Finance Committee Meeting

Tuesday, March 24, 2026 5:45 PM
Board Assembly Room, 1250 West Broadway Avenue, Minneapolis, Minnesota 55411

1) **Call to Order and Roll Call**

2) **Approval of the Agenda**

3) **Acceptance of Minutes**

3)a. February 24, 2026

4) **Reports and Discussion**

4)a. Financial Statements

4)a.1. February 2026 Financial Statements

4)b. Fiscal Year 2027 Budget Update

5) **Adjournment**

OFFICIAL MINUTES
MINNEAPOLIS BOARD OF EDUCATION

FINANCE COMMITTEE MEETING
February 24, 2026

CALL TO ORDER AND ROLL CALL

Committee Chair Abdul Abdi called the meeting to order at 5:45 p.m., a quorum being present.

Present: Collin Beachy, Kim Ellison, Abdul Abdi (3)
Absent: Joyner Emerick, Greta Callahan (2)

APPROVAL OF AGENDA

Beachy moved to approve the agenda. Ellison Seconded the motion.

On a voice vote, the motion was adopted unanimously.

ACCEPTANCE OF MINUTES

Beachy moved to approve the minutes from the Jan. 27, 2026 meeting. Ellison seconded the motion.

On a voice vote, the motion was adopted unanimously.

DRAFT

REPORTS AND DISCUSSION

Financial Statements

Staff presented financial statements for the months of November 2025, December 2025 and January 2026.

Fiscal Year 2025 Financial Audit Update

Staff gave an update on the 2025 financial Audit. The final report will be presented in April.

Fiscal Year 2027 Budget Update

Staff provided an update on the Budget process for 2027.

ADJOURNMENT

Without objection, Chair Abdi adjourned the meeting at 7:20 p.m.

Minutes submitted by Nandi O'Brien, School Board Administrator and Assistant Clerk.

Meeting materials: https://meetings.boardbook.org/Public/Agenda/1807?meeting=732771

DRAFT

MINNEAPOLIS PUBLIC SCHOOLS
Urban Education. Global Citizens.

Monthly Financial Report

February 28, 2026

Unaudited Report

Prepared By: Finance Division
Prepared for: Finance Committee

MINNEAPOLIS PUBLIC SCHOOLS
Special School District No.1
Minneapolis, Minnesota

www.mpls.k12.mn.us
John B. Davis Education and Service Center
1250 W. Broadway Ave. Minneapolis, MN 55411

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Monthly Finance Highlights

Ending Fund Balance for Operating Funds
Month Ended February 28, 2026

Minneapolis Public School began the fiscal year in compliance with the District balance fund policy. Minneapolis Public School is projected to be in compliance at the end of this fiscal year with the District fund policy. Current fund balance is $86,109,636. District policy dictates that the unassigned portion of General Fund balance be at least 8.0%. Due to the timing of recording revenues & expenditures, fund balance fluctuates throughout the year.

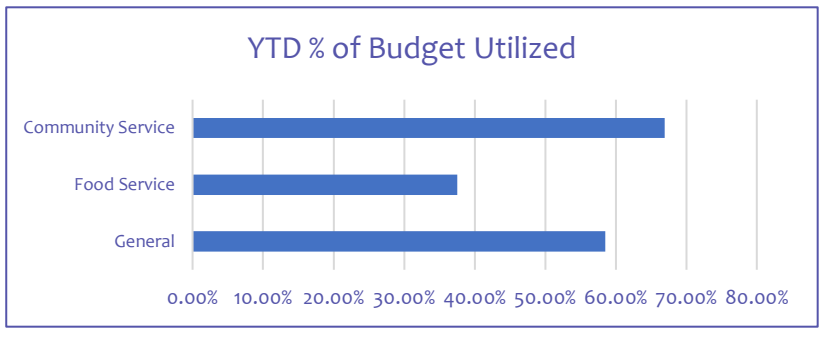
	General	Food Service	Community Service
Month Ending balance	$86,109,636	($4,703,163)	$9,181,626

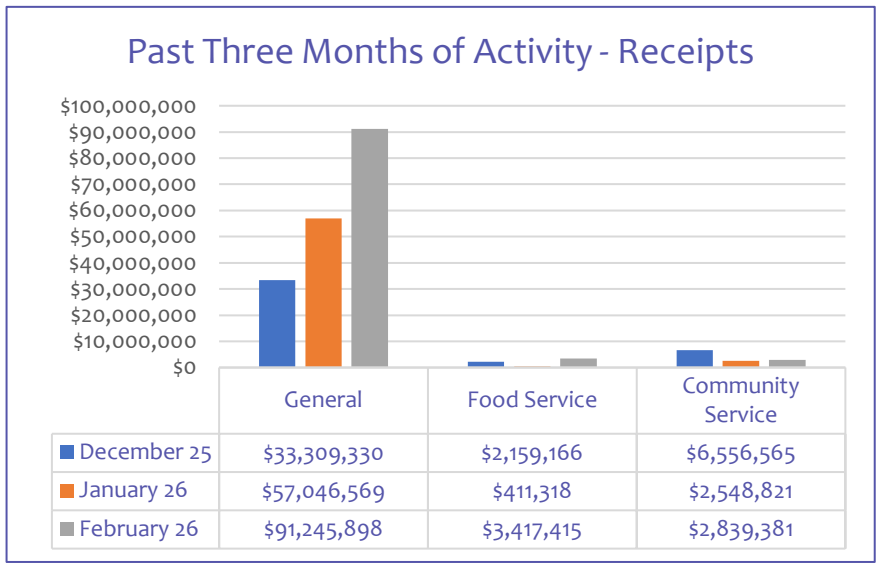
Revenue Highlights for Operating Funds
As of February 28, 2026

General Fund revenue during the month was $ 91,245,898 (YTD actuals as a % of budget totaled 58.52%). Revenue activity in other funds are stated below:

Revenue Year-To-Date Totals

General	$410,896,637
Food Service	$8,865,540
Community Service	$23,616,298





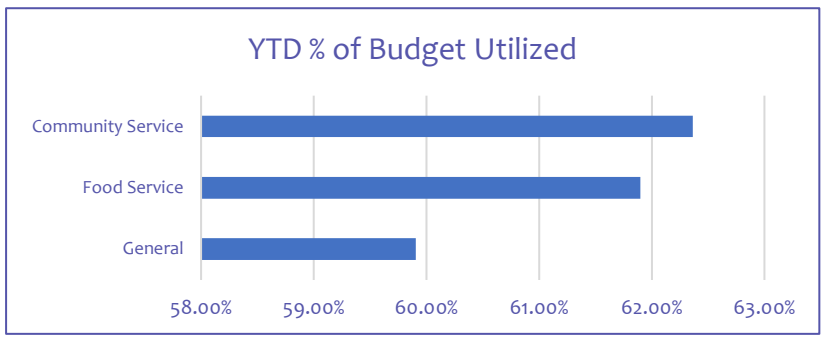
	General	Food Service	Community Service
December 25	$33,309,330	$2,159,166	$6,556,565
January 26	$57,046,569	$411,318	$2,548,821
February 26	$91,245,898	$3,417,415	$2,839,381

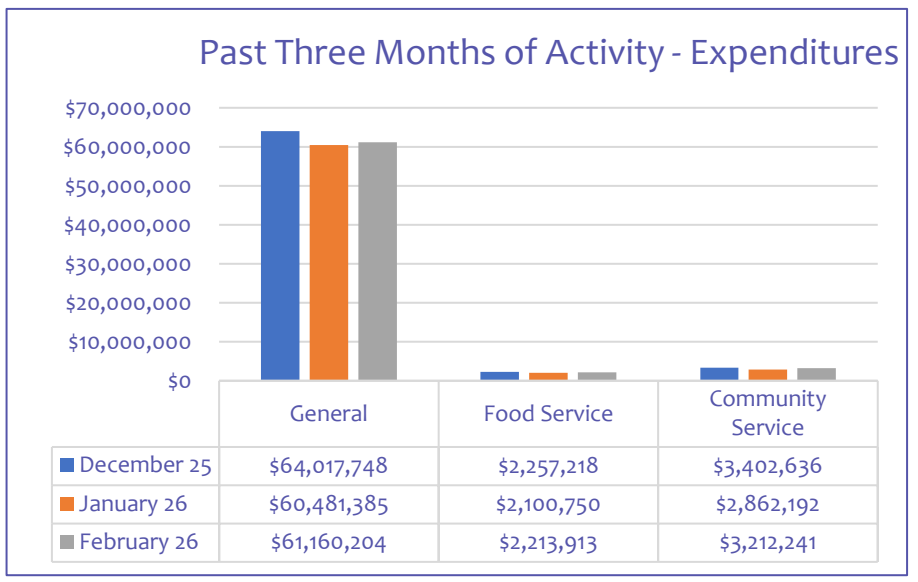
Expenditures Highlights for Operating Funds
As of February 28, 2026

General Fund expenditures during the month were $61,160,204 (YTD actuals as a % of budget totaled 59.91%). Expenditure activity in other funds are stated below:

Expenditures Year-To-Date Totals

General	$436,429,059
Food Service	$15,507,318
Community Service	$24,245,973





	General	Food Service	Community Service
December 25	$64,017,748	$2,257,218	$3,402,636
January 26	$60,481,385	$2,100,750	$2,862,192
February 26	$61,160,204	$2,213,913	$3,212,241

Minneapolis Public Schools
Special School District No. 1
Revenue and Expenditure Summary
Month Ended February 28, 2026

Revenue Summary

Fund	Budget	YTD Actuals	% of Budget	PY YTD Actuals	PY % of Budget
General Fund					
Local Sources	167,487,498	97,642,827	58.3%	82,628,453	57.7%
State Sources	452,629,897	285,539,754	63.1%	222,949,716	69.9%
Federal Sources	58,931,642	27,542,161	46.7%	18,923,635	12.9%
Other	23,076,612	171,895	0.7%	1,673,849	8.0%
Total	702,125,649	410,896,637	58.5%	326,175,653	51.8%
Operating Funds					
Food Service Fund	23,605,895	8,865,540	37.6%	9,447,509	43.1%
Community Service Fund	35,272,531	23,616,298	67.0%	21,601,662	66.4%
Non-Operating Funds					
Building Construction Fund*	90,004,525	95,463,130	106.1%	92,346,415	108.1%
Debt Service Fund*	101,248,920	86,601,323	85.5%	59,960,903	60.3%
Total All Funds	**952,257,520**	**625,442,928**	**65.7%**	**509,532,143**	**58.6%**

