



Financial Update

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Budget Forecast Model

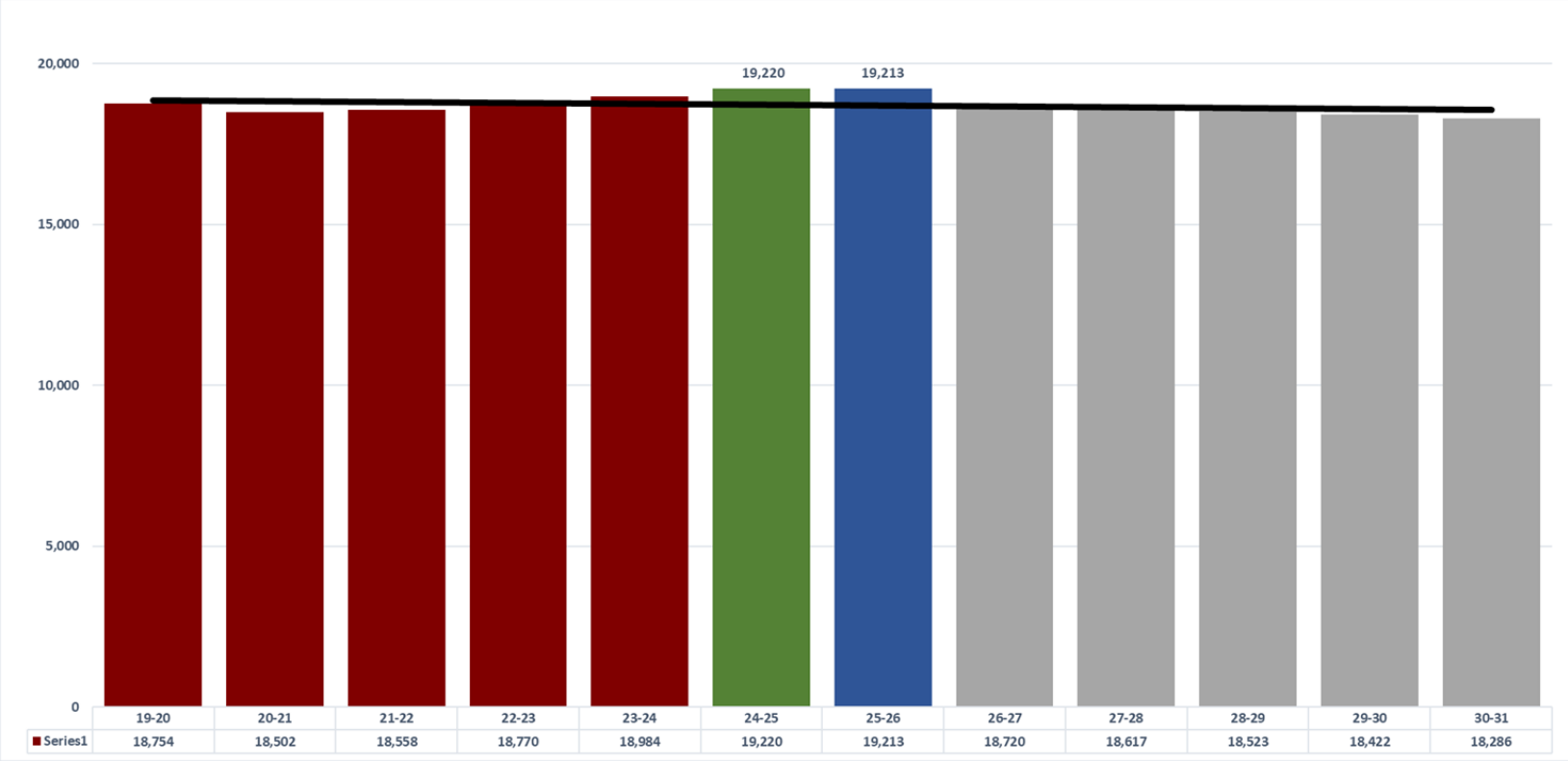


- Purpose
 - Estimate future fund balances
 - Fund balance is the District's checkbook
 - Monitored by the Minnesota Department of Education (MDE)
 - Board policy is 16.6%
 - Estimate needed adjustments
 - Work with totals
 - Based on assumptions
- The fund balance is based on the best information we have today

