Cambridge-Isanti School District

Preliminary Property Tax Levy
2026 Payable 2027

SEPTEMBER 17, 2026

PRESENTED BY:

CHRISTOPHER Kampa

DIRECTOR OF FINANCE & OPERATIONS

Levy Overview

Headlines

- 2026 Payable 2027 Prelim Levy: $17,991,247
- 2025 Payable 2026 Prelim Levy: $17,646,511
- Total Levy Increase: $344,736 (1.95%)

- ***<u>School Tax Levy Tax Decrease</u>*** of 1.6%

Agenda

- Overview of School Funding
- District Proposed Tax Levy

OUR JOURNEY

A TRANSFORMATION BUILT ON DISCIPLINED DECISIONS TOGETHER

2019

Fund Balance:
less than 2 weeks of payroll in bank (3.2%)

Budget Cuts:
cut $8.5 million from budget over 3-years

More than 100
positions eliminated

Funding:
bottom 5% of all school districts

Expenses:
spent less per pupil than any other district in Mississippi 8 conference

Credit Rating:
downgraded to A1 with a negative outlook

New Construction:
new building $0.5 million over budget before we broke ground

Facilities:
$78 million of Deferred Maintenance needs

Financial Position:
one of worst financial situations in the state

7 YEARS

OF DISCIPLINED DECISIONS TOGETHER

Hundreds of difficult decisions made together

2026

Fund Balance:
stable position with over 20%

Budget:
targeted annual reductions to maintain stability

Strategic Investment:
resources aligned to support students and staff

Funding:
71st percentile (bottom 29%)

Expenses:
increased 2.5% annually since 2019 vs. state average of 4.5% despite 26% inflation

Credit Rating:
positive outlook with Aa2 indication (only 7 districts have a higher rating)

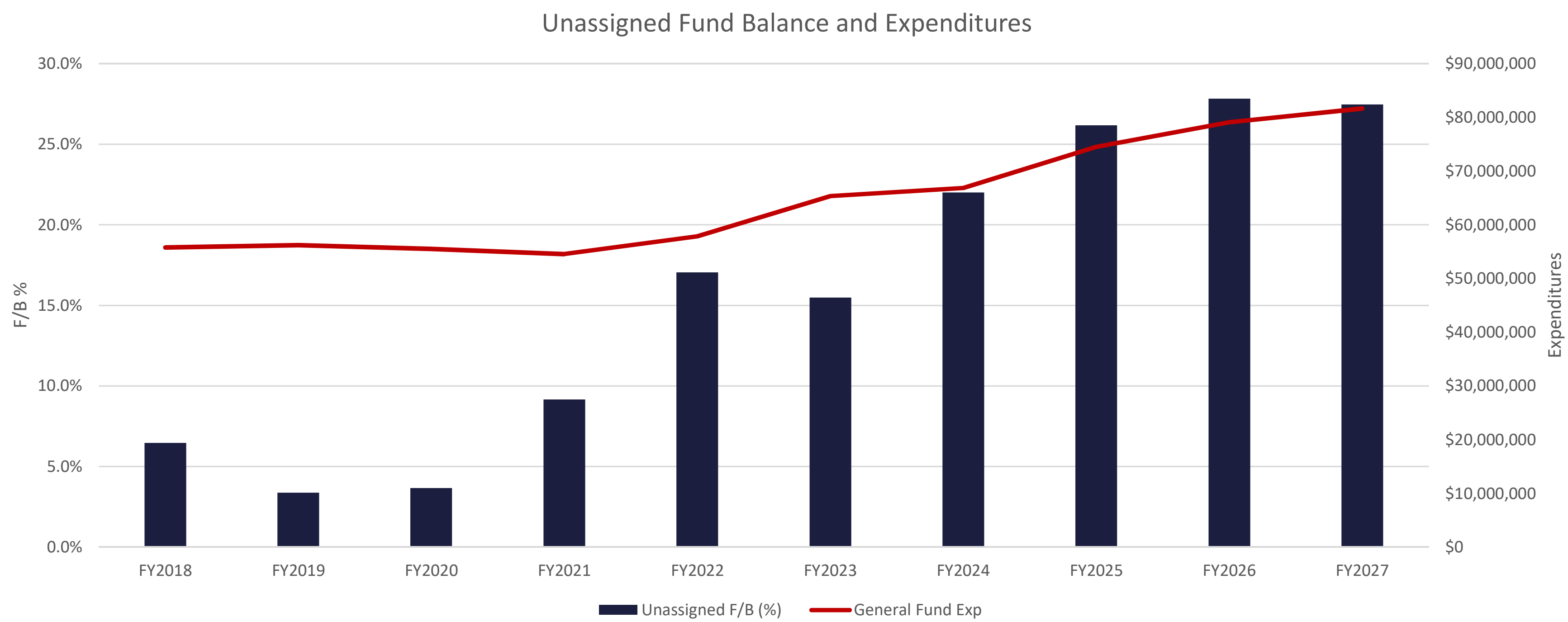
Construction Projects:
completed 3 major projects under budget without asking taxpayers for assistance

