



2026-27 Budget Forecast



**NORTH BRANCH
AREA PUBLIC SCHOOLS**
Inspire Dreams, Build Integrity, Instill Hope

January 22, 2026

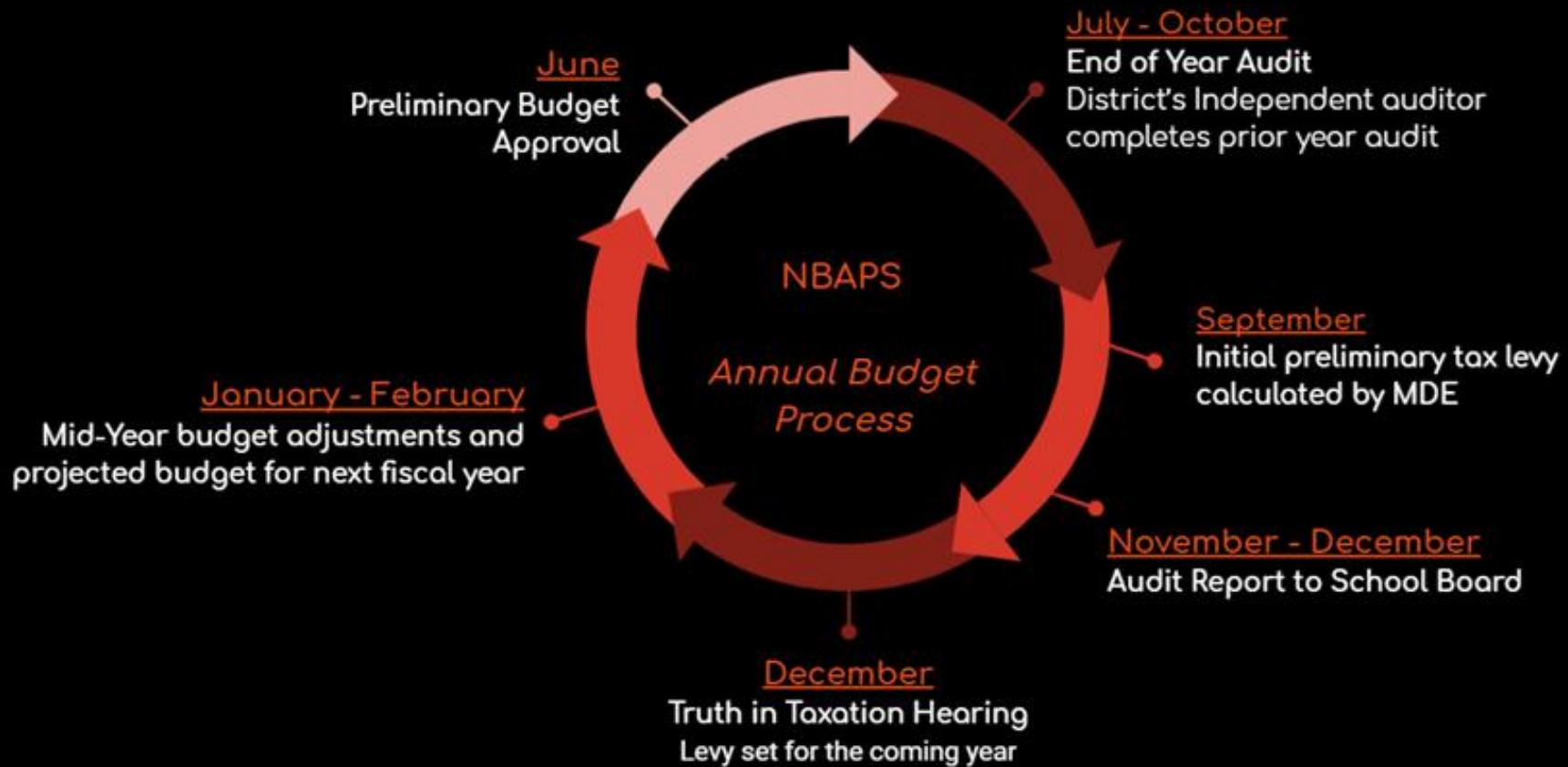
Todd Tetzlaff, Director of Finance and Human Resources

Budget Process Overview

Goal: To provide our students and families with high quality services

- **Align budget priorities with our Strategic Plan**
- **Our ongoing budget cycle allows for strategic adjustments to meet student needs to be made when necessary.**

