

School Board Workshop:

September 8, 2025

Subject:

Levy Certification Update

Presenter:

**Ryan L. Tangen, Director
Finance and Operations**

SUGGESTED SCHOOL BOARD ACTION:

None at this time - informational only

DESCRIPTION:

A summary of the preliminary 2025 payable 2026 property tax levy and estimated tax impact is attached for your review. In prior years, the initial property tax levy report from MDE was available at this time, but it is not scheduled for release until Monday, September 8, 2025. That report will confirm the current year levy amounts and provide prior year levy adjustments.

In the absence of this report, the current projection incorporates last year's levy adjustments. The total projected levy is \$22,317,427.12, which reflects a decrease of \$14,947.40 (0.07%) compared to the prior year. These numbers are preliminary and subject to change once the MDE report is released.

Some observations are as follows:

- Enrollment projections show a decrease of 75.60 Adjusted Pupil Units (APUs) from property taxes payable 2025 (for 2025–26) to property taxes payable 2026 (for 2026–27).
- Debt levy decreased due to a larger-than-normal debt excess reduction, resulting from the closing of Fund 47 OPEB bond debt service and the transfer to Fund 7 debt service.
- Prior year adjustments can play a significant role and reflect updated property values, final expenditure totals, and actual enrollment from prior years.
- Tax base growth: With an average 5.75% increase in Referendum Market Value (RMV) and a 6.00% increase in Net Tax Capacity (NTC), both RMV and NTC tax rates decreased.
- Tax rate impact: On a \$300,000 home, the current projection is \$1,049 compared to \$1,112 last year.
- **Overall effect:** A residential homestead property valued at \$300,000 will see an estimated annual tax decrease of about \$63 under the Pay 2026 levy projection.

At the September 22, 2025, meeting, we will recommend that the board approve the "maximum" levy amount, as has been done in prior years. This approach provides flexibility for any corrections to the data that may change the final levy total.

ATTACHMENT(S):

- **Levy Analysis 25 pay 26 9.8.25 Preliminary Levy**
- **Levy Analysis 25 pay 26 9.8.25 Tax Impact Analysis**