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Fiscal Year 2025-2026 Fall Budget Revision

**Presented to the School Board
Marie Schrul
Chief Financial Officer
November 18, 2025**

Purpose

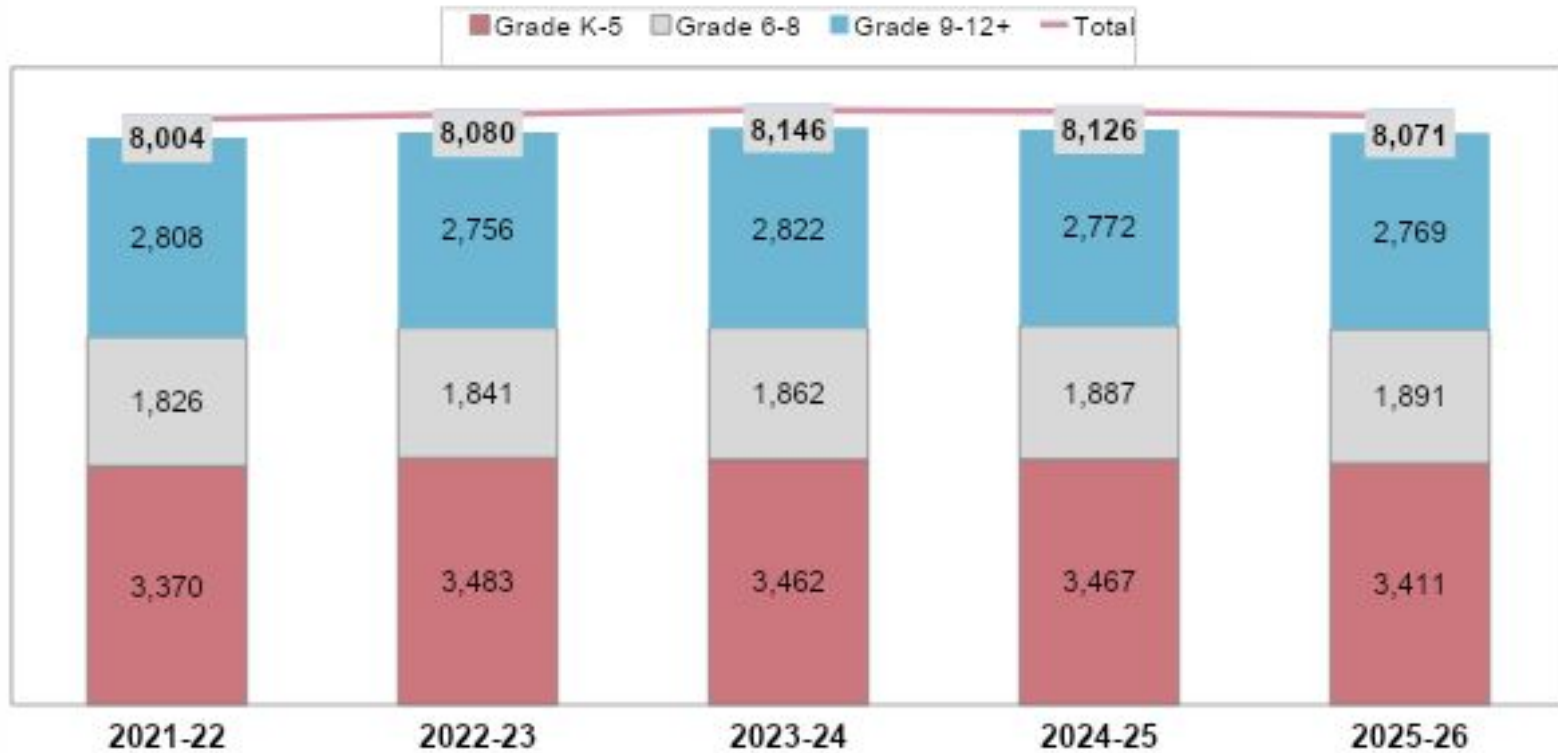
To present the 2025-26 Fall Budget Revision to the School Board for approval which includes:

