
Budget Update FY2025 and FY2026

January 14, 2025
School Board Presentation



Purpose

The purpose of this presentation is to share:

- revenue and expenditure historical information;
- preliminary FY2025 mid-year budget status; and
- a timeline and early thinking about budget assumptions for the FY2026 budgeting process.

Historical Budget Information

Where does General Fund money come from?



29% Property Taxes

67% State Aid

3% Federal

1% Local Interest, Fees, Gifts



How is General Fund Money Spent?



77% Salaries & Benefits

16% Purchased Services

7% Supplies and Other



Allocation of General Fund Salary & Benefits



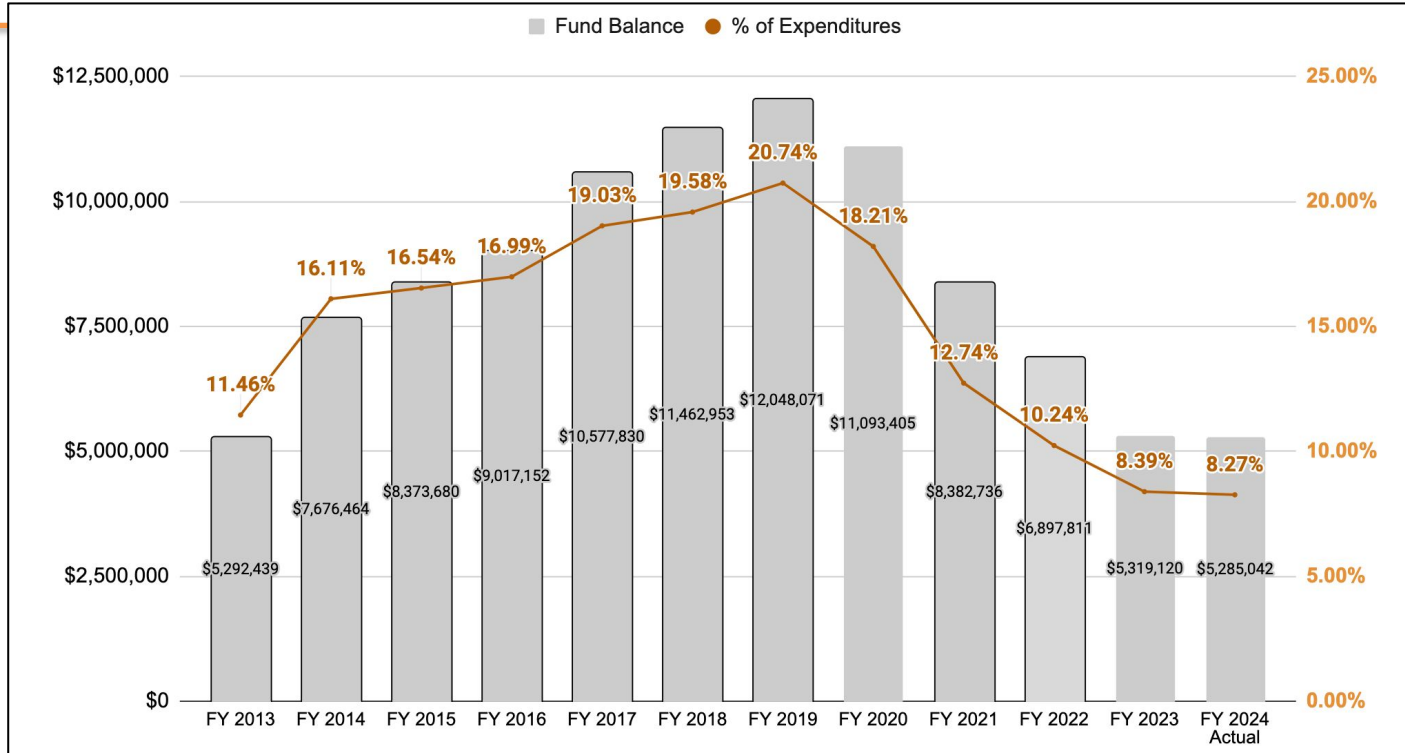
11% Administration & Support
District & Stie Administration & District
Support Services Staff

80% Instruction & Instructional Support
(Regular, Vocational, Special Education
Teachers, Paraprofessionals & Instructional
Support)

5% Pupil Support Services
(Counseling, Guidance, Health Services,
Social Work, Transportation Support)

4% Sites & Buildings
(Custodial Services & Support)

