



# East Grand Forks School District

**2025 PAYABLE 2026**

**TRUTH IN TAXATION PUBLIC MEETING**

6:00 PM, DECEMBER 08, 2025

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AT THE EAST GRAND FORKS HIGH SCHOOL BOARD ROOM

(ROOM 195)



## 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. One important part of that 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 such a levy would mean in dollars.



# Truth in Taxation Public Meeting

A second part of the law pertains to a “Truth in Taxation” public meeting for each taxing jurisdiction.

You are here tonight as part of the school district’s public meeting process.





## Requirements of the Truth in Taxation Public Meeting

1. Discuss proposed property tax levy for taxes payable 2026
2. Provide and discuss information on the current budget (2025-2026).
3. 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:

1. Revenue formulas are set by the State Legislature except for voter approved referendums.
2. Local Levy and State Aid mix are set by the State Legislature.
3. An increase in local taxes does not necessarily mean an increase in revenues for the school district.



## How is my property tax determined?

- 1.** The County assessor determines market value for each parcel of property.
- 2.** MN Legislature sets formulas for Tax Capacity. These formulas determine how the tax burden is split on different types of property (residential, commercial, agriculture etc).
- 3.** County Auditor calculates the tax capacity for each parcel based on the above information.



## How is my property tax determined? - Continued

- 4.** County Auditor divides the total levy by total tax capacity of the District to determine tax rate needed. Tax rate is multiplied by each property's tax capacity\*.

\* Certain levies are spread based on Market Value rather than tax capacity.



# East Grand Forks School District

## SCHOOL DISTRICT BUDGET

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CURRENT SCHOOL YEAR

2025-2026





# Fund Accounting Overview 2025-2026

## 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
- Pupil Transportation
- Facilities Operation and Maintenance
- Capital Expenditures and Improvements
- Health and Safety Code Compliance

## FOOD SERVICE (Fund 02)

- School Breakfast and Lunch Program



## **Fund Accounting Overview 2025-2026 (Cont.)**

### **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
- Adult Basic Education



## **Fund Accounting Overview 2025-2026 (Cont.)**

### **Construction Fund (Fund 06)**

- Contains bond dollars for current construction projects.

### **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.



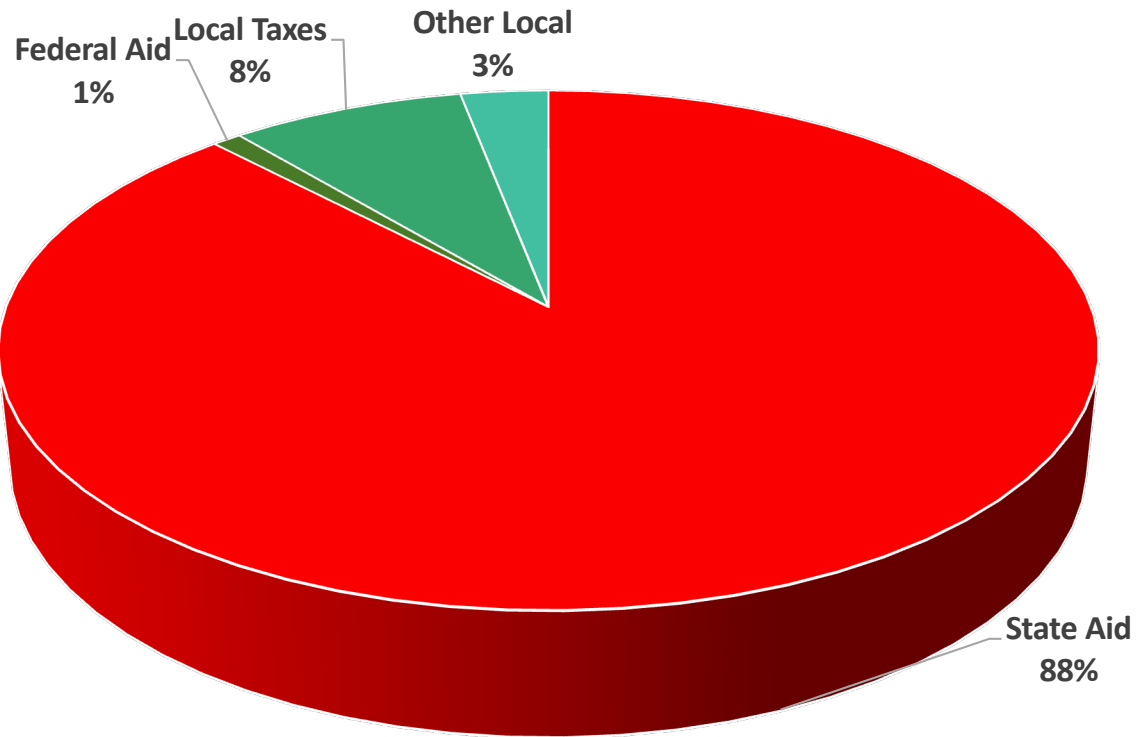
## 2025-2026 Budget Overview by Fund

Fund	Revenue	Expenses
General Fund	\$ 29,073,207	\$ 29,375,486
Food Service	1,149,600	1,271,069
Community Service	729,572	683,526
Debt Service	2,339,798	2,237,963
Construction Fund	-	-
	<u>\$ 33,292,177</u>	<u>\$ 33,568,044</u>