Budget Forecast Model

- Assumptions
 - Enrollment
 - Conservative
 - 2026-27 reflects estimated impact of other program expansion
 - Thereafter, decrease about 100 students each year
 - Factors
 - Kindergarten – based on birth rates
 - Post Secondary Enrollment Options (PSEO)
 - Other enrollment options
 - Drops
 - Continued growth in community

Budgeted Enrollment



BIRTH YEAR	Washington County Births	Kindergarten Year	Kindergarten	SoWashCo Schools Capture Rate
2012	2,774	2018	1,341	48.3%
2013	2,833	2019	1,325	46.7%
2014	2,880	2020	1,382	48.9%
2015	2,800	2021	1,225	43.7%
2016	2,821	2022	1,295	45.9%
2017	3,085	2023	1,335	43.3%
2018	2,732	2024	1,282	47.2 %
2019	2,701	2025	1,250 (Projected)	46.3 %
2020	2,668	2026	1,235 (Projected)	46.3 %

Enrollment Implications

South Washington County Schools							as of -> 9.23.2025					
Enrollment Projections for budget purposes												
	Actual 2019-20	Actual 2020-21	Actual 2021-22	Actual 2022-23	Actual 2023-24	Projected 2024-25	Projected 2025-26	Projected 2026-27	Projected 2027-28	Projected 2028-29	Projected 2029-30	Projected 2030-31
Pre-K	280.38	254.36	273.31	273.90	285.26	269.00	277.00	285.00	293.00	301.00	309.00	317.00
PK/SR	35.22	30.20	28.26	26.04	23.60	135.26	133.00	133.00	133.00	133.00	133.00	133.00
K	1,382.01	1,225.12	1,295.92	1,322.53	1,282.84	1,257.95	1,195.33	1,200.00	1,200.00	1,160.00	1,120.00	1,080.00
1	1,366.47	1,362.35	1,307.80	1,361.52	1,365.95	1,344.49	1,268.00	1,194.00	1,249.00	1,249.00	1,207.00	1,165.00
2	1,367.19	1,334.06	1,384.49	1,353.26	1,410.58	1,433.08	1,360.67	1,294.00	1,202.00	1,291.00	1,291.00	1,248.00
3	1,411.13	1,337.52	1,360.81	1,435.10	1,395.85	1,457.03	1,472.33	1,357.00	1,338.00	1,243.00	1,335.00	1,335.00
4	1,437.13	1,400.35	1,407.06	1,429.06	1,486.76	1,446.08	1,502.33	1,471.00	1,402.00	1,383.00	1,284.00	1,379.00
5	1,430.10	1,432.07	1,396.81	1,443.21	1,453.22	1,516.54	1,490.67	1,512.00	1,464.00	1,427.00	1,408.00	1,307.00
6	1,438.74	1,340.41	1,390.31	1,359.86	1,419.02	1,438.69	1,523.00	1,375.00	1,482.00	1,435.00	1,399.00	1,380.00
7	1,438.86	1,432.09	1,375.82	1,407.91	1,406.85	1,443.79	1,485.00	1,461.00	1,397.00	1,505.00	1,458.00	1,421.00
8	1,464.52	1,438.20	1,443.88	1,394.56	1,452.82	1,441.28	1,488.00	1,420.00	1,482.00	1,417.00	1,526.00	1,479.00
9	1,463.55	1,528.12	1,491.54	1,488.74	1,474.76	1,520.00	1,521.67	1,494.00	1,458.00	1,540.00	1,472.00	1,586.00
10	1,438.72	1,458.00	1,515.07	1,503.71	1,507.16	1,546.00	1,551.67	1,514.00	1,507.00	1,470.00	1,553.00	1,485.00
11	1,425.05	1,440.82	1,418.24	1,479.72	1,477.01	1,448.00	1,471.00	1,503.00	1,470.00	1,463.00	1,428.00	1,508.00
12	1,374.92	1,488.33	1,469.08	1,490.98	1,542.32	1,522.51	1,572.33	1,507.00	1,540.00	1,506.00	1,499.00	1,463.00
ADM	18,753.99	18,502.00	18,558.40	18,770.10	18,984.00	19,219.69	19,312.00	18,720.00	18,617.00	18,523.00	18,422.00	18,286.00
	1.13%	-1.34%	0.30%	1.14%	2.29%	2.40%	0.48%	-3.07%	-0.55%	-0.50%	-0.55%	-0.74%
High Class	8	9	10	10	12	10	12	10	12	9	10	9
Preliminary Budget							19,212	**Numbers in red include estimated impact of proposed charter school expansion				
Difference							100					
							\$1,100,000					
Difference from Prior Year							92.31					
							\$1,015,385					

