

2025-2026 OFFICIAL BUDGET

Pillager Public Schools



#PullTheSled

School Board

Sara Nagel	Chairperson
Rebecca Bennett	Vice-Chair
Brian Grimsley	Treasurer
Kassandra Nelson	Clerk
Sarah Smith	Director
Bridgette Brown	Director

Administration Team

Michael Malmberg	Superintendent
Ryan Krominga	Director of Teaching/Curriculum
Melissa Berry	Business Manager
Stacie Clark	Human Resources Manager
David Reeves	High School Principal
Matthew Moen	Dean of Students/Athletic Director
Wade Mortenson	Middle School Principal
Josh Smith	Elementary Principal

Highlights of Official 25-26 Budget

General Fund Savings (most significant adjustments)

Projected 2.7% for Gen Ed Revenue Increase

Adjusted APU 1,450 (Combined change in revenue)

PSEO \$66,904

Budget Cuts \$206,880

General Fund Cost Increases (most significant adjustments)

Teacher Salary Roll Ups 4%, steps and lane changes

Transportation Contract \$25,500

New curriculum \$307,370

Projected health insurance increase \$42,384

PFML Payroll Tax \$33,040

Unassigned Fund Balance

- ◆ Actual 2023-2024, 11.8%
- ◆ Projected 2024-2025, 17.09%
- ◆ Line Item Excess/Deficit, **-\$136,760.59**

Highlights of Official 2025-26 Budget

Food Service Fund

- ◆ Updated expenditures and revenues. Breakfast and lunch will be free for all students in the 2025-2026 school year.
- ◆ The District is working on spending down the fund balance within the MDE guidelines of 6 months worth of operating expenses.

Community Education Fund

- ◆ Updated expenditures and revenues.