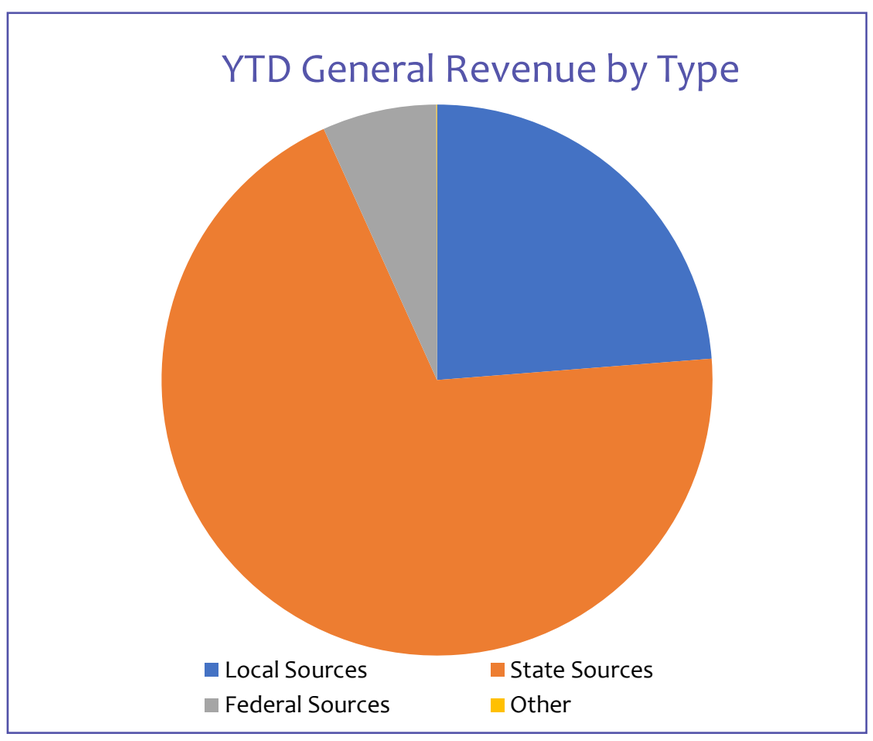
*For the purposes of this report, other financing sources are reported as revenue

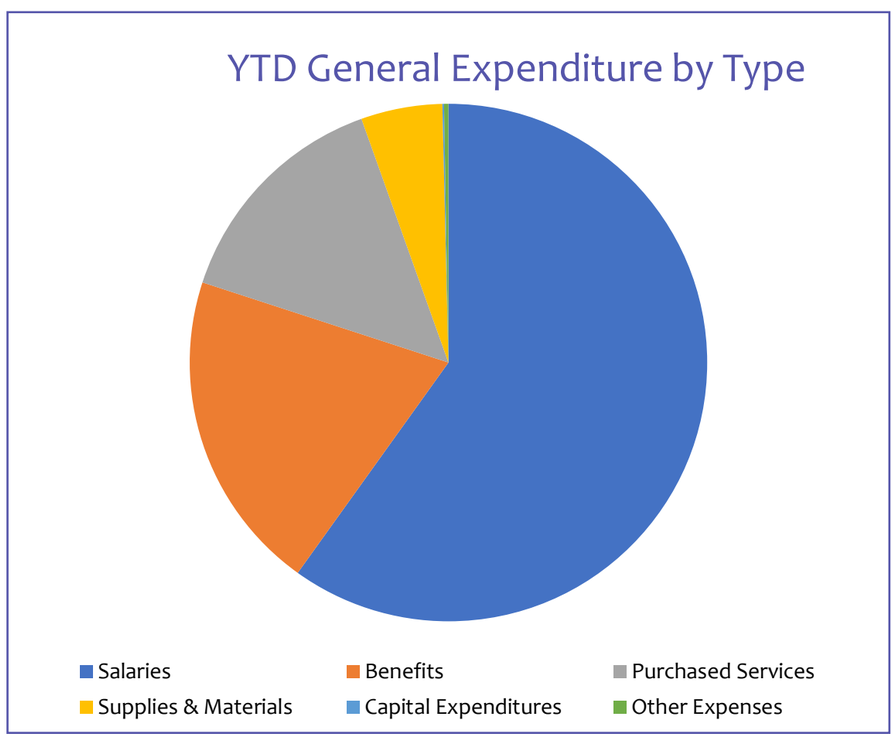
Expenditure Summary

Fund	Budget	YTD Actuals	% of Budget	PY YTD Actuals	PY % of Budget
General Fund					
Salaries	390,163,347	261,407,264	67.0%	258,872,027	64.5%
Benefits	161,179,185	87,794,467	54.5%	81,795,561	55.7%
Purchased Services	115,438,805	63,407,850	54.9%	70,341,488	59.3%
Supplies & Materials	42,218,703	22,175,581	52.5%	18,023,477	46.7%
Capital Expenditures	9,708,762	451,127	4.6%	231,780	7.7%
Other Expenses	9,807,869	1,192,772	12.2%	634,155	29.9%
Total	728,516,671	436,429,059	59.9%	429,898,487	60.5%
Operating Funds					
Food Service Fund	25,052,086	15,507,318	61.9%	17,741,910	66.4%
Community Service Fund	38,877,352	24,245,973	62.4%	23,253,736	65.6%
Non-Operating Funds					
Building Construction Fund	155,417,464	51,004,037	32.8%	55,293,730	35.4%
Debt Service Fund*	101,248,920	110,808,227	109.4%	102,972,043	103.6%
Total All Funds	**1,049,112,493**	**637,994,614**	**60.8%**	**629,159,907**	**61.2%**

*For the purposes of this report, other financing uses are included in expenditures.

YTD General Fund Revenue & Expenditure by Type





Minneapolis Public Schools
Special School District No. 1
Statement of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual - General Fund
Month Ended February 28, 2026

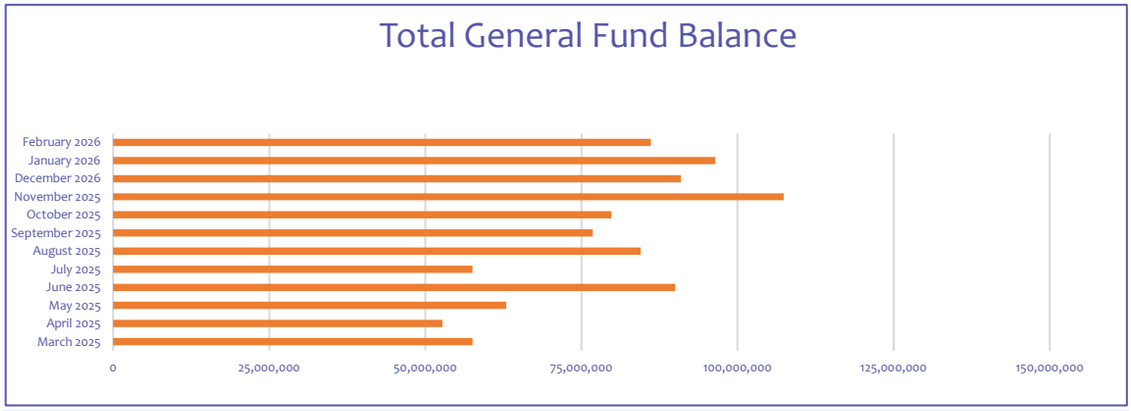
	Budget	YTD Actuals	% of Budget	PY YTD Actuals	PY % of Budget
Revenues					
Local sources					
Property taxes	165,487,498	82,377,280	49.8%	68,854,175	48.1%
Earnings on investments	2,000,000	4,546,031	227.3%	2,866,105	143.3%
Other local and county revenues	23,076,612	10,719,517	46.5%	10,908,173	58.0%
Revenue from state sources	452,629,897	285,539,754	63.1%	222,949,716	69.9%
Revenue from federal sources	58,931,642	27,542,161	46.7%	18,923,635	12.9%
Sale and other conversion of assets	-	171,895	-	1,673,849	0.0%
Total Revenues	**702,125,649**	**410,896,637**	**58.5%**	**326,175,653**	**51.8%**
Expenditures					
Current					
Administration	22,423,934	13,698,674	61.1%	14,143,035	48.6%
District support services	57,261,545	32,331,918	56.5%	32,956,902	60.0%
Elementary and secondary regular	278,908,084	179,865,776	64.5%	174,368,049	61.1%
Vocational education instruction	6,264,203	3,583,937	57.2%	3,892,454	49.3%
Special education instruction	156,003,910	92,037,229	59.0%	87,801,601	61.2%
Community education and services		-		-	
Instructional support services	47,125,980	26,734,292	56.7%	25,811,562	58.3%
Pupil support services	106,247,188	60,627,294	57.1%	63,754,044	65.6%
Sites and buildings	42,312,601	25,218,615	59.6%	25,123,156	54.0%
Fiscal and other fixed cost programs	2,156,456	1,880,198	87.2%	1,815,905	156.8%
Capital Outlay					
Administration	-	-	-	284	0.0%
District support services	-	-	-	-	0.0%
Elementary and secondary regular	-	238,396	-	81,024	41.4%
Vocational education instruction	-	-	-	-	0.0%
Special education instruction	-	47,808	-	146,318	0.0%
Instructional support services	-	19,845		1,673	28.3%
Pupil support services	-	-	-	2,482	0.0%
Sites and buildings	9,812,770	145,078	1.5%	-	0.0%
Total Expenditures	**728,516,671**	**436,429,058**	**59.9%**	**429,898,487**	**60.5%**
Excess of Revenues Over (Under) Expenditures	(26,391,022)	(25,532,422)		(103,722,834)	
Other Financing Sources					
Lease financing	-	-	0.0%		0.0%
Total Other Financing Sources	**-**	**-**	**-**	**-**	**-**
Net Change in Fund Balances	**(26,391,022)**	**(25,532,422)**		**(103,722,834)**	
Fund Balance					
February 28, 2026		**86,109,636**			

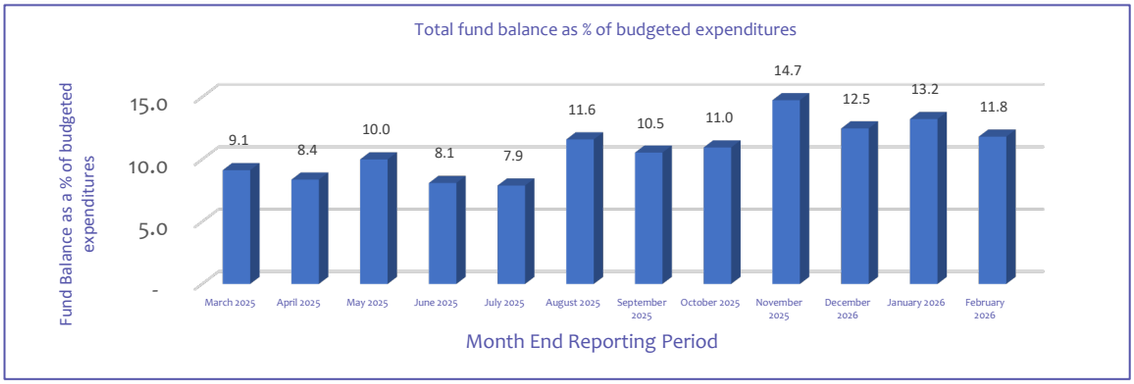
Minneapolis Public Schools
Special School District No. 1
General Fund Balance Sheet
February 28, 2026

Assets	Current Year	Prior Year
Cash and investments	93,446,963	70,716,151
Cash and investments held by trustee	-	-
Due from food service fund (negative cash)	6,641,779	4,091,344
Receivables		
Current property taxes receivable	85,084,251	71,182,485
Delinquent property taxes receivable	1,581,763	791,906
Due from other Minnesota school districts	51,186	4,691
Due from the Minnesota Department of Education	50,412,745	2,113,500
Due from the federal government through MDE	25,975,229	56,151,267
Due from the federal government directly	81,670	35,297
Due from other governmental units	2,328,174	2,078,963
Other receivables	3,221,093	1,564,492
Prepaid items	-	5,179,676
Inventory	124,384	171,134
Total assets	**268,949,238**	**214,080,905**
Liabilities		
Salaries and compensated absences payable	23,199,764	24,668,551
Payroll deductions and contributions payable	4,634,265	4,236,803
Accounts and contracts payable	5,859,557	557,838
Due to other governmental units	(26,521)	(22,952)
Unearned revenue	16,528	(3,609)
Total liabilities	**33,683,593**	**29,436,631**
Deferred Inflows of Resources		
Property taxes levied for subsquent expenditures	147,157,024	121,587,994
Unavailable revenue - delinquent property taxes	1,581,763	791,906
Deferred Inflow - lease revenue	417,222	67,756
Total deferred inflows of resources	**149,156,008**	**122,447,656**
Fund Balances		
Total fund balances	**86,109,636**	**62,196,618**
Total liabilities, deferred inflows of resources, and fund balances	**268,949,238**	**214,080,905**

Cash and investments are net of salaries & compensated wages payable

General Fund - Fund Balance Analysis





District policy requires that the unassigned portion of General Fund balance be at least 8.0% of budgeted expenditures. The above graphs display total fund balance, unassigned in a portion of the overall fund balance of MPS.

