



# Cambridge-Isanti School District

## FY2025 Financial Summary

January 22, 2026

PRESENTED BY:

CHRISTOPHER KAMPA

DIRECTOR OF FINANCE & OPERATIONS



# Our Journey

## 2019

- **Fund Balance:** less than 2 weeks of payroll in bank (3.2%)
- **Budget Cuts:** cut \$8.5 million from budget over 3-years
  - More than 100 positions eliminated
- **Funding:** bottom 5% of all school districts
- **Expenses:** spent less per pupil than any other district in Mississippi 8 conference
- **Credit Rating:** downgraded to A1 with a negative outlook
- **New Construction:** new building \$0.5 million over budget before we broke ground
- **Facilities:** \$78 million of Deferred Maintenance needs
- **Financial Position:** one of worst financial situations in the state

## 2026

- **Fund Balance:** stable position with over 20%
- **Budget Cuts:** targeted annual budget reductions to maintain stable financial position
- **Funding:** 71<sup>st</sup> percentile (bottom 29%)
- **Expenses:** since 2019, expenses have increased 2.5% annually compared to state average of 4.5%
  - Despite inflation of 26% over same period
- **Credit Rating:** positive outlook with Moody's scorecard indication of Aa2 (only 7 districts have a higher credit rating)
- **Construction Projects:** successfully completed 3 major facilities projects, all under budget, without asking taxpayers for assistance
- **Facilities:** Reduced Deferred Maintenance needs to \$45 million
- **Financial Position:** one of most stable financial positions in Minnesota



# MN Legislature Must Set Funding for MN Public Schools

Minnesota Constitution ARTICLE XIII, MISCELLANEOUS SUBJECTS, Section 1

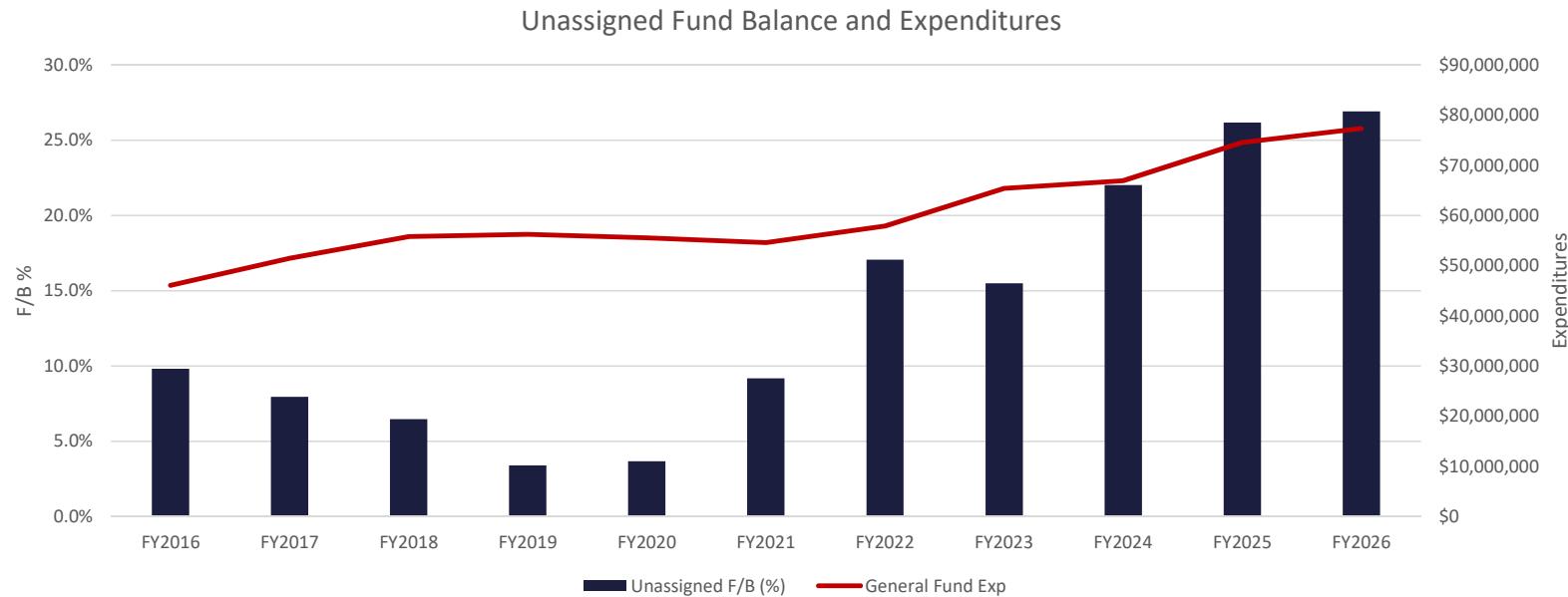
**“UNIFORM SYSTEM OF PUBLIC SCHOOLS.** The stability of a republican form of government depending mainly upon the intelligence of the people, it is the duty of the legislature to establish a general and uniform system of public schools. The legislature shall make such provisions by taxation or otherwise as will secure a thorough and efficient system of public schools throughout the state.”