Budget Forecast Model

- Revenue Assumptions – Formula increases
 - Basic formula in 2025–2026 is \$7,481 per pupil unit
 - Per Adjusted Pupil Unit
 - Formula increased 2.74% in 2025–2026
 - Future years tied to inflation – minimum 2%; maximum 3%
 - Determined by state legislature
 - SoWashCo assuming 2.5% in each of next 3 years

Budget Forecast Model

- Other Revenue Assumptions
 - State Special Education aid – increasing with expenses less these adjustments:
 - Reduction in Special Education transportation reimbursement
 - Projected impact of Blue Ribbon Commission on Special Education in 2027-2028 and 2028-2029
 - Operating referendum – increases with inflation
 - Federal Title and Federal Special Education – assuming flat
 - Fees, admissions and other – assuming flat

Budget Forecast Model

- Expenditure Assumptions – Salaries and Benefits
 - Negotiated contracts
 - 11 Bargaining Units (9 in General Fund)
 - Steps and/or longevity
 - Steps and lanes (Teacher contract)
 - Percentage on Salaries and Wages
 - Often referred to as cost-of-living adjustment
 - Generally two-year agreements
 - Payroll taxes also increase

Budget Forecast Model

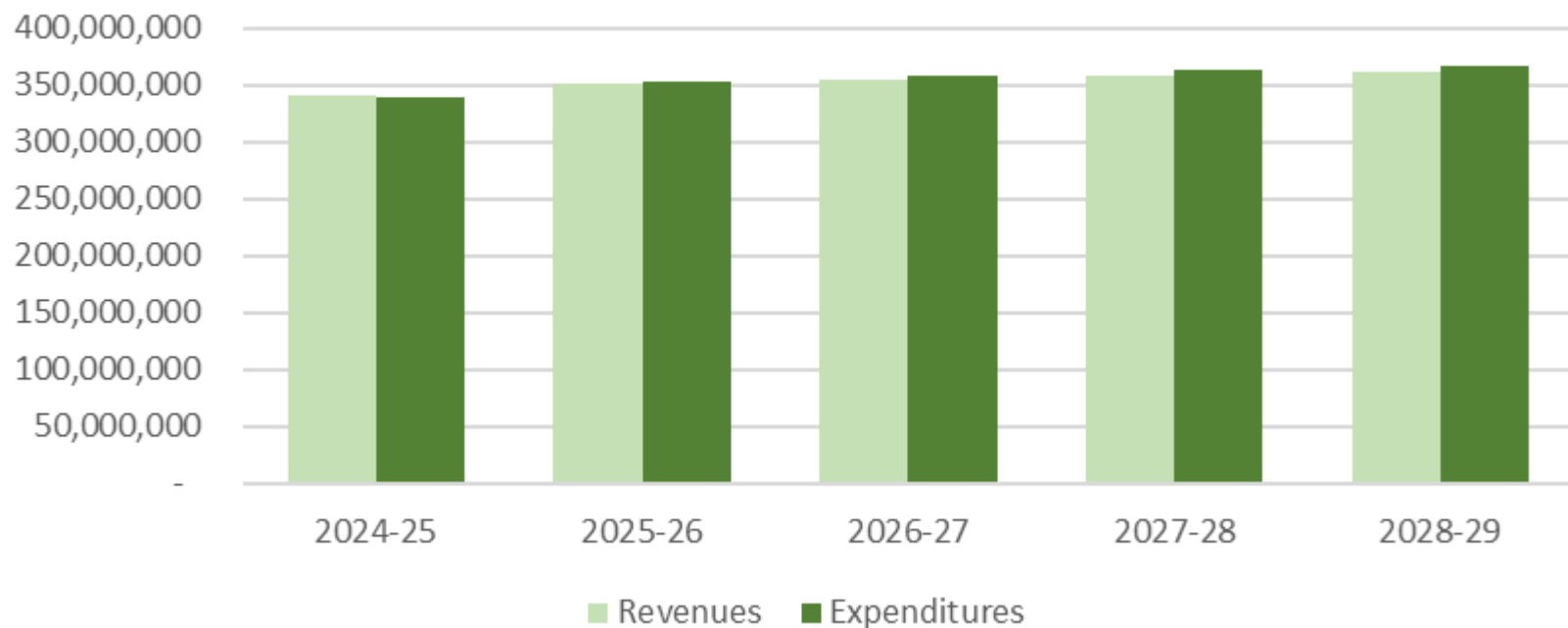
- Other Expenditure Assumptions – 5% average
 - Professional services
 - Substitute teachers and paraprofessionals
 - Contracted transportation
 - Utility and fuel costs
 - Snow removal
 - Textbooks
 - Software subscriptions
 - Supplies and materials
 - Devices for students and staff

