

Preliminary Tax Levy September 2026



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Tonight's Outcome

The school board approves language to allow management to continue working with the Minnesota Department of Education (MDE) to establish levy parameters that will be used in property tax statements distributed in November.

The school board is not setting the tax levy tonight. That will occur on December 14, 2026.



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Property Tax Background

- Every owner of taxable property pays property taxes for the various “taxing jurisdictions” (county, city or township, school district, special districts) in which the property is located
- Each taxing jurisdiction sets its own tax levy, often based on limits in state law
- County sends out bills, collects taxes from property owners, and distributes funds back to other taxing jurisdictions



Payable in 2026 Tax Levy

Schedule of events in approval of district's Payable 2026 tax levy

- September 8: Dept. of Education prepared and distributed first draft of levy limit worksheets setting maximum authorized levy
- September 28: School board approves proposed levy amounts at the maximum
- Mid-November: County mails “Proposed Property Tax Statements” to all property owners
- December 14: Public hearing on proposed levy
- December 14: Following hearing school board will certify final actual levy amounts



Overview of Levy Changes

Fund	Pay 26	Pay 27	\$ Change	% Change
General Fund	\$53,929,292	\$56,774,962	+ \$2,845,670	+ 5.28%
Community Ed	1,363,361	1,395,454	+ 32,093	+ 2.35%
Debt Service	10,562,095	9,647,446	- 914,649	- 8.66%
Total	\$65,854,748	\$67,817,862	+ \$1,963,113	+ 2.98%

Note: These are estimates



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Explanation of Levy Changes

General Fund	
Category:	Operating Referendum & Local Optional Revenue
Change:	+ \$1,456,842
Use of Funds:	General operating expenses
Reasons for increase:	
	Voter approved per pupil funding and includes estimated inflation for FY28 of 2.14%.
	Largely based on enrollment trends and projections, which we continue to experience increasing enrollment.

