
FY2025 General Fund Mid-Year Budget Update and FY2026 Budget Assumptions

March 25, 2025 School Board Meeting



Presentation Purpose

The purpose of this presentation is to review data for school board action to approve:

1. the mid-year FY2025 General Fund budget update; and
2. the FY2026 budget assumptions.

Operating Funds: General, School Nutrition, Community Service

	Date	Who	Outcome
	Grey shading denotes FAC Meeting		Orange shading denotes School Board (Bold = school board budget-related action)
D a t a	August 22, 2024	Budget Managers	Review YTD Expenditures
	September 10, 2024	School Board Regular Meeting	Review Preliminary Levy Process
	September 11, 2024	Budget Managers	Review YTD Expenditures
	September 24, 2024	School Board Regular Meeting	Approve preliminary Pay 2025 levy
	September 25, 2024	Finance Advisory Committee	1. Overview of plan/expectations 2. Understand Budget Timeline
	October 9, 2024	Budget Managers	Review YTD Expenditures
	October 23, 2024	Finance Advisory Committee	Begin budget analysis
	November 13, 2024	Budget Managers	Review YTD Expenditures
	November 27, 2024	Finance Advisory Committee	Enrollment focus
	December 10, 2024	School Board Regular Meeting	1. Tax Hearing 2. Approve final Pay 2026 levy
	December 11, 2024	Budget Managers	Review YTD Expenditures
	December 18, 2024	Finance Advisory Committee	1. FY2026 enrollment projections 2. FY2026 Fund Balance assumptions 3. FY2026 other assumptions
P r e p a r a t i o n	January 22, 2025	Budget Managers	Review YTD Expenditures
	January 22, 2025	Finance Advisory Committee	1. Draft final budget assumptions 2. Begin draft of Spring 2025 FAC Report
	January 28, 2025	School Board Regular Meeting	Accept FY2024 Audit Results
	February 19, 2025	Finance Advisory Committee	1. Finalize budget assumptions 2. Spring 2025 FAC Report
	February 25, 2025	School Board Regular Meeting	FAC Presentation
	March 6, 2025	Budget Managers	Review YTD Expenditures
	March 11, 2025	School Board Regular Meeting	1. Discuss FY2026 Budget Assumptions 2. Discuss FY2025 Mid Year Budget Update
A p p r o v a l	March 25, 2025 ★	School Board Regular Meeting	1. Approve FY2025 Mid Year Budget Update 2. Approve FY2026 budget assumptions
	March 26, 2025	Finance Advisory Committee	Continue Expenditure analysis and plan for next year
	April 9, 2025	Budget Managers	Review YTD Expenditures
	May 2025	MN Legislative Session Adjourns	
	May 14, 2025	Budget Managers	Review YTD Expenditures
	June 10, 2025	School Board Study Session	Preview final FY2026 Budgets for all funds; prepare to take action at June 24 regular meeting
	June 24, 2025	School Board Regular Meeting	Approve final FY2026 budget for all funds
	June 11, 2025	Budget Managers	Debrief on FY2026 budget planning process
C l o s e	July 2025	Business Services	Prepare for FY2025 Audit

March 11, 2025 School Board Meeting



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January 22, 2025	Finance Advisory Committee	1. Draft final budget assumptions 2. Begin draft of Spring 2025 FAC Report
January 28 ,2025	School Board Regular Meeting	Accept FY2024 Audit Results
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February 25, 2025	School Board Regular Meeting	FAC Presentation
March 6, 2025	Budget Managers	Review YTD Expenditures

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March 11, 2025	School Board Regular Meeting	1. Discuss FY2026 Budget Assumptions 2. Discuss FY2025 Mid Year Budget Update
March 25 ,2025	School Board Regular Meeting	1. Approve FY2025 Mid Year Budget Update 2. Approve FY2026 budget assumpitons
March 26, 2025	Finance Advisory Committee	Continue Expenditure analysis and plan for next year
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FY 2025 Mid-Year Budget Update

March 25, 2025 School Board Meeting



FY2025 Mid Year Budget Update: Revenue

Approve the updated General Fund Revenue budget with an **increase of \$2,827,700 for a total of \$82,822,700.**

Revenue Source	FY2025 Mid-Year	FY2025 Original	Budget Change	
Property Taxes	23,527,000	23,502,000	25,000	0.11%
State Aid	55,878,200	53,456,000	2,422,200	4.53%
Federal Revenue	2,265,700	2,297,000	-31,300	-1.36%
Other	1,151,800	740,000	411,800	55.65%
Total	82,822,700	79,995,000	2,827,700	3.53%



FY2025 Mid Year Budget Update: Expenditures

Approve the updated General Fund Expenditure budget with an **increase of \$2,290,650 for a total of \$84,107,300.**

Expenditure Category	FY2025 Mid-Year	FY2025 Original	Budget Change	
Salaries	47,283,000	45,279,500	2,003,500	4.42%
Benefits	18,001,700	17,453,600	548,100	3.14%
Purchased Services	14,131,500	13,627,500	504,000	3.70%
Supplies & Materials	2,749,200	3,403,650	-654,450	-19.23%
Equipment, Building, Other	1,941,900	2,052,400	-110,500	-5.38%
Total	84,107,300	81,816,650	2,290,650	2.80%



FY 2026 General Fund Budget Assumptions

March 25, 2025 School Board Meeting



Budget Recommendations

1. Fund Balance Minimum
 - a. 8% with strategy to grow to 12% - 16%
 - b. Utilize Fund Balance to fill gaps for lost federal/state funding
2. Per Pupil Funding Formula
 - a. 2.74% increase to \$7,481
3. Student Enrollment Projection
 - a. 4,326 K-12th grade; 302 Kindergarten
 - b. Persist in efforts to attract & retain students
4. Local Fees
 - a. Add a technology fee
 - b. Increase Community Ed Premium Space Rental Fees
 - c. No other changes
 - d. Encourage district-wide booster club
5. District Cost Drivers
 - a. Understand, reduce or stabilize cost drivers
 - b. Focus on retention of direct student facing positions
 - c. Focus on clear return on investment for budget changes



Next Steps

March 25, 2025

- Approve FY2025 mid-year budget
- Approve FY2026 budget assumptions

April 2025

- Approve FY2026 mid-year budgets for school nutrition and community education

June 10, 2025

- Review proposed FY2026 final budget for all funds

June 24, 2025

- Approve FY2026 final budget for all funds