



# FY26 Adopted Budget Update

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School Board Work Session  
Todd Lechtenberg





# AUSTIN PUBLIC SCHOOLS STRATEGIC PLAN

## OUR MISSION

*(Our Core Purpose)*

Inspire. Empower. Accelerate.

## OUR VISION

*(What We Intend to Create)*

Preparing all learners to make a difference in the world.

## Our Core Values

*(Drivers of Our Words and Actions)*

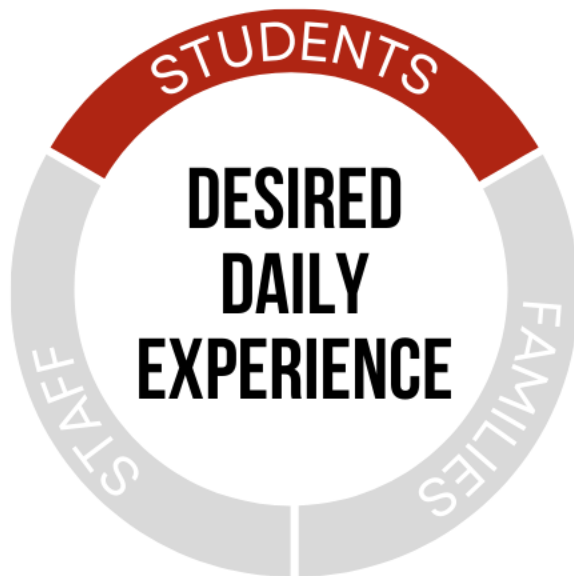
- Responsible: Demonstrates accountability to self and others
- Resilient: Develops perseverance and self-confidence
- Learner: Challenges self to think critically
- Communicator: Listens actively and shares learning and experiences
- Contributor: Engages as a productive member of the community and global society

## OUR STRATEGIC PRIORITIES

*(Drivers of Our Continuous Improvement)*

1. Support and resources to ensure a safe and welcoming learning environment
2. Packer Profile for all learners
3. District-wide multi-tiered systems of support for all learners
4. Excellence in resource management





## STUDENTS

**I am supported and challenged in my learning and believe I will be successful**

- Teachers and all staff are approachable, listen and respond to my needs
- My teachers have time to talk through and help answer questions or help solve problems I have
- I am trusted to make good choices, be engaged in my learning, and held accountable but not overwhelmed

**I feel that school is safe and that school is challenging and fun**

- I am heard and respected for who I am by school staff and students
- The school and my interactions with students and staff are safe, positive and inclusive
- I enjoy coming to school every day and have time to be with friends during school
- I understand what is expected from me at school
- I am supported in my mental health needs

**I am an engaged learner at school and in our community**

- I have a voice and choice in how and what I learn
- My learning is hands-on, meaningful, challenging and helps me prepare for my future
- My teachers like me and believe in me
- I have teachers and staff that work with me in a way that benefits all students
- I am physically comfortable in the school setting
- This school should be about me not the teachers







## FAMILIES

**I am part of my child's education and feel welcomed, valued, and respected as a family**

- My child is physically and emotionally safe at school
- My child feels a sense of belonging at school, is cared for, and valued
- My student can voice their thoughts and ideas without being discriminated against so they continue to learn

**My child enjoys coming to school and is safe, included and respected so they are learning every day**



- My child is challenged (not overwhelmed) in learning and development, listened to, and provided choice and voice in learning options
- Teachers know my child well and creates a fun, interactive approach to learning which is responsive to my child's and family needs

**I am engaged in a partnership with my child's school so I know what to do to help my child continue to grow and learn**

- I will feel welcome, informed and encouraged to collaborate with the teachers and staff at the school to help my child grow
- My child's teachers, my child and myself have open communication about their academic progress, social development and well-being
- District and school information is easy to understand and easily accessible
- My child is taught the life skills necessary to be successful in whatever path they choose after high school







## STAFF

### **I am seen, valued, and respected for who I am and the work I do**

- I work in a collaborative not competitive environment that honors the unique strengths of each individual
- I am seen as a professional and given the flexibility and support to provide students what they need to be successful
- I am listened to, heard and know that I matter
- I have a level of freedom and innovation within reasonable parameters

### **I receive the support and resources to do my job well so I am able to create a healthy and safe learning environment**

- I am a valued member of a caring, engaged, and collaborative team
- I receive constructive feedback in regards to my position so I can be the best version of myself
- I am treated with respect and fairness with reasonable expectations for work, performance, time, and employment
- I enjoy my job and have flexibility, satisfaction, and recognition