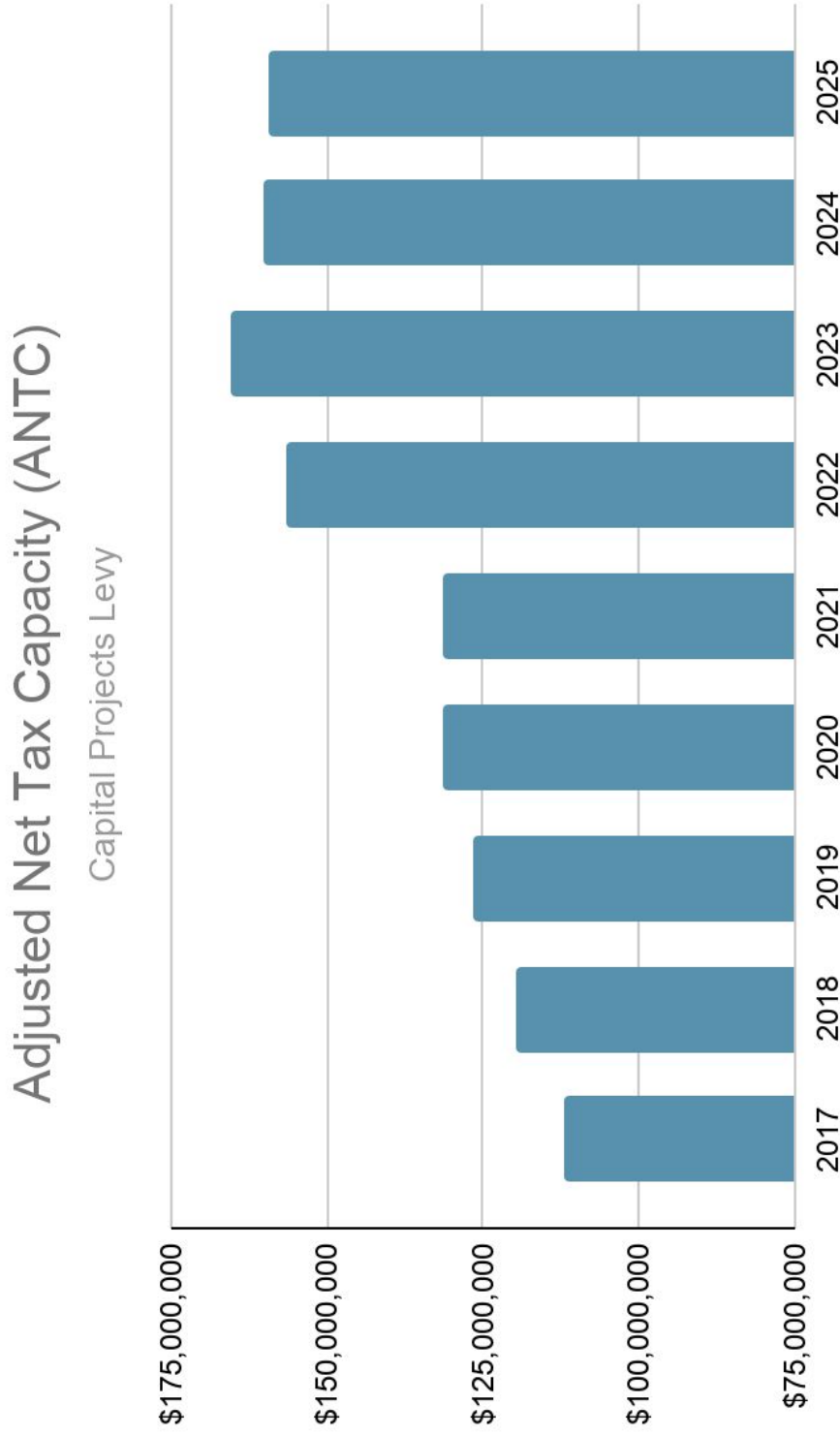


Explanation of Levy Changes

General Fund	
Category:	Career Technical Education (CTE)
Change:	+ \$213,332
Use of Funds:	Salaries, professional development, and student experiences provided by licensed CTE teachers in MDE approved programs.
Reasons for increase:	
	The District obtained additional program approvals for Career Technical Education (CTE) through strategic licensure work, resulted in the additional qualified programming.



Explanation of Levy Changes



Explanation of Levy Changes

General Fund	
Category:	Long-Term Facility Maintenance (LTFM)
Change:	+ \$1,806,770
Use of Funds:	Deferred capital and maintenance, approved health and safety, increased accessibility to school facilities.
Reasons for increase:	
	Planned investment in Board approved Ten-Year LTFM Plan program expenses.
	Increase in the pay-as-you-go expenses and a decrease in the amount of debt issued.



Explanation of Levy Changes

Debt Service Fund	
Category:	Facilities Maintenance Bonds
Change:	- \$1,033,999
Use of Funds:	Principal and Interest Payments
Reasons for increase:	
	Planned decrease in the principal and interest payments on previous facilities maintenance bonds.
	This is directly connected to the work with Ehler's, the district's financial advisor, to help level long-term tax rates.



Overview of Levy Changes

Fund	Pay 26	Pay 27	\$ Change	% Change
Voter Approved	\$ 36,654,049	\$ 37,498,222	+ \$844,173	+ 2.30%
Other	<u>29,200,699</u>	<u>30,319,640</u>	+ <u>\$1,118,941</u>	+ <u>3.83%</u>
Total	\$ 65,854,748	\$ 67,817,862	+ \$1,963,113	+ 2.98%



Tax Levy Comparisons

Local Taxing Jurisdictions Proposed Levies:

- City of Eden Prairie: 2.90%
- Hennepin County: 8.15%
- Eden Prairie Schools: 2.98%



Summary

- Strong enrollment continues to drive levy increases
- Voter approved operating referendum increased in alignment with enrollment growth and inflationary factor of 2.14%



Tonight's Action

- We propose the school board approve the preliminary levy at the maximum for taxes payable in 2027 for Independent School District #272.



THANK YOU



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