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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



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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:

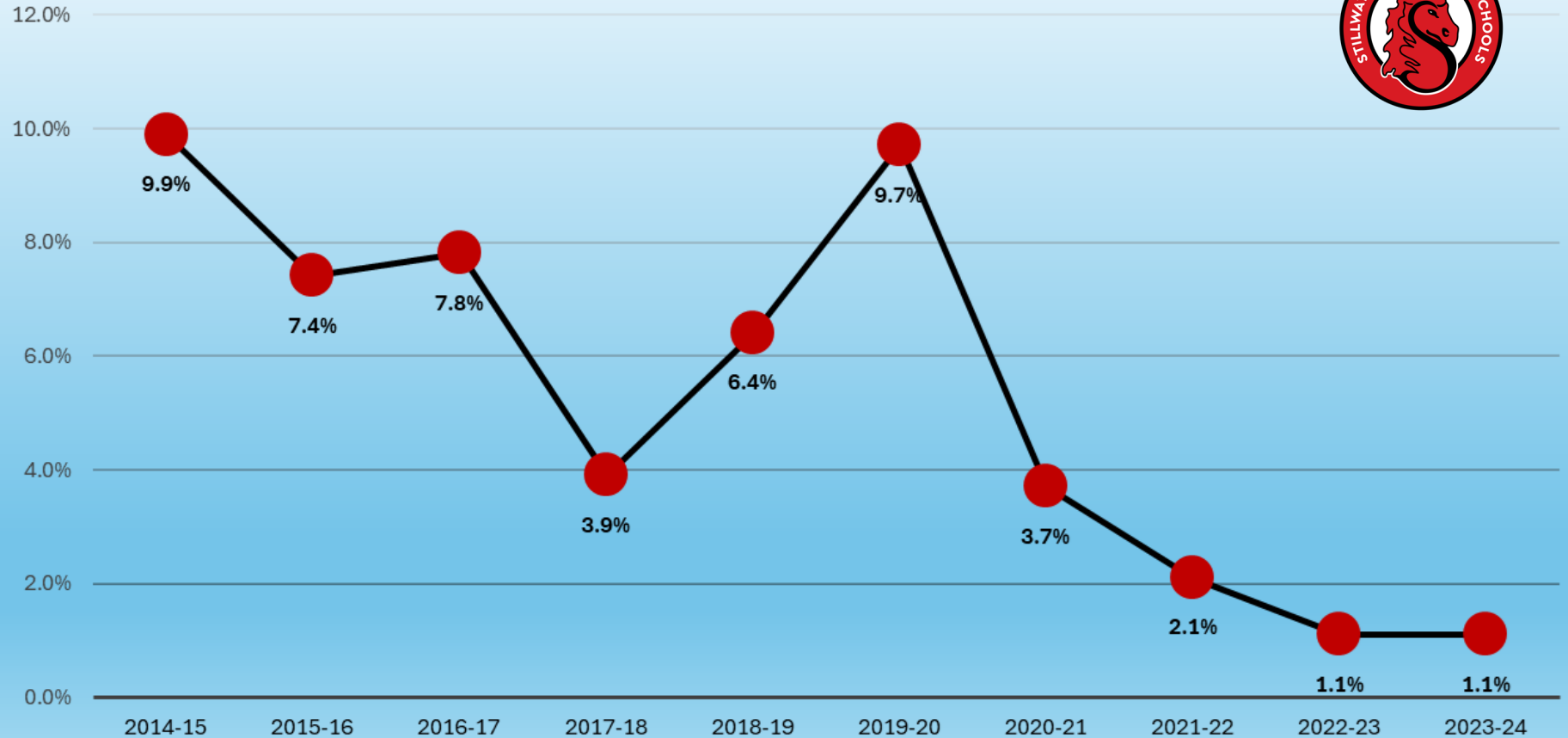
- Includes an inflation adjusted general education revenue formula increase of 2.74%
- Includes a decrease to Compensatory Education revenue
- Requires READ Act literacy curriculum implementation, which is not fully funded by the state. We are utilizing Operating Capital fund balance for the curriculum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



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Unassigned Fund Balance History