Budget Process



Discussion Topics

Creating the Forecast

Review assumptions

Budget Summaries

Projected year end for FY 26, ending on June 30, 2026

Projected budget forecast for FY 27 and beyond

Review of Assumptions

Enrollment

- Housing and business developments are underway within the school district
- We are currently below our enrollment projection for this year, but we are positioned for growth
 - Enrollment projections are based on housing development

Bargaining

- Results of current negotiations are included

State Aid

- Assumes an increase in state aid each of the next four years based on current and projected inflation rates
 - MN Legislature is in session and the State projects deficits

Cash Flow Borrowing

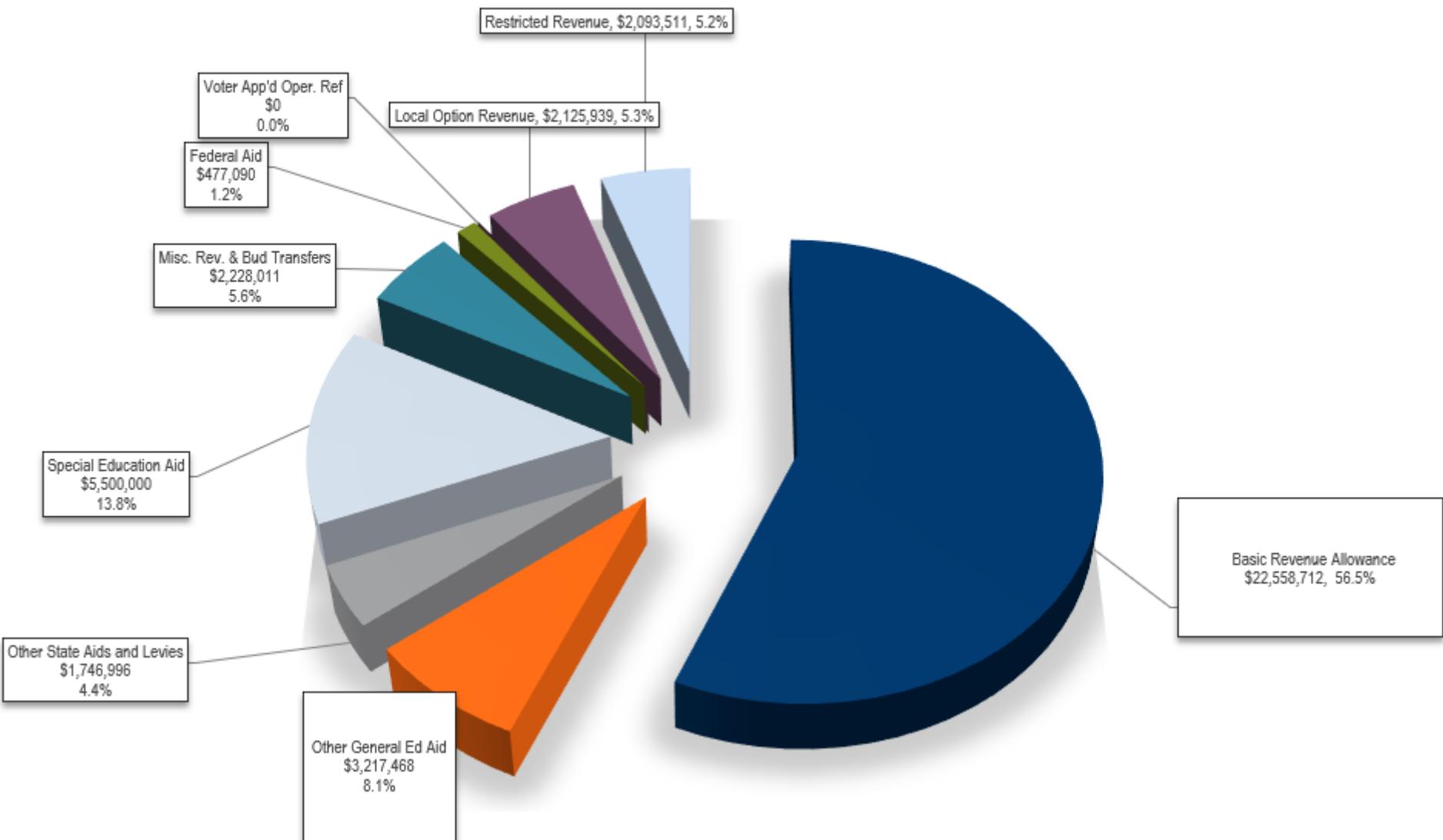
- Not needed during the current fiscal year
 - The school board reset the Fund Balance Target five years ago and we continue to operate within our fund balance target.

