

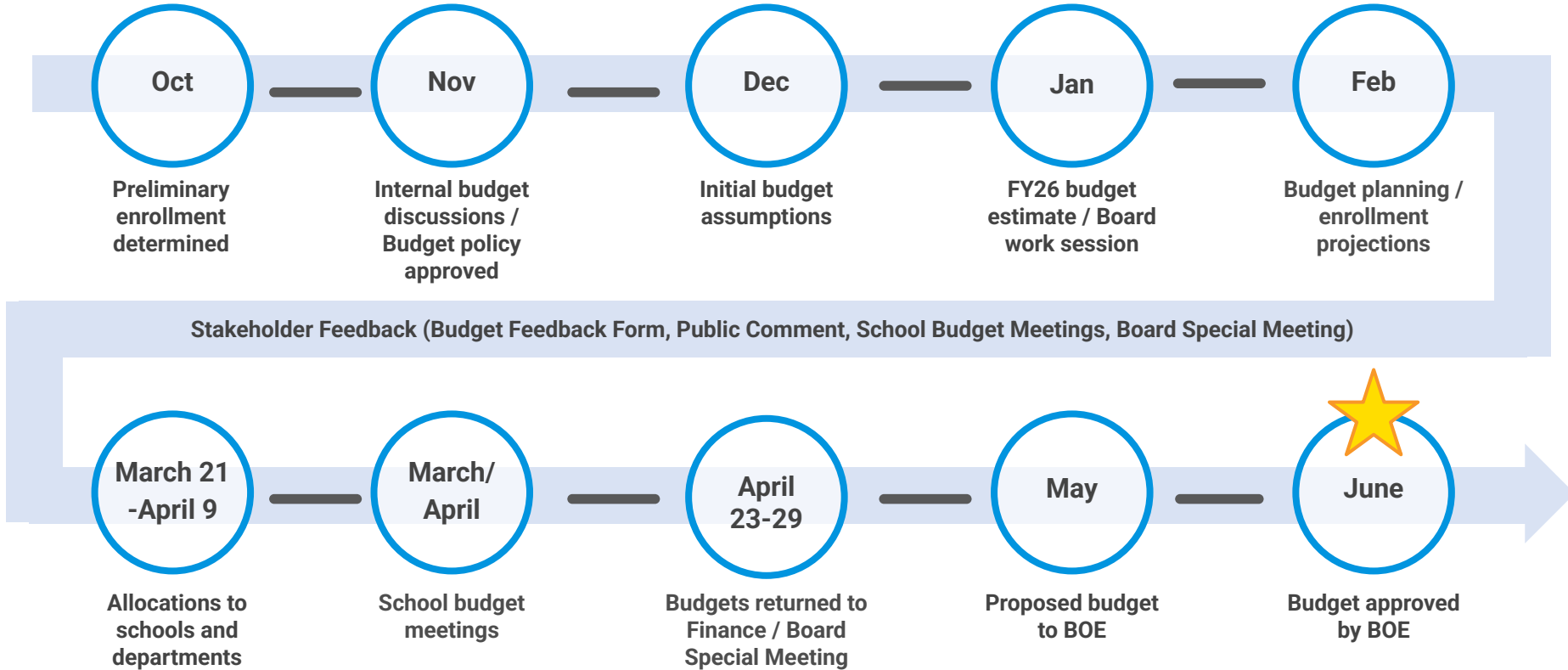


Saint Paul
PUBLIC SCHOOLS

FY26 Proposed Budget

**Board of Education Regular Meeting
June 10, 2025**

FY26 Budget Timeline



Budget Timeline

- 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; one round held for EAs
- The Board of Education hosted a special meeting regarding the budget on April 29
- The proposed FY26 budget was presented to the Board on May 20
- Staffing placement, bumping and layoffs are being finalized

Next Steps

- The Board will vote to approve and adopt the budget on June 10
- The district must approve a budget by June 30