Facilities:
reduced Deferred Maintenance needs to $45 million

Financial Position:
one of most stable financial positions in Minnesota

FROM CHALLENGE TO STRENGTH • BY WORKING TOGETHER

Where We Are



- ✔ Financial Stability
- ✔ Strategic Capacity
- ✔ Financial Flexibility
- ✔ Ability to Invest

MN Legislature Must Set Funding for MN Public Schools

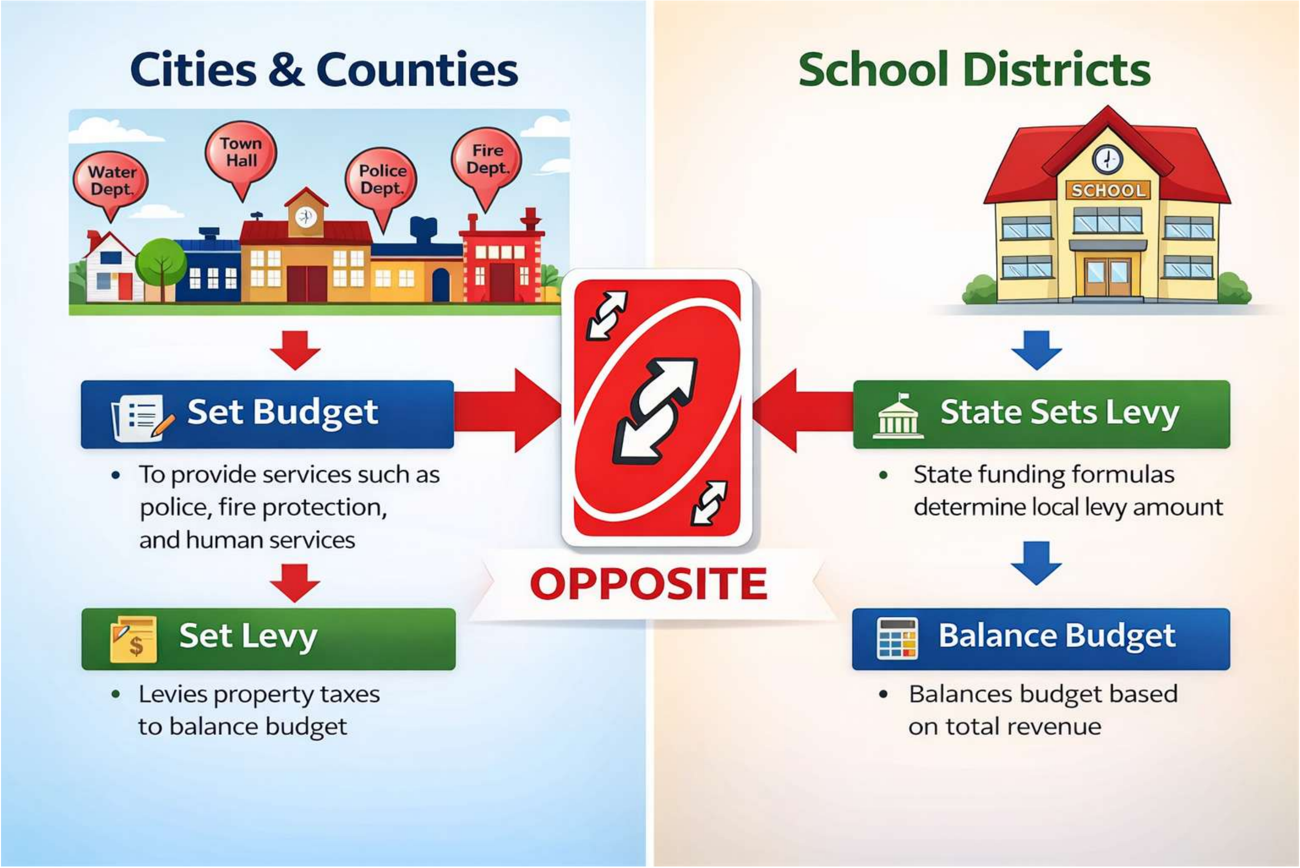
Minnesota Constitution ARTICLE XIII, MISCELLANEOUS SUBJECTS, Section 1

“**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.”

In Minnesota, most school district revenues are controlled by state law and funding formulas, so districts have limited local flexibility.

