
Financial Planning Model (FPM)

— School Board Information & Discussion —

April 14, 2025

School Board Focus:

Beginning with the
'decision' in mind.

The decision is the School Board determining the district's financial path regarding the *challenges* facing the district in **FY27** (2026-27 school year).

*A plan also needs to be initiated for **FY28** and beyond.*

Financial Planning Model Context



Statewide Financial Challenges

Area Context

Our 11 ‘comparison districts*’ **have cut** approximately a combined **\$98.5 million** for this school year and next school year (FY25 and FY26). It appears these cuts will continue in FY27 and beyond.

PROJECTED BUDGET CUTS-- COMPARABLE DISTRICTS						
District	Estimated Budget Cut for FY25	Estimated Budget Cut for FY26	Estimated Budget Cut for FY27			
Mnnetonka	\$6,611,118	\$4,955,089				
Burnsville	\$5,000,000	\$3,000,000				
Hopkins	\$3,800,000	\$7,000,000				
Edina	\$2,800,000	\$0				
Bloomington	\$10,400,000	\$12,000,000				
Eden Prairie	\$188,312	\$1,644,837				
196	\$14,259,000	?				
Lakeville	\$0	\$2,000,000				
Eastern Carver	\$3,000,000	\$5,000,000	\$4,000,000			
Shakopee	\$0	\$0	\$7-9,000,000			
Farmington	\$2,450,000	\$4,400,000				
Prior Lake	\$5,000,000	\$5,000,000				
	\$53,508,430	\$44,999,926				

*Source: AMSD Budget Surveys of projected or expected budget cuts (actual budget cuts are likely different \$ amounts)

Shakopee Schools: FY21 to FY28

2														
		Revenues	FY21	FY22	FY23	FY24	FY25	FY26	FY27	FY28	Change FY21 to FY28	Total % Change FY21 to FY28	Annual % Increase	
3		State Aid Formula Allowance	\$58,593,860	\$58,972,938	\$59,355,685	\$60,542,018	\$60,032,719	\$61,837,946	\$61,540,950	\$61,194,820	\$2,600,960	4.44%	0.63%	
4		State Special Education Aid	\$11,206,646	\$10,909,898	\$12,018,874	\$16,805,180	\$19,295,095	\$19,680,997	\$20,074,617	\$20,476,109	\$9,269,463	82.71%	11.82%	
5		Referendum Revenue (Operating Levy)	\$0	\$0	\$11,235,244	\$10,947,632	\$11,137,678	\$10,961,715	\$10,961,715	\$10,961,715	\$10,961,715			
6		TOTAL (Rows 3,4,5)	\$69,800,506	\$69,882,836	\$82,609,803	\$88,294,830	\$90,465,492	\$92,480,658	\$92,577,282	\$92,632,645	\$22,832,139	32.71%	4.67%	
7		Capital Projects Levy (Net Tax Capacity % Change)	\$3,527,108	\$3,850,865	\$4,197,186	\$4,502,759	\$5,352,619	\$5,922,517	\$6,218,643	\$6,529,575	\$3,002,467	85.13%	12.16%	
8		Compensatory Revenue	\$2,916,812	\$2,501,235	\$2,634,416	\$5,400,322	\$5,562,409	\$5,265,181	\$5,265,181	\$5,265,181	\$2,348,369	80.51%	11.50%	
10														
11		Enrollment	FY21	FY22	FY23	FY24	FY25	FY26	FY27	FY28	Change FY21 to FY28			
12		Total ADM (Students)	8,080	7,936	7,827	7,670	7,539	7,457	7,276	7,097	-983			
13		Total Pupil Units Served (APU)	8,922	8,765	8,649	8,482	8,346	8,266	8,065	7,862	-1,060			
14														
15		*Annual ADM decrease		-144	-109	-157	-131	-82	-181	-179				
16		*Annual revenue loss due to decrease in enrollment		-\$1,790,496	-\$1,664,430	-\$2,574,015	-\$2,190,700	-\$1,398,674	-\$3,149,063	-\$3,176,527	-\$15,943,905			
17														
18		Employment	FY21	FY22	FY23	FY24	FY25	FY26	FY27	FY28				
19		Total Teachers (Certified Contracts) FTE	640.4	574	629.1	624.3	607.6							
36														
37		K-12 General Education Staffing Allocation-- ELEMENTARY	164.5	144.67	157.17	151.67	145.83	145.84						
38		K-12 General Education Staffing Allocation-- SECONDARY	190.1	169.8	186.5	187.1	184.7	188.8						
39		K-12 General Education Staffing Allocation-- TOTAL	354.6	314.47	343.67	338.77	330.53	334.64						
40		All Teachers Information												
42														
43		MDE Code:	Expenditures	FY21	FY22	FY23	FY24	FY25	FY26	FY27	FY28	Change FY21 to FY28	Total % Change FY21 to FY28	Annual % Increase
44	000s	Administration	\$6,510,816	\$5,590,568	\$6,507,343	\$6,705,152	\$6,927,213	\$7,206,845	\$7,498,101	\$7,801,485	\$1,290,669	19.82%	2.83%	
45	100s	District Support Services	\$1,102,910	\$1,103,280	\$1,256,336	\$1,491,566	\$1,679,622	\$1,745,199	\$1,813,395	\$1,884,320	\$781,410	70.85%	10.12%	
47	200s	Elementary and Secondary Regular Instruction	\$43,284,299	\$41,174,553	\$48,367,744	\$50,489,019	\$51,797,977	\$53,708,844	\$56,108,711	\$58,564,784	\$15,280,485	35.30%	5.04%	
48	300s	Vocational Ed Instruction	\$938,771	\$796,403	\$1,305,360	\$1,329,517	\$1,334,268	\$1,390,155	\$1,448,521	\$1,509,488	\$570,717	60.79%	8.68%	
49	400s	Special Education Instruction	\$19,721,679	\$19,510,510	\$21,595,642	\$24,269,457	\$26,411,133	\$27,563,841	\$28,770,694	\$30,034,511	\$10,312,832	52.29%	7.47%	
50	600s	Instructional Support Services	\$3,575,438	\$3,000,876	\$3,518,447	\$3,392,425	\$3,619,598	\$4,251,598	\$4,306,638	\$4,585,003	\$1,009,565	28.24%	4.03%	
51	700s	Pupil Support Services/Transportation	\$7,982,506	\$7,525,331	\$8,699,810	\$10,081,837	\$10,783,226	\$11,000,744	\$11,581,147	\$12,009,378	\$4,026,872	50.45%	7.21%	
52	800s	Sites and Buildings/Custodial	\$5,946,641	\$6,092,602	\$7,369,452	\$7,356,270	\$7,360,442	\$7,632,562	\$7,915,843	\$8,210,817	\$2,264,176	38.07%	5.44%	

