



**Saint Paul**  
PUBLIC SCHOOLS

# **FY26 Proposed Budget**

**Board of Education Regular Meeting  
May 20, 2025**

# 2025-26 Budget Overview

SPPS is estimating a budget shortfall for 2025-26 of approximately **\$51.1M**

To minimize the impact of this shortfall on students and schools, the Board of Education has agreed to use **\$34.9M** in reserve funds (fund balance). The remaining **\$16.2M** will come from a combination of budget cuts and new revenue.

Causes for budget shortfall:

- Increased expenses, including employee wages and benefits and rising costs of goods and services
- No anticipated increases to state, federal or local revenue to adjust for inflation, apart from the base funding formula and the local operating levy

# FY26 Budget Shortfall Progress (Reductions)

Description	Amount	Running Total
Estimated FY26 Budget Shortfall	-	<b>-\$51.1M</b>
Use of assigned and unassigned fund balance	<b>\$34.9M</b>	<b>-\$16.2M</b>
Division of Schools & Learning	<b>\$6.4M</b>	<b>-\$9.8M</b>
Division of Administration & Operations	<b>\$3.8M</b>	<b>-\$6.0M</b>
Divisions of Finance, Human Resources and Equity, Strategy & Innovation	<b>\$1.3M</b>	<b>-\$4.7M</b>
Additional reductions (Board of Education, General Counsel, and districtwide supplemental pay)	<b>\$650,000</b>	<b>-\$4.1M</b>

# FY26 Budget Shortfall Progress (Expenses)

Description	Amount	Running Total
Additional districtwide expenses (transportation, substitute teaching, utilities, technology and teacher supplemental pay)	<b>\$5.8M</b>	<b>-\$9.9M</b>

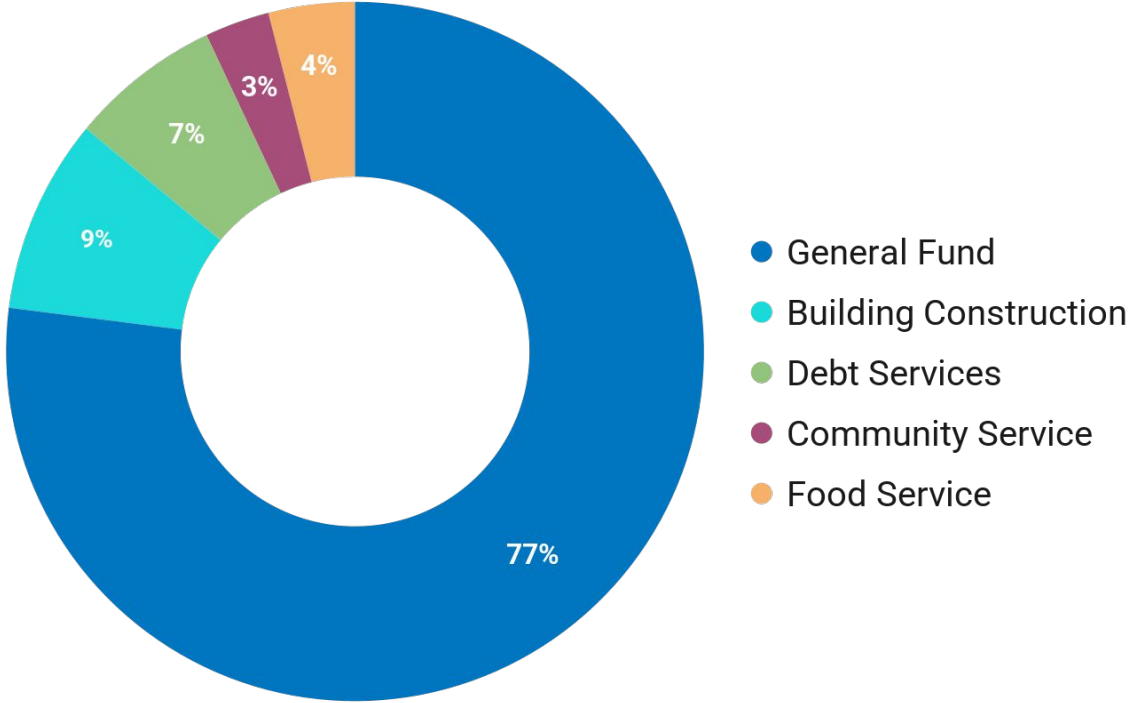
# FY26 Budget Shortfall Progress (Revenue)

