

## Budget Assumptions for 2026-27

### OVERVIEW:

Will the following budgets be structurally balanced in 2026-27 (annual ongoing revenues match or exceed ongoing annual expenditures)?

General Fund: Yes

Special Education Fund: Yes

Career Technical Fund: Yes

### REVENUE

#### A. Taxable Value: **6.0% increase**

- a. Total taxable value of: **\$37,574,611,421**
- b. Taxable value increase of: **\$2,147,120,653**
- c. **Projected Revenue Increase: 5.0% - \$9,710,150**

#### B. State Aid Categorical Funding:

- a. Section 81: **2.5% increase**
- b. Section 51e: Special Education: **\$250 per student increase (\$10,300)**
- c. Section 61a1 & 62 (CTE): **6.0% increase**

#### C. Federal & State Grants: (Governor's budget proposal)

- a. GSRP: **6% increase, \$640 per full day slot for 4-day program (\$11,290)**
- b. Section 31n Mental Health: **No change**
- c. Section 107 Adult Education: **23% increase (restores funding cut from 2025-26)**

#### D. Local & Private Grants:

#### E. Investment Income: Average earning rate of **3.50%** Total projected investment income of **\$4,375,000**.

- a. Based on average cash balance of \$125 million
- b. Doesn't include Grow Your Own investment income

### EXPENDITURES

#### A. Staff Compensation:

- a. Collectively bargained staff: **3.00% on schedule, plus increment (if applicable)**
- b. Non-Union staff & support staff: **3.00% on schedule, plus increment (if applicable)**

#### B. Board Contribution to Retirement (MPSERS): **2.4% reduction to contribution rates for programs with health care coverage. Programs without health care coverage are unchanged from 2025-26.**

#### C. Social Security: 7.65% of payroll

#### D. Health Insurance Contributions:

- a. Medical: All staff at annual state contribution cap (**3.25% increase from 2026**):
  - i. 2027 Single Subscriber: **\$8,200.21**
  - ii. 2027 Two Person: **\$17,149.18**
  - iii. 2027 Full Family: **\$22,364.26**

- b. Dental & Vision: **3.0% increase**

- c. Life Insurance: **1.0% increase**

- d. Long Term Disability: **7.25% increase**
- e. Worker's Compensation Rates: **10.0% increase**
- E. Property/Casualty/Liability: **10% increase**
- F. Utilities:
  - a. Electric: **5% increase**
  - b. Natural Gas: **5% increase**
- G. Capital Outlay: Per approved schedule, increase in total will match original taxable value assumption **5.0%**
- H. Local Mileage reimbursement: Current IRS authorized
- I. Workshops/Conferences: No change
- J. Contracted Legal Services: No change

NOTE: Changes in these assumptions may be necessary after the sources and level of funding have been determined.

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