

2024-25 DRAFT BUDGET



EDEN PRAIRIE SCHOOLS



Legislative Update

➤ 2024 Omnibus Education Bill

➤ Revenues:

- Formula Increase – 2.00%
- Future years tied to inflation (3% cap and 2% floor)
- One-time monies related to READ Act

➤ Expenditures:

- School Unemployment Aid modifications
- Expanded use for Food Service funds
- Employee Safe & Sick Time (ESST) expansions
- Other Policy Changes – Still analyzing budget impact.



Budget Assumptions

➤ **Basic Funding Formula**

- 2.0% Increase; \$7,281 per pupil unit

➤ **Enrollment**

- 573 Kindergarten; 8,924 students (includes 550 EP Online)

➤ **Class Size Targets & Staff Allocation Ratios**

- Maintain current investments in FY25

➤ **Fees in General Fund**

- No changes; Transportation continues to be free for all Eden Prairie residents.

➤ **Fund Balance**

- Minimum General Fund balance maintained above 8%
- 



Collecting Input

- **School Board:**
 - December 11, 2023: Approval of the payable 2024 tax levy
 - January 8, 2024: Review financial projection model and assumptions
 - January 22, 2024: Review budget timeline and discuss preliminary 2024-25 budget assumptions, Mid-Year 2023-24 update
 - March 25, 2024: Review final 2024-25 budget assumptions, review proposed 2024-25 preliminary capital budget
 - April 22, 2024: Review proposed 2024-25 School Board budget and approve 2024-25 Capital and School Board budgets
- **Finance Advisory Committee:** Financial projection model and assumptions
- **Principals and Directors:** Input and shared decision making for budget adjustments, staffing and program needs
- **Community:** Website, email list and publications; inform, feedback, survey
- **Superintendent's Cabinet:** Shared decision making, regular budget discussions



General Fund

General Fund (Unassigned)

Revenue	\$142,484,895	
Expenditure	\$142,774,372	
Variance	(\$289,477)	
Fund Balance	\$20,825,731	14.6%

Major Assumptions:

Revenue:

- General education aid increase of 2.0%
- Oct 1 enrollment projections of 8,924 (includes 550 EP Online)
- \$18.6 million special education aid

Expenditure:

- Salary & benefit increases for unsettled contracts
- Inflationary Adjustments (5% Utilities, 10% Property Insurance & 2% Site/department)
- Continuation of ESSER Funded Programming (Power reading, Mental Health Supports)
- \$250,000 staffing contingency



Food Service Fund

Food Service Fund		
Revenue	\$6,372,000	
Expenditure	\$6,372,000	
Variance	\$0	
Fund Balance	\$1,723,573	27.0%
Major Assumptions:		
	Revenue:	
	<ul style="list-style-type: none">• 1st meals will be free for all students• No proposed increases to meal prices• Projecting steady participation	
	Expenditure:	
	<ul style="list-style-type: none">• Salary & benefit increases for unsettled contracts and fully staffed• Projecting increases in supplies for inflation.	



Community Service Fund

Community Service Fund

Revenue	\$7,758,762	
Expenditure	\$7,463,620	
Variance	\$295,142	
Fund Balance	\$3,408,670	45.7%

Major Assumptions:

- Includes programming for general community education, early childhood and family education (ECFE), school readiness (Little Eagles Preschool) and preschool screening

Revenues:

- Conservative participation projections drive revenues (Tuition/Fees 72.2% of budget)

Expenditures:

- Salary & benefit increases for unsettled contracts



Capital and Building Funds

Capital and Building Funds	
Revenue	\$18,690,907
Expenditure	\$28,246,870
Variance	(\$9,555,963)
Fund Balance	\$1,433,648
Major Assumptions:	
Revenue:	
<ul style="list-style-type: none">• Capital projects levy (tech levy), operating capital (levy & aid), long term facilities maintenance levy (LTFM; pay as you go), bond investment interest	
Expenditure:	
<ul style="list-style-type: none">• Capital Budget was adopted at the April board meeting	



Debt Service Funds

Debt Service Fund		
Revenue	\$9,412,377	
Expenditure	\$9,143,006	
Variance	\$269,371	
Fund Balance	\$1,750,597	19.1%
Major Assumptions:		
	Revenue:	
	<ul style="list-style-type: none">Property taxes levied for 105% of principal and interest payments	
	Expenditure:	
	<ul style="list-style-type: none">Scheduled principal and interest payments	



Internal Service Funds

Internal Service Funds

Revenue	\$15,680,000	
Expenditure	\$16,625,735	
Variance	(\$945,735)	
Fund Balance	\$6,902,973	41.5%

Major Assumptions:

Dental:

- Anticipating participation is steady and claims stay consistent based on trend data

Health:

- Premiums are increasing 8% in fiscal year 2024-25, while participation is expected to be consistent.
- We are projecting health insurance claims to increase.



Trust & Agency Funds

Trust and Agency Funds

Revenue	\$750,000
Expenditure	\$1,000,000
Variance	(\$250,000)
Fund Balance	\$14,656,429

Major Assumptions:

Other Post Employment Benefit (OPEB) Trust

- \$750,000 budgeted for interest earnings. Represents 5% rate of return
- OPEB trust pays for eligible retirement benefits, with over \$13 million in benefits paid out since its inception in 2009.



Fund Balance Projection (Unassigned)

Executive Limitation 2.5.2 :*“There will be no financial plan that neglects to present the assumptions and timeline for the next annual budget during the third quarter of the current fiscal year.”*

	2023-24 Budget	2024-25 Projected	2025-26 Projected	2026-27 Projected	2027-28 Projected
Revenue	140,074,417	142,484,895	144,340,676	146,427,017	149,359,635
Expenditure	136,049,473	142,774,372	145,985,513	149,042,623	152,287,595
Surplus/(Deficit)	4,024,944	(289,477)	(1,644,837)	(2,615,606)	(2,927,960)
Unassigned Fund Balance (\$)	21,115,208	20,825,731	19,180,894	16,565,288	13,637,328
Unassigned Fund Balance (%)	15.5%	14.6%	13.1%	11.1%	9.0%



Future Considerations

➤ **Long-Term Stability**

- 10-Year Operating Referendum (2022)
- Capital Projects (Technology) Levy (2022)
- Long Term Facilities Maintenance Funding
- Self-Funded Medical
- OPEB Trust (2009)

➤ **Other Budget Impacts**

- EP Online
 - Inspired Journey
 - Federal COVID/Stimulus Funding (Ends September 2024)
 - Legislative Funding
 - Budget Efficiencies
 - Sustainability (Electric Buses, Solar Power, etc.)
 - City of Eden Prairie Development
- 

**THANK
YOU**



EDEN PRAIRIE SCHOOLS
Inspiring each student every day™