



# Cambridge-Isanti School District

## FY2026 Revised Budget

March 19, 2026

PRESENTED BY:

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# FY2026 Revised Budget Headlines



## Bottom Line

- Budget Surplus

## Funding

- Investment portfolio outperforming
- Accounting changes artificially inflate rev & exp

## Spending

- Labor costs forecast lower than originally projected
- Health Insurance much lower as well
- Improvements to injuries = lower work comp

## Fund Balance

- Stabilized





# MN Legislature Must Set Funding for MN Public Schools

Minnesota Constitution ARTICLE XIII, MISCELLANEOUS SUBJECTS, Section 1

**“UNIFORM SYSTEM OF PUBLIC SCHOOLS.** The stability of a republican form of government depending mainly upon the intelligence of the people, it is the duty of the legislature to establish a general and uniform system of public schools. The legislature shall make such provisions by taxation or otherwise as will secure a thorough and efficient system of public schools throughout the state.”

**In Minnesota, most school district revenues are controlled by state law and funding formulas, so districts have limited local flexibility.**

**The funding formulas established in state law calculate the amount of state aid and local revenue each district receives.**



# Where Does the Funding Go?

## General Ed Revenue

Basic  
Learning and Development  
Staff Development  
County Apportionment  
Declining Enrollment  
Pension Adjustment  
Gifted & Talented  
Extended Time  
Basic Skills  
Compensatory Revenue  
EL Revenue  
Sparsity  
Small Schools  
Transportation Sparsity  
Operating Capital  
Local Optional  
Referendum  
Transition  
Equity Revenue  
Alt Attendance Adjustment

## Categorical Revenues

Operating Capital  
Q-Comp  
Achievement & Integration  
Unemployment  
Safe Schools  
Career & Technical  
Other OPEB  
Nonpublic Transportation  
Disparity Aid  
Agricultural Market Value Credit  
Facility Maintenance  
Lease Levy  
Special Education  
Shared Time Aid  
School Trust Land Endowment  
EL Cross Subsidy  
Literacy Incentive Aid  
School Library Aid  
Indian Education Aid  
Student Support Aid  
Student Support Coop  
Summer Unemployment  
Misc Rev/Dept of Ed  
TRA/PERA Spec Funding Rev  
Abatement Aid

## Other Revenues

Title Revenue  
Federal Revenue  
Other Federal Revenue  
Student Activity Accounts  
Education Rec from other Dist  
Fees from Patrons/Admissions  
Med Asst Billing  
Facility Rentals  
Gifts/Bequests  
Investment Income  
Miscellaneous  
Unrestricted

## Minnesota School Funding

- Highly Regulated
- Funding formulas determine revenue for each “bucket”
- Expenses restricted to “buckets”



# Where School Funding is Directed (Mandates vs Local Control)



## ACADEMIC INSTRUCTION

Reading · Math · Science · Social Studies  
Core classroom teachers and materials

## MANDATED STUDENT SUPPORT SERVICES

Special education services  
English learner programming  
Intervention specialists  
Transportation for special populations

## SOCIAL, HEALTH, AND WELLNESS SERVICES

Mental health support  
School psychologists & social workers  
Behavioral intervention services  
Chemical and addiction prevention  
Homeless student services  
Family outreach and support programs

## OPERATIONS AND FACILITIES

Transportation  
Food service  
Building Operations & Safety and security  
Unemployment and Leaves

## LOCAL DISCRETION

Programs determined locally by the school board

### MANDATES IN MINNESOTA

- School districts must comply with ***hundreds of state and federal mandates***, many of which are only partially funded or completely ***unfunded***.
- Over ***65 new education mandates*** were passed in the 2023 legislative session alone.
- Roughly ***80-90% of district spending is already committed*** before the school board makes any decision.
- ***Every unfunded mandate takes away money from the classroom.***
- ***Every funded mandate takes away money that could have gone to the classroom.***