**In Minnesota, most school district revenues are controlled by state law and funding formulas, so districts have limited local flexibility.**

**The funding formulas established in state law calculate the amount of state aid and local revenue each district receives.**



# Financial Performance



## Financial Performance

- Fund balance has improved since reaching historic lows in FY2019
- Expense growth

## Publicly Available Information

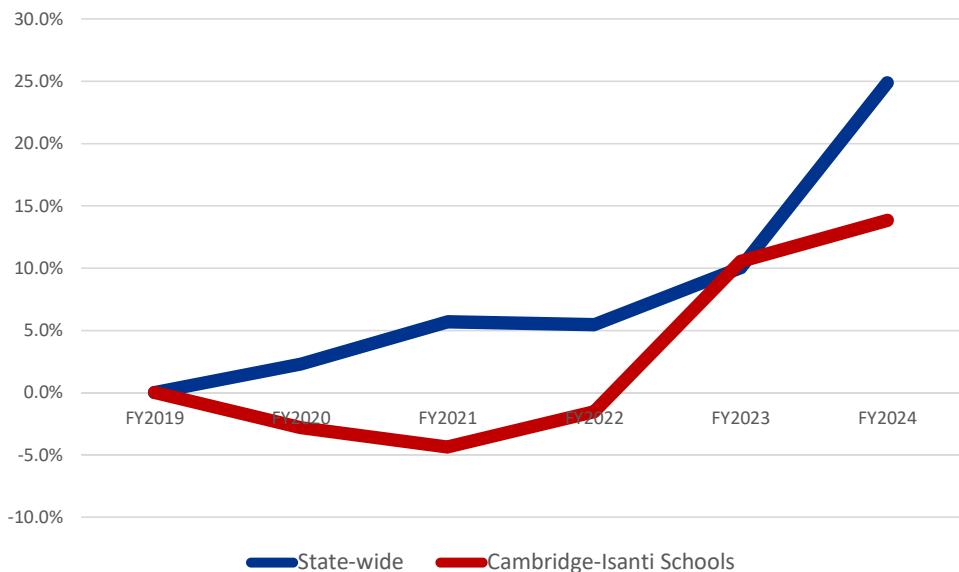
Source: 2024 Financial Audit <https://www.c-ischools.org/departments/budget-finance>



# General Fund Expenses - Comparison

	FY2019	FY2020	FY2021	FY2022	FY2023	FY2024	Tot %
State-wide	\$11,482,201,910	\$11,744,508,107	\$12,133,556,581	\$12,107,430,224	\$12,634,031,246	\$14,338,832,960	24.9%
C-I Schools	\$59,112,984	\$56,218,432	\$56,029,008	\$58,722,576	\$65,130,585	\$66,876,360	13.1%

Education Expenditures



## C-I Schools General Fund Expenses

- Over the last 6 years, expenses have grown **13.1% (2.5% annual)**
- Meanwhile, total education spending rose **24.9% (4.5% annual)**
  - Almost double that of C-I Schools
- Inflation over same period: 26.2%**

## Looking Ahead: MANDATES!!

- New and existing mandates consume more of district's financial resources
  - Special Education, Summer Unemployment
  - Staffing – student support, media, mental health, etc.
- FY2025 Audit – will be under budget**

