

Edina Public Schools

September 8, 2025

Preliminary Levy Taxes Payable in 2026





Today's Agenda/Topics

- 1 Preliminary Levy Process Overview
- 2 Enrollment Review
- 3 What We Know About Major Levy Categories
- 4 Next Steps
- 5 Questions



Preliminary Levy Process

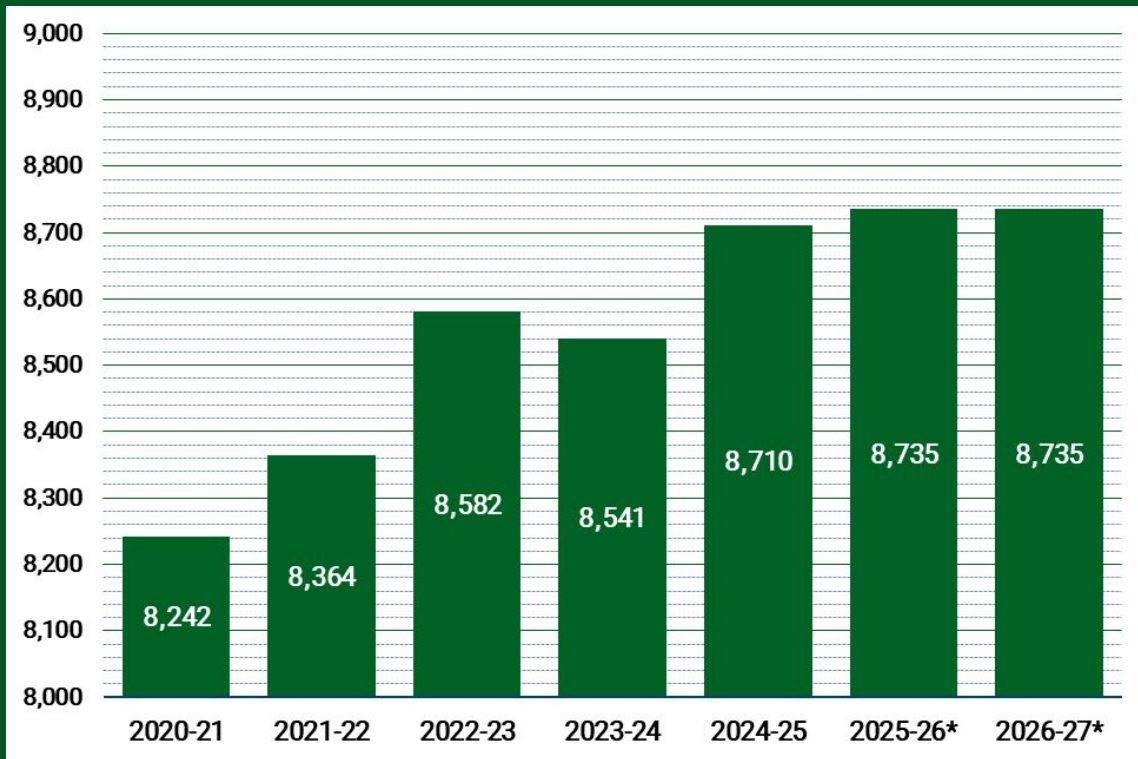
- Data collection from various systems -
 - Edina Public Schools
 - Minnesota Department of Education
 - Hennepin County
- Calculations made through “Levy Limitation and Certification Report”.
- Board must certify a preliminary levy to the Hennepin County auditor and
- Minnesota Department of Education by September 30.
- Parcel specific notices sent to property owners in November.



Enrollment

- Enrollment is the most important variable in all operating revenue calculations - both state aid and property tax revenue.
- Edina has experienced strong, stable enrollment post-pandemic.
- 5-year average (1.0177) cohort survival model used to project future enrollment -
 - Cautious, but realistic approach - tax burden
- Enrollment for Pay 2026 Tax Levy - 8,735 ADM; 9,571 APU

Enrollment cont.





Operating Referendum

- Voter-approved with maximum per pupil amount capped by state law - Edina is *virtually* at the cap.
 - Authority can be tied to inflation (CPI) - Edina's authority is.
 - Legislature not interested in increasing the cap.
- Subject to positive or negative adjustments -
 - Fiscal Year 2025 - actual authority of \$2,205.49 vs levied \$2,197.49
 - Fiscal Year 2026 - actual authority of \$2,273.89 vs levied \$2,260.63
 - Fiscal Year 2027 - estimated cap of \$2,340.76 vs Edina authority of \$2,334.87
 - New revenue of \$1,185,248 (adjustments plus inflation)
- Represents more than 13% of total revenues.



Local Optional Revenue

- Non-voter approved - all districts in the state have access to \$724 per pupil.
- The \$724 per pupil has never been adjusted for inflation - legislative advocacy continues -
 - \$250 per pupil gap
 - Revenue growth or decline purely enrollment driven
- Subject to positive or negative adjustments.



Capital Projects Levy

- Also known as the *tech levy*
- Voter approved - rate/percentage approved by voters, multiplied by net tax capacity (NTC) two years prior (pay 2026 uses 2024 NTC).
- Revenue of \$9,470,865; +\$286,271 from current year
- NTC growth is returning to normal:
 - Three years post COVID - average increase of 9.29%
 - 2023 to 2024 - 3.12%
 - Average of the prior ten years - 3.36%



Debt Service

- Levy for principal and interest payments on outstanding general obligation bonds - both voter and non-voter approved.
- Requirement to levy 105% of scheduled payments -
 - Debt excess collected in current year paid back to taxpayers in subsequent years.
- Anticipated debt service levy of \$19,193,448 vs current year levy of \$17,909,166; +\$1,284,282 (7.17%).
- Edina's debt plan is structured in conjunction with capital projects levy revenue and long-term facilities maintenance revenue.



Long-Term Facilities Maintenance

- Non-voter approved - Edina one of 28 districts with “uncapped” authority -
 - All other districts receive \$380 per pupil.
- Can levy on a “pay-as-you-go” basis or via bonded debt - Edina utilizes a mixture to ensure adequate cash flow while stabilizing resident tax increases.
- Anticipated levy of \$18,842,493 vs current year figure of \$21,008,625.
 - Planned decrease to offset impact of voter-approved debt payment timing.



Next Steps

- Full analysis -
 - Finance & Facilities Committee
 - Full Board - Special Meeting - September 23, 2025
- Approval at September 23 Meeting
- Parcel specific notices mailed in November
- Truth-in-Taxation public hearing on December 8, 2025
- Final certification of levy on December 8, 2025
- First collection of tax settlements in May 2026

Questions?

