



**Saint Paul**  
PUBLIC SCHOOLS

# **Fiscal Year 2026 (FY26) Budget Update**

Board of Education Regular Meeting  
March 18, 2025

# Presentation Objectives

To share with the Board of Education and the public:

- Review of FY26 Board budget parameters and guiding principles
- Overview of school staffing allocations
- Summary of proposed district department reductions
- Running total of reductions and revenues to close budget shortfall

# Board of Education Budget Parameters and Guidelines

1. Sustain funding for early education to retain and prepare students for success through their elementary education and to meet third grade literacy standards.
2. Sustain funding for efforts to increase enrollment, including maintaining funding for the enrollment project committee.
3. Sustain expenditures related to increasing student engagement and decreasing student absenteeism.

## **Additional Board guidelines for budget options:**

- Reserve at least 5% of daily operating revenue in the unassigned fund balance
- Decrease layers of central office staff

# Closing the FY26 Budget Shortfall

| Description                         | Running Total                 |
|-------------------------------------|-------------------------------|
| Revised Deficit for FY26            | <b>\$51.1 million</b>         |
| \$ from Assigned Fund Balance       | -\$23 million                 |
| \$ from Unassigned Fund Balance     | -\$9.1 million                |
| Proposed Budget Reductions          | -\$19 million                 |
| Ending FY26 Unassigned Fund Balance | <b>\$37.9 million (5.17%)</b> |

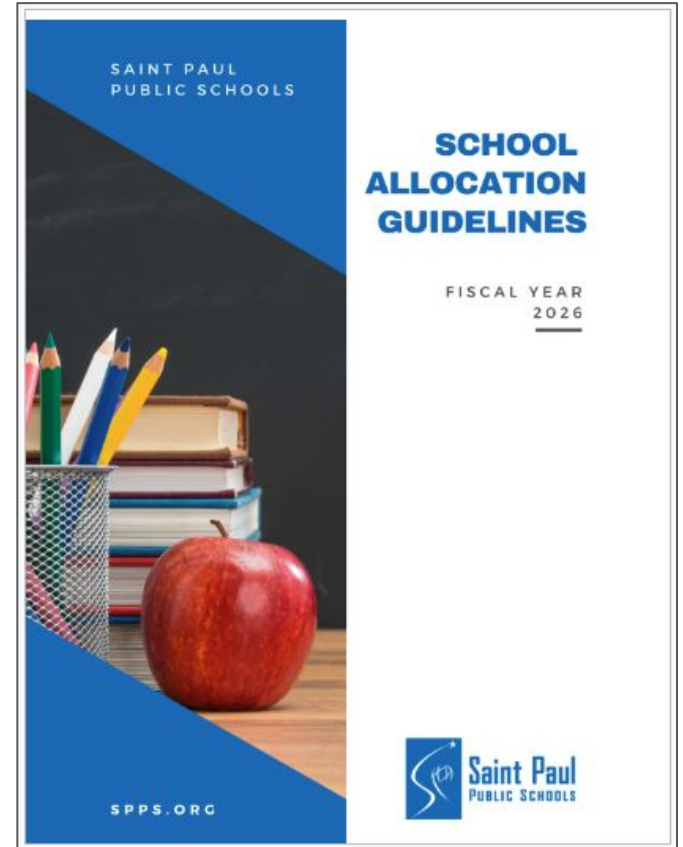
# Guiding Principles for FY26 Budget Reductions

- Prioritize keeping reductions outside of schools/classrooms
- Prioritize districtwide functions needed to operate
- Reduce staffing within district departments aligned with Board guideline to decrease layers of central office staff
- Reduce food budget for meetings/events
- Freeze supply costs at FY25 levels
- Limit non-essential travel for employees

# School Budget Allocations

# School Allocation Guidelines

- The **FY26 School Allocation Guidelines** provide information and guidance about how school budgets are allocated
- The Division of Schools and Learning uses specific **formulas and guidelines to allocate** staffing and funding to schools
- The Division of Schools and Learning works closely with all other divisions to ensure the school allocations are **accurate and equitable**



