



Medford School District

2025 Payable 2026

Truth In Taxation Public Meeting

Time: 7:00 PM

Date: December 15th, 2025

Location: Medford School District Community Room

750 2nd Ave SE

Medford, MN 55049

Truth in Taxation Law

Minnesota's Truth in Taxation Law requires that cities, counties and school districts follow certain steps before adopting a tax levy for the following year.

- ❑ The law requires a mailed notice to each property owner in the county, which describes the tax levies proposed by the city, county and school district and what percent increase (decrease) such a levy would mean in dollars.
- ❑ School districts are required to hold a single meeting in which the public is allowed to speak, and the budget and levy is discussed. This meeting may be part of a regularly scheduled meeting but must occur after 6:00 P.M.
- ❑ The meeting date and location must be provided at the same time or prior to certifying the proposed property tax levy. The meeting date must be between November 25th and December 29th.
- ❑ You are here tonight as part of the school district's public meeting process.



Requirements of the Truth in Taxation Public Meeting

- ❑ Discuss proposed property tax levy for taxes payable 2026.
- ❑ Provide and discuss information on the current budget (2025-2026).
- ❑ Public must be given a reasonable amount of time to comment on the proposed property tax levy and budget and to ask questions. -**Minnesota Statute 275.065**



Points to Remember

- ❑ Revenue formulas are set by the State Legislature except for voter approved referendums.
- ❑ Local Levy and State Aid mix are set by the State Legislature.
- ❑ An increase in local taxes does not necessarily mean an increase in revenues for the school district. - **Minnesota Statute 275.065**



An aerial photograph of a suburban neighborhood, showing a grid of streets with houses, green lawns, and mature trees. The houses are mostly single-story with varying roof colors. The streets are paved and have some parked cars. The overall scene is a typical suburban residential area.

Medford School District

School District Budget

Current School Year

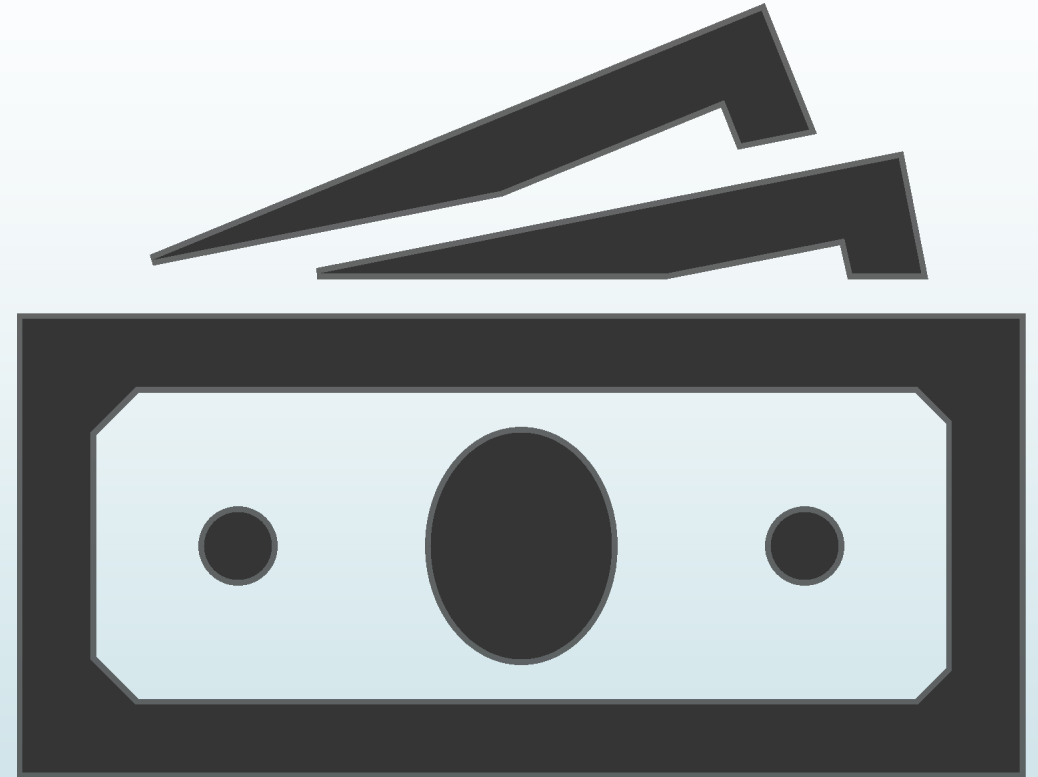
2025-2026

Fund Accounting Overview

- ❖ All school districts' budgets are divided into separate funds, as required by law.
- ❖ For our District, there are four funds:

