

School Board Workshop:

November 10, 2025

Subject:

2025 Payable 2026 Final Levy

Presenter:

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

SUGGESTED SCHOOL BOARD ACTION:

Report only

DESCRIPTION:

The district will hold its Truth in Taxation public meeting as a part of the December 8, 2025, School Board Meeting to discuss the 2025-26 budget and the proposed final 2025 payable 2026 property tax levy. Following the public meeting, the Board may approve the final property tax levy certification.

As a recap, the proposed property tax levy presented and approved at the September 22, 2025, meeting was \$22,314,957.69, certified as the "Maximum." This amount represents a decrease of \$17,416.84 or 0.08% from the previous year's final levy.

Since the Board approved the proposed levy as "Maximum", the county uses an updated proposed levy from MDE to calculate the Truth in Taxation notices mailed to property owners in November. The updated proposed property tax levy is \$22,206,794.60 representing a decrease of \$125,579.92 or 0.56% from the prior year's levy. This amount is \$108,163.09 less than the proposed levy reviewed at the September Board Meeting.

Levy Amount Changes

Specifically, this year the major reductions and additions come in the following areas:

- The 2026-27 enrollment projection used for the Pay 2026 levy calculations decreased by 70.00 Adjusted Pupil Units (APUs) compared to projections used for the Pay 2025 levy.
- The 2026-27 Resident Adjusted Pupil Units (RAPU) used for the Pay 2026 levy calculations increased by 177.20 RAPU.
- The General Education formula used by MDE is estimated to increase 2.99% to \$7,705 from 2025-26 but is subject to change.
- The General Fund proposed levy included an increase of \$1,100,000 for roofing projects allowed under the revised Long-Term Facilities Revenue legislation.
- 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 totaling \$131,031.71 increased the proposed levy. These adjustments reflect updated property values, final expenditure totals, and actual enrollment from prior years.

Tax Impact

Net Tax Capacity (NTC) values and Referendum Market Value (RMV) will see growth across the district for property taxes payable in 2026. Preliminary estimates from Wright County show a NTC increase of 6.00% and a RMV increase of 5.75%. These valuation changes, combined with the levy total, have the following effects:

- The NTC rate has a proposed decrease of 0.819%.
- The RMV rate has a proposed decrease of .016%.

Final NTC and RMV used for the Truth in Taxation statements will reflect projected increases of 6.00% and 5.75%, respectively. The September calculations were based on these same projections.

Overall, the final Pay 2026 property tax levy is estimated to result in an annual tax decrease of \$71.00, or 6.41% for properties valued at \$300,000, compared to the final Pay 2025 property tax levy.

ATTACHMENT(S):

- 25 pay 26 Final Levy Analysis 11.10.25
- 25 pay 26 Final Levy Tax Impact Analysis 11.10.25