



MAHTOMEDI
PUBLIC SCHOOLS

Proposed Budget Reductions and Adjustments FY 2025-26

Presentation to the
Mahtomedi School Board

February 10 and 24, 2025

Experience Excellence



Overview & Process

Today we will provide the proposed budget reductions and adjustments for the 2025-26 budget.

Board Role: February 10

Board receives budget reduction and adjustment options

Board Role: February 24

Board takes action on options for fiscal year 2025-26 budget reductions and adjustments

Budget Overview

Like most school districts in Minnesota, we are facing challenging budget times due to multiple budget pressures.

We met with the School Board on January 13 to provide an overview of the process and align parameters for today's discussion.

We held three staff overview sessions in January to update our staff on the pressures to our budget and the upcoming process.

In 2024-25, we made \$700,000 in reductions, primarily at the secondary schools and district-wide.

The estimated budget reduction amount for 2025-26 is \$2,000,000.

Proposal: Use of Fund Balance

\$792,000 of Fund Balance to address the budget deficit.

Fund Balance is outlined in [Mahtomedi School Board Policy 714](#).

The fund balance policy should be used to provide stability for District 832 students, staff, taxpayers and bond rating agencies.

The school board shall strive to maintain a minimum unassigned general fund balance of 8% of the total general fund expenditures.

The Projected Fund Balance Percentage after using \$792,000 is projected to be 8.28%.

8% represents 29 days of cash on hand to pay expenses.

Proposal: Revenue Adjustments

- **20% increase in activity fees**, which have not been increased for several years. **Revenue estimate \$56,000**
- **Return class size to pre-pandemic levels in K-5** based on resident and open enrollment applications. **Revenue estimate \$429,000**
- **Community Education cost sharing** for facilities. **Revenue estimate \$40,000.**

Estimate Total: \$525,000

Understanding Class Size Efficiencies

Return class size to pre-pandemic levels in K-5 based on resident and open enrollment applications.

Revenue estimate \$429,000

Pre-Pandemic Class Sizes

A return to pre-pandemic class sizes meets our operational fiduciary duties to taxpayers and realign our practices for the post-pandemic era.

Average Class Size Three Years Before Pandemic

Kindergarten	First Grade	Second Grade	Third Grade	Fourth Grade	Fifth Grade
21.0	22.8	24.2	25.0	26.0	27.5

Recommended Class Size Efficiency for 2025-26

Kindergarten	First Grade	Second Grade	Third Grade	Fourth Grade	Fifth Grade
21	23	24	25	26	27

Competitiveness

We value our competitiveness with small class sizes and a return to pre-pandemic class sizes still maintains our competitiveness among both area districts and districts we like to compare ourselves to in the west metro.

Data from 24-25 Brightworks Study

- Grades K-5: 2025-26 class sizes below neighbors
- Grade K-5: 2025-26 class sizes below Minnetonka (other typical comparable districts did not participate)

Proposal Expense Adjustments to Staffing

- **Reduce the number of sections in elementary** based on current enrollment. **Estimate \$160,000** (class sizes will be at 1 above 24-25 metro average).
- **Reduce High School and Middle School sections** based on enrollment and student course choices. **Estimate \$144,000.**
- **Other Staffing:** Reduce Facilities and Grounds staff hours, restructure technology support, reduce extra service contracts. **Estimate \$124,000.**

Estimate Total: \$428,000

Proposal: Expense Adjustments (Continued)

- **Purchased Services**
 - Reduce purchased services for classroom substitutes, utilities costs, commercial insurance, travel for professional development. **Estimate \$91,000**
 - Reduce the number of low participation programs and reduce transportation costs in Athletics/Activities. **Estimate \$24,500.**
- **Supplies:** Reduce supplies for Facilities and Grounds. **Estimate \$35,000.**
- **Other:** Reductions in Teaching and Learning to include curriculum resources and planning. **Estimate \$104,500.**

Purchased Services
Estimate Total: \$115,500

Supplies
Estimate Total: \$35,000

Other
Estimate Total: \$104,500

Board of Education

Proposed Budget Adjustments for Fiscal Year 2025-2026

Summary

February 10th, 2025

Revenue Adjustments

Activity Registration Fees 20%	56,000
Increase Class Sizes by +1 Above Metro Avg	429,000
Facility Cost Sharing with Community Ed.	40,000
Total Increases-Revenue	525,000

Expense Adjustments

Staffing	428,000
Purchased Services	115,500
Supplies	35,000
Other	104,500
Total Decreases-Expenditures	683,000

Total Adjustments 1,208,000

Projected Budget Deficit 2,000,000

Use of Fund Balance -792,000

Projected Fund Balance Percentage 8.28%

The above amounts are projections and estimates based on information at this time



Timeline

- **February 10:** Board receives budget reduction and adjustment options
- **February 24:** Board takes action on options for fiscal year 2025-26 budget reductions and adjustments
- **April 28:** Board approves operating and facility amounts
- **May 12:**
 - Board reviews preliminary budget 2025-26
 - Board takes action on ballot language
- **June 9:** Study Session for additional opportunity to discuss Preliminary 2025-26 Budget
- **June 23:** Take action on 2025-26 Budget