



June 22, 2026

To: Dr. Josh Swanson, Superintendent
From: The Business Office
Re: 2026-27 Adopted Budget

Attached you will find the 2026-27 Draft Budget for your review. We appreciate the collaboration with you and the School Board which created the budget assumptions that were foundational to the development of this year's budget.

The budget includes the assumptions that the school board approved in March 2026.

This budget projects an unassigned fund balance of 14.2% of annual expenditures, representing an increase of \$877,821 in unassigned fund balance, but a decrease in fund balance percentage. This is approximately a \$1.2 million improvement compared to the 5-year forecast presented in January 2026. The primary driver of this improvement was the Legislature's decision not to continue with the compensatory revenue hold harmless calculation, resulting in approximately \$1.6 million in additional revenue for Eden Prairie Schools, partially offset by additional restricted expenditures.

The current 5-year forecast projects an unassigned fund balance of 9.75% in fiscal year 2028-29, demonstrating the district's continued commitment to sustaining fiscal health while maintaining the programmatic stability made possible through the successful referendum. While the district originally committed to maintaining this stability for five years, current projections now show the ability to extend that commitment into a sixth year. Through disciplined financial planning, the district continues to invest in student success while maintaining the community's confidence in our stewardship of public resources.

A few highlights include:

- 2.69% CPI adjustment to the Formula Allowance
- Ongoing investment in class size targets and staff allocation ratios
- Continued investments in student supports and wellbeing
- Free breakfast and lunch for all students
- Free transportation for all students

Below are some pages to focus on in the document:

- Page 1 – Projected fund balances in all funds
- Pages 3-15 – Provides an executive summary of the budget

We look forward to continued collaboration with you and the School Board in providing for the fiscal health of Eden Prairie Schools.