Historical General Fund Balance

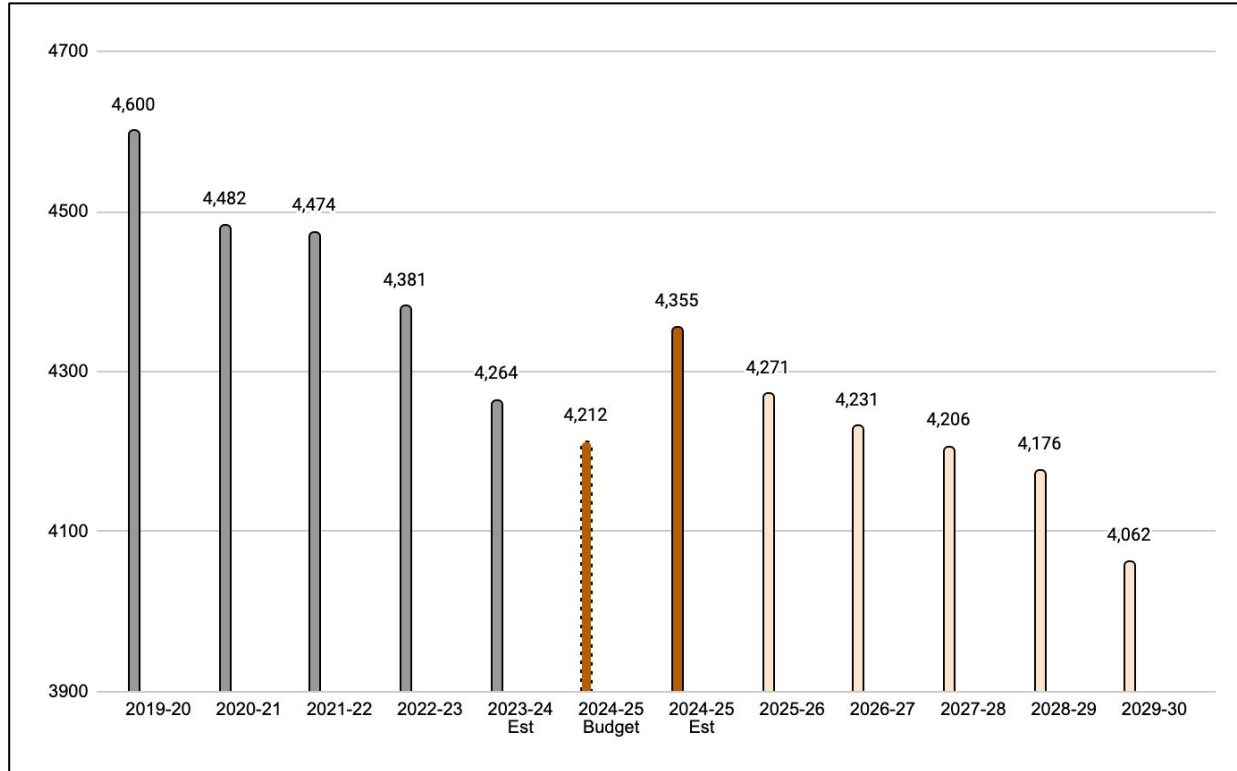


How Did We Get Here?

Revenue has not kept pace with
expenditure pressures.

Declining Enrollment Trend: Enrollment Increase in FY2025

Project continued decline



- FY2025 currently 143 (3.40%) students ahead of projections and up 91 (2.13%) from FY2024
- Since FY2020, K-12 enrollment has **decreased** by 245 total students (-5.33%)
- Enrollment projected to:
 - **decrease** by 84 students into FY2026 (-1.93%)
 - **decrease** by an additional 209 students through FY2030 (total of -4.80%)



