2025-26 Preliminary Budget

South Washington County Schools
Independent School District 833







For School Board Approval 6.26.2025

South Washington County Schools
2025-26 Preliminary Budget

DISTRICT ADMINISTRATION

Superintendent of Schools	Julie Nielsen
Assistant Superintendent for Academic Excellence and Accountability	Tyrone Brookins
Assistant Superintendent for Academic Excellence and Accountability	Kelly Jansen
Assistant Superintendent for Academic Excellence and Accountability	Kristine Schaefer
Director of Business Services	Kris Blackburn
Director of Communications and Community Relations	Shawn Hogendorf
Director of Community Education	Jake Winchell
Director of Facilities	Kyle Uecker
Executive Director of Human Resources and Operations	Abby Baker
Director of Nutrition Services	Wendy Peterson
Director of Program Evaluation, Research and Assessment	Mao Jacobson
Executive Director of Student Support Services	Erin Davenport
Director of Teaching and Learning Services for Secondary Schools	Mark McIlmoyle
Director of Teaching and Learning Services for Elementary Schools	Arthur Williams
Director of Technology	Bob Berkowitz
Director of Transportation	Carrie Olson

BUILDING ADMINISTRATION

East Ridge High School Principal	Jim Smokrovich
Park High School Principal	Todd Herber
Woodbury High School Principal	Sarah Sorenson-Wagner
South Washington Alternative High School Principal	Ashley Ruka
SoWashCo Online High School Principal	Nick Falde
Cottage Grove Middle School Principal	Justin Ellevold
Lake Middle School Principal	Molly Roeske
Oltman Middle School Principal	Joni Hagebock
Woodbury Middle School Principal	Kari Lopez
Armstrong Elementary School Principal	Andrew Caflisch
Bailey Elementary School Principal	Kristine McDonald
Cottage Grove Elementary School Principal	Candace Gram
Crestview Elementary School Principal	Jodi Husting
Grey Cloud Elementary School Principal	Laura Loshek
Hillside Elementary School Principal	Erin Shadick
Liberty Ridge Elementary School Principal	Michael Moore
Middleton Elementary School Principal	Jenna Downs
Newport Elementary School Principal	Rich Romano
Nuevas Fronteras Spanish Immersion School	Sandy Saucedo-Falagan
Pine Hill Elementary School Principal	Jolaine Mast
Pullman Elementary School Principal	Ed Ross
Red Rock Elementary School Principal	Jennifer Holt
Royal Oaks Elementary School Principal	Jennifer Marty
Valley Crossing Elementary School Principal	Connha Classon
Woodbury Elementary School Principal	Tony Mosser

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I. Budget Process

Compiling the annual budget is a process that takes several months and collects input from several different sources. When reading this budget document, it is important to have a general understanding of how and when data is gathered, how projects are prioritized, and how the general fiscal cycle works. Below is a brief timeline of the budget process.

- November 2024 – Discussion of budget projections and changes needed
- January 2025 – Preliminary staffing allocations calculated
- March 2025 – Staffing workshops and allocations finalized; non-renewed staff are notified
- April 2025 – 2024-25 Revised Budget calculated
- April 2025 – Approval of 2024-25 Revised Budget
- May 2025 – Calculation and compilation of budgets for revenue and expenditure amounts for all funds (General, Food Service, Community Service, Building Construction, Debt Service, Custodial, and OPEB Trust Funds)
- June 2025 – Approval of 2025-26 Preliminary Budgets for all funds
- July through September 2025 – Prepare for annual audit
- January 2026 – Annual audit results for 2024-25 presented by audit firm and accepted by the School Board

II. General Fund

The General Fund of all school districts in the State of Minnesota is used to account for an array of initiatives including regular K-12 instruction, special education, transportation, district administration, capital, maintenance, staff development, media centers, athletics, and the majority of all school district functions. Examples of items that are NOT included in the general fund include:

- Food Service
- Community Service
- Building Construction projects that are funded through selling bonds or capital loans
- Debt Service transactions
- Custodial transactions

Transactions that are accounted for outside of the general fund will be discussed in other sections of this document.

Within the general fund are several requirements to reserve funds for a particular purpose. These reserve requirements are put in place by the State Legislature and compliance is required of all school districts. Examples of required reserves within the general fund include:

- Long term facility maintenance
- Operating capital
- Capital projects
- Staff development
- Safe schools
- Basic skills
- Learning & development
- Vocational education
- Gifted and talented
- Achievement & integration

These reserves are accounted for separately on the District's books, as required. However, because several of the reserves have expenditures that surpass by far the revenue required to be reserved for them, and no reserve fund balance exists at the end of any given fiscal year for these reserves, they are included in the undesignated/unreserved portion of the general fund budget presentation. Specifically, this includes basic skills, learning and development, gifted and talented, and vocational education. This point should be kept in mind while reading the general fund budget pages.

A. Enrollment

Student Enrollment is extremely important as it not only drives staffing decisions, but is also the key factor of the general education revenue funding formula. For this reason, student enrollment projections in and of themselves require many hours of analysis before they are relied upon for making decisions.

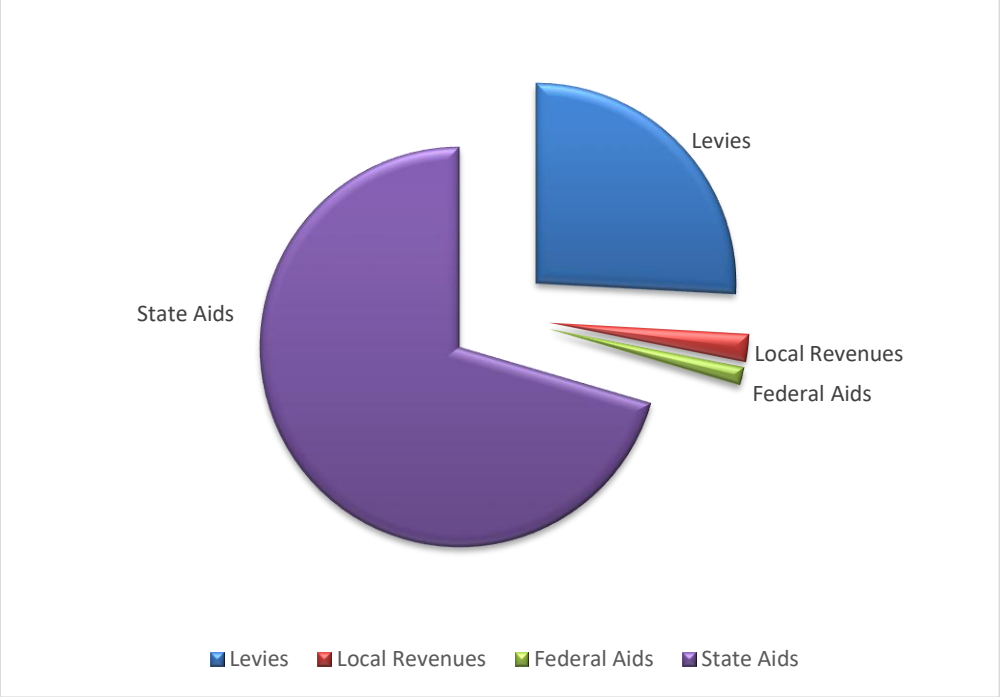
Enrollment projections are determined using separate methods depending on the grade level being projected. Kindergarten projections are based on birth rate data received from Washington County. The birth rates are then modified based on historical trends in capture rates in the district to project the number of kindergarteners expected to enroll. Projections for the remaining grade levels are determined using a historical 10-year cycle process.