The funding formulas established in state law calculate the amount of state aid and local revenue each district receives.

Property Taxes in Minnesota



How School Funding Works

Step 1

=

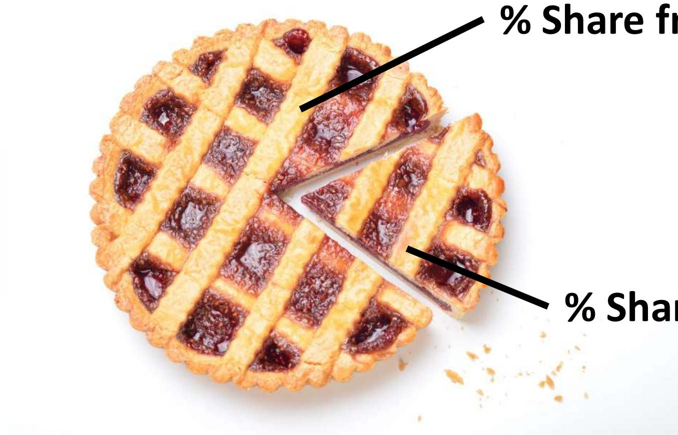
Total Amount of School Funding

School Funding determined by State Legislature, as set in statute

Step 2

Local Market Values

=



% Share from State Aid

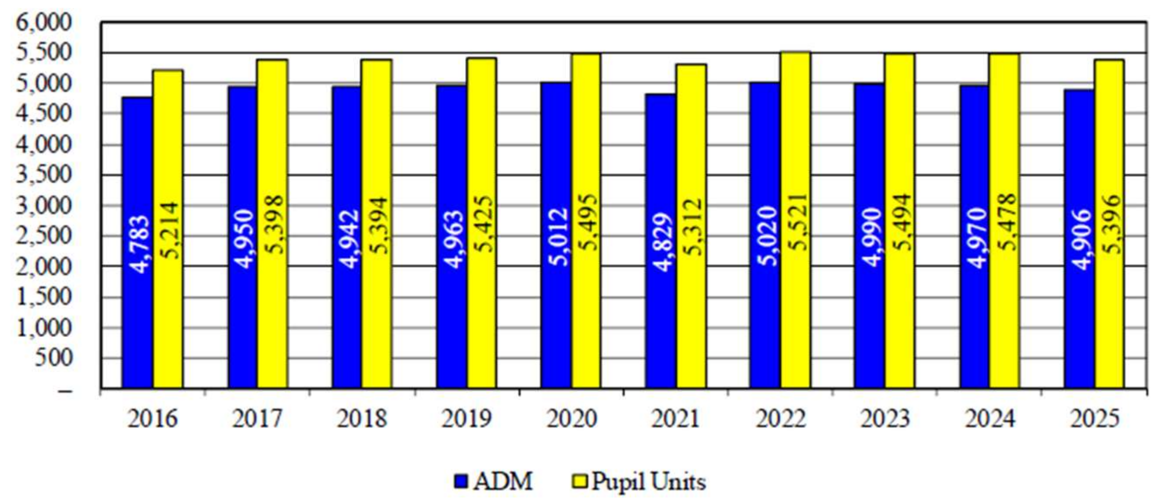
% Share from Local Levy

How School Funding Works

AVERAGE DAILY MEMBERSHIP (ADM) AND PUPIL UNITS

The following graph presents the District's adjusted ADM and pupil units served for the past 10 years:

Adjusted ADM and Pupil Units Served



School Funding (Step 1)

- **Total School funding Enrollment-based**
- More Students = More Revenue
- ***Past 10 Years: enrollment increase of 123 pupils (2.6%)***
- Majority of MN school districts are experiencing declining enrollment

Enrollment for FY2027 is roughly flat to FY2026

Publicly Available Information

Source: 2025 Financial Audit https://www.c-ischools.org/departments/budget-finance

How School Funding Works – State/Local

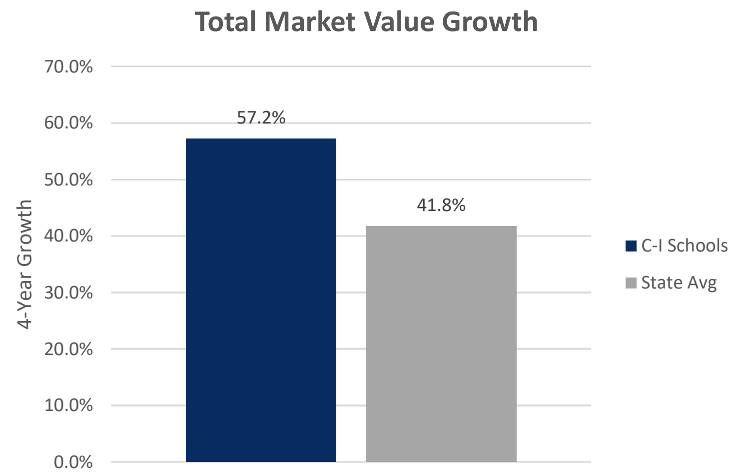
School Funding (Step 2)

