

## MEMORANDUM

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**TO:** ELPS Board of Education, Dori Leyko, Superintendent

**FROM:** Lisa Allen, Director of Finance

**SUBJECT:** Action Items – 2025-26 Original Budget

**DATE:** June 9, 2025

Recommendation:

It is recommended that the Board of Education adopt the 2025-2026 Original Budget resolution for the General Fund as presented on pages 5-6 of the Budget Book.

It is recommended that the Board of Education adopt the 2025-2026 Original Budget resolution for the Food Service Fund as presented on page 7 of the Budget Book.

It is recommended that the Board of Education adopt the 2025-2026 Original Budget resolution for the Student/School Activity Fund as presented on page 8 of the Budget Book.

Background:

Attached is the Budget Book for the 2025-26 Original Budget for your review. The Finance Committee has been reviewing the development of the 2025-26 Original Budget throughout the second half of the school year. On June 2, 2025, the Finance Committee reviewed the final draft of the 2025-26 Original Budget. Page 9 of the Budget Book presents a comparison of major budget assumptions, revenues, and expenditures between the 2025-26 Original Budget and the proposed 2024-25 Final Budget Revision for the General Fund. The 2025 Tax Rates and the major budget assumptions used to develop the 2025-26 Original Budget will be reviewed at the opening of the budget hearing.

**GENERAL FUND:**

The 2025-26 Original Budget shows overall revenue decreases of \$942,901 and overall expenditure decreases of \$639,292 before estimated favorable expenditure variance of 1.5%. The major decrease in revenues is related to projected MPERS 147a4 funding. General Fund ending fund balance is projected to be \$13,362,658 or a decrease of \$1,455,704 from the 2024-25 Final Budget Revision. Ending fund balance is approximately 23.6% of total revenues. Although the General Fund's fund balance remains healthy, the District's budget remains structurally imbalanced for the 2025-26 fiscal year. Unless there are future year revenue increases, the District will need to reduce ongoing operational costs to maintain fund balance.

**FOOD SERVICE FUND:**

The Food Service Fund budget is on page 24. The 2025-26 Original Budget shows an ending fund balance of \$644,083, a decrease of \$2,293 from the 2024-25 Final Budget Revision. The budget includes the continuation of State funding for free meals, breakfast, and lunch for all students.

**STUDENT/SCHOOL ACTIVITY FUND:**

The Student/School Activity Fund budget is on page 25. The 2025-26 Original Budget shows an ending fund balance of \$546,170, an increase of \$38,900 over the 2024-25 Final Budget Revision. This fund's activity is projected using a two-year average of 2023-24 actual and 2023-25 year-to-date activity as of May 18, 2025.