



TO: School Board Members

FROM: Brian Schultz, Director of Finance

DATE: May 4, 2026

SUBJECT: Review Fiscal Year 2025-2026 Budget Revisions

BACKGROUND

A copy of the 2025-2026 budget revisions for the General and Construction funds are included below.

The general fund unassigned fund balance is being revised and will result in an increase of \$370,154 more than we anticipated adding to the fund balance as a result of last year's reductions. As such, we will add ~\$1.6 to \$1.7 million to our unassigned fund balance.

Revenues are projected to increase due to updated estimates based on better information than was available when the original budget was adopted. The largest revenue changes occurred in special education aid, general education aid, Compensatory/English learner aid, and medical assistance funding.

Expenditures are projected to increase as well. Here again a result of having better information in hand than was available in June before the budget year began. Increased expenditures were concentrated in contracted transportation, contracted services for special education programming, costs for the new Minnesota paid family medical leave program, post-employment benefits and curriculum textbooks.

The construction fund restricted reserve was adjusted based on updated project costs after the budget was adopted.

The administration is not recommending any revisions to the original adopted budgets in the Community Education, Food Service or Debt Service Funds.

Additional information will be provided during the meeting.

Overall, budget resources are allocated to help the district make progress towards achieving the items stated in the Strategic Framework, which in turn, drives the work of district staff and administrators. Within the Strategic Framework, we are committed to equitable practices by being accountable for removing barriers and creating equitable systems. Examples of how we allocate equitable resources include:

1. Compensatory education funds are distributed based on student and school free/reduced lunch participation and are used for intervention programming.
2. Intervention programs, such as, ADSIS, Title I, etc., have been put in place to support students who are behind grade level and/or not meeting standards.
3. English Learning programming that is in place supports students whose primary language is not English.
4. Achievement and integration programs are intended to achieve racial and economic integration, increase student achievement and reduce academic disparities within the district.

Independent School District No. 197
 Budget Summary
 General Fund

	2025-26 Original			2025-26 Revised		% of Overall 2025-26
	Budget	Change \$	Change %	Budget	Revised Budget	
Revenues						
Local Property Taxes	\$ 26,914,924	\$ (26,225)	-0.1%	\$ 26,888,699		24.3%
State Aid	74,856,101	3,784,430	5.1%	78,640,531		70.9%
Federal Aid	2,632,726	16,945	0.6%	2,649,671		2.4%
Other Local Revenues	1,709,492	983,723	57.5%	2,693,215		2.4%
Total Revenues	\$ 106,113,243	\$ 4,758,873	4.5%	\$ 110,872,116		100.0%
Expenditures						
Salaries and Wages	\$ 59,024,533	\$ (130,006)	-0.2%	\$ 58,894,527		53.9%
Employee Benefits	23,223,415	1,334,084	5.7%	24,557,499		22.5%
Purchased Services	16,701,758	1,016,791	6.1%	17,718,549		16.2%
Supplies and Materials	3,470,721	524,916	15.1%	3,995,637		3.7%
Capital Expenditures	1,998,277	1,056,581	52.9%	3,054,858		2.8%
Other Expense	437,712	586,353	134.0%	1,024,065		0.9%
Total Expenditures	\$ 104,856,416	\$ 4,388,719	4.2%	\$ 109,245,135		100.0%
Budget Surplus/(Deficit)	\$ 1,256,827			\$ 1,626,981		
Net Revised Budget Change				370,154		
Projected Restricted Fund Balance				3,091,676.00		
Projected Unassigned Fund Balance				3,961,046.00		
Total Projected Fund Balance				7,052,722.00		

Independent School District No. 197
 Budget Summary
 Construction Fund

	2025-26 Original		2025-26 Revised	
	Budget	Change \$	Change %	Budget
Revenues				
Interest Earnings	\$ 20,000	\$ 239,000	1195.0%	\$ 259,000
Bonds Issued	-	-	0.0%	-
Total Revenues	\$ 20,000	\$ 239,000	1195.0%	\$ 259,000
Expenditures				
Salaries and Wages	\$ 330,000	\$ (143,415)	-43.5%	\$ 186,585
Employee Benefits	90,079	(24,573)	-27.3%	65,506
Purchased Services	-	-	0.0%	-
Supplies and Materials	-	-	0.0%	-
Capital Expenditures	8,558,758	(4,851,851)	-56.7%	3,706,907
Other Expense	-	-	0.0%	-
Total Expenditures	\$ 8,978,837	\$ (5,019,839)	-55.9%	\$ 3,958,998
Budget Surplus/(Deficit)	\$ (8,958,837)			\$ (3,699,998)
Net Revised Budget Change				5,258,839
Projected Restricted Fund Balance				7,313,868

RECOMMENDED RESOLUTION

No resolution is needed at this time.