2026-27 Preliminary Budget

South Washington County Schools
Independent School District 833

For School Board Approval 6.25.2026

South Washington County Schools
2026-27 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	Meghan Hickey
Director of Teaching and Learning Services for Secondary Schools	Mark McIlmoyle
Director of Teaching and Learning Services for Elementary Schools	Jolaine Mast
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	Jennifer Schwartz
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	Laura Loshek
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

South Washington County Schools
2026-27 Preliminary Budget

TABLE OF CONTENTS

Description	Pages
Budget Process	4
General Fund	4 – 12
General Fund Expenditures by Program Area	13 – 16
General Fund Budget Summary (Reserved and Unreserved).....	17
Food Service Fund Budget Summary	18
Community Service Fund Budget Summary.....	19
School Readiness Fund Balance	20
Early Childhood Family Education Fund Balance	21
Adult Basic Education Fund Balance	22
Building Construction Fund Budget Summary	23
Debt Service Fund Budget Summary	24
Custodial Fund Budget Summary	25
OPEB Trust Fund Budget Summary.....	26
2027 District Budget and Fund Balance Summary	27
2026 District Budget and Fund Balance Summary	28

South Washington County Schools
2026-27 Preliminary Budget

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 2025 – Discussion of budget projections and changes needed
- January 2026 – Preliminary staffing allocations calculated
- March 2026 – Staffing workshops and allocations finalized; non-renewed staff are notified
- April 2026 – 2025-26 Revised Budget calculated
- April 2026 – Approval of 2025-26 Revised Budget
- May 2026 – 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 2026 – Approval of 2026-27 Preliminary Budgets for all funds
- July through September 2026 – Prepare for annual audit
- January 2027 – Annual audit results for 2025-26 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.

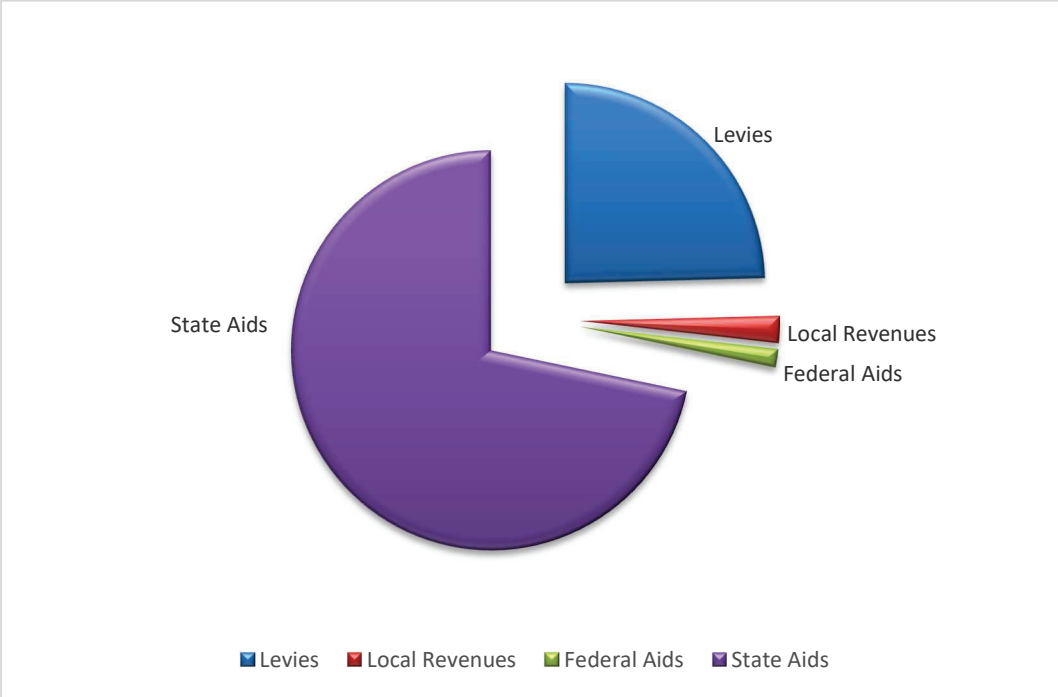
Enrollment projections are determined using separate methods depending on the grade level being projected. Kindergarten projections are based on birth rate data received from Washington County. The birth rates are then modified based on historical trends in capture rates in the district to project the 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 2024-25 school year as well as projected enrollment data for the 2025-26 and 2026-27 school years. (Final enrollment data for the 2025-26 school year will not be available until the fall of 2026.) These enrollment projections were used to calculate the expected general education aid which is discussed later in this document.

