

# **2024-25 Proposed Budget Revision #2**

## **2025-26 Preliminary Budget Assumptions**

Board Meeting • 05/19/2025



# 2024-25 Proposed Budget Revision #2

- **Part of our annual budget process**
- **Opportunity to review the year**
  - **Make necessary adjustments for recurring patterns**
  - **Account for unexpected expenses**
- **Informs next budget year**

# 2024-25 Proposed Revision #2

## Budget Assumptions - Revenue

	Budget Impact
Grants, with Offsetting Expenditures	858,059
ISD SE Funding, addl due to 23-24 final & medicaid	227,500
Insurance Reimbursements	219,132
Retirement State Aid	135,500
ISD Other Revenue	50,000
Interest Income	40,000
All Other	(8,701)
<b>Total Revenue Revisions</b>	<b>1,521,490</b>

# 2024-25 Proposed Revision #2

## Budget Assumptions - Expenditures

	Budget Impact
Grants,with Offsetting Revenues	(858,059)
General Fund Expenditures, Offset by Grant	49,271
Operations Contracted Services, net	(490,000)
Athletics	(115,900)
Utilities	(78,000)
Legal & Audit	(67,400)
Mid-year position changes	(37,337)
All Other	(17,890)
<b>Total Expenditure Revisions</b>	<b>(\$1,615,315)</b>

# **2024-25 Proposed Revision #2**

## **Budget Assumptions - Operations Contracted Services**

- **B. Lieber to update**

# 2024-25 Projected Budget Revision Summary

	Current Adopted Budget	Net Impact of Proposed Revisions	Proposed, Revised Budget
<b>Beginning Fund Balance</b>	<b>\$10,928,321</b>		<b>\$10,928,321</b>
<b>Operational Surplus/(Deficit)</b>			
Total Revenues	70,297,758	1,521,490	71,819,248
Total Expenditures	(71,936,935)	(1,615,315)	(73,552,250)
<b>Preliminary Effect of Fund Balance</b>	<b>(\$1,639,177)</b>	<b>(\$93,825)</b>	<b>(\$1,733,002)</b>
<b>Ending Fund Balance</b>	<b>\$9,289,144</b>	<b>(\$93,825)</b>	<b>\$9,195,319</b>
<i>Fund Balance as a % of Expenditures</i>	<i>12.9%</i>		<i>12.5%</i>

# 2025-26 Proposed Budget

# 2024-25 Preliminary Budget Revisions #2 & Carryforward Impact on 2025-26 Budget

	Budget Impact
<b>2024-25 Net Change in Fund Balance, Proposed Revision #2</b>	<b>(\$1,733,002)</b>
<b>2024-25 Non-Structural, 1x revisions</b>	
<b>Reductions in Grants, general fund impact</b>	<b>(568,779)</b>
Environmental remediation	939,973
<b>Operations Contracted Services, net</b>	<b>490,000</b>
<b>Insurance Reimbursements</b>	<b>(255,491)</b>
Curriculum/New textbooks	(205,000)
ISD SE Funding, 23-24 final & medicaid	(435,500)
SE State Aid, prior year final reconciliation	(286,620)
Software Subscriptions	66,000
Equipment Needs	170,500
<b>Interest Income</b>	<b>62,400</b>
Kindergarten Classroom Aides	40,000
<b>Legal Services</b>	<b>35,000</b>
<b>All Other 1-time</b>	<b>(3,707)</b>
<b>Net Impact of Changes</b>	<b>\$48,776</b>
<b>Carry forward Effect on General Fund Budget 2025-26</b>	<b>(\$1,684,226)</b>



# 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
MPERS 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
Teacher division advancement (15,18,21)	130,200	156,240	182,280
Cleaning Contract	70,170	70,170	70,170
	<b>\$3,434,261</b>	<b>\$3,460,301</b>	<b>\$3,486,341</b>

Compensation Reference

Steps = \$927,110

1% wages = \$467,935

\*- subject to negotiations

# 2025-26 Revenue Increases/Expenditure Decreases

<b>Increases to General Fund</b>	<b>Optimistic</b>	<b>Most Likely</b>	<b>Worst Case</b>
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	485,000	287,000	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
<b>Interpreter Services</b>	<b>65,110</b>	<b>65,110</b>	<b>65,110</b>
Reduction in Sections (HS 3; Elem 3, 1,0)	689,420	449,420	329,420
Childcare Tuition Increase	350,000	350,000	350,000
<b>24-25 Wage/Position adjustments to full year</b>	<b>6,385</b>	<b>6,385</b>	<b>6,385</b>
	<b>\$5,710,580</b>	<b>\$3,935,590</b>	<b>\$2,585,360</b>

# 2025-26 Projected Impact on General Fund Budget

	<u>Optimistic</u>	<u>Most Likely</u>	<u>Worst Case</u>
Expenditure Increases/Revenue Decreases	(\$3,434,261)	(\$3,460,301)	(\$3,486,341)
Revenue Increases/Expenditures Decreases	5,710,580	3,935,590	2,585,360
Net Impact on General Fund Balance	<b>\$2,276,319</b>	<b>\$475,289</b>	<b>(\$900,981)</b>
Carryforward effect on GF Budget (7/1/25)	(1,684,226)	(1,684,226)	(1,684,226)
Total Impact on General Fund Balance	<b>\$592,093</b>	<b>(\$1,208,937)</b>	<b>(\$2,585,207)</b>
<i>Fund Balance as a % of Expenditures</i>	<b>14.7%</b>	<b>12.6%</b>	<b>9.7%</b>

## Compensation Reference

Steps = \$927,110

1% wages = \$467,935

# **Impending Budget Discussion 2025-26**

## **Topics w/financial impact not in assumptions**

- **State Aid**
- **Staffing Levels, Contractual Requirements**
- **Negotiations**
- **Budget Reductions/Revenue Enhancements**

# Budget Development Timeline

2024-25 Fiscal Year	
Monitor Revenue and Expense Activity	Feb– May
2 <sup>nd</sup> 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	May 19
Budget Work Session 2	May 27
Proposed Budget	June 9
Budget Adoption	June 23