Description	Amount	Running Total
Revised per pupil aid, voluntary Pre-K, Medical Assistance funds, interest earnings	<b>\$5.4M</b>	<b>-\$4.5M</b>
Revenue from iPad sales	<b>\$4.5M</b>	<b>\$0</b>
Inflation Reduction Act federal rebate for geothermal	<b>\$2M*</b>	*Funds anticipated but not yet received

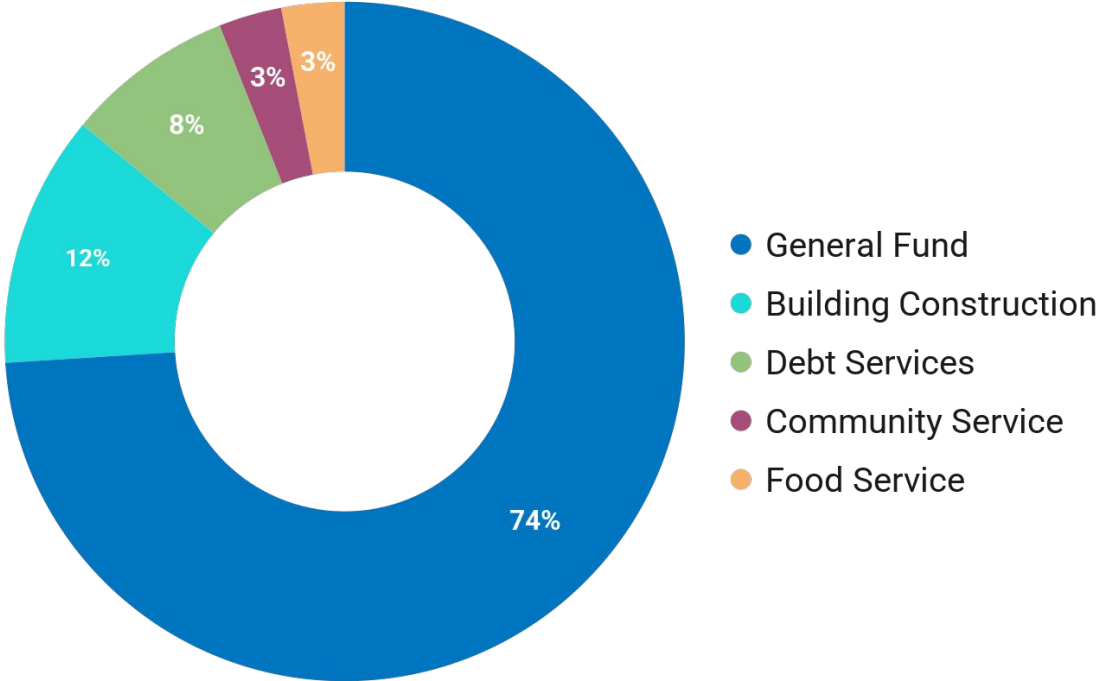
# Summary All Funds

	Estimate Beginning Fund Balance	Revenue	Expense	Net Change in Fund Balance	Estimate Ending Fund Balance
General Fund	\$164,439,780	\$731,543,107	\$766,443,514	-\$34,900,407	\$129,539,373
Food Service	\$820,021	\$33,016,123	\$33,016,123	\$0	\$820,021
Community Service	\$11,290,833	\$29,920,109	\$31,364,108	-\$1,443,999	\$9,846,834
Building Construction	\$64,835,670	\$85,000,000	\$118,891,454	-\$33,891,454	\$30,944,216
Debt Service	\$36,948,685	\$68,881,067	\$79,133,310	-\$10,252,243	\$26,696,442
<b>Total - All Funds</b>	<b>\$278,334,989</b>	<b>\$948,360,406</b>	<b>\$1,028,848,509</b>	<b>-\$80,488,103</b>	<b>\$197,846,886</b>

