FY27 Budget Board Updates

Committee of the Board Meeting
June 9, 2026

2026-27 Budget Overview

SPPS is estimating a budget shortfall for 2026-27 of approximately **$14.35M**.

The $14.35 million represents 1.7% of the General Fund budget. Budget reductions are necessary to create a balanced FY27 General Fund budget.

Reasons for the budget shortfall:

- Increased expenses, outpacing state aid revenue, including employee wages and benefits and rising costs of goods and services.
- Approximately **900 fewer students** over two years from what was expected in the 2025-26 year and the enrollment projection for the 2026-27 school year.

FY27 Budget Anticipated Revenue and Expense

FY27 Original Anticipated Revenue

Description	Revenue
General education revenue based on projected enrollment	$518,221,857
Property taxes, including new school district referendum	$185,829,424
Additional special education and English learner aid	$40,674,213
Federal funding sources	$46,026,063
Interest earned and all other revenue	$22,360,000
New PSEO Contract	$500,000
Compensatory aid adjustment	$857,499
Total FY27 Revenue	**$814,469,056**

FY27 Original Anticipated Expense

Description	Expense
Estimated FY26 revised budget	$791,608,561
Assumption of an overall average of 4% inflation	$31,664,186
Continued expansion of new programs (Obama, Vento, Afrocentric, etc.)	$736,173
Strategic plan development and facilities portfolio analysis	$150,000
Adding 3.0 specialist FTEs for grade 5-8 schools (1.0 per school)	$360,000
General fund transfer to food service fund	$2,300,000
Additional transportation costs beyond the 4% assumption	$600,000
Paid family leave	$1,400,000
Total FY27 Expense	**$828,819,076**

FY27 Fund Balance Outlook

Description	Amount in Millions	Percent Fund Balance
FY26 Estimated Unassigned Ending Fund Balance	$40.13	5.07%
FY27 Budget Shortfall	**$14.35**	3.11%
Ending fund balance in FY27 with $14.35M in cost containment and use of $3.5M from restricted OPEB fund	**$43.63**	**5.26%**

FY27 Budget Assumptions

- Based on these assumptions, the District's estimated expense could exceed its revenue in FY27 by approximately **$14.35 million** (1.7% of total budget)

  Revenue = **$814.47M** Expense = **$828.82M**

- Factors that could alter this estimated shortfall: enrollment, state funding formulas, employment contracts, health insurance, impact of new federal policies and structure pertaining to education and the economy

All revenue and expense figures are subject to change between now and the budget adoption in June.

Budget Options - As Requested by the Board

SECONDARY

ELEMENTARY

Teacher Allocations	3 below class size average	3.5 below class size average	4 below class size average	5 below class size average
No Split Classrooms	$2,700,000	$1,600,000	$700,000	-$1,000,000
No Splits K-3	$4,600,000	$3,500,000	$2,600,000	$900,000
No Splits K-1	$7,050,000	$5,950,000	**$5,050,000**	$3,350,000
Splits K-5	**$9,000,000**	$7,900,000	$7,000,000	$5,300,000

How Are Budget Decisions Made?

District Mission & Community Values

Students, staff and families are asked what they value to help guide budget decisions

Board Parameters

The Board of Education sets guidelines for what the district should prioritize

District Budget Decisions

District leaders make decisions for funding and reductions based on the Board's parameters and community values

Budget Implementation

Principals and department leaders make choices around staffing, contracts and programming based on the funding available

Many required expenses fall outside of these priorities and must be funded using available resources, such as utilities, insurance, state and federal mandates, staffing ratios, and other fixed costs.

Community Budget Engagement Summary

SPPS engaged with over 6,100 parents/guardians, staff, community members and students to determine our community's priorities and get feedback on the 2026-27 budget.

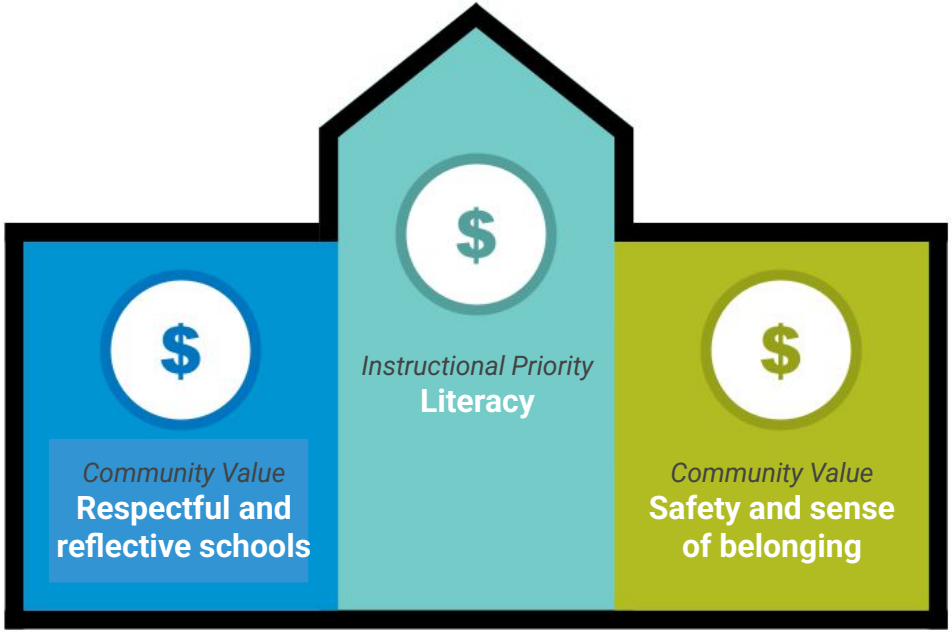
Activity	Participants	Date
Parent/Guardian Budget Surveys	1,059 parents/guardians	Dec. 11, 2025-Jan. 16, 2026
Staff Budget Surveys	1,401 staff	Dec. 11, 2025-Jan. 16, 2026
Student Budget Surveys	3,467 students in grades 6-12	Jan. 5-16, 2026
Fall Community Budget Meeting	86 parents, community members and staff	Dec. 11, 2025
Spring Community Budget Meeting	127 parents, community members and staff	Apr. 28, 2026
TOTAL	**6,140 participants**	**Dec. 2025-April 2026**

