



Willmar Public Schools

Truth in Taxation

Public Hearing
for Taxes Payable in 2026

December 8, 2025 at 6:00 p.m.

Willmar Education & Art Center (WEAC) Board Room



Willmar Public Schools

Agenda

- Truth in Taxation Hearing Requirements
- Current Year Budget
- Levy Certification Process
- Proposed Levy for Taxes Payable in 2026
- Public Comment



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Minnesota State Law Requires:

A Public Meeting...

- Between November 25th & December 29th
- At 6:00 pm or later
- Must allow for public comments

... and Presentation of:

- Current year budget
- Proposed property tax levy, including % increase
- Specific purpose & reasons taxes are being increased



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Minnesota School Funding



Public school districts are funded by the federal government, state government, local fees, and local taxpayers through property taxes, with the state of Minnesota being the largest source of funding.



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Budget Information

- Change in Tax Levy does not determine a change in budget
 - Tax levy is based on many state-determined formulas plus voter-approved referendums
 - Some increase in tax levies are revenue neutral, offset by reductions in state aid
 - Expenditure budget is limited by state-set revenue formulas, voter-approved levies, and fund balance
 - An increase in school taxes does not always correlate to an equal increase in budget



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Budget Cycle vs. Levy Cycle

Unlike cities and counties, a school district does not set its budget when setting the tax levy

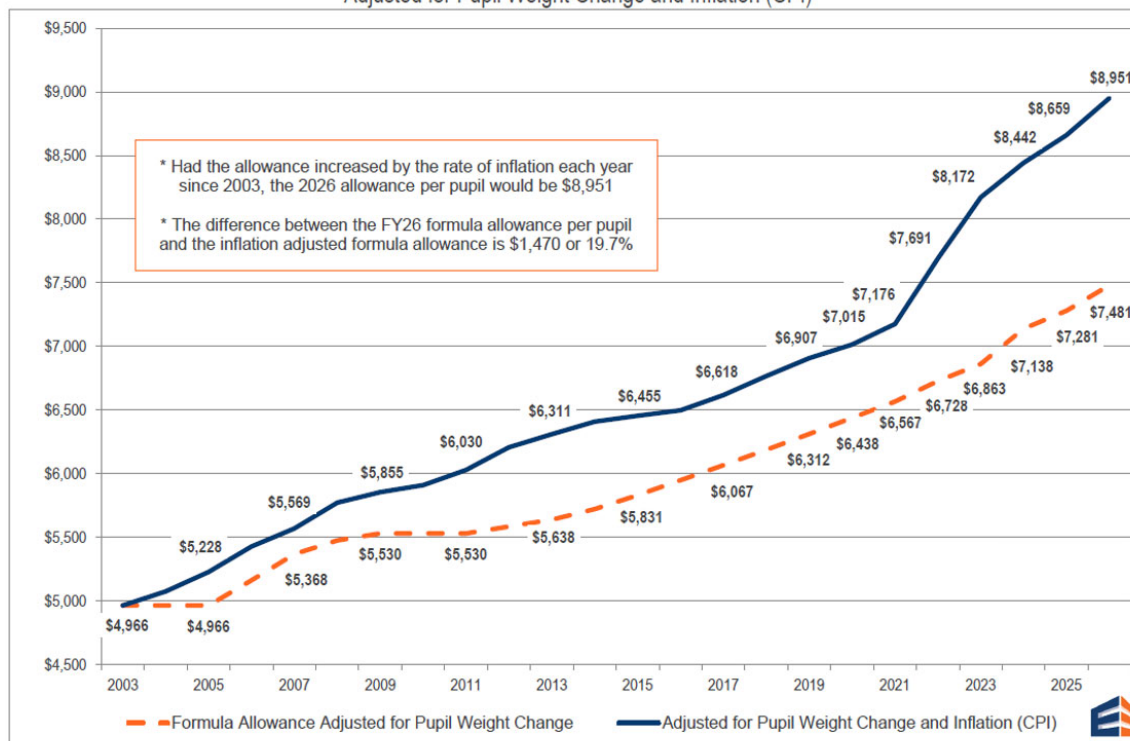
- Budget
 - School fiscal year is July 1 through June 30
 - Original budget approved in June, 6 months later
 - Mid-year budget revisions
- Property Tax Levy
 - Final levy set in December
 - Property taxes levied on a calendar year basis