The table on the following page provides actual enrollment data from the 2023-24 school year as well as projected enrollment data for the 2024-25 and 2025-26 school years. (Final enrollment data for the 2024-25 school year will not be available until the fall of 2025.) These enrollment projections were used to calculate the expected general education aid which is discussed later in this document.

	Average Daily Membership		
Grades	**2023-24 Actual**	**2024-25 Projection**	**2025-26 Projection**
Pre-K	333.53	359.00	410.00
Kindergarten	1,282.85	1,254.00	1,235.00
Grades 1 – 3	4,172.48	4,218.00	4,176.00
Grades 4 – 6	4,359.03	4,388.00	4,461.00
Grades 7 - 12	8,860.71	8,914.00	8,930.00
Total	**19,008.60**	**19,133.00**	**19,212.00**

B. Where Does the Money Come From?

The general fund receives its revenue from three very broad sources: state aids, federal aids, and local revenue. More information on each of these revenue sources can be found below. Much of this information has been obtained from the November 2024 edition of "Financing Education in Minnesota", a document provided by the Minnesota House of Representatives Fiscal Analysis Department.



1. State Aids

a) *General Education Aid - $174,244,803*

General Education Aid is the largest funding source of the school district. This aid is comprised of several components, each with its own formulas to calculate the amount the district can expect to receive from the Department of Education in a given fiscal year.

- **Basic Formula** – This portion of general education aid is calculated by taking the formula allowance (determined by the State Legislature) times the adjusted pupil unit (APU). For the 2025-26 fiscal year, the formula allowance was estimated at $7,481 per pupil unit. The resulting revenue projection related to the basic formula is $151,611,838 for the 2025-26 fiscal year.
- **Compensatory** – This portion of general education aid is driven by the number of students eligible to receive either free or reduced lunches based on the financial circumstances of the family. Based on the current funding levels, the district receives approximately $1,531 for each pupil eligible for free or reduced lunch. This revenue is required to be used to meet the educational needs of students whose progress is below their appropriate age level. The revenue projection for compensatory revenue is $5,722,201 for the 2025-26 fiscal year.

- **Local Optional Revenue** – Another benefit to the taxpayers added by the State Legislature is the LOR, which allowed School Board to move $724 per pupil unit of voter-approved referendum revenue to LOR. This allows SWCS to receive an additional $678,169 in state aid offsetting local taxpayer contributions.
- **Operating Capital** – Recognizing the need for school districts to maintain their facilities, the Legislature includes a component in the general education aid to help address these needs. The formula for operating capital includes a per-pupil amount as well as an amount based on the age of the district's buildings. The projected operating capital aid for the 2025-26 fiscal year is $2,491,628.
- **Alternative Attendance Adjustment** – South Washington County Schools provides transportation to public, charter, and non-public students alike. However, general education aid is received only for those students who actually attend SWC Schools. The alternative attendance adjustment is the method used to help fund the cost of transporting charter school students who do not attend SWCS. In the current year, the allowance is $348.59 per pupil unit less an adjustment for students transported to Minnesota State Academies. The total amount anticipated for the 2025-26 fiscal year is $249,151.
- **Gifted and Talented** – South Washington County Schools will receive $13.00 per adjusted pupil unit to be used to identify gifted and talented students and provide programming for those students. In addition, the funds can be used to provide staff development to those serving the district's gifted and talented population. The projected gifted and talented aid for 2025-26 is $272,974.
- **English Learner** – A portion of the general education aid is generated based on the number of students which are not proficient in English. Whether or not a student is considered proficient in English is determined by testing standards set by the Minnesota Department of Education. The Legislature has provided for $1,228 per reported English learning student be allocated to school districts to assist in the costs associated with serving the needs of these students. The combined projected EL revenue for 2025-26 is $1,763,871.

b) *Literacy Incentive Aid - $978,913*

Literacy Incentive Aid is awarded to districts based on two factors:

- Reading levels of the district's current third graders
- Progress made in reading levels between the third and fourth grade

Each component of this aid is calculated by multiplying $530 times the average percentage of students meeting proficiency and growth requirements on the reading portion of the Minnesota Comprehensive Assessment (MCA) and then multiplying that by the number of students in the tested grade level.

c) *School Library Aid - $336,216*

School Library Aid must be used for the direct funding of the costs associated with salaries and benefits for the school library media specialist; electronic, computer and audiovisual equipment; information technology infrastructure and digital tools; electronic and material resources; furniture, equipment, or supplies.

d) *Student Support Personnel - $356,460*

Student Support Personnel is for student support personnel staff that are in addition to current levels for individuals licensed to serve as a school counselor, school psychologist, school social worker, school nurse, or chemical dependency counselor in Minnesota.

e) ***Permanent School Fund - $1,295,833***

In the mid-1800's, lands were granted to the State by the Federal government and were placed in a trust fund called the Permanent School Fund. The State constitution requires that any revenue generated (from timber, mining, or sale of land) be held in this trust and that any interest earnings of the trust be distributed to school districts based on the number of students served. In 2025-26 the endowment per pupil unit is $45.50.

f) ***Special Education Aid - $63,617,242***

Special Education Aid is provided to districts to help fund the additional costs associated with providing required services to students with disabilities. South Washington County Schools serves approximately 4,051 students with disabilities. Special Education Aid is made up of the following components:

- **Initial Aid** – Special Education Initial Aid is awarded to districts based the lowest of three formulas: (1) Prior year 'old formula' expenses at 62% of cost, (2) Prior year all State special education expenses at 50% of cost, or (3) 5% of census-based calculations involving special education student disabilities and free/reduced lunch data.
- **Excess Cost Aid** – Excess Cost Aid is generated by a district with large unreimbursed special education costs relative to district's general education revenue. It is calculated as the greatest of three: 56% difference of unreimbursed costs and 7% of general education revenue, 62% of the difference of unreimbursed 'old formula' costs and 2.5% of general education revenue, or zero.
- **Special Education Transportation –** Prior year expenses in transporting special education students are reimbursed at 100% of cost, however this aid is subject to proration.
- **Cross Subsidy Reduction Aid –** Cross Subsidy Reduction Aid is intended to reduce the amount that districts must redirect in order to cover mandatory special education costs. It is calculated as a percent of the prior year initial cross subsidy.

g) ***Non-Public Pupil Transportation Aid - $899,200***

Just as the Alternative Attendance Adjustment within General Education Aid provides the district with revenue for transporting charter school students, the Non-Public Pupil Transportation Aid provides for the costs associated with transporting non-public students. The formula for calculating this revenue is based on the cost per pupil transported in the base year; the base year for purposes of calculating the 2025-26 revenue is 2023-24. This cost per student in the base year is then multiplied times the number of non-public students transported in the current year and adjusted for any change in the general education funding allowance.