Community Budget Priorities

Budget decisions are guided by the community priorities gathered from engagement opportunities earlier this school year.

Survey results also showed strong support for arts and music, mental health support, required course offerings, building upkeep, college and career readiness, and language and culture programs.

Top 3 Community Priorities



Board Budget Parameters

The SPPS Board of Education created three guidelines that will be used when making budget decisions for next year:

1. Maintain district commitment to full-day pre-kindergarten
2. Retain at least 95% of instructional support services
3. Demonstrate continued commitment to language and culture programs

The district must also maintain at least 5% of daily operating expense in reserve funds per Board policy.

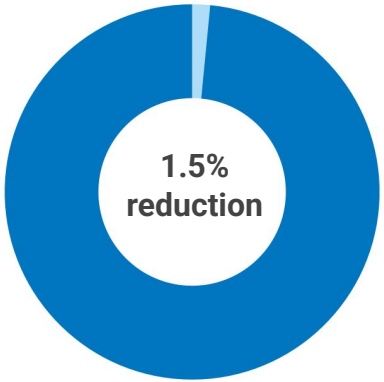
Budget Priorities

SPPS is committed to limiting the impact of budget reductions on students' experiences at school as much as possible and will honor the following priorities:

- Avoid split-level (composite) classes in grades PreK-1
- Adhere to class size averages in all schools
- Maintain full-day pre-kindergarten and kindergarten enrollment
- Retain current levels of instructional support staff
- Demonstrate continued commitment to language and culture programs

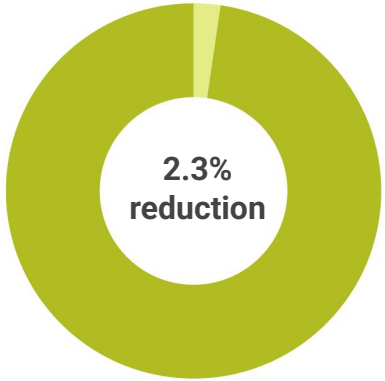
Budget Reductions

School-Related Reductions



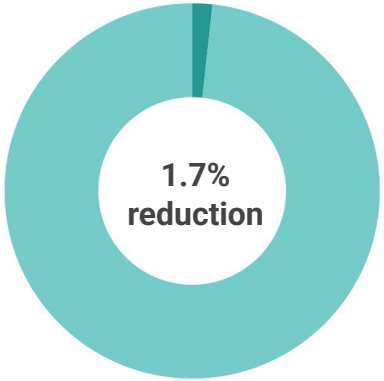
School-related services will make $10.5 million in reductions. This is a **1.5% reduction to schools'** overall budget of $683.9 million.

Non-School Related Reductions



Non-school based services will make $3 million in reductions. This is a **2.3% reduction to administrative areas'** overall budget of $130.3 million.

Total Reductions

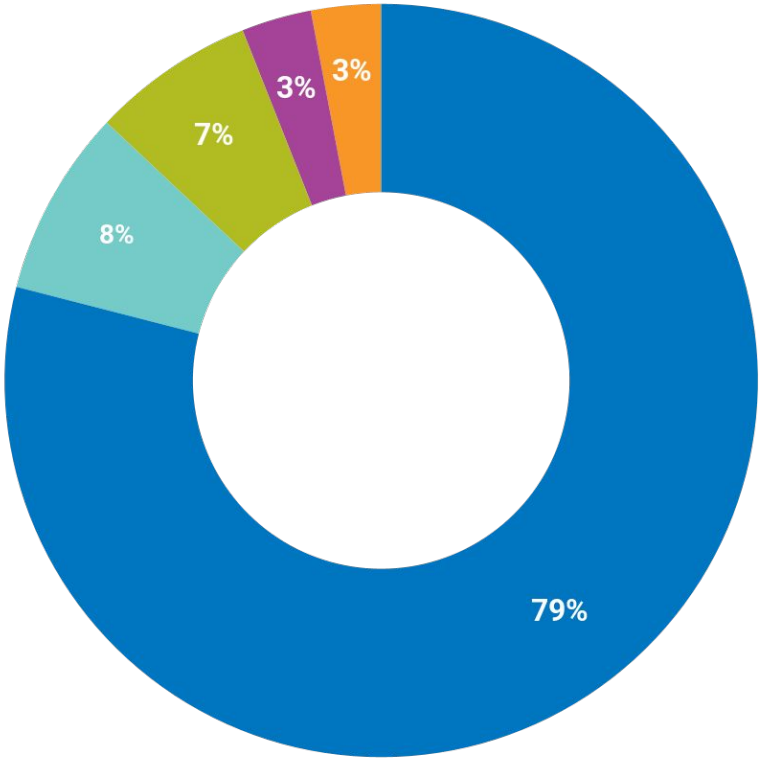


SPPS will make $14.35 million total budget reductions for 2026-27. This is a **1.7% reduction of the district's General Fund budget** of $828.8 million.

