**MEMORANDUM**

**TO:** Members of the School Board

**FROM:** Angie Manuel, Director of Business Services

**DATE:** September 21, 2026

**SUBJECT:** Recommendation for Pay 2027 Preliminary Property Tax Levy

The Pay 2027 property tax levy remains a work in progress. As a reminder, school district levies are calculated based on a complex series of state formulas and statutory limitations. The revenue generated from this property tax levy supports our 2027–2028 general fund, community service, and debt service budgets.

By state law, taxing entities must approve a preliminary tax levy by September 30th of each year. Once this preliminary amount is established, the total levy amount cannot be increased after September 30th.

Currently, the Minnesota Department of Education (MDE) is still refining the formulas and resolving outstanding technical issues that affect the Pay 2027 Levy Limitation Certification (LLC). Consequently, Big Lake's LLC is neither complete nor fully accurate as of the current date.

Given these circumstances and timeline constraints, I recommend that the School Board approve the Pay 2027 preliminary property tax levy at **"Maximum."** Approving at "Maximum" ensures that any forthcoming formula adjustments or corrections made by MDE through September 30th will be captured in the district's final levy, which the Board will formally consider and approve in December.