

School Board Meeting:

September 22, 2025

Subject:

Levy Certification Approval

Presenter:

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

SUGGESTED SCHOOL BOARD ACTION:

Approve the proposed 2025 Payable 2026 levy certification at the "Maximum".

DESCRIPTION:

The proposed levy needs approval by September 30, 2025. Due to the number of inputs that go into the levy document, districts have the option to approve the levy at the "**Maximum**" to allow any final adjustments to be made before the levy is sent to the county auditor's office for use in preparing Truth in Taxation notices. The current projected total levy is \$22,314,957.69, a decrease of \$17,416.84 or 0.08% from the prior year's levy. These numbers are **subject to change**.

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 \$1,040 compared to \$1,107 last year. An estimated annual tax decrease of about \$67 under the Pay 2026 levy projection

We are asking the Board to approve the 2025 Pay 2026 levy as the "maximum" amount as we have done in the past to allow for implementation of corrections made by MDE to our district levy.

The Budget and Levy (Truth in Taxation) hearing will be held at 7:00 PM during the School Board Meeting on December 8, 2025, in the Board Room located at the Discovery Center, 214 1st Ave NE, Buffalo, MN.

ATTACHMENT(S):

- **25 Pay 26 Preliminary Levy Certification Summary 9.22.25**
- **25 Pay 26 Preliminary Levy Tax Impact Analysis 9.22.25**