its dollars effectively and efficiently, which is 15% higher than an average district.
3. The survey also showed that there is a high level of trust in the financial management of the school district, with 62% of respondents rating it “good - excellent;” this is 10% higher than the norm.

SCHOOL DISTRICT QUESTION 1

School District Question 1 Approval of School District Referendum Revenue Authorization

The school board of Independent School District No. 423 (Hutchinson Public Schools) has proposed to increase its general education revenue by \$412 per pupil. The proposed referendum revenue authorization would be applicable for ten years beginning with taxes payable in 2027 unless otherwise revoked or reduced as provided by law.

☐

Yes

Shall the increase in the revenue proposed by the board of Independent School District No. 423 be approved?

☐

No

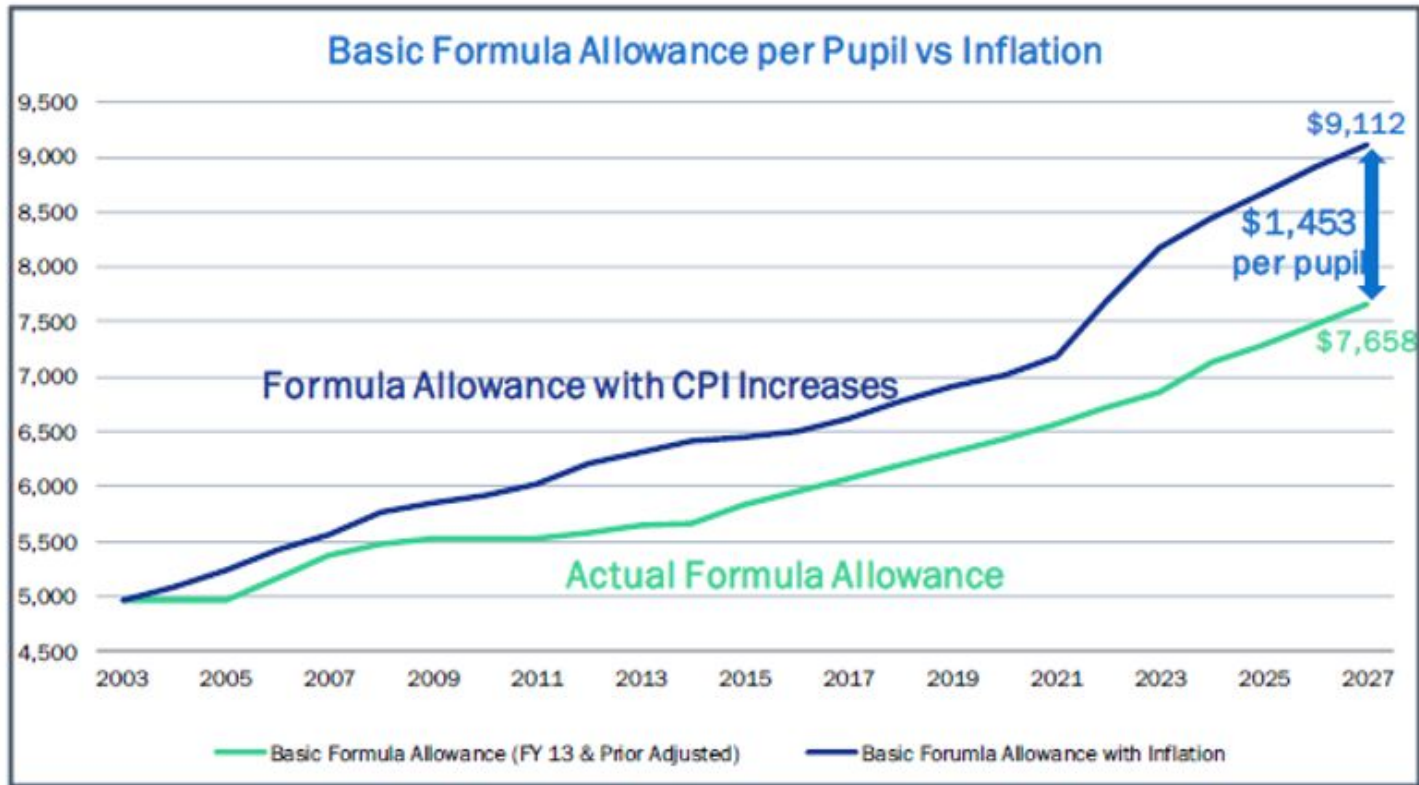
by voting “yes” on this ballot question, you are voting for a property tax increase.

ISD 423 HUTCHINSON

WHY DOES THE HUTCHINSON SCHOOL DISTRICT NEED TO APPROVE AN ADDITIONAL OPERATING REFERENDUM?

1. The formula allowance from the State has not kept up with inflation.
2. Lower birth rates lead to lower enrollment which drive revenue.
3. Several unfunded or underfunded mandates received from the State.