GENERAL FUND (Fund 01)

- ☐ Revenue is based on student enrollment
- ☐ The local referendum levy is part of the General Fund
- ☐ Provides for classroom instruction, instructional supplies and equipment, and other educational activities
- ☐ Special Education, and State / Federal Mandated Programs
- ☐ Extra-curricular Activities / Student Activities
- ☐ Pupil Transportation
- ☐ Facilities Operation and Maintenance
- ☐ Capital Expenditures and Improvements
- ☐ Health and Safety Code Compliance



Fund Accounting Overview

2. FOOD SERVICE (Fund 02)

- ☐ School Breakfast and Lunch Program

3. COMMUNITY SERVICE (Fund 04)

- ☐ Levy is based on adult population in the District
- ☐ Early childhood levy is based on the number of children under 5 years of age
- ☐ Provides for enrichment programs for any age level that are not part of the K-12 education program
- ☐ Early Childhood Family Education
- ☐ School Readiness
- ☐ Driver's Education

4. DEBT SERVICE (Fund 07)

- ☐ Based on annual debt retirement schedules for the district's outstanding bonded indebtedness. Annual levy is for the payment of principal and interest on bonds as due. Current debt is a result of the voter approved Bond Issue for the building and past LTFM projects.



Medford School District

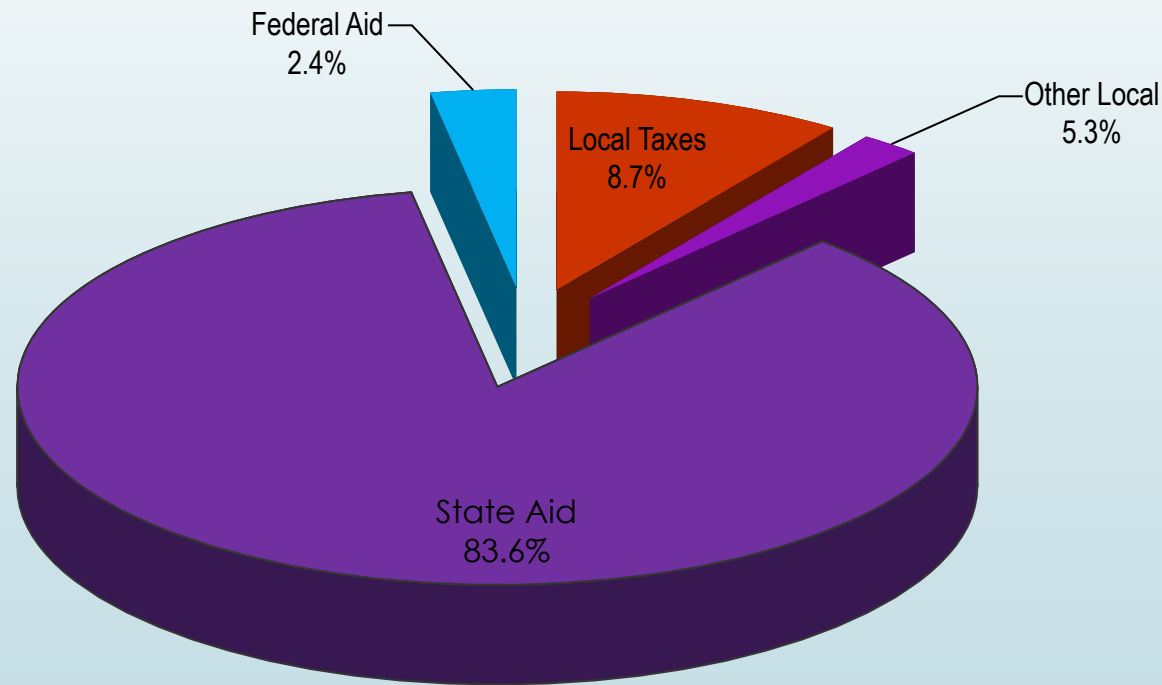
2025-2026 BUDGET OVERVIEW REVENUES

	24-25 Actual	25-26 Budget	Percent Change
