



Truth in Taxation Hearing Pay 2026 Levy

December 18, 2025 6:00pm



Minnesota State Law

- MN Truth in Taxation law requires that cities, counties and school districts follow certain steps before adopting a tax levy for the following year.
- The 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, along with the percentage increase (decrease) such a levy would mean in dollars.
- The law also requires a “Truth in Taxation” public hearing for each taxing jurisdiction, which includes a specific type of public notice.
- You are here tonight as part of the school district’s public hearing process.



Requirements of the Truth in Taxation Hearing

- Tax levy must be for taxes payable 2026
- Current budget must be discussed
- The proposed percent increase or decrease and the reasons for the change must be discussed
- Changes to the final levy amount compared to the board approved proposed levy must be addressed
- Public must be given time to comment

Minnesota Statute 275.065



Truth in Taxation Agenda

1. District Budget
2. District's Proposed Tax Levy for Taxes Payable in 2026
3. Public Comments
4. Board Certification Final Pay 2026 Levy



Budget Information

- Approval of the school district budget lags the certification of the tax levy by six months. Due to this, the state requires only current year budget information and prior year financial results be presented at this hearing. The Fiscal 2026-2027 budget will be set in June 2026.
- All school district budgets are divided into separate funds, based on purposes of revenue as required by law:
 - Fund 1 – General
 - Fund 2 – Food Service
 - Fund 4 – Community Service
 - Fund 7 – Debt Service
 - Fund 8 – Trust



School Budget Information

- The 2025-2026 budget was adopted in June 2025 based on information we knew at that time. The FY26 budget revision will be presented to the Board of Education in the Spring of 2026 with updated information.

Fund	Revenues	Expenses	Variance
General	13,367,822	14,088,366	(720,544)
Food Service	692,000	703,200	(11,200)
Community Service	470,000	514,000	(44,000)
Debt Service	1,558,792	1,471,650	87,142
Trust	70,000	25,000	45,000
Fund balance transfer			570,000
TOTALS	\$ 16,158,614	\$ 16,802,216	\$ (73,602)



School Budget Information

- 06/30/2025 budget summary

6/30/2025 (unaudited)	Revenues	Expenses	Variance
General	14,382,333	14,730,184	(347,851)
Food Service	687,999	662,503	25,496
Community Service	489,869	461,864	28,005
Debt Service	1,664,561	1,588,898	75,663
Trust	70,456	30,374	40,082
TOTALS	\$ 17,295,218	\$ 17,473,823	\$ (178,605)

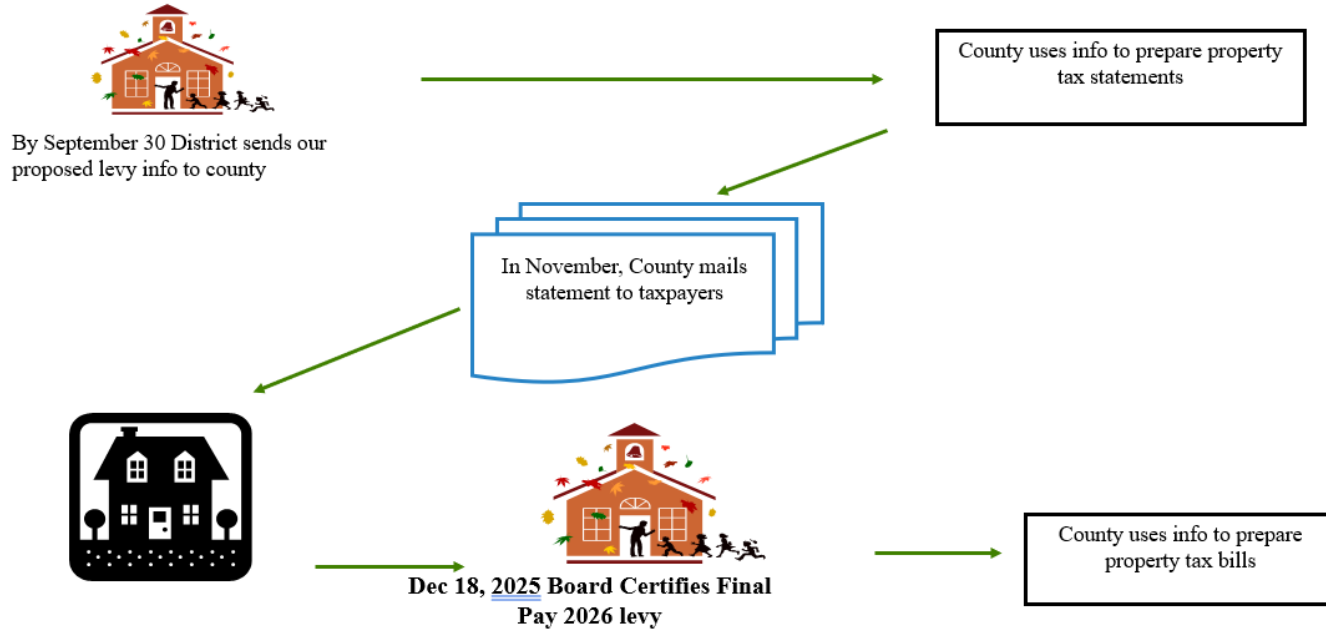


Payable 2026 Property Tax Levy

- Determination of levy
 - 2025 Payable 2026
 - 2026-2027 School Year
 - Fiscal Year 2027
- Comparison of 2025 and 2026 tax levy
- Specific reasons for changes in tax levy
- Impact on taxpayers