### Publicly Available Information

C-I Schools Source: <https://www.c-ischools.org/departments/budget-finance>

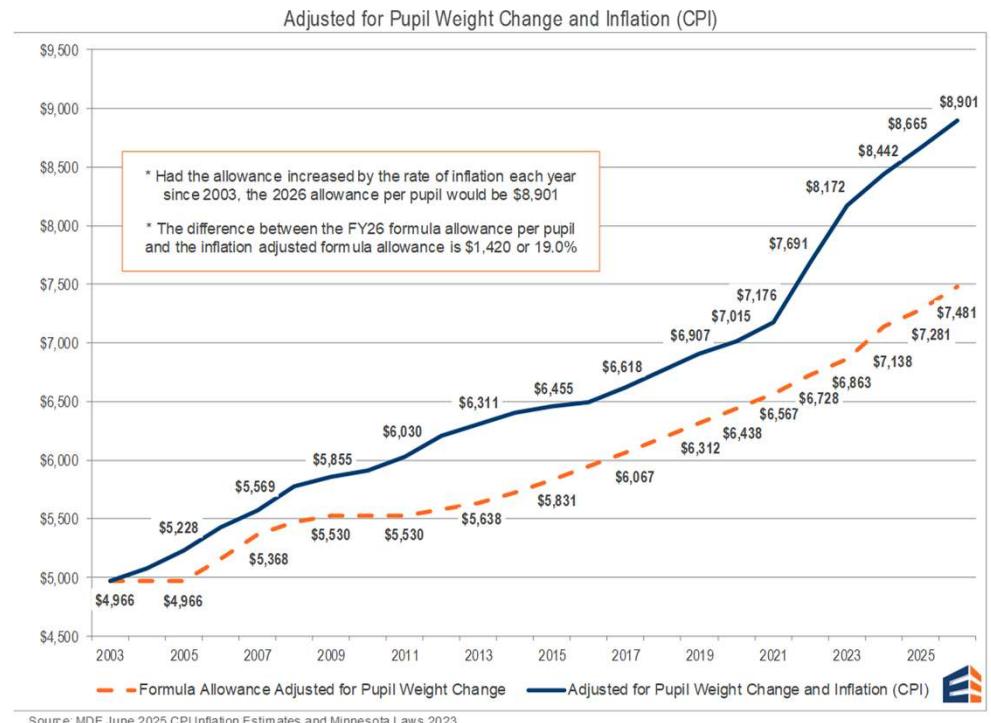
State-wide Source: MDE <https://public.education.mn.gov/MDEAnalytics/DataTopic.jsp?TOPICID=79>

# General Education Formula Allowance, 2003-2026



- Since 2002-03, state General Education Revenue formula has not kept pace with inflation
- For Fiscal Year 2024-25, an increase of 2.00% or \$143 over previous year was approved
- For Fiscal Year 2025-26, an increase of 2.75% or \$200 over previous year was approved

Per-pupil allowance for Fiscal Year 2025-26 of \$7,481 would need to increase by another \$1,420 (19.0%) to have kept pace with inflation since 2002-03, resulting in an allowance of \$8,901





# MN School Funding Disparities

## C-I Funding

- Current Rank **232/328 (71<sup>st</sup> Percentile)**
  - Last Year Rank: **67<sup>th</sup> Percentile**
- Prior to 2021 Operating Levy:
  - 95<sup>th</sup> Percentile