Budget Reductions

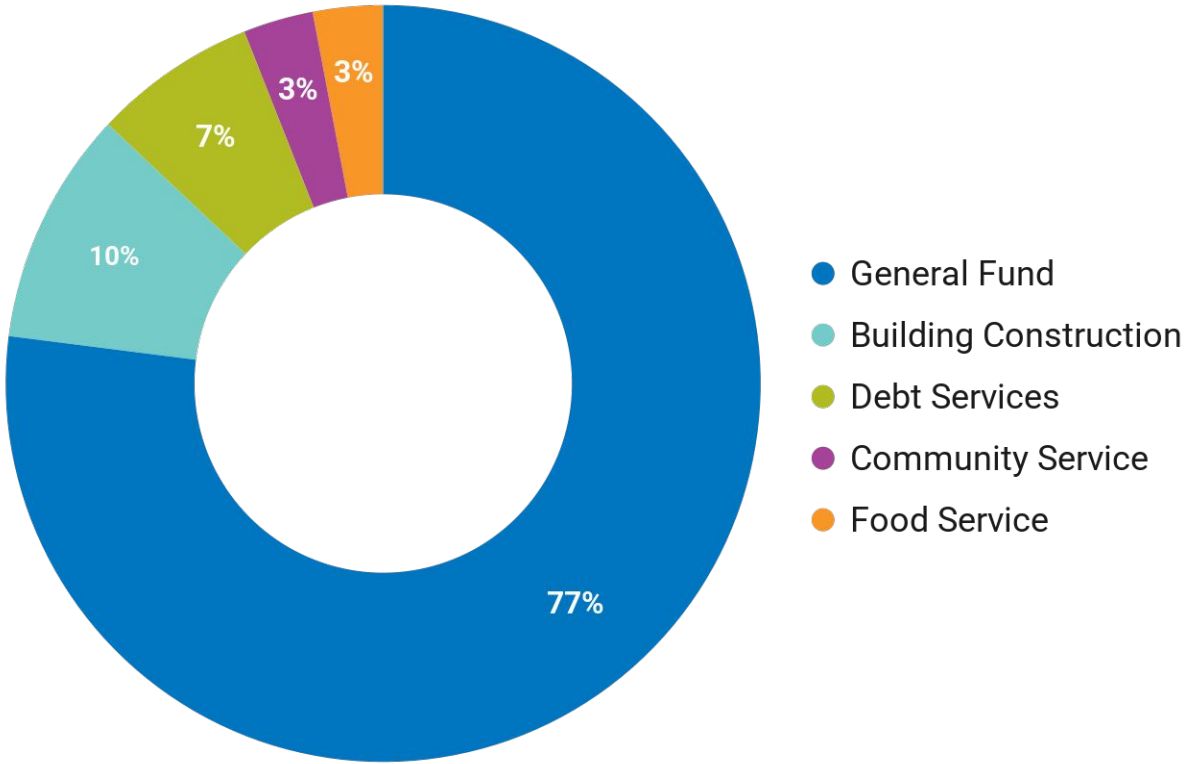
Reduction	Savings	Rationale
-90.5 School-based FTEs	$9.39M	Align school staffing with enrollment. No splits PreK-1, specialists round to 0.5; middle/high school remain staffed at 4 below class size
-25 District staff FTEs and central office expenses	$3.06M	Reductions across all central office departments
Reduce carryover to schools by 50%	$750,000	Schools will continue to have some carryover funds for discretionary expenditures
-6 FTEs attrition	$510,000	Each year, roughly 850 employees leave SPPS. Estimating reduction of 6 FTEs through attrition
Modify allocation practice for kindergarten sections	$300,000	Continue to maximize kindergarten enrollment by accepting up to 3 students over cap; adjustments in fall 2026 as needed
Fall staffing adjustments	$400,000	The district will set aside $600K for this purpose, which results in a $400K savings
2% increase to supply budgets instead of 4% increase	$240,000	Reduce standard inflationary increase by 50% for supplies
Maintain partnerships where grants are being reduced	-$300,000	Use general fund dollars to replace lost grant revenue
Total FY27 Reductions	**$14.35M**	