2. Federal Aids

a) ***Federal Special Education - $3,748,923***

These funds are available to offset the costs of providing special education services to students, ages 3 – 21, including costs not eligible for State funding. The district uses these funds to pay for a special education director and clerical support as well as benefits paid to special education staff.

b) ***Federal Special Education Preschool - $60,000***

Federal early childhood funds are available to provide services to children between the ages of three and five. The district uses these funds for program related clerical support and salary expenses.

c) ***Federal Special Education Birth to 2 - $211,615***

These funds are available to serve the needs of children between birth and the age of two. The district uses these funds for program related clerical support and salary expenses.

d) ***Title I - $561,112***

Title I funds are used to serve students who are struggling academically at our schools with the highest low-income rates. The district uses these funds to provide additional teachers for math and/or reading interventions at identified schools.

e) ***Title II - $220,768***

Title II funds can be used for professional development purposes or class size reduction. The district uses these funds to provide curriculum coordinators who work with licensed staff. A portion of these funds are required to be allocated to the non-public schools for approved non-religious professional development of their staff.

f) ***Title III - $203,945***

Title III funds can be used for professional development or language instruction to help ensure that students whose primary language is not English are able to attain proficiency in English.

g) ***Other Federal Revenue - $135,712***

The district receives various other federal funds which may only be used in accordance with the federal grant guidelines specific to the funds received.

3. Local Revenue

a) ***Property Tax Levy - $90,639,328***

The second largest source of revenue for the district is revenue generated from the property tax levy. Much like general education aid, there are several components and calculations related to these funds. The details of these calculations can be found in the 24PAY25 Levy Limitation and Certification report. Property Tax Levy revenue is required to be reserved for several specific purposes as follows:

- Operating Levy and Local Operating Levy - $59,725,606
- Operating Capital - $2,261,780
- Capital Projects - $5,672,480
- Achievement and Integration - $1,073,147
- Long Term Facilities Maintenance - $12,782,761
- Lease Levy - $4,667,685
- Alternative Teacher Professional Pay System - $1,733,830
- Safe Schools - $1,046,839
- Career and Technical Education - $691,241
- Other Post Employment Benefits - $983,959

b) ***Third Party Billing - $2,000,000***

The district provides certain services to special education students that are deemed to be medical in nature. When the proper paperwork is in place, the district is able to request payment to offset the costs of providing these services.

c) ***E-Rate Funding - $300,000***

The district receives reimbursement for its eligible telecommunication and internet costs at a rate dependent on the total state appropriation. The amount received is reduced by any Federal E-Rate funding received. This funding source directly offsets expenditures.

d) ***Athletic and Activity Participation Fees - $713,900***

Students are charged a fee to participate in athletics and activities. These fees are intended to help offset the costs associated with providing coaching staff for the given sport or activity. For families who are eligible for free or reduced lunches, participation fees are also lowered.

e) ***Admission and Other Student Fees - $1,236,750***

The district charges admission fees to many activities and other fees, when allowable, including parking permits, lost library books, lost textbooks, class fees, and copies of transcripts.

f) ***Interest Earnings - $2,251,000***

Given the current market, the General Fund does not earn a significant amount of interest. When possible, funds are invested in six to twelve-month allowable investments such as certificates of deposit. As market conditions fluctuate, the district monitors the best financial instrument to use for any excess cash balance maintained in the general fund.

g) ***Other Local Revenue - $1,479,500***

The district collects revenue from several local sources in the form of donations, grants, fees for services, insurance recoveries, and other miscellaneous revenues.

C. Where Does the Money Get Spent?

There are several types of expenditures made by the school district which can be categorized in six general categories. These categories are specified within the Uniform Financial Accounting and Reporting Standards (UFARS) used by all school districts in the State of Minnesota. The largest expense for any school district is salaries and the associated benefits. For South Washington County Schools, salaries and benefits make up 80% of the 2025-26 general fund budget. The remaining expenditure categories are services, supplies, equipment & capital improvements, and other. These category types will be referred to regularly in this document making it important for the reader to have a clear understanding of the types of expenditures which are included in each category. To that end, examples of each of the expenditure categories are listed below:

- **Salaries** – Expenditures in this category include salary payments to administrators, teachers, educational assistants, clerical support, maintenance employees, or any individual who is deemed to be an employee of the school district (rather than an independent contractor).

- **Benefits** – Benefit expenditures include employer portions of Federal payroll taxes, retirement contributions, employer paid insurance premiums, and all benefits agreed to within negotiated union contracts and labor policies.

- **Services** – Expenditures in this category include a wide variety of costs. This category includes payments to individuals or organizations for professional services such as auditors, professional speakers, attorneys, contracted service providers, or consultants. This category also includes utilities, professional development registrations, travel costs, operating leases, tuition payments, and transportation contracts.

