

BLHS SCHOOLS
Independent School District 2159

2025 PAYABLE 2026
PROPERTY TAX HEARING

For the school year
July 1, 2025 – June 30, 2026

REQUIREMENTS OF THE TRUTH IN TAXATION HEARING

- The 2025 Pay 2026 Proposed Property Tax Levy
 - Proposed Changes
 - Specific Purposes for Changes
- Current Year Budget (Fiscal Year 2026)
 - Distribution of Revenues by Revenue Source
 - Spending by Program Area
- Public Comment and Questions

Minnesota Statute 275.065

School District Levy and School District Funds

School District Levy

- Tax is levied in the fall of 2025 taxes are payable and collected in 2026
- District Revenue for 2026-2027 School year
- Fiscal year 2027

School District Funds

General Fund Levy

- A. Based on student enrollment

Community Education Fund Levy

- A. Based on the population of the District
 1. Includes basic community education revenue, youth services and after school revenue
 2. Early childhood family education levy is based on number of children under 5 years of age in district

School District Levy and School District Funds

School District Funds (continued)

Debt Service Fund Levy

- A. Based on annual debt retirement schedules
 - 1. Annual levy is what is needed to pay principal and interest payments of bonded debt plus 5%
 - 2. A calculation is done annually by the Minnesota Department of Education to determine level of fund balance
 - a. If over cap of 5% a levy reduction will be made to bring debt fund balance to the 5% over levy requirement
 - 3. Debt Service Fund may be composed of voter-approved bonds, as well as non-voter approved bonds such as alternative facilities bonds, capital facilities bonds and long-term facilities maintenance bonds

Who determines your school property tax?



A) Legislature and Governor

B) County Assessor



C) School Board

D) Voters

How will your payable 2026 School Taxes be spent?

General Fund

Percent

Provides funding for district regular and special education instructional programs including but not limited to support services, transportation, instructional, athletic, and operational equipment, technology, building maintenance, additions

78.20%

Community Education Fund

Funding for Community Education programs
Early Childhood Family Education and School Readiness

4.00%

Debt Service Fund

Levy for repayment of principal and interest on district debt

17.80%

Total Levy before credits and exclusions:

100.00%

The School District Levy is changing by

\$-231,764.16

Or

-13.66%

Source: MDE Levy Limitation and Certification Report for taxes payable 2026 (page 30 of 39)

SCHOOL DISTRICT BUDGET

**CURRENT SCHOOL YEAR
2025-2026**

BLHS PUBLIC SCHOOLS

FISCAL YEAR 2025-2026

COMPOSITE BUDGET

REVENUES					
	GENERAL FUND	FOOD SERVICE FUND	COMM. ED. FUND	DEBT FUND	TOTALS
	FUND 01	FUND 02	FUND 04	FUND 07	
Levy	1,381,531		55,611	259,778	\$1,696,920
Misc. Local Rev.	319,766		341,966		661,732
State Aid	5,852,342	149,000	111,968		6,113,310
Federal Aid	160,223	153,700	5,900		319,823
Other	10	22,644	3,500		26,154
Totals	\$7,713,872	\$325,344	\$518,945	\$259,778	\$8,817,939

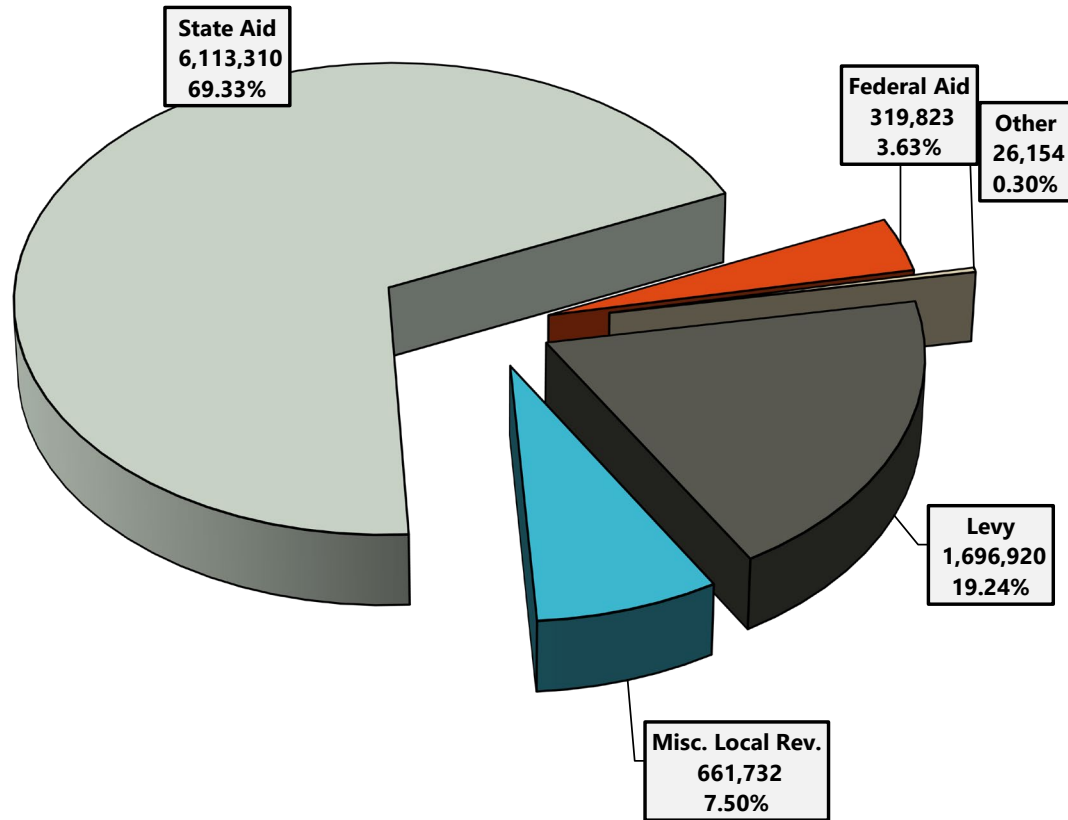
EXPENSES					
	GENERAL FUND	FOOD SERVICE FUND	COMM. ED. FUND	DEBT FUND	TOTALS
	FUND 01	FUND 02	FUND 04	FUND 07	
Administration	\$568,493				\$568,493
District Support Services	322,994				322,994
Elem. And Secondary Regular Ins.	3,260,985				3,260,985
Vocational Ed Inst.	195,450				195,450
Special Ed. Inst.	937,978				937,978
Instructional Support Services	363,524				363,524
Pupil Support Services	934,551	266,869			1,201,420
Sites & Buildings	899,508				899,508
Fiscal & Other Fixed Costs	122,170				122,170
Capital	300,463		10,000	247,406	557,869
Other			529,608		529,608
Totals	\$7,906,116	\$266,869	\$539,608	\$247,406	\$8,959,999