- **State and property taxes are allocated based on local market value**
- Local market value has risen 57.2% in four years, compared to state avg of 41.8%
- Minnesota: school funding is shared between the State and local property owners
- Faster growth results in larger share of funding from local area
- Tax liability may be offset by external growth

Property taxes have increased in only 2 out of 8 past years for average taxpayer

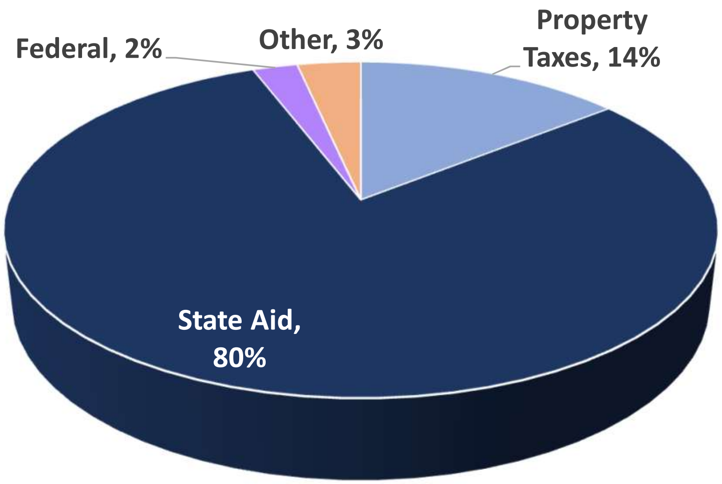
Source: MDE

Total Market Value				
Year / Amount		C-I Schools	State Avg	Sales Ratio
2021	3,090,519,000	10.0%	5.4%	86.7%
2022	3,847,452,100	24.5%	16.6%	84.0%
2023	4,312,496,000	12.1%	11.7%	91.5%
2024	4,448,487,300	3.2%	2.4%	93.0%
2025	4,782,444,376	7.5%	5.6%	91.1%
4-Year Total		57.2%	41.8%	

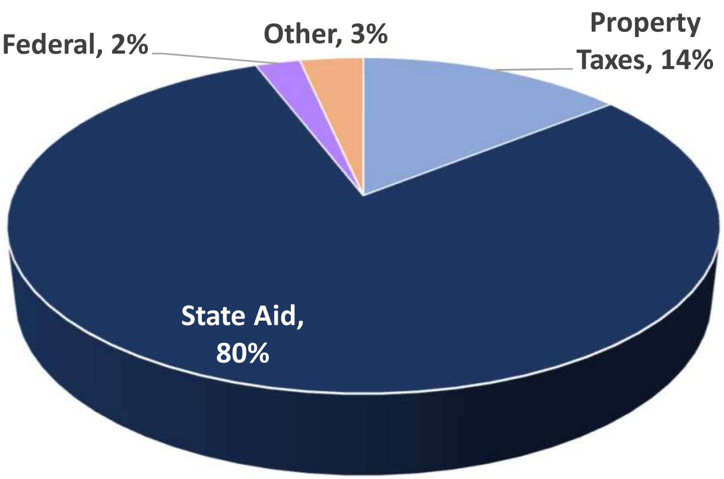


Breakdown of District Funding

FY2026



FY2027



Where Does the Funding Go?

General Ed Revenue
Basic
Learning and Development
Staff Development
County Apportionment
Declining Enrollment
Pension Adjustment
Gifted & Talented
Extended Time
Basic Skills
Compensatory Revenue
EL Revenue
Sparsity
Small Schools
Transportation Sparsity
Operating Capital
Local Optional
Referendum
Transition
Equity Revenue
Alt Attendance Adjustment

Categorical Revenues
Operating Capital
Q-Comp
Achievement & Integration
Unemployment
Safe Schools
Career & Technical
Other OPEB
Nonpublic Transportation
Disparity Aid
Agriculutural Market Value Credit
Facility Maintenance
Lease Levy
Special Education
Shared Time Aid
School Trust Land Endowment
EL Cross Subsidy
Literacy Incentive Aid
School Library Aid
Indian Education Aid
Student Support Aid
Student Support Coop
Summer Unemployment
Misc Rev/Dept of Ed
TRA/PERA Spec Funding Rev
Abatement Aid