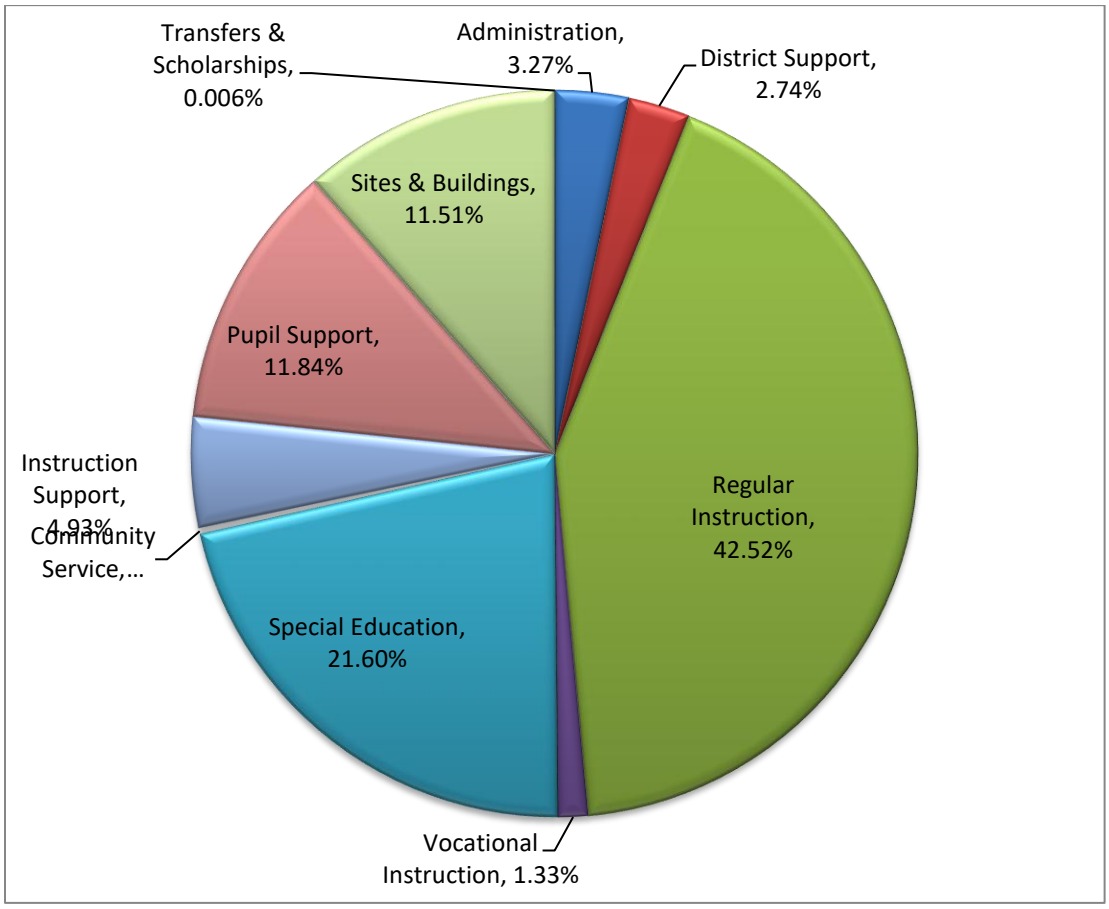
- **Supplies** – Supply expenditures include supplies purchased for both instructional and non-instructional purposes. This includes everything from toner in the district offices to textbooks used by students. This category also includes items such as standardized tests, media resources, electronic replacements of instructional resources (such as applications for electronic devices), and food.

- **Equipment and Capital Improvements** – Expenditures in this category would include the purchase of land, improvements made to buildings, equipment, and capital leases (such as the copy machine leases the district has with Xerox and Metro Sales). One thing to keep in mind is that a "capital" improvement does not mean the purchase is necessarily funded with operating capital dollars. Although operating capital can certainly fund this type of expenditure, this is not the only funding source for this type of expenditure.

- **Other** – The UFARS manual provides for a miscellaneous category of expenditure for those items that do not fit neatly within the other categories. Examples of this type of expenditure are dues, memberships, licenses, sales tax, indirect cost allocations, and other miscellaneous expenditures.

General Fund Expenditures per Pupil

Program	Expenditures	
Regular Instruction	$ 7,802.19	42.52%
Special Education	3,963.48	21.60%
Pupil Support	2,172.23	11.84%
Sites & Buildings	2,111.22	11.51%
Instruction Support	903.95	4.93%
Administration	600.27	3.27%
District Support	502.36	2.74%
Vocational Instruction	243.90	1.33%
Community Service	47.42	0.26%
Transfers & Scholarships	1.15	0.01%
	$ 18,348.17	



General Fund Expenditures by Program Area

In order to better explain where the school district spends the dollars it has been entrusted with, a discussion of the broad program areas will follow. Keep in mind that within each of these program areas, the revenue that is funding the particular initiative may be coming from state, federal, local, or a combination of funding sources. A brief description of each program area along with a summary of budgeted expenditures is listed below. These summaries include expenditures of the entire general fund which includes both reserved and unreserved amounts.

1. Administration

This program area includes the costs of the School Board, the Superintendent's office, and the principal's office in each of the schools.

	2024 Actual	2025 Revised	2026 Original	% Change
Salaries	$ 7,188,467	$ 7,453,462	$ 7,724,751	3.64%
Benefits	3,038,205	3,649,292	3,415,890	-6.40%
Services	166,826	228,900	227,200	-0.74%
Supplies	64,393	41,945	41,755	-0.45%
Equipment & Capital	6,368	3,000	4,600	53.33%
Other	109,151	113,845	118,274	3.89%
Total	**$ 10,573,411**	**$ 11,490,444**	**$ 11,532,470**	**0.37%**

2. District Support Services

The district support services program category includes Human Resources, Information Systems, and the Business Office. In addition, liability and worker's compensation insurance for the entire district is recorded in this program area.

	2024 Actual	2025 Revised	2026 Original	% Change
Salaries	$ 4,016,663	$ 4,181,731	$ 4,290,674	2.61%
Benefits	1,808,791	2,103,378	2,056,776	-2.22%
Services	656,958	182,000	223,600	22.86%
Supplies	2,126,969	4,986,050	1,824,564	-63.41%
Equipment & Capital	2,734,611	831,035	2,072,327	149.37%
Other	-592,605	-816,620	-816,655	0.00%
Total	**$ 10,751,387**	**$ 11,467,574**	**$ 9,651,286**	**-15.84%**

3. Elementary and Secondary Regular Instruction

This program category includes kindergarten, elementary, and secondary regular instruction which includes Title I, Title II, and Title III. In addition, all athletics and activities are reported in this program area.

	2024 Actual	2025 Revised	2026 Original	% Change
Salaries	$ 82,119,481	$ 93,403,854	$ 95,644,094	2.40%
Benefits	31,048,238	34,786,847	37,118,457	6.70%
Services	9,418,439	8,216,963	7,902,011	-3.83%
Supplies	4,226,978	6,277,500	7,292,847	16.17%
Equipment & Capital	789,481	1,807,772	1,174,450	-35.03%
Other	736,923	803,676	763,755	-4.97%
Total	**$ 128,339,539**	**$ 145,296,612**	**$ 149,895,614**	**3.17%**

4. Vocational Education Instruction

Vocational and educational instruction includes the cost of providing classes (primarily at the secondary level) involving agriculture, health sciences, business, or anything aiming to teach students about specific career options available to them after completing high school. In addition, this program area has a component for special needs students' participation in vocational activities during the school day.

	2024 Actual	2025 Revised	2026 Original	% Change
Salaries	$ 2,472,534	$ 1,127,133	$ 2,261,683	100.66%
Benefits	367,498	361,877	819,329	126.41%
Services	1,165,521	1,216,413	1,516,413	24.66%
Supplies	45,099	61,789	60,839	-1.54%
Equipment & Capital	24,611	21,516	21,516	0.00%
Other	5,058	6,000	6,000	0.00%
Total	**$ 4,080,322**	**$ 2,794,728**	**$ 4,685,780**	**67.66%**

5. Special Education Instruction

This program category captures the costs involved with providing services to special education students. However, the cost of providing special transportation to these students is not included in this category.