General Fund	11,732,835	11,065,052	-5.69%
Food Service	760,170	696,081	-8.43%
Community Service	315,470	312,589	-0.91%
Debt Service	<u>1,117,611</u>	<u>1,126,250</u>	<u>0.77%</u>
Totals	<u>\$ 13,926,086</u>	<u>\$ 13,199,972</u>	<u>-5.21%</u>

Medford School District

General Fund Revenue Budget

Where Do Our School Revenues Come From?



Medford School District

2025-2026 BUDGET OVERVIEW EXPENDITURES

	24-25 Actual	25-26 Budget	Percent Change
General Fund	10,927,156	11,950,803	9.37%
Food Service	909,965	631,560	-30.60%
Community Service	296,516	364,568	22.95%
Debt Service	<u>1,111,285</u>	<u>1,125,428</u>	<u>1.27%</u>
Totals	<u>\$ 13,244,923</u>	<u>\$ 14,072,359</u>	<u>6.25%</u>

Medford School District

HOW ARE GENERAL FUND DOLLARS SPENT?

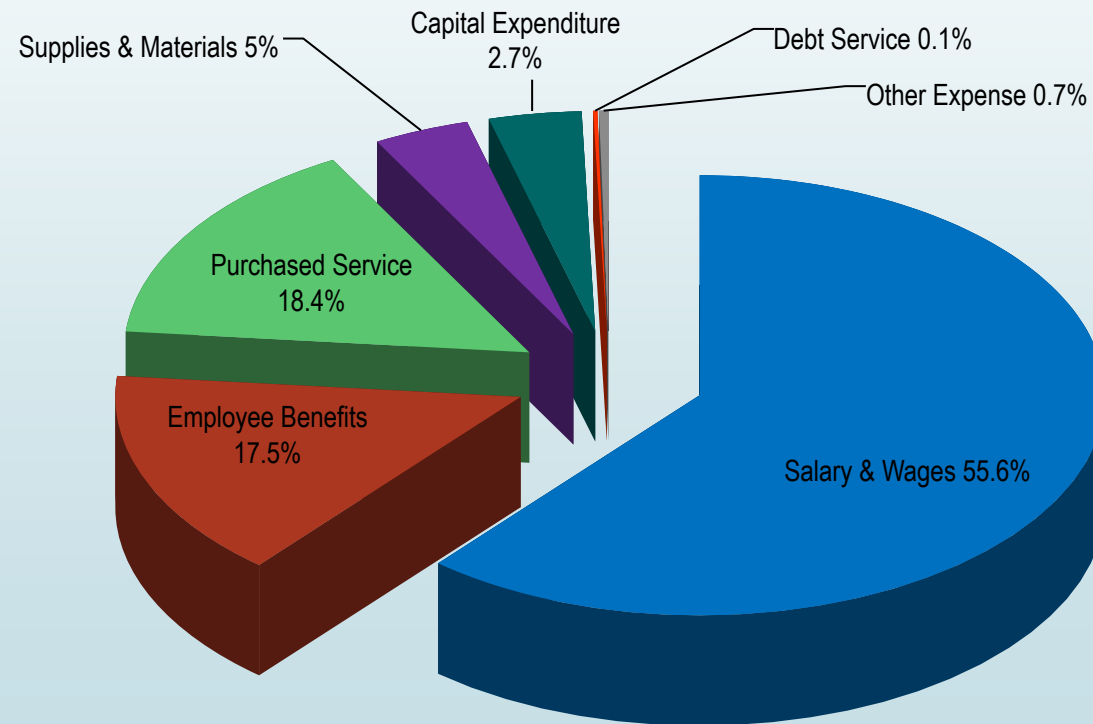
Expenses incurred in the operation of the district are paid from the General Fund. The following schedule relates how the dollars allocated to the General Fund are spent:

District & School Administration	6.7%
District Support Services	3.6%
Regular Instruction	51.0%
Vocational Instruction	2.0%
Special Education Instruction	14.3%
Instructional Support Services	5.3%
Pupil Support Services	9.5%
Sites-Buildings, Equipment	7.0%
Fiscal and Other	0.6%
	<u>100.0%</u>

Medford School District

General Fund Expenditure Budget

What Do Our Expenditures Pay For?