Other Revenues
Title Revenue
Federal Revenue
Other Federal Revenue
Student Activity Accounts
Education Rec from other Dist
Fees from Patrons/Admissions
Med Asst Billing
Facility Rentals
Gifts/Bequests
Investment Income
Miscellaneous

Minnesota School Funding

- Highly Regulated
- Funding formulas determine revenue for each "bucket"
- Expenses restricted to "buckets"

Where School Funding is Directed (Mandates vs Local Control)

ACADEMIC INSTRUCTION

Reading · Math · Science · Social Studies
Core classroom teachers and materials

MANDATED STUDENT SUPPORT SERVICES

Special education services
English learner programming
Intervention specialists
Transportation for special populations

SOCIAL, HEALTH, AND WELLNESS SERVICES

Mental health support
School psychologists & social workers
Behavioral intervention services
Chemical and addiction prevention
Homeless student services
Family outreach and support programs

OPERATIONS AND FACILITIES

Transportation
Food service
Building Operations & Safety and security
Unemployment and Leaves

LOCAL DISCRETION

Programs determined locally by the school board

MANDATES IN MINNESOTA

- School districts must comply with ***hundreds of state and federal mandates***, many of which are only partially funded or completely ***unfunded***.
- Over ***65 new education mandates*** were passed in the 2023 legislative session alone.
- Roughly ***80-90% of district spending is already committed*** before the school board makes any decision.
- ***Every unfunded mandate takes away money from the classroom.***
- ***Every funded mandate takes away money that could have gone to the classroom.***

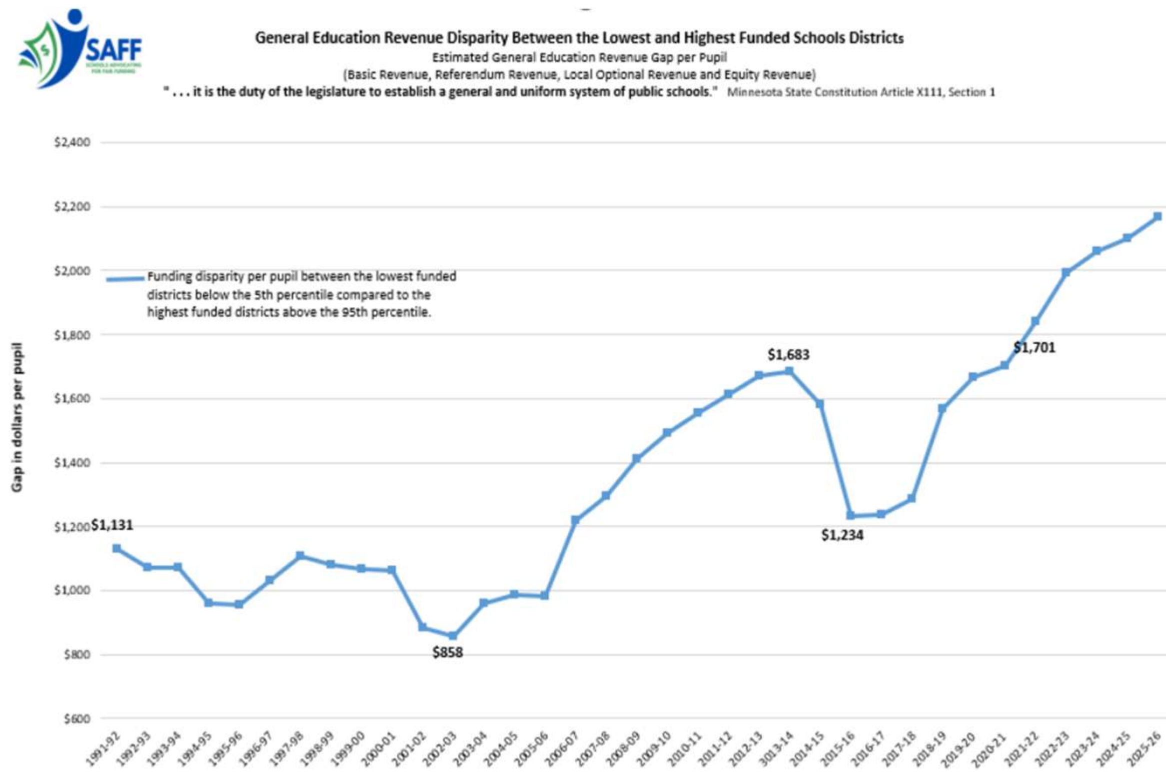
MN School Funding Disparities

C-I Funding

- Current Rank **232/328 (71st Percentile)**
- Prior to 2021 Operating Levy:
  - 95th Percentile

MN Funding

- Gen Ed Funding Disparity at highest level in history
  - 2002: $858
  - 2026: $2,200 (approximately)
- Funding Gap has increased $1,300 per pupil



General Education Funding Rank: 232nd / 328 School Districts (71st Percentile)

Minnesota's Educational Opportunity Gap

School District	*Annual Taxpayer Cost for the Same Levy Amount
Hopkins	$388
Cook County	$427
St. Louis Park	$446
Northland	$477
West St. Paul	$535
Stillwater	$580
Eden Prairie	$636
Osseo	$786
Roseville	$789
St. Cloud	$883
Mahtomedi	$1,009
Spring Lake Park	$1,061
Cambridge-Isanti	**$1,290**

*The graph shows the annual cost for a residential or business taxpayer in a $250,000 home or business to generate $2,779 per pupil in school operating revenue for their local schools.

