

2025-26 Preliminary Budget Assumptions Budget Development Timelines

Board Meeting • 03/10/2025



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

	Budget Impact
2024-25 Net Change in Fund Balance, Budget Revision #1	(\$1,639,177)
ISD Revenue, SE & Medicaid	267,500
	(1,371,677)
2024-24 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
All Other 1-time	(49,851)
Net Impact of Changes	(\$447,825)
Carry forward effect on General Fund Budget (6/30/26)	(\$1,819,502)

2025-26 Expenditure Increases/Revenue Decreases

<u>Decreases to General Fund</u>	<u>Optimistic</u>	<u>Most Likely</u>	<u>Worst Case</u>
Health insurance (MESSA 1/2 yr +16%/10.2%, WMHIP +10.2%)*	641,572	641,572	641,572
MPSERS Cost Offset, Reduced UAAL by 5.75pts	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
	\$3,376,042	\$3,402,082	\$3,428,122

Compensation Reference

Steps = \$927,110

1% wages = \$467,935

*- subject to negotiations

2025-26 Revenue Increases/Expenditure Decreases

<u>Increases to General Fund</u>	<u>Optimistic</u>	<u>Most Likely</u>	<u>Worst Case</u>
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
MPSERS rate decrease (-1.45 pts to 29.91%)	498,180	498,180	498,180
MPSERS 3% Health Subsidy Reimb, 1-time	287,000	143,500	0
Increased Spec Ed Categorical State Aid	366,525	366,525	366,525
K-8 New Curriculum, 1x savings	60,000	60,000	60,000
Childcare Tuition Increase	350,000	350,000	350,000
	\$3,869,905	\$2,587,355	\$1,777,725

2025-26 Projected Impact on General Fund Budget

	<u>Optimistic</u>	<u>Most Likely</u>	<u>Worst Case</u>
Expenditure Increases/Revenue Decreases	(\$3,376,042)	(\$3,402,082)	(\$3,428,122)
Revenue Increases/Expenditures Decreases	3,869,905	2,587,355	1,777,725
Net Impact on General Fund Balance	\$493,863	(\$814,727)	(\$1,650,397)
Carryforward effect on GF Budget (6/30/26)	(1,819,502)	(1,819,502)	(1,819,502)
Total Impact on General Fund Balance	(\$1,325,639)	(\$2,634,229)	(\$3,469,899)
<i>Fund Balance as a % of Expenditures</i>	11.7%	9.9%	8.7%

Compensation Reference

Steps = \$927,110

1% wages = \$467,935

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**
- **Community Education Impact on General Fund**
- **Other Variable Sources of General Fund Revenue**