FY27 Total Revenue by Fund

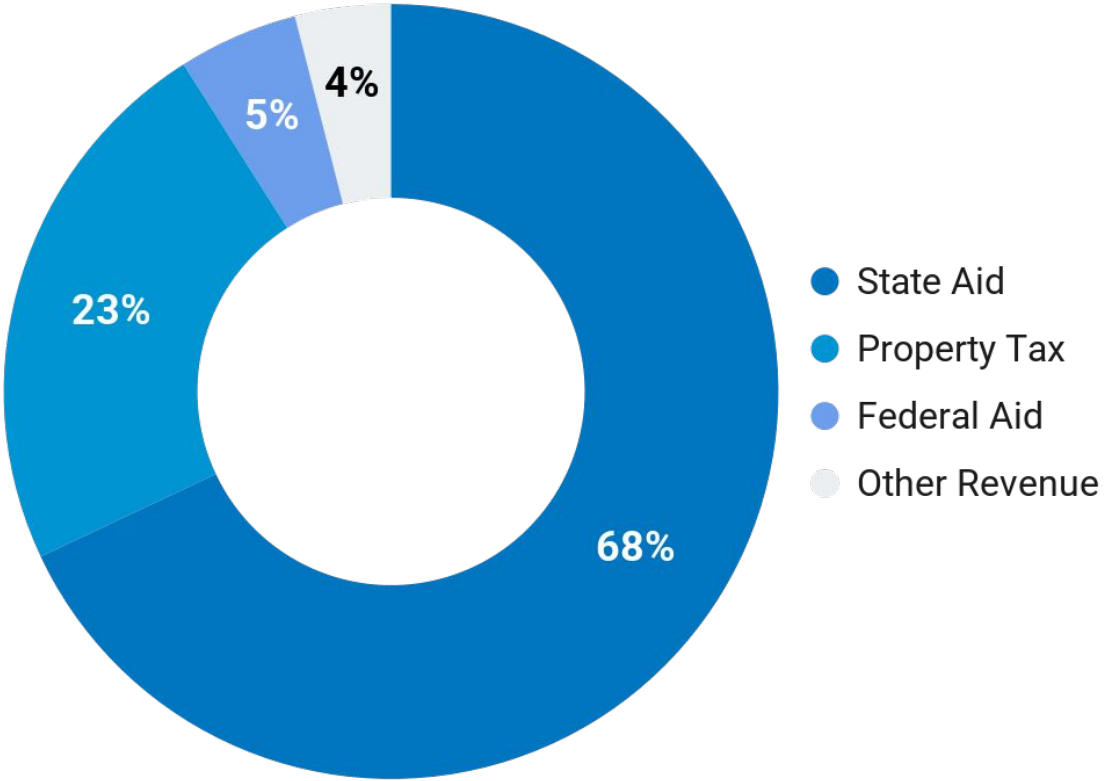


- General Fund
- Building Construction
- Debt Services
- Community Service
- Food Service