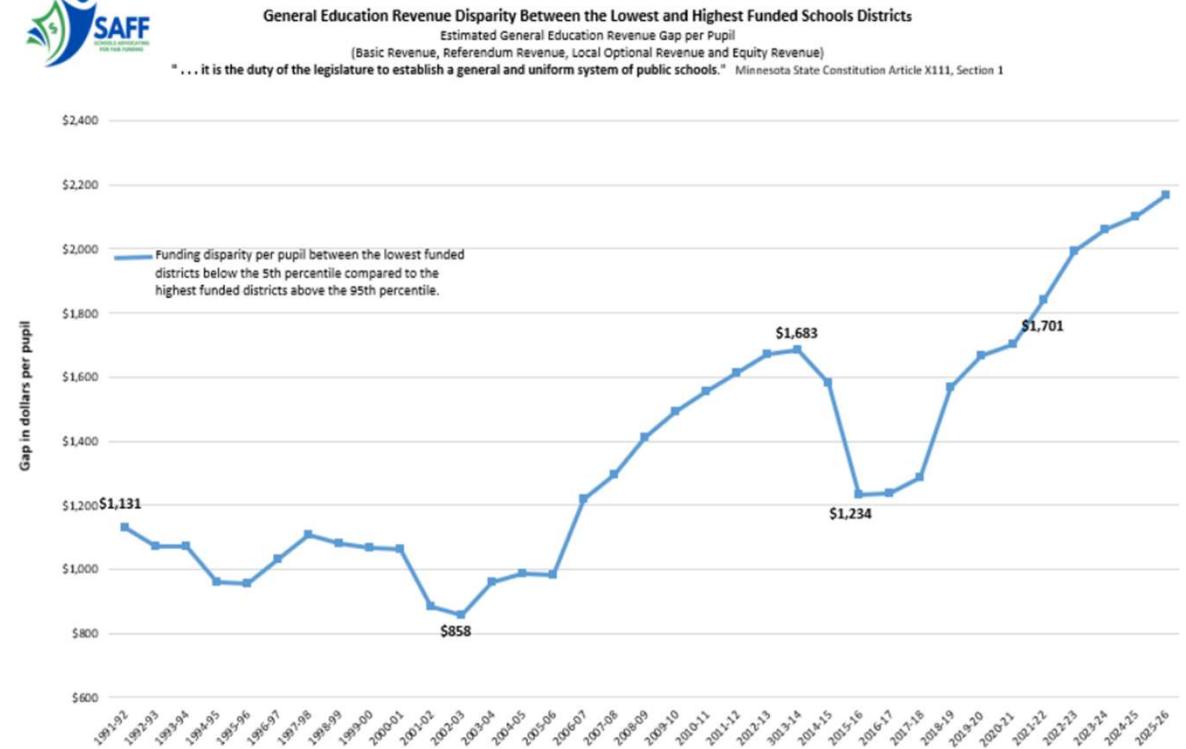
## MN Funding

- Gen Ed Funding Disparity at highest level in history
  - 2002: \$858
  - 2026: \$2,200 (approximately)
- Lowest-funded districts receive \$1,100 less per pupil compared to 2002



General Education Revenue Disparity Between the Lowest and Highest Funded Schools Districts  
 Estimated General Education Revenue Gap per Pupil  
 (Basic Revenue, Referendum Revenue, Local Optional Revenue and Equity Revenue)

"... it is the duty of the legislature to establish a general and uniform system of public schools." Minnesota State Constitution Article X111, Section 1



**General Education Funding Rank: 232<sup>nd</sup> / 328 School Districts (71<sup>st</sup> Percentile)**  
**Last Year: 219<sup>th</sup> (67<sup>th</sup> Percentile)**



# Where Does the Funding Go?

## General Ed Revenue

Basic  
Learning and Development  
Staff Development  
County Apportionment  
Declining Enrollment  
Pension Adjustment  
Gifted & Talented  
Extended Time  
Basic Skills  
Compensatory Revenue  
EL Revenue  
Sparsity  
Small Schools  
Transportation Sparsity  
Operating Capital  
Local Optional  
Referendum  
Transition  
Equity Revenue  
Alt Attendance Adjustment

## Categorical Revenues

Operating Capital  
Q-Comp  
Achievement & Integration  
Unemployment  
Safe Schools  
Career & Technical  
Other OPEB  
Nonpublic Transportation  
Disparity Aid  
Agricultural Market Value Credit  
Facility Maintenance  
Lease Levy  
Special Education  
Shared Time Aid  
School Trust Land Endowment  
EL Cross Subsidy  
Literacy Incentive Aid  
School Library Aid  
Indian Education Aid  
Student Support Aid  
Student Support Coop  
Summer Unemployment  
Misc Rev/Dept of Ed  
TRA/PERA Spec Funding Rev  
Abatement Aid

## Other Revenues

Title Revenue  
Federal Revenue  
Other Federal Revenue  
Student Activity Accounts  
Education Rec from other Dist  
Fees from Patrons/Admissions  
Med Asst Billing  
Facility Rentals  
Gifts/Bequests  
Investment Income  
Miscellaneous

## Minnesota School Funding

- Expenses restricted to “buckets” (mandates)
- Costly Mandates
  - Special Education
  - Summer Unemployment
  - Earned Sick and Safe Time (ESST)
  - Paid Family Medical Leave
  - Mental Health Support
  - Curriculum





# What Financial Success Means

## What Financial Stability Protects

- We've avoided cutting staff and resources for students
  - Estimated that 75%-90% of Minnesota school districts are cutting budgets
- Our reserves allow us to absorb one-time shocks and legislative actions
- Allows us to make deliberate decisions instead of reactive ones

## What Financial Stability Allows

- Our financial position gives the Board real choices
- Invest in our students and community
- What's important to our community: low class size and vocational programming
- Currently have some of the lowest class sizes in the area
  - May increase due to lack of space at elementary levels
- Career Technical Programming continuing to grow
  - OJT, Shop, Culinary, Nursing, etc.
- For many districts, with increasing mandates and shrinking revenues, electives are first to be cut