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	<u>\$152,008,935</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



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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



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2025-26 Preliminary General Fund Expenditures

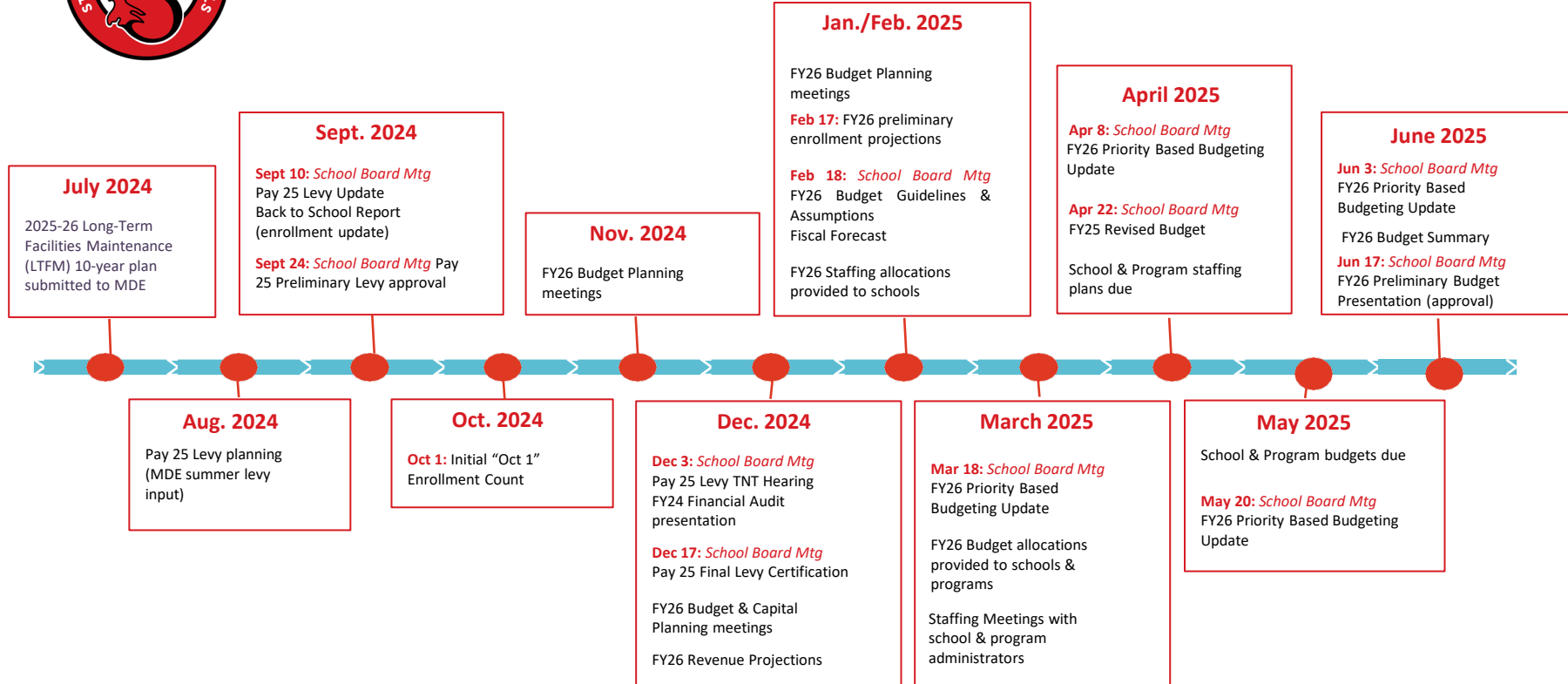
Expenditure Category	2024-25 Revised Budget	2025-26 Inflation & Other Adj	2025-26 Priority-Based Budgeting Adj	2025-26 Preliminary Budget	Difference
Salaries	\$74,101,374	\$3,441,077	-\$2,266,473	\$75,275,978	\$1,174,604
Benefits	34,819,291	1,759,764	-445,637	36,133,418	1,314,127
Purchased Services	26,950,898	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



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2025-26 Budget Timeline





Questions