

2025-26 Preliminary Budget Assumptions Budget Development Timelines

Board Meeting • 04/14/2025



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 Revenue (state aid)	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 Expense rate decrease (-1.45 pts to 29.91%)	498,180	498,180	498,180
MPSERS 3% Health Subsidy Reimb, 1-time state aid	287,000	143,500	0
Increased Spec Ed Categorical State Aid	366,525	366,525	366,525
K-8 New Curriculum, 1x savings	150,000	150,000	150,000
Savings from teacher retirements/resignations (20,15,8)	791,760	593,820	316,720
Reduction in 3.0 FTE at High School	329,420	329,420	329,420
Childcare Tuition Increase	350,000	350,000	350,000
	\$5,081,085	\$3,600,595	\$2,513,865

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	5,081,085	3,600,595	2,513,865
Net Impact on General Fund Balance	\$1,705,043	\$198,513	(\$914,257)
Carryforward effect on GF Budget (6/30/25)	(1,819,502)	(1,819,502)	(1,819,502)
Total Impact on General Fund Balance	(\$114,459)	(\$1,620,989)	(\$2,733,759)
<i>Fund Balance as a % of Expenditures</i>	13.9%	11.5%	9.8%

Compensation Reference

Steps = \$927,110

1% wages = \$467,935

Multi-Year Fund Balance Impact

	2025-26	2026-27
Preliminary Fund Balance Net Impact (rev's/exp's), from prior year	*(\$1,371,677)	(\$1,620,989)
One-Time sources/uses of fund in prior year, not occurring again	(447,825)	(855,440)
Carryforward effect on General Fund Budget	(\$1,819,502)	(\$2,476,429)
New Budget Variables	198,513	(700,000)
Fund Balance Net Impact (rev's/exp's)	(\$1,620,989)	(\$3,176,429)
Beginning Fund Balance	9,556,644	7,935,655
Ending Fund Balance	\$7,935,655	\$4,759,226
<i>Fund Balance as a % of Expenditures</i>	11.5%	6.8%

*-includes \$267,500 of preliminary
2024-25 2nd budget revisions

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**

Budget Development Timeline

2024-25 Fiscal Year	
Monitor Revenue and Expense Activity	Feb– May
2 nd Budget Revision	May/June

2025-26 Fiscal Year	
Budget Review & Work with Leadership	Jan-May
Budget Development & Updated Assumptions	Feb– May (Board)
Budget Work Session 1	Week of May 19
Budget Work Session 2	Week of May 26, TBD if needed
Proposed Budget	June 9
Budget Adoption	June 23