- *updated enrollment projections*
- *adjustments from the 2025 Legislative session*



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K-12 Enrollment Trends - October 1

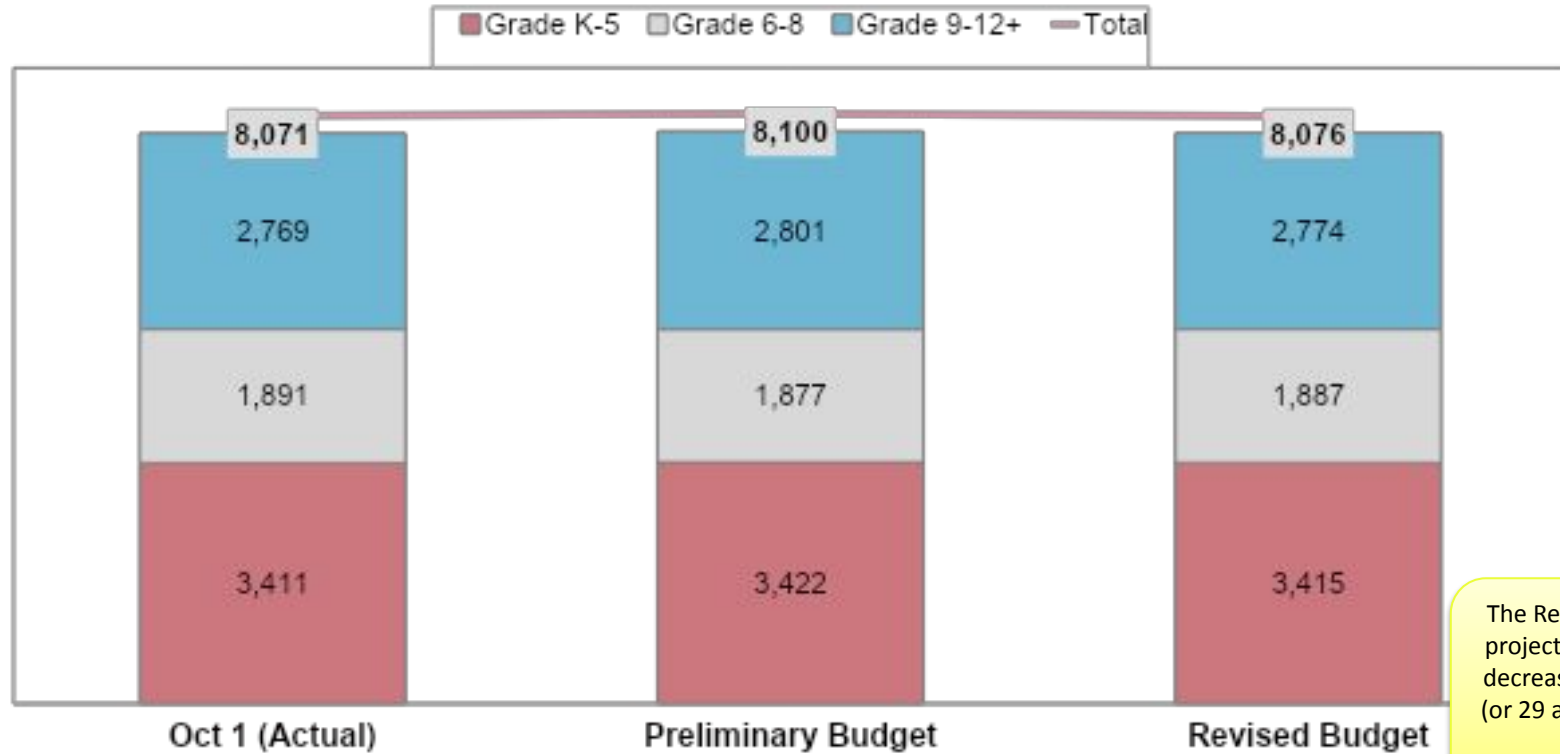


K-12 only (ECSE & Voluntary Pre-K are not reflected in totals)



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2025-26 K-12 Enrollment



The Revised Budget projection reflects a decrease of 24 ADM (or 29 adjusted pupil units)

K-12 only (ECSE & Voluntary Pre-K are not reflected in totals)



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2025 Legislative Session & FY26 Preliminary Budget Recap

The Legislature adjourned the 2025 session on 5/19, however, a special session was held on 6/9 that included the Education and Omnibus Education Policy Bill.