Budget Forecast Model

- Miscellaneous Expenditure Assumptions
 - Retirements
 - Save about \$30,000 per staff retirement
 - About 30 per year
 - Staffing fluctuations due to enrollment changes
 - New buildings and leases

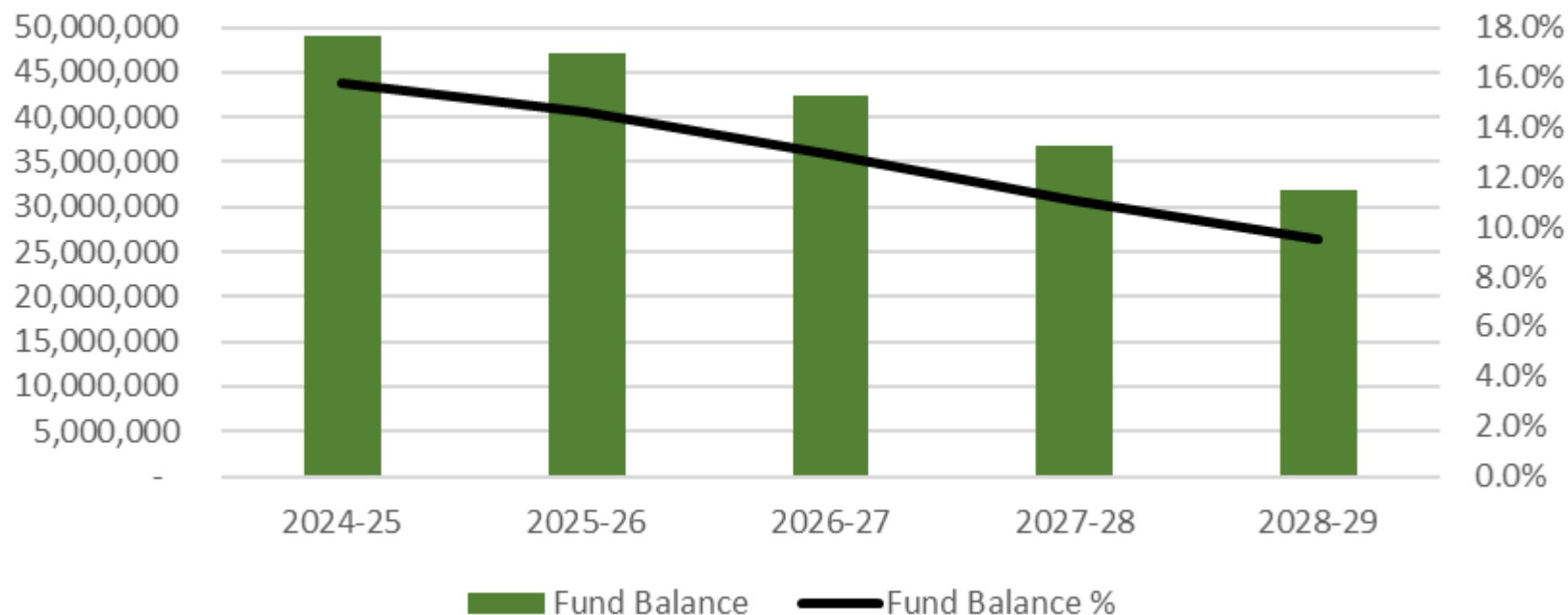
Budget Forecasts

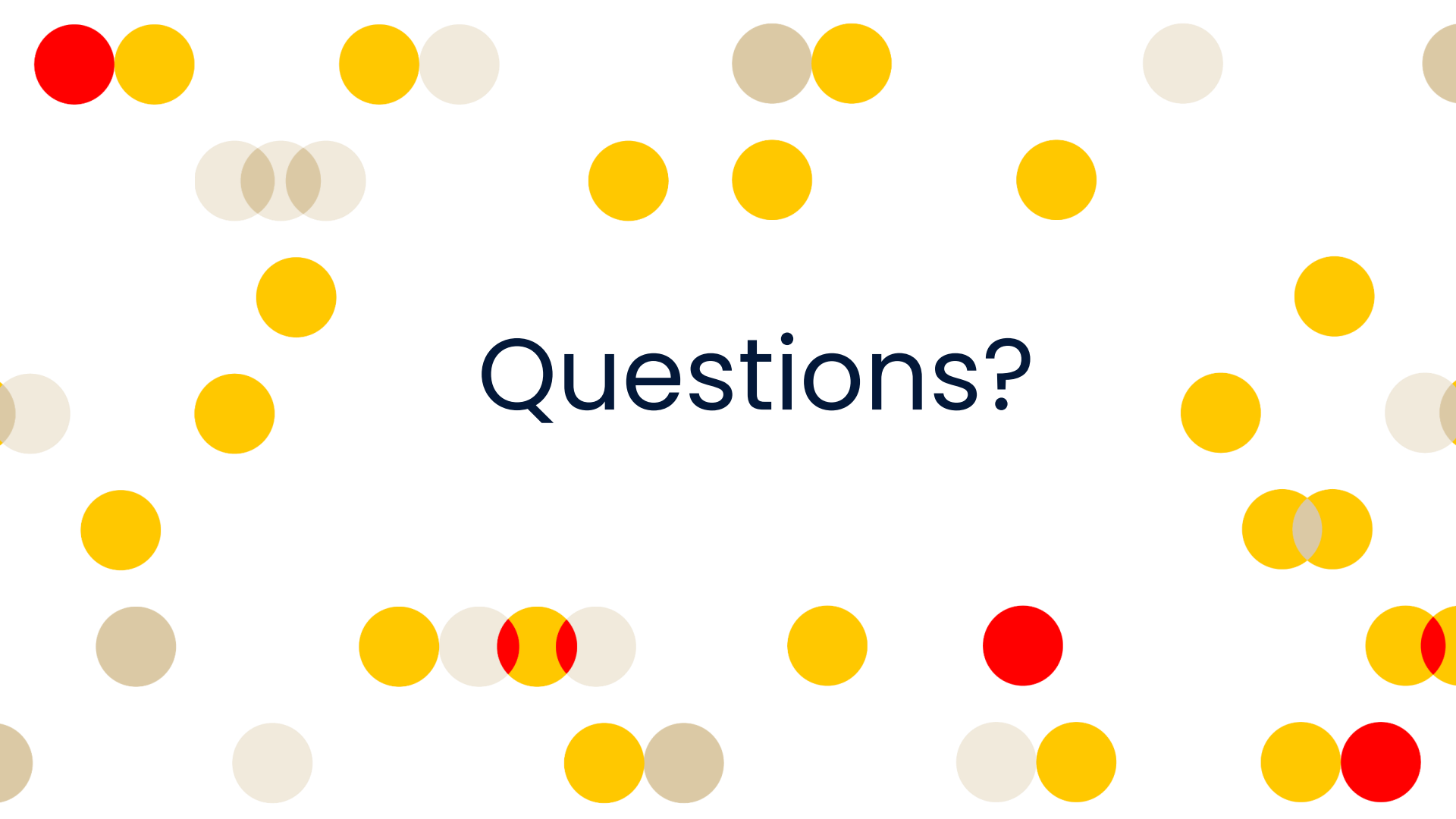
Projected Revenues and Expenditures



Budget Forecasts

Projected Fund Balance - With Adjustments



The background of the slide is white and decorated with numerous circles of three colors: yellow, red, and beige. These circles are scattered across the page, with some appearing as single dots and others as overlapping pairs. The word "Questions?" is centered in a dark blue, sans-serif font.

Questions?