



Robbinsdale ISD #281 Statutory Operating Debt Plan January 2026

Introduction and Explanation of Current SOD Position

Robbinsdale Area Schools (Independent School District No. 281) has experienced sustained enrollment declines over multiple decades. District enrollment peaked at approximately 28,000 students in 1971 and declined to approximately 9,900 students in 2025. Enrollment projections indicate that this downward trend is expected to continue over the next ten years.

Declining enrollment, combined with rising operational costs, underutilized and aging facilities, and the expiration of one-time revenue sources, has created significant structural financial challenges for the district. These conditions have contributed to the district's current statutory operating debt position as defined in Minnesota Statutes, section 123B.81, and necessitate long-term operational and financial realignment.

Budget Development and Financial Management Process

2.1 - Student enrollment projections: The Chief Financial Officer (CFO) analyzes student cohort movement from one grade level to the next using a historical cohort survival methodology to estimate future enrollment. These projections are reviewed with Cabinet members and building administrators to validate assumptions. Enrollment estimates are compared to projections developed by the Finance Advisory Committee (FAC), demographic studies, and historical trend data.

2.2 - Unrestricted revenue projections: Based on projected enrollment, the Finance Department utilizes the Minnesota Department of Education (MDE) revenue projection model to estimate unrestricted revenues. Special education revenue projections are developed using a review of prior-year expenditures and the application of conservative assumptions. These projections are reviewed alongside estimates developed by the FAC, and variances are analyzed and documented.

2.3 - Restricted revenue projections: Restricted revenue projections are developed using the MDE revenue projection model. Federal revenue estimates are based on historical allocations, with adjustments made as appropriate to reflect anticipated changes in funding levels, program participation, or grant requirements.

2.4 - Other revenues, such as cash flow borrowing, large donations, sale of receivables: The Finance Department works closely with the district's financial advisor to prepare cash flow projections and evaluate the potential use of cash flow borrowing to manage short-term liquidity needs. The district does not budget for speculative revenues such as large donations or the sale of receivables. Only recurring or historically consistent revenue sources are incorporated into budget assumptions.

2.5 – Staffing: The Human Resources Department allocates staffing based on projected enrollment, instructional models, and class size guidelines. Staffing decisions also consider total building enrollment, student needs, and funding streams dedicated to specific programs or buildings. Prolonged enrollment decline has resulted in underutilized facilities and reduced efficiency in staffing configurations.

To address these challenges, the School Board approved the closure of Noble Elementary School, Sonnesyn Elementary School, and Robbinsdale Middle School effective for the 2026–2027 school

year, along with the removal of middle school magnet programming. As a result, the district will operate two middle schools in 2026–2027 compared to four middle schools in 2025–2026. Planned staffing reductions will occur primarily in non-classroom and non-instructional areas.

2.6 - Expenditure projections for unrestricted expenditures: Unrestricted expenditure projections are developed using a multi-year financial forecasting model that compares budgeted and actual expenditures and incorporates audited historical financial data to identify trends and variances.

2.7 - Expenditure projections for restricted expenditures: Restricted expenditure projections are developed using the same multi-year forecasting framework and historical expenditure patterns to ensure expenditures remain aligned with available restricted revenues.

2.8 - Contingency budgeting: Due to existing financial constraints, the district has limited capacity to budget for contingencies. Budget assumptions are therefore developed using conservative estimates that reflect historical trends, known economic conditions, and identifiable fiscal risks.

2.9 - The school board's role and the administration's role in the budgeting process: The School Board has established a Finance Advisory Committee (FAC) to evaluate the district's financial condition, develop budget assumptions, review revenue and expenditure projections, and provide recommendations to the School Board. The FAC includes School Board members, district administration, and community representatives and meets multiple times each year.

In addition, building and department level administrators collaborate with the Finance Department to develop line-item budgets, excluding staffing. These administrators are responsible for monitoring expenditures throughout the fiscal year.