Overview of fund balance types

Nonspendable – assets that are inherently Nonspendable (inventory and prepaid expenditures).

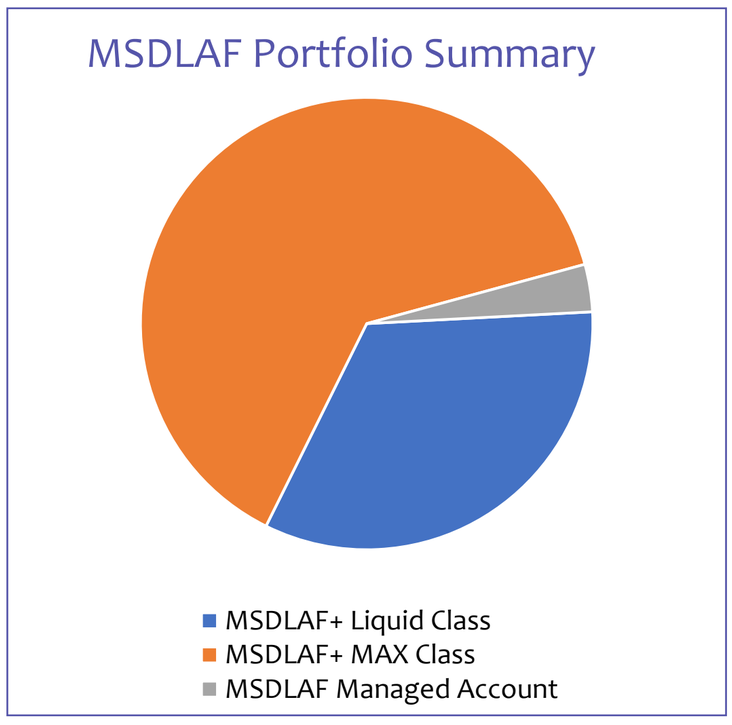
Restricted – amounts that are subject to externally enforceable legal purpose restrictions.

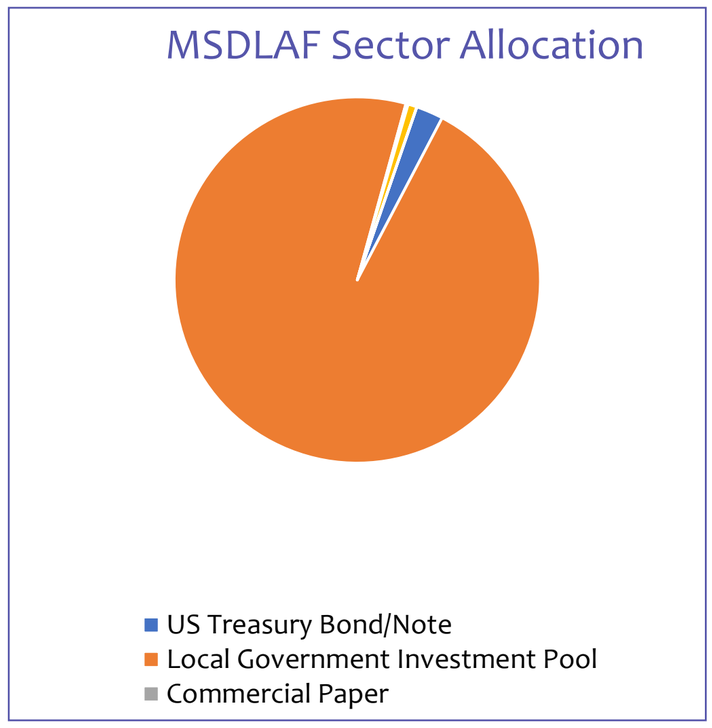
Assigned – amounts that are subject to a purpose constraint that represents an intended use established by The District

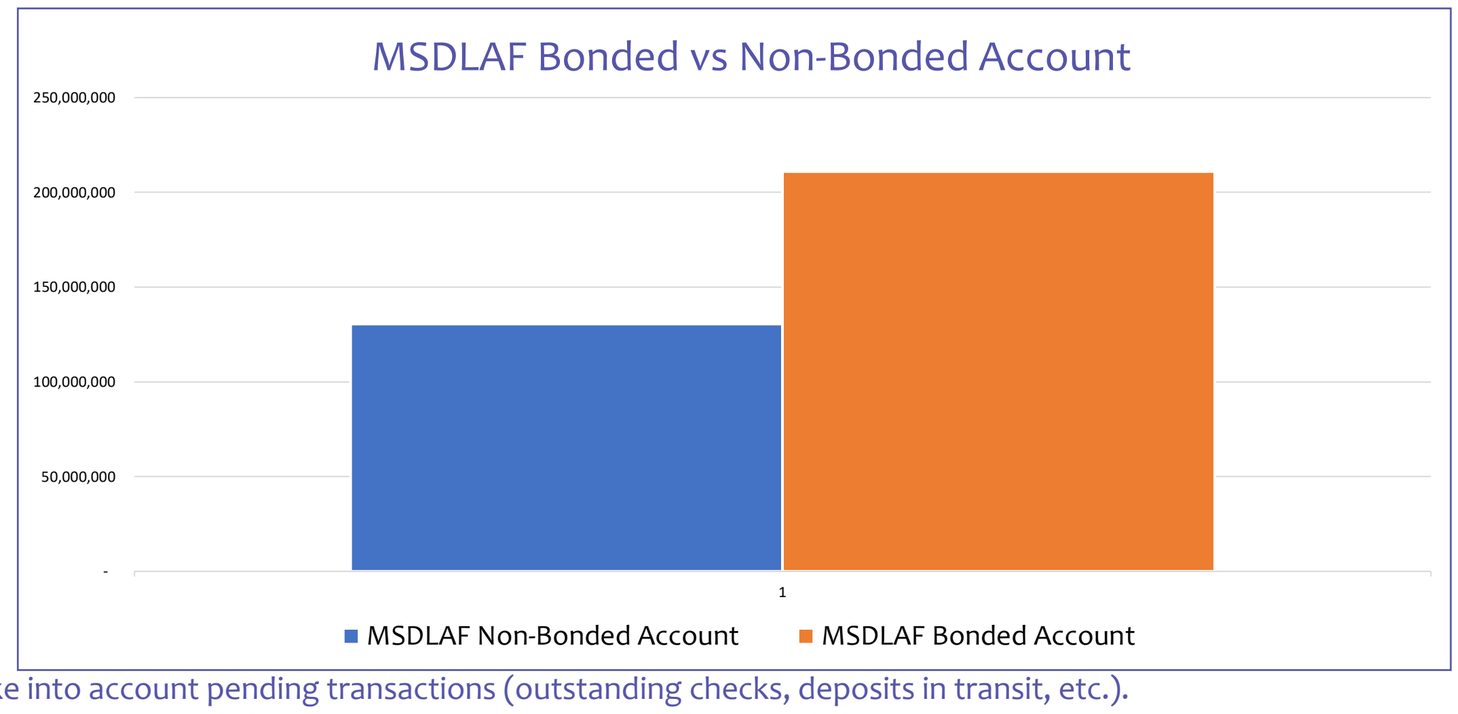
Unassigned – represents the residual classification for the government's general fund

Minneapolis Public Schools
Special School District No. 1
Cash Position & Minnesota School District Liquid Asset Fund Investment Fair Market Values
Month Ended February 28, 2026

MSDLAF Investment Accounts*	2026 February
MSDLAF	
General Investments	16,536,832
General	113,238,743
Payroll	788,762
2017B GO Bonds (LTFM)	7
2017C COP's	3,027
2019A GO Bonds	542
2019B GO Bonds (LTFM)	4,716,471
2020B GO Bonds	7,508
2020C GO Bonds (LTFM)	7,924,437
2021B GO Bonds	11,509
2021C GO Bonds (LTFM)	7,090,769
2022A GO Bonds	3,798,975
2022B GO Bonds (LTFM)	9,128,875
2023A GO Bonds	15,076,346
2023B GO Bonds	21,182,898
2024A GO Bonds	35,872,954
2024B GO BOND (LTFM)	15,205,243
2025A GO Bonds	48,634,103
2025B GO Bonds (LTFM)	42,465,302
2025C GO Bonds	242
Total Fair Market Value	**341,683,545**
Non MSDLAF Accounts*	
US Bank	268,648
Wells Fargo	-
Cash with Fiscal Agents	44,538,660
Student Activity Accounts	785,262
Total Non MSDLAF	**45,592,570**
Total Cash & Investments	**387,276,116**





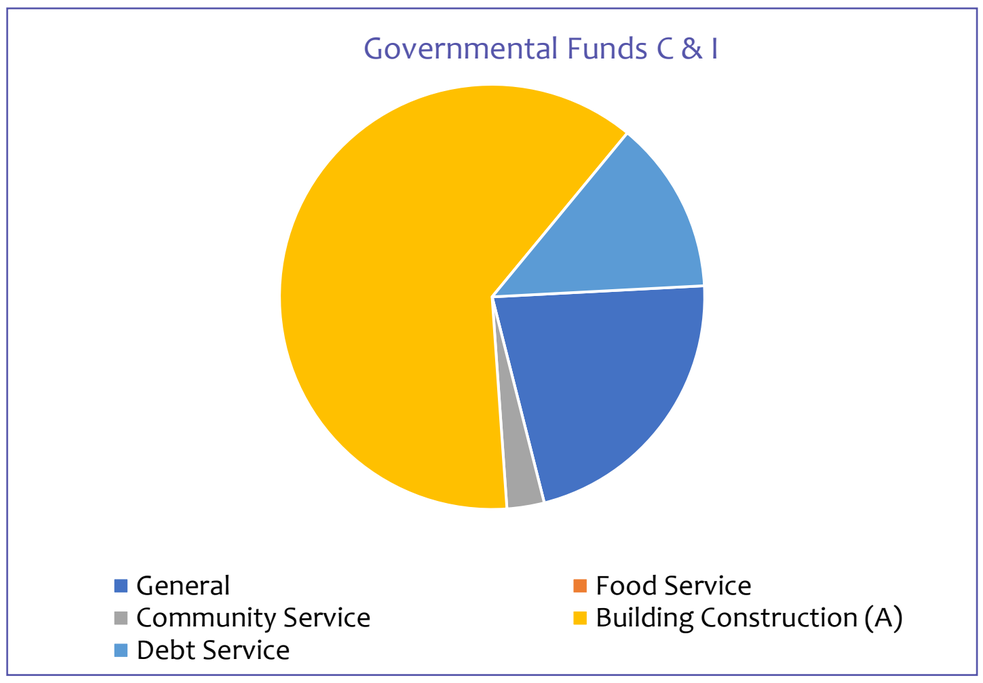


*Note 1: These amounts represent cash balances and do not take into account pending transactions (outstanding checks, deposits in transit, etc.).
*Note 2: Cash & Investments balances for non-governmental funds may also be displayed above, however aren't included in cash on hand table.
*Note 3: All investments held at the Minnesota School District Liquid Asset Fund adhere to MPS investment Policy 3296 & 3296A, as well as state & federal guidelines.

