Osseo Area Schools

Your Schools. Your Community. Your Levy.

2026 Tax Levy, Payable 2027

JOHN MORSTAD | SEPTEMBER 29, 2026

What Is a School Levy?

A levy is how your school district collects local property tax dollars to fund education.

School Board Sets the Levy

Each fall, the board decides the authorized amount

Hennepin County Collects Taxes

Property owners pay taxes through the county

Schools Receive the Funds

Money returns to support students and programs

- Like a bill the district is authorized to send to local property owners each year
- Set annually — this year covers taxes payable in 2027

Where Does the Money Come From?

School funding comes from three sources — the levy is the local share.

State Aid

Largest Share

Funding from Minnesota based on how many students we serve — the per-pupil formula

Federal Grants

Targeted Programs

Federal dollars for specific programs — special education, Title I, and other targeted support

Local Levy

Your Property Taxes

Property taxes paid by homeowners and businesses in the district — fills critical gaps state aid doesn't cover

Osseo relies on all three — the levy fills critical gaps state aid doesn't cover

How Big Is Our Levy?

The 2026 levy is $155.8 million — funding schools for over 25,000 students.

Total 2026 Levy

$155.8M

$155,761,210 preliminary

Payable 2027

25,754

Resident students served across the district

ISD 279

Osseo Area Schools — Hennepin County, Minnesota

That's about $6,050 in local levy dollars per student — funding teachers, programs, and buildings.

What Does the Levy Pay For?

Three buckets — schools, community programs, and building debt.

General Fund
$112.7M

Teachers, curriculum, & daily operations

Community Service
$3.2M

Early childhood & community ed programs

Debt Service
$39.9M

Paying off bonds for Building a Better Future

Who Approves the Levy?

About half is voted on by YOU. The rest is set by state law.

~50%

Voter-Approved

$71.3 Million

- Referendum Levy Authority
  $56.6M
- Capital Project Referendum
  $14.7M

YOU VOTED ON THIS

VS

~50%

State-Authorized

Set by Minnesota Statute

The Legislature decided these programs should be locally funded — the district cannot opt out.

No local vote required — authorized directly by state law

What Changed This Year?

The total levy increased $7.1 million (+4.75%) from last year — here is exactly why.

Total Levy Increase

+$7.1M

+4.75%

vs. prior year

General Fund +$3.27M (+3.0%)

- Referendum levy +$3.22M — state raised per-pupil cap AND more students enrolled (including VPK)
- LTFM facilities catch-up +$1.46M — MDE approved 3-year adjustment for maintenance costs
- Career Technical +$498K — expanded program expenses
- Abatements DOWN $722K — fewer property tax disputes this year

Debt Service +$3.65M (+10.1%)

- Planned bond payments for Building a Better Future school construction referendum

Community Service +$152K (+5.0%)

- Early childhood and community education program growth

Why Does the Levy Change Each Year?

Four forces drive levy changes — most are outside the district's control.

1

State Law Changes

The legislature adjusts funding formulas and levy authority each session

External

2

Student Population

More or fewer pupils directly changes per-pupil funding amounts

External

3

Property Values

Rising market value can shift the tax rate across property owners

External

4

Expenditure Changes

New programs or bond payments require adjustments to the levy amount

District

Most of these factors are built into state law — the district has limited direct control

What About Property Values?

Home values went up — but the school tax base actually got smaller. Here is why.

MARKET VALUE

District Home Values

UP 32% since 2021 — prices rose across the area

+32% Growth
$20.2B → $26.6B over 4 years

BUT

SCHOOL TAX CAPACITY

Net Tax Capacity

DOWN 1.8% — from $328.9M to $322.9M

-1.8% Drop
$328.9M → $322.9M

Why did it fall?

TIF Districts
Growth in development zones is locked away, not available to schools

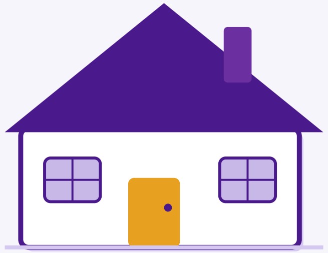
Fiscal Disparities
Metro program shifts commercial/industrial tax base across Hennepin County

Property Reclassifications
Some properties moved to lower tax class, reducing their share

Bottom line: Not all home value growth translates into a bigger school tax base.

What Does This Mean for Your Tax Bill?

The 2026 levy increase is ~4.75% — but your individual bill depends on your home's value.



+4.75%

Levy increase — your district's share

Bigger home value = bigger share of the levy

Total levy up $7.07M (+4.75%) from last year
Your home's assessed value determines your share

Higher home value = larger portion of levy
Lower home value = smaller portion — everyone pays their proportional share

Your tax statement arrives in November
Mailed by Hennepin County to every property owner

Questions? Attend the Truth-in-Taxation Hearing — December 2026
Share your voice before the final levy is certified

Mark Your Calendar

Here is how and when the levy process works.

Sept 30, 2026

Preliminary Levy Certified

District certifies the preliminary levy amount to Hennepin County

November 2026

Tax Statements Mailed

Hennepin County mails proposed tax statements to all property owners

December 2026

Truth-in-Taxation Hearing

Public hearing — community members can attend and share their voice

December 2026

Final Levy Certified

Board sets the exact final levy amount for 2027

Attend the December hearing and share your voice before the final levy is set.

Why We Levy the Maximum

Approving the maximum today gives the board flexibility — the exact amount is set in December.

Step 1 — What Is the "Maximum"?

The Highest Allowable Amount

The district certifies the highest allowable levy amount — not necessarily what will be collected. It is a ceiling, not a guarantee.

Step 2 — Why Approve It Now?

MDE Numbers Aren't Final Yet

The Minnesota Department of Education is still finalizing several levy calculations — data is not yet complete. Approving the maximum keeps all options open.

Step 3 — What Happens in December?

The Exact Amount Is Set

Business Services confirms final numbers with MDE. The board sets the EXACT levy amount after the Truth-in-Taxation public hearing.

This is standard practice — the district does this every year. The board can always certify a lower amount in December.

Recommendation

District Recommendation

Approve the 2026 Pay 2027 Preliminary Levy at the Maximum

Osseo Area Schools — 2026 Tax Levy, Payable 2027

Required by State Law
Deadline is September 30, 2026 — mandated by Minnesota statute

Preserves Flexibility
Approving the maximum keeps all options open while MDE finalizes levy calculations

~4.75% Estimated Increase
Among the lowest of all Hennepin County taxing authorities

Final Levy in December
Board certifies exact amount after the Truth-in-Taxation public hearing