	2024 Actual	2025 Revised	2026 Original	% Change
Salaries	$ 42,394,592	$ 46,625,442	$ 48,512,388	4.05%
Benefits	15,356,214	17,055,919	19,191,574	12.52%
Services	6,863,739	6,273,728	6,867,619	9.47%
Supplies	550,149	540,297	566,665	4.88%
Equipment & Capital	256,752	15,000	16,000	6.67%
Other	918,534	992,050	992,200	0.02%
Total	**$ 66,339,980**	**$ 71,502,436**	**$ 76,146,446**	**6.49%**

6. Community Education and Services

This program category includes costs associated with the state funded voluntary pre-kindergarten (VPK) program.

	2024 Actual	2025 Revised	2026 Original	% Change
Salaries	$ 151,327	$ 270,000	$ 742,500	175.00%
Benefits	96,984	46,307	168,610	264.11%
Total	**$ 248,311**	**$ 316,307**	**$ 911,110**	**188.05%**

7. Instructional Support Services

The instructional support services category includes costs associated with assistant principals, curriculum office, textbooks, media centers, and staff development.

	2024 Actual	2025 Revised	2026 Original	% Change
Salaries	$ 11,171,899	$ 12,473,347	$ 11,584,505	-7.13%
Benefits	3,759,671	4,728,867	4,184,332	-11.52%
Services	701,122	676,365	639,682	-5.42%
Supplies	674,746	1,115,845	866,150	-22.38%
Equipment & Capital	6,665	7,000	10,000	42.86%
Other	79,283	81,800	82,000	0.24%
Total	**$ 16,393,387**	**$ 19,083,224**	**$ 17,366,669**	**-9.00%**

8. Pupil Support Services

This program category captures the cost associated with counseling offices, health services, and psychologists serving regular education students, social workers, and transportation of regular and special needs students.

	2024 Actual	2025 Revised	2026 Original	% Change
Salaries	$ 13,500,913	$ 15,370,421	$ 16,599,066	7.99%
Benefits	7,155,560	8,364,446	9,196,247	9.94%
Services	12,408,868	12,398,611	12,350,694	-0.39%
Supplies	1,772,831	1,640,798	1,663,850	1.40%
Equipment & Capital	2,567,344	1,056,945	1,866,594	76.60%
Other	50,941	56,300	56,450	0.27%
Total	**$ 37,456,457**	**$ 38,887,521**	**$ 41,732,901**	**7.32%**

9. Sites and Buildings

This program area includes the costs of maintaining the district's buildings and facilities. The salaries and benefits of the buildings and grounds director and clerical support as well as all custodial and maintenance employees are recorded here. In addition, this program category includes expenditures such as electricity, water, sewer, gas, trash removal, snow removal, health & safety projects, and a large portion of the district's capital projects.

	2024 Actual	2025 Revised	2026 Original	% Change
Salaries	$ 6,802,803	$ 7,475,689	$ 8,377,440	12.06%
Benefits	2,751,589	3,309,100	3,276,449	-0.99%
Services	17,698,461	12,247,472	10,480,796	-14.42%
Supplies	1,326,040	1,387,100	1,443,200	4.04%
Equipment & Capital	4,480,010	14,224,690	16,708,128	17.46%
Other	296,264	283,000	274,750	-2.92%
Total	**$ 33,355,167**	**$ 38,927,051**	**$ 40,560,763**	**4.20%**

10. Transfers

The transfer category consists of transfers made to other funds.

	2024 Actual	2025 Revised	2026 Original	% Change
Transfers	0	0	0	0.00%
Total	**$ 0**	**$ 0**	**$ 0**	**0.00%**

11. Scholarships

The scholarship category consists of scholarships for which the district has administrative control.

	2024 Actual	2025 Revised	2026 Original	% Change
Scholarships	18,000	28,000	22,000	-21.43%
Total	**$ 18,000**	**$ 28,000**	**$ 22,000**	**-21.43%**

General Fund Budget Summary (Reserved and Unreserved)

	2024 Actual	2025 Revised	2026 Original	% Change
Revenues				
Local Revenues	$ 86,975,091	$ 96,330,463	$ 98,038,478	1.77%
State Aids	224,293,860	239,144,502	247,099,409	3.33%
Federal Aids	6,268,162	5,262,368	5,142,075	-2.29%
Other Revenues	265,767	128,652	282,000	119.20%
Total Revenues	**$ 317,802,880**	**$ 340,865,985**	**$ 350,561,962**	**2.84%**
Expenditures				
Salaries	$ 169,818,680	$ 188,381,079	$ 195,737,101	3.90%
Benefits	65,382,751	74,406,033	79,427,664	6.75%
Services	49,079,934	41,440,452	40,208,015	-2.97%
Supplies	10,787,205	16,051,324	13,759,870	-14.28%
Equipment & Capital	10,865,841	17,966,958	21,873,615	21.74%
Other	1,603,548	1,520,051	1,476,774	-2.85%
Transfers	0	0	0	0.00%
Scholarships	18,000	28,000	22,000	-21.43%
Total Expenditures	**$ 307,555,959**	**$ 339,793,897**	**$ 352,505,039**	**3.74%**
Fund Balance Projection				
Beginning	$ **37,736,644**	$ **47,983,565**	$ **49,055,653**	2.23%
Revenues	317,802,880	340,865,985	350,561,962	2.84%
Expenditures	-307,555,959	-339,793,897	-352,505,039	3.74%
Projected Fund Balance	**$ 47,983,565**	**$ 49,055,653**	**$ 47,112,576**	**-3.96%**
Percent of Expenditures	**15.60%**	**14.44%**	**13.37%**	

III. Food Service Fund

The Food Service Fund is used to account for the activities related to providing nutrition services to the K-12 academic program as well as catering services provided by the district. The fund operates on the principle of revenues exceeding expenditures on day-to-day operations so that the excess can be used to systematically replace and upgrade kitchen equipment around the district. By operating in this manner, the goal of the school nutrition program is to be self-sustained and not to pull resources from direct K-12 instructional funds. Food Service pays the General Fund for certain overhead costs such as payroll, accounts payable, and technology support via an indirect cost rate charge. A summary of this fund's budget is listed below.