Enrollment – Positioned for Growth

Grade	Actual 20-21	Actual 21-22	Actual 22-23	Actual 23-24	Actual 24-25	Budget 25-26	Projected 26-27	Projected 27-28	Projected 28-29	Projected 29-30	Projected 30-31
ECSE	14.21	21.81	25.71	29.67	35.54	19.90	19.40	19.90	20.50	20.10	21.10
PKG	0.00	0.00	0.00	0.00	16.08	16.10	15.60	16.00	16.50	16.20	17.00
Kgt Hdp	24.97	18.41	27.68	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
KDG	126.71	152.71	162.84	172.48	183.86	188.60	183.00	187.80	193.70	190.40	199.30
1	164.05	161.48	185.54	201.79	176.22	183.10	191.80	186.10	191.00	197.00	193.70
2	166.60	166.24	169.51	203.29	206.44	183.20	191.40	200.40	194.50	199.60	205.80
3	163.96	173.67	174.85	180.15	211.68	215.40	191.70	200.30	209.80	203.60	208.90
4	180.07	165.86	186.41	183.67	188.42	214.70	222.20	197.80	206.70	216.50	210.10
5	182.62	189.74	180.52	194.59	191.08	191.50	220.90	228.70	203.60	212.60	222.70
6	181.36	192.77	203.10	193.66	203.05	204.80	203.50	234.70	242.90	216.30	225.90
7	209.15	197.38	213.66	232.67	186.73	209.20	210.40	209.10	241.20	249.60	222.30
8	200.37	222.90	215.26	220.15	232.32	191.40	212.60	213.90	212.50	245.10	253.70
9	234.84	206.67	226.55	216.24	218.81	232.20	191.70	212.90	214.20	212.80	245.50
10	193.57	244.28	209.67	227.98	211.09	218.20	230.50	190.30	211.40	212.60	211.20
11	244.02	188.23	242.45	209.35	213.08	197.50	206.40	218.00	180.00	199.90	201.10
12	250.40	247.74	202.22	264.96	216.03	198.80	195.80	204.60	216.10	178.40	198.20
	2,536.90	2,549.89	2,625.97	2,730.64	2,690.43	2,664.60	2,686.90	2,720.50	2,754.60	2,770.70	2,836.50