State law allows communities to raise an additional $2,779 per pupil in operating revenue for their schools through local property taxes, which is up to 2,055 per pupil in a voter-approved operating referendum and $724 per pupil in board-approved local optional revenue.

(Data is for property taxes paid in 2022 for school funding in the 2022-23 school year.)

C-I Schools Funding Gap

$915 per Student Revenue Gap to State Avg

$4.5 Million in lost revenue compared to State Avg

	State Average	Cambridge-Isanti
Basic	$7,481	$7,481
Extended Time	$49	$47
Compensatory	$969	$579
EL	$126	$24
Declining Pupil	$34	$0
Small Schools	$18	$0
Sparsity	$35	$0
Transportation Sparsity	$107	$113
Operating Capital	$229	$231
Equity	$112	$137
Gifted and Talented	$13	$13
Transition	$29	$8
Options	$2	$28
Pension Adjustment	$171	$124
LOR	$662	$724
Referendum	$1,059	$686
Total General Education	$11,110	$10,195

Note: Small discrepancies in calculations are due to rounding errors
Data: Minnesota Senate Research Department
Prepared by: Schools Advocating For Fair Funding

How is the School Levy Determined

- **Step 1: Legislature** sets formulas in statute to determine how much revenue school districts receive.
  - The largest determinant of total revenue is enrollment.
- **Step 2: MN Department of Education** calculates levy limits for each District, based on formulas approved by legislature.
  - The largest determinant of the levy is local property values.
- **Step 3: County Assessor** determines an estimated market value for each parcel of property.
- **Step 4: County Auditor** calculates the tax capacity for each parcel of property, as well as the total tax capacity for each school district.
  - Tax Capacity = Property Market Value x Statutory Percentage Rate
- **Step 5: School Board** adopts a proposed levy in September. After a public hearing, the board adopts a final levy in December. The final levy cannot be more than the proposed levy except for amounts approved by voters.
- **Step 6: County Auditor** divides the final levy by the district's total tax capacity to determine the tax rate needed to raise the levy amount.

Components of School District Tax Levy

Formula-Driven Levies (School Tax Levy)

- General Fund – operating, capital, facility maintenance, safe schools, etc.
- Community Education – early childhood, disabled adults, school age care, and basic community education

Voter-Approved

- Operating Levy – general operating revenue beyond state revenue ***(Levies are for Learning)***
  - Legally restricted: class-size reduction & vocational programming
- Bond Referendum – facility construction and renovation ***(Bonds are for Buildings)***
  - November 4th election: deferred maintenance, safety & security, capacity, learning spaces, and athletics/activities

General Fund - RMV

General RMV Other JOBZ Exempt	2026 Payable 2027	2025 Payable 2026	2024 Payable 2025	2023 Payable 2024
	Preliminary	Final	Final	Final
Operating Referendum	$ 3,621,003	$ 3,628,562	$ 3,763,240	$ 3,812,879
Local Optional Levy Limit	3,670,742	3,569,678	3,497,393	3,407,514
Equity Levy	689,861	735,764	737,994	727,487
Transition Limit	41,607	41,733	42,402	42,528
Subtotal	8,023,214	7,975,736	8,041,028	7,990,408
Limitation Adjustments	107,042	36,886	59,074	93,981
Abatement Adjustments	3,161	2,400	25,918	72
Total Gen RMV Other JOBZ	**$ 8,133,417**	**$ 8,015,022**	**$ 8,126,020**	**$ 8,084,461**

General RMV Other JOBZ Exempt	General fund operating revenue.
Operating Referendum	The community approved a $686 per pupil operating referendum in November 2021. Equalization lost due to increasing property values.
Local Optional Revenue	LOR consists of $724 of per pupil funding. This is split between the local community and the State. Local property values determines the allocation between State Aid and Local Property Taxes.
Equity Revenue	Equity revenue is designed to provided additional revenue with lower amounts of referendum revenue. Local property taxes determines the allocation between State Aid and Local Property Taxes.
Transition Revenue	Transition Revenue provides school district with a partial grandfather or hold-harmless due to the 2003 Legislature's changes. Districts receive $7.87 per APU.
Limitation Adjustments	Reconciliation for previous assumptions.