Property Taxes - Key steps in the process



2026 Property Tax Levy Summary

Category	Pay 25 Levy Limit	Pay 26 Levy Limit	Increase (Decrease)	Percent Change
General	2,071,602.79	1,713,141.21	-358,461.58	
Community Service	60,067.81	51,453.70	-8,614.11	
Debt Service	1,500,423.65	1,436,253.68	-64,169.97	
TOTALS	\$ 3,632,094.25	\$ 3,200,848.59	\$ (431,245.66)	-11.87%

Category	Proposed Levy September - Maximum	Final Levy December	Increase (Decrease)
General	1,677,902.21	1,713,141.21	35,239.00
Community Service	51,453.70	51,453.70	0.00
Debt Service	1,436,253.68	1,436,253.68	0.00
TOTALS	3,165,609.59	3,200,848.59	35,239.00



Explanation of Levy Changes

Category: Local Optional Revenue (LOR) and Operating Referendum

Change: (\$217,211.82)

Use of Funds: General Operating Expenditures

Reason for Change:

- Revenue is based on the estimated number of students in the district and state formulas.
- No change in authorized levy per pupil and board approved amounts



Explanation of Levy Changes

Category: Operating Capital

Change: (\$2,743.11)

Use of Funds: General Operating Expenditures

Reason for Change:

- Revenue is based on the estimated number of students in the district and state formulas.
- Change includes adjustment of \$688.53



Explanation of Levy Changes

Category: Career & Technical Education (CTE)

Change: (\$8,138.51)

Use of Funds: General Operating Expenditures for CTE Programming

Reason for Change:

- Revenue is based on estimated expenditures and adjustments due to final expenditures reported to MDE.



Explanation of Levy Changes

Category: Quality Compensation (Q-Comp)

Change: (\$10,210.22)

Use of Funds: Alternative Teacher Compensation

Reason for Change:

- Revenue is based on the estimated number of students in the district and state formulas.
- Change includes adjustment of (\$4,305.21)



Explanation of Levy Changes

Category: Re-employment

Change: \$9,011.29

Use of Funds: General Operating Expenditures

Reason for Change:

- Re-employment revenue is based on estimated expenditures and adjustments due to final expenditures reported to MDE.
- Change includes adjustment of (\$988.71)



Explanation of Levy Changes

Category: Safe Schools & OPEB

Change: (\$3,857.88)

Use of Funds: General Operating Expenditures

Reason for Change:

- Safe Schools revenue is based on the estimated number of students in the district and state formulas.
- OPEB revenue is based on estimated expenditures and adjustments due to final expenditures reported to MDE
- Change includes reduction in Safe Schools (\$1,775.88) and OPEB (\$2,082.00)



Explanation of Levy Changes

Category: Long Term Facilities Maintenance (LTFM)

Change: (\$4,853.64)

Use of Funds: Deferred Maintenance and Health and Safety Expenditures

Reason for Change:

- Revenue is based on the estimated number of students in the district and state formulas.



Explanation of Levy Changes

Category: Building / Land Lease

Change: (\$541.31)

Use of Funds: Lease levy for SCRED building and programs

Reason for Change:

- Revenue is based on the estimated number of enrolled students in the district and programs.



Explanation of Levy Changes

Category: Adjustment Prior Years

Change: (\$154,457.77)

Use of Funds: Long Term Facilities Maintenance (LTFM) - Deferred Maintenance and Health and Safety Expenditures - Abatement

Reason for Change:

- Working with MDE on corrections due to upgraded fire alarm system. Payable 2027 will reflect a positive adjustment to offset 2026.



Explanation of Levy Changes

Category: Community Service Fund

Change: (\$8,614.11)

Use of Funds: Basic Community Education, Early Childhood, and Adults with Disabilities.

Reason for Change:

- Based on state formulas for community education and early childhood programs.



Explanation of Levy Changes

Category: Debt Service Fund

Change: (\$64,169.97)

Use of Funds: Principal and interest payments of bonded debt plus 5%

Reason for Change:

- A calculation is done annually by the Department of Education to determine an appropriate level of fund balance. Includes reduction for debt excess of \$138,069.88



Impact on Taxpayers

- Factors that can cause an increase or decrease from year to year:
 - Changes in value or classification of property
 - Changes in total value of all property within the district
 - Increase or decrease with student enrollment and projections
 - Adjustment for prior years (estimate to actual)
 - Changes in state funding formulas, local needs and costs, voter approved referendums, and other factors.



Public Comments



Payable 2026 Tax Levy Adoption

The District recommends the Board of Education:

- Approve the 2025 Pay 2026 Levy in the amount of \$3,200,848.59
- Board Clerk to certify the levy in the amount listed above to the Chisago County Auditor.



Contacts

County Auditor

Chisago County

Auditor's Office: 651.213.8500

School District

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