



General Fund Budget Update

April 28, 2026 School Board Meeting

Presentation Purpose

The purpose of this presentation is to prepare for action at the May 12, 202 Regular meeting to approve:

✓ **Mid-year FY2026 General Fund budget update**

✓ **FY2027 budget assumptions**



D a t a	July 2025	Individual Budget Managers	Review FY2025 Actuals and FY2026 Budget
	September 17, 2025	Budget Managers	Review YTD Expenditures
	September 29, 2025	Finance Advisory Committee	1. Overview of plan/expectations 2. Understand Budget Timeline
	September 30, 2025	School Board Regular Meeting	Approve Preliminary Pay 2026 Levy
	October 20, 2025	Finance Advisory Committee	Begin budget analysis & FY2027 enrollment projections
	October 22, 2025	Budget Managers	Review YTD Expenditures
	November 10, 2025	Finance Advisory Committee	Enrollment focus
	November 19, 2025	Budget Managers	Review YTD Expenditures
	November 25, 2025	School Board Regular Meeting	Fall Enrollment Report
	December 8, 2025	Finance Advisory Committee	1. FY2027 enrollment projections 2. FY2027 Fund Balance assumptions 3. FY2027 other assumptions
	December 9, 2025	School Board Regular Meeting	1. Tax Hearing 2. Approve final Pay 2026 levy 3. Accept FY2025 Audit Results
	December 17, 2025	Budget Managers	Review YTD Expenditures
P r e p a r a t i o n	January 13, 2026	School Board Regular Meeting	FY2026 budget update and future outlook
	January 22, 2026	Budget Managers	Review YTD Expenditures
	January 26, 2026	Finance Advisory Committee	1. Draft final budget assumptions 2. Begin draft of Spring 2026 FAC Report
	February 17, 2026	Finance Advisory Committee	1. Finalize budget assumptions 2. Spring 2026 FAC Report
	February 18, 2026	Budget Managers	Review YTD Expenditures
	February 24, 2026	School Board Regular Meeting	FAC Presentation
	March 18, 2026	Budget Managers	Review YTD Expenditures
	March 23, 2026	Finance Advisory Committee	Continue Expenditure analysis and plan for next year
A p p r o v a l	April 22, 2026	Budget Managers	Review YTD Expenditures
	April 28, 2026	School Board Regular Meeting	FY2026 Mid-Year Budget and FY2027 Budget Assumptions Presentation
	May 12, 2026	School Board Regular Meeting	Approve FY2026 Mid-Year Budget and FY2027 Budget Assumptions
	May 20, 2026	Budget Managers	Review YTD Expenditures
	May 2026	MN Legislative session ends	
	June 9, 2026	School Board Study Session	Preview final FY2027 Budgets for all funds; prepare to take action at June 23 regular meeting
	June 23, 2026	School Board Regular Meeting	Approve final FY2027 budget for all funds



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	June 23, 2026	School Board Regular Meeting	Approve final FY2027 budget for all funds
	July 2026	Business Services	Prepare for FY2026 Audit





FY2026 Mid-Year Budget Update

General Fund Summary

Mid-year estimates are relatively stable compared to the original budget.

Revenue: **\$768,000 increase**

- Enrollment rise leads to higher General Ed Aid
- Increased Basic Skills revenue
- Tax revenue lower due to abatements & delinquency
- Special education lower due to proration

Expenditures: **\$293,900 increase**

- Updates for salary settlements, severance projections
- Updates for substitute teachers, utilities, and transportation budgets.
- Expense re-direction among technology levy, LTFM, and operating capital.