### **I work in a district that is willing to adapt and change when necessary to best meet the needs of all students**

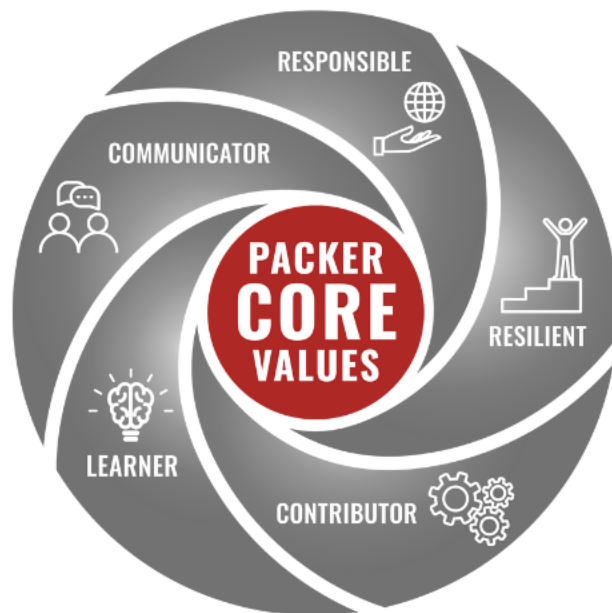
- Diversity, equality, inclusion and equity for everyone
- I have the resources and materials I need in my classroom and for families so they know what they can do to support learning at home
- There is effective communication across the district and community so staff and families have the information they need
- I have adequate training for various aspects of my job





## WHAT OUGHT TO BE

The **Desired Daily Experience** sets the foundation of descriptions of the student, family, and staff experiences *if* the strategic plan is successfully implemented in APS.



## OUR CORE VALUES

*(Drivers of Our Words and Actions)*

- **Responsible:** Demonstrates accountability to self and others
- **Resilient:** Develops perseverance and self-confidence
- **Learner:** Challenges self to think critically
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# Why the change in timeline?

- Normally May work session is where first draft review of adopted budget
- Legislators are not done with 2025-2027 funding budget
- With so much unknown, we decided to delay budget until June
- New timeline
  - June 2-Finance Committee will review
  - June 9-Draft review
  - June 24-Approval of Budget



# What we know currently

- Enrollment K-12
  - FY26 Projected Staffing Enrollment 5,018
  - FY26 Projected Budget Enrollment 4,953
  - FY25 Current Enrollment 5,045
- State aid general formula increased 2.74% to \$7,481
- Staffing model
- Supply plan
  - For families
  - For staff



# What we know currently

- Summer projects
- Increase of TRA from 8.75% to 9.50% employer contribution starting on July 1, 2025
- Compensatory Aid is set to decrease by \$1,179,289 for FY26 (2025-2026) school year
- Health and Dental Insurance rate increase
- Final details of State Budget
  - Summer unemployment will be cover by state until 2028



# What we know currently

- Unassigned fund balance will decrease in FY26
  - Lower enrollment
  - Unfunded mandates
- Continuing the great work of being good financial stewardship of funding



# What is unknown currently

- Final details of State Budget
  - Special Education Transportation aid reduction
  - Student support personal aid reduction
  - Possible Read Act training revenue increase
  - School Library Aid reduction
  - Possible Compensatory revenue modification
  - Nonpublic Pupil Education and Transportation Aid reduction
  - MN Paid Leave starts January 1, 2026, and employers are required to pay 50% of estimated 0.88% tax
- Union Settlements
- Tariffs impact on materials
- Potential Referendum





# FY26 Health and Dental Insurance Update

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# HITA Bid Results

- Health Insurance Transparency and Accountability Law (HITA) requires districts over 25 employees to request proposals every two years
  - Need to send out to three health insurance companies and Public Employers Insurance Plan (PEIP) must be included
- National Insurance Services (NIS) manages this for us
  - Received 5 bids
- NIS and Insurance Committee recommendation is to stay with BlueLink



# 2026 Health Insurance Rates

- NIS presented claims data to insurance committee for past 24 months
  - Lost ratio target is 85% and would indicate a trend increase of 5-12%
    - Last 12 months (Apr24-Mar25) was at 112%
    - Prior 12 months (Apr23-Mar24) was at 142%
- NIS blends 24 months of claims experience and trend that forward
- Renewal position is projecting a needed increase of 14%
- Looking at an additional minimum 10-12% increase in 2026-2027 school year
- Important that we continue to build this fund balance, so it does not impact General fund
  - FY25 school year increase 24% (14% District/10% Premiums)
  - FY26 school year increase 14%
  - FY27 school year minimum increase 10-12%



# 2026 Dental Rates

- NIS performed the same claims review on dental
- Recommendation is to continue to increase dental rates 3% a year



# Next Steps

- June 2nd
  - Finance Committee will review draft budget which include insurance impacts and Long-Term Facilities Management 10-year plan (LTFM)
- June 9th
  - Regular board meeting-Approval of health insurance company and rates for health and dental insurance. Review draft budget
- June 24
  - Special board meeting-Approval of FY26 adopted budget which includes LTFM





# Any Questions

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