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General Education Formula Allowance, 2003-2026

Adjusted for Pupil Weight Change and Inflation (CPI)



Source: MDE December 2024 CPI Inflation Estimates and Minnesota Laws 2023

- Basic general formula has not kept up with inflation over the last 20+ years
- Funding will trail inflation by \$1,470 per pupil in FY26



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Budget Information

Our school district is required to use a fund accounting system; thus, we account for our revenues and expenditures using six separate funds.

*Funds have a tax levy component.

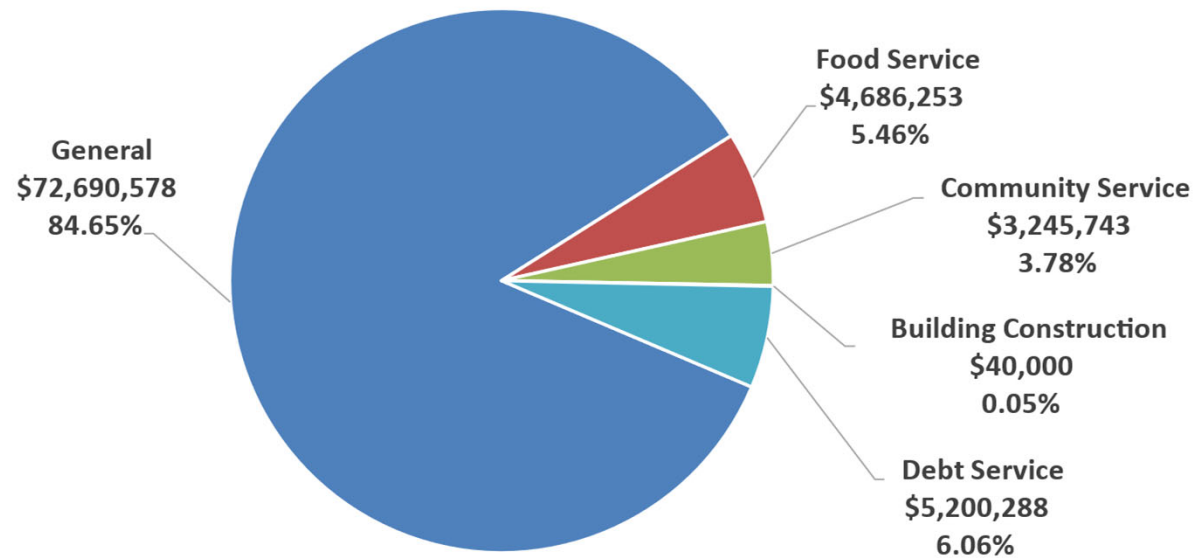
Fund Number	Fund Name	Common Purposes
01*	General Fund	General operating costs, such as teacher salaries, administrative costs, textbooks and equipment.
02	Food Service Fund	Funds for nutrition programs such as school breakfast and lunch.
04*	Community Service Fund	Funds for community education programs, such as school readiness and adult basic education.
06	Building Construction Fund	Funds for the building construction program.
07*	Debt Service Fund	Funds to pay principal and interest on outstanding bonds.
20	Internal Service Fund	Funds related to the district's self-funded dental plan.