# FY26 School Allocation Highlights

| Category                                | Description   |
|---|---|
| Elementary School                       | <ul style="list-style-type: none"><li>• No composite classrooms in grades PreK-1</li><li>• Increased specialist flexibility</li></ul>   |
| Middle School                           | <ul style="list-style-type: none"><li>• Accommodates middle school model and block schedule</li><li>• New middle school and expanded programs</li></ul>                         |
| High School                             | <ul style="list-style-type: none"><li>• Accommodates variety of high school course offerings</li><li>• Maintains Career Pathways, AVID and 9th grade supports</li></ul>         |
| Class Sizes                             | <ul style="list-style-type: none"><li>• Maintains class size averages at all grades/schools</li></ul>   |
| Student Supports                        | <ul style="list-style-type: none"><li>• Increased investment in special education services aligned with student needs</li><li>• Maintains mental health support staff</li></ul> |
| Extra Duty Allocations (Staff Stipends) | <ul style="list-style-type: none"><li>• Increased funding formula for K-8 schools for extra duties to align with middle school allocation</li></ul>                             |

# School Allocation Comparisons (FY25 to FY26 Highlights)

While there will be some staffing reductions at schools, the overall number of school staff allocated districtwide will increase in FY26 due to:

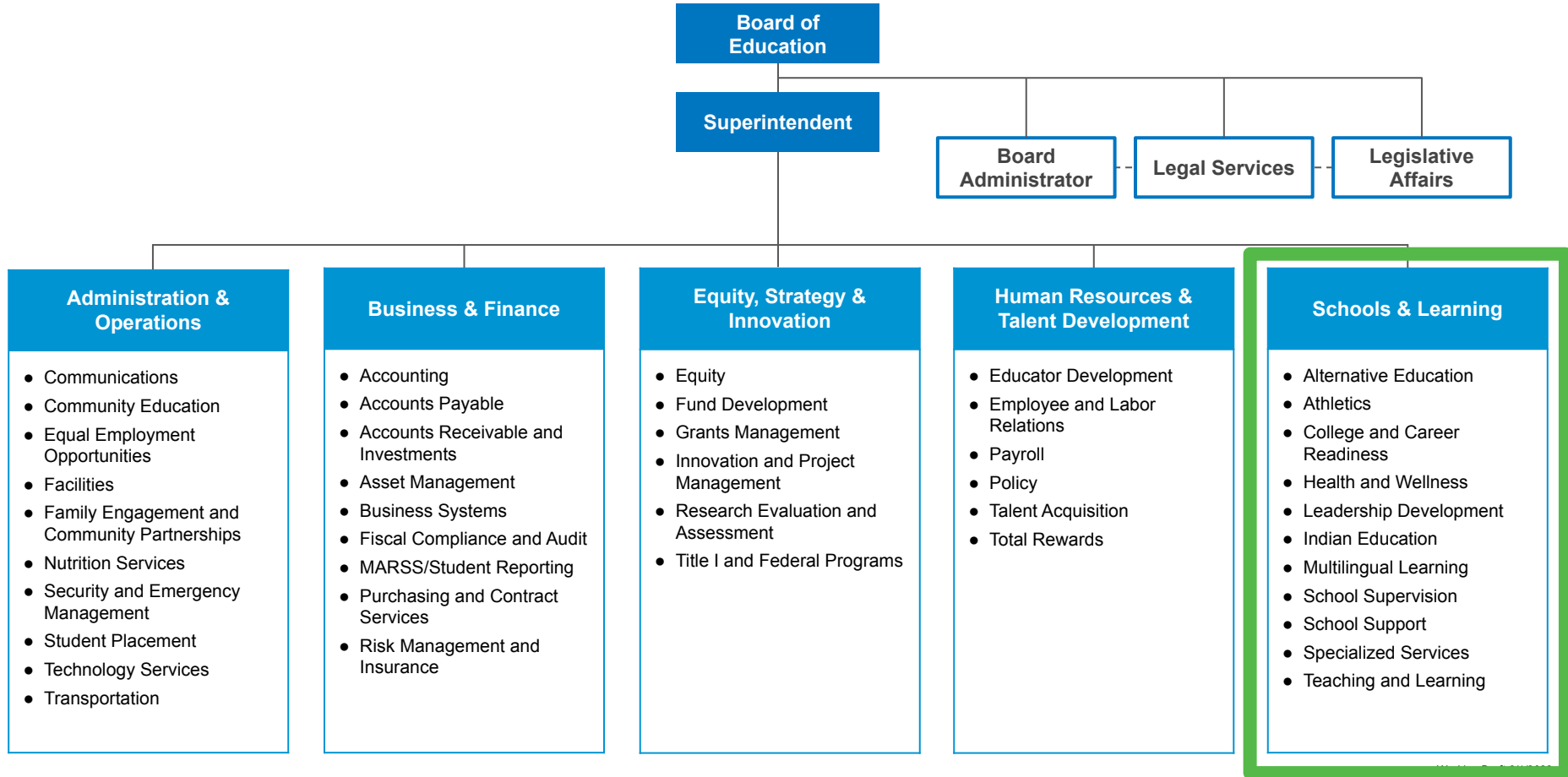
- Increased projected enrollment
- Expanded middle school options