Basic General Funding Formula History

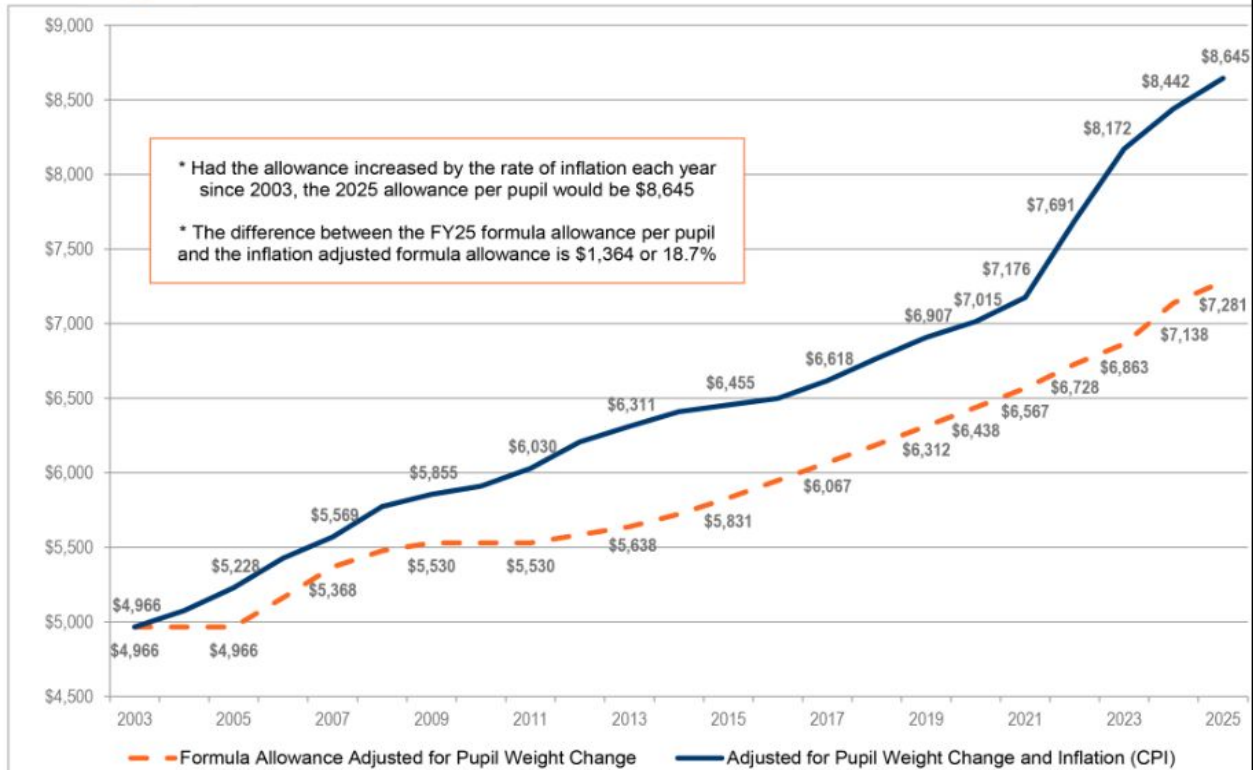
| Year | Amount | Explanation |
|---------|---------|------------------------------|
| 2013-14 | \$5,302 | 1.5% increase |
| 2014-15 | \$5,831 | 1.5% increase + \$25 |
| 2015-16 | \$5,948 | 2.0% increase |
| 2016-17 | \$6,067 | 2.0% increase |
| 2017-18 | \$6,188 | 2.0% increase |
| 2018-19 | \$6,312 | 2.0% increase |
| 2019-20 | \$6,438 | 2.0% increase |
| 2020-21 | \$6,567 | 2.0% increase |
| 2021-22 | \$6,728 | 2.45% increase |
| 2022-23 | \$6,863 | 2.0% increase |
| 2023-24 | \$7,138 | 4% increase |
| 2024-25 | \$7,281 | 2% increase |
| 2025-26 | \$7,465 | 2.53% increase (current est) |