	Average Daily Membership		
Grades	**2024-25 Actual**	**2025-26 Projection**	**2026-27 Projection**
Pre-K	347.01	410.00	414.00
Kindergarten	1,248.92	1,189.00	1,200.00
Grades 1 - 3	4,233.93	4,088.00	3,883.00
Grades 4 - 6	4,409.47	4,500.00	4,284.00
Grades 7 - 12	8,980.32	9,032.00	8,908.00
Total	**19,219.65**	**19,219.00**	**18,689.00**

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 2025 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 - $174,188,819*

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 2026-27 fiscal year, the formula allowance was estimated at $7,683 per pupil unit. The resulting revenue projection related to the basic formula is $154,177,954 for the 2026-27 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 $1,561 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 $5,747,351 for the 2026-27 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 $536,982 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 2026-27 fiscal year is $2,488,075.
- **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 $358.00 per pupil unit less an adjustment for students transported to Minnesota State Academies. The total amount anticipated for the 2026-27 fiscal year is $284,467.
- **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 2026-27 is $266,118.
- **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 $1,775 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 2026-27 is $2,561,903.

b) ***Literacy Incentive Aid - $957,162***

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 - $212,987***

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 - $625,768***

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 - $1,440,144***

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 2026-27 the endowment per pupil unit is $64.64.

f) ***Special Education Aid - $70,574,634***

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 4,178 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 - $912,282***

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 2026-27 revenue is 2024-25. 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 - $3,910,027***

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 - $72,737***

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 - $201,432***

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 - $567,219***

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 - $229,121***

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 - $242,143***

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 - $130,253***

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 - $88,283,173***

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 25PAY26 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 - $62,261,948
- Operating Capital - $2,167,864
- Capital Projects - $5,617,191
- Achievement and Integration - $1,049,597
- Long Term Facilities Maintenance - $7,188,777
- Lease Levy - $5,111,105
- Alternative Teacher Professional Pay System - $1,832,985
- Safe Schools - $1,050,855
- Career and Technical Education - $872,854
- Other Post Employment Benefits - $1,129,997

b) ***Third Party Billing - $2,500,000***

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 - $330,000***

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 - $698,200***

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 - $1,269,000***

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 - $2,250,000***

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 - $1,167,500***

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 2026-27 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.

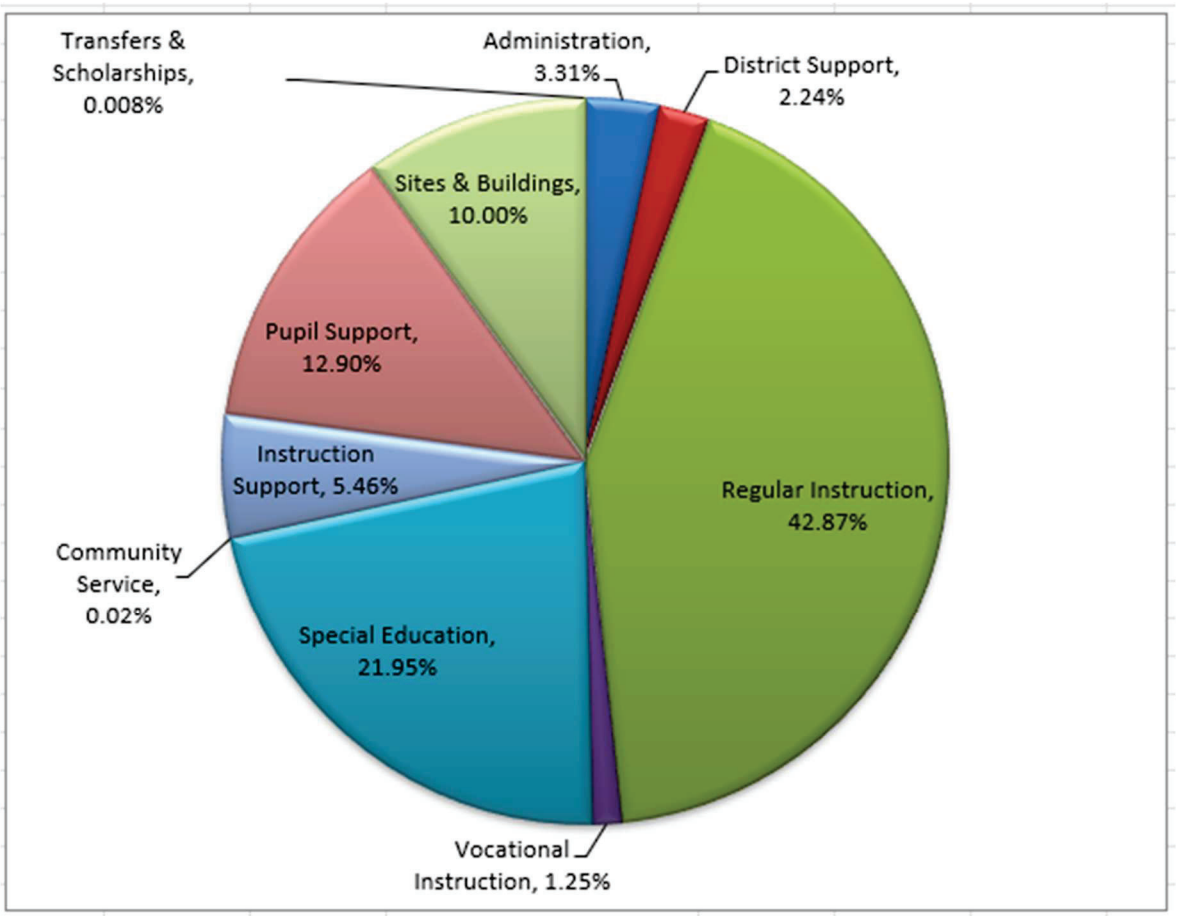
- **Supplies** – Supply expenditures include supplies purchased for both instructional and non-instructional purposes. This includes everything from toner in the district offices to textbooks used by students. This category also includes items such as standardized tests, media resources, electronic replacements 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. 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	$ 8,420.37	42.87%
Special Education	4,311.13	21.95%
Pupil Support	2,534.05	12.90%
Sites & Buildings	1,963.77	10.00%
Instruction Support	1,073.05	5.46%
Administration	650.01	3.31%
District Support	439.16	2.24%
Vocational Instruction	245.91	1.25%
Community Service	3.05	0.02%
Transfers & Scholarships	1.58	0.01%
	$ 19,642.08	



