

Levy for Learning

November 2024



EDEN PRAIRIE SCHOOLS



MN Legislature must set funding for Minnesota Public Schools

Minnesota Constitution ARTICLE XIII: MISCELLANEOUS SUBJECTS

Section 1 "UNIFORM SYSTEM OF PUBLIC SCHOOLS. The stability of a republican form of government depending mainly upon the intelligence of the people, it is the duty of the legislature to establish a general and uniform system of public schools. The legislature shall make such provisions by taxation or otherwise as will secure a thorough and efficient system of public schools throughout the state."





State of Minnesota Regulates:

State Sets:

- Formulas which determine revenue; most revenue is based on specified amounts per pupil
- Maximum authorized property tax levy
 - Districts can levy less BUT NOT more than amount authorized by state, unless approved by voters
- State also authorizes school board to submit referendums for operating and capital needs to voters for approval

As a Result, Funding is Highly Regulated



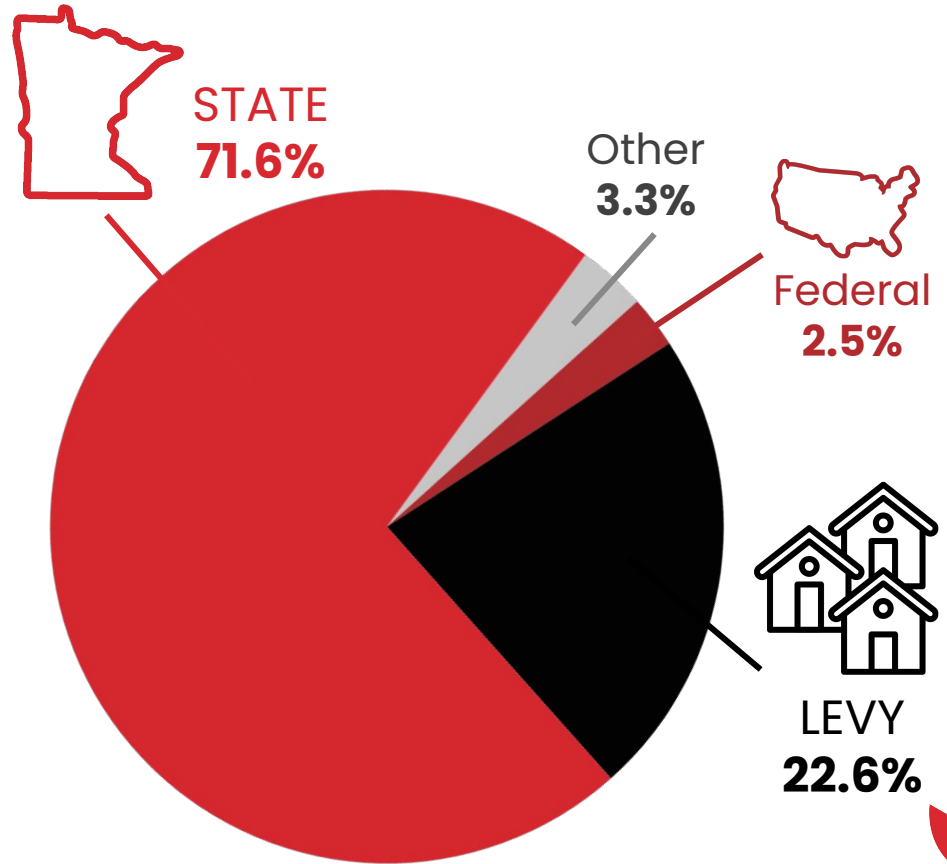
State of Minnesota Regulates:

- Each school district may levy taxes in over 40 different categories
- “Levy limits” (maximum levy amounts) for each category are set by
 - State law
 - Voter approval
- Minnesota Department of Education (MDE) calculates detailed levy limits for each district

Minnesota's Education Funding Model

Revenue Sources:

1. State Sources
2. Local Property Taxes
3. Federal Sources
4. Other Local Sources



Property Taxes Funds Education

Three Funds Rely on Local Property Taxes:

1

**General Fund
Levy**



2

**Community
Education Levy**



3

**Debt Service
Levy**





General Fund Levy

Drivers of the General Fund Levy:

- Enrollment
- Referendum Market Value (RMV)
- Net Tax Capacity (NTC)





Community Education Levy

Four Components of the Levy:

1. Adult Basic Education
2. Early Childhood Family Education & Home Visiting
3. School Age Care
4. Community Education





Debt Service Levy

Two Components of the Levy

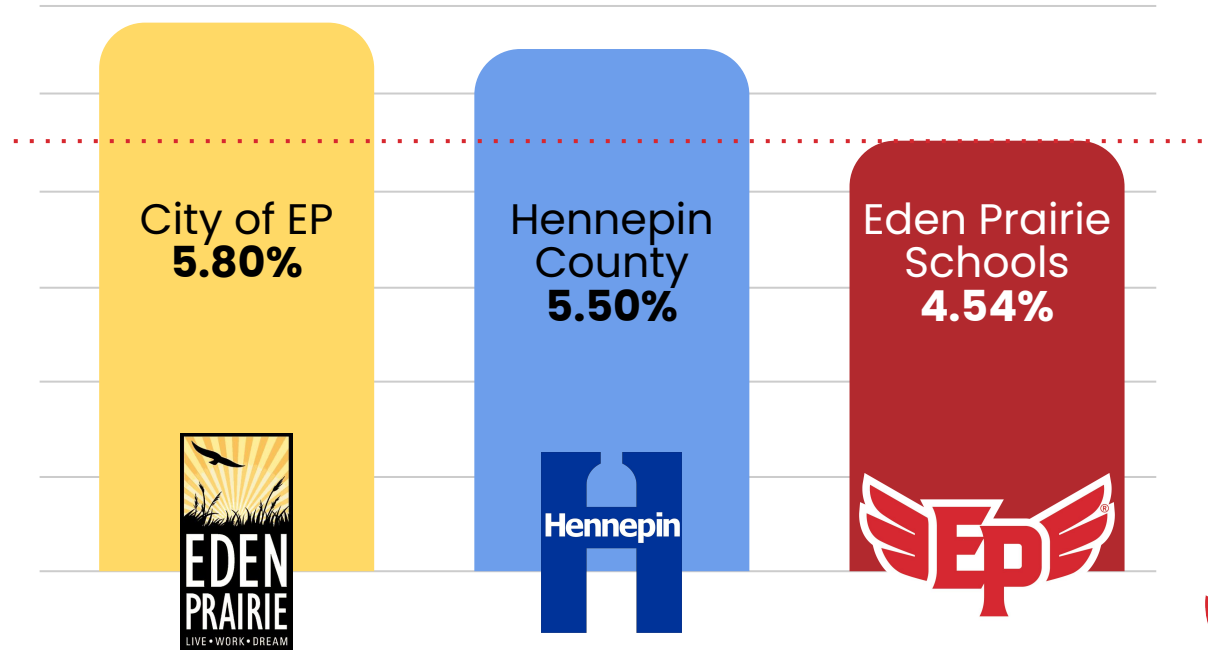
1. Voter Approved Debt Principal & Interest Levy
2. Facilities Maintenance Bond Principal & Interest Levy

All Debt Service has been previously approved by the School Board.



Tax Levy Comparisons

**Local Taxing
Jurisdictions
Proposed Levies**





2024 Payable 2025 Tax Levy

- **September 6:** Dept. of Education prepared and distributed first draft of levy limit worksheets setting maximum authorized levy
- **September 23:** School board approved proposed levy amounts at the maximum
- **Mid-November:** County mails “Proposed Property Tax Statements” to all property owners
- **December 9:** Public hearing conducted called Truth in Taxation
- **December 9:** Following hearing school board will certify final actual levy amounts



Property Taxes School Revenue Impact

Property Value vs. Inflation

- Property Valuation increases do not change the amount of revenue the District receives

Exception – Voter Approved Capital Project Levy

- Voter Approved Operating Referendum with an Inflationary Factor helps offset inflationary expenses

Promises made, promises extended

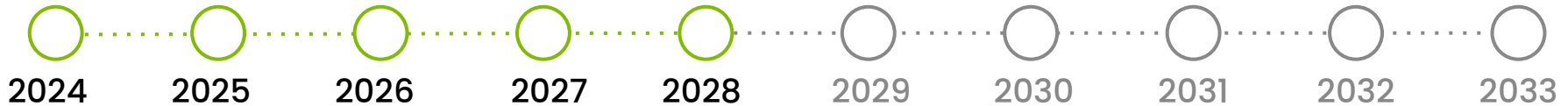
The 2014 operating levy promised to **avoid reductions to programs and services for at least five years**. Fiscal Year 23 was **year nine**.

We renewed a 5 year promise supported by the community that began in FY24 and are now in year 2 of the 5 year promise.

Promise made



Promise made





Fiscal Stability

The property tax levy is integral to fiscal stability:

- Reliable Revenue Projection
- Operating Referendum
- Future Credit Ratings

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Questions?



EDEN PRAIRIE SCHOOLS