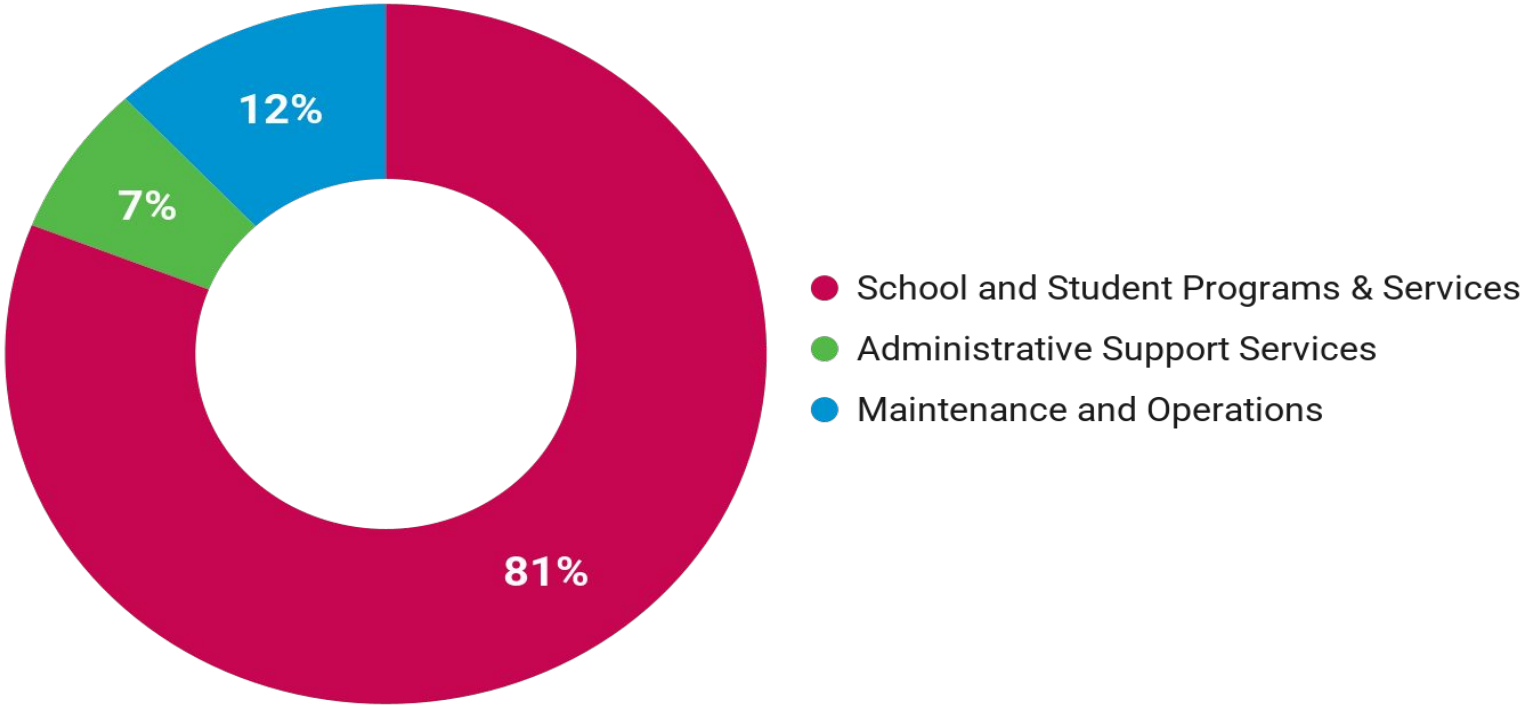
FY27 Total Expenditures by Fund



FY27 General Fund Revenue Sources



FY27 General Fund Expenditures



Proposed General Fund Budget

Description	FY26 Revised Budget	FY27 Proposed Budget	Change Year to Year
Estimated Beginning Fund Balance	$166,736,232	$129,489,648	-$37,246,584
Revenue	$776,962,785	$814,477,651	$37,514,866
Expenditures	$814,209,369	$814,463,530	$254,161
Estimated Ending Fund Balance	**$129,489,648**	**$129,503,769**	**$14,121**

Proposed Food Service Fund Budget

Description	FY26 Revised Budget	FY27 Proposed Budget	Change Year to Year
Estimated Beginning Fund Balance	-$1,431,370	-$1,490,520	-$59,150
Revenue	$33,864,948	$34,015,196	$150,248
Expenditures	$33,924,098	$33,793,848	-$130,250
Estimated Ending Fund Balance	**-$1,490,520**	**-$1,269,172**	**$221,348**

Proposed Community Service Fund Budget

Description	FY26 Revised Budget	FY27 Proposed Budget	Change Year to Year
Estimated Beginning Fund Balance	$14,450,789	$12,120.092	-$2,330,696
Revenue	$31,140,270	$33,097,035	$1,956,765
Expenditures	$33,470,966	$35,360,924	$1,889,958
Estimated Ending Fund Balance	**$12,120.092**	**$9,856,203**	**-$2,263,889**

Proposed Building Construction Fund Budget

Description	FY26 Revised Budget	FY27 Proposed Budget	Change Year to Year
Estimated Beginning Fund Balance	$82,279,945	$43,804,761	-$38,475,184
Revenue	$84,015,067	$84,618,498	$603,431
Expenditures	$122,490,660	$111,296,912	-$11,193,748
Estimated Ending Fund Balance	**$43,804,761**	**$17,126,347**	**-$26,678,414**

Proposed Debt Service Fund Budget

Description	FY26 Revised Budget	FY27 Proposed Budget	Change Year to Year
Estimated Beginning Fund Balance	$37,638,902	$20,234,637	-$17,404,265
Revenue	$68,881,067	$68,881,067	$0
Expenditures	$86,285,332	$69,417,995	-$16,867,337
Estimated Ending Fund Balance	**$20,234,637**	**$19,697,709**	**-$536,928**

FY27 Budget for Board Approval

Fund	Estimate Beginning Fund Balance	FY27 Proposed Revenue Budget	FY27 Proposed Expenditure Budget	Estimate Ending Fund Balance
General Fund	$129,489,648	$814,477,651	$814,463,530	$129,503.769
Food Service	-$1,490,520	$34,015,196	$33,793,848	-$1,269,172
Community Service	$12,120,092	$33,097,035	$35,360,924	$9,856,203
Building Construction	$43,804,761	$84,618,498	$111,296,912	$17,126,347
Debt Service	$20,234,637	$68,881,067	$69,417,995	$19,697,709
Total - All Funds	**$204,158,618**	**$1,035,089,447**	**$1,064,333,209**	**$174,914,856**

School & Department Position Cuts*

Employee Group	FTE Reduction	% Reduction of Employee Group
Teachers/Licensed Staff (SPFE)	93	2.74%
Educational Assistants (SPFE)	17	2.68%
School and Community Service Professionals (SPFE)	13	5.20%
Principals (SPPA)	4	2.99%
Teaching Assistants (Teamsters)	28	3.40%
Clerical and Technical/Security (AFSCME)	5	1.78%
Administrative Personnel (ASAP)	7	5.83%
TOTAL	**167**	**2.62%**

*This data reflects eliminated positions, not employee layoffs

Estimated Impacted Staff by Employee Group

Employee Group	Estimated Probationary Terms due to Budget	Estimated Layoffs	Total Impacted Staff
Teachers/Licensed Staff (SPFE)	31	2	33
Educational Assistants (SPFE)	7	7	14
School and Community Service Professionals (SPFE)	4	3	7
Principals (SPPA)	3	0	3
Teaching Assistants (Teamsters)	10	0	10
Clerical and Technical/Security (AFSCME)	2	0	2
Administrative Personnel (ASAP)	0	0	0
TOTAL	**57**	**12**	**69**