# Gen Education Funding per Pupil since 2003

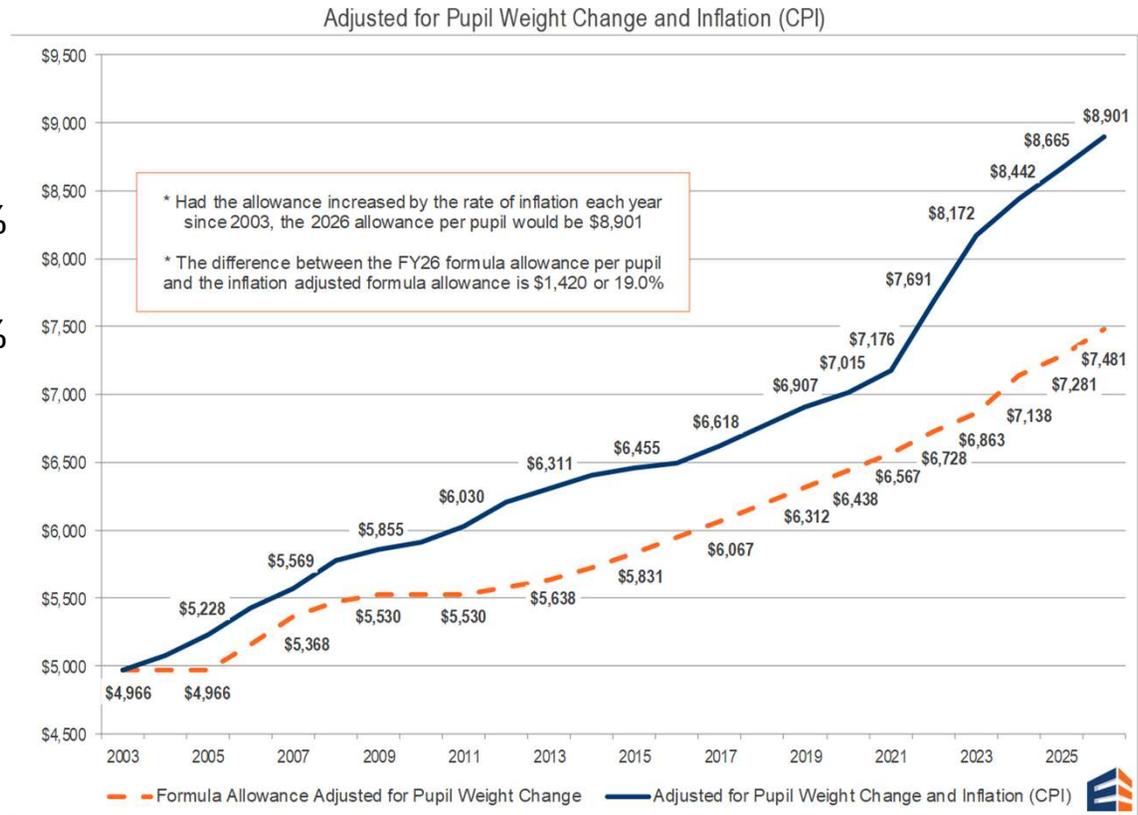


- Since 2002-03, state General Education Revenue formula has not kept pace with inflation
- For Fiscal Year 2024-25, an increase of 2.00% or \$143 over previous year was approved
- For Fiscal Year 2025-26, an increase of 2.75% or \$200 over previous year was approved

Per-pupil allowance for Fiscal Year 2025-26 of \$7,481 would need to increase by another \$1,420 (19.0%) to have kept pace with inflation since 2002-03, resulting in an allowance of \$8,901

## C-I Schools

**4,900 students x \$1,420 = \$6.9 million**



Source: MDE June 2025 CPI Inflation Estimates and Minnesota Laws 2023



# Then vs. Now

An important key to understanding education funding is that the roles of school have evolved significantly over the past 30 years.

In the 1990's, school was limited to traditional academic roles.

Today, a much broader set of responsibilities including mental health, family services, safety systems, and food security.

Schools have taken on more and more responsibility over the past 30 years, but funding has not even kept up with inflation.

**Schools Then: vs. Schools Now**

**Schools Then: 1990s**  
— Focused on Academic Instruction —

- Reading, Writing & Math
- Science & Social Studies
- Extracurricular Activities

**Schools Now: Today**  
— Providing Education & Social Services —

- Special Education Services
- Mental Health Support
- Homeless Student Assistance
- Nutritional Programs
- School Safety & Security
- Family & Community Outreach

The infographic is split into two vertical panels. The left panel, titled 'Schools Then: 1990s', has a green chalkboard background and features an illustration of a traditional red schoolhouse. It lists three academic-focused areas: Reading, Writing & Math (with an open book icon), Science & Social Studies (with an atom icon), and Extracurricular Activities (with a soccer ball and musical notes icon). At the bottom right of this panel is an illustration of a stack of books with a red apple on top and a pencil. The right panel, titled 'Schools Now: Today', has a light blue background with a modern school building illustration. It lists six social service areas: Special Education Services (with a puzzle piece icon), Mental Health Support (with a heart and pulse icon), Homeless Student Assistance (with a house icon), Nutritional Programs (with an apple and laptop icon), School Safety & Security (with a shield and camera icon), and Family & Community Outreach (with a group of people icon). A central circle with 'VS.' separates the two panels.



# How Do Schools Respond?

## When Responsibilities Grow Faster Than Funding



Resources Shift Away from the Classroom to Meet Mandated Needs.

**Redirect Resources From the Classroom**

- Shift funds to mandates.

**Increase Class Sizes**

- Larger student-to-teacher ratios.

**Cut Programs & Services**

- Reduce electives & activities.

**Delay Maintenance**

- Postpone repairs & upgrades.

**Ask Taxpayers for Help**

- Request local tax increases.

### Class Size

- Sustainability of maintaining lowest class sizes in region

### Cut Programs & Services

- One of most important measures in our community is offering vocational programming

### Delay Maintenance

- \$4.2 billion of deferred maintenance state-wide

### Ask Taxpayers for Help

- Majority of school districts have passed an operating referendum, and
- Every large school district of notable size has an operating referendum

# Budget Information

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School Districts use Fund-based accounting rather than traditional for-profit accounting because financial goals and legal environment are fundamentally different.

- 1. Demonstrate Legal Compliance, not Profitability*
- 2. Legal Restrictions on Various Revenues*
- 3. Budgetary Control Central to Public Finance*
- 4. Transparency and Public Accountability*

**School district budgets are divided into separate funds, based on purposes of revenue, as required by law.**

## **Our District's Funds:**

- General
- Food Service
- Community Service
- Building Construction
- Debt Service
- Internal Service





# Enrollment Projections

## Overview

- Enrollment always fluctuates year-to-year.
- State-wide trend: declining enrollment.
- C-I Schools enrollment has increasing over past 10-years, with recent dip.

## Funding

- Largest driver of school district revenue.

## Historical Trend

- Past 10 Years: enrollment increase of 113 pupils (2.3%)
- Peak: FY2022.

## Forecast

- Larger classes at higher-grade levels not being replaced at same rate.
- Result in short fluctuations that will stabilize in years to come.

