



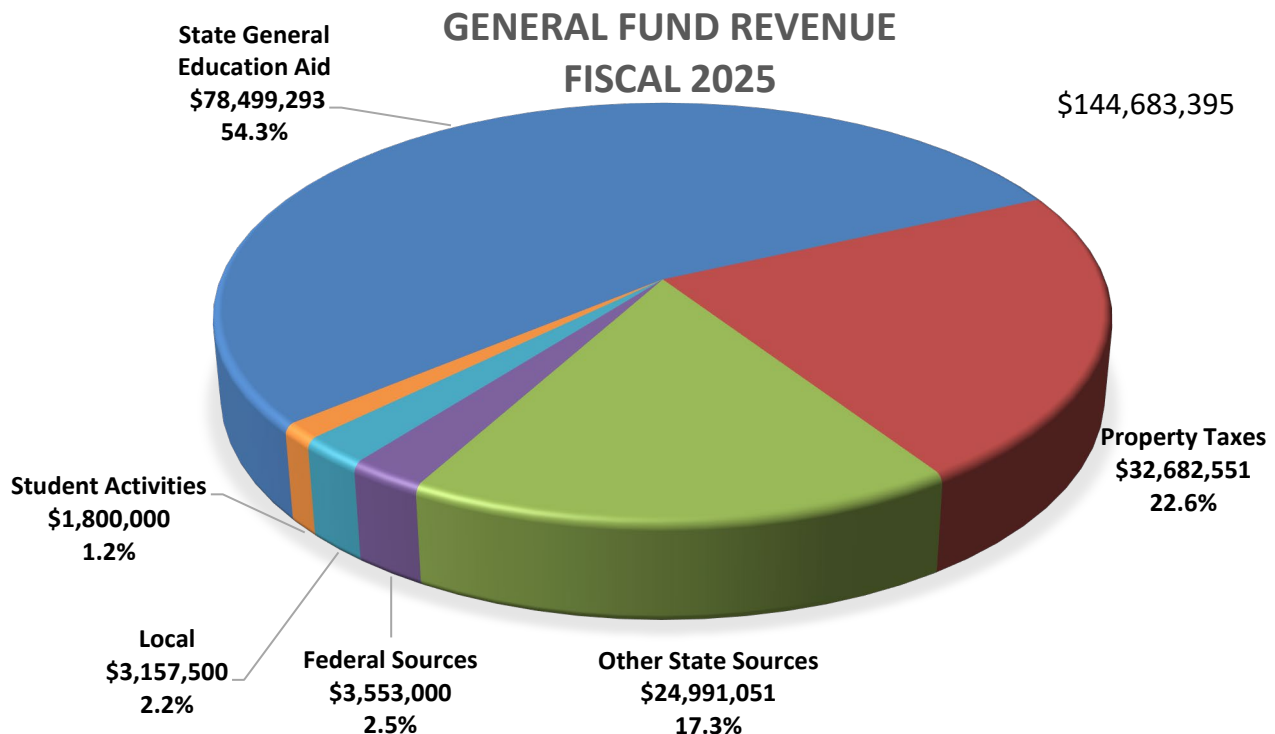
EDEN PRAIRIE SCHOOLS

Inspiring each student every day

FY 25-26 Budget Assumptions

The School Board's Executive Limitation 2.5.2 reads "There will be no financial plan that neglects to present the assumptions and timeline for the next annual budget during the third quarter of the current fiscal year." The assumptions reflect both revenue sources and expenditures for the General Fund budget.