GENERAL EDUCATION FORMULA



* Had the allowance increased by the rate of inflation each year since 2003, the 2027 allowance per student would be \$9,112

*The difference between the FY 27 formula allowance per student and the inflation adjusted formula allowance is \$1,453 or 18.9%

*If the state tied the formula to inflation all along, the school district would have \$3,661,560 more in revenue

¹ Inflation is based on consumer price index

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

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

ISD 423 HUTCHINSON

Recent/Potential Unfunded/Underfunded Mandates

Loss of Compensatory Aid:	\$300,000.00
Loss of ADSIS/Transportation Aid:	\$1,300,000.00
Loss of Unemployment Aid:	\$270,000.00
Increased Sub Costs Due To ESST/Paid Leave	\$100,000.00
Costs of Paid Leave Program (Employer Share)	\$220,000.00
Increase Costs For Special Transportation (from 95% to 90%):	<u>\$70,000.00</u>
Total Extra Cost/Potential Cost to Hutchinson Public Schools:	\$2,260,000.00

These issues are not decided by the MN Legislature as of 8/24/26. The cost of these items may need to increase in the future

ISD 423 HUTCHINSON

WHY DOES THE HUTCHINSON SCHOOL DISTRICT NEED TO APPROVE AN ADDITIONAL OPERATING REFERENDUM?

- 4. Special education costs are not being adequately covered by the State and federal government.
- 5. Expense increases are outpacing revenue available.
- 6. Following \$5.5 million in reductions, additional revenue is needed to preserve/maintain programs and courses.

BUDGET REDUCTIONS

Reductions of **\$5.5 million** Have Been Made to the ISD 423 Budget Over the Past **Ten Years** Due to Declining Enrollment/State Required Programs

HUTCHINSON PUBLIC SCHOOLS



ISD 423

2017-2018: \$861,176

2018-2019: \$498,403

2019-2020: \$475,372

2020-2021: \$0

2021-2022: \$697,710

2022-2023: \$449,231

2023-2024: \$2,059,622 (*Budget Change - ESSER to ADSIS/A&I; Compensatory)

2024-2025: \$773,973

2025-2026: \$1,340,000

2026-2027: \$396,000

2027-2028: ? (dependent on enrollment, federal, state legislature, and levy election results)

YEARLY TAX IMPACT

ESTIMATES PRIOR TO ELECTION

Hutchinson Public Schools, ISD 423
Analysis of Tax Impact for Potential Referendum Levy
June 1, 2026

Additional Referendum Revenue
\$412.00 Per Pupil Unit

Year Taxes are Payable	2027
Est. Adjusted Pupil Units (APU)	2,673.40
Estimated Increase in Operating Referendum Revenue	\$1,101,441

Type of Property	Estimated Market Value	Estimated Taxes for Referendum Only*	
		Annual	Monthly
	\$100,000	\$48	\$4
	125,000	60	5
	150,000	72	6
	175,000	84	7
	200,000	96	8
	225,000	108	9
	250,000	120	10
Residential	275,000	132	11
Homesleads,	300,000	144	12
Apartments,	325,000	156	13
and Commercial-	350,000	168	14
Industrial Property	375,000	180	15
	400,000	192	16
	450,000	216	18
	500,000	241	20
	550,000	265	22
	600,000	289	24
	650,000	313	26
	750,000	361	30
	1,000,000	481	40

* The amounts in the table are based on school district taxes for the referendum levy only, and do not include tax levies for other purposes. Tax increases shown above are gross increases, not including the impact of the Minnesota Homestead Credit Refund ("Circuit Breaker") program. Owners of homestead property may qualify for a refund, based on their income and total property taxes. This may decrease the net effect of the referendum levy for those property owners.

NOTE: Agricultural property will pay taxes for the proposed referendum based only on the value of the house, garage and one acre. Seasonal recreational residential property (i.e., cabins) will pay no taxes for the proposed referendum.



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OTHER IMPORTANT ITEMS

1. Operating referendums exclude taxes on seasonal property and ag land (1 acre, house, and garage are taxed).

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OTHER IMPORTANT ITEMS

2.Question will be effective with the 2027-2028 school year.

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OTHER IMPORTANT ITEMS

3. Items that ranked highest on the community survey included quality teachers, safety/security, variety of programs, maintaining TigerPath, and excellent academics. Without passage of the question, it will be challenging to maintain all of these items.
4. The survey also indicated the school board/administration are doing a great job.

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WHAT IF THE QUESTION DOES NOT PASS?

If the referendum does not pass, it will result in a great reduction in staff, programming, and student services starting with the 2027-2028 school year.

ISD 423 HUTCHINSON

WHAT IF THE QUESTION DOES NOT PASS?

