

2025-26 Preliminary Budget Assumptions Budget Development Timelines

Board Meeting • 04/28/2025



Slide to be added regarding request from 4/14 meeting of how we got here. To be included on Monday and packet to be updated

District Retirement Cost Budget Impact

2025-26 Budget Impact	
2024-25 1-time Retirement State Aid	(1,882,774)
2025-26 Retirement Rate Expense (Savings)	+\$498,180
Net Impact	(\$1,384,594)

ORS Retirement Rates			
	2024-25	2025-26	Change in % Points
Pension Normal Cost	9.15%	10.87%	+1.72
Pension UAAL	20.96%	15.21%	(5.75)
Pension Total Rate	30.11%	26.08%	(4.03)
Health Normal Cost	1.25%	3.83%	2.58
Employer Capped Rate	31.36%	29.91%	(1.45)

Above does not include stabilization rate which has offsetting state aid revenue

2024-25 Preliminary Budget Revisions #2 & Carryforward Impact on 2025-26 Budget

2024-25 Net Change in Fund Balance, Budget Revision #1		Budget Impact
ISD Revenue, SE & Medicaid		(\$1,639,177)
		267,500
		(1,371,677)
2024-25 Non-Structural, 1x revisions		
Reductions in Grants		(621,327)
Environmental remediation		939,973
Curriculum/New textbooks		(205,000)
ISD SE Funding, addl due to 23-24 final & medicaid		(435,500)
SE State Aid, prior year final reconciliation		(286,620)
Equipment Needs		170,500
Kindergarten Classroom Aides		40,000
Software Subscriptions		66,000
Interest Income		25,000
All Other 1-time		(49,851)
Net Impact of Changes		(\$356,825)
Carry forward effect on General Fund Budget (6/30/26)		(\$1,728,502)

2025-26 Expenditure Increases/Revenue Decreases

Decreases to General Fund	Optimistic	Most Likely	Worst Case
Health insurance (MESSA 1/2 yr +16%/10.2%, WMHIP +10.2%)*	641,572	641,572	641,572
MPERS Cost Offset Revenue (state aid)	1,882,774	1,882,774	1,882,774
ISD Special Education Funding, change in formula	470,000	470,000	470,000
20f Hold Harmless Guarantee	239,545	239,545	239,545
24-25 Wage/Position adjustments to full year	11,951	11,951	11,951
Teacher division advancement (15,18,21)	130,200	156,240	182,280
Cleaning Contract	70,170	70,170	70,170
<u>Compensation Reference</u> Steps = \$927,110 1% wages = \$467,935	\$3,446,212	\$3,472,252	\$3,498,292

* - subject to negotiations

2025-26 Revenue Increases/Expenditure Decreases

Increases to General Fund	Optimistic	Most Likely	Worst Case
Increase in Foundation Allowance (\$392,\$196,\$100)	1,817,700	908,850	463,700
Enrollment (Feb 25 +40.52; Oct 25: +50, +25, 0) Blend 10/90	490,500	260,300	39,320
MPERS Expense rate decrease (-1.45 pts to 29.91%)	498,180	498,180	498,180
MPERS 3% Health Subsidy Reimb, 1-time state aid	287,000	143,500	0
Increased Spec Ed Categorical State Aid	366,525	366,525	366,525
K-8 New Curriculum, 1x savings	150,000	150,000	150,000
Savings from teacher retirements/resignations (20,15,8)	791,760	593,820	316,720
Reduction in Sections (HS 3; Elem 3, 1,0)	689,420	449,420	329,420
Childcare Tuition Increase	350,000	350,000	350,000
	\$5,441,085	\$3,720,595	\$2,513,865

2025-26 Projected Impact on General Fund Budget

	Optimistic	Most Likely	Worst Case
Expenditure Increases/Revenue Decreases	(\$3,446,212)	(\$3,472,252)	(\$3,498,292)
Revenue Increases/Expenditures Decreases	5,441,085	3,720,595	2,513,865
Net Impact on General Fund Balance	\$1,994,873	\$248,343	(\$984,427)
Carryforward effect on GF Budget (6/30/25)	(1,728,502)	(1,728,502)	(1,728,502)
Total Impact on General Fund Balance	\$266,371	(\$1,480,159)	(\$2,712,929)
<i>Fund Balance as a % of Expenditures</i>	14.5%	11.8%	9.8%

Compensation Reference

Steps = \$927,110

1% wages = \$467,935

Multi-Year Fund Balance Impact

	2025-26	2026-27
Preliminary Fund Balance Net Impact (rev's/exp's), from prior year	*(\$1,371,677)	(\$1,480,159)
One-Time sources/uses of fund in prior year, not occurring again	(356,825)	(855,440)
Carryforward effect on General Fund Budget	(\$1,728,502)	(\$2,335,599)
New Budget Variables	248,343	(700,000)
Fund Balance Net Impact (rev's/exp's)	(\$1,480,159)	(\$3,035,599)
Beginning Fund Balance	9,556,644	8,076,485
Ending Fund Balance	\$8,076,485	\$5,040,886
Fund Balance as a % of Expenditures	11.8%	7.4%

*-includes \$267,500 of preliminary
2024-25 2nd budget revisions

Impending Budget Discussion 2025-26

Topics w/financial impact not in assumptions

- **State Aid**
- **Staffing Levels, Contractual Requirements**
- **Negotiations**
- **Grant Availability**
- **ISD Special Education revenue**
- **Other Variable Sources of General Fund Revenue**

Budget Development Timeline

2024-25 Fiscal Year	
Monitor Revenue and Expense Activity	Feb– May
2 nd Budget Revision	May/June

2025-26 Fiscal Year	
Budget Review & Work with Leadership	Jan-May
Budget Development & Updated Assumptions	Feb– May (Board)
Budget Work Session 1	Week of May 19
Budget Work Session 2	Week of May 26, TBD if needed
Proposed Budget	June 9
Budget Adoption	June 23