General Fund - NTC

General NTC Other JOBZ	2026 Payable 2027	2025 Payable 2026	2024 Payable 2025	2023 Payable 2024
	Preliminary	Preliminary	Final	Final
Initial Reemployment Levy	$ 38,025	$ 25,000	$ 54,346	$ 12,224
Safe School Levy Limit	190,325	190,901	193,961	194,537
Career Tech Levy Limit	358,302	309,016	289,800	192,651
Annual OPEB Levy Limit	-	-	-	-
Capital Related Limits	2,228,099	2,163,486	2,207,756	2,193,322
Subtotal	2,814,751	2,688,402	2,745,863	2,592,733
Limitation Adjustments	1,826	125,863	28,697	10,263
Total Gen NTC Other JOBZ	**2,816,578**	**2,814,265**	**2,774,560**	**2,602,997**
TOTAL GENERAL FUND	***$ 10,949,995***	***$ 10,829,288***	***$ 10,900,580***	***$ 10,687,458***

General NTC Other JOBZ	Categorical Aid and Capital Related Revenues
Reemployment Levy	Estimate of unemployment expenses. Does not include Summer Unemployment
Safe School Levy	Formerly known as the crime levy, allows school districts to levy for costs associated with student and staff safety issues.
Career Tech Levy	Revenue for districts that offer vocational career and technical programs.
Annual OPEB	Other Post Employment Benefits for teachers who retired prior to 1992.
Capital Related	Operating Capital, LTFM, and lease levies.
Limitation Adjustment	Reconciliation for previous assumptions.

Community Education

Community Education	2026 Payable 2027	2025 Payable 2026	2024 Payable 2025	2023 Payable 2024
	Preliminary	Final	Final	Final
Basic Community Ed	$ 170,499	$ 155,124	$ 160,477	$ 165,276
Early Child Family Education	97,760	87,826	97,272	88,267
Home Visiting	3,765	3,294	3,228	2,943
Disabled Adults	2,725	2,480	2,579	2,644
School-Age Care	171,048	158,661	125,360	125,000
Subtotal	445,798	407,385	388,915	384,131
Limitation Adjustments	34,756	14,311	85,071	40,572
Abatement Adjustments	30	123	1,606	14
Total Community Education	**$ 480,584**	**$ 421,819**	**$ 475,592**	**$ 424,717**

Community Education	Community education programs are intended to maximize the community's use of public schools and to expand the involvement of community members who have skills and knowledge to share.
Basic Community Ed	Receive $6.35 per citizen within district's boundaries. A portion of this amount will be funded by the State next year.
Early Child Family Education	Provides parenting skills and early learning opportunities for children five years of age and younger.
Home Visiting	Provide education services and social services through home-visiting programs. Receive $3.00 per child under the age of five in the district.
Disabled Adults	Classes and services to allow adults with disabilities to participate in community education. Receive 50% of approved expenditures.
School-Age Care	Care program for children in kindergarten through grade six. The program provides supervised activities during non-school hours (Adventure Center).

Debt Service

Debt Service	2026 Payable 2027	2025 Payable 2026	2024 Payable 2025	2023 Payable 2024
	Preliminary	Final	Final	Final
GDS Levy Lim Voter Approved	$ 5,204,745	$ 5,078,798	$ 5,089,455	$ 4,901,558
Reduction Debt Service Excess	-	-	(241,952)	(350,125)
Abatement Adjustments	1,940	1,368	19,311	304
Total Voter-Approved	5,206,685	5,080,166	4,866,815	4,551,737
GDS Levy Lim Non Voter Approved	1,353,984	1,315,242	1,354,539	1,559,405
Reduction Debt Service Excess	-	(3)	(90,000)	(147,744)
Abatement Adjustments	-	-	-	-
Total Non-Voter-Approved	1,353,984	1,315,239	1,264,540	1,411,661
Total Debt Service	**$ 6,560,668**	**$ 6,395,405**	**$ 6,131,354**	**$ 5,963,398**

Voter-Approved Debt Service	Bonded debt passed by voter referendum.
Non-Voter-Approved Debt Service	Bonded debt for LTFM health & safety projects, reduces LTFM revenue
Reduction Debt Service Excess	Districts levy 5% over scheduled debt service. If debt service fund balance exceeds the amount needed to pay debt service, levy is reduced.
Abatement Adjustments	Adjustment for tax abatements

Levy Summary

- School District funding: shared responsibility between the State and Local Communities
- Levy Increase: $345k (1.95%)
- Tax Decrease: 1.6% on avg home