BUDGET BALANCE	(\$192,244)	\$58,475	(\$20,663)	\$12,372	(\$142,060)
-----------------------	--------------------	-----------------	-------------------	-----------------	--------------------

BLHS PUBLIC SCHOOLS

FISCAL YEAR 2025-2026

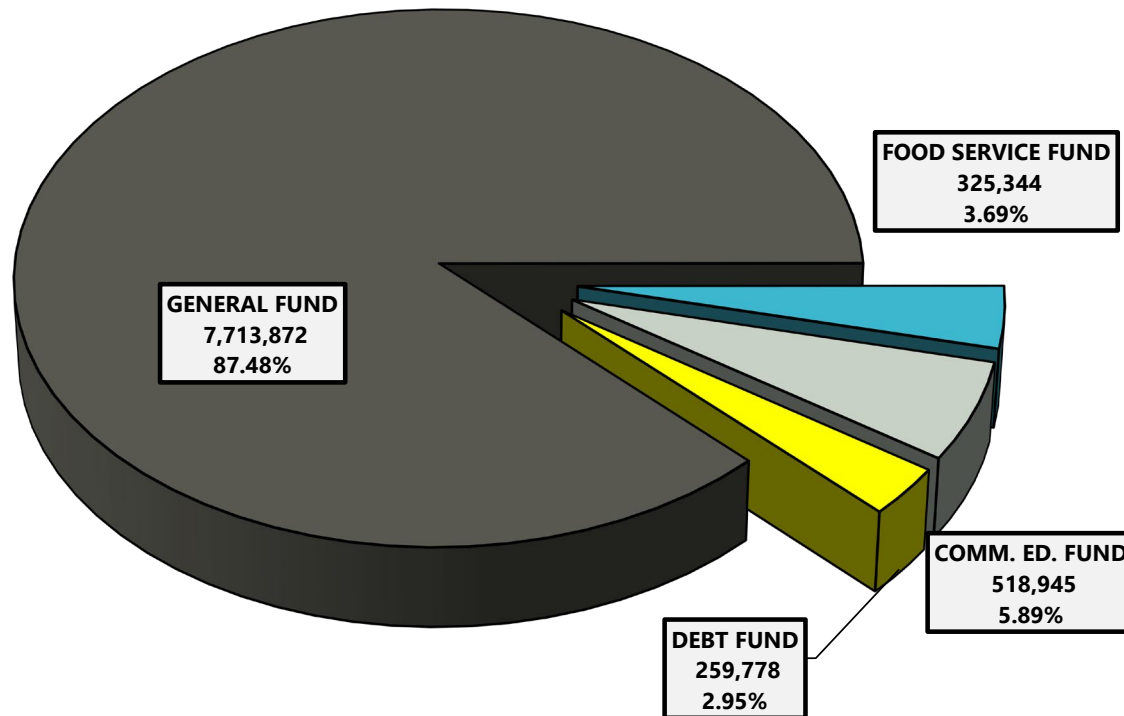
REVENUE BY SOURCE



BLHS PUBLIC SCHOOLS

FISCAL YEAR 2025-2026

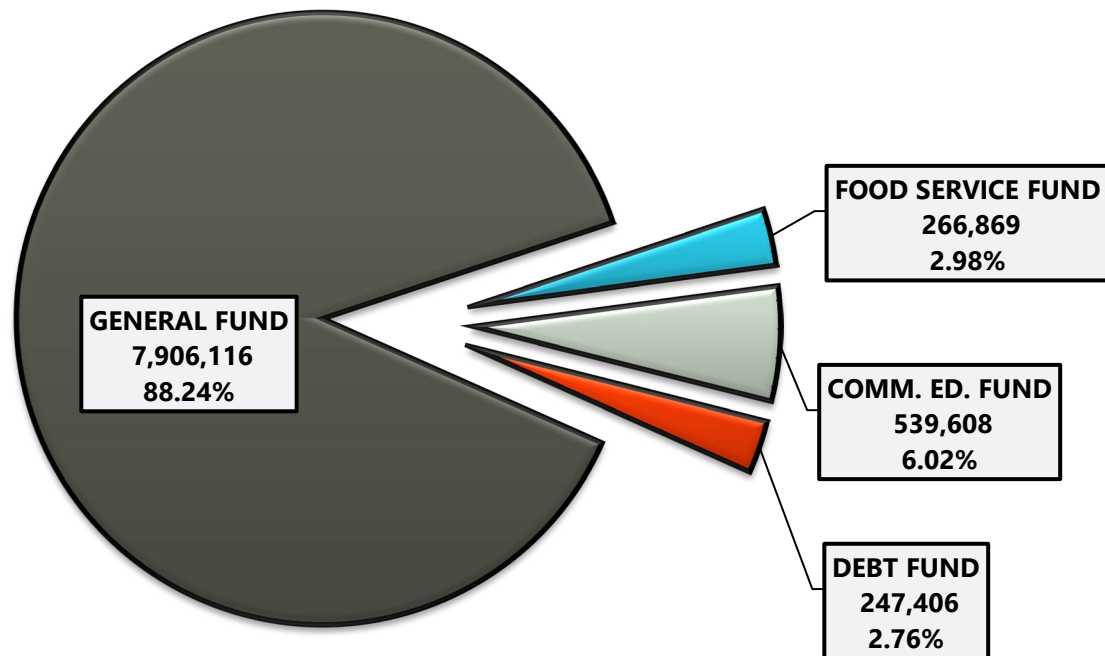
REVENUE BY FUND



BLHS PUBLIC SCHOOLS

FISCAL YEAR 2025-2026

EXPENDITURE BY FUND



BLHS PUBLIC SCHOOLS