Medford School District

School District Levy

- ☐ The current levy is 2025 Payable 2026
- ☐ This levy will be certified in 2025
- ☐ This levy will be collected in 2026
- ☐ This levy will be recognized as revenue in Fiscal Year 2027

Authority for School Levies

- ☐ A School District Tax Levy must be either:
- ☐ Set by State Formula
- OR
- ☐ Voter Approved



Medford School District

Factors Impacting Tax Change

Issues Driven by Legislative Decisions:

- ☐ Change in sales ratio (impacting ANTC)
- ☐ Change in tax capacity rate structure
- ☐ Laws mandating code compliance (Health & Safety and Buildings)

Issues Determined by District Voters:

- ☐ Voter approved building bond issue
- ☐ Voter approved excess levy referendum

Factors Impacting Tax Change

Local Factors:

- ☐ Inflationary pressure on real estate market
- ☐ Abatements
- ☐ Property improvements not previously taxed
- ☐ Change in individual assessed market value
- ☐ Possible change in property classification (*e.g. homestead to rental*)

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How will your 2026 school taxes be spent?

General Fund

Provides additional funding for district instructional programs by means of the approved excess referendum. Provides funds for operating capital expenses, building/land lease, and Health & Safety costs:

Community Education Fund

Levy for Community Education Programs:

Debt Service

Levy for repayment of principal and interest on district debt:

Total Levy Before Credits:

Percent

45.7%

1.7%

52.6%

100.0%



Medford School District

GROSS LEVIES BY FUND	ACTUAL 24 PAY 25	PROPOSED 25 PAY 26	DOLLAR DIFFERENCE
General Fund	958,195.45	879,455.42	(78,740.03)
Community Services	35,783.37	33,316.45	(2,466.92)
Debt Redemption	1,003,937.83	1,014,306.71	10,368.88
Total	1,997,916.65	1,927,078.58	(70,838.07)

Medford School District

Major Changes to Levy Categories

Category	Pay 2025	Pay 2026	Change
General Fund			
Operating Capital	70,329.02	76,437.05	6,108.03
Safe Schools	33,970.68	33,035.76	(934.92)
LTFM	11,629.90	16,456.67	4,826.77
Vocational Inst.	51,741.80	60,584.78	8,842.98
Unrestricted Gen Fund	790,524.05	692,941.16	(97,582.89)
Sub-Total	<u>958,195.45</u>	<u>879,455.42</u>	<u>(78,740.03)</u>
Community Service	35,783.37	33,316.45	(2,466.92)
Debt Service	1,003,937.83	1,014,306.71	10,368.88
Total Change			(70,838.07)

Medford School District

What are the main variables that cause property tax increases and decreases?

- ☐ Changes in market values, classification or class rates
- ☐ Change in property tax credits (e.g. *change in Homestead Benefit from a credit to an exclusion*)
- ☐ Voter approved referendums
- ☐ Increases or decreases in levy amounts caused by changes in state funding formulas

Medford School District

What are the main variables that cause property tax increases and decreases?

- ☐ The value of your property may increase or decrease
- ☐ The value of other properties may increase or decrease and change the share that your property is of the total tax base, whether your property's value changed or not.
- ☐ School Board Actions.



Medford School District

- **Whereas**, Pursuant to Minnesota Statutes the School Board of Medford School District, Medford, Minnesota, is authorized to make the following proposed tax levies for general purposes:

○	Maintenance (General Fund)	879,455.42
	• (Includes Referendum)	
○	Community Service	33,316.45
○	Debt Service	<u>1,014,306.71</u>
○	Total Proposed School Tax Levy	\$1,927,078.58

- **Now Therefore**, Be it resolved by the School Board of Medford School District, Medford, Minnesota, that the levy to be levied in 2025 to be collected in 2026 is set at \$1,927,078.58. The clerk of the Medford School Board is authorized to certify the proposed levy to the County Auditor of Steele County, Minnesota.