Placement, Bumping, Layoff Update

Employee Group	Placement	Bumping	Layoff Notice
Teachers/Licensed Staff (SPFE)	June 25	June 15	June 15
Educational Assistants (SPFE)	June 9-11	June 9-11(done in conjunction with placement)	June 15
School and Community Service Professionals (SPFE)	May 26-29	May 26-29 (done in conjunction with placement)	June 15
Principals (SPPA)	June 16	N/A	N/A
Teaching Assistants (Teamsters)	May 26-29	N/A	N/A
Clerical and Technical/Security (AFSCME)	May 14	May 14 (done in conjunction with placement)	N/A
Administrative Personnel (ASAP) **Does not have layoff because there are no recall rights in the contract.	For previously tenured staff: Occurs with teachers Non-tenured staff: N/A	For previously tenured staff: Occurs with teachers Non-tenured staff: N/A	For previously tenured staff: Occurs with teachers Non-tenured staff: N/A

Budget Timeline Update

- All schools and departments received their budgets for FY27
- Schools hosted community budget information meetings between March 26-April 23
- Staff reduction letters were distributed to employees whose positions are being cut due to budget or non-renewed due to performance
- SPPS hosted a community budget meeting on April 28
- Three rounds of Interview and Select were held for displaced teachers
- The proposed FY27 budget was presented to the Board on May 19

Next Steps

- Budgetary staffing reductions and layoffs will be finalized in June
- The Board will vote to approve and adopt the budget on June 23
- The district must approve the budget by June 30

The latest updates about Saint Paul Public Schools 2026-27 budget can be found at **spps.org/fy27budget**.

2026-27 Budget Timeline

Oct
Preliminary enrollment determined

Nov
Referendum vote / internal budget discussions

Dec
Initial budget assumptions / public input

Jan
FY27 budget estimate / budget planning

Feb
Board work session / enrollment projections

March
Schools and departments receive budgets

March/ April
School budget meetings

April
Public input / budgets returned to finance

May
Proposed budget to Board of Education

June
Budget approved by Board of Education

Responses to School Board Inquiries

Board Initiated Goals Governance (B.I.G.G.) Art & Music Update

Report the progress on the following B.I.G.G. programmatic goal:

- The amount of district funds dedicated to art and music will increase from **$243** in FY25 to **$284** per student in FY29.

Reporting parameters:

- Measure: Saint Paul Public Schools FY27 Proposed Budget to be approved by the School Board in June 2026
- Metric: The per student amount for FY27 budgeted dollars in these areas

About the Data

- **FY27 SPPS Adopted Budget Programs Art and Music** (Source: SPPS) as defined by the Minnesota Department of Education Uniform Financial Accounting Reporting System (UFARS)
  - Art, Program Dimension 212 - Salary and benefits for visual art courses involving visual expression, including drawing, painting or printmaking, sculpture or pottery, other spatial disciplines such as architecture, and the history and theory of art.
  - Music, Program Dimension 258 - Salary and benefits for courses to impart the skills and knowledge necessary for the creation, understanding, and performance of music.
- **School Year 26-27 Estimated Enrollment** (Source: SPPS)
  - Estimated count of students in grades K-12
- **School Year 25-26 Arts Courses** (Source: SPPS)
  - Unique courses taught across SPPS for grades 6-8 for each quarter

FY27 Art & Music Per Pupil

$9M

Budgeted for art & music in FY27

Total amount budgeted:
Art - $4.3M
Music - $4.7M

30,669

SY26-27 estimated K-12 enrollment

$293

Budgeted per pupil for FY27 for art & music

Art & Music Funding Updates:

- **$293 per pupil** is allocated in the FY27 budget
- $15 dollar increase per pupil from FY26
- 20.6% increase from 2024-25
- **The $293 per pupil allocation now exceeds the Board's** target of $284 per student by FY29.