FISCAL YEAR 2025-2026

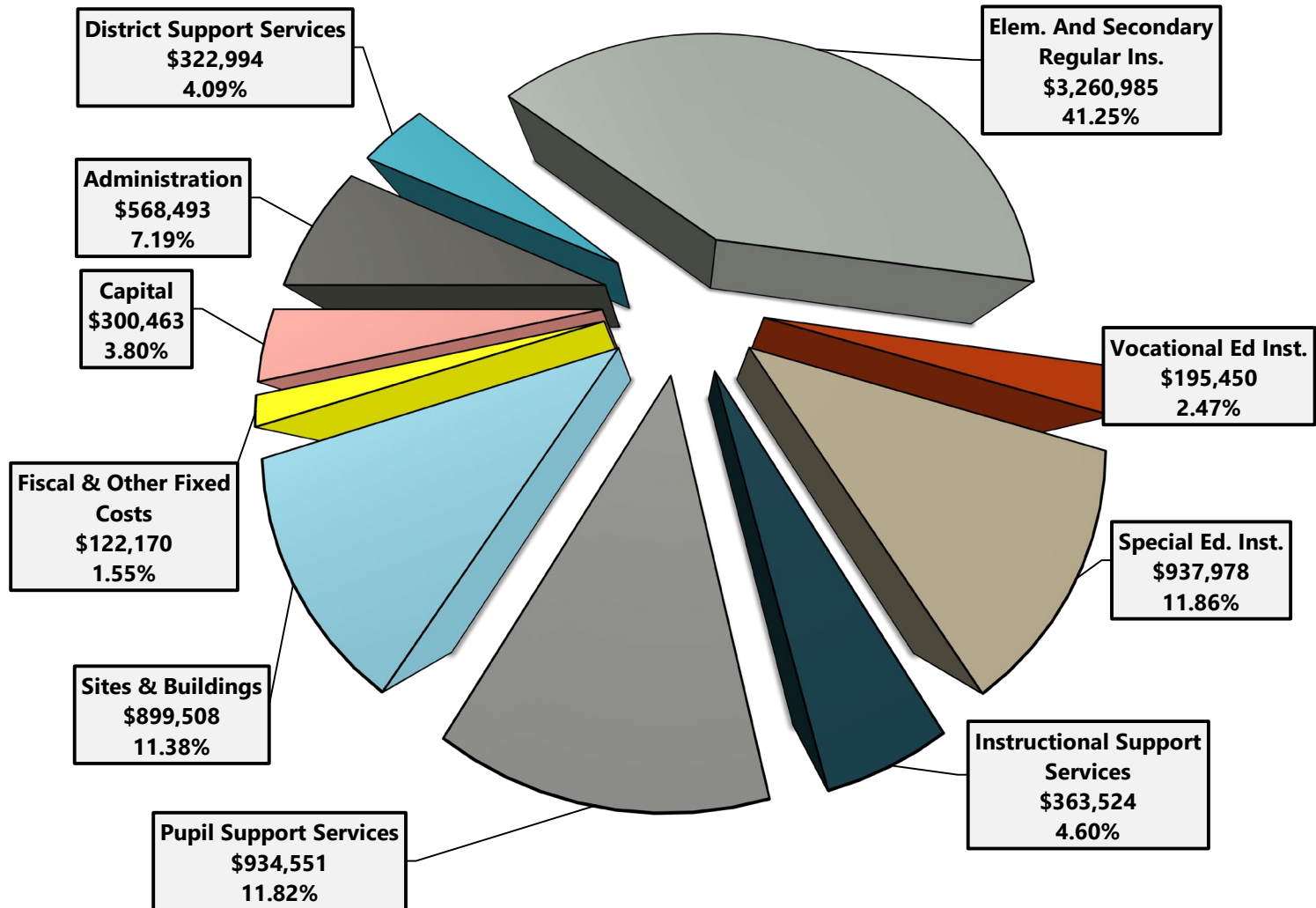
GENERAL FUND PROGRAM EXPENDITURES

EXPENSES	GENERAL FUND 01
Administration	\$568,493
District Support Services	\$322,994
Elem. And Secondary Regular Ins.	\$3,260,985
Vocational Ed Inst.	\$195,450
Special Ed. Inst.	\$937,978
Instructional Support Services	\$363,524
Pupil Support Services	\$934,551
Sites & Buildings	\$899,508
Fiscal & Other Fixed Costs	\$122,170
Capital	<u>\$300,463</u>
Totals	\$7,906,116