Building/Construction Fund

- None

Other Funds

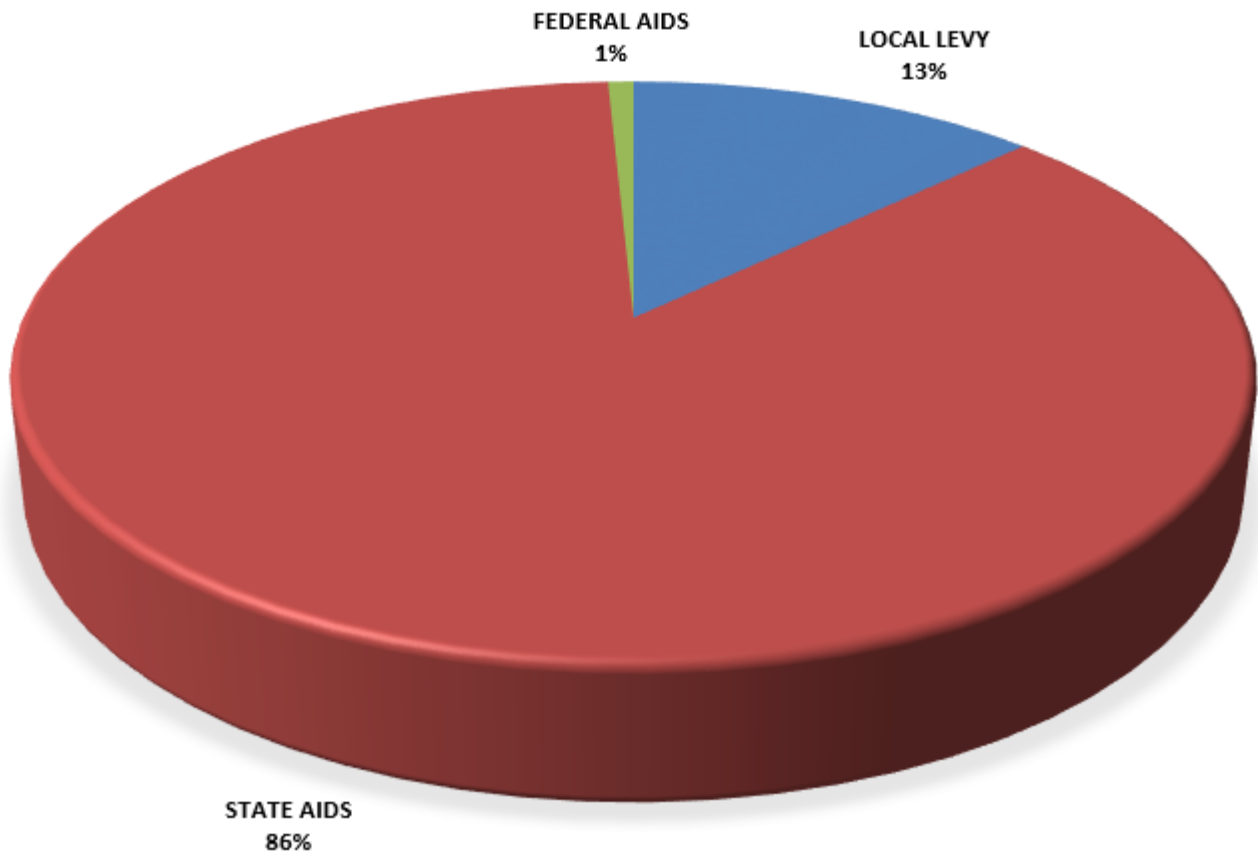
- ◆ No changes



Official General Fund Revenue

REVENUE SOURCES	GENERAL FUND REVENUE BUDGET	PERCENT
LOCAL LEVY	2,345,322	12.83%
STATE AIDS	15,789,255	86.39%
FEDERAL AIDS	141,156	0.77%
OTHER MISC	\$ -	
TOTAL REVENUE SOURCES	\$ 18,275,733	100.00%