## How did this Happen

- Strong Partnership between District and Community

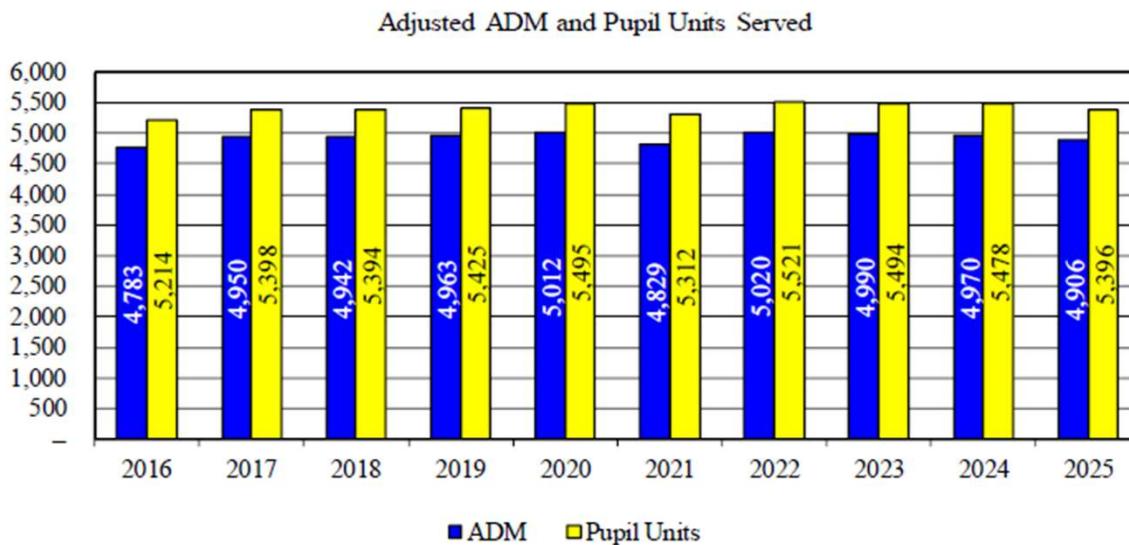




# How School Funding Works

## AVERAGE DAILY MEMBERSHIP (ADM) AND PUPIL UNITS

The following graph presents the District's adjusted ADM and pupil units served for the past 10 years:



## School Funding (Step 1)

- **Total School funding Enrollment-based**
- C-I Schools peak: 5,020 (2022)
- Final enrollment for 2024 was 4,906 pupils
- ***Past 10 Years: enrollment increase of 123 pupils (2.5%)***
- Majority of MN school districts are experiencing declining enrollment

## Publicly Available Information

Source: 2024 Financial Audit <https://www.c-ischools.org/departments/budget-finance>

**Enrollment for 2026 is currently higher than 2025**



## How School Funding Works – State/Local

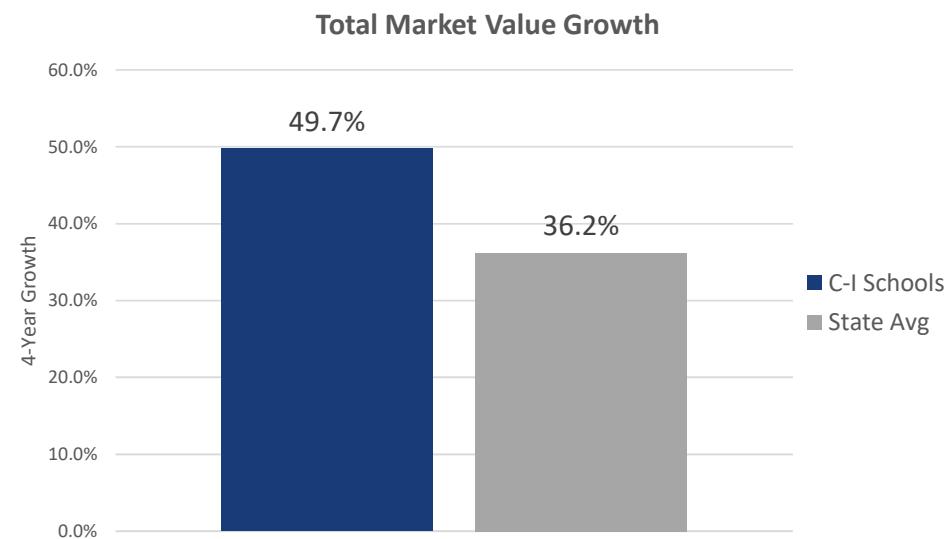
### School Funding (Step 2)

- State and property taxes are allocated based on local market value
- Local market value has risen 49.7% in four years, compared to state avg of 36.2%
- Minnesota: school funding is shared between the State and local property owners
- Faster growth results in larger share of funding from local area
- Tax liability may be offset by external growth

Property taxes have increased in only 2 out of 7 past years for average taxpayer

Source: MDE

Total Market Value				
Year	Amount	C-I Schools	State Avg	Sales Ratio
2021	3,090,519,000	10.0%	5.4%	86.7%
2022	3,847,452,100	24.5%	16.6%	84.0%
2023	4,312,496,000	12.1%	11.7%	91.5%
2024	4,448,487,300	3.2%	2.4%	93.0%
4-Year Total		49.7%	36.2%	



# Minnesota's Educational Opportunity Gap

School District	*Annual Taxpayer Cost for the Same Levy Amount
Hopkins	\$388
Cook County	\$427
St. Louis Park	\$446
Northland	\$477
West St. Paul	\$535
Stillwater	\$580
Eden Prairie	\$636
Osseo	\$786
Roseville	\$789
St. Cloud	\$883
Mahtomedi	\$1,009
Spring Lake Park	\$1,061
<b>Cambridge-Isanti</b>	<b>\$1,290</b>

\*The graph shows the annual cost for a residential or business taxpayer in a \$250,000 home or business to generate \$2,779 per pupil in school operating revenue for their local schools.