| Category   | SY2024-25    | SY2025-26    | Difference (Net) |
|--|--------------|--------------|------------------|
| <b>Total Full-Time School Staff</b>                    | <b>3,942</b> | <b>4,019</b> | <b>76</b>        |
| <b>Principals/Assistant Principals</b>                 | <b>129</b>   | <b>130</b>   | <b>1</b>         |
| <b>K-5 Classroom Teachers</b>                          | <b>618</b>   | <b>619</b>   | <b>1</b>         |
| <b>Secondary (6-12) Teachers</b>                       | <b>683</b>   | <b>717</b>   | <b>34</b>        |
| <b>Special Education (Teachers and Social Workers)</b> | <b>525</b>   | <b>555</b>   | <b>30</b>        |

# District Department Budget Allocations

# District Department Allocation Overview

- District departments support schools and programs across SPPS in areas including finance, human resources, curriculum, professional development, communications, legal, technology, and other key functions by division
- Each division is making budget reductions in one or more of the following areas:
  - Staffing (both current and unfilled positions)
  - Contracts and vendor services
  - Travel and supplies
  - Service levels (reduced hours, locations, additional resources)



# Schools & Learning

Total Budget Adjustment: **-\$6.0 million**

## Administrative

- Reduction of contracted services and non-instructional materials

## Alternative Education

- Use of Alternative Learning revenue to offset middle school literacy intervention

## American Indian Education

- Maintain commitments within Indian Education Resolution
- Reduction in grant-funded contracted services

## Athletics

- Addition of a district Athletic Director and support for Obama Middle School
- Sustain cost increases as part of Schedule C, fees for officials and transportation

# Schools & Learning (Continued)

Total Budget Adjustment: **-\$6.0 million**

## College & Career Readiness

- Maintain Career Pathways in high schools, while addressing reductions in Career and Technical Education (CTE), Work-Based Learning, and the loss of the 3M Skilled Trades grant
- Reductions in post-secondary credits, certifications, non-CTE field trips, and additional departmental costs

## Multilingual Learning

- Reduction of non-instructional materials

# Schools & Learning (Continued)

Total Budget Adjustment: **-\$6.0 million**

## School Support

- Reduction of contracted services
- Sustain social emotional learning (SEL) curriculum

## Specialized Services

- Use of Medical Assistance Fund Balance to offset expenses
- Eliminate contractual services for nursing support

## Teaching & Learning

- Sustain costs for workshop attendance, curriculum writing, testing and other necessary professional development

**Board of Education**

**Superintendent**

**Board Administrator**

**Legal Services**

**Legislative Affairs**

## Administration & Operations

- Communications
- Community Education
- Equal Employment Opportunities
- Facilities
- Family Engagement and Community Partnerships
- Nutrition Services
- Security and Emergency Management
- Student Placement
- Technology Services
- Transportation

## Business & Finance

- Accounting
- Accounts Payable
- Accounts Receivable and Investments
- Asset Management
- Business Systems
- Fiscal Compliance and Audit
- MARSS/Student Reporting
- Purchasing and Contract Services
- Risk Management and Insurance