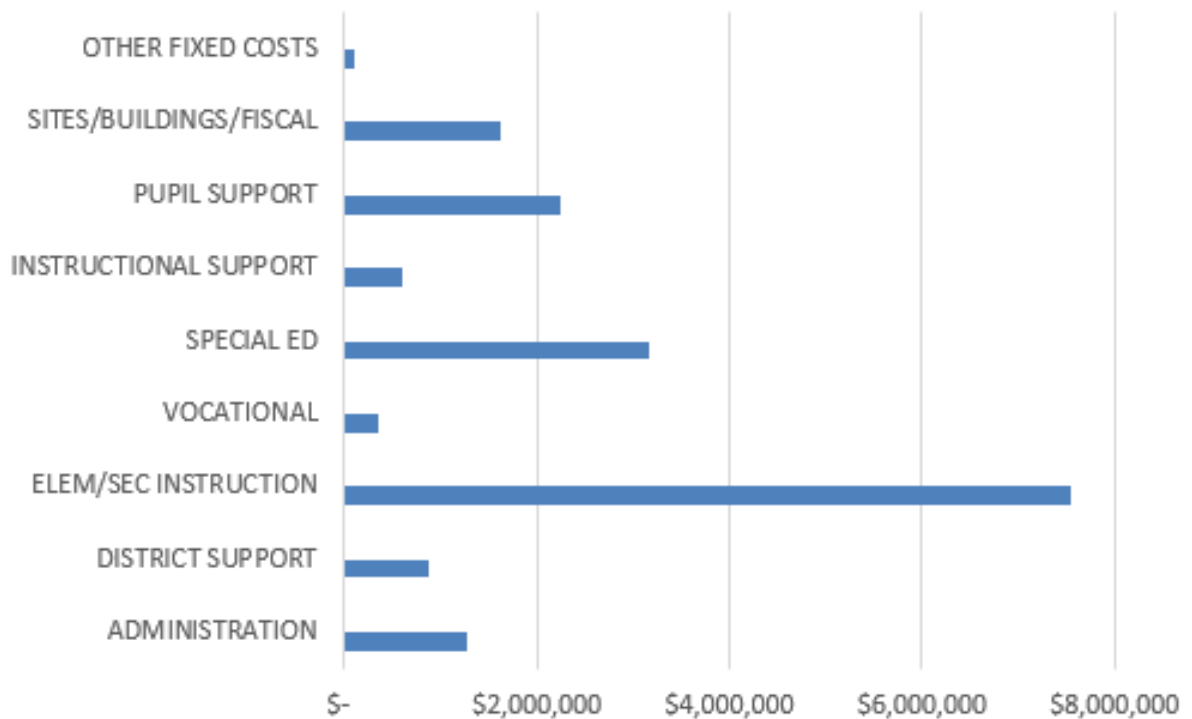
GENERAL FUND REVENUE BUDGET



Official General Fund Expenditures

PROGRAM EXPENSES	GENERAL FUND EXPENDITURE BUDGET BY PROGRAM	PERCENT
ADMINISTRATION	1,307,676	7.03%
DISTRICT SUPPORT	1,153,651	6.21%
ELEM/SEC INSTRUCTION	8,172,224	43.96%
VOCATIONAL	467,363	2.51%
SPECIAL ED	3,202,424	17.23%
INSTRUCTIONAL SUPPORT	634,225	3.41%
PUPIL SUPPORT	2,207,718	11.88%
SITES/BUILDINGS/FISCAL	1,331,871	7.16%
OTHER FIXED COSTS	111,858	0.60%
TOTAL PROGRAM EXPENSES	\$ 18,589,009	100.00%