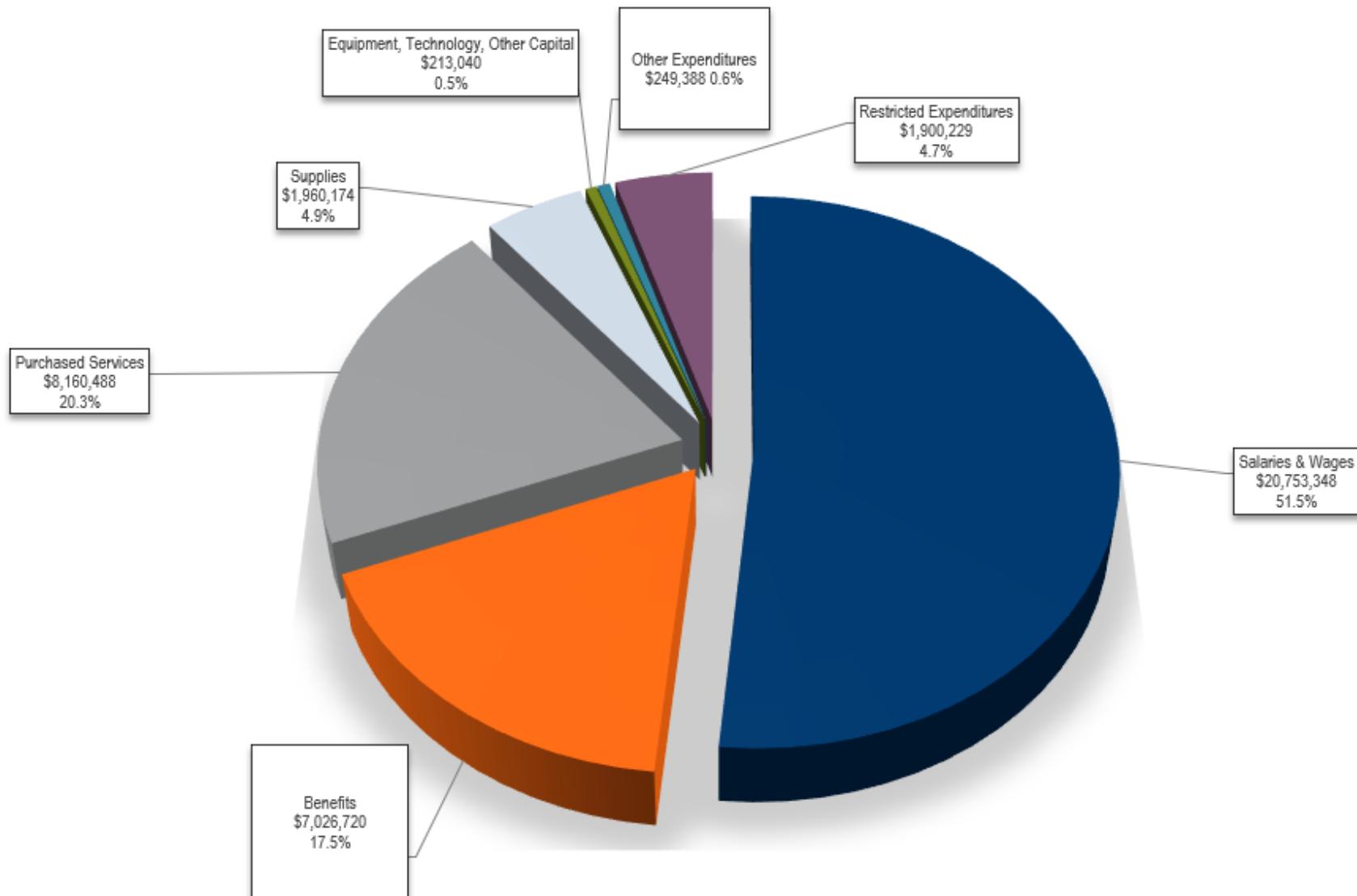
North Branch Public School District

Fiscal Year 2025-26 General Fund Revenue



North Branch Public School District

Fiscal Year 2025-26 General Fund Expenditures



Staff Positions

Employee Type	'21-'22	'22-'23	'23-'24	'24-'25	'25-'26
Teachers	161	157	170	172	174
<i>Contracted Teacher</i>			5	2	
Admin / Director	13	14	15	15	15
12-Month Support Staff	26	27	27	27	26
9-Month Support Staff	93	97	103	117	124
Custodian Staff	18	21	24	25	27
Total	311	321	341	356	366

