

DATE: April 13, 2026

TITLE: Approval of Budget Reductions for Fiscal Year 2027

TYPE: Action

PRESENTER: Dr. Joey Page, Superintendent
Todd Lechtenberg, Executive Director of Finance & Operations

Background:

On January 5, the APS Board approved a resolution directing the administration to make recommendations for cost savings and efficient operations for the upcoming fiscal year.

Rationale:

Using the most recent demographic study, administration projected a decline of approximately 127 students for fiscal year 2027. This equates to an estimated \$1.75 million reduction in state aid.

At the same time, the Minnesota Department of Education announced that the harmless provision for Compensatory Aid will not continue. Early estimates indicate an additional revenue reduction of nearly \$2.50 million.

Taken together, the district is facing a projected general education revenue reduction of approximately \$4.25 million.

The administration has developed the recommendations in the attached documentation. This work directly responds to the Board's resolution directing the administration to bring forward cost-saving measures and more efficient and effective operations, including examining organizational structures, positions, and the use of resources.

The recommendations are designed to align with that direction and position the district to respond responsibly to current financial and operational realities.

Recommendation:

It is recommended that the School Board approve the cost savings plan for fiscal year 2027.