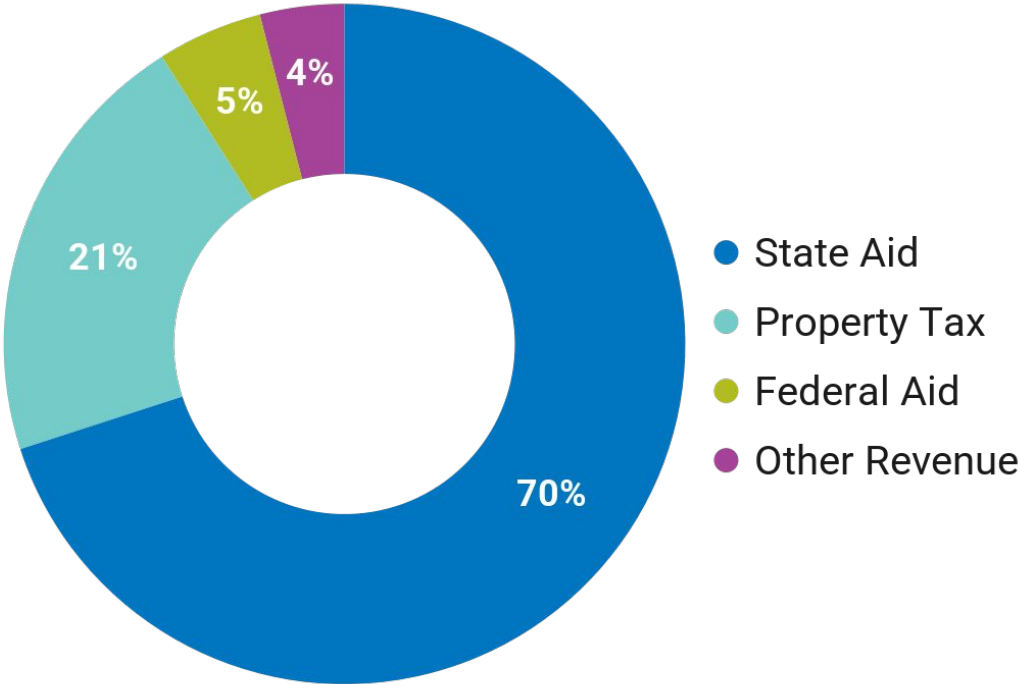
# FY26 Total Revenue by Fund



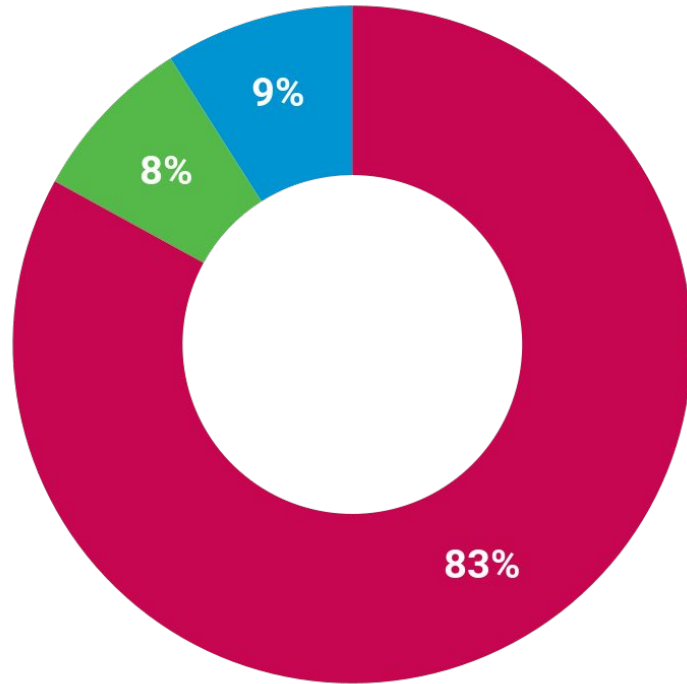
# FY26 Total Expenditures by Fund



# FY26 General Fund Revenue Sources



# FY26 General Fund Expenditures



- School and Student Programs & Services
- Administrative Support Services
- Maintenance and Operations