The latest updates about Saint Paul Public Schools' 2025-26 budget can be found at spps.org/fy26budget

2025-26 Budget Overview (Updated 6-2-25)

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 **\$35.5M** in reserve funds (fund balance). The remaining **\$15.6M** 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

Updates to Proposed Budget

Please note the following changes made to the proposed FY26 budget after being presented to the Board on May 20, 2025:

- **\$543,000** added from the general fund to pay for reinstating some ECFE positions and programming
- **\$60,000** added into the Board budget for student engagement support

The district will remain at or above the minimum 5% annual operating expense for the unassigned general fund balance.

FY26 Budget Shortfall Progress (Reductions)

Description	Amount	Running Total
Estimated FY26 budget shortfall	-	-\$51.1M
Use of assigned and unassigned fund balance	\$35.5M	-\$15.6M
Division of Schools & Learning	\$6.4M	-\$9.2M
Division of Administration & Operations	\$3.8M	-\$5.4M
Divisions of Finance, Human Resources and Equity, Strategy & Innovation	\$1.3M	-\$4.1M
Additional reductions (Board of Education, General Counsel, and districtwide supplemental pay)	\$650,000	-\$3.45M

FY26 Budget Shortfall Progress (Expenses)

Description	Amount	Running Total
Additional districtwide expenses (transportation, substitute teaching, utilities, technology, teacher supplemental pay, ECFE and BOE student engagement)	\$6.4M	-\$9.9M

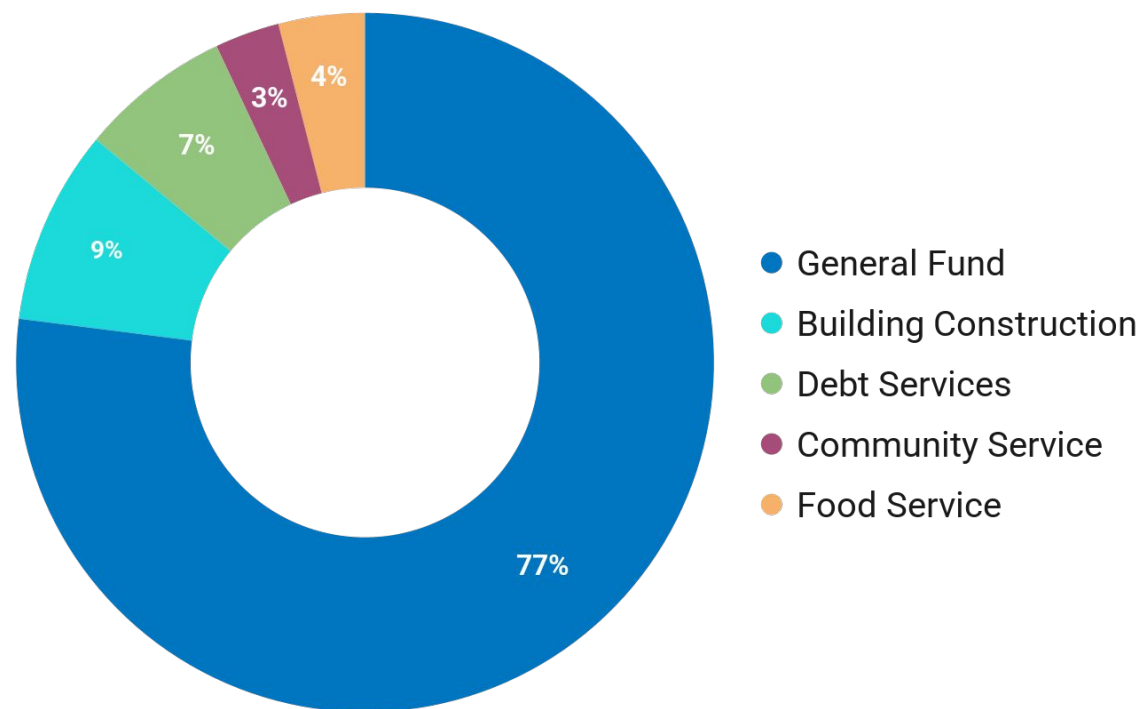
FY26 Budget Shortfall Progress (Revenue)

