

ROSEVILLE AREA SCHOOLS
PROPOSED GENERAL FUND BUDGET PARAMETERS
2026-2027 as of January 2026

The district is in the process of preparing its 2026-2027 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 percent of the annual budget”*. Given this fiscal expectation, the School District is currently in compliance with the policy percent minimum and administration is planning to present a preliminary 2026-2027 budget which may result in an operating unassigned general fund deficit, resulting in a decrease in fund balance in the 2026-27 fiscal year. However, the impact to the unassigned fund balance will fall within the Board fund balance policy and maintain the financial stability the unassigned fund balance provides for the future.

Finance/Revenue Parameters

The per-pupil basic general education formula allowance is currently \$7,481. MN Statute states the formula will be increased by an estimated 2.4% or \$180, for a total basic formula allowance of \$7,661 in 2026-2027.

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 \$2,093 per APU in operating levy. In addition, the district will continue to receive \$724 per APU in Local Option Revenue.

Effective in 2026-2027, the district will receive \$6,000,000 annually in capital projects levy funds. These funds will be used to support the safety and technology needs of the district. As a result, some existing current unassigned general fund expenses will be recategorized and moved to the operating capital budget.

Levy revenue will be based on the 2025 Pay 2026-27 Certified Levy.

Compensatory revenue is uncertain at this point as a result of the shift to calculating revenue based only on direct meal certifications. Currently there is a legislative task force studying this. We are projecting a slight \$70,000 decrease, for a total of approximately \$9,000,000 for preliminary budgeting purposes and will continue to monitor this during the legislative session.

Enrollment Parameters

Enrollment will be projected using February 1, 2026, enrollment. Early estimates indicate a slight decline in enrollment at the elementary level. Enrollment projections are further complicated by the uncertainty resulting from the ICE activity and its impact on families in the community. 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

Student support resources added during the pandemic, including those for social emotional learning and mental health supports, are being 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.

As previously stated under revenues, some existing expenses related to technology and safety will be reclassified from the unassigned operating fund to the operating capital fund within the general fund, due to the passage of the capital projects levy in fall 2025.

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). Transportation costs are estimated to increase by 5%.

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 2026-2027 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 2026 tax levy, which occurred on December 9, 2025. The board also provides guidance and input to the budget development process by approving the 2025-26 revised budget, the 2026-27 proposed budget timeline, and discussion of these preliminary 2026-27 budget assumptions. 2026-27 budget updates will continue to be provided as needed at board meetings until the Board adopts the Preliminary 2026-27 Budget on June 23, 2026.

Finance Advisory Committee – Committee membership includes community residents, the director of business services, superintendent, and 3 board members, including the 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 26, 2026 in the Fairview Room at Anpétu Téča Education Center. This meeting will seek feedback in assessing budget recommendations.