Stillwater Area Public Schools' 2025-26 Preliminary Budget included the following:

- an inflation adjusted general education revenue formula increase of 2.74%
- a decrease to Compensatory Education revenue
- use of Operating Capital fund balance for required READ Act literacy curriculum implementation that was not fully funded by the state
- a new paid FMLA payroll tax effective 1/1/26
- ***additional 2025 legislative adjustments would be presented in a budget revision to the School Board***



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2025-26 Fall Budget Revision: Legislative Adjustments

General Fund: Additional budget adjustments from the 2025 Legislative Session	Amount
Revenue: State Aid	
• Compensatory revenue (delays the new compensatory formula enacted in MN law during 2023 until FY27)	\$212,598
• Student Support Personnel Aid (per pupil allocation decreased from \$48.73 to \$30.05 for 2025-26)	-168,953
• School Library Aid (per pupil allocation decreased from \$16.11 to \$10.27 for 2025-26)	-52,821
• Lowers the reimbursement of special education pupil transportation eligible costs from 100% to 95% in 2025-26	-351,104
• An increase from 0.3% to 1.3% that MDE may retain for administration of the Achievement & Integration Program	-11,734
• An increase in the pension adjustment rate by 0.31% to offset the employer TRA contribution from 9.5% to 9.81%	<u>230,289</u>
Total 2025-26 Revenue Adjustments	-141,725
Expenditures:	
• An increase of .31% in the employer contribution to the Teachers Retirement Association fund beginning in 2025-26	<u>230,289</u>
Total 2025-26 Expenditure Adjustments	230,289
Impact on 2025-26 General Fund	-372,014



2025-26 Fall Budget Revision: Enrollment & Programs

General Fund: Enrollment and other program adjustments		Amount
Revenue: State Aid & Levy		
• Adjustment to special education transportation revenue (based on FY25 activity)		\$907,304
• Adjustments related to basic formula & other categorical aid based on revised enrollment projection		-325,724
• Adjustment to county apportionment revenue		<u>48,659</u>
Total 2025-26 Revenue Adjustments		\$630,239
Expenditures:		
• Adjustment to the special education transportation program budget		\$556,200
• Staffing adjustments related to enrollment and changes from the legislative session		<u>-297,975</u>
Total 2025-26 Expenditure Adjustments		\$258,225
Impact on 2025-26 General Fund		\$372,014



2025-26 Budget Revision (Revenue - All Funds)

Fund	2025-26 Preliminary Budget	Revision	2025-26 Revised Budget
General	\$153,373,977	\$488,514	\$153,862,491
Food Service	7,887,103	0	7,887,103
Community Service	9,595,953	0	9,595,953
Building Construction	80,545,000	0	80,545,000
Debt Service	18,551,334	0	18,551,334
Custodial (Trust)	7,000	0	7,000
Total Revenue	\$269,960,367	\$488,514	\$270,448,881



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2025-26 Budget Revision (Expenditures - All Funds)

Fund	2025-26 Preliminary Budget	Revision	2025-26 Revised Budget
General	\$153,373,977	\$488,514	\$153,862,491
Food Service	7,859,232	0	7,859,232
Community Service	9,284,092	0	9,284,092
Building Construction	125,140,042	0	125,140,042
Debt Service	17,509,221	0	17,509,221
Custodial (Trust)	7,000	0	7,000
Total Expenditures	\$313,173,564	\$488,514	\$313,662,078



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Questions

Recommendation

To approve the 2025-26 Fall Budget Revision as presented



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