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

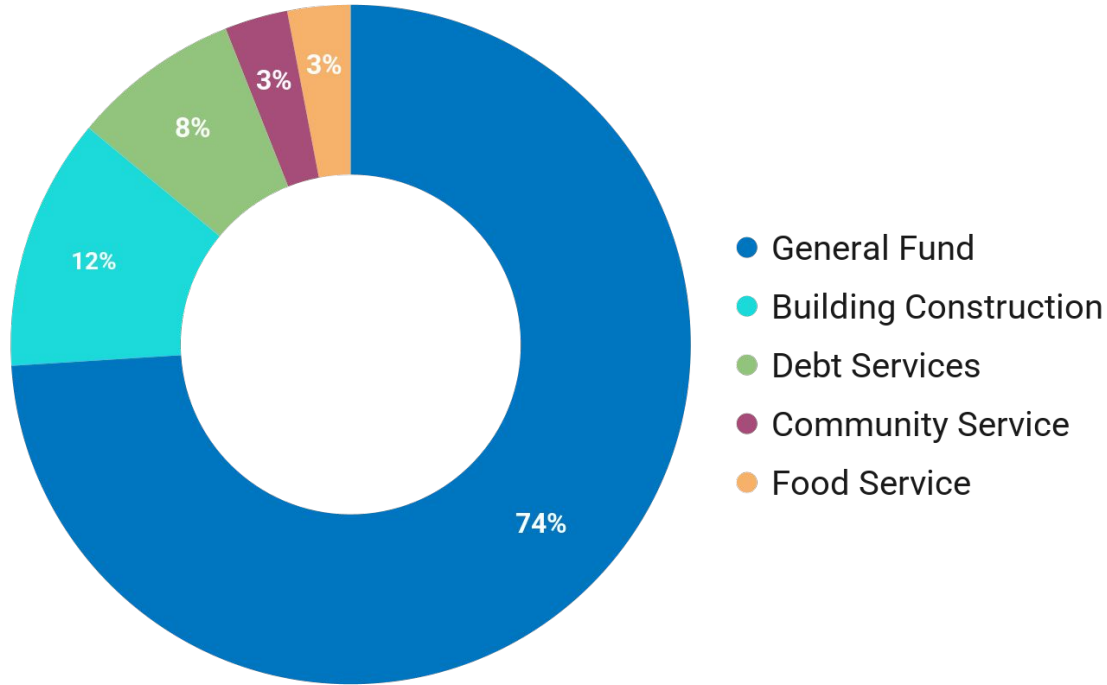
Summary All Funds

	Estimate Beginning Fund Balance	Revenue	Expense	Net Change in Fund Balance	Estimate Ending Fund Balance
General Fund	\$164,439,780	\$731,543,107	\$767,046,514	-\$35,503,407	\$128,936,373
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
Total - All Funds	\$278,334,989	\$948,360,406	\$1,029,451,509	-\$81,091,103	\$197,243,886