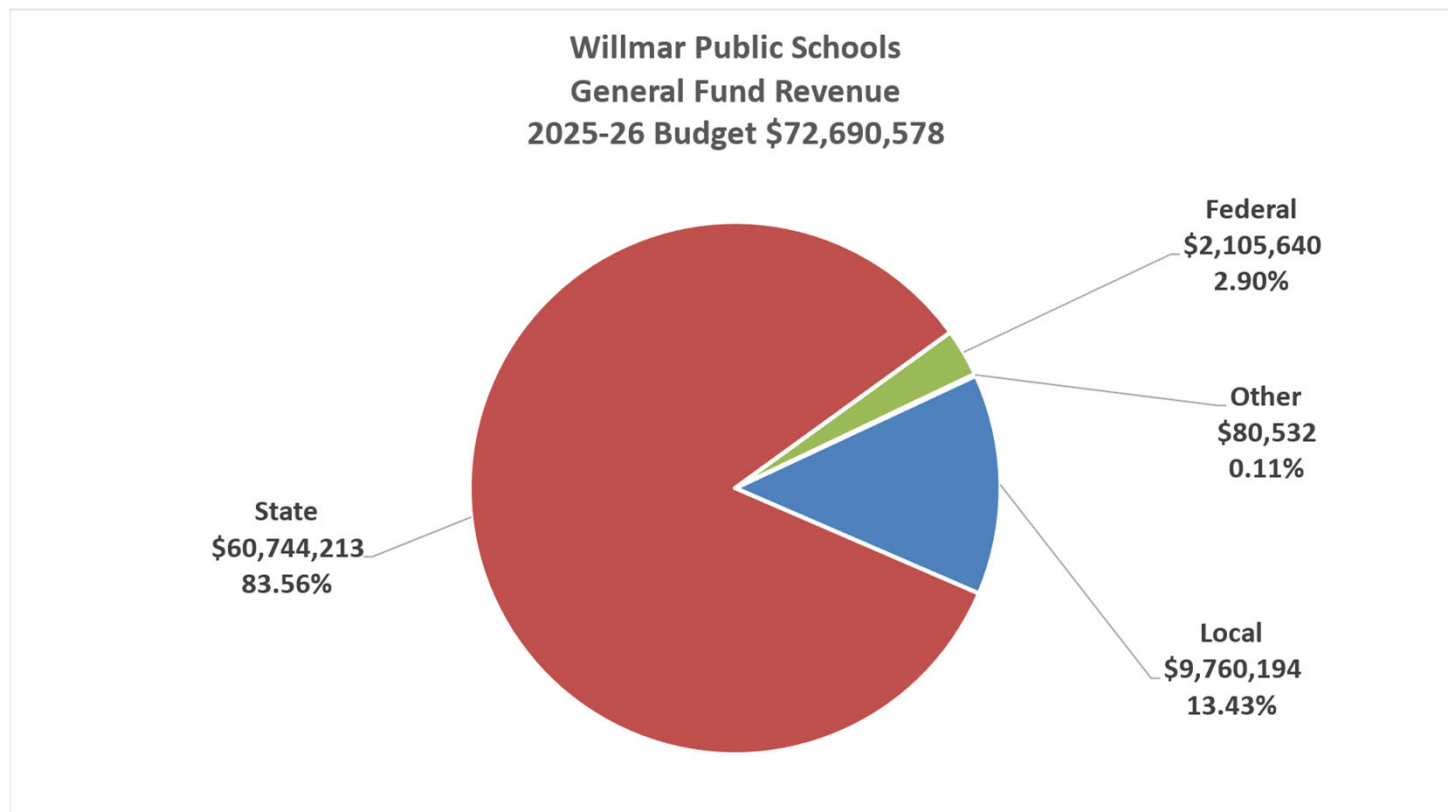
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**Willmar Public Schools
Revenue
2025-26 Budget \$85,862,862**





