

ROSEVILLE AREA SCHOOLS
PROPOSED GENERAL FUND BUDGET PARAMETERS
2025-2026 as of January 2025

The district is in the process of preparing its 2025-2026 budget. Parameters are general guidelines based on our best estimates with current information. Current budget planning assumptions are listed below. Should these parameters need to be adjusted during preliminary budget development, they will be brought back to the board for approval.

Board Policy states, *“the school district will strive to maintain a minimum unassigned general fund balance of 6-8 percent of the annual budget”*. Given this fiscal expectation, the School District is currently in compliance with the policy percent minimum and administration is proactively planning to present a preliminary 2025-2026 budget which includes an operating surplus and maintains the financial stability the unassigned fund balance provides for the future.

Finance/Revenue Parameters

The per-pupil basic general education formula allowance is currently \$7,281. MN Statute states the formula will be increased by a minimum of 2% or \$146, for a total basic formula allowance of \$7,427 in 2025-2026.

Operating referendum revenue continues to be based on Adjusted Pupil Units (APU). Thanks to the support and generosity of the Roseville Area Schools community, the district will receive \$2,034.01 per APU in operating levy. In addition, the district will continue to receive \$724 per APU in Local Option Revenue.

Levy revenue will be based on the 2024 Pay 2025-26 Certified Levy.

Compensatory revenue is projected to decrease about 4 percent or \$367,000 less than the current year.

Enrollment Parameters

Enrollment will be projected using February 1, 2025, enrollment. Early estimates indicate stagnant or a slight decline in enrollment at the elementary level. Enrollment will be monitored and adjusted through the spring as more information becomes available.

Expenditure Budget Parameters

Focus resources on equity and student achievement.

Staffing adjustments will match enrollment changes and align with class size ranges for all sites.

Class size ranges will be maintained at each of the current targets per grade in all grades 1-12. The following will be used for target section averages:

- Kindergarten – 22
- Grades 1-3 – 26
- Grades 4-6 – 31
- Grades 7-8 – 33
- Grades 9-12 – 34

Most student support resources added during the pandemic, including those for social emotional learning and mental health supports, will be maintained across the district.

Estimated salary and medical benefit settlements for upcoming contract negotiations will be included.

Dental, Life, and LTD insurance contributions are estimated to remain at the current budgeted level.

Outside contractor fees including transportation and contracted substitute teacher services rates will be examined to determine the estimated cost increase due to the employee shortages in these areas.

Utility costs will be based on multiple year average usage with consideration given to current rates (6% increase).

Federal program expenses will be equal to the program revenue.

Staff Development, Learning & Development, Safe Schools Levy, Health & Safety, Long-Term Facilities Maintenance (LTFM), Operating Capital and all other mandated reserve categories will be spent in compliance with statute.

Input

The process to build the proposed 2025-2026 budget will include several opportunities for input from various sources including the following:

School Board – The first official action that begins the process of budget development was the approval of the payable 2025 tax levy, which occurred on December 10, 2024. The board also provides guidance and input to the budget development process by approving the 2024-25 revised budget, the 2025-26 proposed budget timeline, and discussion of these preliminary 2025-26 budget assumptions. 2025-26 budget updates will continue to be provided as needed at board meetings until the Board adopts the Preliminary 2025-26 Budget on June 24, 2025.

Finance Advisory Committee – Committee membership includes community residents, the director of business services, superintendent, and board treasurer. The group meets quarterly

to discuss and advise administration and the school board on economic and school finance issues and to build community trust in school district finances.

District Leadership - This group meets regularly, and budget development is included on agendas.

Principals and Program Supervisors - Instructional leaders will provide input and shared decision making for budget adjustments, staffing and program needs.

Other stakeholder feedback – District administration conducts feedback input sessions with various stakeholders including staff, students, families, and community members.

In addition to the budget presentations at regularly scheduled school board meetings, an annual budget hearing will be held prior to final adoption of the preliminary budget by the school board. The annual budget hearing is scheduled for May 27, 2025, in the Fairview Room at Anpétu Téča Education Center. This meeting will seek feedback in assessing budget recommendations.