| | |
|---|---|
| **School Board Workshop:** | **September 14, 2026** |
| **Subject:** | Levy Certification Update |
| **Presenter:** | **Ryan L. Tangen, Director Finance and Operations** |

---

## SUGGESTED SCHOOL BOARD ACTION:

None at this time - informational only

## DESCRIPTION:

A summary of the preliminary 2026 payable 2027 property tax levy and estimated tax impact is attached for your review. The property tax levy is primarily based on two components: levy authority generated from projected FY 2028 student counts and prior-year levy adjustments. Prior-year adjustments may reflect changes from multiple fiscal years and are calculated through MDE's levy certification process.

The initial MDE levy certification report is available and has been incorporated into the preliminary levy estimates. However, some calculation details remain incomplete, and certain levy adjustments require further reconciliation. As a result, the preliminary levy presented at this workshop may change as MDE updates the levy certification data prior to board approval on September 28, 2026.

The total projected levy is $22,715,093.70, which reflects an increase of $508,299.10 (2.29%) compared to the prior year. These numbers are preliminary and subject to change as MDE updates its levy certification data.

**Some observations are as follows:**

- Enrollment projections show a decrease of 37.00 Adjusted Pupil Units (APUs) from property taxes payable 2026 (for 2026-27) to property taxes payable 2027 (for 2027-28).
- The Debt Service levy continues to be reduced by excess fund balance. While the reduction is slightly smaller than the prior year, it remains larger than usual.
- Prior year adjustments continue to have a significant impact on the levy and may reflect updated property values, final expenditure totals, and actual enrollment from prior years.
- Tax base growth: Based on an estimated 5.50% increase in Referendum Market Value (RMV) and 6.30% increase in Net Tax Capacity (NTC), both RMV and NTC tax rates are projected to decrease.
- Tax rate impact**:** For a residential homestead property valued at $300,000, the current tax projection is $1,003, compared to $1,043 for Pay 2026.

- Overall effect:  A residential homestead property valued at $300,000 is projected to see an annual decrease of approximately $40 in school district property taxes under the Pay 2027 levy projection.

At the September 28, 2026, meeting, it will recommend that the board approve the "maximum" levy amount, as has been done in prior years. This approach provides flexibility for subsequent corrections or adjustments that may affect the final levy total.

**ATTACHMENTS:**

- 26 pay 27 Preliminary Levy Analysis 9.14.26
- 26 pay 27 Preliminary Levy Tax Impact Analysis 9.14.26