	2024 Actual	2025 Revised	2026 Original	% Change
Revenues				
Local Revenues	$ 2,203,512	$ 2,425,200	$ 2,322,200	-4.25%
State Aids	7,250,754	8,020,000	8,050,465	0.38%
Federal Aids	5,553,119	4,765,000	5,210,998	9.36%
Transfers	0	0	0	0.00%
Total Revenues	**$ 15,007,385**	**$ 15,210,200**	**$ 15,583,663**	**2.46%**
Expenditures				
Salaries	$ 3,888,863	$ 4,763,022	$ 4,997,855	4.93%
Benefits	1,230,744	1,338,310	1,550,583	15.86%
Services	311,084	570,000	595,000	4.39%
Supplies	6,222,059	6,345,500	6,535,915	3.00%
Equipment & Capital	243,712	1,500,000	1,530,000	2.00%
Other	580,932	645,350	788,477	22.18%
Total Expenditures	**$ 12,477,393**	**$ 15,162,182**	**$ 15,997,830**	**5.51%**
Fund Balance Projection				
Beginning	$ **2,997,076**	$ **5,527,068**	$ **5,575,086**	0.87%
Revenues	15,007,385	15,210,200	15,583,663	2.46%
Expenditures	-12,477,393	-15,162,182	-15,997,830	5.51%
Projected Fund Balance	**$ 5,527,068**	**$ 5,575,086**	**$ 5,160,919**	**-7.43%**
Percent of Expenditures	**44.30%**	**36.77%**	**32.26%**	

IV. Community Service Fund

The Community Service Fund accounts for the activities related to providing education services for Pre-Kindergarten and Post-Grade 12 students. The fund operates on a principle of breaking even on a year-to-year basis and maintaining a healthy fund balance which protects future programming. Community Service pays the general fund for space used in the district according to formulas outlined in the Uniform Financial Accounting and Reporting Standards (UFARS) Manual. Community Service pays the General Fund for certain overhead costs such as payroll, accounts payable, and technology support. A summary of the complete Community Service budget is listed below. Within Community Service are several Fund Balance requirements which will be discussed in greater detail on the following pages.

	2024 Actual	2025 Revised	2026 Original	% Change
Revenues				
Local Revenues	$ 12,302,435	$ 12,838,671	$ 14,189,781	10.52%
State Aids	3,114,089	3,545,558	3,351,475	-5.47%
Federal Aids	115,927	109,024	119,698	9.79%
Transfers	400,000	0	0	0.00%
Total Revenues	**$ 15,932,451**	**$ 16,493,253**	**$ 17,660,954**	**7.08%**
Expenditures				
Salaries	$ 10,382,597	$ 10,180,983	$ 10,472,238	2.86%
Benefits	3,077,541	3,207,526	3,440,143	7.25%
Services	2,495,338	2,465,118	2,791,463	13.24%
Supplies	683,539	864,916	727,810	-15.85%
Equipment & Capital	170,204	85,291	189,400	122.06%
Other	9,840	12,541	14,208	13.29%
Total Expenditures	**$ 16,819,060**	**$ 16,816,375**	**$ 17,635,262**	**4.87%**
Fund Balance Projection				
Beginning	$ **1,140,949**	$ **254,340**	$ **-68,782**	-127.04%
Revenues	15,932,451	16,493,253	17,660,954	7.08%
Expenditures	-16,819,060	-16,816,375	-17,635,262	4.87%
Projected Fund Balance	**$ 254,340**	**$ -68,782**	**$ -43,090**	**-37.35%**
Percent of Expenditures	**1.51%**	**-0.41%**	**-0.24%**	

A. School Readiness Fund Balance

The School Readiness Fund Balance is used to accumulate all revenues and expenditures related to the district's early childhood education program. This program is provided to assess children's cognitive skills, teach educational programming that will strengthen children's cognitive skills and development, and generally prepare children for entry into kindergarten. In addition, this program provides support in the community kids preschool and to provide scholarships to students who are not eligible for the early learning scholarships.

	2024 Actual	2025 Revised	2026 Original	% Change
Revenues				
Local Revenues	$ 1,315,231	$ 1,179,309	$ 1,597,603	35.47%
State Aids	713,919	1,351,562	717,625	-46.90%
Total Revenues	**$ 2,029,150**	**$ 2,530,871**	**$ 2,315,228**	**-8.52%**
Expenditures				
Salaries	$ 1,896,073	$ 1,789,321	$ 1,621,595	-9.37%
Benefits	702,126	756,689	803,754	6.22%
Services	113,956	93,401	107,958	15.59%
Supplies	21,289	31,058	35,088	12.98%
Equipment & Capital	4,717	7,500	7,500	0.00%
Other	0	125	125	0.00%
Total Expenditures	**$ 2,738,161**	**$ 2,678,094**	**$ 2,576,020**	**-3.81%**
Fund Balance Projection				
Beginning	$ **-1,759,134**	$ **-2,468,145**	$ **-2,615,368**	5.96%
Revenues	2,029,150	2,530,871	2,315,228	-8.52%
Expenditures	-2,738,161	-2,678,094	-2,576,020	-3.81%
Projected Fund Balance	**$ -2,468,145**	**$ -2,615,368**	**$ -2,876,160**	**9.97%**
Percent of Expenditures	**-90.14%**	**-97.66%**	**-111.65%**	

B. Early Childhood Family Education Fund Balance

Programming provided for children aged birth to kindergarten and their caretakers are operated under the Early Childhood Family Education Fund Balance. This program provides classes and resources to expectant parents and caretakers of young children which may help them understand a child's learning and development and as a result be able to help children grow. This program also provides parenthood education in secondary schools and outreach work in the community.

	2024 Actual	2025 Revised	2026 Original	% Change
Revenues				
Local Revenues	$ 507,248	$ 497,275	$ 572,008	15.03%
State Aids	1,005,739	1,041,188	1,039,258	-0.19%
Total Revenues	**$ 1,512,987**	**$ 1,538,463**	**$ 1,611,266**	**4.73%**
Expenditures				
Salaries	$ 1,208,603	$ 1,156,593	$ 1,241,634	7.35%
Benefits	409,283	408,496	436,544	6.87%
Services	104,890	84,888	87,288	2.83%
Supplies	23,821	32,500	31,900	-1.85%
Equipment & Capital	2,263	7,000	7,000	0.00%
Other	23	250	250	0.00%
Total Expenditures	**$ 1,748,882**	**$ 1,689,727**	**$ 1,804,616**	**6.80%**
Fund Balance Projection				
Beginning	$ **31,742**	$ **-204,153**	$ **-355,417**	74.09%
Revenues	1,512,987	1,538,463	1,611,266	4.73%
Expenditures	-1,748,882	-1,689,727	-1,804,616	6.80%
Projected Fund Balance	**$ -204,153**	**$ -355,417**	**$ -548,767**	**54.40%**
Percent of Expenditures	**-11.67%**	**-21.03%**	**-30.41%**	

C. Adult Basic Education Fund Balance

The Adult Basic Education Fund Balance is used to accumulate the revenues and expenditures related to providing basic skills learning opportunities for individuals 17 years of age or older who are not enrolled in an elementary or secondary school. Funding for this program is dependent upon the number of student contact hours. This program provides K-12 level basic skills to allow participants to achieve their individual academic goals up to the level of high school completion. Adult Basic Education also serves adult immigrants with English language classes in order to improve their English skills, including speaking, reading, writing, and listening. The ultimate goal of the program is to help the functionally illiterate become more employable and productive citizens.