BLHS PUBLIC SCHOOLS

FISCAL YEAR 2025-2026

GENERAL FUND 01 PROGRAM EXPENDITURES



Local Financial Reminders

November 7, 2023 Operating Levy Referendum

- Voters approved the increase of \$833 / APU for 10 years, commencing with taxes payable in 2024 for 10 years
- Margin of 651 votes in favor (70.23%) and 276 votes opposed (29.77%)
- This authority generates \$390,177.2 of operating revenue for taxes payable in 2026

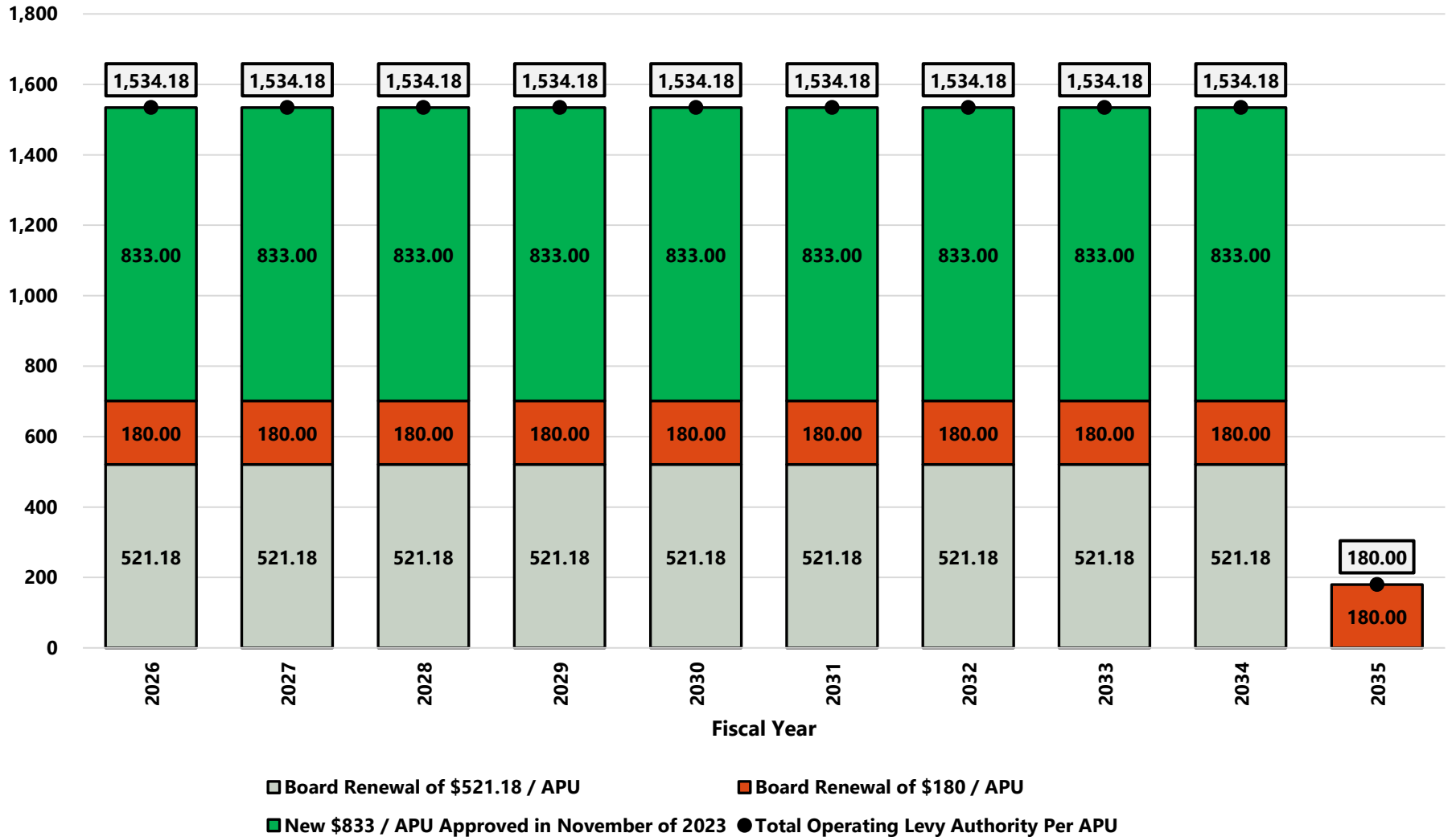
G.O. Facilities Maintenance Bonds, Series 2023A

- District sold the bonds in September of 2023 with a total par amount of \$745,000 generating \$749,816.72 in project proceeds
- Use of Bond Proceeds: Roof Project and costs of projects included in the 10-year facility plan
- True interest cost: 4.46%
- Last payment on the bonds is 2/1/2031
- This financing converted the district's LTFM revenue from an annual levy to a debt levy
- Why is this Important? Debt Levies are eligible for the Ag2School Tax Credit
 - (70% for taxes payable in 2024 for eligible agricultural/timber/rural vacant land properties)

