

School Board Meeting/Workshop:

September 28, 2026

Subject:

Levy Certification Approval

Presenter:

**Ryan L. Tangen, Director
Finance and Operations**

SUGGESTED SCHOOL BOARD ACTION:

Approve the proposed 2026 Payable 2027 levy certification at the "Maximum".

DESCRIPTION:

The proposed levy needs approval by September 30, 2026. Due to the number of inputs that go into the levy document, districts have the option to approve the levy at the "**Maximum**" to allow any final adjustments to be made before the levy is sent to the county auditor's office for use in preparing Truth in Taxation notices. The current projected total levy is \$22,712,808.35, an increase of \$506,013.75 or 2.28% from the prior year's levy. These numbers are **subject to change**.

Some observations are as follows:

- Enrollment projections show an increase of 12.00 Adjusted Pupil Units (APUs) from property taxes payable 2026 (for fiscal year 2026-27) to property taxes payable 2027 (for fiscal year 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 \$1,009, compared to \$1,045 for Pay 2027. An estimated annual tax decrease of about \$36 in school district property taxes under the Pay 2027 levy projection.

We are asking the Board to approve the 2026 Pay 2027 levy as the "maximum" amount as we have done in the past to allow for implementation of corrections made by MDE to our district levy.

The Budget and Levy (Truth in Taxation) hearing will be held at 7:00 PM during the School Board Meeting on December 14, 2026, in the Board Room located at the Discovery Center, 214 1st Ave NE, Buffalo, MN.

ATTACHMENTS:

- 26 Pay 27 Proposed Levy Analysis 9.28.26
- 26 Pay 27 Proposed Levy Tax Impact Analysis 9.28.26