5 Year Revenue and Expenditure Projection- General Fund

North Branch Public School District

Five Year General Fund Budget Projection

Definitions	Actual 2024-2025	Budget 2025-2026	Projected 2026-2027	% Chg	Projected 2027-2028	% Chg	Projected 2028-2029	% Chg	Projected 2029-2030	% Chg	Projected 2030-2031	% Chg
SOURCES OF REVENUE:												
Basic Revenue Allowance	\$21,450,117	\$21,800,083	\$22,558,712	3.48%	\$23,400,879	3.7%	\$24,199,902	3.4%	\$24,899,967	2.9%	\$26,097,550	4.8%
Other General Education Aid	\$3,142,939	\$3,262,017	\$3,217,468	-1.37%	\$3,197,779	-0.6%	\$3,200,520	0.1%	\$3,194,476	-0.2%	\$3,203,859	0.3%
Voter Approved Operating Referendum	\$0	\$0	\$0	0.0%	\$0	0.0%	\$0	0.0%	\$0	0.0%	\$0	0.0%
Local Optional Revenue	\$2,132,933	\$2,109,779	\$2,125,939	0.77%	\$2,150,468	1.2%	\$2,179,008	1.3%	\$2,193,995	0.7%	\$2,246,500	2.4%
Special Education Aid	\$5,115,894	\$5,500,000	\$5,500,000	0.00%	\$5,500,000	0.0%	\$5,500,000	0.0%	\$5,500,000	0.0%	\$5,500,000	0.0%
Other State Aids and Levies	\$1,940,618	\$1,709,081	\$1,746,996	2.22%	\$1,782,124	2.0%	\$1,783,836	0.1%	\$1,784,735	0.1%	\$1,787,886	0.2%
Federal Aid	\$686,410	\$477,090	\$477,090	0.00%	\$477,090	0.0%	\$477,090	0.0%	\$477,090	0.0%	\$477,090	0.0%
Miscellaneous Revenue	\$2,677,046	\$2,238,178	\$2,228,011	-0.45%	\$2,228,011	0.0%	\$2,228,011	0.0%	\$2,228,011	0.0%	\$2,228,011	0.0%
Budget Transfers	\$0	\$0	\$0		\$0		\$0		\$0		\$0	
Adjustment to General Ledger	(\$65,304)	\$151,874	\$0		\$0		\$0		\$0		\$0	
Capital Projects Levy	\$974,390	\$1,086,537	\$1,074,025	-1.15%	\$1,074,025	0.0%	\$1,074,025	0.0%	\$1,074,025	0.0%	\$1,074,025	0.0%
LTFM Revenue	\$354,257	\$204,415	\$329,952	61.41%	\$343,404	4.1%	\$359,591	4.7%	\$1,151,544	220.2%	\$1,179,102	2.4%
Operating Capital	\$667,190	\$495,905	\$501,800	1.19%	\$512,645	2.2%	\$524,818	2.4%	\$532,814	1.5%	\$552,715	3.7%
Safe Schools	\$103,137	\$97,869	\$110,164	12.56%	\$110,164	0.0%	\$110,164	0.0%	\$110,164	0.0%	\$110,164	0.0%
Medical - 3rd Party	\$94,915	\$77,570	\$77,570	0.00%	\$77,570	0.0%	\$77,570	0.0%	\$77,570	0.0%	\$77,570	0.0%
TOTAL REVENUE	\$39,274,543	\$39,210,398	\$39,947,727	1.9%	\$40,854,159	2.3%	\$41,714,535	2.1%	\$43,224,391	3.6%	\$44,534,470	3.0%
USES OF REVENUE:												
Salaries & Wages	\$20,456,658	\$20,148,882	\$20,753,348	3.0%	\$21,375,949	3.0%	\$22,017,227	3.0%	\$22,677,744	3.0%	\$23,358,077	3.0%
Benefits	\$5,939,555	\$6,505,611	\$7,026,720	8.0%	\$7,202,010	2.5%	\$7,383,239	2.5%	\$7,570,611	2.5%	\$7,764,340	2.6%
Purchased Services	\$7,099,396	\$8,056,871	\$8,160,488	1.3%	\$8,267,214	1.3%	\$8,377,141	1.3%	\$8,490,366	1.4%	\$8,606,988	1.4%
Supplies	\$1,735,554	\$1,944,097	\$1,960,174	0.8%	\$1,982,159	1.1%	\$2,004,803	1.1%	\$2,028,127	1.2%	\$2,052,151	1.2%
Equipment, Technology, Other Capital	\$96,858	\$213,040	\$213,040	0.0%	\$213,040	0.0%	\$213,040	0.0%	\$213,040	0.0%	\$213,040	0.0%
Debt Service	\$0	\$0	\$0	0.0%	\$0	0.0%	\$0	0.0%	\$0	0.0%	\$0	0.0%
Other Expenditures	\$261,470	\$249,388	\$249,388	0.0%	\$249,388	0.0%	\$249,388	0.0%	\$249,388	0.0%	\$249,388	0.0%
Transfers to Other Funds	\$0	\$0	\$0	0.0%	\$0	0.0%	\$0	0.0%	\$0	0.0%	\$0	0.0%
Budget Additions	\$0	\$0	\$0	0.0%	\$0	0.0%	\$0	0.0%	\$0	0.0%	\$0	0.0%
Budget Reductions	\$0	\$0	\$0	0.0%								
Capital Projects Levy	\$1,239,329	\$393,553	\$829,999	110.9%	\$842,094	1.5%	\$854,580	1.5%	\$857,566	0.3%	\$867,469	1.2%
LTFM Revenue	\$1,192,920	\$1,087,072	\$356,016	-67.2%	\$357,876	0.5%	\$359,796	0.5%	\$361,777	0.6%	\$363,821	0.6%
Operating Capital	\$1,113,679	\$1,137,503	\$507,603	-55.4%	\$507,603	0.0%	\$507,603	0.0%	\$507,603	0.0%	\$507,603	0.0%
Safe Schools	\$182,291	\$165,437	\$169,569	2.5%	\$172,609	1.8%	\$175,746	1.8%	\$178,981	1.8%	\$182,318	1.9%
Medical - 3rd Party	\$10,324	\$37,042	\$37,042	0.0%	\$37,042	0.0%	\$37,042	0.0%	\$37,042	0.0%	\$37,042	0.0%
TOTAL USES OF REVENUE	\$39,328,034	\$39,938,496	\$40,263,387	0.8%	\$41,206,985	2.3%	\$42,179,605	2.4%	\$43,172,245	2.4%	\$44,202,235	2.4%
REVENUE OVER (UNDER)	(\$53,491)	(\$728,098)	(\$315,660)		(\$352,826)		(\$465,071)		\$52,146		\$332,235	