Month End Governmental Funds Cash and Investments

Governmental Funds	Balances
Operating Funds	
General	$93,446,963
Food Service	$0
Community Service	$12,108,036
Non-Operating Funds	
Building Construction **(A)**	$265,149,236
Debt Service	$56,312,732

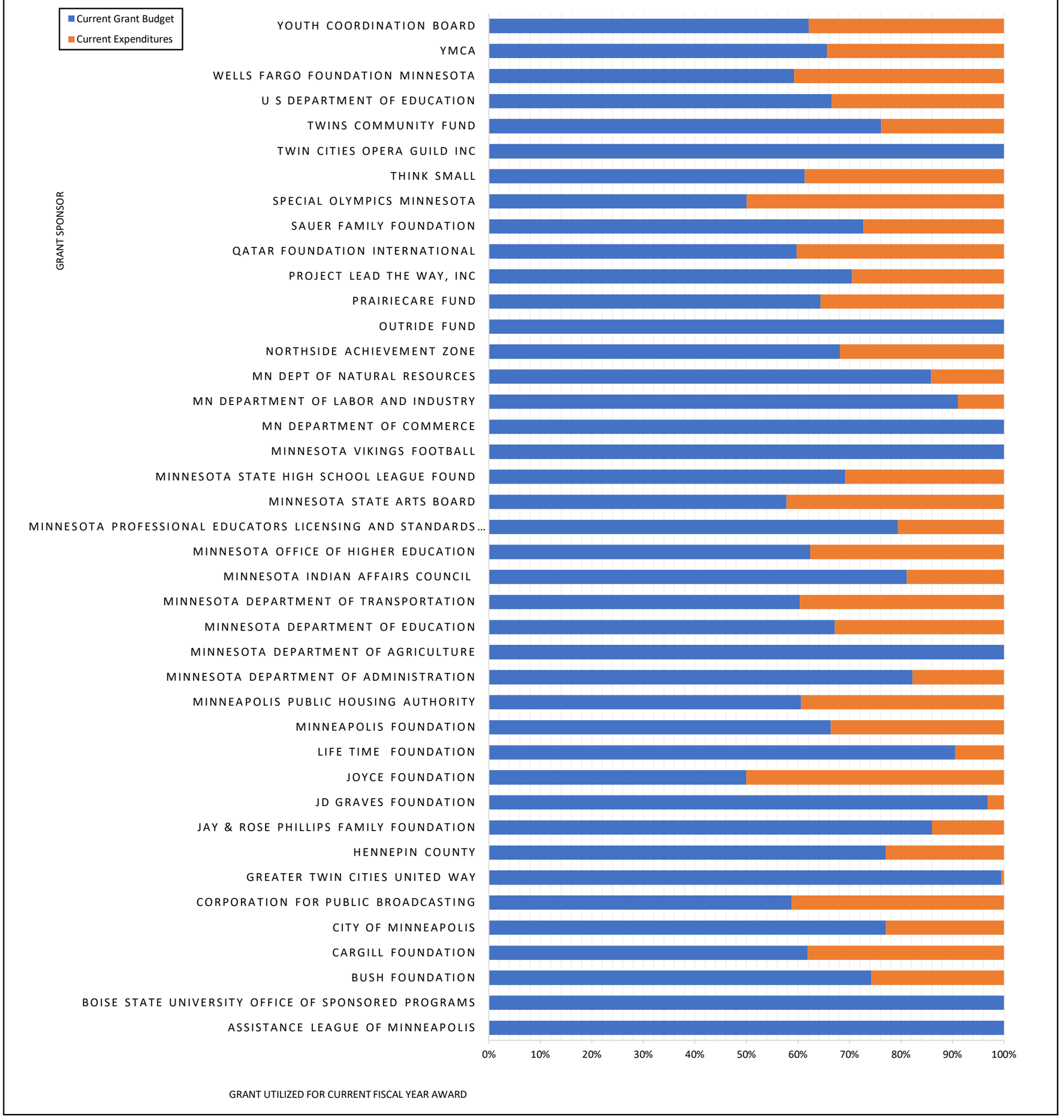
(A) A significant portion of The District's Cash and Investment is in the building construction fund. This funding must be spent on capital projects.



Minneapolis Public Schools
Special School District No. 1
Grant Awards and Expenditures
Month Ended February 28, 2026

Grant Sponsor	Current Grant Budget	Current Expenditures
Assistance League of Minneapolis	5,000	-
Boise State University Office of Sponsored Programs	384,346	-
Bush Foundation	7,984	2,767
Cargill Foundation	582,675	358,547
City of Minneapolis	907,810	270,423
Corporation for Public Broadcasting	135,941	95,176
Greater Twin Cities United Way	43,781	240
Hennepin County	1,048,444	313,135
Jay & Rose Phillips Family Foundation	106,765	17,371
JD Graves Foundation	20,000	653
Joyce Foundation	5,667	5,667
Life Time Foundation	14,350	1,504
Minneapolis Foundation	1,351,302	684,525
Minneapolis Public Housing Authority	749,993	487,478
Minnesota Department of Administration	162,889	35,153
Minnesota Department of Agriculture	31,454	-
Minnesota Department of Education	55,600,125	27,216,041
Minnesota Department of Transportation	34,661	22,719
Minnesota Indian Affairs Council	898,914	209,311
Minnesota Office of Higher Education	523,472	315,916
Minnesota Professional Educators Licensing and Standards Board	270,366	70,017
Minnesota State Arts Board	93,050	67,950
Minnesota State High School League Found	8,383	3,727
Minnesota Vikings Football	492,985	-
MN Department of Commerce	1,206,325	-
MN Department of Labor and Industry	142,088	13,904
MN Dept of Natural Resources	19,000	3,143
Northside Achievement Zone	613,873	287,347
Outride Fund	5,115	-
PrairieCare Fund	4,708	2,605
Project Lead the Way, Inc	16,850	7,053
Qatar Foundation International	67,163	45,300
Sauer Family Foundation	95,000	35,625
Special Olympics Minnesota	13,161	13,146
Think Small	1,338,024	843,298
Twin Cities Opera Guild Inc	5,214	-
Twins Community Fund	56,359	17,658
U S Department of Education	3,427,688	1,720,539
Wells Fargo Foundation Minnesota	40,000	27,527
YMCA	954,682	499,728
Youth Coordination Board	360,296	219,859
Grand Total	**71,845,903**	**33,915,053**

Minneapolis Public Schools
Special School District No. 1
Grant Utilization for Current Fiscal Year Award
Month Ended February 28, 2026



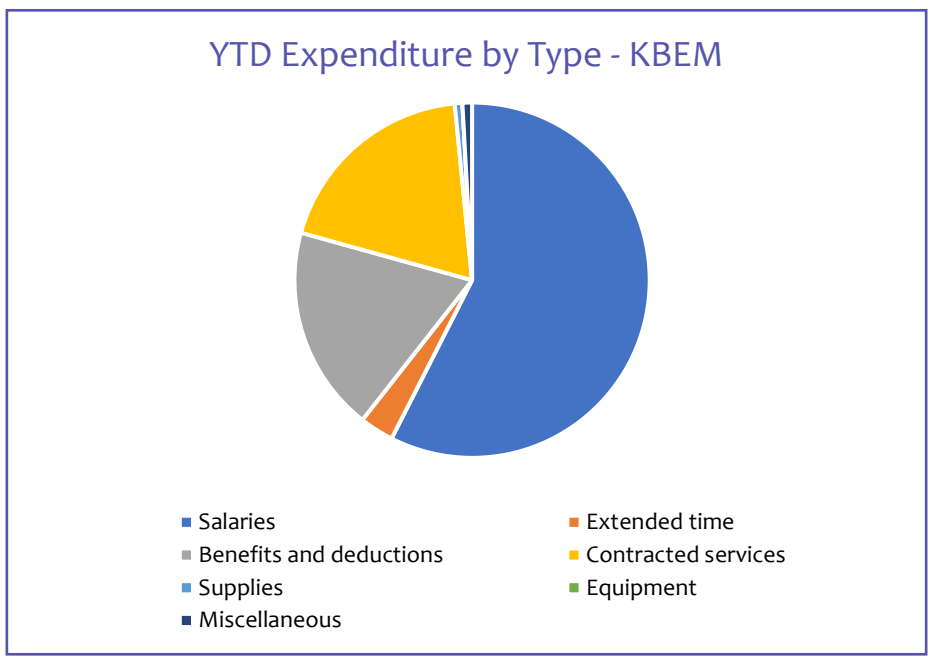
Minneapolis Public Schools
Special School District No. 1
Budget and Actual Expenditures - KBEM
Month Ended February 28, 2026

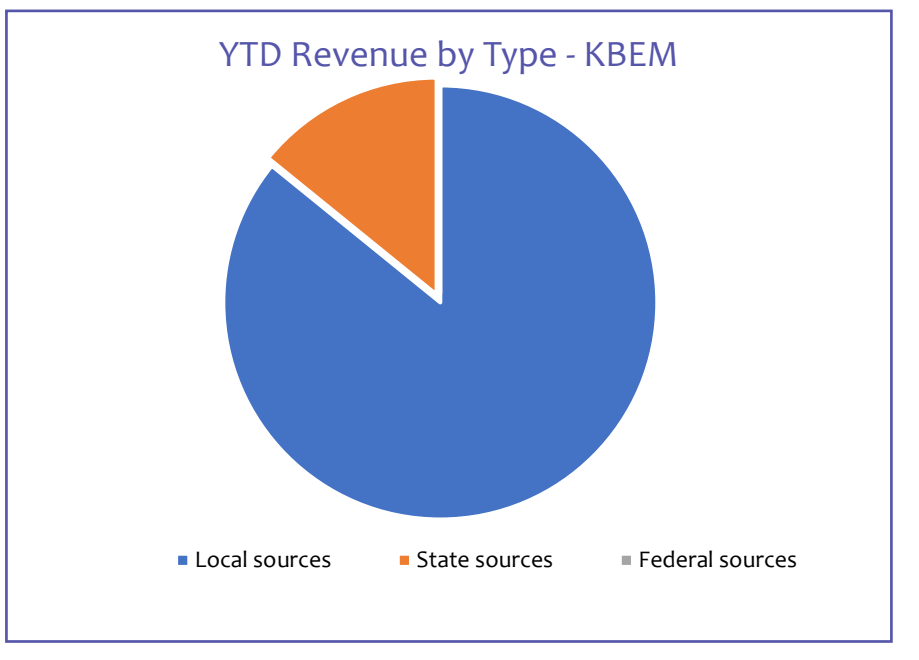
Fund	Budget	YTD Actuals	% of Budget	PY YTD Actuals	PY % of Budget
Salaries	775,603	501,295	64.6%	568,633	56.1%
Extended time	46,140	27,071	58.7%	25,504	53.1%
Benefits and deductions	317,196	163,162	51.4%	177,471	44.3%
Contracted services	312,062	166,758	53.4%	355,831	52.8%
Supplies	39,754	6,049	15.2%	96,274	55.6%
Equipment	-	-	-	-	
Miscellaneous	8,160	7,600	93.1%	9,952	50.4%
Total	**1,498,915**	**871,935**	58.2%	**1,233,664**	**53.0%**