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.

	2025 Actual	2026 Revised	2027 Original	% Change
Salaries	$ 7,711,156	$ 7,820,562	$ 8,065,011	3.13%
Benefits	3,402,376	3,491,019	3,730,749	6.87%
Services	164,606	217,000	173,550	-20.02%
Supplies	88,655	41,755	47,050	12.68%
Equipment & Capital	13,448	4,600	6,000	30.43%
Other	113,020	108,274	125,621	16.02%
Total	**$ 11,493,260**	**$ 11,683,210**	**$ 12,147,981**	**3.98%**

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.

	2025 Actual	2026 Revised	2027 Original	% Change
Salaries	$ 4,118,919	$ 4,198,035	$ 4,632,261	10.34%
Benefits	1,953,791	2,058,344	2,290,901	11.30%
Services	60,402	349,100	363,950	4.25%
Supplies	4,662,999	2,083,928	1,669,234	-19.90%
Equipment & Capital	1,201,934	680,440	50,000	-92.65%
Other	-579,364	-814,405	-798,895	-1.90%
Total	**$ 11,418,680**	**$ 8,555,442**	**$ 8,207,451**	**-4.07%**

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.

		2025 Actual		2026 Revised		2027 Original	% Change
Salaries	$	91,069,004	$	97,023,671	$	97,595,504	0.59%
Benefits		33,377,409		37,314,548		40,057,975	7.35%
Services		9,400,672		8,901,295		9,648,364	8.39%
Supplies		4,900,275		7,753,028		5,643,648	-27.21%
Equipment & Capital		1,587,385		2,460,140		3,717,149	51.10%
Other		689,273		685,085		705,570	2.99%
Total	**$**	**141,024,019**	**$**	**154,137,767**	**$**	**157,368,210**	**2.10%**

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.

		2025 Actual		2026 Revised		2027 Original	% Change
Salaries	$	2,647,562	$	2,017,519	$	2,637,896	30.75%
Benefits		339,775		784,247		378,633	-51.72%
Services		1,357,908		1,527,331		1,531,681	0.28%
Supplies		44,402		52,900		11,271	-78.69%
Equipment & Capital		40,246		30,400		30,400	0.00%
Other		5,408		6,000		6,000	0.00%
Total	**$**	**4,435,300**	**$**	**4,418,397**	**$**	**4,595,881**	**4.02%**

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.