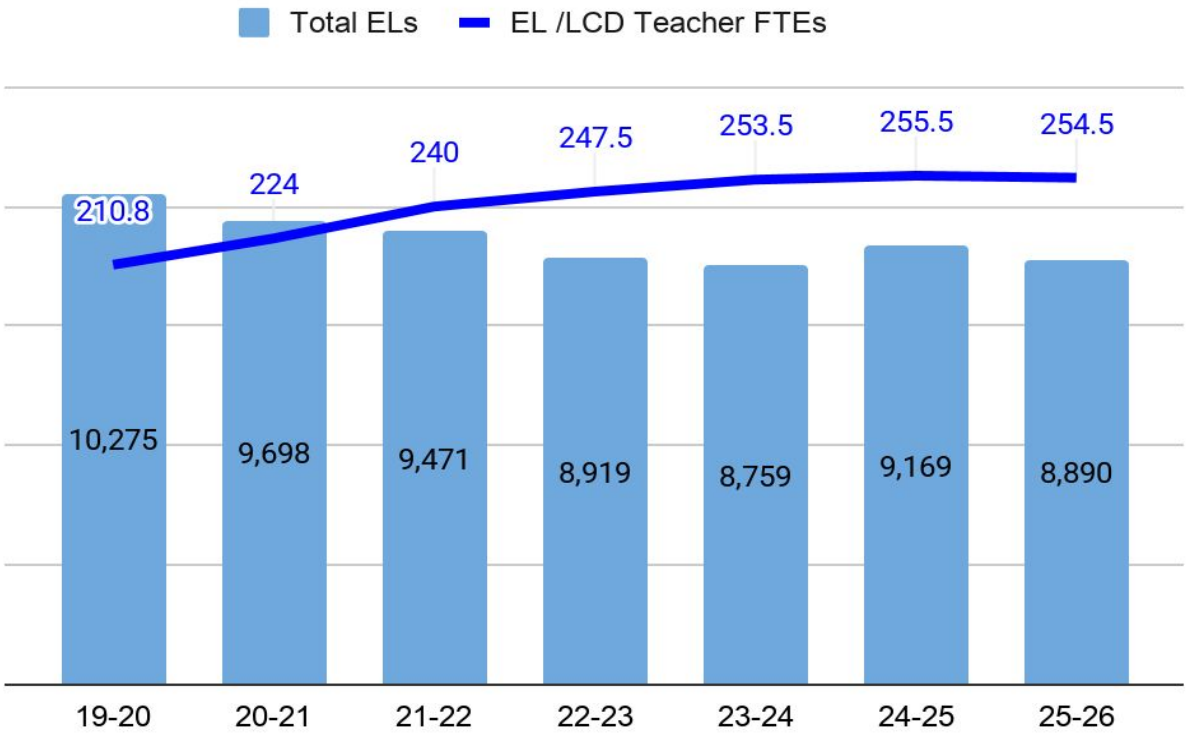
Snapshot of Visual Art & Performing Arts Investment

Courses Offered:

- Orchestra
- Band
- Choir
- Piano & Guitar
- Modern Music
- Theatre Arts & Acting
- Dance
- Painting
- Drawing
- Mixed Media
- Digital & Film Photo
- Media Arts
- Ceramics
- Sculpture

6	43	85	24/7	3
Arts Magnet Schools	Courses in grades 6-8	Courses in grades 9-12	Academic Year Summer Extended Day	Districtwide Celebration of Arts
Arts Pathway	SY25-26 Q1-Q4	SY25-26 Q1-Q4	Alternative & Community	PreK-12

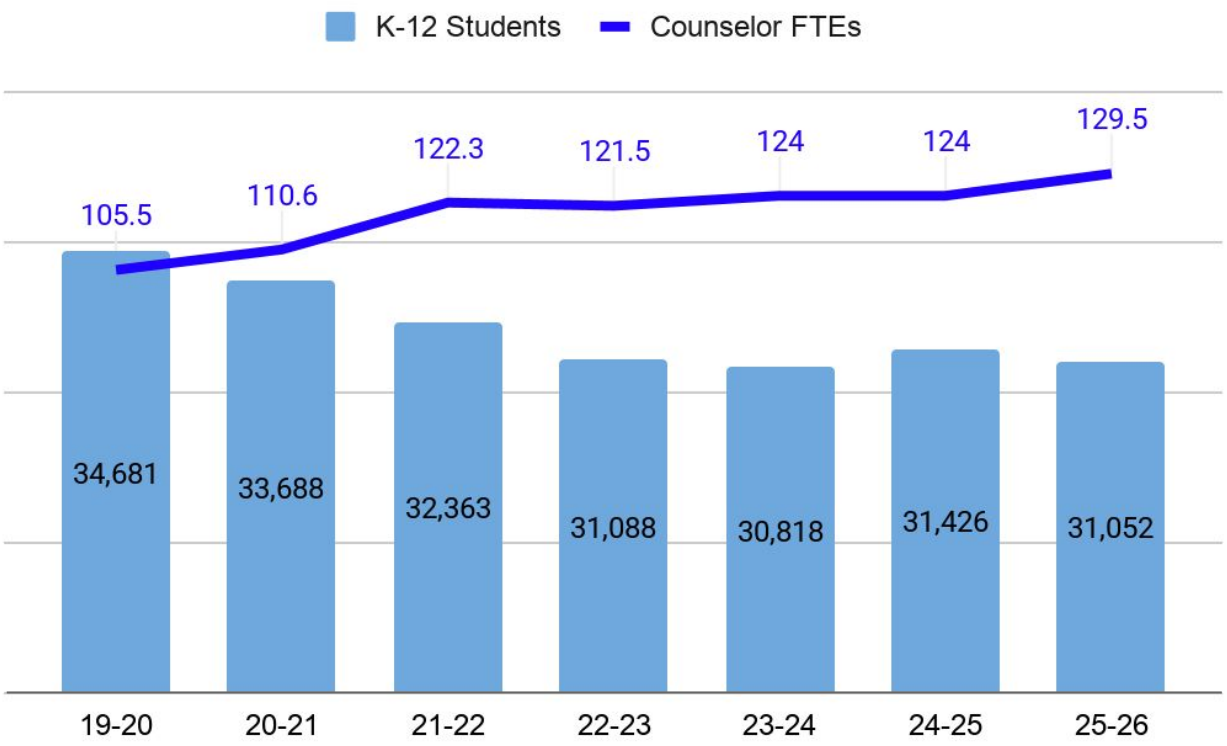
English Learner (EL) Teacher FTEs



The ratio of EL teacher FTEs to EL students has improved over the past 7 years.