Revenue Breakdown - KBEM
Month Ended February 28, 2026

	YTD Actuals
Local sources	802,132
State sources	132,254
Federal sources	-
YTD Revenue Received	**934,385**

Pie Chart Displaying Breakdown of Revenue & Expenditure by Type

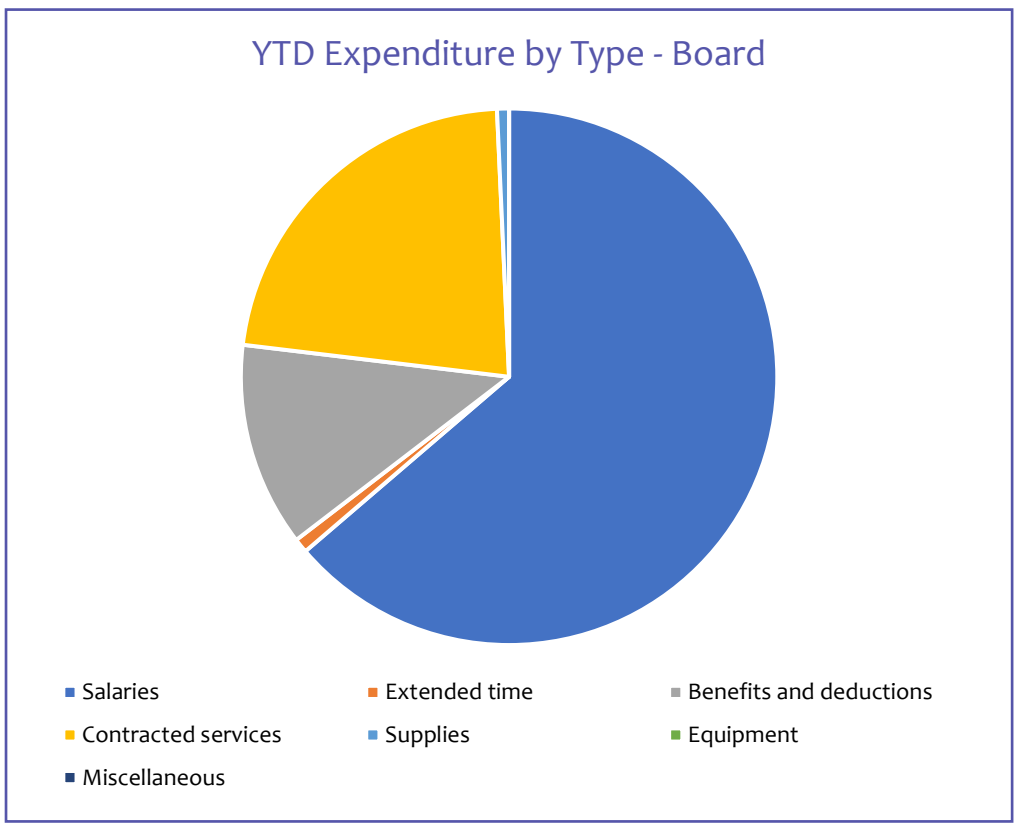




Minneapolis Public Schools
Special School District No. 1
Budget and Actual Expenditures - Board of Education
Month Ended February 28, 2026

Fund	Budget	YTD Actuals	% of Budget	PY YTD Actuals	PY % of Budget
Salaries	294,000	199,855	**68.0%**	118,538	64.4%
Extended time	-	2,713	**-**	416	0.0%
Benefits and deductions	76,400	38,626	**50.6%**	9,796	17.2%
Contracted services	227,500	70,164	**30.8%**	81,001	36.8%
Supplies	13,000	2,261	**17.4%**	6,528	29.4%
Equipment	-	-	**-**	-	
Miscellaneous	-		**-**	250	
Total	**610,900**	**313,619**	**51.3%**	**216,529**	44.8%

Pie Chart Displaying Breakdown of Expenditure by Type



Minneapolis Public Schools
Special School District No. 1
Statement of Revenues, Expenditures, and
Changes in Fund Balances - Governmental Funds (Non - General Fund)
Month Ended February 28, 2026

The activity represented below is for the current fiscal year

	Operating Funds		Non-Operating Funds	
	Food Service	**Community Service**	**Building Construction**	**Debt Service**
Revenues				
Local sources	235,547	13,171,607	4,929,676	48,367,751
Revenue from state sources	2,711,456	9,761,453	-	10,118,765
Revenue from federal sources	5,679,752	683,238	-	-
Other Revenue	238,785	-	-	-
Total Revenues	**8,865,540**	**23,616,298**	**4,929,676**	**58,486,516**
Expenditures				
Current	15,507,318	24,245,973	31,852,593	1,100
Capital Outlay	-	-	19,151,443	-
Debt Service	-	-	-	110,808,127
Total Expenditures	**15,507,318**	**24,245,973**	**51,004,037**	**110,809,227**
Excess of Revenues Over (Under) Expenditures	(6,641,779)	(629,675)	(46,074,361)	(52,322,711)
Other Financing Sources				
Total Other Financing Sources	**-**	**-**	**90,533,454**	**105,684**
Net Change in Fund Balances	**(6,641,779)**	**(629,675)**	**44,459,093**	**(52,217,026)**
Fund Balances				
February 28, 2026	**(4,703,163)**	**9,181,626**	**263,651,612**	**4,668,298**

Minneapolis Public Schools
Special School District No. 1
Balance Sheet - Governmental Funds (Non - General Fund)
February 28, 2026

The activity represented below is a snapshot as of month end

	Operating Funds		Non-Operating Funds	
Assets	**Food Service**	**Community Service**	**Building Construction**	**Debt Service**
Cash and investments	-	12,108,036	265,149,236	56,312,732
Receivables	-	2,887,707	-	50,528,110
Due from other gov entities	370,884	-	-	-
Prepaid items	-	-	-	-
Inventory	1,938,616	-	-	-
Total assets	**2,309,500**	**14,995,743**	**265,149,236**	**106,840,840**
Liabilities				
Due to general fund (negative cash)	6,641,779	-	-	-
Salaries and benefits payable	-	-	-	-
Accounts, contracts, and DTOG payable	370,884	348,548	1,497,623	-
Unearned revenue	-	-	-	-
Total liabilities	**7,012,663**	**348,548**	**1,497,623**	**-**
Deferred Inflows of Resources				
Total deferred inflows of resources	**-**	**5,465,571**	**-**	**102,172,542**
Fund Balances				
Nonspendable	1,938,616	-	-	-
Restricted	(6,641,779)	9,181,626	263,651,612	4,668,298
Assigned	-	-	-	-
Unassigned	-	-	-	-
Total fund balances	**(4,703,163)**	**9,181,626**	**263,651,612**	**4,668,298**
Total liabilities, deferred inflows of resources, and fund balances	**2,309,500**	**14,995,743**	**265,149,236**	**106,840,840**



Finance Committee

Mar. 24, 2026

MINNEAPOLIS PUBLIC SCHOOLS

Agenda

- Financial Statements
  - General Fund
  - Community Service Fund
  - Food Service Fund
- Food Service Meals Served

Financial Statements (February 2026)

February Financial Statements Highlights: General Fund

General Fund	Budget	YTD	Percent of Budget	Prior Year Percent of Budget
Revenue	$ 702,125,649	$ 410,896,637	58.5%	51.8%
Expenditures	$ 728,516,671	$ 436,429,058	59.9%	60.5%
Change in Fund Balance	$ (26,391,022)	$ (25,532,421)		
Beginning Fund Balance	$ 111,642,059	$ 111,642,059		
Ending Fund Balance	$ 85,251,037	$ 86,109,638		

February Financial Statements Highlights: Community Service Fund

Community Service Fund	Budget	YTD	Percent of Budget	Prior Year Percent of Budget
Revenue	$ 35,272,531	$ 23,616,298	67.0%	66.4%
Expenditures	$ 38,877,352	$ 24,245,973	62.4%	65.6%
Change in Fund Balance	$ (3,604,821)	$ (629,675)		
Beginning Fund Balance	$ 9,811,298	$ 9,811,298		
Ending Fund Balance	$ 6,206,477	$ 9,181,623		

MINNEAPOLIS PUBLIC SCHOOLS

February Financial Statements Highlights: Food Service Fund

Food Service Fund	Budget	YTD	Percent of Budget	Prior Year Percent of Budget
Revenue	$ 23,605,895	$ 8,865,540	37.6%	43.1%
Expenditures	$ 25,052,086	$ 15,507,318	61.9%	66.4%
Change in Fund Balance	$ (1,446,191)	$ (6,641,778)		
Beginning Fund Balance	$ 1,938,615	$ 1,938,615		
Ending Fund Balance	$ 492,424	$ (4,703,163)		

Food Service Operations

Meal		October		January		Difference
Breakfast - Average Meals Served		8,214		6,116		(2,098)
Daily Reimbursement	$	23,737	$	17,673	$	(6,064)
Lunch - Average Meals Served		17,601		13,551		(4,050)
Daily Reimbursement	$	85,101	$	65,519	$	(19,582)
Snack - Average Meals Served		1,213		1,442		229
Daily Reimbursement	$	1,323	$	1,572	$	249
Supper - Average Meals Served		1,323		1,087		(236)
Daily Reimbursement	$	6,491	$	5,332	$	(1,159)
Total Daily Reimbursement	**$**	**116,652**	**$**	**90,096**	**$**	**(26,556)**

Financial Statements Highlights: Cash and Equivalents

- At the end of January, the District held $334,044,402 cash and equivalents in the District Minnesota School District Liquid Asset Fund (MSDLAF) accounts
- $210,536,989 million represents bond proceeds that must be used for approved capital projects
- The District held $73,329,983 in non-MSDLAF accounts
- Fiscal agent accounts held $72,547,783 by the District outside agents
- Student Activity accounts held $750,074

February Financial Statements Highlights: Operating Fund Balances

Fund	Balance 2026	Prior Year 2025
General Fund		
Food Service		
Community Service		

**Fiscal Year 26 general fund balance includes accrual for revenues earned but not yet received (state and federal aid)*

Financial Statements Highlights: Revenue Activity

Fund	FY 2026	Prior Year 2025
General Fund	• FEB: • YTD:	• FEB: • YTD:
Food Service	• FEB: • YTD:	• FEB: • YTD:
Community Service	• FEB: • YTD:	• FEB: • YTD:

Financial Statements Highlights: Expenditure Activity

Fund	FY 2026	Prior Year 2025
General Fund	• FEB: • YTD:	• FEB: • YTD:
Food Service	• FEB: • YTD:	• FEB: • YTD:
Community Service	• FEB: • YTD:	• FEB: • YTD:

Fiscal Year 27 (2026-27) Budget Development Process Update

Finance Committee Meeting

March 24, 2026



MINNEAPOLIS PUBLIC SCHOOLS

Agenda



1. Key Reminders
2. Proposed Budget by Fund
3. FY27 Capital Plan
4. Opportunities and Potential Liabilities
5. Next Steps
6. Questions and Discussion

Reminders

- The effect of chronic underfunding of public education and expenses outpacing revenue growth means school districts across the state and country are facing substantial budget gaps
- Obligations (contractual/statutory/grants), commitments (programming/predictable staffing/school configurations), and restrictions (funding source use) dictate where significant portions of funding is used
- Fund balance is not available to close operating budget gaps as it has been in recent years, so expenses must match revenue
- Despite fiscal challenges and resulting reductions, our proposed budget invests in supports, programs, and services in alignment with board values and priorities
- Through board presentations and a forthcoming dedicated budget website, we will increase the amount of available budget information so families, staff, and our community can easily access how their public resources are being used
- School district budget processes are dynamic; we will share updates, including the reasoning as things inevitably change