# Proposed General Fund Budget

	FY25 Revised Budget	FY26 Proposed Budget	Change
Estimated Beginning Fund Balance	\$192,844,155	\$164,439,780	-\$28,404,375
Revenue	\$720,686,908	\$731,543,107	\$10,856,199
Expenditures	\$749,091,283	\$766,443,514	\$17,352,231
Estimated Ending Fund Balance	\$164,439,780	\$129,539,373	-\$34,900,407

# Proposed Food Service Fund Budget

	FY25 Revised Budget	FY26 Proposed Budget	Change
Estimated Beginning Fund Balance	\$168,065	\$820,021	\$651,956
Revenue	\$31,635,030	\$33,016,123	\$1,381,093
Expenditures	\$30,983,074	\$33,016,123	\$2,033,049
Estimated Ending Fund Balance	\$820,021	\$820,021	\$0

# Proposed Community Service Fund Budget

	FY25 Revised Budget	FY26 Proposed Budget	Change
Estimated Beginning Fund Balance	\$13,792,438	\$11,290,834	-\$2,501,604
Revenue	\$30,121,100	\$25,461,951	-\$4,659,149
Expenditures	\$32,622,704	\$26,905,950	-\$5,716,754
Estimated Ending Fund Balance	\$11,290,834	\$9,846,835	-\$1,443,999

# Proposed Building Construction Fund Budget

	FY25 Revised Budget	FY26 Proposed Budget	Change
Estimated Beginning Fund Balance	\$181,492,113	\$64,835,670	-\$116,656,443
Revenue	\$82,500,000	\$85,000,000	\$2,500,000
Expenditures	\$199,156,443	\$118,891,454	-\$80,264,989
Estimated Ending Fund Balance	\$64,835,670	\$30,944,216	-\$33,891,454

# Proposed Debt Service Fund Budget

	FY25 Revised Budget	FY26 Proposed Budget	Change
Estimated Beginning Fund Balance	\$37,509,283	\$36,948,685	-\$560,598
Revenue	\$67,368,948	\$68,881,067	\$1,512,119
Expenditures	\$67,929,546	\$79,133,310	\$11,203,764
Estimated Ending Fund Balance	\$36,948,685	\$26,696,442	-\$10,252,243

# FY26 Budget for Board Approval

	Estimate Beginning Fund Balance	FY26 Proposed Revenue Budget	FY26 Proposed Expenditure Budget	Estimate Ending Fund Balance
General Fund	\$164,439,780	\$731,543,107	\$766,443,514	\$129,539,373
Food Service	\$820,021	\$33,016,123	\$33,016,123	\$820,021
Community Service	\$11,290,833	\$29,920,109	\$31,364,108	\$9,846,834
Building Construction	\$64,835,670	\$85,000,000	\$118,891,454	\$30,944,216
Debt Service	\$36,948,685	\$68,881,067	\$79,133,310	\$26,696,442
<b>Total - All Funds</b>	<b>\$278,334,989</b>	<b>\$948,360,406</b>	<b>\$1,028,848,509</b>	<b>\$197,846,886</b>

# Fund Balance for FY26 Budget

Description	Amount
Estimated FY26 Deficit Spend	\$34.9M
Estimated FY26 Ending Fund Balance	\$39.8M
Percent of Operations	5.43% (19 days of operating expense)

# School & Department Position Cuts\*

\*This data reflects eliminated positions, not employee layoffs.