		2025 Actual		2026 Revised		2027 Original	% Change
Salaries	$	47,450,249	$	47,214,514	$	50,732,142	7.45%
Benefits		17,079,759		19,348,028		21,043,076	8.76%
Services		6,396,429		7,186,182		6,976,569	-2.92%
Supplies		393,498		861,094		711,317	-17.39%
Equipment & Capital		0		15,000		14,000	-6.67%
Other		1,040,354		1,036,200		1,093,650	5.54%
Total	**$**	**72,360,289**	**$**	**75,661,018**	**$**	**80,570,754**	**6.49%**

6. Community Education and Services

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

	2025 Actual	2026 Revised	2027 Original	% Change
Salaries	$ 0	$ 0	$ 0	0.00%
Benefits	64,374	49,400	57,000	15.38%
Total	**$ 64,374**	**$ 49,400**	**$ 57,000**	**15.38%**

7. Instructional Support Services

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

	2025 Actual	2026 Revised	2027 Original	% Change
Salaries	$ 12,615,492	$ 11,784,406	$ 13,494,514	14.51%
Benefits	4,132,325	4,120,577	5,057,847	22.75%
Services	973,023	548,500	562,017	2.46%
Supplies	896,873	807,592	831,392	2.95%
Equipment & Capital	2,777	0	0	0.00%
Other	81,926	108,051	108,435	0.36%
Total	**$ 18,702,417**	**$ 17,369,126**	**$ 20,054,205**	**15.46%**

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.

	2025 Actual	2026 Revised	2027 Original	% Change
Salaries	$ 14,741,578	$ 16,465,619	$ 16,777,678	1.90%
Benefits	7,933,980	9,269,995	9,911,749	6.92%
Services	13,830,670	15,402,751	17,318,709	12.44%
Supplies	1,706,238	1,594,050	1,738,750	9.08%
Equipment & Capital	1,229,138	1,841,594	1,555,058	-15.56%
Other	55,574	57,050	56,950	-0.18%
Total	**$ 39,497,177**	**$ 44,631,059**	**$ 47,358,894**	**6.11%**

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.

	2025 Actual	2026 Revised	2027 Original	% Change
Salaries	$ 7,319,986	$ 7,765,140	$ 8,704,913	12.10%
Benefits	2,983,750	3,208,685	3,523,030	9.80%
Services	12,197,500	12,099,840	12,971,600	7.20%
Supplies	1,404,112	1,498,020	1,458,700	-2.62%
Equipment & Capital	14,226,463	15,437,914	9,776,232	-36.67%
Other	219,275	261,500	266,391	1.87%
Total	**$ 38,351,086**	**$ 40,271,099**	**$ 36,700,866**	**-8.87%**

10. Transfers

The transfer category consists of transfers made to other funds.

	2025 Actual	2026 Revised	2027 Original	% Change
Transfers	3,789,038	0	0	0.00%
Total	**$ 3,789,038**	**$ 0**	**$ 0**	**0.00%**

11. Scholarships

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

	2025 Actual	2026 Revised	2027 Original	% Change
Scholarships	25,705	29,500	29,500	0.00%
Total	**$ 25,705**	**$ 29,500**	**$ 29,500**	**0.00%**

General Fund Budget Summary (Reserved and Unreserved)

	2025 Actual	2026 Revised	2027 Original	% Change
Revenues				
Local Revenues	$ 98,145,873	$ 97,786,444	$ 96,037,873	-1.79%
State Aids	243,118,222	252,066,854	257,557,237	2.18%
Federal Aids	5,186,339	5,229,697	5,352,932	2.36%
Other Revenues	4,403,750	302,000	130,000	-56.95%
Total Revenues	**$ 350,854,184**	**$ 355,384,995**	**$ 359,078,042**	**1.04%**
Expenditures				
Salaries	$ 187,673,946	$ 194,289,466	$ 202,639,919	4.30%
Benefits	71,267,539	79,644,843	86,050,960	8.04%
Services	44,381,210	46,231,999	49,546,440	7.17%
Supplies	14,097,052	14,692,367	12,111,362	-17.57%
Equipment & Capital	18,301,390	20,470,088	15,148,839	-26.00%
Other	1,625,466	1,447,755	1,563,722	8.01%
Transfers	3,789,038	0	0	0.00%
Scholarships	25,705	29,500	29,500	0.00%
Total Expenditures	**$ 341,161,345**	**$ 356,806,018**	**$ 367,090,742**	**2.88%**
Fund Balance Projection				
Beginning	$ **47,983,565**	$ **57,676,404**	$ **56,255,381**	-2.46%
Revenues	350,854,184	355,384,995	359,078,042	1.04%
Expenditures	-341,161,345	-356,806,018	-367,090,742	2.88%
Projected Fund Balance	**$ 57,676,404**	**$ 56,255,381**	**$ 48,242,681**	**-14.24%**
Percent of Expenditures	**16.91%**	**15.77%**	**13.14%**	

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.