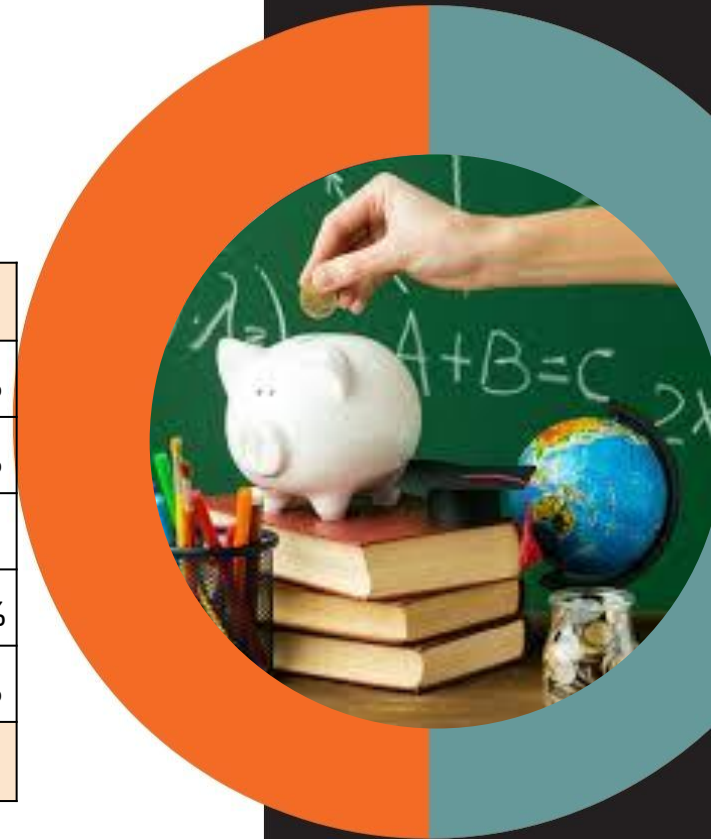
Mid Year Revenue

Revenue Source	FY2026 Mid-Year	FY2026 Original	Budget Change	
Property Taxes	23,412,000	24,006,000	-594,000	-2.47%
State Aid	59,277,000	57,970,000	1,307,000	2.25%
Federal Revenue	2,314,000	2,314,000	0	0.00%
Other	1,136,000	1,081,000	55,000	5.09%
Total	86,139,000	85,371,000	768,000	0.90%



Mid Year Expenditures

Expenditure Category	FY2026 Mid-Year	FY2026 Original	Budget Change	
Salaries	47,756,900	48,231,000	-474,100	-0.98%
Benefits	18,909,000	19,097,000	-188,000	-0.98%
Purchased Services	14,465,000	13,938,932	526,068	3.77%
Supplies/Materials	3,123,000	2,605,653	517,347	19.85%
Equipment/Other	2,222,000	2,309,415	-87,415	-3.79%
Total	86,475,900	86,182,000	293,900	0.34%



Unassigned Fund Balance FAC Recommendations for FY2027

- Develop an expenditure budget that ensures an unreserved fund balance of at least 8% (using the MDE Fund Balance calculation).
- Consider a long-term strategy to gradually increase the fund balance to 12%-16%
- Maintain a structurally balanced budget in which expenditures are aligned with revenues



General Fund Balance

	FY2026 Mid-Year	FY2026 Original
FY2025 Total Ending Balance	10,861,864	10,861,864
FY2025 Unassigned Fund Balance	7,173,677 (10.35%)	6,097,099 (8.80%)
FY2025 Assigned for Severance	0	1,076,578
FY2025 Restricted Balance	3,688,187	3,688,187
FY2026 Total Ending Balance	10,524,964	10,050,864
FY2026 Unassigned Fund Balance	6,930,797 (9.81%)	6,064,099 (8.49%)
FY2026 Assigned for Severance	0	676,578
FY2026 Restricted Balance	3,594,167	3,310,187



Fund Balance Calculation

	FY2026 Revised Budget	FY2026 Original Budget	FY2025 Year End Actual
Original Calculation	8.90%	8.49%	8.80%
MDE Calculation (Includes Assigned for Severance)	9.81%	9.38%	10.35%





Other FY2027 Budget Assumptions

FAC Recommendations

1. Fund Balance Percentage
2. Balanced Budget
3. Per Pupil Funding Formula
4. Student Enrollment
5. Student Fees
6. District-Wide Fee Structure
7. Class Sizes
8. Cost Drivers & Cost Containment



Next Steps

01

May 12, 2026

Mid-Year Budget & FY2027 Assumptions Approval

School Board accepts the FY2026 mid-year budget and the FY2027 budget assumptions.

02

June 2026

Final FY2027 Budget Approval

June 9: Previewed at the School Board Study Session.

June 23: Official approval of the FY2027 budget for all funds at the regular meeting.

