

2025-26 Budget Initial Recommendations

March 27, 2025

Stacey Sovine, executive director of administrative services
Dr. Chris Bellmont, assistant superintendent

Agenda

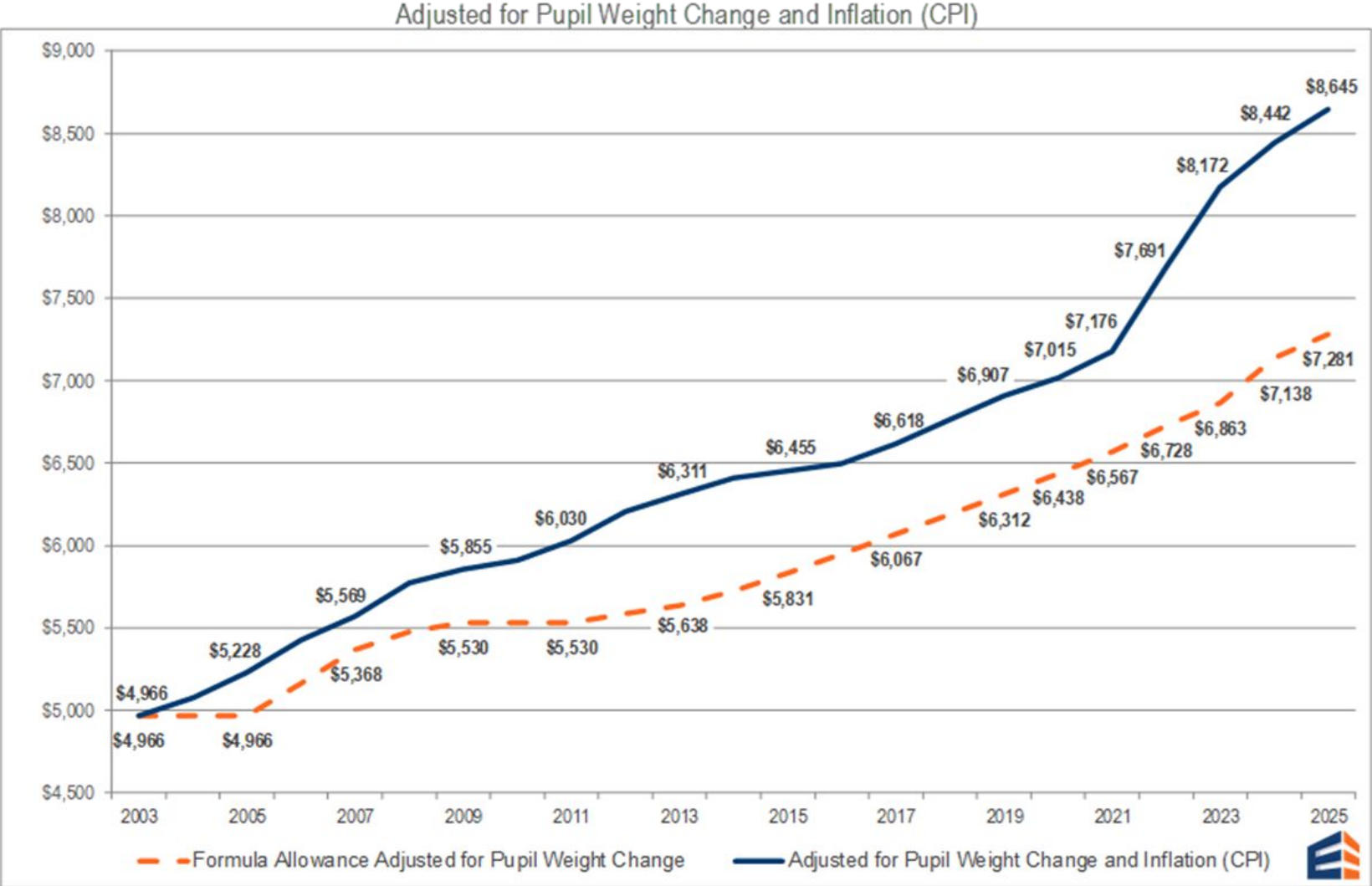
- Timeline
- What's affecting our budget for 2025-2026
- Current reality
- Our approach (values/strategies)
- Proposed Adjustments

Timeline

- **January - February**
 - Board approves FY25 revised budget
 - Board receives report on FY26 budget assumptions and Parameter Options
- **March**
 - Superintendent presents initial budget recommendations to the Board
- **March-April**
 - Staff and community presentations and feedback opportunities
 - Board report on feedback and board work session
- **June 12** - FY26 Adopted Budget presented
- **June 26** - FY26 Adopted Budget approved