Grade	FY2021	FY2022	FY2023	FY2024	FY2025	FY2026	FY2027	FY2028	FY2029	FY2030	FY2031
	Final	Final	Final	Final	12.03.2025	12.16.2025	Forecast	Forecast	Forecast	Forecast	Forecast
HK	63.1	57.2	59.3	-	-	-	-	-	-	-	-
K	275.1	276.2	250.3	341.8	294.4	330.3	340.2	354.7	353.2	353.2	353.2
1.0	315.3	360.9	329.1	323.3	353.0	291.8	337.3	347.4	362.0	360.5	360.5
2.0	319.9	347.7	356.1	325.7	332.9	359.7	292.6	338.2	348.2	363.4	361.9
3.0	305.0	344.5	340.4	350.5	340.5	326.7	354.8	288.2	332.5	342.1	357.8
4.0	363.5	317.0	347.7	339.2	354.5	350.1	334.1	363.1	294.7	340.3	350.2
5.0	360.1	373.6	322.6	342.2	349.5	355.0	352.7	336.6	366.1	296.7	342.9
6.0	361.6	385.8	396.0	328.2	343.7	350.7	353.0	350.9	336.8	367.1	295.7
7.0	388.5	389.2	384.4	401.1	330.3	355.6	359.6	361.7	359.5	345.7	377.1
8.0	388.6	415.4	396.4	399.8	398.1	343.9	364.3	368.4	370.3	368.1	354.4
9.0	440.1	437.1	444.2	424.9	430.3	439.5	379.4	402.5	407.1	409.3	406.9
10.0	411.8	450.4	424.6	453.9	417.5	441.2	451.7	391.4	414.7	419.4	421.6
11.0	375.9	417.3	442.9	414.0	438.8	421.0	412.8	425.3	370.0	391.4	395.6
12.0	393.8	384.9	413.2	441.8	422.1	437.0	425.2	419.9	430.9	382.8	401.4
EC	40.0	49.8	69.3	72.4	86.5	90.7	95.8	101.4	107.3	113.7	120.7
Adj ADM	4,802.2	5,006.8	4,976.5	4,958.8	4,892.2	4,893.0	4,853.7	4,849.5	4,853.4	4,853.8	4,899.8
Ext	18.6	44.1	45.4	38.1	37.2	37.2	40.2	40.2	40.2	40.2	40.2
EL	64.3	96.4	99.4	111.6	110.5	115.5	120.5	125.5	130.5	135.5	140.5
Tot ADM	4,885.1	5,147.2	5,121.3	5,108.5	5,039.9	5,045.7	5,014.4	5,015.3	5,024.1	5,029.5	5,080.6



# General Fund Highlights

DESCRIPTION	FY2026 Preliminary	FY2026 Revised	2026 Variance	Notes
<b>REVENUE</b>				
Levy	\$ 8,689,295	\$ 8,688,142	\$ (1,153)	Levy set in December of 2024
Investment Income	1,327,191	1,646,429	319,238	Strong investment portfolio performance
MA Billing	450,000	200,000	(250,000)	DHS changed reimbursement rates
Basic Formula	39,210,463	39,430,892	220,429	Enrollment higher than projected
Compensatory	2,919,743	3,119,814	200,071	Compensatory Hold Harmless
Other Foundation Aid	2,721,822	2,871,026	149,204	Accounting Change from Other State Aid
Other State Aid	2,396,482	2,637,708	241,226	MDE Accounting Change artificially inflate revenue (not realized)
Special Education	13,990,648	15,385,529	1,394,881	Use of Federal funds artificially inflates revenue (not realized)
Other	7,210,904	7,135,215	(75,689)	
<b>Total Revenue</b>	<b>\$ 78,916,548</b>	<b>\$ 81,114,754</b>	<b>\$ 2,198,206</b>	
<b>EXPENSES</b>				
Labor	\$ 45,798,587	\$ 45,652,230	\$ (146,358)	Largest item of budget
Health Insurance	7,169,521	6,870,041	(299,480)	Health Care Insurance Program performing well
Other Benefits	10,437,536	10,454,354	16,818	
Administration	550,156	460,600	(89,555)	Cost saving measures, property insurance
MDE Accounting Change	-	382,201	382,201	MDE Accounting Change artificially inflate expense (not realized)
Federal Expenditures	242,737	193,600	(49,137)	Less Title funding = less expenditures
Special Education	2,017,663	2,034,199	16,537	Very conservative estimate; current expenses trending much lower
Building & Grounds	2,314,511	2,392,659	78,147	High sensitivity to inflation (i.e. electricity 22% increase over past 2-years; nat gas)
Transportation	933,175	998,031	64,855	Snow removal and gas prices
Bus Purchases	1,554,106	1,553,406	(700)	
Operating Capital	2,333,631	2,059,097	(274,534)	Purchased Chromebooks in FY2025 to get ahead of tariff pricing
LTFM	1,586,588	1,545,144	(41,444)	
Assigned Purchases	2,396,170	1,833,077	(563,093)	Bus Purchases and Curriculum
Other	3,029,996	2,650,326	(379,670)	
<b>Total Expenses</b>	<b>80,364,379</b>	<b>79,078,966</b>	<b>(1,285,413)</b>	
<b>NET REVENUE</b>	<b>\$ (1,447,831)</b>	<b>\$ 2,035,788</b>	<b>\$ 3,483,619</b>	