The reduction in EL teacher FTE allocations from 2025-26 to 2026-27 is 16.3 FTE. This is due to decreased enrollment of EL students.

School Counselor FTEs



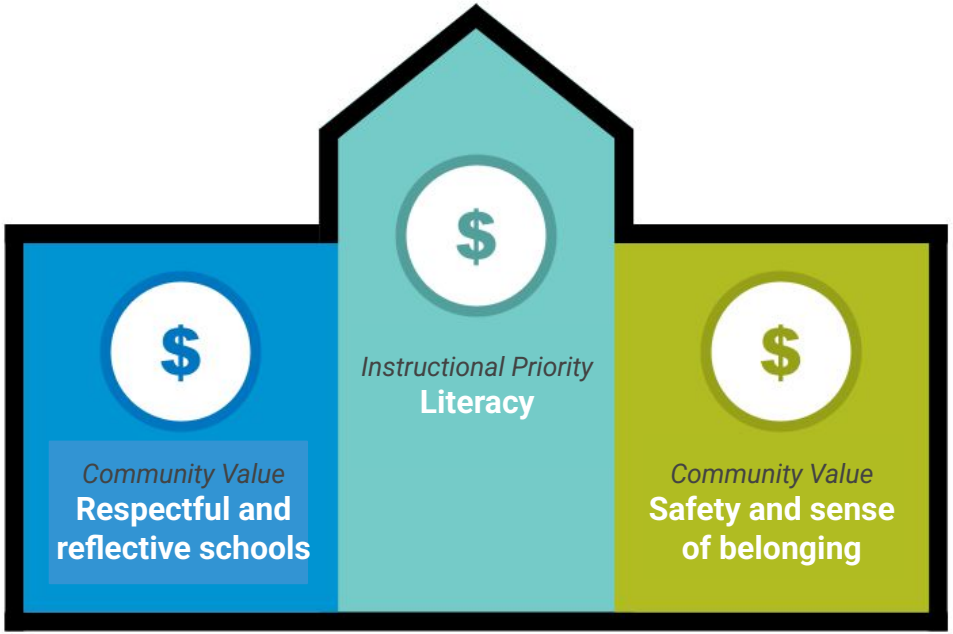
The ratio of counselor FTEs to K-12 students has improved over the past 7 years.

Despite the counselor FTE reduction for 2026-27, the ratio will improve from 268-to-1 in 2025-26 to 256-to-1 next year. This is due to declining enrollment overall.

Budget Decisions Based on Board Parameters

Board Parameter	Budget Decisions That Reflect Parameter
Maintain district commitment to full-day Pre-K	• Maintained district-funded full-day Pre-K sections
Retain at least 95% of instructional support services	• Retained current levels of instructional support staff • Adhered to class size averages in all schools • Avoided split-level (composite) classes in grades PreK-1
Demonstrate continued commitment to language and culture programs	• Sustained immersion and world language programs • Continued progression of Karen and East African programs • Upcoming launch of Afrocentric program

Example Sustained Programs Based on Community Priorities



Respectful and reflective schools

- Sustaining Restorative Practices staffing at schools and district level
- Mental health teams and contracted services

Literacy

- 46 SIPPS teachers for 2026-27
- Librarian/Library EA in all schools
- READ Act Training Phase 2

Safety and sense of belonging

- Sustaining current levels of SSLs
- Maintaining American Indian curriculum and programming support

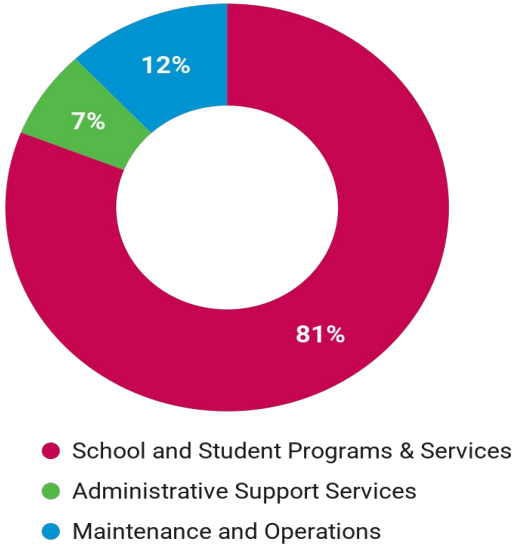
Budget Decisions Reflecting Community Feedback

SPPS community members were asked which General Fund categories they believed SPPS should prioritize when making budget decisions, after all required and essential expenses are funded.

	Students	Families	Staff
1st	School Support Services (2.58)	School & Classroom Instruction (1.42)	School & Classroom Instruction (1.51)
2nd	School & Classroom Instruction (2.90)	School Support Services (2.19)	School Support Services (2.09)
3rd	District Support Services (2.93)	Operations & Maintenance (3.30)	Operations & Maintenance (3.33)
4th	Administration (3.22)	District Support Services (3.94)	District Support Services (3.92)
5th	Operations & Maintenance (3.38)	Administration (4.16)	Administration (4.16)

Note: number in parentheses indicates the average ranking for that group

These priorities directly correspond with how the General Fund is spent.



THANK YOU