Description	2026 Payable 2027	2025 Payable 2026	2024 Payable 2025	2023 Payable 2024
	Preliminary	Final	Final	Final
Operating Referendum	$ 3,621,003	$ 3,628,562	$ 3,763,240	$ 3,812,879
Local Optional Levy Limit	3,670,742	3,569,678	3,497,393	3,407,514
Equity Levy	689,861	735,764	737,994	727,487
Transition Limit = (204) x (234)	41,607	41,733	42,402	42,528
Initial Reemployment Levy	38,025	25,000	54,346	12,224
Safe School Levy Limit	190,325	190,901	193,961	194,537
Career Tech Levy Limit	358,302	309,016	289,800	192,651
Annual OPEB Levy Limit	-	-	-	-
Capital Related Limits	2,228,099	2,163,486	2,207,756	2,193,322
Subtotal	10,837,965	10,664,139	10,786,891	10,583,141
Limitation Adjustments	*108,868*	*162,749*	*87,771*	*104,244*
Abatement Adjustments	3,161	2,400	25,918	72
Total Gen RMV + Gen NTC	10,949,995	10,829,288	10,900,580	10,687,458
Community Service	445,798	407,385	388,915	384,131
Limitation and Abatement Adj	34,786	14,434	86,676	40,586
Total Community Service	480,584	421,819	475,592	424,717
Debt Service	$ 6,558,729	$ 6,394,040	$ 6,443,994	$ 6,460,963
Debt Svc Excess/ Limitation/Abatement	1,940	1,365	(312,640)	(497,565)
Total Debt Service	6,560,668	6,395,405	6,131,354	5,963,398
Total Levy	***$ 17,991,247***	***$ 17,646,511***	***$ 17,507,526***	***$ 17,075,573***

Local Property Taxes

Most residents will realize a 5.9% decrease in school property taxes

This is a $68 reduction for the average home

Commercial/Industrial will receive a similar % decrease

Agriculture will receive a 7.0% decrease

Source: Ehlers Public Finance Advisors

Type of Property	Estimated Market Value	Estimated Annual School District Property Taxes			
Residential Homestead	$100,000	$304	$300	-$4	-1.3%
	150,000	502	494	-8	-1.6%
	200,000	699	688	-11	-1.6%
	250,000	897	882	-15	-1.7%
	300,000	1,094	1,076	-18	-1.6%
	350,000	1,292	1,271	-21	-1.6%
	400,000	1,489	1,465	-24	-1.6%
	450,000	1,687	1,659	-28	-1.7%
	500,000	1,884	1,853	-31	-1.6%
	750,000	2,952	2,903	-49	-1.7%
Commercial/ Industrial	$100,000	$475	$467	-$8	-1.7%
	250,000	1,284	1,262	-22	-1.7%
	500,000	2,713	2,667	-46	-1.7%
	1,000,000	5,571	5,477	-94	-1.7%
	2,000,000	11,289	11,097	-192	-1.7%
Agricultural Homestead (dollars per acre) **	$4,000	$2.08	$2.05	-$0.03	-1.4%
	5,000	2.60	2.56	-0.04	-1.5%
	6,000	3.12	3.08	-0.04	-1.3%
	7,000	3.64	3.59	-0.05	-1.4%
Agricultural Non-Homestead (dollars per acre) **	$4,000	$4.16	$4.10	-$0.06	-1.4%
	5,000	5.20	5.13	-0.07	-1.3%
	6,000	6.24	6.15	-0.09	-1.4%
	7,000	7.28	7.18	-0.10	-1.4%

EHLERS
PUBLIC FINANCE ADVISORS

Levy Timeline

• August	Data submissions to MN Department of Education.
• September 8th	MDE provides initial levy limits to districts.
• September 18th	School Board adopts levy limit by approving preliminary levy at the maximum.
• September 30th	Deadline for school boards to certify proposed tax levies to county auditor.
• November 24th	Deadline for counties to deliver by mail a notice of proposed property taxes to each taxpayer.
• December	Districts must hold public Truth-in-Taxation.
• December 18th	School Board adopts final property tax levy.
• December 30th	District certifies TNT compliance and approved tax levy to State and County

Certifying the Preliminary Levy

Minnesota Statutes, section 275.065, subdivision 1(a), requires each district to certify its proposed levy to the county auditor on or before September 30 of each year

Approve preliminary levy at the maximum – means the School Board is approving the preliminary levy at the full amount authorized by state law and formulas

- Preserves flexibility if state aid calculations, enrollment data, or other variable change
- The district can’t raise the levy when the final amount is adopted in December, unless a voter-approved referendum passes in November

CAMBRIDGE-ISANTI SCHOOLS

EVERY STUDENT. EVERY DAY.