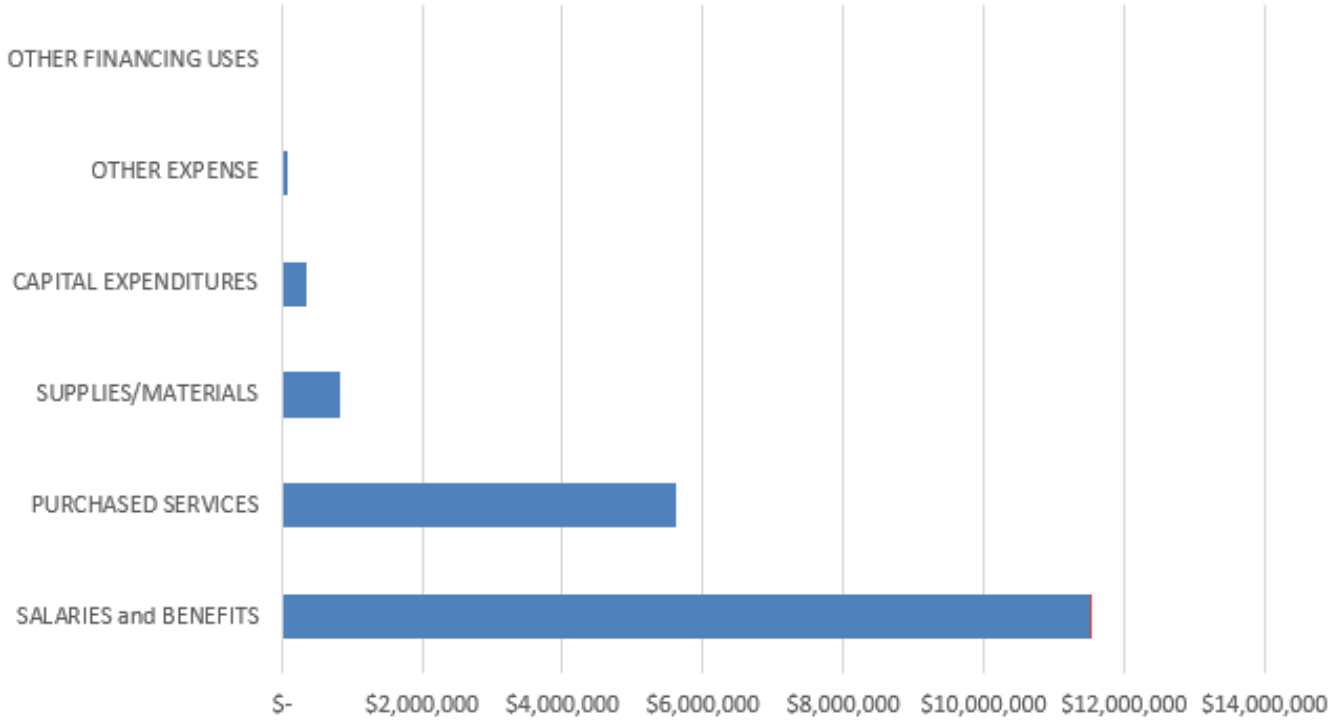
General Fund Expenditures by Program



Official General Fund Expenditures

OBJECT EXPENSES	GENERAL FUND EXP BUD BY OBJ	PERCENT
SALARIES	\$ 7,991,599	43.47%
EMPLOYEE BENEFITS	\$ 3,523,517	19.17%
PURCHASED SERVICES	\$ 5,631,689	30.63%
SUPPLIES/MATERIALS	\$ 822,154	4.47%
CAPITAL EXPENDITURES	\$ 339,976	1.85%
OTHER EXPENSE	\$ 74,809	0.41%
OTHER FINANCING USES	\$ -	0.00%
TOTAL OBJECT EXPENSES	\$ 18,383,744	100.00%

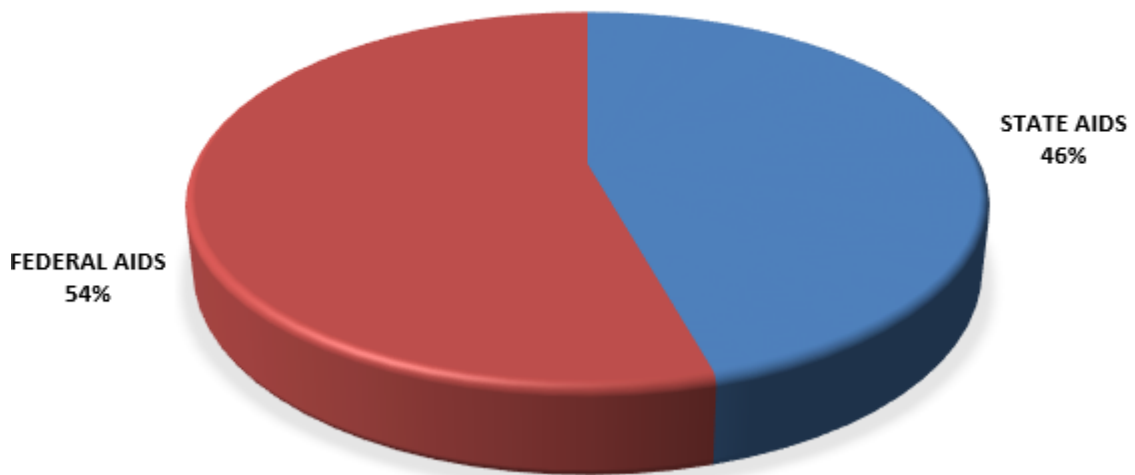
GENERAL FUND EXPENDITURE BUDGET BY OBJECT CODE



Official Food Service Fund Revenue

	25-26	
REVENUE SOURCES	FOOD SERVICE REVENUE BUDGET	PERCENT
LOCAL LEVY	\$ -	0.00%
STATE AIDS	\$ 489,458	45.66%
FEDERAL AIDS	\$ 582,420	54.34%
PUPIL SALES & MISC	\$ -	0.00%
TOTAL REVENUE SOURCES	\$ 1,071,878	100.00%