	2025 Actual	2026 Revised	2027 Original	% Change
Revenues				
Local Revenues	$ 2,368,834	$ 2,221,900	$ 2,215,000	-0.31%
State Aids	7,742,694	8,550,000	8,724,138	2.04%
Federal Aids	5,163,643	5,428,415	5,453,618	0.46%
Transfers	0	0	0	0.00%
Total Revenues	**$ 15,275,172**	**$ 16,200,315**	**$ 16,392,756**	**1.19%**
Expenditures				
Salaries	$ 4,833,410	$ 5,201,855	$ 5,382,480	3.47%
Benefits	1,390,740	1,432,803	1,572,622	9.76%
Services	598,143	502,000	539,200	7.41%
Supplies	6,476,623	7,280,915	7,282,880	0.03%
Equipment & Capital	599,363	1,130,000	630,000	-44.25%
Other	602,196	791,465	825,330	4.28%
Total Expenditures	**$ 14,500,475**	**$ 16,339,038**	**$ 16,232,512**	**-0.65%**
Fund Balance Projection				
Beginning	$ **5,479,608**	$ **6,254,305**	$ **6,115,582**	-2.22%
Revenues	15,275,172	16,200,315	16,392,756	1.19%
Expenditures	-14,500,475	-16,339,038	-16,232,512	-0.65%
Projected Fund Balance	**$ 6,254,305**	**$ 6,115,582**	**$ 6,275,826**	**2.62%**
Percent of Expenditures	**43.13%**	**37.43%**	**38.66%**	

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.

	2025 Actual	2026 Revised	2027 Original	% Change
Revenues				
Local Revenues	$ 13,324,498	$ 14,128,927	$ 14,284,549	1.10%
State Aids	3,444,490	3,434,502	3,431,270	-0.09%
Federal Aids	98,239	121,730	121,730	0.00%
Transfers	400,000	0	0	0.00%
Total Revenues	**$ 17,267,228**	**$ 17,685,159**	**$ 17,837,549**	**0.86%**
Expenditures				
Salaries	$ 10,483,655	$ 10,365,287	$ 10,519,036	1.48%
Benefits	3,327,566	3,483,669	3,534,610	1.46%
Services	2,788,295	2,999,398	3,115,677	3.88%
Supplies	852,937	780,262	717,424	-8.05%
Equipment & Capital	101,367	188,035	164,100	-12.73%
Other	20,526	25,015	24,280	-2.94%
Total Expenditures	**$ 17,574,345**	**$ 17,841,666**	**$ 18,075,127**	**1.31%**
Fund Balance Projection				
Beginning	$ **254,339**	$ **-52,778**	$ **-209,285**	296.54%
Revenues	17,267,228	17,685,159	17,837,549	0.86%
Expenditures	-17,574,345	-17,841,666	-18,075,127	1.31%
Projected Fund Balance	**$ -52,778**	**$ -209,285**	**$ -446,863**	**113.52%**
Percent of Expenditures	**-0.30%**	**-1.17%**	**-2.47%**	

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.

	2025 Actual	2026 Revised	2027 Original	% Change
Revenues				
Local Revenues	$ 1,404,066	$ 1,233,660	$ 1,233,220	-0.04%
State Aids	701,373	741,967	741,967	0.00%
Total Revenues	**$ 2,105,439**	**$ 1,975,627**	**$ 1,975,187**	**-0.02%**
Expenditures				
Salaries	$ 1,984,086	$ 1,859,046	$ 2,100,136	12.97%
Benefits	789,692	814,667	869,162	6.69%
Services	107,024	120,108	103,250	-14.04%
Supplies	24,805	35,714	23,450	-34.34%
Equipment & Capital	886	4,500	3,550	-21.11%
Other	0	125	125	0.00%
Total Expenditures	**$ 2,906,493**	**$ 2,834,160**	**$ 3,099,673**	**9.37%**
Fund Balance Projection				
Beginning	$ **-2,468,145**	$ **-3,269,200**	$ **-4,127,733**	26.26%
Revenues	2,105,439	1,975,627	1,975,187	-0.02%
Expenditures	-2,906,493	-2,834,160	-3,099,673	9.37%
Projected Fund Balance	**$ -3,269,200**	**$ -4,127,733**	**$ -5,252,219**	**27.24%**
Percent of Expenditures	**-112.48%**	**-145.64%**	**-169.44%**	

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.