# Operating Revenue and Expenses

Operating Funds (01 & 03) Description	FY2023 Actual	FY2024 Actual	FY2025 Actual	FY2026 Prelim Budget	FY2026 Rev Budget	Variance Revised
<b>REVENUE</b>						
Local Property Taxes	\$ 6,918,547	\$ 7,139,537	\$ 8,682,191	\$ 8,689,295	\$ 8,688,142	\$ (1,153)
Other Local	2,196,340	3,128,927	3,571,140	2,991,235	3,123,883	132,648
State General Formula	38,047,083	38,856,513	38,505,430	39,210,463	39,430,892	220,429
State Special Education	9,081,171	12,273,358	13,727,235	13,990,648	15,385,529	1,394,881
Other State Revenue	4,480,288	7,411,498	9,031,371	8,038,047	8,628,548	590,501
Federal COVID Revenue/Other	2,901,058	183,773	63,823	61,852	58,118	(3,734)
Federal Title/SPED	1,909,128	1,944,031	2,072,429	2,139,413	2,059,237	(80,176)
<b>Total Operating Revenues</b>	<b>\$ 65,533,615</b>	<b>\$ 70,937,638</b>	<b>\$ 75,653,619</b>	<b>\$ 75,120,953</b>	<b>\$ 77,374,349</b>	<b>\$ 2,253,396</b>





# Operating Revenue and Expenses

Operating Funds (01 & 03) Description	FY2023 Actual	FY2024 Actual	FY2025 Actual	FY2026 Budget	FY2026 Revised	Variance Revised
<b>EXPENSES</b>						
Salaries	\$ 37,108,259	\$ 39,627,411	\$ 43,517,500	\$ 45,798,587	\$ 45,652,230	\$ (146,358)
Benefits	13,860,268	14,849,077	16,094,447	17,607,057	17,324,395	(282,662)
Total Salaries & Benefits	50,968,527	54,476,488	59,611,947	63,405,645	62,976,625	(429,020)
COVID Expenses	1,364,611	2,623	-	-	-	-
General and Admin Expenses	224,981	225,855	290,648	571,573	339,947	(231,626)
Admin Technology	155,755	243,901	93,449	178,583	120,654	(57,929)
Finance & Support Services	1,946,617	2,056,723	2,185,237	2,455,115	2,334,029	(121,086)
Teaching & Learning	611,415	793,333	1,150,852	808,369	1,059,283	250,914
Special Education	1,366,949	1,603,797	1,922,449	2,017,663	2,034,199	16,537
Building & Grounds	2,145,793	2,093,334	2,258,438	2,314,511	2,392,659	78,147
Transportation	1,916,661	802,865	789,551	933,175	998,031	64,855
Targeted Services	4,336	45,847	1,274	51,630	9,754	(41,876)
School Supply Budgets	428,883	576,184	511,310	488,291	582,042	93,751
Athletics	403,903	454,939	527,490	465,000	465,000	-
Assigned Purchases	-	557,867	1,345,677	2,239,106	1,753,406	(485,700)
Other	102,218	107,371	81,703	157,064	79,671	(77,393)
Total Non-Labor Expenses	10,768,782	9,564,639	11,158,080	12,680,081	12,168,674	(511,407)
Total Operating Expenses	61,737,308	64,041,127	70,770,027	76,085,726	75,145,299	(940,426)
<b>OPERATING NET REVENUES</b>	<b>\$ 3,796,307</b>	<b>\$ 6,896,511</b>	<b>\$ 4,883,592</b>	<b>\$ (964,773)</b>	<b>\$ 2,229,049</b>	<b>\$ 3,193,822</b>

# Long-Term Facilities Maintenance (LTFM)



Long-Term Facilities Maintenance (05) Description	FY2023 Actual	FY2024 Actual	FY2025 Actual	FY2026 Budget	FY2026 Revised	Variance Revised
<b>LTFM Revenue</b>						
Local Property Taxes	\$ 1,450,944	\$ 764,838	\$ 648,010	\$ 573,618	\$ 573,618	\$ -
State Aid	599,531	455,293	514,402	512,303	467,202	(45,101)
<b>Total LTFM Revenue</b>	<b>2,050,475</b>	<b>1,220,131</b>	<b>1,162,411</b>	<b>1,085,920</b>	<b>1,040,820</b>	<b>(45,101)</b>
<b>LTFM Expenses</b>						
Health and Safety	789,622	267,371	263,423	352,892	365,630	12,738
LTFM Expenses	1,046,290	357,859	432,575	1,233,696	1,179,514	(54,182)
<b>Total LTFM Expenses</b>	<b>1,835,912</b>	<b>625,231</b>	<b>695,998</b>	<b>1,586,588</b>	<b>1,545,144</b>	<b>(41,444)</b>
<b>LTFM Net Revenues</b>	<b>\$ 214,563</b>	<b>\$ 594,900</b>	<b>\$ 466,413</b>	<b>\$ (500,667)</b>	<b>\$ (504,325)</b>	<b>\$ (3,657)</b>

## Deferred Maintenance (Math)

- Approx. funding = \$1 million
- Approx. Sq. ft = 1 million
- Therefore = \$1 / sq. ft [Abstract: Work Management - APPA](#)
- **APPA Benchmark:** spend 2-4% of facility current replacement value (CRV) on maintenance
- According to our Property Insurer, district CRV = \$300 million (likely much higher)
- 2% x \$300 million = \$5.9 million
- **How does school balance \$1 million in funding vs \$5.9 million in needs?**