1. General Fund Revenues:

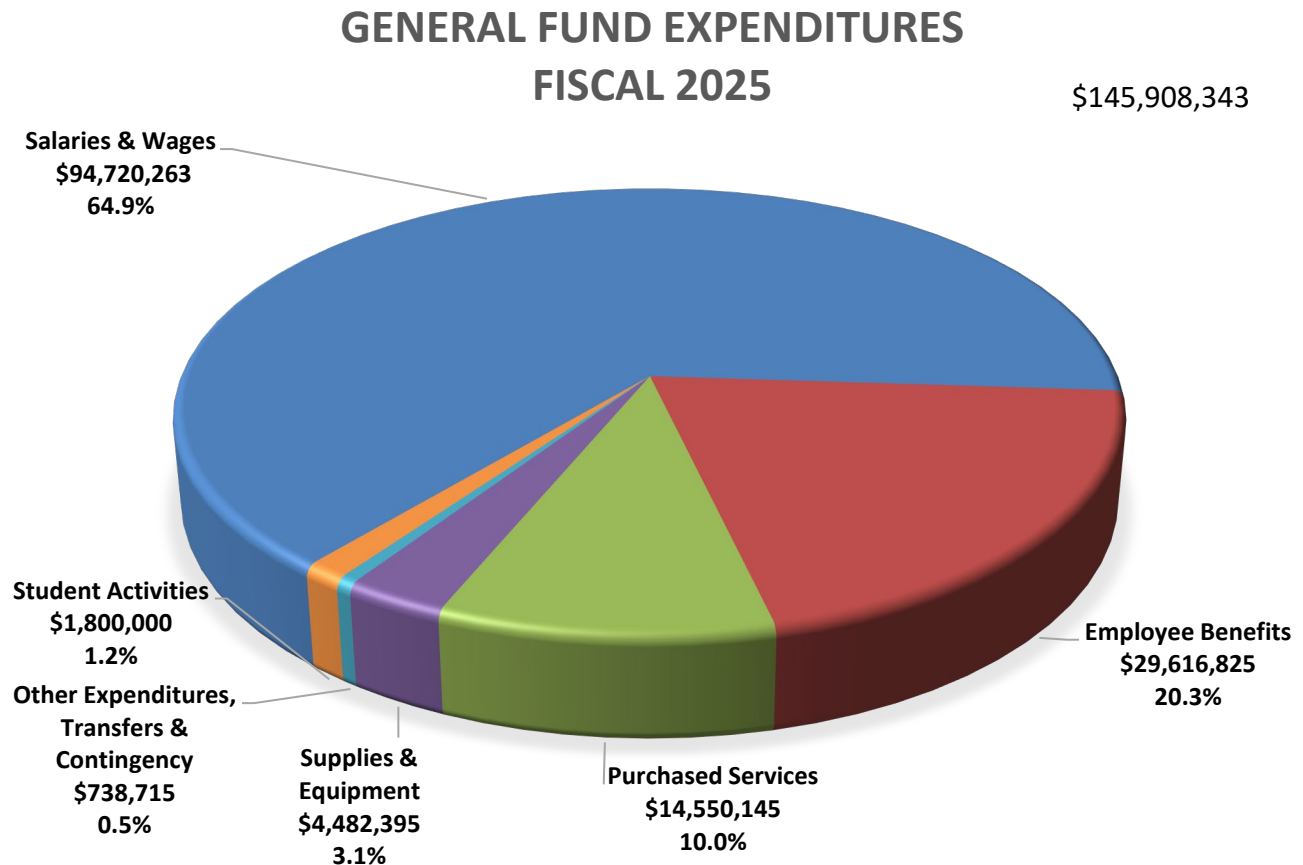


- a. State Basic General Education Aid
 - The Basic Formula is now tied to CPI with a floor of 2% and ceiling of 3%. Updated estimates from MDE show CPI at ~~2.43%~~ **2.74%**.
- b. Property Taxes
 - Tax levy approved by the board in December 2024
- c. Other State Sources (Special education cross subsidy, basic skills, and other categorical aids)
 - Assuming that unemployment reimbursement from the state will be pro-rated.
 - The district is not anticipating any other additional funding from the upcoming legislative session.
- d. Federal Sources (Grants)
 - ESSER Funding was fully spent in Fiscal Year 2024.
- e. Local Sources (Tuition, Fees, Admissions, Interest, Donations)
 - Assuming investment earnings are steady in Fiscal Year 2026.

2. Estimated Enrollment

- a. October 1, 2025 Kindergarten-12th grade total estimated enrollment of 8,890 or an 33 student decrease from October 1, 2024.
 - Includes projected 545 kindergarten students.
 - EP Online enrollment of 625, which represents a 13.6% increase from October 1, 2024

3. Expenditures:



a. Salary and Benefits

- Account for 85% of General Fund expenditures
- Negotiation parameters established for unsettled union contracts:
 1. Eden Prairie Education Association (EPEA), Transportation, Building Services, expiring June 30, 2025 – General Fund & Community Education Fund
 2. Food Service, expiring June 30, 2025 – Food Service Fund
- Paid Family Leave (PFL) law implementation January 1, 2026. Inclusion of increased expense at 0.44% of total payroll.

b. Purchased Services, Supplies and Equipment

- 5.0% increase for utilities (Electricity, natural gas, water/sewer, etc.)
- 8.0% increase for fiscal costs (Property insurance, legal costs, etc.)
- 2.0% increase for general and instructional supplies
- 2.0% increase for Site and department budgets
- *Conservatively, we are making these assumptions. Management continues to review for efficiencies across each of these areas.*

- *Legislative impacts continue to be monitored, and changes will be addressed through June 2025.*

4. Teacher Retirements

- Assuming financial savings related to teacher retirements at the end of the fiscal year.

5. Solar Power

- Assuming \$100,000 of bill credits due to generation of renewable energy
- The district has 24 solar arrays operational, generating the equivalent of approximately 20% of our electricity usage.
- The district also subscribes to 3 community solar gardens generating the equivalent of approximately 67% of our electricity usage.

6. Teacher Staffing – We have assumed:

- We will maintain the investment in lower class size targets at the elementary level. There will be some variances, above or below the targets, in class size depending on building enrollment and space, but the targets will guide staffing.
- We will continue to maintain the 8-period day at Central Middle School including the investment that was made in 2020 to add back a team planning period for staff that is in addition to their prep time. This investment also increased choice for students within the middle school schedule.
- We will continue the investment we have made in the block schedule at Eden Prairie High School. The benefits relative to a traditional schedule include: increased choice for our students, fewer total amount of students for teachers due to teaching fewer classes, and longer prep periods.
- Elementary schools will continue to be staffed based on class size targets and secondary staffing will continue to be allocated through staffing ratios that are then used to provide course offering driven by student registration.
- Services provided directly through federal dollars will be reviewed if revenue sources change.*

The following class size targets and staffing allocation ratios drive budget assumptions as follows:

Elementary Schools	Class Size Targets	Secondary Schools	Staffing Allocation Ratios
Kindergarten	20.0	Grade 6	28.0
Grade 1	20.0	Grades 7-8	31.0
Grade 2	22.0	Grades 9-12	31.5
Grade 3	25.0		
Grade 4	25.0		
Grade 5	26.0		

*Class sizes may vary depending upon specific enrollment.

7. District Fees

- High School Parking Permits
 - Lot A & B - \$350/year – No Change
 - Lot C - \$100/year – No Change

8. Transportation will continue to be **Free for All.**