	2025 Actual	2026 Revised	2027 Original	% Change
Revenues				
Local Revenues	$ 474,288	$ 533,529	$ 583,369	9.34%
State Aids	1,039,273	1,060,171	1,060,171	0.00%
Total Revenues	**$ 1,513,561**	**$ 1,593,700**	**$ 1,643,540**	**3.13%**
Expenditures				
Salaries	$ 1,289,820	$ 1,159,016	$ 1,125,624	-2.88%
Benefits	424,317	379,680	354,246	-6.70%
Services	69,170	87,064	76,388	-12.26%
Supplies	25,998	19,750	17,300	-12.41%
Equipment & Capital	261	7,000	4,250	-39.29%
Other	23	25	25	0.00%
Total Expenditures	**$ 1,809,588**	**$ 1,652,535**	**$ 1,577,833**	**-4.52%**
Fund Balance Projection				
Beginning	$ **-204,153**	$ **-500,180**	$ **-559,015**	11.76%
Revenues	1,513,561	1,593,700	1,643,540	3.13%
Expenditures	-1,809,588	-1,652,535	-1,577,833	-4.52%
Projected Fund Balance	**$ -500,180**	**$ -559,015**	**$ -493,308**	**-11.75%**
Percent of Expenditures	**-27.64%**	**-33.83%**	**-31.26%**	

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.

	2025 Actual	2026 Revised	2027 Original	% Change
Revenues				
Local Revenues	$ 11,450	$ 25,000	$ 30,000	20.00%
State Aids	668,352	689,102	689,102	0.00%
Federal Aids	98,239	121,730	121,730	0.00%
Total Revenues	**$ 778,042**	**$ 835,832**	**$ 840,832**	**0.60%**
Expenditures				
Salaries	$ 407,610	$ 562,140	$ 564,839	0.48%
Benefits	122,267	167,571	175,132	4.51%
Services	45,952	54,339	51,130	-5.91%
Supplies	61,629	34,549	31,383	-9.16%
Equipment & Capital	3,563	0	0	#DIV/0!
Other	2,563	3,465	3,465	0.00%
Total Expenditures	**$ 643,585**	**$ 822,064**	**$ 825,949**	**0.47%**
Fund Balance Projection				
Beginning	$ **172,739**	$ **307,196**	$ **320,964**	4.48%
Revenues	778,042	835,832	840,832	0.60%
Expenditures	-643,585	-822,064	-825,949	0.47%
Projected Fund Balance	**$ 307,196**	**$ 320,964**	**$ 335,847**	**4.64%**
Percent of Expenditures	**47.73%**	**39.04%**	**40.66%**	

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.

	2025 Actual	2026 Revised	2027 Original	% Change
Revenues				
Local Revenues	$ 7,709,898	$ 3,710,100	$ 3,700,700	-0.25%
Other Revenues	9,389,560	143,039,912	0	-100.00%
Total Revenues	**$ 17,099,458**	**$ 146,750,012**	**$ 3,700,700**	**-97.48%**
Expenditures				
Salaries	$ 173,714	$ 414,609	$ 422,795	0.00%
Benefits	63,648	18,002	55,355	207.49%
Services	12,803,314	17,852,000	12,458,000	-30.22%
Supplies	87,236	10,000	10,000	0.00%
Equipment & Capital	17,615,405	92,414,890	89,872,000	0.00%
Total Expenditures	**$ 30,744,453**	**$ 110,709,501**	**$ 102,818,150**	**-7.13%**
Fund Balance Projection				
Beginning	$ **142,867,348**	$ **129,222,353**	$ **165,262,864**	27.89%
Revenues	17,099,458	146,750,012	3,700,700	-97.48%
Expenditures	-30,744,453	-110,709,501	-102,818,150	-7.13%
Projected Fund Balance	**$ 129,222,353**	**$ 165,262,864**	**$ 66,145,414**	**-59.98%**
Percent of Expenditures	**420.31%**	**149.28%**	**64.33%**	

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.

	2025 Actual	2026 Revised	2027 Original	% Change
Revenues				
Local Revenues	$ 36,821,581	$ 130,303,630	$ 43,848,767	-66.35%
State Aids	3,088,549	2,847,448	2,588,354	-9.10%
Federal Aids	781,072	442,330	0	-100.00%
Total Revenues	**$ 40,691,202**	**$ 133,593,408**	**$ 46,437,121**	**-65.24%**
Expenditures				
Other	41,807,530	133,253,782	46,023,590	-65.46%
Total Expenditures	**$ 41,807,530**	**$ 133,253,782**	**$ 46,023,590**	**-65.46%**
Fund Balance Projection				
Beginning	$ **9,304,960**	$ **8,188,632**	$ **8,528,258**	4.15%
Revenues	40,691,202	133,593,408	46,437,121	-65.24%
Expenditures	-41,807,530	-133,253,782	-46,023,590	-65.46%
Projected Fund Balance	**$ 8,188,632**	**$ 8,528,258**	**$ 8,941,789**	**4.85%**
Percent of Expenditures	**19.59%**	**6.40%**	**19.43%**	

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.

