

**School Board Meeting:**

**January 27, 2025**

**Subject:**

**2025-26 Budget Assumptions**

**Presenter:**

**Ryan L. Tangen, Director  
Finance and Operations**

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**SUGGESTED SCHOOL BOARD ACTION:**

Approve 2025-26 Budget Assumptions

**DESCRIPTION:**

The 2025-26 Budget Assumptions establish the framework for developing the upcoming budget. These assumptions were used to create the base financial projections presented at the Board Workshop on January 13, 2025.

The recommendation for the 2025-26 Budget Assumptions is as follows:

- **Enrollment Projection:** Based on the November 2024 enrollment report.
- **General Education Formula Allowance:** Increase of 2% or \$146, to \$7,427 for 2025-26, with a 2% increase in subsequent years.
- **Operating Referendum:** \$750 per Adjusted Pupil Unit (APU) effective through 2030.
- **Special Education:** Increase of 5%.
- **Special Education Cross Subsidy Aid:** 44% for 2024-25 and 2025-26, increasing to 50% in future years.
- **Compensatory Funding:** Decrease of \$42,500.
- **Federal Funding:** Maintained at current level.
- **Other Post-Employment Benefits (OPEB):** Contributions aligned with actuarial report estimates.
- **Class Size Reduction:** Continuation of 6.0 FTE, including marketing budget and social workers.
- **Local Optional Revenue:** Continuation of an additional 6.0 FTE.
- **Staffing Ratios:** Maintain or exceed 2018-19 approved levels.
- **Staffing Contingencies:**
  - 1.0 FTE for special education.
  - 2.95 FTE Superintendent staffing.
- **Online School:** Allocate 2.5 licensed FTE.
- **Salary and Benefit:** Adjustments based on settled agreements and market conditions for unsettled contracts.
- **Non-Salary/Non-Benefit Costs:** Estimated increase of 0-5%.
- **PPD:** Continues with revenues and expenditures balanced.
- **Cost Containment Initiatives:** Continued efforts, including joint purchasing agreements, energy use reduction, paper reduction, insurance contracts, and other operational efficiencies.