State law allows communities to raise an additional \$2,779 per pupil in operating revenue for their schools through local property taxes, which is up to 2,055 per pupil in a voter-approved operating referendum and \$724 per pupil in board-approved local optional revenue.

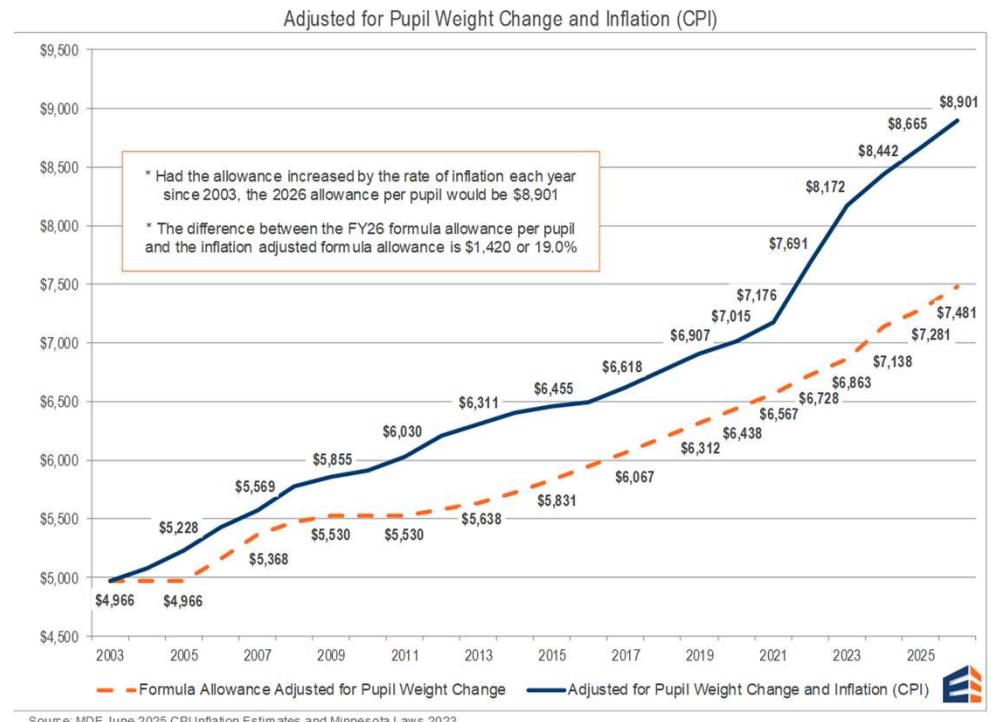
(Data is for property taxes paid in 2022 for school funding in the 2022-23 school year.)