Employee Group	FTE Reduction	% Reduction of Employee Group
Teachers/Licensed Staff (SPFE)	77	2.34%
Educational Assistants (SPFE)	8	1.6%
School and Community Service Professionals (SPFE)	19	7.42%
Principals (SPPA)	3	2.24%
Teaching Assistants (Teamsters)	25	3.28%
Clerical and Technical/Security (AFSCME)	5	1.77%
Administrative Personnel (ASAP)	4	3.3%
Professional Employees (PEA)	3	2.79%
Supervisors and Managers (SPSO)	1	1.46%
Classified Confidential (CCEA)	4	28.57%
<b>TOTAL</b>	<b>143</b>	<b>2.39%</b>

# Estimated Layoffs by Employee Group

Employee Group	Estimated Layoffs
Teachers/Licensed Staff (SPFE)	3
Educational Assistants (SPFE)	0
School and Community Service Professionals (SPFE)	5
Principals (SPPA)	0
Teaching Assistants (Teamsters)	0
Clerical and Technical/Security (AFSCME)	2
Administrative Personnel (ASAP)	1
Professional Employees (PEA)	3
Supervisors and Managers (SPSO)	1
Classified Confidential (CCEA)	4
<b>TOTAL</b>	<b>18</b>

# Placement, Bumping, Layoff Update

Employee Group	Placement	Bumping	Layoff Notice
Teachers/Licensed Staff (SPFE)	July 11	May 23	May 23
Educational Assistants (SPFE)	June 30	N/A	N/A
School and Community Service Professionals (SPFE)	May 23	May 23 (done in conjunction with placement)	June 10
Principals (SPPA)	April 25	N/A	N/A
Teaching Assistants (Teamsters)	May 30	N/A	N/A
Clerical and Technical/Security (AFSCME)	May 22	May 22 (done in conjunction with placement)	May 30
Administrative Personnel (ASAP)	For previously tenured staff: Occurs with teachers Non-licensed staff: N/A	For previously tenured staff: Occurs with teachers Non-licensed staff: N/A	For previously tenured staff: Occurs with teachers Non-licensed staff: May 15
Professional Employees (PEA)	N/A	N/A	May 30
Supervisors and Managers (SPSO)	N/A	N/A	May 30
Classified Confidential (CCEA)	N/A	N/A	May 23

# FY26 Department Budgets

Each central office department will make reductions in one or more of the following areas: staffing, contracts and vendor services, travel and supplies, and service levels. **71% of the overall budget reductions for 2025-26 are coming from central office departments.**

Division/Departments	Reduction
<b>Schools &amp; Learning</b> Alternative Education, American Indian Education, Athletics, College and Career Readiness, Leadership Development, Multilingual Learning, School Support, Specialized Services, Teaching and Learning	<b>\$6.4M</b>
<b>Administration &amp; Operations</b> Communications, Community Education, Equal Employment Opportunity, Facilities, Family Engagement and Community Partnerships, Nutrition Services, Security and Emergency Management, Student Placement, Technology Services, Transportation	<b>\$3.8M</b>
<b>Financial Services, Human Resources, and Equity, Strategy &amp; Innovation</b> Accounts Payable and Receivable, Purchasing and Procurement, Student Accounting and State Reporting; Educator Development, Employee and Labor Relations, Talent Acquisition, Total Rewards; Equity, Federal Programs, Innovation, Research, Evaluation and Assessment	<b>\$1.3M</b>
<b>TOTAL DEPARTMENT REDUCTIONS</b>	<b>\$11.5M</b>

# FY26 School Budgets

While there will be some reductions at individual schools, **the overall amount allocated to schools will increase by approximately 6.2%, or \$26.1 million, in 2025-26**, due primarily to increased student enrollment, more students in special education and expanded middle school options.