School District Budget Challenges: A Shared Crisis

Robbinsdale school board votes to close 3 schools amid budget shortfall

Portland school district leaders warn potential $50M cuts could eliminate 300 jobs, close school

Oakland Unified school board approves hundreds of layoffs amid $100M budget deficit

Anchorage School Board approves 'severe' budget with hundreds of staff layoffs and 3 school closures

Stillwater part of dozens of metro school districts facing combined $223 million deficit

Duluth Public Schools face $4M budget shortfall, leaders discuss cuts

Anoka-Hennepin Schools dealing with a budget crunch

Milwaukee Public Schools plans to cut 263 jobs to address $46 million budget shortfall

Rochester Public Schools faces $8.3 million deficit

Moody's downgrades a Minnesota school district's GOs to junk

Fresno Unified votes to cut over 200 jobs amid $77 million budget shortfall

LAUSD to send 3,200 layoff notices as district faces $877M budget deficit

Common denominator: insufficient funding

Current Proposed Budgets by Fund

Fund Descriptions

Fund 1	Fund 1	Fund 2	Fund 4	Fund 6	Fund 7
General Fund	**General Fund**	**Food Service**	**Comm. Ed**	**Capital**	**Debt. Service**
Unrestricted	**Restricted**	**Restricted**	**Restricted**	**Restricted**	**Restricted**
School and department expenses that are not covered by other funds	Environmental Health & Safety and code compliance for buildings	Culinary and Wellness services	Community Education, Early Childhood, and Adult Education	Construction, maintenance and capital projects	Payment of general long-term obligation bond principal, interest, and related costs

Initial Proposed FY27 Fund 1 Budget Summary

- No use of unassigned or assigned fund balance
    - There will be a planned use of QComp restricted fund balance of $1,240,643

	Fund 1
Total Revenue	**$719.1M**
School Allocations (Expense)	$397.8M
Department Allocations (Expense)	$321.9M
Total Proposed Expenditures	**$719.6M**
Difference	**($0.50M)**
Other Sources/Uses of Funds to Balance	
Fund Transfer (Fund 4 Chargeback)	$0.50M
Other Sources/(Uses) of Funds	**$0.50M**

Initial Proposed FY27 Fund 2 Budget Summary

- Food service fund
- Still assessing the impact of drastically reduced revenues in January - March 2026
- Finalized annual rate adjustments of state and local revenue still forthcoming
- Fund 2 is allowed to have a negative fund balance for 1 year (balanced biennium)

	Fund 2
Total Revenue	**$24.5M**
Total Proposed Expenditures	**$24.5M**
Difference	**$0M**

Initial Proposed FY27 Fund 4 Budget Summary

- The Community Education budget is balanced through the use of available fund balance
- Relying on one-time fund balance for ongoing operating expenses is not sustainable and changes will be required in future years if there's no new revenue
- Programmatic adjustments in FY27 will will improve the situation for future years

	Fund 4
Total Revenue	**$40.3M**
School Allocations (Expense)	$1.1M
Department Allocations (Expense)	$39.5M
Chargeback to Fund 1	$0.5M
Total Proposed Expenditures	**$41.1M**
Difference	**($0.8M)**
Other Sources/Uses of Funds to Balance	
Planned Fund Balance Use	$0.8M
Other Sources/(Uses) of Funds	**$0.0M**



Capital Plan FY27

Facilities Planning, Design, & Construction

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What is the Capital Plan?

- Identifies and prioritizes needs of the built environment in order to further the mission of the school district
  - Capital renewal of existing systems
  - Capital improvements
- Establishes project timelines
- Identifies funding sources and financing options
- Living document that is reviewed and updated annually
- Aligned with strategic plan

MPS' Portfolio of Facilities

- 73 buildings in the District
- 8.5 million square feet
- 436 acres of property
- Average age of all buildings is 70
- 21 buildings over 100 years old

The total Current Replacement Value (CRV) of all MPS' buildings is: **~$4.3 Billion**

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Capital Plan

- **Guided by Policy 3170**
  - Requires a specific multi-year capital plan covering a minimum of three years
  - Requires a rolling, long-term maintenance and repair plan covering 10 years

- **Funding Sources**
  - General Obligation bonds
  - Long Term Facilities Maintenance revenue (bonds & levies)
  - Capital levies (Certificates of Participation)

- **March 24, 2026 Finance Committee**
  - Initial presentation of the capital plan



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Recently Completed Projects



Las Estrellas Safe & Welcoming Entry



Wilder Safe & Welcoming Entry


Edison HS CTE


VIKINGS STAR SPOKE VOLUMES: LA VELLE E. NEAL III ON SILENCE OF JUSTIN JEFFERSON

The Minnesota Star Tribune

ALL FOR FUN, AND FUN FOR ALL

Inclusive playground opens in Mpls. thanks to students' efforts.

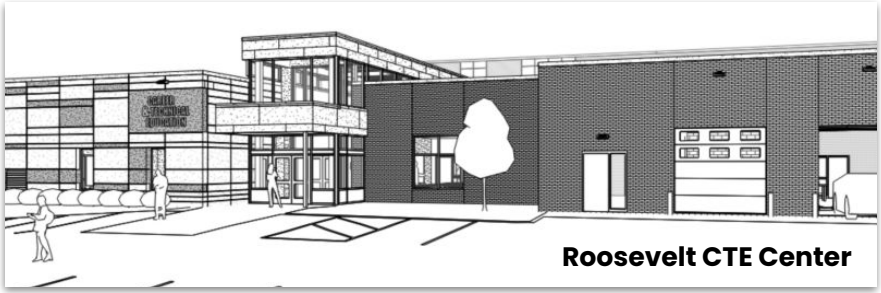
Ella Baker Playground

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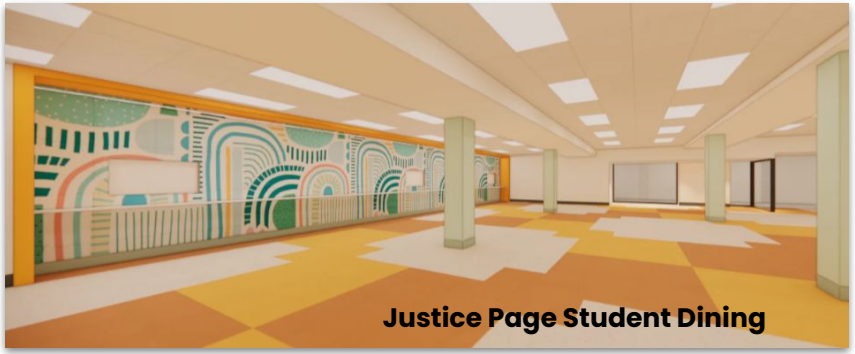
Upcoming Construction Projects











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Capital Plan Goals and Strategies

- **Continue implementation of previously identified capital project priorities**
  - Safe and Welcoming Entrances
  - Indoor Air Quality / Building Cooling
  - Kitchen and Student Dining
  - Student Athletics

- **Align Long-Term Facilities Maintenance Plan with Facility Condition Assessment**

- **Consolidate multiple projects at a given site, if possible**
  - Economies of scale
  - Reduces disruptions
  - Coordinate with summer programming

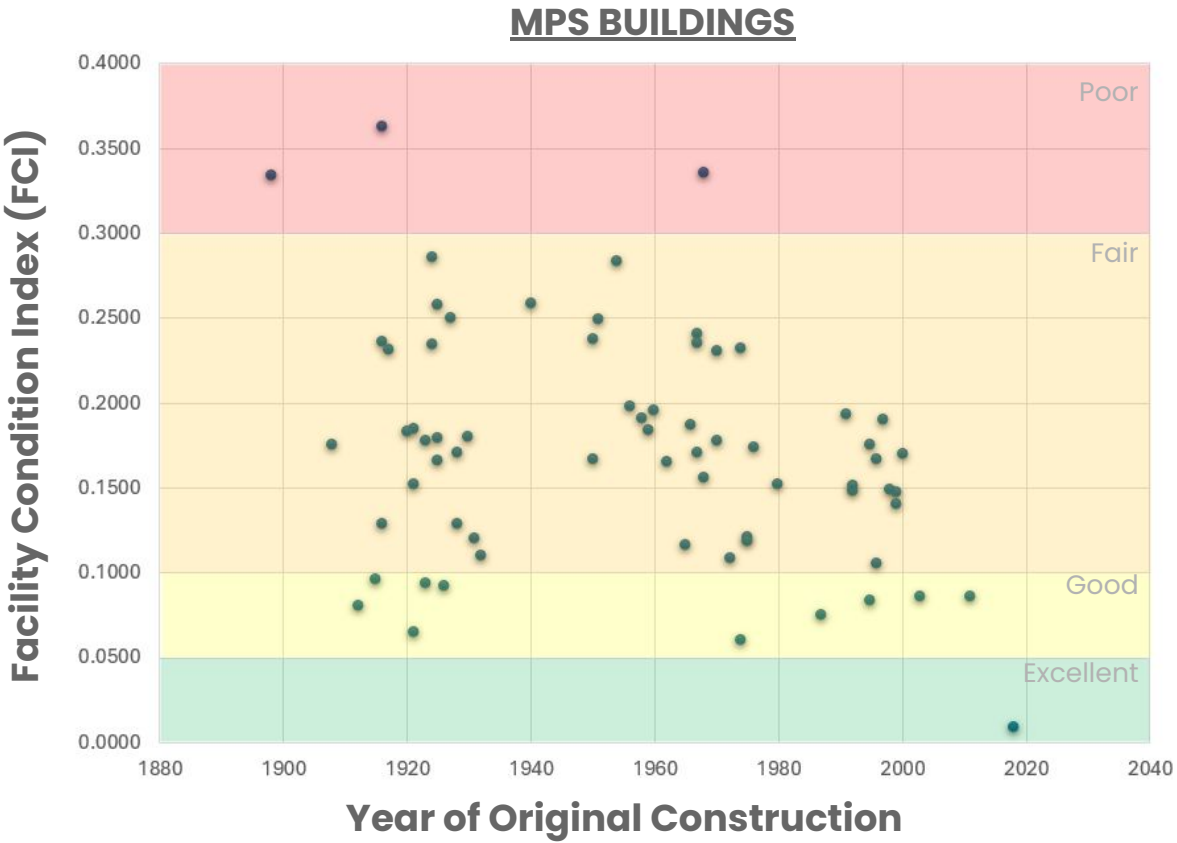
- **Project Updates Available on the Facilities Planning, Design, & Construction Website**
  - https://www.mpschools.org/departments/operations/cp

Facilities Condition Assessment (FCA)

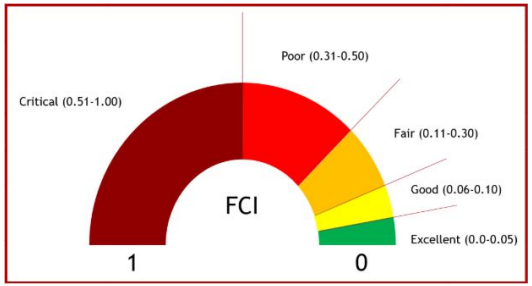
Provides an industry-standard way for assessing the condition of buildings and allowing for prioritization of resources and the tracking of impacts of investments

- The last FCA completed for MPS was in the year 2018.
- New FCA in 2025. Every district facility was inspected to analyze the condition of all individual building components.
- Data is incorporated into the capital plan and will be updated annually as projects are completed to maintain an accurate understanding of ongoing facility needs throughout the district
- Long-Term Facilities Maintenance (LTFM) budget allocations are aligned to reflect priorities identified by the FCA

