School Board Workshop:	**November 9, 2026**
Subject:	2026 Payable 2027 Final Levy
Presenter:	**Ryan L. Tangen, Director Finance and Operations**

SUGGESTED SCHOOL BOARD ACTION:

Report only

DESCRIPTION:

The District will hold its Truth in Taxation public meeting as a part of the December 14, 2026, school board meeting to discuss the 2026-27 budget and the proposed final 2026 payable 2027 property tax levy. Following the public meeting, the board may approve the final property tax levy certification.

As a recap, the proposed property tax levy presented and approved at the September 28, 2026, meeting was $22,715,093.70, certified as the "Maximum." This amount represents an increase of $508,299.10 or 2.29% from the previous year's final levy.

Since the board approved the proposed levy as "Maximum", the county uses an updated proposed levy from MDE to calculate the Truth in Taxation notices mailed to property owners in November. The updated proposed property tax levy is $22,710,099.76 representing an increase of $503,305.16 or 2.27% from the prior year's levy. This amount is $4,993.94 less than the proposed levy reviewed at the September board meeting.

Levy Amount Changes

Specifically, this year the major reductions and additions come in the following areas:

- The 2027-28 enrollment projection used for the Pay 2027 levy calculations increased by 12.00 Adjusted Pupil Units (APUs) compared to projections used for the Pay 2026 levy.
- The 2027-28 Resident Adjusted Pupil Units (RAPU) used for the Pay 2027 levy calculations decreased by 161.80 RAPU.
- The General Education formula used by MDE is estimated to increase 2.72% to $7,892 from 2026-27 but is subject to change.
- The General Fund proposed levy included an increase of $1,000,000 for roofing projects allowed under the revised Long-Term Facilities Revenue legislation.
- Debt levy decreased due to a larger-than-normal debt excess reduction, resulting from the closing of Fund 47 OPEB bond debt service and the transfer to Fund 7 debt service.

- Prior year adjustments totaling $178,521.36 increased the proposed levy. These adjustments reflect updated property values, final expenditure totals, and actual enrollment from prior years.

Tax Impact

Net Tax Capacity (NTC) values and Referendum Market Value (RMV) will see growth across the district for property taxes payable in 2027. Preliminary estimates from Wright County show an NTC increase of 6.30% and an RMV increase of 5.50%. These valuation changes, combined with the levy total, have the following effects:

- The NTC rate has a proposed decrease of 0.750%.

- The RMV rate has a proposed decrease of 0.005%.

Overall, the final Pay 2027 property tax levy is estimated to result in an annual tax decrease of $37.00, or 3.54% for properties valued at $300,000, compared to the final Pay 2026 property tax levy.

ATTACHMENTS:

- 26 pay 27 Final Levy Analysis 11.9.26
- 26 pay 27 Final Levy Tax Impact Analysis 11.9.26