	2025 Actual	2026 Revised	2027 Original	% Change
Revenues				
Local Revenues	$ 20,885	$ 20,500	$ 20,500	0.00%
Total Revenues	**$ 20,885**	**$ 20,500**	**$ 20,500**	**0.00%**
Expenditures				
Other	$ 17,295	$ 20,500	$ 20,500	0.00%
Total Expenditures	**$ 17,295**	**$ 20,500**	**$ 20,500**	**0.00%**
Fund Balance Projection				
Beginning	$ **55,078**	$ **58,668**	$ **58,668**	0.00%
Revenues	20,885	20,500	20,500	0.00%
Expenditures	-17,295	-20,500	-20,500	0.00%
Projected Fund Balance	**$ 58,668**	**$ 58,668**	**$ 58,668**	**0.00%**
Percent of Expenditures	**339.22%**	**286.19%**	**286.19%**	

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.

	2025 Actual	2026 Revised	2027 Original	% Change
Revenues				
Local Revenues	$ 389,675	$ 150,000	$ 200,000	33.33%
Total Revenues	**$ 389,675**	**$ 150,000**	**$ 200,000**	**33.33%**
Expenditures				
Benefits	$ 240,194	$ 225,000	$ 250,000	11.11%
Services	18,333	20,000	20,000	0.00%
Total Expenditures	**$ 258,527**	**$ 245,000**	**$ 270,000**	**10.20%**
Fund Balance Projection				
Beginning	$ **3,246,056**	$ **3,377,203**	$ **3,282,203**	-2.81%
Revenues	389,675	150,000	200,000	33.33%
Expenditures	-258,527	-245,000	-270,000	10.20%
Projected Fund Balance	**$ 3,377,203**	**$ 3,282,203**	**$ 3,212,203**	**-2.13%**
Percent of Expenditures	**1306.33%**	**1339.67%**	**1189.70%**	

IX. 2027 District Budget and Fund Balance Projection Summary

For School Board Approval June 25, 2026

South Washington County Schools
Independent School District 833
Original Budget
For The Period Ended June 30, 2027

Fund	Projected Balance June 30, 2026	Preliminary Budget Revenues	Preliminary Budget Expenditures	Preliminary Budget Net Impact	Adjustments	Projected Balance June 30, 2027	Percent of Expenditures
General Fund							
Unrestricted							
Unassigned, Assigned & Committed	45,588,626	309,624,707	319,744,341	(10,119,634)	470,448	35,939,440	
Restricted							
Capital projects	69,402	5,617,191	5,622,372	(5,181)	-	64,221	
Long-term facilities maintenance	(921,366)	7,188,777	7,422,376	(233,599)	-	(1,154,965)	
Operating capital	1,140,719	4,655,939	4,505,175	150,764	-	1,291,483	
Staff development	13,210	3,147,465	3,127,284	20,181	-	33,391	
State-approved alternative programs	656,373	1,000,000	1,209,409	(209,409)	-	446,964	
Safe schools	64,985	1,050,855	1,045,350	5,505	-	70,490	
Student activities	612,495	415,000	415,000	-	-	612,495	
Basic Skills	3,987,221	5,747,351	3,880,826	1,866,525	-	5,853,746	
Quality compensation - ATPPS	367,553	5,141,498	5,099,798	41,700	-	409,253	
American indian education aid	14,651	256,362	256,362	-	-	14,651	
Community arts center	30,683	-	-	-	-	30,683	
Other	-	15,232,897	14,762,449	470,448	(470,448)	-	
Nonspendable	4,630,829	-	-	-	-	4,630,829	
Total General Fund	56,255,381	359,078,042	367,090,742	(8,012,700)	-	48,242,681	13.1%
Food Service Fund							
Restricted	6,244,103	16,392,756	16,232,512	160,244	-	6,404,347	
Nonspendable	271,479	-	-	-	-	271,479	
Total Food Service Fund	6,115,582	16,392,756	16,232,512	160,244	-	6,275,826	38.7%
Community Service Fund							
Restricted							
Community education	5,914,765	10,564,721	9,837,486	727,235	-	6,642,000	
Early childhood family education	(559,015)	1,643,540	1,577,833	65,707	-	(493,308)	
School readiness	(4,127,733)	1,975,187	3,099,673	(1,124,486)	-	(5,252,219)	
Adult basic education	320,964	840,832	825,949	14,883	-	335,847	
Community service	(1,915,453)	2,813,269	2,734,186	79,083	-	(1,836,370)	
Nonspendable	157,187	-	-	-	-	157,187	
Total Community Service Fund	(209,285)	17,837,549	18,075,127	(237,578)	-	(446,863)	-2.5%
Building Construction Fund							
Restricted							
Long term facililities maintenance	50,451,728	700,000	19,940,000	(19,240,000)	-	31,211,728	
Projects funded by certificates of participation	3,458,336	500	2,400,000	(2,399,500)	-	1,058,836	
Building construction	111,352,800	3,000,200	80,478,150	(77,477,950)	-	33,874,850	
Total Building Construction Fund	165,262,864	3,700,700	102,818,150	(99,117,450)	-	66,145,414	
Debt Service Fund	8,528,258	46,437,121	46,023,590	413,531	-	8,941,789	
Custodial Fund	58,668	20,500	20,500	-	-	58,668	
OPEB Trust Fund	3,282,203	200,000	270,000	(70,000)	-	3,212,203	
Total All Funds	239,293,671	443,666,668	550,530,621	(106,863,953)	-	132,429,718	