# Operating Capital

Operating Capital (05) Description	FY2023 Actual	FY2024 Actual	FY2025 Actual	FY2026 Budget	FY2026 Revised	Variance Revised
<b>Operating Capital Revenue</b>						
Local Property Taxes	\$ 962,362	\$ 1,513,360	\$ 1,582,543	\$ 1,612,297	\$ 1,612,297	\$ -
Other Local	198,205	(2,406)	469	469	1,384	915
State Aid	1,024,627	936,286	812,346	750,204	754,923	4,718
<b>Total Op Cap Revenue</b>	<b>2,185,194</b>	<b>2,447,240</b>	<b>2,395,358</b>	<b>2,362,971</b>	<b>2,368,604</b>	<b>5,633</b>
<b>Operating Capital Expenses</b>						
General Technology	8,523	10,225	106,383	100,000	15,502	(84,498)
District Software	26,095	53,307	278,986	178,009	190,375	12,366
Blended Learning Plan	202,201	5,092	196,589	140,900	140,697	(203)
Technology Labor Expenses	-	-	-	-	-	-
ERATE Fiber Lease	427,040	224,080	231,831	122,101	126,739	4,638
Building Supply Budgets	34,592	47,271	63,125	75,001	75,001	-
Curriculum Development	-	-	-	-	-	-
Financing	1,319,823	1,321,134	1,389,926	1,391,621	1,327,311	(64,310)
Equipment	102,851	109,069	101,525	26,000	28,200	2,200
Building & Grounds Equipment	(56,597)	172,488	240,099	300,000	155,272	(144,728)
<b>Total Op Cap Expenses</b>	<b>2,064,529</b>	<b>1,942,666</b>	<b>2,608,465</b>	<b>2,333,631</b>	<b>2,059,097</b>	<b>(274,534)</b>
<b>Operating Capital Net Revenue</b>	<b>\$ 120,665</b>	<b>\$ 504,574</b>	<b>\$ (213,107)</b>	<b>\$ 29,339</b>	<b>\$ 309,506</b>	<b>\$ 280,167</b>



# Student Activity Accounts

Student Accounts (21) Description	FY2023 Actual	FY2024 Actual	FY2025 Actual	FY2026 Budget	FY2026 Revised	Variance Revised
<b>REVENUE AND EXPENSES</b>						
Total Revenue	\$ 338,239	\$ 349,592	\$ 421,247	\$ 346,704	\$ 330,982	\$ (15,722)
Expenses	307,020	331,696	432,934	358,433	329,425	(29,009)
<b>Total Operating Revenues</b>	<b>\$ 31,218</b>	<b>\$ 17,896</b>	<b>\$ (11,688)</b>	<b>\$ (11,730)</b>	<b>\$ 1,557</b>	<b>\$ 13,287</b>





# General Fund Summary

General Fund (01, 03, 05, & 21)	FY2023	FY2024	FY2025	FY2026	FY2026	Variance
Description	Actual	Actual	Actual	Budget	Revised	Revised
<b>REVENUE</b>						
Operating Funds (01 & 03)	\$ 65,533,615	\$ 70,937,638	\$ 75,653,619	\$ 75,120,953	\$ 77,374,349	\$ 2,253,396
Facilities/Capital (05)	4,235,669	3,667,371	3,557,769	3,448,891	3,409,423	(39,468)
Student Activity Accounts (21)	338,239	349,592	421,247	346,704	330,982	(15,722)
<b>Total General Fund Revenues</b>	<b>70,107,524</b>	<b>74,954,601</b>	<b>79,632,635</b>	<b>78,916,548</b>	<b>81,114,754</b>	<b>2,198,206</b>
<b>EXPENSES</b>						
Operating Funds (01 & 03)	61,737,308	64,041,127	70,770,027	76,085,726	75,145,299	(940,426)
Facilities/Capital (05)	3,900,442	2,567,897	3,304,463	3,920,219	3,604,241	(315,978)
Student Activity Accounts (21)	307,020	331,696	432,934	358,433	329,425	(29,009)
<b>Total General Fund Expenses</b>	<b>65,944,770</b>	<b>66,940,720</b>	<b>74,507,424</b>	<b>80,364,379</b>	<b>79,078,966</b>	<b>(1,285,413)</b>
<b>NET REVENUES</b>						
Operating Funds (01 & 03)	3,796,307	6,896,511	4,883,592	(964,773)	2,229,049	3,193,822
Facilities/Capital (05)	335,228	1,099,474	253,306	(471,328)	(194,818)	276,510
Student Activity Accounts	31,218	17,896	(11,688)	(11,730)	1,557	13,287
<b>GENERAL FUND NET REVENUES</b>	<b>\$ 4,162,753</b>	<b>\$ 8,013,881</b>	<b>\$ 5,125,211</b>	<b>\$ (1,447,831)</b>	<b>\$ 2,035,788</b>	<b>\$ 3,483,619</b>