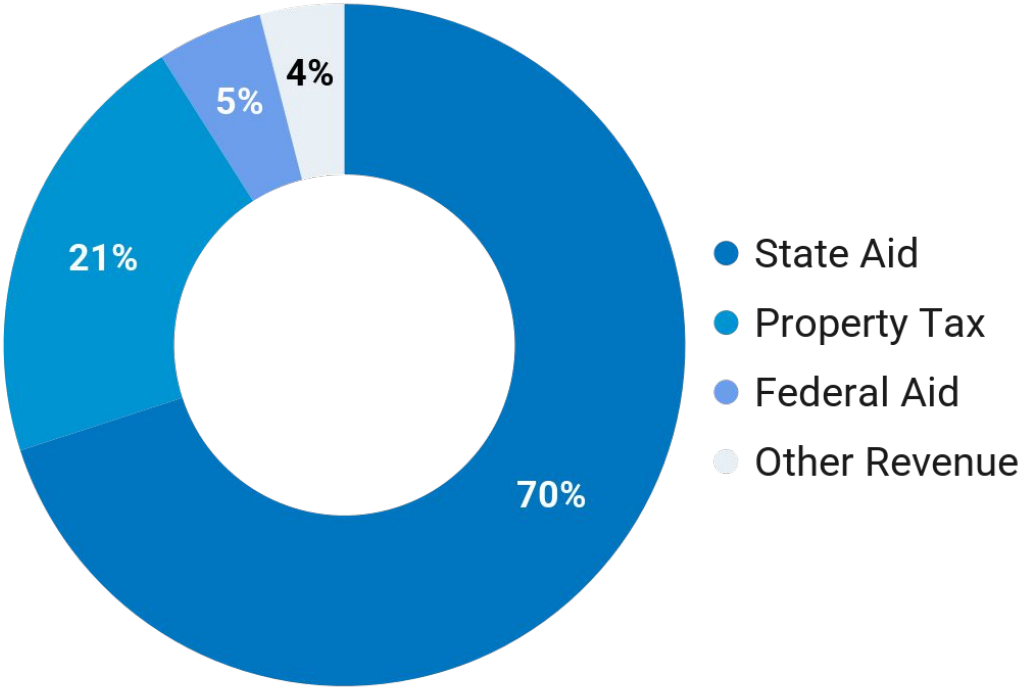
FY26 Total Revenue by Fund



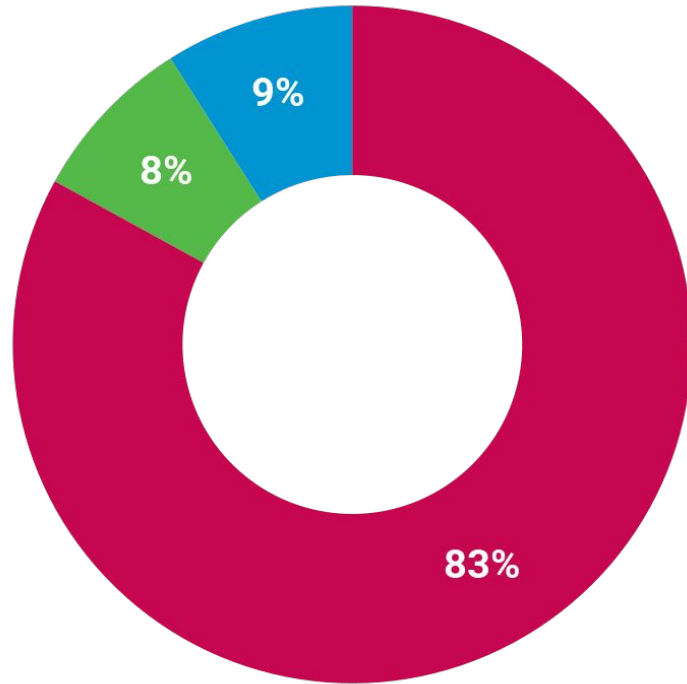
FY26 Total Expenditures by Fund



FY26 General Fund Revenue Sources



FY26 General Fund Expenditures



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

FY25 to FY26 General Fund Expenditures Comparison

	FY25 Budget	FY25 Percent of Budget	FY26 Budget	FY26 Percent of Budget
Schools and Student Services	\$621.6M	83%	\$640.1M	83%
Administrative and Districtwide Support Services	\$60.1M	8%	\$62M	8%
Maintenance, Facilities and Equipment	\$67.4M	9%	\$64.9M	9%
TOTAL	\$749.1M		\$767M	