	2024 Actual	2025 Revised	2026 Original	% Change
Revenues				
Local Revenues	$ 42,161	$ 30,000	$ 15,000	-50.00%
State Aids	622,402	671,143	668,352	-0.42%
Federal Aids	115,927	109,024	119,698	9.79%
Total Revenues	**$ 780,490**	**$ 810,167**	**$ 803,050**	**-0.88%**
Expenditures				
Salaries	$ 491,451	$ 421,207	$ 607,154	44.15%
Benefits	138,082	127,757	176,600	38.23%
Services	36,574	42,510	45,630	7.34%
Supplies	32,606	67,685	31,980	-52.75%
Equipment & Capital	9,342	0	0	#DIV/0!
Other	2,565	3,398	2,328	-31.49%
Total Expenditures	**$ 710,619**	**$ 662,557**	**$ 863,692**	**30.36%**
Fund Balance Projection				
Beginning	$ **102,868**	$ **172,739**	$ **320,349**	85.45%
Revenues	780,490	810,167	803,050	-0.88%
Expenditures	-710,619	-662,557	-863,692	30.36%
Projected Fund Balance	**$ 172,739**	**$ 320,349**	**$ 259,707**	**-18.93%**
Percent of Expenditures	**24.31%**	**48.35%**	**30.07%**	

V. Building Construction Fund

The Building Construction Fund accounts for the costs of school construction, addition, and renovation projects which are funded through bonds or certificates of participation (or other specific funding sources). When bonds (or certificates of participation) are issued in connection with a building project, the bond proceeds are recorded as revenue in the Building Construction Fund. The funds are then drawn down as payments are made for work completed on the project(s). The proceeds of bonds can only be used for the purpose for which they were issued.

	2024 Actual	2025 Revised	2026 Original	% Change
Revenues				
Local Revenues	$ 2,568,931	$ 4,710,000	$ 3,710,100	-21.23%
Other Revenues	129,877,317	9,200,000	130,000,000	1313.04%
Total Revenues	**$ 132,446,248**	**$ 13,910,000**	**$ 133,710,100**	**861.25%**
Expenditures				
Salaries	$ 193,584	$ 305,000	$ 416,948	0.00%
Benefits	68,622	1,181	18,061	1429.30%
Services	13,490,079	25,000,375	15,000,000	-40.00%
Supplies	285	500	0	0.00%
Equipment & Capital	682,844	7,607,625	92,535,000	0.00%
Total Expenditures	**$ 14,435,414**	**$ 32,914,681**	**$ 107,970,009**	**228.03%**
Fund Balance Projection				
Beginning	$ **24,856,513**	$ **142,867,347**	$ **123,862,666**	-13.30%
Revenues	132,446,248	13,910,000	133,710,100	861.25%
Expenditures	-14,435,414	-32,914,681	-107,970,009	228.03%
Projected Fund Balance	**$ 142,867,347**	**$ 123,862,666**	**$ 149,602,757**	**20.78%**
Percent of Expenditures	**989.70%**	**376.31%**	**138.56%**	

VI. Debt Service Fund

The Debt Service Fund exists to record the principal and interest payments on long-term debt issued by the district. Annual levies will provide revenue at a rate of 105% of pending debt service payments for a given fiscal year. This rate is specified in statute to ensure that principal and interest payments can be made as scheduled even if there are late property tax payments or delinquencies that may arise. The Debt Service Fund is also monitored by the Minnesota Department of Education for accumulation of excess fund balance. If the debt service fund balance is deemed to be at a level in excess of what is needed to make debt payments, a levy adjustment is made to reduce revenue and bring the fund balance down to a feasible amount.

	2024 Actual	2025 Revised	2026 Original	% Change
Revenues				
Local Revenues	$ 51,339,306	$ 37,225,040	$ 35,925,007	-3.49%
State Aids	3,102,911	2,859,692	2,847,448	-0.43%
Federal Aids	1,140,461	1,125,000	442,330	-60.68%
Total Revenues	**$ 55,582,677**	**$ 41,209,732**	**$ 39,214,785**	**-4.84%**
Expenditures				
Other	52,392,595	35,070,068	39,102,368	11.50%
Total Expenditures	**$ 52,392,595**	**$ 35,070,068**	**$ 39,102,368**	**11.50%**
Fund Balance Projection				
Beginning	$ **6,114,878**	$ **9,304,960**	$ **15,444,624**	65.98%
Revenues	55,582,677	41,209,732	39,214,785	-4.84%
Expenditures	-52,392,595	-35,070,068	-39,102,368	11.50%
Projected Fund Balance	**$ 9,304,960**	**$ 15,444,624**	**$ 15,557,041**	**0.73%**
Percent of Expenditures	**17.76%**	**44.04%**	**39.79%**	

VII. Custodial Fund

The Custodial Fund is used to account for resources from various third parties which are held by the District for donor-directed purposes, such as to award scholarships to former students. The custodial fund is used to record the revenues and expenditures for custodial agreements where the school board has accepted the responsibility to serve as custodian.

	2024 Actual	2025 Revised	2026 Original	% Change
Revenues				
Local Revenues	$ 44,050	$ 20,000	$ 23,000	15.00%
Total Revenues	**$ 44,050**	**$ 20,000**	**$ 23,000**	**15.00%**
Expenditures				
Other	$ 26,800	$ 20,000	$ 23,000	15.00%
Total Expenditures	**$ 26,800**	**$ 20,000**	**$ 23,000**	**15.00%**
Fund Balance Projection				
Beginning	$ **37,827**	$ **55,077**	$ **55,077**	0.00%
Revenues	44,050	20,000	23,000	15.00%
Expenditures	-26,800	-20,000	-23,000	15.00%
Projected Fund Balance	**$ 55,077**	**$ 55,077**	**$ 55,077**	**0.00%**
Percent of Expenditures	**205.51%**	**275.39%**	**239.47%**	

VIII. OPEB Trust Fund

An irrevocable OPEB (other post-employment benefits) trust was created in June 2018 with assets that were set aside for OPEB in previous years to fund post-retirement insurance costs.

