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2025-26 Preliminary Budget Update

Presented to the School Board
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Chief Financial Officer
May 20, 2025

2025-26 Preliminary Budget Influencing Factors

- Priority-Based Budgeting framework aligning resources to strategic plan priorities
- Fiscal year-end projected vs. actual revenue & expenditures impact fund balance
- Enrollment changes can impact revenue, class size and building capacity
- Contractual settlements
- Legislative changes can impact revenue and/or expenditures
- Bond ratings
- Funding that is one-time only, or expires after a given time period



Legislative Update

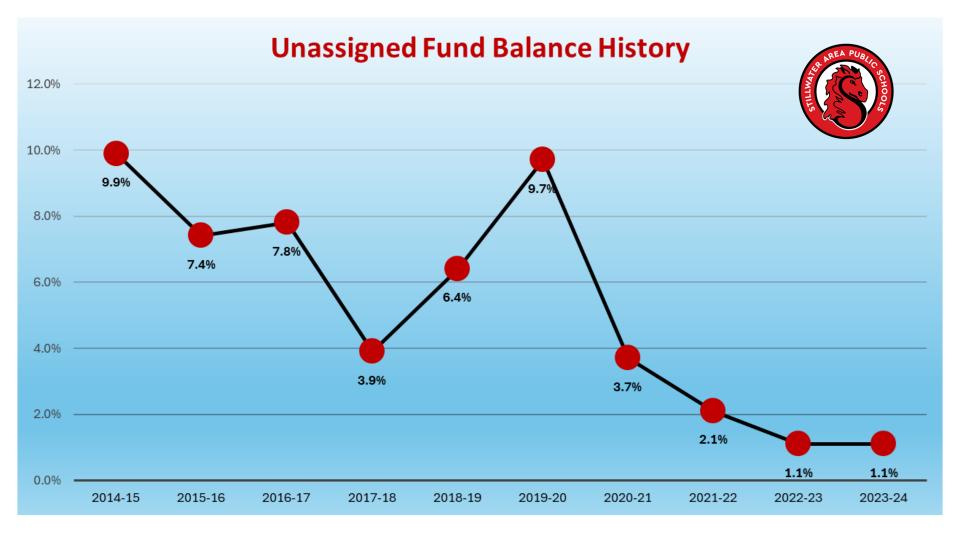
The Legislature adjourned the 2025 session last night, however, a special session is needed to pass the Education and Omnibus Education Policy Bill

Stillwater Area Public Schools' 2025-26 budget assumptions are based on current law which:

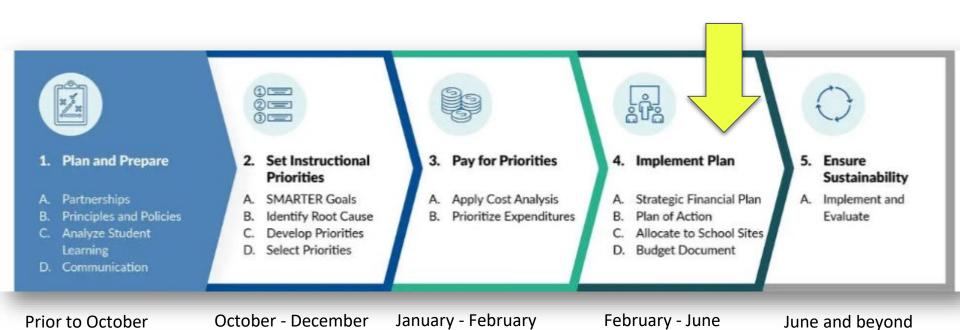
- Includes an inflation adjusted general education revenue formula increase of 2.74%
- Includes a decrease to Compensatory Education revenue
- Requires READ Act literacy curriculum implementation, which is not fully funded by the state. We are utilizing Operating Capital fund balance for the curriculum purchase.
- Includes a new paid FMLA payroll tax effective 1/1/26

^{*}The House & Senate passed a bill to invest \$100 million into the Unemployment Insurance Special Revenue Fund for hourly workers through the 2026-2027 biennium.





Priority-Based Budgeting (PBB) Framework





2025-26 Preliminary General Fund Budget

	2024-25 Revised Budget	2025-26 Preliminary Budget
Revenue	\$152,044,143	\$152,945,490
Less: Expenditures	\$152,008,9 <u>35</u>	<u>\$154,015,859</u>
Balance	\$35,208	-\$1,070,369
Add: Use of Restricted Operating Capital fund balance for curriculum		<u>\$1,070,369</u>
Surplus/Shortfall		\$0



2025-26 Preliminary General Fund Revenue

Revenue Source	2024-25 Revised Budget	2025-26 Preliminary Budget	Difference
Property Taxes/Levy	\$44,497,246	\$46,484,919	\$1,987,673
State Aids & Credits	99,121,585	99,960,386	838,801
Federal – Grants & Title Programs	3,355,991	2,456,333	-899,658
Other	5,069,321	4,043,852	-1,025,469
Total General Fund Revenue	\$152,044,143	\$152,945,490	\$901,347



2025-26 Preliminary General Fund Expenditures

Expenditure Category	2024-25 Revised Budget	2025-26 Inflation & Other Adj	2025-26 Priority-Based Budgeting Adj	2025-26 Preliminary Budget	Difference
Salaries	\$74,101,374	\$3,441,077	-\$2,266,473	\$75,275,978	\$1,174,604
Benefits	34,819,291	1,759,764	-445,637	36,133,418	1,314,127
Purchased Services	26,950,898	359,821	-33,203	27,277,516	326,618
Supplies, Materials & Other	16,137,372	191,866	-1,000,291	15,328,947	-808,425
Total Expenditures	\$152,008,935	\$5,752,528	-\$3,745,604	\$154,015,859	\$2,006,924



POSIC SCHOOLS

July 2024

2025-26 Long-Term

(LTFM) 10-year plan

submitted to MDE

Facilities Maintenance

2025-26 Budget Timeline

Jan./Feb. 2025

FY26 Budget Planning meetings

Feb 17: FY26 preliminary enrollment projections

Feb 18: School Board Mtg FY26 Budget Guidelines & Assumptions Fiscal Forecast

FY26 Staffing allocations provided to schools

April 2025

Apr 8: School Board Mtg FY26 Priority Based Budgeting Update

Apr 22: *School Board Mtg* FY25 Revised Budget

School & Program staffing plans due

June 2025

Jun 3: School Board Mtg FY26 Priority Based Budgeting Update

FY26 Budget Summary

Jun 17: School Board Mtg FY26 Preliminary Budget Presentation (approval)

Aug. 2024

Pay 25 Levy planning (MDE summer levy input)

Oct. 2024

Oct 1: Initial "Oct 1" Enrollment Count

Sept. 2024

Sept 10: School Board Mta

Sept 24: School Board Mtg Pay

25 Preliminary Levy approval

Pay 25 Levy Update

Back to School Report

(enrollment update)

Dec. 2024

Dec 3: School Board Mtg Pay 25 Levy TNT Hearing

Nov. 2024

FY26 Budget Planning

meetings

Pay 25 Levy TNT Hearing FY24 Financial Audit presentation

Dec 17: School Board Mtg
Pay 25 Final Levy Certification

FY26 Budget & Capital Planning meetings

FY26 Revenue Projections

March 2025

Mar 18: School Board Mtg FY26 Priority Based

Budgeting Update

FY26 Budget allocations provided to schools & programs

Staffing Meetings with school & program administrators

May 2025

School & Program budgets due

May 20: School Board Mtg FY26 Priority Based Budgeting Update



Questions