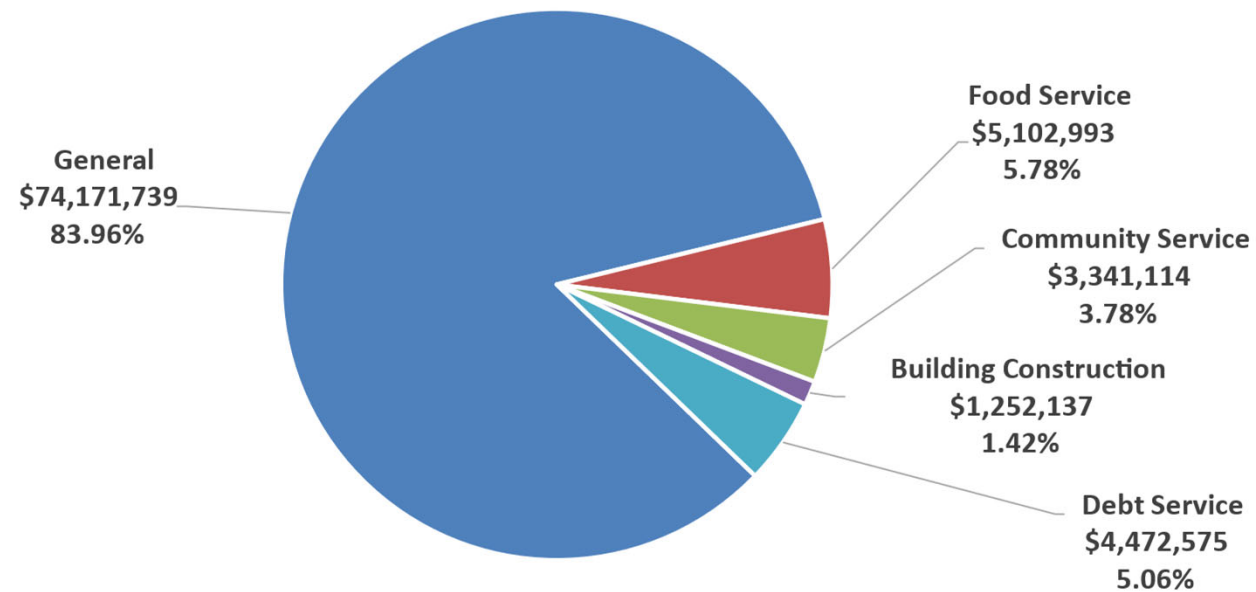
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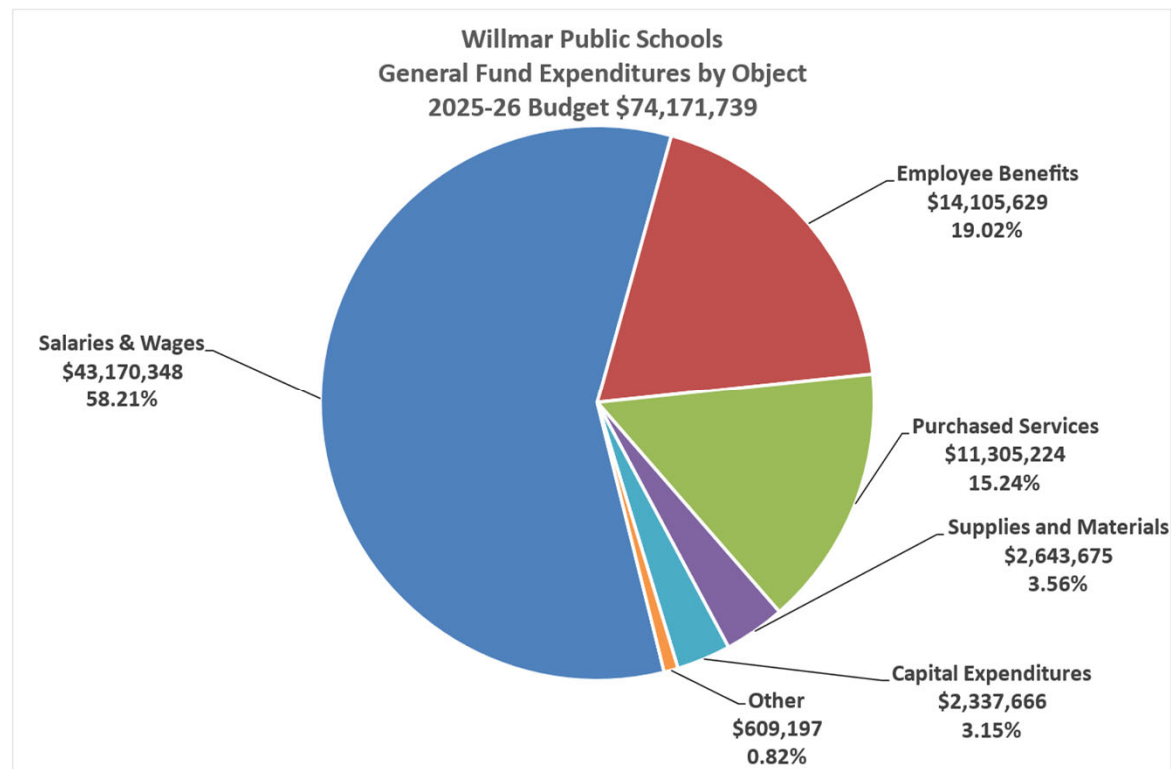
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Expenditures
2025-26 Budget \$88,340,558



