



## EDEN PRAIRIE SCHOOLS

Inspiring each student every day

January 26, 2026

To: Dr. Josh Swanson, Superintendent  
From: The Business Office

RE: Fiscal Year 2026 Mid-Year Budget Update

We recommend approval of the updated FY 2026 Budget for Eden Prairie Independent School District No. 272. This report incorporates the audited fiscal year-end results for FY 2025 and adjustments for FY 2026. Notably, no budget adjustments were proposed for the Capital Outlay, Community Education, Debt Service, Internal Service or Trust & Agency Funds. Key highlights from the mid-year update include:

### **General Fund**

The district experienced an increase of 462 students over projections. This enrollment growth had a significant impact on both revenues and expenditures, with projected increases of \$9,482,856 and \$6,983,635, respectively. These changes eliminated a projected fund balance deficit, improving the projected fund balance percentage from 13.4% to 14.4%, still a decline from the Fiscal Year 2024–25 audited level of 14.7%. The following revenue adjustments were made:

- Basic formula revenue adjustments reflecting higher than projected enrollment.
- Continuation of the Tuition Buy Down practice that was implemented during the FY2024-25 Audit and the resulting revenue generation from this implementing.
- June Legislative adjustments, including fully funding special education (proration increase from 95% to 100%), unemployment reimbursement, compensatory adjustments and a new one-year cyber security grant.
- New revenue resulting from an agreement between Eden Prairie Schools (EPO) and Shakopee Public Schools.

The following expenditure adjustments were made:

- Increased staffing costs associated with higher-than-projected enrollment.
- Continuation of the Tuition Buy Down practice that was implemented during the FY2024-25 Audit
- Adjustments to contracted services based on current needs, primarily transportation and ISD 287

### **Food Service**

We are projecting no change to revenues and a reduction in expenditures of \$226,135. These adjustments reflect current-year staffing cost trends, primarily driven by staffing shortages experienced throughout the year to date.

### **Building Construction Funds**

We are projecting a decrease in expenditures of \$163,774 in the Certificates of Participation fund. This budget adjustment reflects the planned spend-down of remaining funds, which will be focused on educational spaces at the Valley View property, including TASSEL, Adult Basic Education, and Alternative Learning.

This budget update is presented in summary form reflecting changes since the adoption of the budget on June 23, 2025. It reflects our continued efforts to proactively plan the district's future by aligning resources with our mission.