Considerations for 2025-26

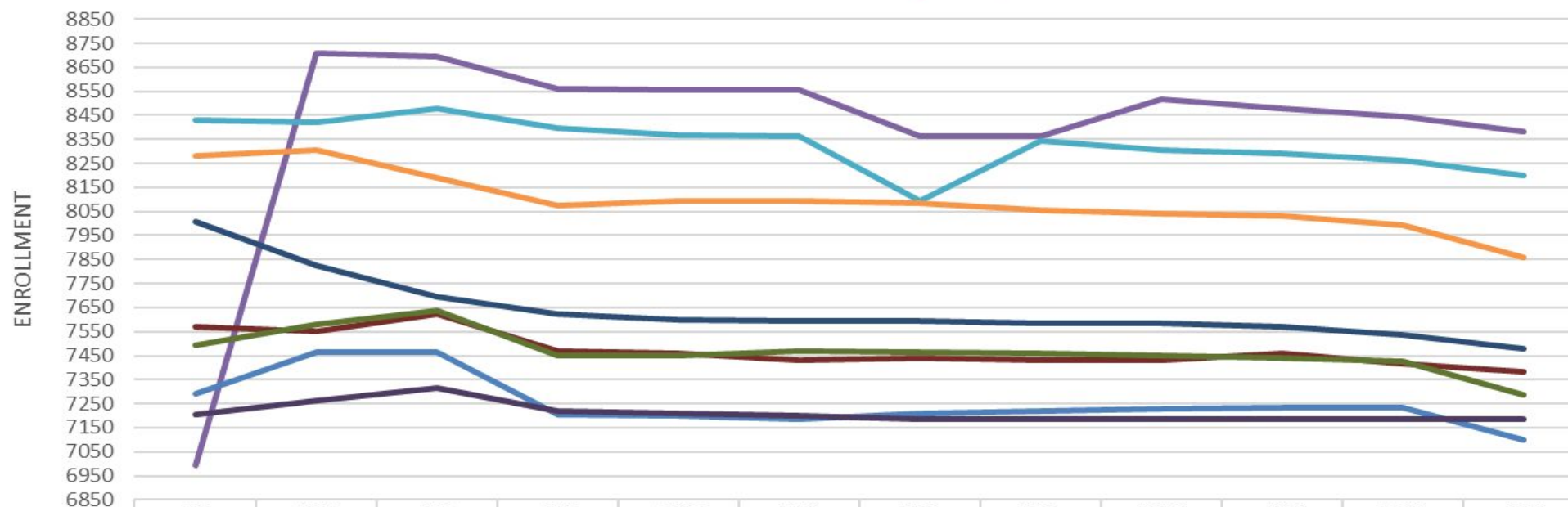
Inflation



Source: MDE June 2024 Inflation Estimates and Minnesota Laws 2023

Enrollment Projections

Year Over Year K-12 Enrollment: **FY26 Project 7,021 K-12 Students**



	JUL	AUG	SEP	OCT	NOV	DEC	JAN	FEB	MAR	APR	MAY	JUN
2018	6991	8708	8693	8561	8557	8557	8364	8364	8516	8478	8446	8381
2019	8432	8419	8477	8395	8369	8364	8093	8343	8308	8291	8261	8201
2020	8283	8305	8191	8075	8093	8093	8086	8055	8041	8031	7994	7858
2021	8006	7825	7695	7626	7597	7593	7595	7587	7585	7571	7539	7480
2022	7572	7551	7624	7467	7458	7429	7440	7431	7431	7459	7415	7383
2023	7496	7579	7636	7452	7452	7469	7463	7458	7452	7443	7428	7286
2024	7293	7466	7464	7207	7202	7185	7212	7220	7229	7234	7236	7098
2025	7206	7264	7316	7220	7209	7199	7186	7186	7186	7186	7186	7186

Other Changes

Increased Revenue

- 2.74% or \$200 per student on general aid, resulting in a total state aid increase of about \$519,000.
- English Learner (EL):
 - \$0 increase per eligible student.
- Special Education (SPED):
 - Sped Formula increase \$1.0 million.
- Property tax levy
 - Capital Projects increase \$338,000.
 - LTFM increase \$2.3 million.
 - General tax levy decreased \$5.5 million.
- Compensatory decrease \$2.06 million (formula change).
- Miscellaneous one time funding (-\$577k).