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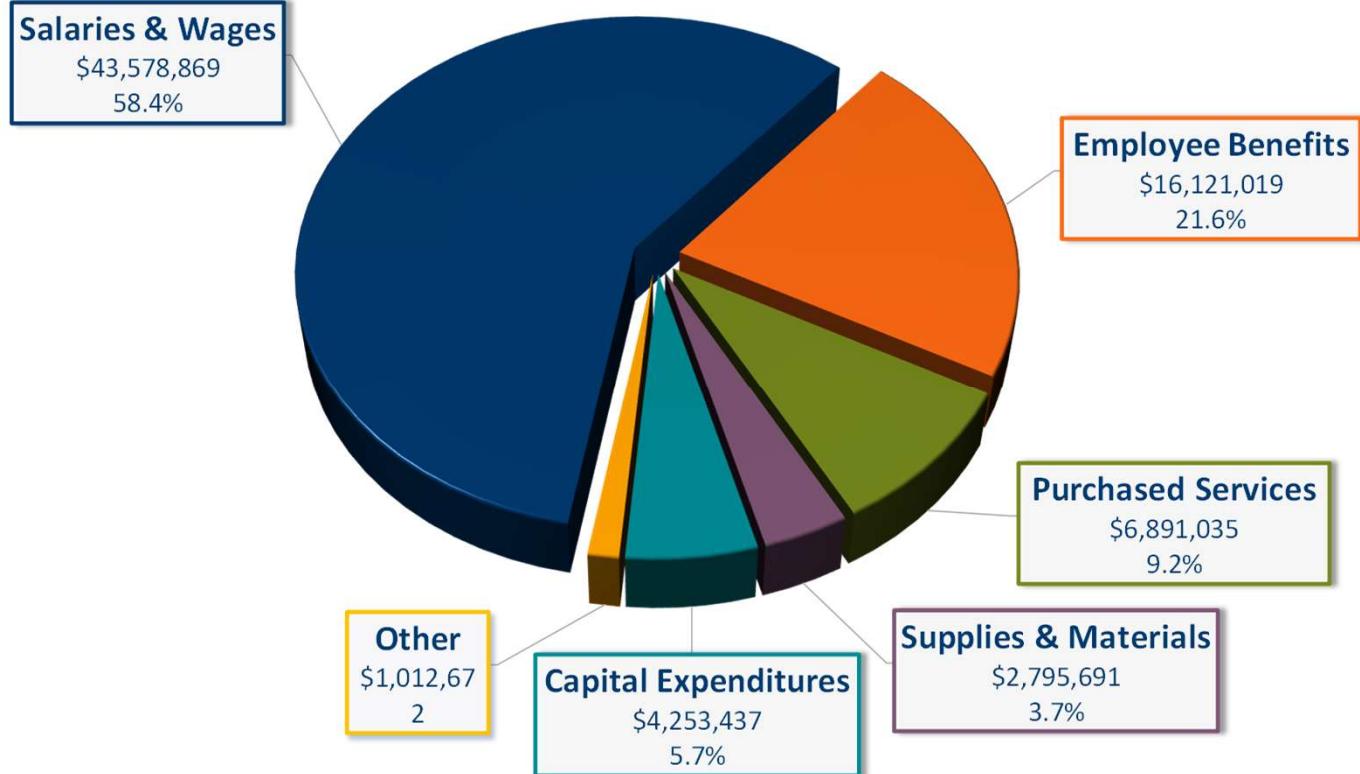
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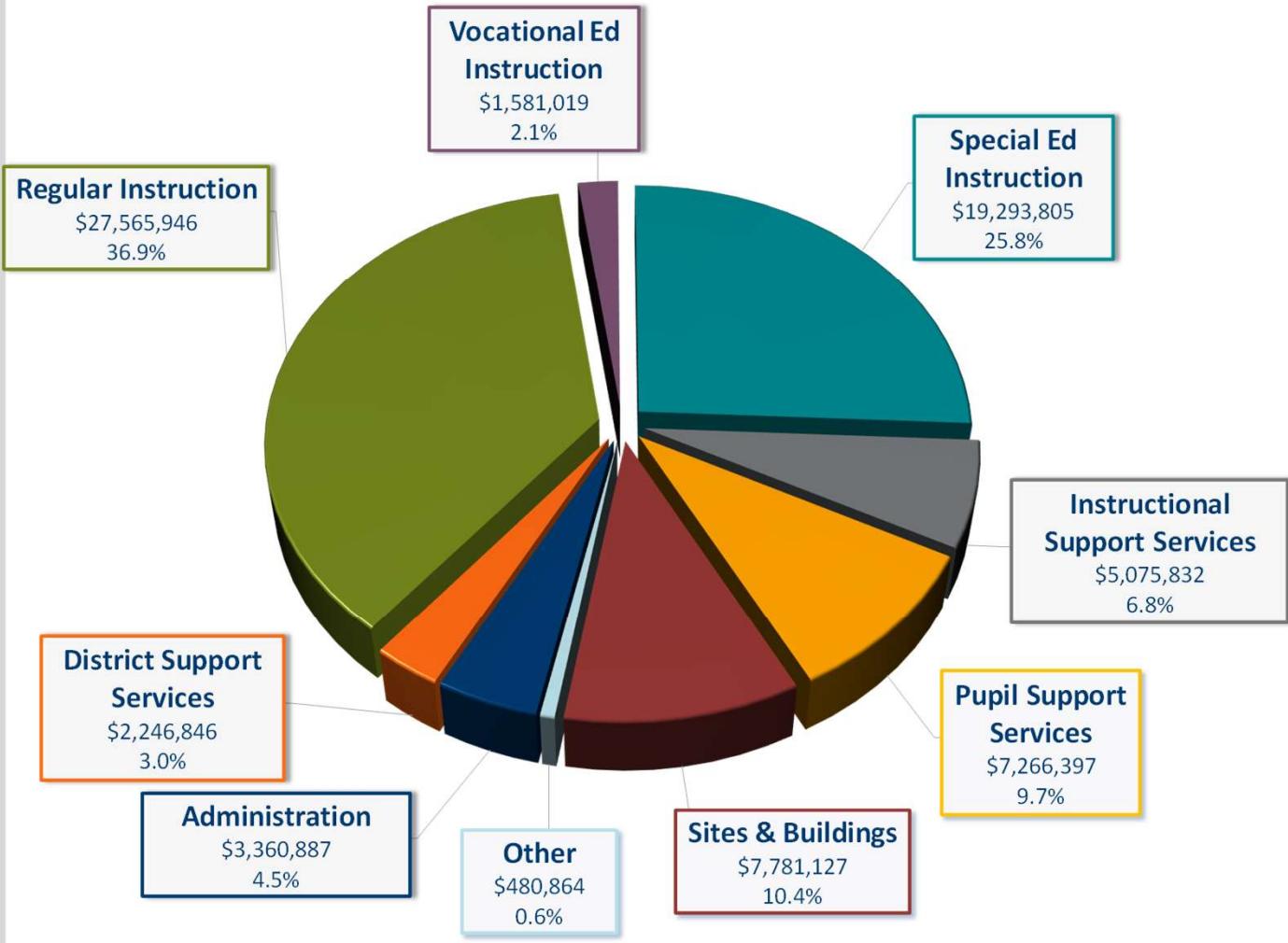
# General Fund Expenditures - by Object -