June 6, 2023 School Board Renewal of Operating Referendum(s)

- Operating Levy Authority was composed of two voter-approved amounts - \$521.18 and \$180 for a total of \$701.18
- \$521.18 Portion was renewed for 10 years commencing with taxes payable in 2024
- \$180 Portion was renewed for 10 years commencing with taxes payable in 2025
- Pay 2026 TOTAL Operating Levy Revenue: **\$718,609.91**

ISD 2159 BLHS - Summary of Operating Levy Authority / APU



HOW ARE STATE AID AND LOCAL LEVIES DETERMINED?

AUTHORITY FOR SCHOOL LEVIES

A SCHOOL DISTRICT TAX LEVY MAY BE EITHER:

SET BY STATE FORMULA

OR

VOTER APPROVED

BLHS PUBLIC SCHOOLS

GENERAL FUND

GROSS LEVY COMPARISON

Total % Change = -17.066%

	Actual 2024 Pay 2025	Proposed 2025 Pay 2026	Dollar Difference	
1 Referendum	742,646.29	657,962.56	(\$84,683.73)	
2 Local Optional	328,428.61	237,624.24	(90,804.37)	
3 Equity	49,127.85	40,119.86	(9,007.99)	
4 Transition	25,228.84	20,993.70	(4,235.14)	
5 Operating Capital	116,740.02	103,022.32	(13,717.70)	
6 Achievement & Integration	0.00	0.00	0.00	
7 Remployment Insurance	11,083.07	(2,742.15)	(13,825.22)	
8 Safe Schools	17,409.24	16,412.04	(997.20)	
9 Career Technical	38,166.45	38,944.49	778.04	
10 OPEB	0.00	0.00	0.00	
11 LTFM Equalized	3,872.20	(9,313.80)	(13,186.00)	
12 LTFM Unequalized	0.00	0.00	0.00	
13 Building/Land Lease	118,555.72	110,974.00	(7,581.72)	
14 Fac & Equip Bond Adjust.	(69,728.00)	(68,789.00)	939.00	
15 Tax Abatement / Other Adj.	<u>0.00</u>	<u>551.12</u>	<u>551.12</u>	
Total Gross Levy	1,381,530.29	1,145,759.38	(\$235,770.91)	19

BLHS PUBLIC SCHOOLS COMMUNITY SERVICE GROSS LEVY COMPARISON

Total % Change = 4.074%

	Actual 2024 Pay 2025	Proposed 2025 Pay 2026	Dollar Difference
1 Basic Community Education	28,495.95	\$31,791.40	\$3,295.45
2 Early Child Family	26,626.14	25,598.40	(1,027.74)
3 Home Visiting	489.00	438.00	(51.00)
4 Adults w/ Disabilities	0.00	0.00	0.00
5 School Age Care	0.00	0.00	0.00
6 Other Adjustments	0.00	49.12	49.12
7 Tax Abatement	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>
Total Gross Levy	\$55,611.09	\$57,876.92	\$2,265.83