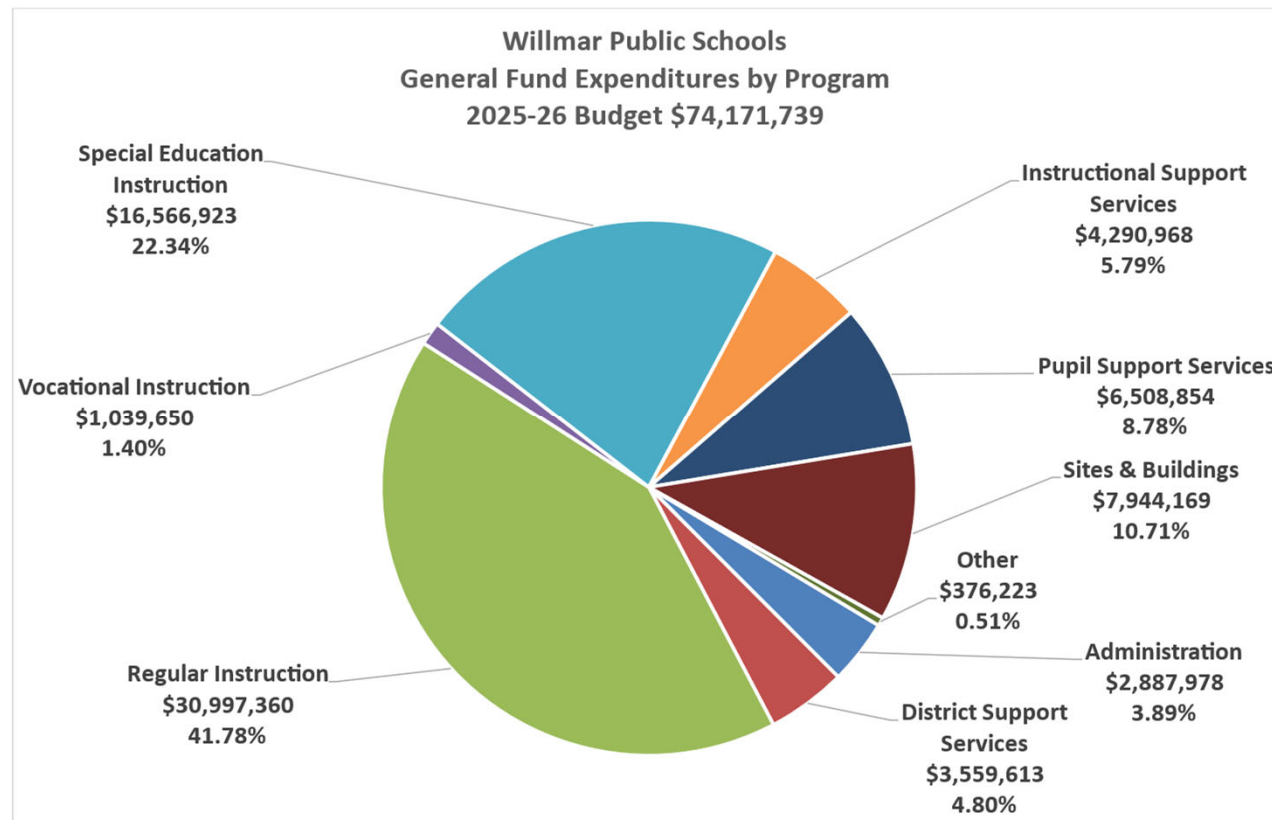


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What is the levy certification?