Based on what is known today, reduction areas may include:

1. Reduced staffing leading to higher class sizes: Elementary may increase from low 20s to high 20s and secondary may increase from below 30 to above 30
2. Reduced transportation services: expanded walk zone for grades 4-12
3. Fewer activity offerings: co/extracurricular activities, arts, academics, and athletics
4. Reduced high school electives and TigerPath opportunities
5. Fewer staff and student curricular resources
6. Elimination of programs K-12, including but not limited to core and elective programs (e.g. Phy Ed, Art, Technology Education, Music, FACS, Agriculture, Business, STREAM)

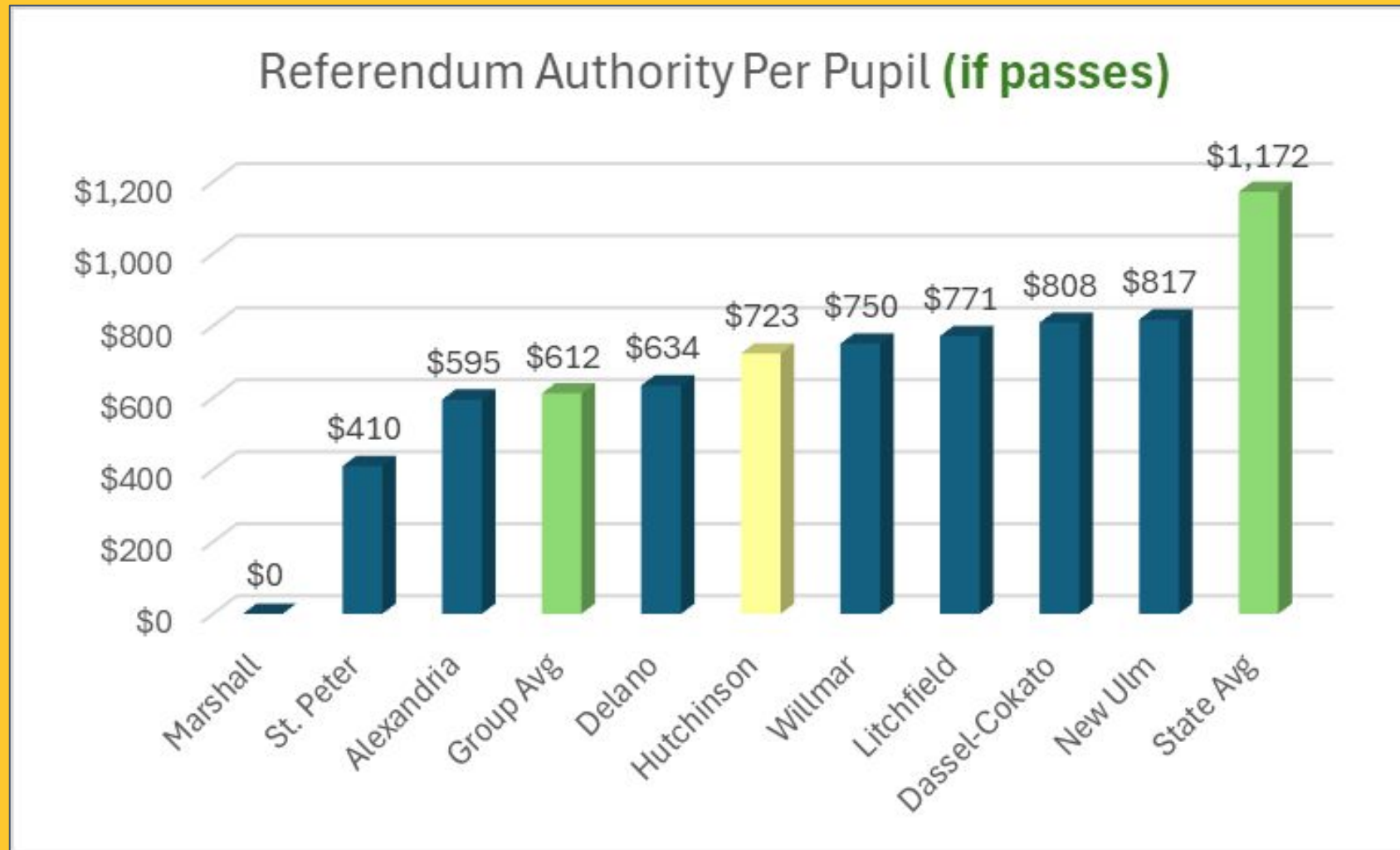
ISD 423 HUTCHINSON

WHAT IF THE QUESTION DOES NOT PASS?

Based on what is known today, reduction areas may include:

7. Higher fees for activities, facility rentals, arts, technology
8. Decreased mental health supports
9. Reduced administration/administrative services
10. Fewer academic and behavioral intervention staffing and programming K-12 (e.g school counselors, REACH, chemical health, social workers)
11. Fewer custodial staff to maintain buildings
12. Fewer technology staff to maintain infrastructure, staff resources and student devices

COMPARISON TO OTHER DISTRICTS



Source: Source: MDE Pay 25
Levy Certification Report.

ISD 423 HUTCHINSON

DETAILS ABOUT HOW TO VOTE:

- Early/absentee voting begins September 18, 2026 and ends November 2, 2026 at your local election office.
- Election day voting is November 3, 2026 at your designated precinct.