General Education Formula Allowance, 2003-2025

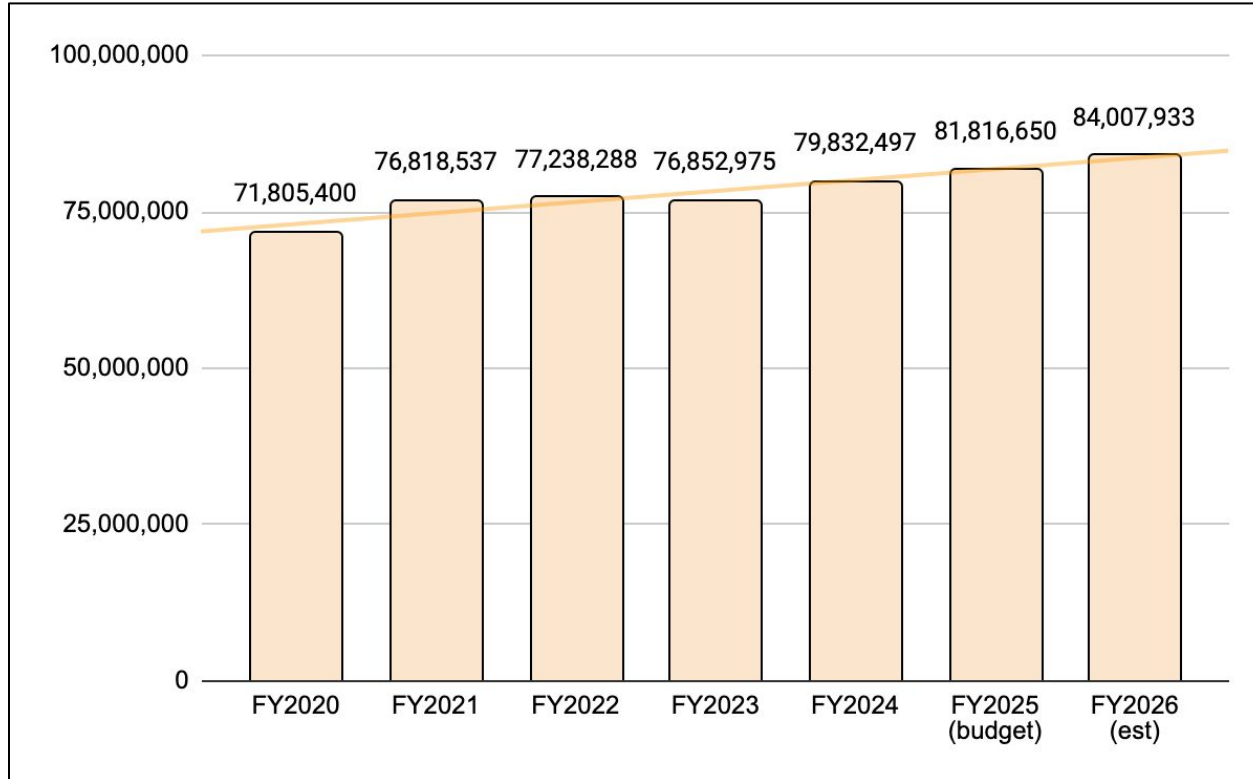
Adjusted for Pupil Weight Change and Inflation (CPI)



Source: MDE June 2024 Inflation Estimates and Minnesota Laws 2023



General Fund Expenditure Growth Average 2.68% Annually



- Between FY2020 and FY2025, total General Fund expenditures **increased** by \$10 million (13.03%); avg increase of 2.68% per year
- We can anticipate expenditures in FY2026 to **increase** by at least another \$2-\$6 million without budget reductions

Past Budget Balancing Tools

- Fund Balance
- Use of Specialized Revenue
- Transportation Service Reduction
- Support Staff Reduction
- 10% Reduction to all Departments

Budget Timeline

| | | | |
|---|------------------------------|---|---|
| P r e p a r a t i o n | January 8, 2025 | Budget Managers | Review YTD Expenditures |
| | January 14, 2024 | School Board Study Session | Budget process update |
| | January 22, 2025 | Finance Advisory Committee | 1. Draft final budget assumptions 2. Begin draft of Spring 2025 FAC Report |
| | February 12, 2025 | Budget Managers | Review YTD Expenditures |
| | February 19, 2025 | Finance Advisory Committee | 1. Finalize budget assumptions 2. Spring 2025 FAC Report |
| | February 11, 2025 | School Board Regular Meeting | Update regarding budget process |
| A p p r o v a l | March 11, 2025 | School Board Regular Meeting | 1. FAC Presentation 2. Preview FY2025 Mid Year Budget Update |
| | March 12, 2025 | Budget Managers | Review YTD Expenditures |
| | March 25, 2025 | School Board Regular Meeting | 1. Approve FY2025 Mid Year Budget Update 2. Approve FY2026 Operating Funds budget parameters |
| | March 26, 2025 | Finance Advisory Committee | Finalize School Board Report |
| | by March 28, 2025 | Human Resources | Notifications to staff to be released (including probationary teachers) |
| | April 9, 2025 | Budget Managers | Review YTD Expenditures |
| | May 2025 | MN Legislative Session Adjourns | |
| | May 14, 2025 | Budget Managers | Review YTD Expenditures |
| | May 27, 2024 | School Board Regular Meeting | Approval of final contract non-renewals |
| | June 10, 2025 | School Board Study Session | Preview final FY2026 Budgets for all funds; prepare to take action at June 24 regular meeting |
| June 24, 2025 | School Board Regular Meeting | Approve final FY2026 budget for all funds | |

January 14, 2025 School Board Meeting



St. Louis Park
Public Schools

Questions?