Increased Expenses

- 2.5% increase to salary schedules (\$4.9 million).
- 5.0% insurance increase (\$1.1 million).
- 5% transportation increase per 5 year contract (\$582,000 not including activities, athletics, primary age transportation, and mandated needs)
- Other areas including utilities, supplies, capital, contracted services, etc with modest inflationary increase (5.0%, \$1.1 million).
- LTFM \$2.3 million in project costs (Sept 26, 2024).

Current Reality

Current Reality

Expenses are outpacing revenues

If the district makes no changes, the result is an unsustainable budget deficit.

- For 2025-26
 - Revenues = \$158.3 million
 - Expenses = \$169.7 million
 - Unassigned Fund Balance = \$28.5 million (16.8%)
- For 2026-27
 - Revenues = \$161.4 million
 - Expenses = \$174.7 million
 - Unassigned Fund Balance = \$15.3 million (8.8%)

To address this, Board direction is

On Feb. 13, the Board of Education directed the superintendent to use a mix of spending reductions and fund balance in next year's budget.

- For 2024-25
 - Reductions = \$2.1 million
 - Reserve Spending = \$9.3 million

Unassigned Fund balance ends at \$30.3 million, (18%)

District 191 Budget Approach

Budget Strategies & Values

Values reflected in the budget process

- **Cultural Proficiency:** The district will not develop a budget that creates greater systemic inequities.
- **Inclusive Partnership:** The budget will be built in a transparent process that includes constituents' perspectives and input.

Strategies for creating a sustainable budget

- Provide resources for creating conditions to support the [One91 Strategic Roadmap](#)
- Maintain current class size parameters (Enrollment Rightsizing)
- Maintain balance in expenditures and revenue for restricted funds
- Use of restricted funds before general undesignated funds
- Understand ebb and flow of revenue streams and expenses

Maintaining Class Size

- Staffing allocations provided to building principals based on current Board approved class size averages.
 - K-5 average : **24.5** students per class with fewer students in Kindergarten and more in 5th grade classes.
 - 6-8 average : **12** students per FTE*, **19.5** students per average class
 - 9-12 average : **16** students per FTE*, **25.7** students per average class

*secondary program class sizes vary based on course type, external class size restrictions, instructional models, student interest, and graduation requirements.

Elementary Master									
Staffing projection for FY26: 3216, 136 FTE's									
Grade	FTE's	Enrollment	Average		Min	Max	Targ	+/-	Avg
K	25.4	493	19.41		20	25	22.5	-3.09	19.41
1	21.3	511	23.99		24	28	26	-2.01	23.99
2	25.3	569	22.49		25	29	27	-4.51	22.49
3	20.4	525	25.74		26	30	28	-2.26	25.74
4	21.3	563	26.43		27	31	29	-2.57	26.43
5	22.3	555	24.89		28	32	30	-5.11	24.89
					25	29	24.5	1.86	26.36
22.67	136	3216	23.65						

Proposed Budget

Strategic Roadmap/Pathways

Continue offering

- Current Pathways courses at BHS
- AVID, social-emotional learning, academic exploration at middle schools
- Spark experiences, career-field aligned specialist modules, advanced learning at elementary
- Associate of Arts Degree program at BHS
- 8 FTE Advanced Learning Specialists at elementary

Adjustments

Rightsizing

- Reduce 8.55 teaching positions across K-12 to maintain class size

Additions

- New teacher resources for supporting English Learners
- “Catalyst” training - proactive student behavior program
- Expanding middle school intervention (School Within A School) program
- Targeted support for students transitioning from elementary to middle and from middle to high school
- Additional educational assistant hours to support technology distribution/collection

Adjustments

Reductions or additional revenue

- Increase secondary walking distance from 1.5 to 2.0 miles
- Increase athletics fees by 15%
- Reduce student services compliance and finance position at district office