2.10 - Making mid-year revisions to the budget and the approval process for such revisions: Following the availability of October 1 enrollment data and completion of the prior-year audit, the Finance Department conducts a comprehensive review of the current fiscal year budget. Revenue and expenditure estimates are updated based on actual enrollment and audited financial information, and a revised budget is presented to the School Board for approval, typically in January of the current fiscal year.

Ongoing Financial Monitoring Processes and Procedures

3.1 - Budgeting to ensure that restricted expenditures do not exceed available restricted revenues plus prior year fund balance: The district continues to strengthen its budgeting and monitoring practices to ensure that restricted expenditures do not exceed available restricted revenues plus applicable prior-year restricted fund balances, consistent with MDE accounting and reporting requirements. Building- and department-level administrators are involved at the inception of the budgeting process to promote accountability and shared ownership. Staffing allocations funded through restricted sources are monitored throughout the year to prevent over-expenditure. The district is also improving expenditure coding practices to ensure appropriate coding is applied at the beginning of each fiscal year, reducing the need for year-end adjusting entries.

3.2 - Providing the school board ongoing financial information comparing actual data with budgeted data for revenues and expenditures: The Finance Department provides the School Board with monthly financial reports comparing actual revenues and expenditures to budgeted amounts. These reports include narrative explanations of significant variances and emerging fiscal risks. Regular reporting supports timely oversight and enables the Board to take corrective action when necessary.

3.3 - Administrative approval of expenditures: Administrative approval is required for all purchase orders, credit card transactions, and one-time purchases prior to commitment or payment. Approval authority is aligned with district policy and administrative procedures to ensure expenditures are appropriate, allowable, and aligned with adopted budgets.

3.4 - School board approval of expenditures: The School Board reviews and approves expenditures at regularly scheduled board meetings, generally held twice per month. This process provides an additional level of oversight and transparency and ensures expenditures remain consistent with the district's adopted budget and statutory requirements.

Action Plan to remove SOD Status

Following months of analysis, public input, and deliberation, the Robbinsdale Board of Education approved the closure of Noble Elementary School, Sonnesyn Elementary School, Robbinsdale Middle School, and the Education Service Center (ESC). The Board also approved the removal of middle school programming at FAIR-Crystal and the relocation of Highview ALC and Robbinsdale Virtual Academy to FAIR-Crystal. These actions will take effect at the conclusion of the 2025–2026 school year. The estimated annual cost savings associated with these school and program consolidations total approximately \$3,816,876.

Facility closures and program realignment represent one component of a broader strategy to eliminate statutory operating debt under Minnesota Statutes, section 123B.81. The district is developing a balanced budget for the 2026–2027 fiscal year that includes nearly \$8 million in expenditure reductions to restore fiscal stability while maintaining access to core instructional programming.

Additional cost-reduction measures under consideration include:

- Ending dedicated Spanish Immersion transportation to Plymouth Middle School by creating a parallel pathway at Sandburg Middle School
 - Estimated savings: \$270,000
- Eliminating Minneapolis open enrollment transportation
 - Estimated savings: \$363,000
- Sunsetting the International Baccalaureate (IB) program in grades K–11, with grade 12 concluding in 2027-28
 - Estimated savings: \$300,000
- Scheduling and staffing efficiencies at the secondary level
 - Estimated savings: \$2,065,000

- Scheduling and staffing efficiencies at the elementary level
 - Estimated savings: \$400,000
- Realignment and reductions of non-instructional staff
 - Estimated savings: \$500,000

These items listed above are the first phase of a multi-phased approach that will include the district determining longer-term building configuration, facility needs and related bonding needs. There will also be plans for programmatic and operational changes. All elements will form Robbinsdale's Vision 2030 and work to reduce / remove the district from Statutory Operating Debt.

Risk Factors and Mitigation Strategies

The district has identified potential risks associated with implementing this plan and has developed mitigation strategies to address them. Enrollment projections are updated annually, and staffing and expenditures are adjusted accordingly. Savings assumptions are monitored through monthly financial reporting and addressed through mid-year budget revisions. District planning and implementation efforts are designed to support student retention and minimize disruption to students and families. Short-term cash flow needs are monitored in coordination with the district's financial advisor.