## General Fund Revenue Budget

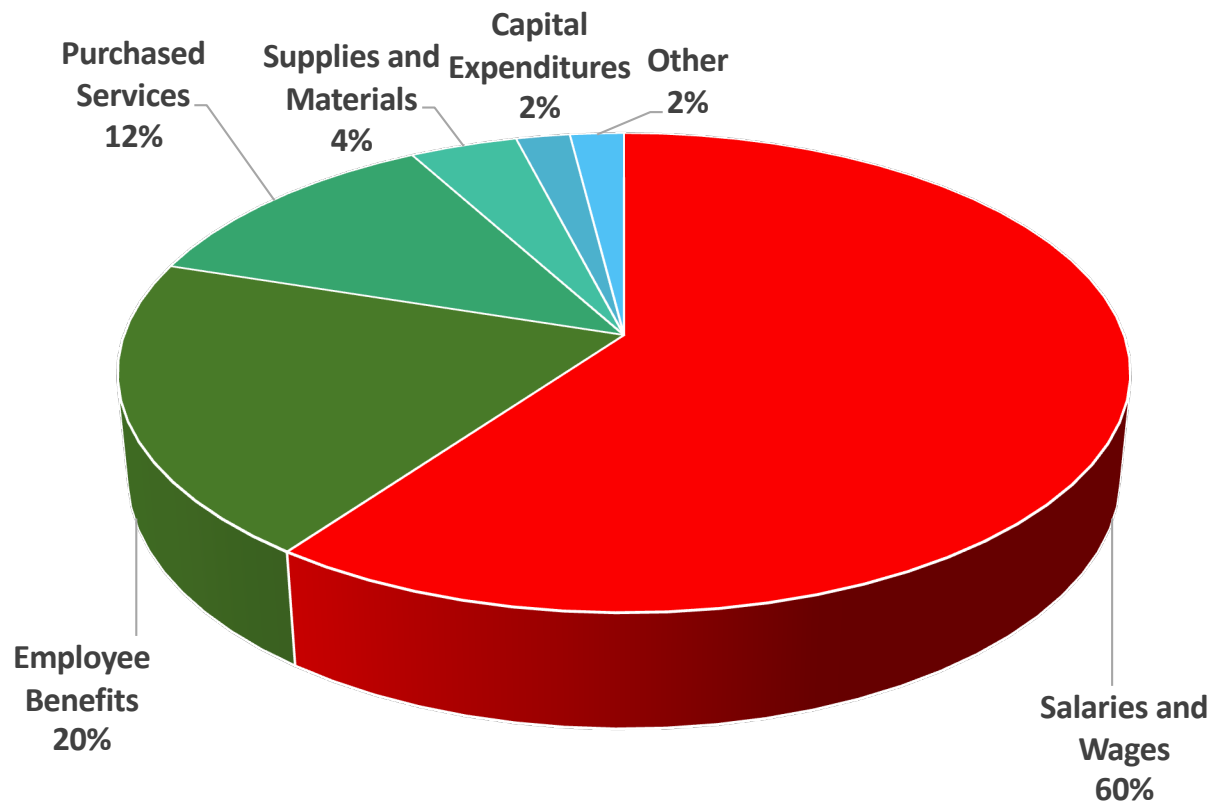
### Where Do Our School Revenues Come From?





# General Fund Expenditure Budget

## Where Do Our School Expenditures Pay For?





## 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	6.80%
District Support Services	2.64%
Regular Instruction	49.52%
Extracurricular	0.68%
Vocational Instruction	1.59%
Special Education Instruction	15.82%
Instructional Support Services	5.32%
Pupil Support Services	8.57%
Sites-Buildings, Equipment	8.32%
Fiscal & Other	0.74%