5 Year Revenue and Expenditure Projection- General Fund

North Branch Public School District

Five Year General Fund Budget Projection

Definitions	Actual 2024-2025	Budget 2025-2026	Projected 2026-2027	% Chg	Projected 2027-2028	% Chg	Projected 2028-2029	% Chg	Projected 2029-2030	% Chg	Projected 2030-2031	% Chg
SOURCES OF REVENUE:												
Basic Revenue Allowance	\$21,450,117	\$21,800,083	\$22,558,712	3.48%	\$23,400,879	3.7%	\$24,199,902	3.4%	\$24,899,967	2.9%	\$26,097,550	4.8%
Other General Education Aid	\$3,142,939	\$3,262,017	\$3,217,468	-1.37%	\$3,197,779	-0.6%	\$3,200,520	0.1%	\$3,194,476	-0.2%	\$3,203,859	0.3%
Voter Approved Operating Referendum	\$0	\$0	\$0	0.0%	\$0	0.0%	\$0	0.0%	\$0	0.0%	\$0	0.0%
Local Optional Revenue	\$2,132,933	\$2,109,779	\$2,125,939	0.77%	\$2,150,468	1.2%	\$2,179,008	1.3%	\$2,193,995	0.7%	\$2,246,500	2.4%
Special Education Aid	\$5,115,894	\$5,500,000	\$5,500,000	0.00%	\$5,500,000	0.0%	\$5,500,000	0.0%	\$5,500,000	0.0%	\$5,500,000	0.0%
Other State Aids and Levies	\$1,940,618	\$1,709,081	\$1,746,996	2.22%	\$1,782,124	2.0%	\$1,783,836	0.1%	\$1,784,735	0.1%	\$1,787,886	0.2%
Federal Aid	\$686,410	\$477,090	\$477,090	0.00%	\$477,090	0.0%	\$477,090	0.0%	\$477,090	0.0%	\$477,090	0.0%
Miscellaneous Revenue	\$2,677,046	\$2,238,178	\$2,228,011	-0.45%	\$2,228,011	0.0%	\$2,228,011	0.0%	\$2,228,011	0.0%	\$2,228,011	0.0%
Budget Transfers	\$0	\$0	\$0		\$0		\$0		\$0		\$0	
Adjustment to General Ledger	(\$65,304)	\$151,874	\$0		\$0		\$0		\$0		\$0	
Capital Projects Levy	\$974,390	\$1,086,537	\$1,074,025	-1.15%	\$1,074,025	0.0%	\$1,074,025	0.0%	\$1,074,025	0.0%	\$1,074,025	0.0%
LTFM Revenue	\$354,257	\$204,415	\$329,952	61.41%	\$343,404	4.1%	\$359,591	4.7%	\$1,151,544	220.2%	\$1,179,102	2.4%
Operating Capital	\$667,190	\$495,905	\$501,800	1.19%	\$512,645	2.2%	\$524,818	2.4%	\$532,814	1.5%	\$552,715	3.7%
Safe Schools	\$103,137	\$97,869	\$110,164	12.56%	\$110,164	0.0%	\$110,164	0.0%	\$110,164	0.0%	\$110,164	0.0%
Medical - 3rd Party	\$94,915	\$77,570	\$77,570	0.00%	\$77,570	0.0%	\$77,570	0.0%	\$77,570	0.0%	\$77,570	0.0%
TOTAL REVENUE	\$39,274,543	\$39,210,398	\$39,947,727	1.9%	\$40,854,159	2.3%	\$41,714,535	2.1%	\$43,224,391	3.6%	\$44,534,470	3.0%
USES OF REVENUE:												
Salaries & Wages	\$20,456,658	\$20,148,882	\$20,753,348	3.0%	\$21,375,949	3.0%	\$22,017,227	3.0%	\$22,677,744	3.0%	\$23,358,077	3.0%
Benefits	\$5,939,555	\$6,505,611	\$7,026,720	8.0%	\$7,202,010	2.5%	\$7,383,239	2.5%	\$7,570,611	2.5%	\$7,764,340	2.6%
Purchased Services	\$7,099,396	\$8,056,871	\$8,160,488	1.3%	\$8,267,214	1.3%	\$8,377,141	1.3%	\$8,490,366	1.4%	\$8,606,988	1.4%
