



**Saint Paul**  
PUBLIC SCHOOLS

# **FY26 Budget Work Session**

February 18, 2025

# Agenda

- Updated Assumptions
- Budget Options
- Timeline



# Updated Budget Assumptions

# FY26 Budget Assumptions (Updated 2/18/2025)

The District's estimated expenses could exceed its revenues in FY26 by approximately **\$51M**

**Revenue = \$681M**

**Expense = \$732M**

- Additional middle school staffing (including Obama and East African Magnet): 16 FTEs
- Additional high school staffing to maintain comprehensive structure and class size ratios: 11.1 FTEs
- Additional staffing to maintain K-5 class size averages and specialist offerings: 4 FTEs
- Additional expenses related to new/expanded programs: \$816,181

## NOTES

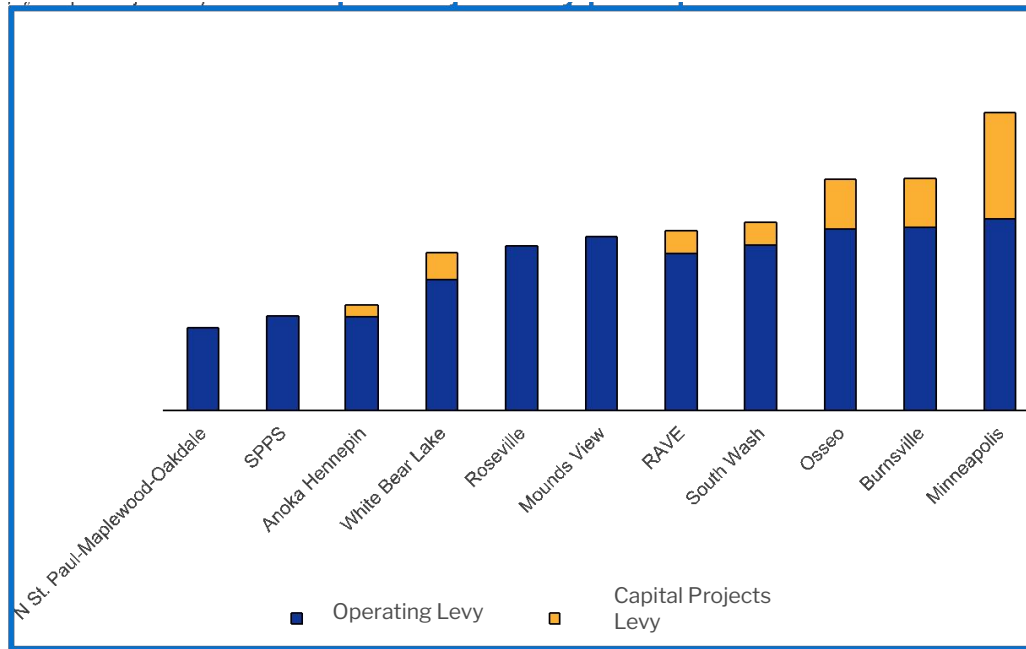
Factors that could impact the estimated shortfall: Enrollment, state funding formula, employment contracts, operational savings in areas such as substitutes and supplemental pay, impact of new federal policies

These numbers will continue to be updated until the budget is approved in June.

# FY26 Budget Assumptions (Updated 2/18/2025)

	(In Millions)	Percent
FY25 Estimate Ending Fund Balance	46.97 M	6.64%
FY26 Initial Deficit Spend	51.1 M	—
<b>(Action)</b> Make \$19M in reductions		
Revised Deficit Spend in FY26	32.1 M	—
FY26 Initial Ending Fund Balance	14.87 M	2.03%
<b>(Action)</b> Use of \$23M in Assigned Fund Balance		
Revised FY26 Ending Fund Balance	37.9 M	5.17%

# Operating Referendum Comparison



Data sourced from Minnesota Department of Education

- If SPSS had the same amount per pupil as the average of the districts above, it would have an additional \$1,073 per pupil or \$37.1 million.

# Voter-Approved Referendum

Anticipated FY27 Deficit	<b>-\$35.30 million</b>
Voter Approved Referendum in November 2025	\$37.10 million
Fund Balance Change in FY27	\$1.80 million
Ending FY27 Fund Balance	\$39.68 million
Percentage of General Operations	<b>5.16%</b>

# Budget Options





# Budget Options

Option A	Option B	Option C
<ul style="list-style-type: none"><li>● 5% unassigned fund balance</li><li>● Sustain student engagement efforts with attention to decreasing student absenteeism</li><li>● Decrease layers of central office staff</li></ul>	<ul style="list-style-type: none"><li>● 6% unassigned fund balance</li><li>● Sustain student engagement efforts with attention to decreasing student absenteeism</li><li>● Decrease layers of central office staff</li></ul>	<ul style="list-style-type: none"><li>● 7% unassigned fund balance</li><li>● Sustain student engagement efforts with attention to decreasing student absenteeism</li><li>● Decrease layers of central office staff</li></ul>

# Budget Options

Option (% Remaining Fund Balance)	Option A (5%)	Option B (6%)	Option C (7%)
Revised Deficit for FY26	<b>\$51.1M</b>	<b>\$51.1M</b>	<b>\$51.1M</b>
\$ from Assigned Fund Balance	\$23M	\$23M	\$23M
Target for Proposed Reductions	\$19M	\$26.3M	\$33.6M
Ending FY26 Unassigned Fund Balance	\$37.9M (5.17%)	\$45.2M (6.17%)	\$52.5M (7.17%)

# FY26 Budget Timeline