Facility Condition Index (FCI)



$$FCI = \frac{\text{Deferred Maintenance Totals}}{\text{Building Replacement Costs}}$$



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Capital Plan FY27 Projects

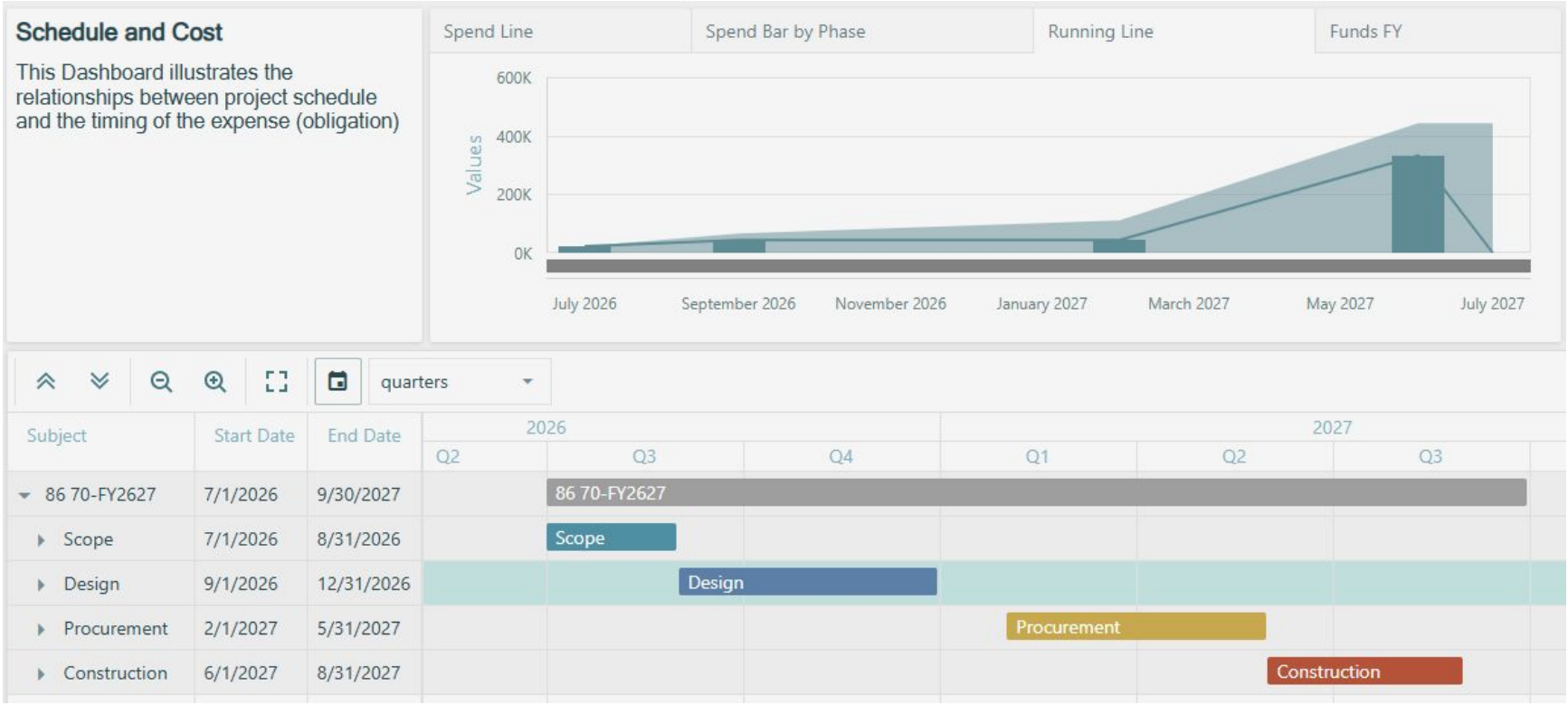
FY27 Projects

- Franklin Safe & Welcoming Entrance
- Howe Safe & Welcoming Entrance
- Northrop Building Cooling
- Southwest Athletic Field
- Student Placement / Davis Security
- Furniture, Fixtures, Equipment
- Small Capital Requests
- Title IX Compliance
- Strategic Direction / Transformation
- Security Camera Renewal
- Playground Improvements
- Transportation Fleet
- Long-Term Facilities Maintenance

Total - $90,336,000



Sample Project Schedule



MINNEAPOLIS PUBLIC SCHOOLS

Multi-Site Projects

- **Multi-Site projects address common, persistent needs in all buildings throughout the district**
  - Furniture, Fixtures & Equipment
  - Small Capital Project Requests
  - Strategic Direction / Transformation
  - Security Camera Renewal
  - Playground Improvements
  - Transportation Fleet & Equipment
  - LTFM Renewal Projects



Long-Term Facilities Maintenance (LTFM)

- **Annual reporting to, and approval from MN Department of Education**
- **Authorized Expenditures**
  - Deferred capital expenditures and renewal projects necessary to prevent further erosion of facilities
  - Increasing accessibility of school facilities
  - Health and safety capital projects
- **Typical Project Categories**
  - Building Envelope and Roof Systems
  - Electrical Systems, Hardware & Equipment
  - Mechanical and Plumbing Systems
  - Interior Surfaces
  - Exterior Site Projects





Capital Plan FY28 Projects

FY28 Projects

- Kenwood Building Cooling and Safe & Welcoming Entrance
- Furniture, Fixtures, Equipment
- Small Capital Requests
- Strategic Direction / Transformation
- Security Camera Renewal
- Playground Improvements
- Transportation Fleet
- Long-Term Facilities Maintenance

Total - $89,004,000



Capital Plan FY29 Projects

FY29 Projects

- Field Building Cooling
- Furniture, Fixtures, Equipment
- Small Capital Requests
- Security Camera Renewal
- Playground Improvements
- Transportation Fleet
- Long-Term Facilities Maintenance

Total - $87,312,000



MINNEAPOLIS PUBLIC SCHOOLS

Summary 3-Year Capital Plan

- **General Obligation Bonds**

Location	Improvement	FY27	FY28	FY29
	Capital Improvement Projects			
Field	Building Cooling			$12,640,000
Franklin	Safe & Welcoming Entrance	$1,000,000	$4,900,000	
Howe	Safe & Welcoming Entrance	$1,000,000	$4,045,000	
Kenwood	Building Cooling / Safe & Welcoming Entry		$10,640,000	$6,340,000
Multi-Site	Small Capital Projects	$1,500,000	$1,500,000	$1,500,000
Multi-Site	Title IX Compliance	$1,500,000		
Multi-Site	Strategic Direction / Transformation	$3,000,000	$2,500,000	
Multi-Site	Security Camera Renewal	$1,400,000	$1,000,000	$1,000,000
Multi-Site	Playground Improvements	$1,500,000	$1,500,000	$1,500,000
Maintenance & Operations	Self-Performed Improvements	$4,000,000	$4,000,000	$4,000,000
Maintenance & Operations	Fleet & Equipment	$250,000	$250,000	$250,000
Northrop	Building Cooling	$10,680,000		
Southwest	Turf Athletic Field	$9,369,000		
Student Placement Davis Center	Entrance & Security Improvements	$500,000		
Transportation	Fleet Vehicles	$1,500,000	$1,500,000	$1,500,000
	General Obligation Bonds Subtotal	**$38,099,000**	**$32,735,000**	**$29,630,000**

Summary 3-Year Capital Plan

- **Long-Term Facilities Maintenance Bonds**

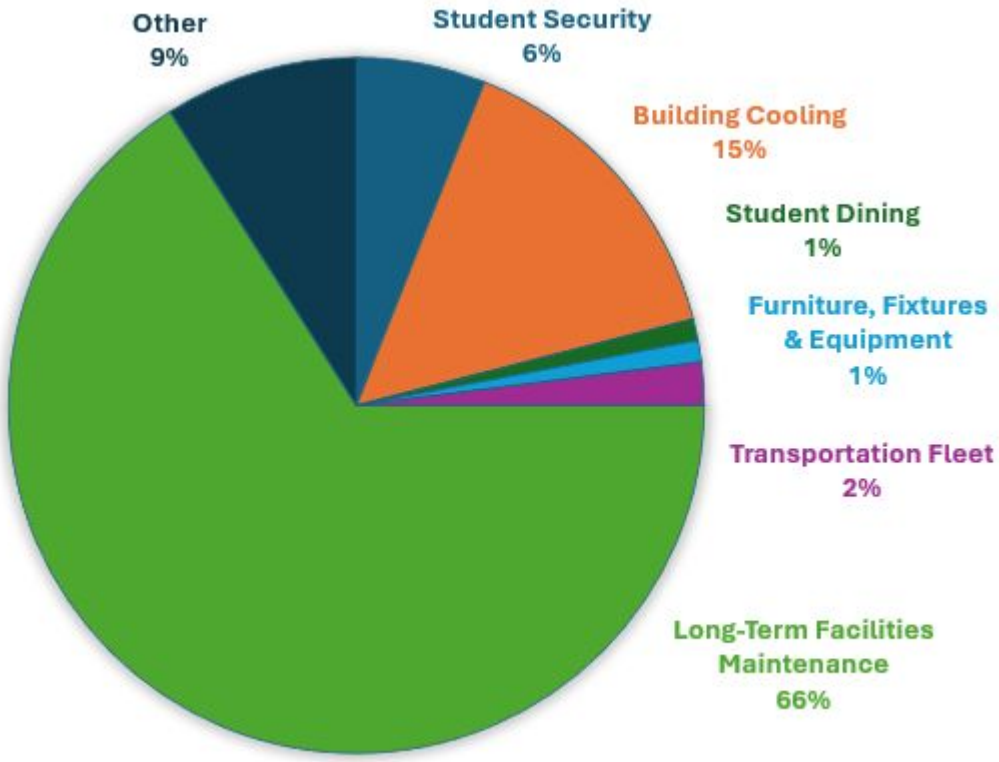
Location	Improvement	FY27	FY28	FY29
	Long-Term Facilities Maintenance Plan			
Multi-Site	Building Envelope	$5,223,700	$5,626,900	$5,768,200
Multi-Site	Hardware & Equipment	$2,611,850	$2,813,450	$2,884,100
Multi-Site	Electrical Systems	$2,611,850	$2,813,450	$2,884,100
Multi-Site	Interior Surfaces	$7,835,550	$8,440,350	$8,652,300
Multi-Site	Mechanical Systems	$18,282,950	$19,694,150	$20,188,700
Multi-Site	Plumbing Systems	$3,917,775	$4,220,175	$4,326,150
Multi-Site	Professional Services	$3,917,775	$4,220,175	$4,326,150
Multi-Site	Roof Systems	$5,223,700	$5,626,900	$5,768,200
Multi-Site	Site Projects	$2,611,850	$2,813,450	$2,884,100
	LTFM Bonds Subtotal	**$52,237,000**	**$56,269,000**	**$57,682,000**
	Capital Plan Total	**$90,336,000**	**$89,004,000**	**$87,312,000**

