

December 9, 2024

To: Dr. Josh Swanson, Superintendent
From: Andrew Adams, Executive Director of Business Services
Re: Pay 2025 Levy

The proposed property tax levy for taxes payable in 2025 is \$63,024,524.14, reflecting an increase of \$2,649,385 or 4.39%. If the district levied at the maximum, the current increase to taxpayers would be 4.71%. This recommendation supports the district's high-quality educational programs and services.

Key Changes in the Levy:

- The final levy includes an inflationary increase on the Operating Referendum of 2.43% as calculated by the Minnesota Department of Education as approved by the voters.
- The Voter Approved Capital Project levy increased by \$677,308 following increases in property values from calendar year 2023 to 2024.
- The School Board under levied abatements in the prior levy cycle. The under levy resulted in a necessary recapture in the current cycle of \$867,031 or an increase of 1.44%. If the District had not under levied in the prior cycle, the current year final levy increase would have been \$1,656,623 or 2.70%.
- The final levy includes a proposed under levy of abatements in the amount of \$193,457.81 from the debt service fund.
- An Eden Prairie home valued at \$545,000 will see on average a school property tax increase of \$80 per year, assuming no change in home market value from 2024 to 2025.

This recommendation reflects a balanced approach through leveraging deferred abatements and maximizing operational efficiencies. The final proposed property tax levy is critical in offsetting rising operation costs and supports in light of lagging state funding. These dollars also help ensure the fiscal stability of the district as a part of promises made to stakeholders during the 2022 operating referendum.

We recommend the School Board of Independent School District No. 272 approve a final levy for taxes payable in 2025 in the amount of \$63,024,524.14.