TO: School Board
Dr. Kim Hiel, Superintendent
FROM: John Morstad, Executive Director of Finance and Operations
Kelly Benusa, Director of Business Services
SUBJECT: Prep for June 9th Board Work Session: FY 2027 Budget Discussion
DATE: June 9, 2026

Recommendation
We recommend approval of the FY 2027 adopted budgets for the general, food and nutrition services, community service, capital, and debt service funds.

Background
State law requires public school districts to adopt a budget for the next fiscal year by June 30 each year. The FY 2027 budgets were developed based on School Board direction provided throughout the Long-Range Financial Planning process.

FY 2027 proposed expenditures are increasing 6.9% over the FY 2026 budget. The most significant adjustments in the FY 2027 adopted expenditure budget are as follows:

- Board-approved FY 2027 budget adjustments on February 24, 2026, total a net increase of $2,250,390 and include the following LRFP items:
  - Enrollment alignment: $906,098.
  - Additional custodial staffing for increased high school square footage: $385,749.
  - Revenue-related reductions for student support personnel aid and school library aid: $(551,031).
  - Minnesota paid leave payroll tax: $389,266.
  - Remaining operating capacity for Aspen Ridge Elementary: $1,120,308.
- Board-approved one-year strategic investment in special education staffing on February 24, 2026: $2,747,842, partially offset by an estimated $1,923,489 in FY 2028 revenue.
- Board-approved FY 2026 mid-year budget adjustment savings on February 24, 2026: $66,920.
- Crest View rebuild start-up costs approved for FY 2026 were delayed to FY 2027: $350,000.
- Planned elimination of the FY 2026 compensatory maximum hold harmless for FY 2027: $1,038,025.

Business Services
11200 93rd Ave N
Maple Grove, MN 55369
763-391-7000
OsseoSchools.org

Together, the revenue and expenditure budgets result in a FY 2027 budgeted ending fund balance of $18,171,075, which is 6.9% below prior projections.

The Annual Budget Fiscal Year 2027 document is provided in PDF format for review at the June 9, 2026, Board Work Session.

For the June 9 work session, Board review should focus on the Informational Section, including the Budget Memo to School Board, FY 2027 Financial Forecast – General, and FY 2028 Financial Forecast – General, as well as the Introductory Section, which includes the Executive Summary.