



September 28, 2026

To: Dr. Josh Swanson, Superintendent
From: Jason Mutzenberger, Executive Director of Business Services
Re: Preliminary Tax Levy

Eden Prairie Schools, along with all Minnesota school districts, continues working with the Minnesota Department of Education (MDE) on the preliminary 2027 levy certification. At this time, we are still awaiting final calculations from MDE.

As is customary and consistent with MDE's recommendation, we are requesting School Board approval of the preliminary levy at the 'maximum'. This approach provides flexibility for the Business Office to finalize amounts with MDE prior to truth-in-taxation notices being issued in November 2026. The final levy will be presented for approval by the School Board on December 14th, 2026.

The preliminary levy for taxes payable in 2027 must be approved by the School Board by September 30th. While the final numbers are pending, we do expect the levy to increase by approximately 2.98%. Below are several factors driving the increase in the levy:

- Operating Referendum - The referendum approved by the community in November 2022 includes an annual inflationary factor. Continued strong enrollment growth and the FY2028 inflationary factor of 2.14% for this cycle generates an increase of approximately \$1.7 million.
- Career and Technical Education (CTE) Programs - The District obtained additional program approvals for CTE through strategic licensure work, resulting in an increase of \$275,000.
- Long-Term Facilities Maintenance (LTFM) – In alignment with the Board approved Ten-Year LTFM Plan in June 2026, and the Ehler's long-term financing plan, the pay-as-you-go levy increased by \$1.8 million but is partially offset by a debt reduction of \$1.0 million in the scheduled principal and interest payments in the debt service fund. This increase is part of the district's long-term financing strategy.

The combination of these items will result in an overall levy increase for Eden Prairie Schools. Further details will be presented at the September 28th meeting.

It is recommended that the School Board approve the preliminary tax levy at the 'maximum' for taxes payable in 2027 for Independent School District #272.