- A levy is the amount of money a school district intends to raise from property taxes in the upcoming year.
- School district levies are limited by state statute and are either based on statutory formulas or provide revenue for specific costs.
- Final levy cannot be more than preliminary levy, except for amounts approved by voters.





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Know Your Valuation

- Property tax classification and market value
- Sent by county in spring
- If taxpayers wish to appeal their valuation, they need to work with the county in the spring of the year when the valuation notices come out



Spruce County
Jane Smith, Auditor-Treasurer
345 12th Street East, Box 78
Spruceville, MN 55555-5555
(555) 345-6789
www.co.spruce.mn.us

TAXPAYER(S):

John and Mary Johnson
123 Pine Road South
Spruceville, MN 55555-5555

Property ID Number: 01.234.56.7890.R1

Property Description:

Lot 5, Block 13 of the Spruceville Estates Addition to the City of Spruceville.

Tax Statement		2026	
2025 Values for Taxes Payable in			
Step 1	Values and Classification		
	Taxes Payable Year:	2025	2026
	Estimated Market Value:	\$141,100	\$143,000
	Homestead Exclusion:	\$33,851	\$33,680
	Taxable Market Value:	\$107,249	\$109,320
	New Improvements:	\$0	\$0
	Property Classification:	RES HMSTD	RES HMSTD
Sent in March 2025			
Step 2	Proposed Tax		
	Proposed Tax:		\$1,570
Sent in November 2025			
Step 3	Property Tax Statement		
	First-half Taxes:		\$777.13
	Second-half Taxes:		\$777.13
	Total Taxes Due in 2025:		\$1,554.26



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Ag2School Credit

- Permanent law enacted in 2017
- Affects building bonds
- Tax credit goes directly to farmers and timber owners
- Credit remains at 70% in 2026
- Revenue comes from state incomes, sales and other tax revenue





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Property Tax Background

- Every owner of taxable property pays property taxes for the various “taxing jurisdictions” (county, city or township, school district, special districts) in which the property is located.
- Each taxing jurisdiction sets its own tax levy, often based on limits in state law
- County sends out bills, collects taxes from property owners, and distributes funds back to other taxing jurisdictions



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Who Levies Property Taxes?

- Counties
- Cities and townships
- School districts
- State
- Various special taxing jurisdictions



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Other Factors Impacting Tax Changes

Other factors that may affect your individual property tax statement:

- Increase or decrease in assessed valuation of individual property
- Increase or decrease in total value of all property in the district
- Legislative decisions
- Voter-approved referendums
- Actions taken by other taxing entities



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The Levy Cycle

Certified in 2025 PAY 2026 for FY 2027

School Board adopts
final levy in December
2025.

Property owners pay
taxes to counties in May
2026 and October 2026.
Counties remit these
funds to school districts.

School districts record
funds collected in
calendar year 2026 as
revenues in school fiscal
year 2027.



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School Funding is Highly Regulated

- **State sets** formulas which determine revenue; most revenue is based on specific amounts per pupil
- **State sets** tax policy for local schools
- **State sets** maximum authorized property tax levy
- **State authorizes** school board to submit referendums for operating and capital needs to voters for approval



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Property Tax Background

- School District Property Taxes
 - Key steps in the process are summarized on the next slide
 - Any of these steps may affect the taxes on a parcel of property, but the district has control over only 1 of the 7 steps



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Minnesota School District Property Taxes - Key Steps in the Process

Step 1. The **City or County Assessor** determines the estimated market value for each parcel of property in the county.

Step 2. The **Legislature** sets the formulas for tax capacity. (E.g., for homestead residential property, tax capacity = 1% of first \$500,000 in value + 1.25% of value over \$500,000.) These formulas determine how much of the tax burden will fall on different types of property.

Step 3. The **County Auditor** calculates the tax capacity for each parcel of property in the county (based on values from step 1 and tax capacity formulas from step 2), as well as the total tax capacity for each school district.