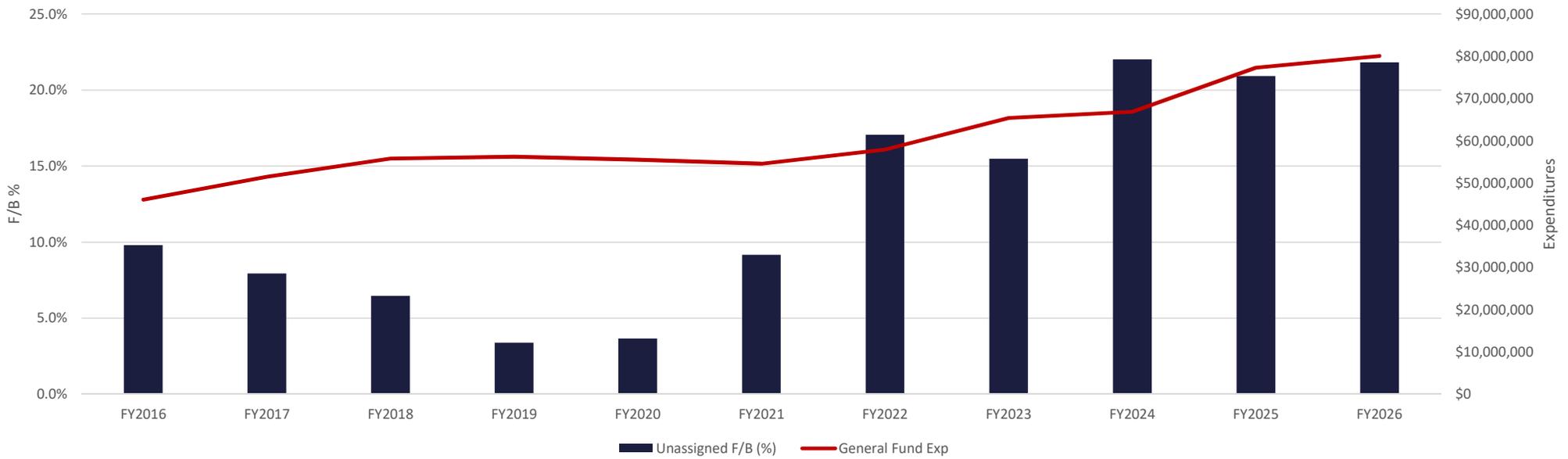
# Fund Balance

General Fund (01, 03, 05, & 21)		Beginning				Fund Bal	Fund Bal
Acct	Description	Balance	Revenue	Expenses	Transfers	\$	%
401	Student Activities	\$ 332,842	\$ 330,982	\$ 329,425	\$ -	\$ 334,399	0.42%
403	Staff Development	241,114	803,251	803,251	-	241,114	0.30%
412	Literacy Incentive	-	206,354	206,354	-	-	0.00%
420	American Indian Aid	-	100,500	100,500	-	-	0.00%
424	Operating Capital	2,816,982	2,368,604	2,059,097	-	3,126,489	3.95%
428	Learning and Development	2,033,705	1,032,302	1,032,302	-	2,033,705	2.57%
434	Area Learning Center	37,052	820,505	820,505	-	37,052	0.05%
438	Gifted and Talented	-	69,792	69,792	-	-	0.00%
439	English Learner	-	145,176	145,176	-	-	0.00%
441	Basic Skills Programs	27,774	3,119,814	3,119,814	-	27,774	0.04%
443	School Library Aid	-	86,659	86,659	-	-	0.00%
449	Safe Schools	-	191,770	191,770	-	-	0.00%
456	READ Act - Literacy Aid	83,679	-	83,679	-	-	0.00%
457	READ Act - Teacher Comp	-	-	-	-	-	0.00%
460	Nonspendable	386,214	-	-	-	386,214	0.49%
462	Assigned	6,169,985	-	1,753,406	1,677,414	6,093,993	7.71%
467	LTFM	4,412,217	1,040,820	1,545,144	-	3,907,893	4.94%
471	Student Support Aid	-	91,877	91,877	-	-	0.00%
472	Medical Assistance	458,804	200,000	320,000	-	338,804	0.43%
	Subtotal	17,000,369	10,608,405	12,758,752	-	16,527,436	20.90%
<b>422</b>	<b>Unassigned</b>	<b>19,493,517</b>	<b>70,506,349</b>	<b>66,320,214</b>	<b>(1,677,414)</b>	<b>22,002,238</b>	<b>27.82%</b>
	Total Balance	\$ 36,493,886	\$ 81,114,754	\$ 79,078,966	\$ -	\$ 38,529,674	48.72%

# General Fund Highlights



Unassigned Fund Balance and Expenditures



# Why the Budget May (will) be Wrong



- Special Education Funding – based on previous year expenditures and current year tuition payments
- Enrollment – largest impact to revenue
- Wages and Staffing – over 1,000 employees
  - Employee Absence trends, Scheduling, Employee Turnover, Health Insurance, Lane Changes, Software challenges
- Paid Family Medical Leave – many uncertainties
- Summer Unemployment – funding will not cover all expenses
- Contract Negotiations
- Care & Treatment expenses
- Snow Removal – it's Minnesota
- Gas Prices – conflict in the Middle East
- Utility Expenses – 22% increase in electricity prices, nat gas volatility
- Facility breakdowns
- And more! (14,000 line items of budgeted expenses)