Schools and Student Services: Teachers, counselors, social workers, principals, clerks and other school staff

Administrative and Districtwide Support Services: School Board, district leadership and department staff, severance, employee benefits, property and liability insurance

Maintenance, Facilities and Equipment: Custodial, utilities, property maintenance, district-owned vehicles

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 annual operating expense in the unassigned fund balance
- Decrease layers of central office staff

FY26 Investments Aligned to Board Parameters

Board Budget Parameter 1: Sustain funding for early education to retain and prepare students for success through their elementary education and to meet third grade literacy standards

FY26 Key Investments (Not Exhaustive)

- Early Childhood Hubs (Districtwide Hub and Bruce Vento)
- Full-day free Pre-K in excess of state-funded seats
- Head Start Pre-K partnership
- Nature-Based Pre-K (St. Anthony Park and J.J. Hill)
- Early Childhood Family Education (ECFE)
- Pre-K mental health partnerships
- READ Act teacher training

FY26 Investments Aligned to Board Parameters

Board Budget Parameter 2: Sustain funding for efforts to increase enrollment, including maintaining funding for the enrollment project committee

FY26 Investments (Not Exhaustive)

- Enrollment project/committee
- School Choice Fair
- Student Placement Center
- Culturally relevant programs/Onward SPPS (Txuj Ci, East African Magnet School, Karen program at Wellstone, Afrocentric program, etc.)
- ECFE and Pre-K/early childhood programs
- Magnet schools and pathways (e.g. Dual Language Immersion, Montessori, STEM)
- Communications and marketing support
- Districtwide transportation
- Enrollment projections, analysis and monthly monitoring

FY26 Investments Aligned to Board Parameters

Board Parameter 3: Sustain expenditures related to increasing student engagement and decreasing student absenteeism

FY26 Investments

- | | |
|---|---|
| <ul style="list-style-type: none">● AVID● Career Pathways● Field trips and experiential learning● Indigenous World Language programs● Personal Learning Plans (via Xello)● Advanced coursework (e.g. AP, IB, PLTW, PSEO by Contract, etc.)● Social workers and counselors● American Indian Attendance Liaison● D/Lakota Language and Culture supports● Bilingual Seals | <ul style="list-style-type: none">● Districtwide Virtual Courses● Check and Connect● Fostering Connections and Project REACH● School Attendance Matters● Equitable grading practices● Extended time learning programs (summer and afterschool)● High School Advisory● Focus on freshmen success● Middle school model (including Foundations)● Athletics and extracurricular activities |
|---|---|

FY26 Investments Aligned to Board Budget Guidelines

Board Budget Guideline: Decrease layers of central office staff

FY26 Department Reductions

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. **74% of the overall budget reductions for 2025-26 are coming from central office departments.**

Division/Departments	Reduction
Schools & Learning	\$6.4M
Administration & Operations	\$3.8M
Financial Services, Human Resources, and Equity, Strategy & Innovation	\$1.3M
TOTAL DEPARTMENT REDUCTIONS	\$11.5M

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

FY26 Investments Aligned to Board Budget Guidelines

Board Budget Guideline: Reserve at least 5% of annual operating expense in the unassigned fund balance

Fund Balance for FY26 Budget	
Description	Amount
Estimated FY26 Deficit Spend	\$35.5M
Estimated FY26 Ending Fund Balance	\$39.2M
Percent of Operations	5.35% (19 days of operating expense)

FY26 Budget for Board Approval

	Estimate Beginning Fund Balance	Revenue	Expense	Estimate Ending Fund Balance
General Fund	\$164,439,780	\$731,543,107	\$767,046,514	\$128,936,373
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
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Total - All Funds	\$278,334,989	\$948,360,406	\$1,029,451,509	\$197,243,886

Recommendation

That the Board of Education approve the Saint Paul Public Schools fiscal year 2026 budget as presented