## Components of the Projected General Fund Balance at June 30, 2025

General Fund	June 30, 2025	Projected June 30, 2026
Assigned For:		
Donations	\$ 30,646	\$ 30,646
Technology	88,851	88,851
Restricted For:		
Scholarships	16,093	18,593
Staff Development	20,164	3,047
Literacy Incentive Aid	52,598	(0)
American Indian Ed	17,451	(0)
Gifted and Talented	-	-
Safe Schools	(92,869)	-
Operating Capital	293,735	246,466
Disabled Accessibility	1,903	1,903
English Learners	83,346	-
School Library Aid	40,000	-
OPEB	49,285	65,429
Literacy Aid	77,563	-
Prepaid Fund	3,195	-
Long-Term Facilities Maintenance	2,947	67,191
Basic Skills Extended Time	-	-
Achievement & Integration	-	-
Student Activities	217,668	217,668
Student Support Personnel	40,000	-
Medical Assistance	260,105	272,805
Unassigned	<u>3,215,662</u>	<u>3,103,465</u>
	<u>\$ 4,418,343</u>	<u>\$ 4,116,064</u>





# East Grand Forks School District

## SCHOOL DISTRICT LEVY

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- 2025 PAYABLE 2026
  - 2026-2027 SCHOOL YEAR
  - FISCAL YEAR 2027



## Authority for School Levies

A School District Tax Levy must be either:

- Set by State Formula
- or-
- Voter Approved
- Board Approved & L.O.R. – Max \$724 per A.P.U.



## 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

### **Issues Determined by District Voters:**

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



## Factors Impacting Tax Change (*cont.*)

### 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*)
- The value of other properties may increase or decrease and change the share that your property is allocated, whether your property's value changes or not.



## Factors Impacting Tax Change (*cont.*)

### State Factor:

- Ag2School Tax Credit
  - Affects all existing Fund 7 debt levies, except OEPB bonds.
  - Reduction for farmers – calculated in the proposed tax statement.
  - Set at 70% in 2023

Minnesota provides the potential for tax relief to Home Owners and Renters. Information can be found at [www.revenue.state.mn.us](http://www.revenue.state.mn.us) or 1-800-652-9094



## 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, achievement and Integration, safe schools, career and technical education and long-term facilities maintenance costs:

55% 2,455,634.00

### Community Education Fund

Levy for Community Education Programs:

2% 97,692.59

### Debt Service Fund

Levy for repayment of principal and interest on district debt

43% 1,927,916.31





## Levy Limitation & Certification

### 2025 Pay 2026

	Actual	Proposed	Dollar	Percentage
Gross Levies by Fund:	2024 Pay 2025	2025 Pay 2026	Difference	Difference
General Fund	\$ 2,359,696	\$ 2,455,634	\$ 95,938	4%
Community Service Fund	102,142	97,693	(4,449)	-4%
Debt Service Fund	1,904,253	1,927,916	23,664	3%
	<u>\$ 4,366,090</u>	<u>\$ 4,481,243</u>	<u>\$ 115,153</u>	<u>3%</u>



### Components of the 2025 Pay 2026 Levy

	Actual	Proposed	Dollar	Percentage
Gross Levies by Fund:	2024 Pay 2025	2025 Pay 2026	Difference	Difference
General Fund				
Operating Referendum	\$ 924,668	\$ 985,944	\$ 61,276	7%
Equity	317,890	385,329	67,439	21%
LTFM	487,007	484,510	(2,497)	-1%
Operating Capital	180,761	197,996	17,235	10%
Lease levy	116,500	127,500	11,000	9%
Achievement & Integration	53,416	57,757	4,341	8%
Safe Schools	75,099	79,332	4,234	6%
Other General Fund	204,355	137,266	(67,090)	-33%
Sub-Total	<u>\$ 2,359,696</u>	<u>\$ 2,455,634</u>	<u>\$ 95,938</u>	
Community Service Fund	102,142	97,693	(4,449)	-4%
Debt Service Fund	<u>1,904,253</u>	<u>1,927,916</u>	<u>23,664</u>	1%
	<u><u>\$ 4,366,090</u></u>	<u><u>\$ 4,481,243</u></u>	<u><u>\$ 115,153</u></u>	





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

Maintenance (General Fund)	\$ 2,455,634.00
◦ Includes Referendum	
Community Service	97,692.59
Debt Service	1,927,916.31
<b>Total Proposed School Tax Levy</b>	<b>\$ 4,481,242.90</b>

**Now Therefore,** Be it resolved by the School Board of East Grand Forks School District, East Grand Forks, Minnesota, that the levy to be levied in 2025 to be collected in 2026 is set at \$4,366,089.93. The clerk of the East Grand Forks School Board is authorized to certify the proposed levy to the County Auditor of Polk County, Minnesota.



Based on the Breakdown of the 2024 property values the levy will be allocated as follows:

Business and Residential	\$ 2,662,819.06
Agricultural	\$ 1,818,423.84
Less: 70% State Ag Credit	<u>(471,846.48)</u>
Total Agricultural	<u>\$ 1,346,577.36</u>
Total Taxpayer Levy	\$ 4,009,396.42
Total Levy Paid by the State	<u>471,846.48</u>
	<u>\$ 4,481,242.90</u>

Note: Actual breakdown will be based on the most recent property values estimated by the County.

# The Big Picture