Summary Future Capital Plan FY30 – FY37

Location	Improvement	2030	2031	2032	2033	2034	2035	2036	2037
Anthony	Building Cooling				$10,000,000	$15,000,000			
Anwatin	Building Cooling		$10,200,000	$19,800,000					
Burroughs	Safe & Welcoming Entrance	$5,200,000							
Hiawatha	Safe & Welcoming Entrance			$4,500,000					
Kenny	Building Cooling						$15,000,000		
Lake Harriet Low	Safe & Welcoming Entrance				$2,628,000				
Multi-Site	Furniture, Fixtures & Equipment	$1,000,000	$1,000,000	$1,000,000	$1,000,000	$1,000,000	$1,000,000	$1,000,000	$1,000,000
Multi-Site	Restroom Improvements	$1,000,000	$1,000,000	$1,000,000					
Multi-Site	Security Camera Renewal	$1,000,000	$1,000,000	$1,000,000					
Multi-Site	Small Capital Projects	$1,650,000	$1,750,000	$1,750,000	$1,950,000	$1,950,000	$1,950,000	$1,950,000	$1,950,000
Multi-Site	Long-Term Facilities Maintenance	$55,000,000	$57,000,000	$55,000,000	$57,000,000	$60,000,000	$57,000,000	$67,000,000	$67,000,000
Maint. & Oper.	Fleet & Equipment	$250,000	$250,000	$250,000	$250,000	$250,000	$250,000	$250,000	$250,000
Maint. & Oper.	Self-Performed Improvements	$4,000,000	$4,000,000	$4,000,000	$4,500,000	$4,500,000	$4,500,000	$5,000,000	$5,000,000
Pratt	Safe & Welcoming Entrance				$6,760,000				
Roosevelt	Safe & Welcoming Entrance		$5,100,000						
Roosevelt	Building Cooling						$10,000,000	$15,000,000	$15,000,000
Transportation	Facility Improvements					$5,000,000			
Transportation	Fleet Vehicles	$1,500,000	$1,500,000	$1,500,000	$1,500,000	$1,500,000	$1,500,000	$1,500,000	$1,500,000
Washburn	Safe & Welcoming Entrance	$5,100,000							
Whittier	Safe & Welcoming Entrance	$10,500,000							
Whittier	Kitchen & Student Dining		$6,300,000						
	Total	$86,200,000	$89,100,000	$89,800,000	$85,588,000	$89,200,000	$91,200,000	$91,700,000	$91,700,000

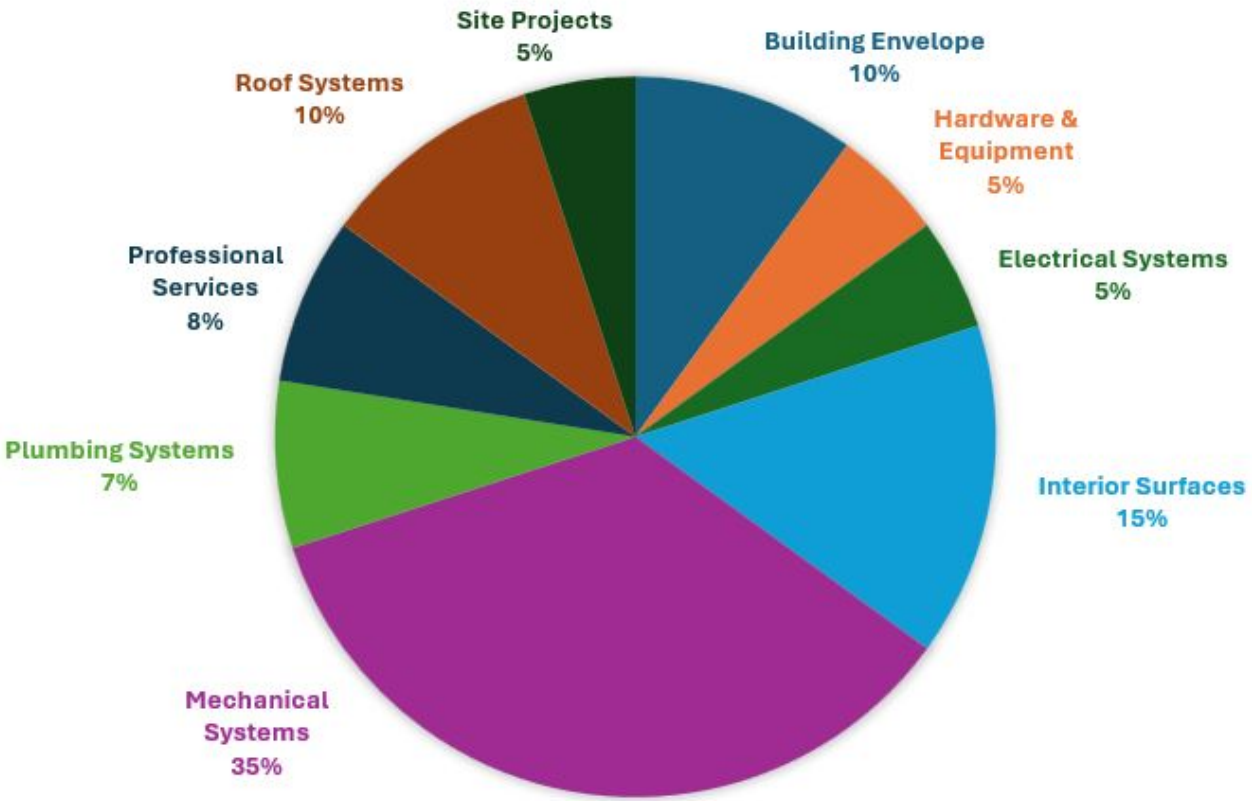
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Future Capital Plan FY30 to FY37 Project Distribution



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Long-Term Facilities Maintenance Distribution



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Student Focus – Remaining Projects

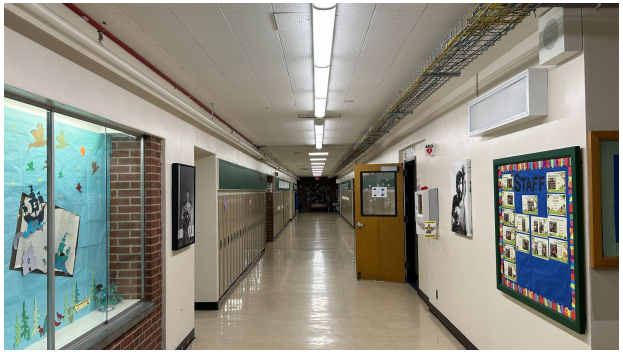
Safe and Welcoming Entrances
Burroughs
Franklin
Hiawatha
Howe
Kenwood
Pratt
Roosevelt
Washburn
Whittier

Building Cooling
Anthony
Anwatin
Field
Kenny
Kenwood
Northrop
Roosevelt

Student Dining
Whittier

Athletic Facilities
Southwest

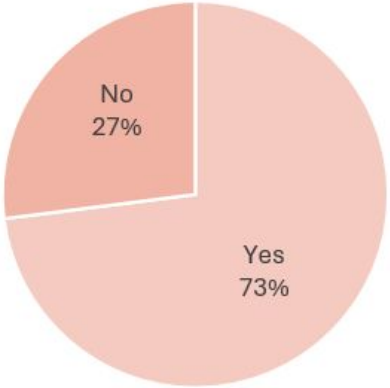




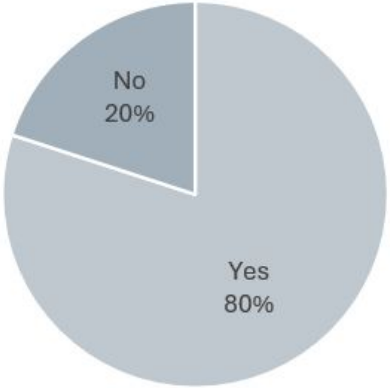
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Strategic Focus Areas Progress

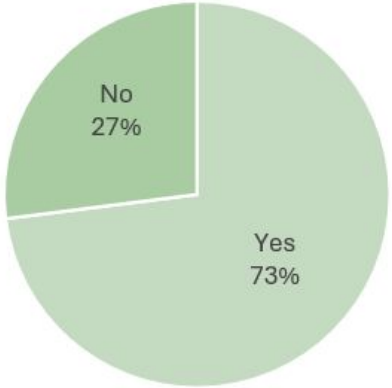
Safe & Welcoming Entrance



Building Cooling



Culinary Kitchen



MINNEAPOLIS PUBLIC SCHOOLS

Strategic Direction / School Transformation

- Anticipate potential for emerging strategic directions over the next several years that may require some capital improvements:
  - School Transformation
  - Continued work for relocation of Anishinabe Academy
    - Full funding for that potential project not included in this plan and would require plan modifications if / when the Board approves Gate Check C
- Though exact work is not determined at this point, we want to preserve bonding capacity and opportunity to fund it when determined by Board action
- If not needed, funding will go towards existing established priorities and fast-tracking other approved projects
- Outputs from Transformation may require additional modifications to the capital plan for FY28 and beyond

Summary

- Board Policy requires a three-year capital plan showing the specific location, improvement and funding as well as a ten-year plan for compliance with Long Term Facilities Maintenance revenue.
- The capital plan aligns to the strategic plan by providing secure and welcoming spaces to maintain the environment for academic achievement, student well being, effective staff and welcoming environments that are safe and well maintained.
- The capital plan's focus is on Safe & Welcoming Entrances, Building Cooling, Athletics and Student Dining Experience
- The plan includes funds for renewal of aging building assets.
- The plan is a roadmap to improvements and can be adjusted from year to year as needed to meet changing strategies and emerging issues.

Opportunities and Potential Liabilities

Legislative Session Status Update

- Governor Walz released his supplemental budget recommendations and called for additional cuts to special education funding starting in fiscal year 2028. He would cut an additional $50 million from cross subsidy reduction aid for a total cut of $300 million for fiscal years 2028-29.
- The Minnesota Senate appears poised to pass a one-year compensatory revenue increase but details of the proposal are still being worked out.
- The Minnesota House is unlikely to advance either an education policy or education finance omnibus bill this year. Republican House leaders have said they will not consider fixes to compensatory revenue, special education funding or school safety revenue unless the Governor agrees to adopt the federal tax credits for private school tuition that were part of HR 1 (federal tax and spending bill).
- Individual House members continue to have conversations about what may garner bipartisan support. The April 17 deadline to pass finance bills out of committee may give us clues to whether anything will pass this session.

Potential Liabilities

- Fewer students enrolled than projected would necessitate offsetting reductions in the fall once numbers are known
- Planned reduction of $250 million of Special Education funding in the next biennium is a significant concern
- Impact of federal immigration enforcement operations, including fewer students than projected in the current year and reduced food service revenue because fewer meals were served
- Uncertainty about what might happen with federal education funding
- Some employee contracts not yet settled; anything above what is budgeted would increase the projected gap
- Longer range, our expense growth trajectory is expected to substantially outpace our revenue
- If current year expenses exceed revenue, budget adjustments must be made and/or fund balance used
- Impact of inflation or other negative macroeconomic factors

Next Steps

Next Steps

- Continue with review process of proposed school and department budgets
- Staffing processes pursuant to collective bargaining agreement requirements
- Monitor and share any changes as a result of:
    - Variations in current year spending and revenue changes from approved budget
    - SY26 and SY27 actual and projected enrollment
    - Projected FY27 revenue sources
- Completion of external FY25 audit (presentation planned next month)
- Analysis of the fund balance
- Research whether planned general fund expenses are allowable to be paid from the Other Post Employment Benefits (OPEB) irrevocable trust
- Publication of FY27 budget website

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- Visit our FY27 budget webpage
- Read our newsletters: Family Update, MPS Insider and our Community Newsletter
- Attend Board Finance Committee meetings
- Join the MPS Parent Legislative Action Committee
- For questions about school allocations, reach out to the principal
- Email answers@mpls.k12.mn.us

Questions and Discussion