## Equity, Strategy & Innovation

- Equity
- Fund Development
- Grants Management
- Innovation and Project Management
- Research Evaluation and Assessment
- Title I and Federal Programs

## Human Resources & Talent Development

- Educator Development
- Employee and Labor Relations
- Payroll
- Policy
- Talent Acquisition
- Total Rewards

## Schools & Learning

- Alternative Education
- Athletics
- College and Career Readiness
- Health and Wellness
- Leadership Development
- Indian Education
- Multilingual Learning
- School Supervision
- School Support
- Specialized Services
- Teaching and Learning

# Administration & Operations

Total Budget Adjustment: **-\$4 million**

## Communications

- Elimination of online customer service tool

## Community Education

- Adjust Freedom School programming to align with General Fund revenue
- Reduction in number of ECFE classes and locations

## Equal Employment Opportunity

- Merge Ombudsman/Title IX work under one office

## Facilities

- Use supply/equipment savings on custodial staffing to address additional 250K square feet of cleaning needs

# Administration & Operations (Continued)

**Total Budget Adjustment: -\$4 million**

## **Family Engagement and Community Partnerships**

- Combine service delivery to families - half virtual meetings/half in person
- Reduction of childcare & food for in-person parent engagement
- Reduction in support for Academic Parent Teacher Teams & Parent/Teacher Home Visits

## **Nutrition Services**

- Maintain current food and supply targets
- Restrict equipment purchases to critical replacements

## **Security & Emergency Management**

- Stop School Violence grant funding may end fall 2025
- Reduced hours of operation for Emergency Command Center

# Administration & Operations (Continued)

**Total Budget Adjustment: -\$4 million**

## Student Placement

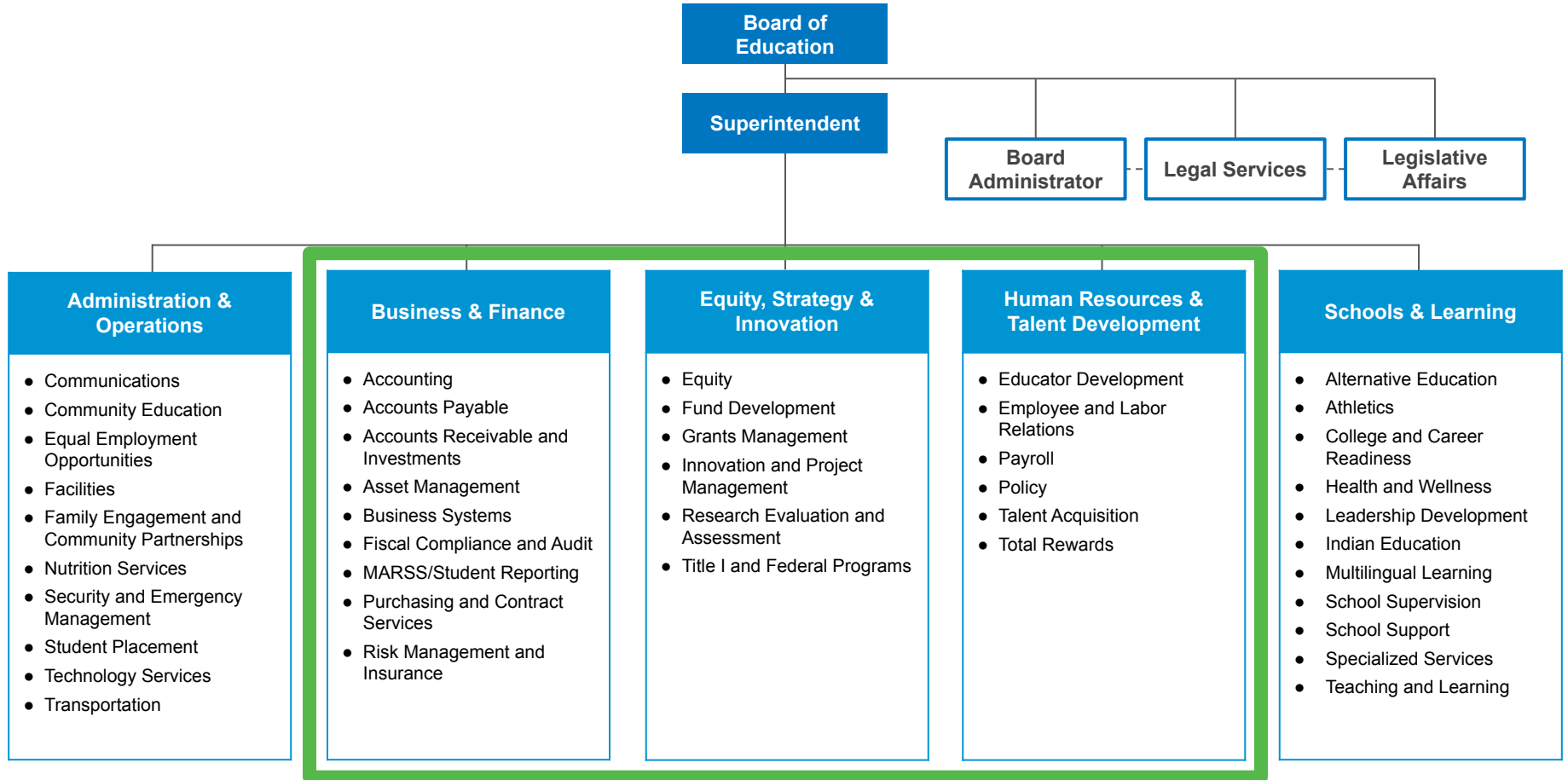
- External records digitization will be completed
- Streamline services & efficiency through enhanced enrollment management system

