

# 2025 - 2026 Preliminary Budget

## General Fund

April 14, 2025  
School Board Worksession



# Agenda Items

- ✓ **Annual budget requirements and commitment to our community.**
- ✓ **FY26 general fund budget assumptions.**
- ✓ **Guiding budget principals.**
- ✓ **General fund revenue and expenditure summary.**
- ✓ **General fund balance projection.**
- ✓ **Timeline to June 2025 School Board approval.**
- ✓ **Questions/Other Discussion Items.**



# Budget Requirements

**MN Statute 123B.77 requires a School Board to approve the annual budget prior to the start of the school year on July 1.**

**The 2025-26 (FY26) fiscal year runs from July 1, 2025 - June 30, 2026.**



# Budget Process

The budget process in Shakopee Public Schools is a continuous four-step process.

Each step requires School Board approval and is open to public inspection and comment.

1. **Property Tax Levy and Truth in Taxation Meeting.**
2. **2025-26 Preliminary (Adopted) Budget.**
3. **2025-26 Revised Budget.**
4. **Annual Financial Report and Fiscal Audit.**



# Guiding Budget Principles

**Financial Transparency:** SPS finance department will provide fiscal transparency and clarity in our budget process.

**School Board Fund Balance Policy 714:** The School District will strive to maintain a minimum unassigned general fund balance of 8-12 percent of the annual budget. Projected general fund expenditures for FY26 are \$132,216,080. 10 percent fund balance (mid-range of Policy 714) is \$13.2M.



# 2025 - 26 Major Budget Assumptions

The following assumptions are an integral piece of the adopted budget process.

The budget assumptions have been previously reviewed by the School Board Finance & Facilities Committee.

The 2025 Legislative session in Minnesota began on January 14, and is scheduled to adjourn on May 19. Administration will continue to monitor the Legislative session and make adjustments to the budget as needed.

## Student Enrollment Assumptions

EC - 12th grade enrollment projection of 7,457 students. This represents a decrease in enrollment of -82 students from FY25.

## Expenditure Assumptions

Known or expected contractual obligations for salary/wages and employee benefits.

3 percent increase for non-wage/benefit items.

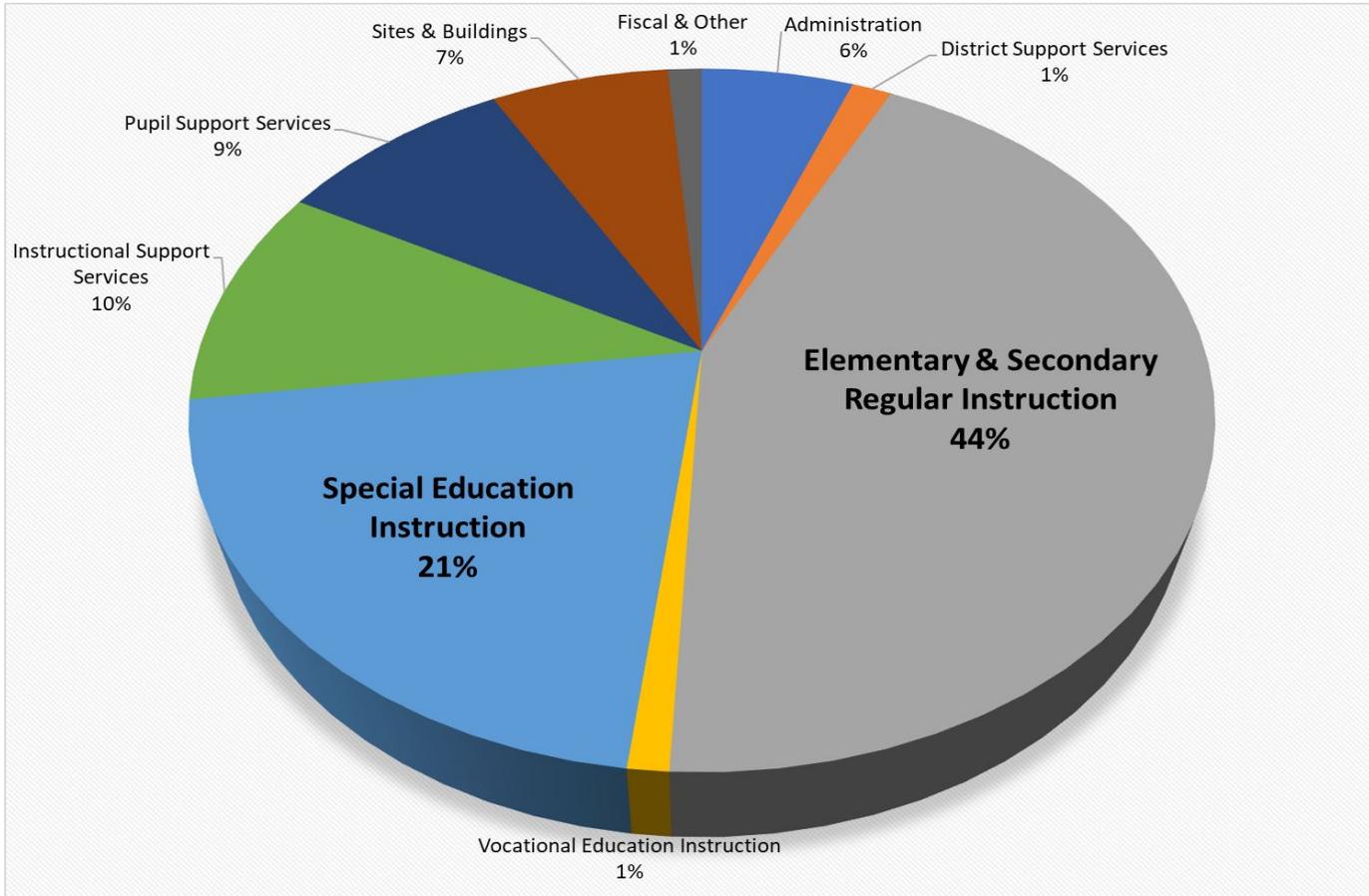
District transportation and property insurance increases.