Supplies	\$1,735,554	\$1,944,097	\$1,960,174	0.8%	\$1,982,159	1.1%	\$2,004,803	1.1%	\$2,028,127	1.2%	\$2,052,151	1.2%
Equipment, Technology, Other Capital	\$96,858	\$213,040	\$213,040	0.0%	\$213,040	0.0%	\$213,040	0.0%	\$213,040	0.0%	\$213,040	0.0%
Debt Service	\$0	\$0	\$0	0.0%	\$0	0.0%	\$0	0.0%	\$0	0.0%	\$0	0.0%
Other Expenditures	\$261,470	\$249,388	\$249,388	0.0%	\$249,388	0.0%	\$249,388	0.0%	\$249,388	0.0%	\$249,388	0.0%
Transfers to Other Funds	\$0	\$0	\$0	0.0%	\$0	0.0%	\$0	0.0%	\$0	0.0%	\$0	0.0%
Budget Additions	\$0	\$0	\$0	0.0%	\$0	0.0%	\$0	0.0%	\$0	0.0%	\$0	0.0%
Budget Reductions	\$0	\$0	\$0	0.0%								
Capital Projects Levy	\$1,239,329	\$393,553	\$829,999	110.9%	\$842,094	1.5%	\$854,580	1.5%	\$857,566	0.3%	\$867,469	1.2%
LTFM Revenue	\$1,192,920	\$1,087,072	\$356,016	-67.2%	\$357,876	0.5%	\$359,796	0.5%	\$361,777	0.6%	\$363,821	0.6%
Operating Capital	\$1,113,679	\$1,137,503	\$507,603	-55.4%	\$507,603	0.0%	\$507,603	0.0%	\$507,603	0.0%	\$507,603	0.0%
Safe Schools	\$182,291	\$165,437	\$169,569	2.5%	\$172,609	1.8%	\$175,746	1.8%	\$178,981	1.8%	\$182,318	1.9%
Medical - 3rd Party	\$10,324	\$37,042	\$37,042	0.0%	\$37,042	0.0%	\$37,042	0.0%	\$37,042	0.0%	\$37,042	0.0%
TOTAL USES OF REVENUE	\$39,328,034	\$39,938,496	\$40,263,387	0.8%	\$41,206,985	2.3%	\$42,179,605	2.4%	\$43,172,245	2.4%	\$44,202,235	2.4%

Board Approved Fund Balance Provides Stability

Fiscal Year Ending	General Fund – Unassigned Fund Balance Percentage	Number of Months of Operating Expenses
June 30, 2026 (projected)	10.37%	1.50 Months
June 30, 2025 (actual)	11.36%	1.81 Months
June 30, 2024 (actual)	11.91%	1.92 Months
June 30, 2023 (actual)	10.85%	1.60 Months
June 30, 2022 (actual)	12.95%	2.27 Months
June 30, 2021 (actual)	11.11%	1.74 Months

Current Budget Insights

Good News

- We ended FY 25 with an unassigned general fund balance within the school board's fund balance target of between 10% and 15%.
- Cash flow borrowing , and the related expenses, will not need to occur.
- We are seeking renewal of our Capital Project Levy and the District can be trusted to use those resources for their intended purpose.
- We do not need to establish a budget cut target.

Challenges

- Enrollment is challenging to project, especially when housing development is underway.
- State funding assumptions will need to be monitored through the legislative session and adjustments to our projections will likely be needed.

Conclusion

A final revised budget for FY 26 and a proposed budget for FY 27 will be presented at the May 28th school board work session for your consideration.

Both of these items will be on the agenda for board approval at the June 11th school board meeting.

Questions?