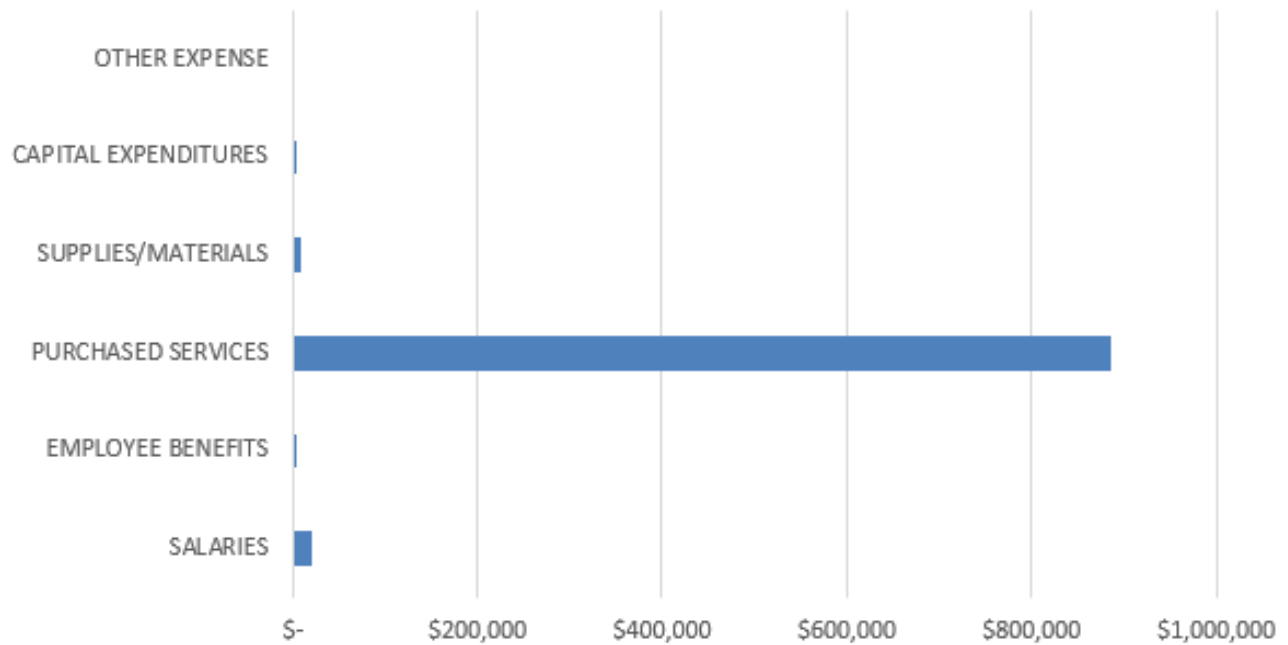
FOOD SERVICE REVENUE BUDGET



Official Food Service Fund Expenditures

OBJECT EXPENSES	FOOD SERVICE EXPENDITURE BUDGET BY OBJECT	PERCENT
SALARIES	\$ 21,000	2.27%
EMPLOYEE BENEFITS	\$ 3,487	0.38%
PURCHASED SERVICES	\$ 886,804	95.74%
SUPPLIES/MATERIALS	\$ 9,729	1.05%
CAPITAL EXPENDITURES	\$ 5,000	0.54%
OTHER EXPENSE	\$ 200	0.02%
TOTAL OBJECT EXPENSES	\$ 926,220	100.00%

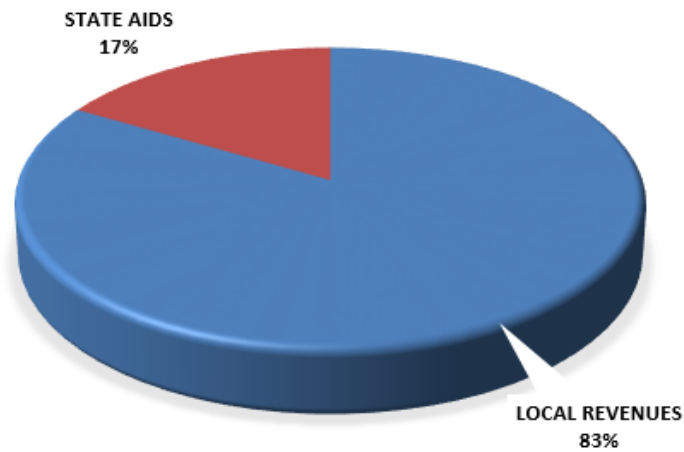
FOOD SERVICE EXPENDITURE BUDGET BY OBJECT CODE