## Technology Services

- Discontinue select, non-critical contracts
- Significant reduction to desk phones (landlines)
- Maintain contractual service agreements for enterprise technology platforms

## Transportation

- Reduce five bus routes
- Keep students on yellow school buses



# Business & Finance / Equity, Strategy & Innovation / Human Resources

**Total Budget Adjustment: -\$1.5 million**

## Business & Finance

- Targeted reductions in fees for service/external contracts

## Equity, Strategy & Innovation

- Targeted reductions in materials, funding for professional development and fees for service/external contracts
- Maintain district assessment coordination, student data reporting and program evaluation

## Human Resources

- Reduction in support for employee recruitment and other staff services

# Budget Shortfall Progress (Reductions)

| Description   | Amount        | Running Total |
|---|---------------|---------------|
| Estimated FY25 Budget Shortfall   | -             | -\$51.1M      |
| Use of assigned fund balance  | <b>\$23M</b>  | -\$28.1M      |
| Use of unassigned fund balance  | <b>\$9.1M</b> | -\$19M        |
| Division of Schools & Learning  | <b>\$6M</b>   | -\$13M        |
| Division of Administration & Operations   | <b>\$4M</b>   | -\$9M         |
| Divisions of Finance, Human Resources and Equity, Strategy & Innovation                               | <b>\$1.5M</b> | -\$7.5M       |
| Additional reductions (Board of Education, elementary sections, non-essential travel, salary savings) | <b>\$2.5M</b> | -\$5M         |

# Budget Shortfall Progress Continued (Revenues)

| Description  | Amount | Running Total                           |
|--|--------|---|
| Revised per pupil aid, voluntary Pre-K, Fund 2 chargeback and Medical Assistance funds | \$2.6M | -\$2.4M                                 |
| Revenue from iPad sales  | \$2.4M | \$0                                     |
| Inflation Reduction Act federal rebate for geothermal                                  | \$2M*  | *Funds anticipated but not yet received |

# School and Community Budget Meetings

- All schools will host budget information meetings between **March 26-April 18** to inform their school communities about their 2025-26 budgets
- The Board of Education will host a special meeting to hear from the community about the budget on **April 29 at 5:30 p.m.** at the SPPS Administration Building (360 Colborne Street and live streamed)
- The Board will vote to approve the budget at the June Board of Education meeting (**June 10, 2025**)

The latest updates about Saint Paul Public Schools' 2025-26 budget can be found at [spps.org/fy26budget](https://spps.org/fy26budget).

# FY26 Budget Timeline