Initial Budget Adjustments

Line Item	Adjustment Category and Item Description/ Department	F.T. E.	Budget Unit	Budget Adjustment	Account Code	Rationale and Implications
1.1	Maintaining Class Sizes (K-12)	-8.55	Various	-\$845,250.00	Various	Maintaining class sizes based on enrollment
2	Strategic Roadmap					
2.1	Community Based Mentoring Program			\$35,000.00	Various	Leverage new methods to improve student outcomes by engaging and providing targeted support for students in grades 5-6 and grades 8-9. Additionally, to provide professional development for athletic coaches to successfully engage our communities.
2.2	Technology Tool ELLevation Platform and Strategies (On Demand PD)		7060	\$69,000.00	Data & Assessment, Curriculum, PD, Technology, MLL	Equip students to meet rigorous academic challenges - All teachers have access to the ELLevation resource to look at strategies to support students. The Strategies component of the program would be an additional component that includes on demand PD in the area of English Learner support to teachers and administrators.
2.3	Barr Program		21000	\$0.00	Various	Student Agency- to motivate and engage students to attend school regularly. Use Attendance grant funds to pay for program.
2.4	CATALYST TRAINING		15010	\$40,000.00	Various	Caring community - proactive behavior management to build connection to and build a community of learners
3	Preliminary Adjustments					
3.1	Middle School (School within a School)	2	10010	\$240,000.00	Various	Maximizing Schedule to fund additional SWAS positions. Restrict funds no impact to Unassigned.
3.2	Special Education TOSA	1	09010	\$0.00	Various	Realignment within Department
3.3	Secondary 2 mile walk	-1	18010	-\$136,000.00	03 E 005 760 720 361 000	Increase walking distance by .5 mile. Bussing still available for annual fee.
3.4	Capital Projects and Repairs	1	19020	-\$500,000.00	Various	Coding Repairs and Replacements to Long Term Facilities Maintenance
3.5	Increase athletic Fees 15%		Revenue	-\$50,000.00	Various	Pending Board approval. Align with conference rates and address inflationary increase in transportation, referees, and equipment
3.6	Student Svcs Acct Specialist	-1	09010	-\$130,000.00	01 E 200 420 372 170 000	Move services into Finance
3.7	Elem Media EA's +2 hours	2	14020	\$72,000.00	01 E 200 630 795 172 000	Tech collection and distribution at elementary sites
3.8	VPK sliding fee structure	1	Revenue	-\$90,000.00	01 R xxx 200 000 040 000	State requires sliding fee schedule and payments for VPK students that don't qualify.

[Complete List in PDF Format](#)

Recommended Budget FY 25

General Fund Budget Comparative Summary

	Actual Results 2022-23	Actual Results 2023-24	Adopted Budget 2024-25	Revised Budget 2024-25	Projected 2025-26	Projected 2026-27
Total Beginning Fund Balance	\$ 32,521,898	\$ 37,483,214	\$ 44,088,212	\$ 53,791,906	\$ 56,311,345	\$ 47,605,951
Revenues	132,752,660	156,983,853	154,353,629	161,980,777	158,595,219	161,767,123
Federal Relief Revenues for current costs	4,349,350	4,736,812	-	-	-	-
Federal Relief Revenues for new costs	5,172,694	3,867,316	-	-	-	-
Expenditures	132,090,694	145,411,973	157,791,210	159,461,338	167,300,613	172,319,631
Federal Relief Expenditures for new costs	5,222,694	3,867,316	-	-	-	-
Variance (Revenues - Expenditures)	4,961,316	16,308,692	(3,437,581)	2,519,439	(8,705,394)	(10,552,508)
Total Ending Fund Balance	\$ 37,483,214	\$ 53,791,906	\$ 40,650,631	\$ 56,311,345	\$ 47,605,951	\$ 37,053,443
Breakdown of Fund Balance Categories						
Nonspendable	\$ 603,936	\$ 342,496	\$ 503,936	\$ 342,496	\$ 242,496	\$ 142,496
Restricted	12,855,738	15,547,817	13,269,854	15,213,346	15,213,346	15,213,346
Committed	1,505,311	1,207,116	988,221	786,199	1,536,199	1,436,199
Assigned	-	-	-	250,000	250,000	250,000
Unassigned	22,518,230	36,694,478	25,888,620	39,719,305	30,363,911	20,011,403
Total Ending Fund Balance	\$ 37,483,214	\$ 53,791,906	\$ 40,650,631	\$ 56,311,345	\$ 47,605,951	\$ 37,053,443
Unassigned Fund Balance %	16.40%	24.58%	16.41%	24.91%	18.15%	11.61%

FY26 Assumptions

5% expenditure increase
5% for health insurance increase
1% for dental insurance increase
2.74% increase for revenue
7,021 K-12 students
Salary increases for unsettled contracts

Adjustments	\$2,365,250	\$0
	Total	\$2,365,250

Next Steps for Budget Feedback

- March 14: Online [feedback survey open](#), closes April 18th
- March and April:
 - School- & program-level parent meetings
 - Presentation shared with families & staff, multiple opportunities to provide feedback
- Community presentation offered to all families and public
 - **Early April - Outreach and presentations shared with Somali & Spanish parent groups**
 - **April 16th, 6 p.m., Diamondhead Education Center**

Thank You!