Official Community Service Fund Revenue

	25-26		
REVENUE SOURCES	COMMUNITY SVC REVENUE BUDGET		PERCENT
LOCAL REVENUES	\$ 393,400		83.37%
STATE AIDS	\$ 78,490		16.63%
FEDERAL AIDS	\$ -		0.00%
TOTAL REVENUE SOURCES	\$ 471,890		100.00%

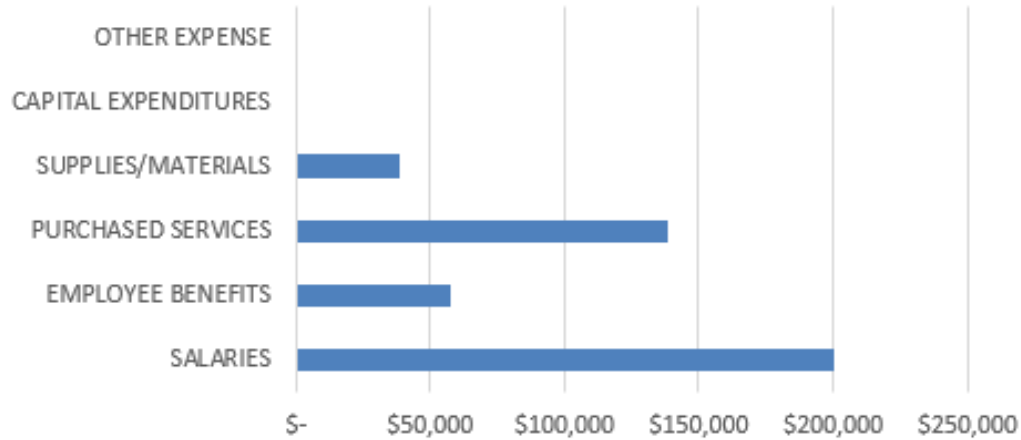
COMMUNITY SERVICE REVENUE BUDGET



Official Community Service Fund Expenditures

	25-26	
OBJECT EXPENSES	COMMUNITY SVC EXPENDITURE BUDGET BY OBJECT	PERCENT
SALARIES	\$ 200,631	46.04%
EMPLOYEE BENEFITS	\$ 57,550	13.20%
PURCHASED SERVICES	\$ 138,648	31.81%
SUPPLIES/MATERIALS	\$ 38,493	8.83%
CAPITAL EXPENDITURES	\$ -	0.00%
OTHER EXPENSE	\$ 500	0.11%
TOTAL OBJECT EXPENSES	\$ 435,822	100.00%

**COMMUNITY SERVICE EXPENDITURE BUDGET
BY OBJECT CODE**



Factors Impacting ISD 116

Every state funds K-12 education differently, and Minnesota is considered one of the most complex systems. In Pillager 86% of the revenue is generated from the state, 13% from local property taxes and the remaining 1% from the federal government. This breakdown is similar to other districts in the state. For the most part, the state portion is generated by the “basic formula” on a per pupil basis. The legislature increased the basic formula amount for next year by 2.7%. However, historically the basic formula increases have fallen far short of the rate of inflation. This prompts the majority of districts in the state to take the local optional levy of \$724 per pupil, which Pillager School does not take. Many Districts have in place a voter-approved operating referendum in addition to the local optional levy to help make up for the revenue shortfall from the state.

As we look to the future, our district faces some challenges. Over the past several years enrollment has risen, but long-range projections show enrollment leveling off. This is due to the fact that the District’s smaller class sizes in the High School are graduating and younger grades coming in are much larger. This trend will substantially impact revenue, so it is imperative that our expenditure budgets also reflect that trend. With that said, we have cut just over \$200,000 from budget expenditures going into next school year. Our goal is to be mindful of the upcoming projections while also being able to provide the best education to our students.

Overall, it is apparent that the school board, Mr. Malmberg and the administration have made the decisions necessary to maintain financial stability. I look forward to continuing this tradition while providing our students with outstanding opportunities.