## Revenue Assumptions

The 2021 voter approved operating levy provides \$1,371.84 per pupil.

State aid formula increase of 2.74 percent to \$7,481 per pupil.

# 2025-26 Adopted Budget - Where Does the Money Go?



**More than 65 percent of the general fund budget in Shakopee is expended on elementary & secondary regular instruction and special education instruction.**

# 2025-26 Adopted Budget - Revenue & Expenditure Summary

SHAKOPEE PUBLIC SCHOOLS ISD #720  
 SUMMARY STATEMENT OF REVENUES & EXPENDITURES  
 LONG RANGE FINANCIAL PLANNING (FPM)

	2023-24 <i>Actual</i>	2024-25 <i>Revised Budget</i>	2024-25 <i>Actual March 31</i>	2025-26 <i>Budget Planning</i>
<b>REVENUE</b>				
Local Property Taxes	25,735,790	27,688,451	23,043,148	27,231,234
State Aid	91,139,706	93,372,720	44,525,123	93,735,871
Federal Grants	5,664,196	2,424,837	650,900	2,215,399
Other Local Revenues	6,500,222	2,808,513	3,140,218	2,384,023
<b>Total General Fund Revenue</b>	<b>129,039,914</b>	<b>126,294,521</b>	<b>71,359,389</b>	<b>125,566,527</b>
<b>EXPENDITURES</b>				
<b>Expenditures by Object</b>				
Salary and Wages	70,667,952	74,404,096	49,105,516	77,384,942
Employee Benefits	21,153,508	23,704,575	14,550,201	24,964,419
Purchased Services	17,357,200	16,211,054	11,769,646	16,282,784
Supplies and Materials	3,643,277	3,104,538	2,274,809	3,191,374
Capital and Equipment	6,977,978	8,828,098	4,953,292	9,671,511
Other Expenditures	680,796	736,456	398,594	758,400
<b>Total General Fund Expenditures</b>	<b>120,480,711</b>	<b>126,988,817</b>	<b>83,052,058</b>	<b>132,253,430</b>

# 2025-26 Adopted Budget - Fund Balance Projection

INDEPENDENT SCHOOL DISTRICT #720

**2025 FINANCIAL PROJECTION MODEL (FPM)**

FUND BALANCE PROJECTIONS - GENERAL FUND

YEAR 1

2025 - 2026

FUND BALANCE	FUND BALANCE JULY 1, 2025 (PROJECTED)	%	FUND BALANCE JUNE 30, 2026 (PROJECTED)	%
Unassigned	12,698,882	10.0%	13,184,258	10.0%
Nonspendable	1,826,844		1,826,844	
Restricted				
Long Term Facilities Maintenance (LTFM)	3,588,006		3,588,006	
Operating Capital	3,060,689		1,199,758	
Capital Projects (Technology) Levy	1,565,029		1,565,029	
Restricted - Other	6,132,840		1,944,140	
Assigned for District Programming	2,825,782		1,703,134	
Committed Fund Balance	287,390		287,390	

# 2025-26 Adopted Budget Timeline

The following is a projected budget timeline for a recommendation to approve the 2025-26 preliminary (adopted) budget on June 23, 2025.

Date	Finance & Facilities Committee	School Board
February 24	FY26 Budget Assumptions & Projections.	
March 24	FY26 Budget. FY26, 27, 28 Projection.	
April 14	FY26, 27, 28 Projection.	FY26 Budget Review/Discussion.
April 28	FY26 <b><u>ALL</u></b> funds. FY26, 27, 28 as needed.	FY26 Budget Review. FY26, 27, 28 Projection.
May 12		SB review FY26 <b><u>ALL</u></b> funds.
June 9		Budget review as needed.
June 23		FY26 Budget Approval.

**Note: All funds includes: food service, community service, debt service, ISF fund, and OPEB trust fund.**

**Q & A**