BLHS PUBLIC SCHOOLS DEBT SERVICE GROSS LEVY COMPARISON

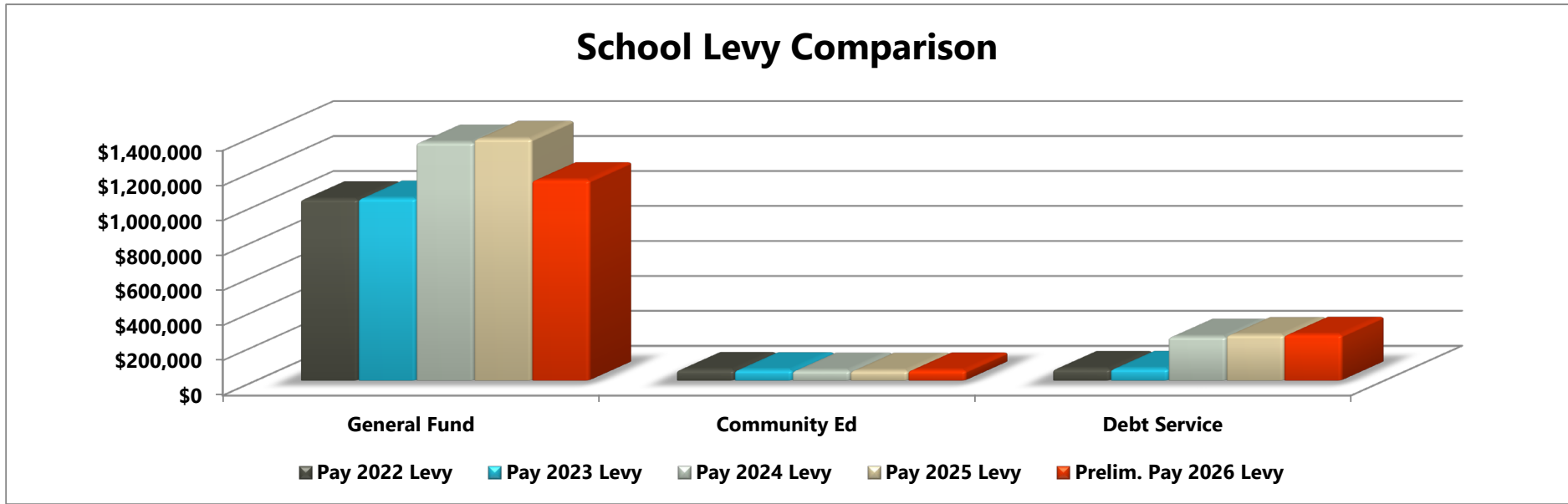
Total % Change = 0.670%

	Actual 2024 Pay 2025	Proposed 2025 Pay 2026	Dollar Difference
1 Voter Approved Debt Service	\$0.00	\$0.00	\$0.00
1 Other Debt Service	69,728.00	68,789.00	(939.00)
2 LTFM Bond Debt Service	190,050.00	192,675.00	2,625.00
3 Debt Excess	0.00	0.00	0.00
4 Tax Abatement	0.00	54.92	54.92
5 Other Adjustments	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>
Total Gross Levy	\$259,778.00	\$261,518.92	\$1,740.92

BLHS PUBLIC SCHOOLS

SCHOOL PORTION of PROPERTY TAX LEVY

Total Pay 2022 Levy = \$1,161,843.35
 Total Pay 2023 Levy = \$1,165,809.16
 Total Pay 2024 Levy = \$1,665,784.20
 Total Pay 2025 Levy = \$1,696,919.38
 Total Prelim. Pay 2026 Levy = \$1,465,155.22



	Pay 2022 Levy	Pay 2023 Levy	Pay 2024 Levy	Pay 2025 Levy	Prelim. Pay 2026 Levy
General Fund	1,036,071.54	1,040,421.07	1,360,367.04	1,381,530.29	1,145,759.38
Community Ed	60,130.72	59,189.09	56,353.23	\$55,611.09	\$57,876.92
Debt Service	65,641.09	66,199.00	249,063.93	\$259,778.00	\$261,518.92
Total Levy	1,161,843.35	1,165,809.16	1,665,784.20	1,696,919.38	1,465,155.22

WHAT ARE THE MAIN VARIABLES THAT MAY CAUSE PROPERTY TAX INCREASES AND DECREASES?

- 1. Changes in market values**
- 2. Changes in class rates/history**
- 3. Market value exclusion**

(Pay 2025 credit amount and value range)

- 4. Voter approved referendums**
- 5. State adjustments**

(i.e. Ag2School Tax Credit Program)

- 6. New programs authorized or
mandated by legislature**

(i.e. Long-Term Facilities Maintenance [LTFM] Revenue Program)

CHANGES IN MARKET VALUE

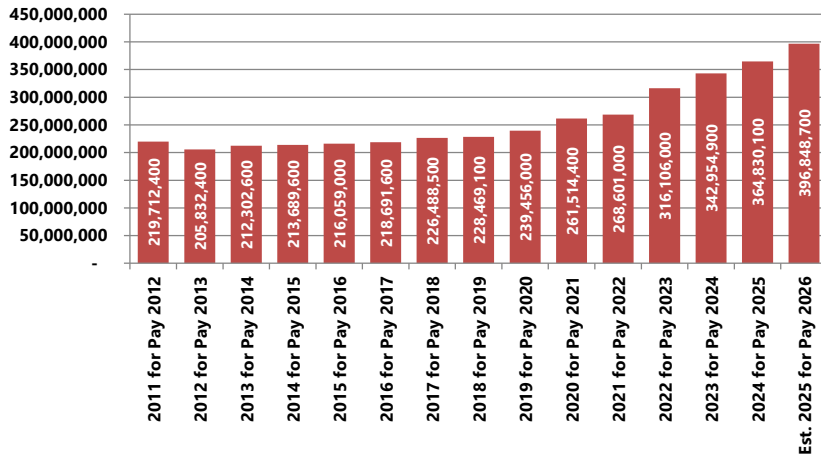
The market values are final and are not a subject for the upcoming budget hearings. They were discussed at the local County Board of Review and County Board of Equalization hearings held earlier this year. The final taxable market values may reflect a reduction under the limited value law. If this property is a qualifying homestead, the final taxable market values may exclude improvements which you made to this property.

ISD 2159 - BLHS - Tax Base History

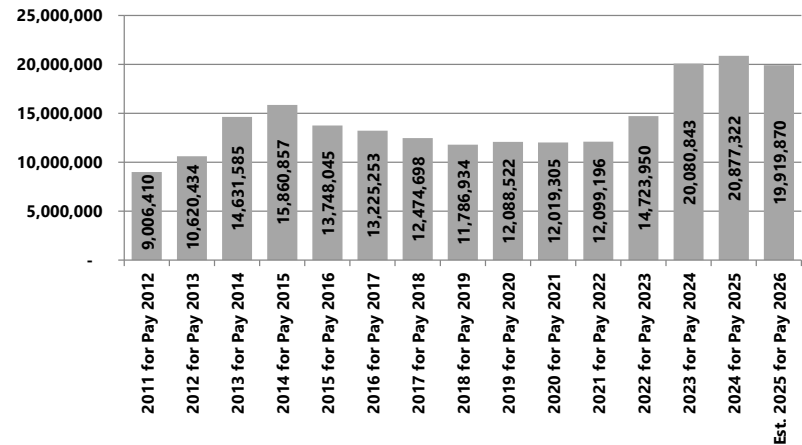
	RMV	% Change
2011 for Pay 2012	219,712,400	
2012 for Pay 2013	205,832,400	-6.32%
2013 for Pay 2014	212,302,600	3.14%
2014 for Pay 2015	213,689,600	0.65%
2015 for Pay 2016	216,059,000	1.11%
2016 for Pay 2017	218,691,600	1.22%
2017 for Pay 2018	226,488,500	3.57%
2018 for Pay 2019	228,469,100	0.87%
2019 for Pay 2020	239,456,000	4.81%
2020 for Pay 2021	261,514,400	9.21%
2021 for Pay 2022	268,601,000	2.71%
2022 for Pay 2023	316,106,000	17.69%
2023 for Pay 2024	342,954,900	8.49%
2024 for Pay 2025	364,830,100	6.38%
Est. 2025 for Pay 2026	396,848,700	<u>8.78%</u>
14-year Average		4.45%