# Food Service

Food Service (02) Description	FY2023 Actual	FY2024 Actual	FY2025 Actual	FY2026 Budget	FY2026 Revised	Variance Revised
<b>REVENUE</b>						
Lunch Program	\$ 2,097,008	\$ 2,578,517	\$ 2,733,533	\$ 2,902,333	\$ 2,824,070	\$ (78,262)
Breakfast Program	350,809	889,930	923,811	977,345	820,198	(157,146)
A La Carte/Other	330,789	439,511	263,101	189,707	230,522	40,816
<b>Total Food Service Revenues</b>	<b>2,778,606</b>	<b>3,907,958</b>	<b>3,920,446</b>	<b>4,069,384</b>	<b>3,874,791</b>	<b>(194,593)</b>
<b>EXPENSES</b>						
Lunch Program	2,245,633	2,571,937	2,918,951	3,107,708	3,099,596	(8,113)
Breakfast Program	134,342	285,271	322,458	330,826	326,855	(3,971)
Interdepartment Chargebacks	24,711	24,903	-	25,576	-	(25,576)
A La Carte/Other	176,406	251,057	84,225	71,843	59,401	(12,442)
Summer Program	180,968	217,649	214,454	217,824	217,164	(660)
Lunchroom Supervision	139,140	177,965	206,872	168,851	211,009	42,159
<b>Total Food Service Expenses</b>	<b>2,901,199</b>	<b>3,528,781</b>	<b>3,746,959</b>	<b>3,922,628</b>	<b>3,914,025</b>	<b>(8,603)</b>
<b>FOOD SERVICE NET REVENUES</b>	<b>\$ (122,593)</b>	<b>\$ 379,177</b>	<b>\$ 173,486</b>	<b>\$ 146,756</b>	<b>\$ (39,234)</b>	<b>\$ (185,990)</b>
<b>Fund Balance</b>						
Beginning Fund Balance	759,987	637,394	1,016,571	1,190,057	1,336,813	
Plus: Revenues	2,778,606	3,907,958	3,920,446	4,069,384	3,874,791	
Less: Expenses	(2,901,199)	(3,528,781)	(3,746,959)	(3,922,628)	(3,914,025)	
Ending Fund Balance	\$ 637,394	\$ 1,016,571	\$ 1,190,057	\$ 1,336,813	\$ 1,297,579	

## Food Service Revenue

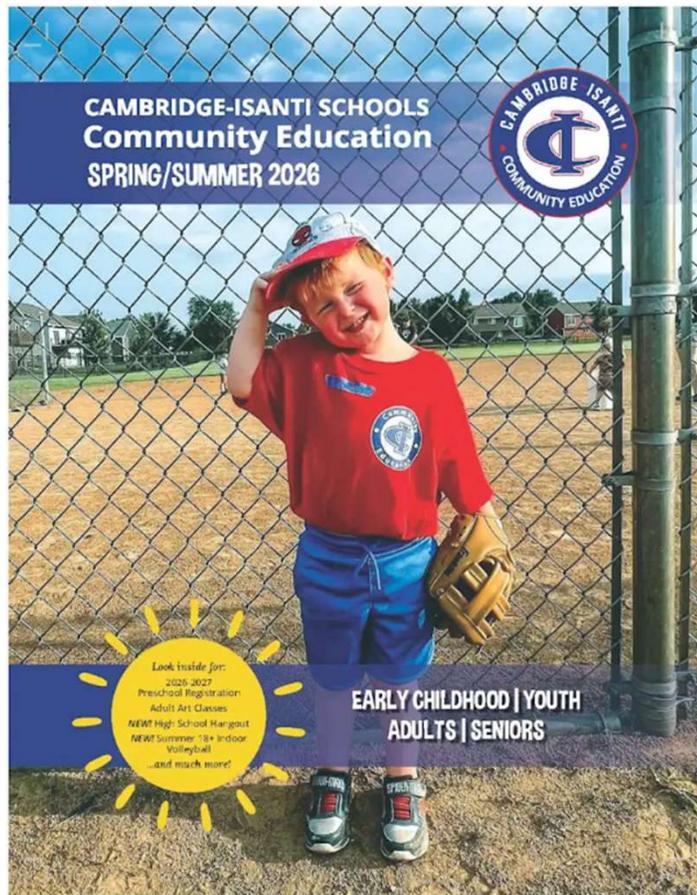
- Reduced revenue reflects changes in statute for meal reimbursements from State (\$0.02 per meal)
- Accounting change moved commodity disbursements from A La Carte to Lunch

## Expenses

- Food costs have increased with the introduction of Universal Free Meals
- Staffing has remained relatively stable
- Capital Ex: \$127k for new freezer, dishwasher, and other appliances.
- Expenses include charge-backs from the general fund for administration, lunchroom supervision, and utilities.



# Community Education



## Bottom Line

Revised budget reflects stable operations while highlighting increasing pressure related to capacity, staffing, strategic investments, and expanded services for learners and families.

## Funding:

- Community Education Aid, introduced in FY24, remains a key revenue source.
- Revenue growth has slowed in most program areas, with some declines in larger programs.
- Capacity limits in staffing and space are affecting opportunities for program growth.

## Spending:

- Salary and benefit costs continue to increase.
- Preschool and Adventure Center staffing has increased to meet student and program needs.
- Strategic investments in communications, engagement, and volunteer services remain critical, though they do not generate direct revenue.
- Budget pressures reflect the balance between broad programming, intentional investments in learner and family services, and the resources available to sustain that work.