Step 7. The **County Auditor** divides the final levy (determined by the school board in step 6) by the district's total tax capacity (determined in step 3) to determine the tax rate needed to raise the proper levy amount. The auditor multiplies this tax rate times each property's tax capacity, to determine the school tax for that property.*

Step 4. The **Legislature** sets the formulas which determine school district levy limits. These are the maximum amounts of taxes that school districts can levy in every category.

Step 5. The **Minnesota Department of Education** calculates detailed levy limits for each school district, based on the formulas approved by the Legislature in step 4. These limits tell districts the exact amounts that can be levied in every category.

Step 6. The **School Board** adopts a proposed levy in September, based on the limits set in step 5. After a public hearing, the board adopts a final levy in December. Final levy cannot be more than the preliminary levy, except for amounts approved by voters.

* For certain levy categories (referendum, equity and transition levies), tax rates and levy amounts are based on **referendum market value**, rather than **tax capacity**.



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Key Dates for Levy Certification

Date	Description
Summer	MDE collects data from school districts using the Levy Information System
September 6	MDE releases levy limits to school districts
September 30	Deadline for school districts to submit levy changes to MDE Deadline for school boards to certify preliminary property tax levies to home county auditor
November 24	Deadline for county auditor to prepare and county treasurer to deliver by mail a notice of proposed property taxes for all taxing authorities to each tax payer
Nov 25–Dec 30	Truth in Taxation hearing must be held after Nov 24, but before the final levy is adopted • Meeting must take place at 6:00pm or later and the public must be allowed to speak
December 30	Deadline for school districts to certify final adopted levies to home county auditor



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Overview of Levy Changes

The proposed levy for 2025 Payable 2026 increased \$271,418.69 or 2.19% compared to the current levy.

Category	Pay 2025	Pay 2026	Change	
	(FY 26)	(FY 27)	\$	%
General	7,384,319.64	7,661,321.39	277,001.75	3.75%
Community Education	498,869.46	530,967.59	32,098.13	6.43%
Debt Service	4,486,509.57	4,448,828.38	(37,681.19)	-0.84%
TOTAL	\$12,369,698.67	\$12,641,117.36	\$271,418.69	2.19%



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Explanation of Levy Changes

- Category: General Fund (Referendum/General)
- Net Change: +\$277,002
- Reason for Increase:
 - Property values increased.
 - Referendum Market Value (RMV) increased by 5.4%
 - When RMV goes up, the levy formulas consider the district “wealthier”
 - The state aid portion goes down and the local levy portion goes up
 - Lease levy increased due to the district’s portion of SWWC facility leases
 - New facilities in Marshall (administrative offices) and New London (Level IV facility)
 - Allocation change – previously 40% equal across all districts and 60% enrollment. SWWC Superintendent Executive Council approved a change to 100% enrollment.



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Explanation of Levy Changes

- Category: Community Service Fund
- Net Change: +\$32,098
- Reason for Increase:
 - Prior year adjustments in school-age care for students with disabilities and Early Childhood Family Education (ECFE).



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Explanation of Levy Changes

- Category: Debt Service Fund
- Net Change: -\$37,681
- Reason for Decrease:
 - True up to actuals from the sale of series 2024A bonds, which were favorable



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2025 Payable 2026 Levy

Category	Pay 2025	Pay 2026	Change	
	(FY 26)	(FY 27)	\$	%
General	7,384,319.64	7,661,321.39	277,001.75	3.75%
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TOTAL	\$12,369,698.67	\$12,641,117.36	\$271,418.69	2.19%

Recommendation: Certify levy at \$12,641,117.36



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Next Steps

- Board will accept public comments and questions on proposed levy
- Board action to certify the 2025 Pay 2026 school tax levy



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Public Comment



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Questions?

District-Specific Levy Questions:

Kathryn Haase, Director of Business & Finance

haasek@willmar.k12.mn.us (320) 231-8511

Questions Regarding Your Property Value:

Kandiyohi County Assessor's Office

Assessor@kcmn.us (320) 231-6200