	NTC	% Change
2011 for Pay 2012	9,006,410	
2012 for Pay 2013	10,620,434	17.92%
2013 for Pay 2014	14,631,585	37.77%
2014 for Pay 2015	15,860,857	8.40%
2015 for Pay 2016	13,748,045	-13.32%
2016 for Pay 2017	13,225,253	-3.80%
2017 for Pay 2018	12,474,698	-5.68%
2018 for Pay 2019	11,786,934	-5.51%
2019 for Pay 2020	12,088,522	2.56%
2020 for Pay 2021	12,019,305	-0.57%
2021 for Pay 2022	12,099,196	0.66%
2022 for Pay 2023	14,723,950	21.69%
2023 for Pay 2024	20,080,843	36.38%
2024 for Pay 2025	20,877,322	3.97%
Est. 2025 for Pay 2026	19,919,870	<u>-4.59%</u>
14-year Average		6.85%

RMV (Referendum Market Value)



NTC (Net Tax Capacity)



School Portion of Taxes – No Property Appreciation

Example below shows school portion of property tax in pay 2025 compared to proposed school portion of property tax based on proposed spread levy in taxes payable 2026

0.000%

DATA BELOW ASSUMES NO CHANGE IN PROPERTY VALUE

Type of Property	Estimated Market Value - Taxes Payable 2025	Estimated Market Value - Taxes Payable 2026	Taxes Payable 2025	Taxes Payable 2026	Estimated Tax Increase / (Decrease) - Pay 2025 vs Pay 2026	Estimated Percent Change
Residential Homestead*	50,000	50,000	164.90	128.19	(36.71)	-22.26%
	100,000	100,000	330.47	257.03	(73.44)	-22.22%
	150,000	150,000	501.84	391.48	(110.36)	-21.99%
	185,706	185,706	624.22	487.48	(136.73)	-21.90%
	200,000	200,000	673.21	525.92	(147.29)	-21.88%
	250,000	250,000	844.59	660.37	(184.21)	-21.81%
	300,000	300,000	1,015.96	794.82	(221.14)	-21.77%
	400,000	400,000	1,358.71	1,063.72	(294.99)	-21.71%
	500,000	500,000	1,701.45	1,332.62	(368.84)	-21.68%
Commercial Industrial	600,000	600,000	2,048.82	1,605.98	(442.84)	-21.61%
	250,000	250,000	897.14	711.18	(185.97)	-20.73%
	500,000	500,000	1,814.09	1,441.50	(372.59)	-20.54%
	750,000	750,000	2,731.04	2,171.83	(559.22)	-20.48%
Seasonal Recreational	1,250,000	1,250,000	4,564.94	3,632.48	(932.47)	-20.43%
	200,000	200,000	52.82	51.06	(1.76)	-3.33%
	300,000	300,000	79.23	76.59	(2.64)	-3.33%
	800,000	800,000	231.09	223.39	(7.70)	-3.33%
Ag Homestead (Average Value per Acre)	1,300,000	1,300,000	396.15	382.95	(13.20)	-3.33%
	10,000	10,000	0.89	0.82	(0.07)	-7.70%
	12,500	12,500	1.11	1.02	(0.09)	-7.70%
	15,000	15,000	1.33	1.23	(0.10)	-7.70%
Ag Non-Homestead (Average Value per Acre)	20,000	20,000	1.77	1.63	(0.14)	-7.70%
	10,000	10,000	1.77	1.63	(0.14)	-7.70%
	12,500	12,500	2.21	2.04	(0.17)	-7.70%
	15,000	15,000	2.66	2.45	(0.20)	-7.70%
	20,000	20,000	3.54	3.27	(0.27)	-7.70%

* - Residential Homestead Average Value in Light Green Reflects Final Pay 2025 Data

Ag2School Credit

70%

70%

School Portion of Taxes – With 8.776% Property Value Change (Year over Year RMV Tax Base Change)

Example below shows school portion of property tax in pay 2025 compared to proposed school portion of property tax based on proposed spread levy in taxes payable 2026