2025-26 Budget  
\$74,652,722



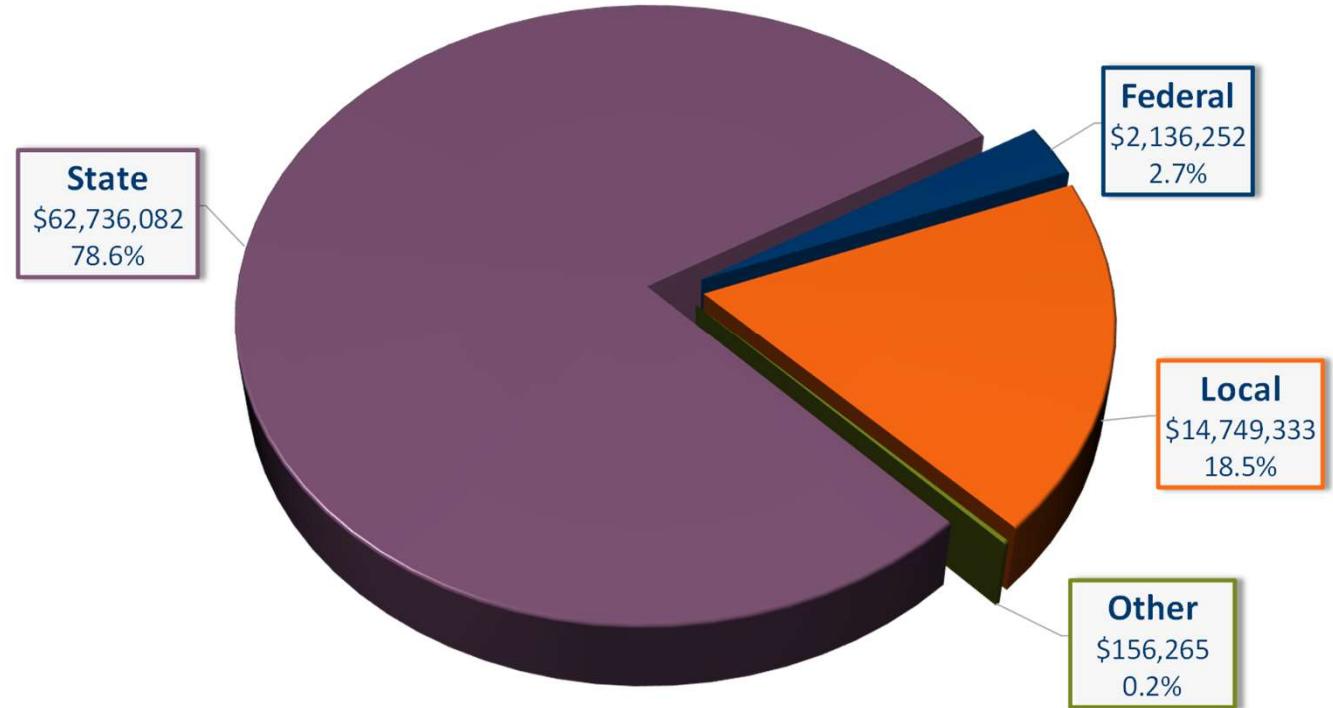
# General Fund Expenditures - by Program -

2025-26 Budget  
\$74,652,722



# General Fund Revenue

2025-26 Budget  
\$79,777,933





PUBLIC COMMENTS