	2024 Actual	2025 Revised	2026 Original	% Change
Revenues				
Local Revenues	$ 365,096	$ 200,000	$ 150,000	-25.00%
Total Revenues	**$ 365,096**	**$ 200,000**	**$ 150,000**	**-25.00%**
Expenditures				
Benefits	$ 209,153	$ 255,000	$ 250,000	-1.96%
Services	19,294	20,000	20,000	0.00%
Total Expenditures	**$ 228,447**	**$ 275,000**	**$ 270,000**	**-1.82%**
Fund Balance Projection				
Beginning	$ **3,109,407**	$ **3,246,056**	$ **3,171,056**	-2.31%
Revenues	365,096	200,000	150,000	-25.00%
Expenditures	-228,447	-275,000	-270,000	-1.82%
Projected Fund Balance	**$ 3,246,056**	**$ 3,171,056**	**$ 3,051,056**	**-3.78%**
Percent of Expenditures	**1420.92%**	**1153.11%**	**1130.02%**	

IX. 2026 District Budget and Fund Balance Projection Summary

For School Board Approval June 26, 2025

South Washington County Schools
Independent School District 833
Original Budget
For The Period Ended June 30, 2026

Fund	Projected Balance June 30, 2025	Preliminary Budget Revenues	Preliminary Budget Expenditures	Preliminary Budget Net Impact	Adjustments	Projected Balance June 30, 2026	Percent of Expenditures
General Fund							
Unrestricted							
Unassigned, Assigned & Committed	48,216,994	299,343,919	297,865,456	1,478,463	(2,642,750)	47,052,707	
Restricted							
Capital projects	(45,913)	5,672,480	5,669,687	2,793	-	(43,120)	
LTFM	(1,368,828)	12,782,761	12,935,815	(153,054)	-	(1,521,882)	
Operating capital	683,939	4,753,408	5,232,600	(479,192)	-	204,747	
Staff Development	(244,745)	3,143,682	3,204,125	(60,443)	-	(305,188)	
State-approved alternative programs	544,812	943,777	1,027,305	(83,528)	-	461,284	
Safe schools	(83,482)	1,046,839	1,052,205	(5,366)	-	(88,848)	
Student Activities	623,003	507,000	507,000	-	-	623,003	
Community arts center	30,683	-	-	-	-	30,683	
Other	-	22,368,096	25,010,846	(2,642,750)	2,642,750	-	
Nonspendable	699,190	-	-	-	-	699,190	
Total General Fund	49,055,653	350,561,962	352,505,039	(1,943,077)	-	47,112,576	13.4%
Food Service Fund							
Restricted	5,706,756	15,583,663	15,997,830	(414,167)	-	5,292,589	
Nonspendable	220,871	-	-	-	-	220,871	
Total Food Service Fund	5,527,627	15,583,663	15,997,830	(414,167)	-	5,113,460	32.0%
Community Service Fund							
Restricted							
Community education	5,004,698	10,576,864	9,555,642	1,021,222	-	6,025,920	
Early childhood family education	(355,417)	1,611,266	1,804,616	(193,350)	-	(548,767)	
School readiness	(2,615,368)	2,315,228	2,576,020	(260,792)	-	(2,876,160)	
Adult basic education	320,349	803,050	863,692	(60,642)	-	259,707	
Community service	(2,439,893)	2,354,546	2,835,292	(480,746)	-	(2,920,639)	
Nonspendable	16,849	-	-	-	-	16,849	
Total Community Service Fund	(68,782)	17,660,954	17,635,262	25,692	-	(43,090)	-0.2%
Building Construction Fund							
Restricted							
Long term facililities maintenance	25,361,645	30,700,000	11,535,000	19,165,000	-	44,526,645	
Projects funded by certificates of participation	8,306,023	10,000	6,000,000	(5,990,000)	-	2,316,023	
Building construction	90,194,998	103,000,100	90,435,009	12,565,091	-	102,760,089	
Total Building Construction Fund	123,862,666	133,710,100	107,970,009	25,740,091	-	149,602,757	
Debt Service Fund	15,444,624	39,214,785	39,102,368	112,417	-	15,557,041	
Custodial Fund	55,077	23,000	23,000	-	-	55,077	
OPEB Trust Fund	3,171,056	150,000	270,000	(120,000)	-	3,051,056	
Total All Funds	197,047,921	556,904,464	533,503,508	23,400,956	-	220,448,877	

X. 2025 District Budget and Fund Balance Projection Summary

School Board Approved March 27, 2025

South Washington County Schools
Independent School District 833
Revised Budget
For The Period Ended June 30, 2025

Fund	Audited Balance June 30, 2024	Revised Budget Revenues	Revised Budget Expenditures	Revised Budget Net Impact	Adjustments	Projected Balance June 30, 2025	Percent of Expenditures
General Fund							
Unrestricted							
Unassigned, Assigned & Committed	44,353,068	289,802,963	285,310,345	4,492,618	(628,692)	48,216,994	
Restricted							
Capital projects	480,622	5,000,000	5,526,535	(526,535)		(45,913)	
LTFM	(1,030,178)	13,850,777	14,189,427	(338,650)		(1,368,828)	
Operating capital	1,750,702	4,751,289	5,818,052	(1,066,763)		683,939	
Staff Development	571,925	3,046,735	3,863,405	(816,670)		(244,745)	
State-approved alternative programs	385,769	943,777	784,734	159,043		544,812	
Safe schools	(102,125)	1,028,765	1,010,122	18,643		(83,482)	
Student Activities	623,503	506,500	507,000	(500)		623,003	
Community arts center	30,683	-		-		30,683	
Other	220,406	21,935,179	22,784,277	(849,098)	628,692	-	
Nonspendable	699,190	-		-		699,190	
Total General Fund	47,983,565	340,865,985	339,793,897	1,072,088	-	49,055,653	14.4%
Food Service Fund							
Restricted	5,258,738	15,210,200	15,162,182	48,018	-	5,306,756	
Nonspendable	220,871	-	-	-	-	220,871	
Total Food Service Fund	5,479,609	15,210,200	15,162,182	48,018	-	5,527,627	36.5%
Community Service Fund							
Restricted							
Community education	4,614,897	9,642,869	9,253,068	389,801	-	5,004,698	
Early childhood family education	(204,153)	1,538,463	1,689,727	(151,264)	-	(355,417)	
School readiness	(2,468,145)	2,530,871	2,678,094	(147,223)	-	(2,615,368)	
Adult basic education	172,739	810,167	662,557	147,610	-	320,349	
Community service	(1,877,847)	1,970,883	2,532,929	(562,046)	-	(2,439,893)	
Nonspendable	16,849	-	-	-	-	16,849	
Total Community Service Fund	254,340	16,493,253	16,816,375	(323,122)	-	(68,782)	-0.4%
Building Construction Fund							
Restricted							
Long term facilities maintenance	34,601,688	1,060,000	10,300,043	(9,240,043)	-	25,361,645	
Projects funded by certificates of participation	1,056,023	9,250,000	2,000,000	7,250,000	-	8,306,023	
Building construction	107,209,636	3,600,000	20,614,638	(17,014,638)	-	90,194,998	
Total Building Construction Fund	142,867,347	13,910,000	32,914,681	(19,004,681)	-	123,862,666	
Debt Service Fund	9,304,960	41,209,732	35,070,068	6,139,664	-	15,444,624	
Custodial Fund	55,077	20,000	20,000	-	-	55,077	
OPEB Trust Fund	3,246,056	200,000	275,000	(75,000)	-	3,171,056	
Total All Funds	209,190,954	427,909,170	440,052,203	(12,143,033)	-	197,047,921	