8.776%

DATA BELOW ASSUMES A 8.78% CHANGE IN PROPERTY VALUE

Type of Property	Estimated Market Value - Taxes Payable 2025	Estimated Market Value - Taxes Payable 2026	Taxes Payable 2025	Taxes Payable 2026	Estimated Tax Increase / (Decrease) - Pay 2025 vs Pay 2026	Estimated Percent Change
Residential Homestead*	50,000	54,388	164.90	139.44	(25.47)	-15.44%
	100,000	108,776	330.47	280.61	(49.86)	-15.09%
	150,000	163,164	501.84	426.86	(74.98)	-14.94%
	185,706	202,004	624.22	531.29	(92.92)	-14.89%
	200,000	217,553	673.21	573.11	(100.10)	-14.87%
	250,000	271,941	844.59	719.34	(125.25)	-14.83%
	300,000	326,329	1,015.96	865.59	(150.37)	-14.80%
	400,000	435,105	1,358.71	1,158.10	(200.61)	-14.76%
	500,000	543,882	1,701.45	1,452.80	(248.65)	-14.61%
Commercial Industrial	600,000	652,658	2,048.82	1,749.72	(299.10)	-14.60%
	250,000	271,941	897.14	775.27	(121.87)	-13.58%
	500,000	543,882	1,814.09	1,569.69	(244.40)	-13.47%
	750,000	815,822	2,731.04	2,364.11	(366.93)	-13.44%
Seasonal Recreational	1,250,000	1,359,704	4,564.94	3,952.96	(611.99)	-13.41%
	200,000	217,553	52.82	55.55	2.73	5.17%
	300,000	326,329	79.23	83.30	4.07	5.14%
	800,000	870,210	231.09	245.80	14.72	6.37%
Ag Homestead (Average Value per Acre)	1,300,000	1,414,092	396.15	419.36	23.21	5.86%
	10,000	10,878	0.89	0.89	0.00	0.40%
	12,500	13,597	1.11	1.11	0.00	0.40%
	15,000	16,316	1.33	1.33	0.01	0.40%
Ag Non-Homestead (Average Value per Acre)	20,000	21,755	1.77	1.78	0.01	0.40%
	10,000	10,878	1.77	1.78	0.01	0.40%
	12,500	13,597	2.21	2.22	0.01	0.40%
	15,000	16,316	2.66	2.67	0.01	0.40%
	20,000	21,755	3.54	3.55	0.01	0.40%

* - Residential Homestead Average Value in Light Green Reflects Final Pay 2025 Data

Ag2School Credit

70%

70%

School Portion of Taxes – With -4.586% Property Value Change (Year over Year NTC Tax Base Change)

Example below shows school portion of property tax in pay 2025 compared to proposed school portion of property tax based on proposed spread levy in taxes payable 2026

-4.586%

DATA BELOW ASSUMES A -4.59% CHANGE IN PROPERTY VALUE

Type of Property	Estimated Market Value - Taxes Payable 2025	Estimated Market Value - Taxes Payable 2026	Taxes Payable 2025	Taxes Payable 2026	Estimated Tax Increase / (Decrease) - Pay 2025 vs Pay 2026	Estimated Percent Change
Residential Homestead*	50,000	47,707	164.90	122.31	(42.59)	-25.83%
	100,000	95,414	330.47	244.67	(85.80)	-25.96%
	150,000	143,121	501.84	372.95	(128.89)	-25.68%
	185,706	177,189	624.22	464.58	(159.64)	-25.57%
	200,000	190,828	673.21	501.23	(171.98)	-25.55%
	250,000	238,535	844.59	629.52	(215.07)	-25.46%
	300,000	286,242	1,015.96	757.80	(258.16)	-25.41%
	400,000	381,656	1,358.71	1,014.39	(344.32)	-25.34%
	500,000	477,070	1,701.45	1,270.96	(430.50)	-25.30%
Commercial Industrial	600,000	572,483	2,048.82	1,530.87	(517.96)	-25.28%
	250,000	238,535	897.14	677.68	(219.46)	-24.46%
	500,000	477,070	1,814.09	1,374.52	(439.58)	-24.23%
	750,000	715,604	2,731.04	2,071.35	(659.70)	-24.16%
Seasonal Recreational	1,250,000	1,192,674	4,564.94	3,465.01	(1,099.93)	-24.10%
	200,000	190,828	52.82	48.71	(4.11)	-7.78%
	300,000	286,242	79.23	73.07	(6.16)	-7.78%
	800,000	763,311	231.09	211.67	(19.42)	-8.40%
Ag Homestead (Average Value per Acre)	1,300,000	1,240,381	396.15	363.93	(32.22)	-8.13%
	10,000	9,541	0.89	0.78	(0.11)	-11.93%
	12,500	11,927	1.11	0.97	(0.13)	-11.93%
	15,000	14,312	1.33	1.17	(0.16)	-11.93%
Ag Non-Homestead (Average Value per Acre)	20,000	19,083	1.77	1.56	(0.21)	-11.93%
	10,000	9,541	1.77	1.56	(0.21)	-11.93%
	12,500	11,927	2.21	1.95	(0.26)	-11.93%
	15,000	14,312	2.66	2.34	(0.32)	-11.93%
	20,000	19,083	3.54	3.12	(0.42)	-11.93%

* - Residential Homestead Average Value in Light Green Reflects Final Pay 2025 Data

Whereas, Pursuant to Minnesota Statutes the School Board of Independent School District No. 2159, Buffalo Lake – Hector - Stewart, Minnesota, is authorized to make the following proposed tax levies for general purposes:

General Fund	\$ 1,145,759.38
Community Services	\$ 57,876.92
Debt	<u>\$ 261,518.92</u>
Total Proposed Tax Levy	\$ 1,465,155.22

Now Therefore, Be it resolved by the School Board of Independent School District No. 2159, Buffalo Lake – Hector - Stewart, Minnesota, that the levy to be levied in 2025 to be collected in 2026 is set at \$1,465,155.22. The clerk of the ISD 2159 School Board is authorized to certify the proposed levy to the County Auditors of Mcleod, Renville, and Sibley County, Minnesota.