FY25 School-Based FTEs	FY26 School-Based FTEs	FTE Change
3,942.1	4,058.6	+116.5

FY25 School Allocation	FY26 School Allocation	School Allocation Change
\$420.6M	\$446.7M	+\$26.1M

# Budget Timeline Update

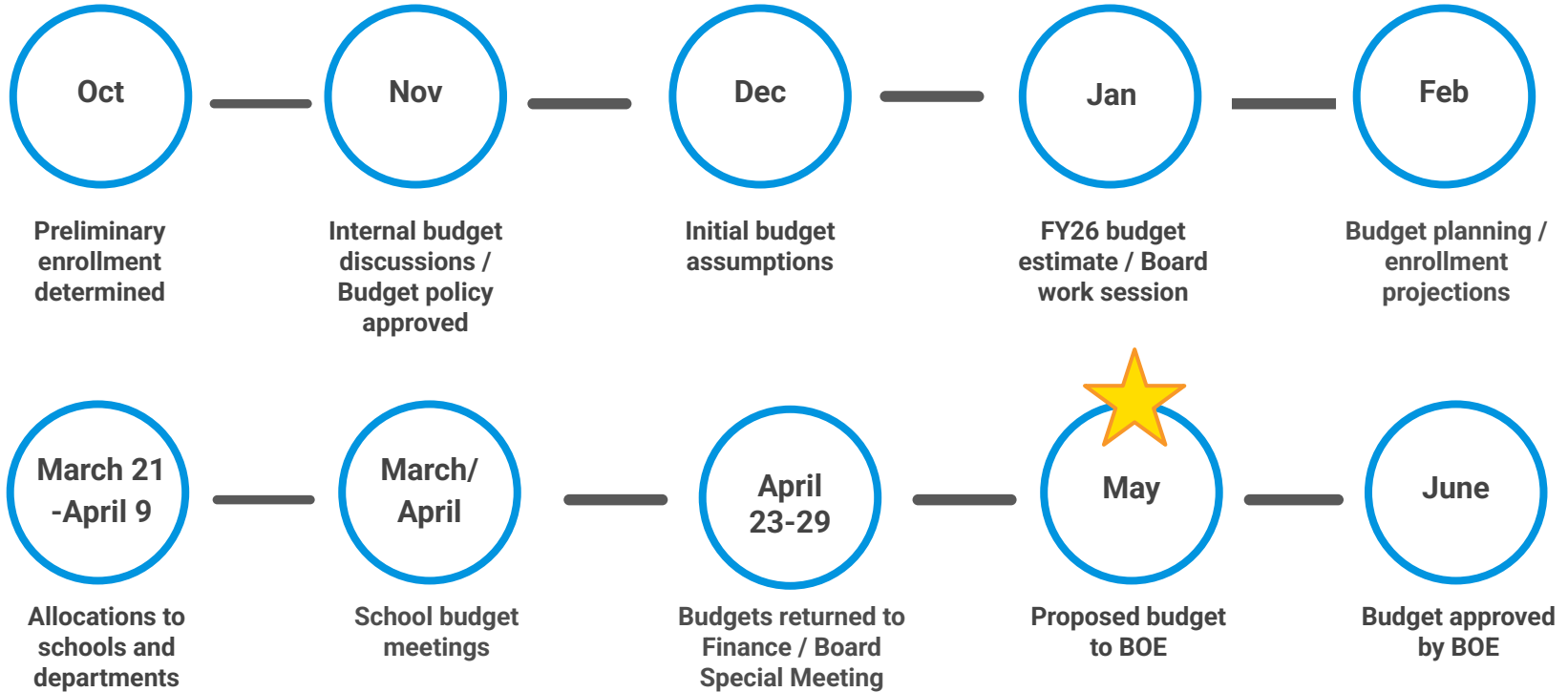
- All schools and central office departments received their budgets for FY26
- Schools hosted community budget information meetings between March 26-April 18
- Staff reduction letters were distributed to employees whose positions are being cut due to budget or non-renewed due to performance
- Three rounds of Interview and Select were held for displaced teachers
- The Board of Education hosted a special meeting regarding the budget on April 29

## Next Steps

- The proposed FY26 budget is being presented to the Board on May 20
- Budgetary staffing reductions and layoffs will be finalized in June
- The Board will vote to approve and adopt the budget on June 10
- The district must reach a balanced budget by June 30

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



# THANK YOU