

September 22, 2025

To: Dr. Josh Swanson, Superintendent
From: Andrew Adams, Executive Director of Business Service
Re: Preliminary Tax Levy

Eden Prairie Schools, along with all Minnesota school districts, is working with the Minnesota Department of Education (MDE) on the preliminary 2026 levy certification. At this time, we are still awaiting final calculations from MDE.

As is customary and consistent with MDE's recommendation, we are requesting School Board approval of the preliminary levy at the 'maximum'. This approach provides flexibility for the Business Office to finalize amounts with MDE prior to truth-in-taxation notices being issued in November 2025. The final levy will be presented for approval by the School Board on December 8th, 2025.

The preliminary levy for taxes payable in 2026 must be approved by the School Board by September 30th. Updated figures and comparative data will be shared at the September 22nd Board meeting. While the final numbers are pending, we do know that several factors are driving the increase in the levy:

- Operating Referendum - The referendum approved by the community in November 2022 includes an annual inflationary factor. Strong enrollment and the 2.37% inflationary factor for this cycle generates an increase of approximately \$1.8 million.
- Career and Technical Education (CTE) Programs - The District obtained additional program approvals for CTE through strategic licensure work, resulting in an increase of \$213,332.
- Long-Term Facilities Maintenance (LTFM) – In alignment with the Board approved Ten-Year LTFM Plan in June 2025, the levy increased by \$218,214.
- Debt Service – Scheduled principal and interest payments on the district debt are \$958,247 higher than the prior year. This increase is part of the district's long-term financing strategy.

The combination of these items will result in an overall levy increase for Eden Prairie Schools. Specific details will be presented at the September 22nd meeting.

It is recommended that the School Board approve the preliminary tax levy at the 'maximum' for taxes payable in 2026 for Independent School District #272.