



FORWARD

Advisory Committee



GRAND RAPIDS
AREA SCHOOLS
Resilience • Readiness • Excellence

Summary: FORWARD Advisory Committee Meeting 2 – January 29

FORWARD Meeting 2 – Financial Overview

General Fund Revenue & Expenditures (FY16–FY26): Revenue grew from \$47.5M to \$66.7M over the decade, while expenditures rose from \$47.2M to \$67.6M. In recent years expenditures have begun to outpace revenue, signaling a tightening fiscal outlook.

Budget Reductions (FY21–FY26): The district made ~\$9.8M in total reductions over this period, eliminating ~84.6 FTEs. The largest cuts came in FY22–FY23, with personnel accounting for \$7.6M of the total savings.

Peer District Comparisons (FY25, per ADM): Twelve districts were compared across revenue, expenditures, instruction, administration, and operations & maintenance on a per-student basis. Deer River and Hibbing ranked among the highest spenders, while Rock Ridge stood out with the highest Operations & Maintenance costs (~\$3,915/student).

The overarching theme is fiscal sustainability — documenting where cuts have been made and benchmarking spending against peer districts.

Homework

What is the priority of Grand Rapids Area Schools?

“The priority for Grand Rapids Area Schools centers on providing quality and equitable education, reducing class sizes, and retaining qualified teachers and staff. There is a strong emphasis on offering diverse electives and opportunities to prepare students for future success. Financial transparency and stability are crucial, alongside fostering strong community relationships and engagement. Addressing mental health support, discipline, and reducing teacher burnout are also highlighted. The district aims to create a supportive, safe, and inclusive environment that aligns with Minnesota standards, ensuring all students, including those in Bigfork, receive a comprehensive educational experience.”

Feedback Questions

What stood out to you about Minnesota's system of school funding?

Participants were struck by the complexity and inequity of Minnesota's school funding system. Many were surprised that federal IDEA funding remains at only 17% instead of the promised 40%, leaving districts to cover the gap while special education enrollment climbs. The lack of funding keeping pace with inflation was a major concern, as was the heavy dependency on state funding combined with

unfunded mandates. Several participants noted the disconnect between constitutional language about funding schools and reality, expressing frustration that the community isn't more aware of these funding complexities and constraints.

What questions do you have regarding school funding?

Participants raised numerous questions about understanding and improving school funding. Many wanted to know how to better educate the community about funding realities and how Minnesota compares to other states. There was strong interest in legislative solutions and accountability, particularly regarding how to hold the federal government responsible for meeting its 40% IDEA commitment. Questions included inquiries about levy maximums, the equalization formula, and whether restricted funds could be redirected. Participants also sought clarity on balancing advocacy for increased state funding against requests for local tax increases.

What is one thing you learned about the Grand Rapids Area Schools financial situation?

Participants gained significant insights into GRAS's financial challenges and recovery. Many were surprised by how dire the situation had been, with the fund balance reaching just 1.6% in FY22—nearly causing the district to miss payroll. The improvement post-2022 was noted, though concerns remain about recent negative trends. Participants appreciated learning where money is allocated and how GRAS compares to similar districts. The realization that these struggles aren't unique to GRAS but reflect systemic funding issues affecting districts statewide was eye-opening for many.

What questions do you have about the Grand Rapids Area Schools financial situation?

Participants posed detailed questions about GRAS's financial future and decision-making. Many wanted to know when cuts might end and positions could be restored, how to increase enrollment amid declining population, and what the advocacy plan is for changing per-pupil funding. Questions about specific operational costs—such as running Cohasset Elementary or recent administrative hires—reflected concerns about resource allocation. Participants sought more granular information about spending, class size impacts, teacher compensation, and special education trends. Many asked how the district plans to maintain momentum toward strategic goals while navigating financial constraints.