# Community Education

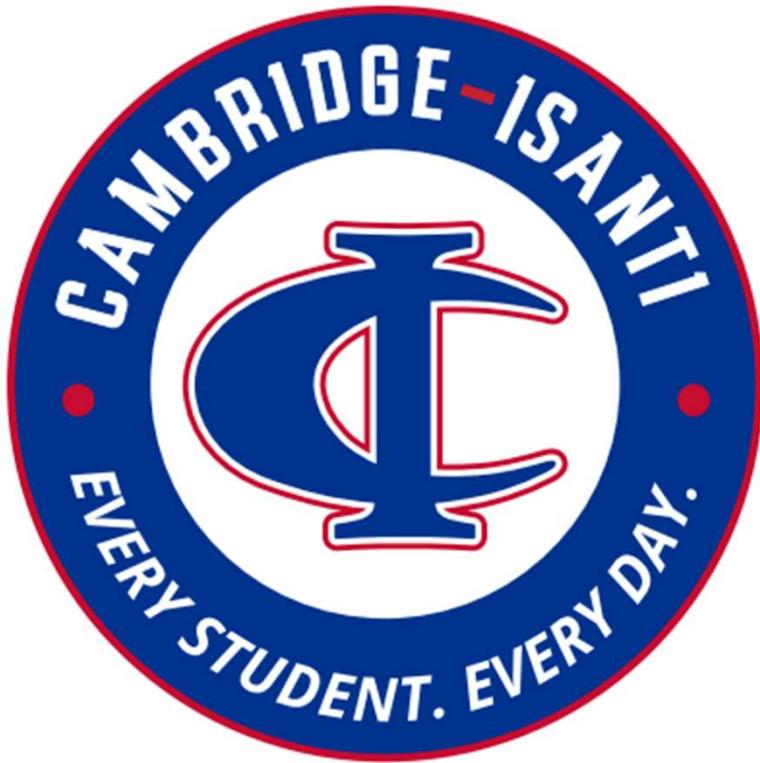
Community Education (04) Description	FY2023 Actual	FY2024 Actual	FY2025 Actual	FY2026 Prelim	FY2026 Revised	Variance
<b>COMM ED REVENUES &amp; EXPENSES</b>						
Revenue	3,190,858	3,653,460	3,597,312	3,765,328	3,657,897	(107,431)
Expenses	3,197,160	3,678,745	3,521,192	3,723,319	3,631,591	(91,728)
<b>COMMUNITY ED NET REVENUES</b>	<b>(6,301)</b>	<b>(25,285)</b>	<b>76,120</b>	<b>42,009</b>	<b>26,306</b>	<b>(15,703)</b>
<b>PROGRAM NET REVENUE</b>						
General Community Ed	(8,189)	(26,125)	136,207	157,177	120,788	(36,389)
Adult Enrichment	(33,392)	(11,523)	(45,571)	(57,040)	(44,012)	13,028
Adults with Disabilities	(13,407)	(12,183)	(17,640)	5,107	2,777	(2,330)
Adult Basic Education	(13,067)	(5,638)	-	24,332	5,014	(19,318)
Drivers Ed - Classroom	7,724	31,825	17,670	17,435	14,580	(2,855)
Drivers Ed - Behind the Wheel	(80,066)	27,084	(32,098)	(3,479)	(26,401)	(22,922)
Recreation	(59,313)	135,600	31,975	8,865	(18,342)	(27,207)
School Age Care	135,375	112,387	73,809	(20,775)	(145,178)	(124,403)
ECFE - Early Childhood	34,726	(87,907)	(26,657)	(88,956)	54,034	142,990
School Readiness	110,922	(386,842)	(239,833)	(163,611)	(124,146)	39,465
Preschool Health Screening	16,970	13,549	2,427	(1,697)	(2,699)	(1,002)
Preschool	(140,579)	170,841	160,787	151,809	179,206	27,397
Youth Development	35,996	13,647	15,044	12,841	10,683	(2,158)
<b>COMMUNITY ED NET REVENUES</b>	<b>(6,301)</b>	<b>(25,285)</b>	<b>76,120</b>	<b>42,009</b>	<b>26,306</b>	<b>(15,703)</b>
<b>Fund Balance</b>						
Beginning Fund Balance	495,789	495,789	495,789	495,789	495,789	
Plus: Revenues	3,190,858	3,653,460	3,597,312	3,765,328	3,657,897	
Less: Expenses	(3,197,160)	(3,678,745)	(3,521,192)	(3,723,319)	(3,631,591)	
Ending Fund Balance	489,488	470,504	571,909	537,798	522,095	



# Debt Service

Debt Service (07) Description	FY2023 Actual	FY2024 Actual	FY2025 Actual	FY2026 Budget	FY2026 Revised	Variance Revised
<b>REVENUE</b>						
Local Property Taxes	\$ 4,436,120	\$ 5,163,533	\$ 5,861,441	\$ 6,046,028	\$ 5,988,359	\$ (57,669)
State Aid	737,458	975,024	819,495	794,318	856,837	62,520
Bond Sale/Other	948,898	5,747,133	-	-	-	-
<b>Total Debt Service Revenue</b>	<b>6,122,476</b>	<b>11,885,690</b>	<b>6,680,936</b>	<b>6,840,346</b>	<b>6,845,197</b>	<b>4,851</b>
<b>EXPENSES</b>						
Bond Principal	4,485,000	4,145,000	5,100,000	5,270,000	5,272,100	2,100
Bond Interest	1,656,415	1,563,375	1,539,222	1,380,200	1,380,200	-
Other Debt Service	4,875	5,736,958	1,975	5,000	5,000	-
<b>Total Debt Service Expenses</b>	<b>6,146,290</b>	<b>11,445,333</b>	<b>6,641,197</b>	<b>6,655,200</b>	<b>6,657,300</b>	<b>2,100</b>
<b>DEBT SERVICE NET REVENUES</b>	<b>\$ (23,814)</b>	<b>\$ 440,357</b>	<b>\$ 39,739</b>	<b>\$ 185,146</b>	<b>\$ 187,897</b>	<b>\$ 2,751</b>

<b>Fund Balance</b>						
Beginning Fund Balance	1,017,679	993,864	1,434,221	1,473,960	1,659,106	
Plus: Revenues	6,122,476	11,885,690	6,680,936	6,840,346	6,845,197	
Less: Expenses	(6,146,290)	(11,445,333)	(6,641,197)	(6,655,200)	(6,657,300)	
Ending Fund Balance	\$ 993,864	\$ 1,434,221	\$ 1,473,960	\$ 1,659,106	\$ 1,847,003	



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THANK YOU