X. 2026 District Budget and Fund Balance Projection Summary

School Board Approved March 26, 2026

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

Fund	Audited Balance June 30, 2025	Revised Budget Revenues	Revised Budget Expenditures	Revised Budget Net Impact	Adjustments	Projected Balance June 30, 2026	Percent of Expenditures
General Fund							
Unrestricted							
Unassigned, Assigned & Committed	48,083,769	300,930,687	303,786,180	(2,855,493)	360,350	45,588,626	
Restricted	-						
Capital projects	(139,336)	5,672,480	5,463,742	208,738		69,402	
Long-term facilities maintenance	(774,101)	12,782,761	12,930,026	(147,265)		(921,366)	
Operating capital	1,431,356	4,742,021	5,032,658	(290,637)		1,140,719	
Staff development	6,746	3,143,808	3,137,344	6,464		13,210	
State-approved alternative programs	702,472	943,777	989,876	(46,099)		656,373	
Safe schools	40,834	1,046,839	1,022,688	24,151		64,985	
Student activities	612,495	457,000	457,000	-		612,495	
Basic skills	2,640,118	5,722,201	4,375,098	1,347,103		3,987,221	
Quality compensation - ATPPS	376,843	5,002,514	5,011,804	(9,290)		367,553	
American indian education aid	14,651	223,174	223,174	-		14,651	
Community arts center	30,683	-	-	-		30,683	
Other	19,045	14,717,733	14,376,428	341,305	(360,350)	-	
Nonspendable	4,630,829	-	-	-		4,630,829	
Total General Fund	57,676,404	355,384,995	356,806,018	(1,421,023)	-	56,255,381	15.8%
Food Service Fund							
Restricted	5,982,826	16,200,315	16,339,038	(138,723)	-	5,844,103	
Nonspendable	271,479	-	-	-	-	271,479	
Total Food Service Fund	6,254,305	16,200,315	16,339,038	(138,723)	-	6,115,582	37.4%
Community Service Fund							
Restricted							
Community education	5,186,347	10,455,272	9,726,854	728,418	-	5,914,765	
Early childhood family education	(500,180)	1,593,700	1,652,535	(58,835)	-	(559,015)	
School readiness	(3,269,200)	1,975,627	2,834,160	(858,533)	-	(4,127,733)	
Adult basic education	307,196	835,832	822,064	13,768	-	320,964	
Community service	(1,934,128)	2,824,728	2,806,053	18,675	-	(1,915,453)	
Nonspendable	157,187	-	-	-	-	157,187	
Total Community Service Fund	(52,778)	17,685,159	17,841,666	(156,507)	-	(209,285)	-1.2%
Building Construction Fund							
Restricted							
Long term facililities maintenance	30,089,591	35,789,027	15,426,890	20,362,137	-	50,451,728	
Projects funded by certificates of participation	8,248,336	10,000	4,800,000	(4,790,000)	-	3,458,336	
Building construction	90,884,426	110,950,985	90,482,611	20,468,374	-	111,352,800	
Total Building Construction Fund	129,222,353	146,750,012	110,709,501	36,040,511	-	165,262,864	
Debt Service Fund	8,188,632	133,593,408	133,253,782	339,626	-	8,528,258	
Custodial Fund	58,668	20,500	20,500	-	-	58,668	
OPEB Trust Fund	3,377,203	150,000	245,000	(95,000)	-	3,282,203	
Total All Funds	204,724,787	669,784,389	635,215,505	34,568,884	-	239,293,671	