Shakopee Schools: FY21 to FY28



Decreasing enrollment has led to a **loss of -\$15,943,905** in revenue (*Rows 11-16*).

		FY21	FY22	FY23	FY24	FY25	FY26	FY27	FY28	Change FY21 to FY28
11	Enrollment									
12	Total ADM (Students)	8,080	7,936	7,827	7,670	7,539	7,457	7,276	7,097	-983
13	Total Pupil Units Served (APU)	8,922	8,765	8,649	8,482	8,346	8,266	8,065	7,862	-1,060
14										
15	*Annual ADM decrease		-144	-109	-157	-131	-82	-181	-179	
16	*Annual revenue loss due to decrease in enrollment		-\$1,790,496	-\$1,664,430	-\$2,574,015	-\$2,190,700	-\$1,398,674	-\$3,149,063	-\$3,176,527	-\$15,943,905
17										

Shakopee Schools: FY21 to FY28

Expenditures

Regular Instruction expenditures to **increase by \$15,280,485** (Row 47)

- 5.04% annual expenditure increase.
- Fewer teachers in FY25 than in FY21 (and even fewer projected in FY28 than in FY25 due to declining enrollment)



Special Ed Instruction expenditures to **increase by \$10,312,832** (Row 49)

- 7.47% annual expenditure increase.
- *Note: Special Education State Aid revenue to increase by \$9,269,463. (Row 4)*



Pupil Support/Transportation to **increase by \$4,026,872** (Row 51).

- 7.21% annual expenditure increase.

Shakopee Schools: FY21 to FY28

Revenues

	Revenues	FY21	FY22	FY23	FY24	FY25	FY26	FY27	FY28	Change FY21 to FY28	Total % Change FY21 to FY28	Annual % Increase
	State Aid Formula Allowance	\$58,593,860	\$58,972,938	\$59,355,685	\$60,542,018	\$60,032,719	\$61,837,946	\$61,540,950	\$61,194,820	\$2,600,960	4.44%	0.63%
	State Special Education Aid	\$11,206,646	\$10,909,898	\$12,018,874	\$16,805,180	\$19,295,095	\$19,680,997	\$20,074,617	\$20,476,109	\$9,269,463	82.71%	11.82%
	Referendum Revenue (Operating Levy)	\$0	\$0	\$11,235,244	\$10,947,632	\$11,137,678	\$10,961,715	\$10,961,715	\$10,961,715	\$10,961,715		
	TOTAL (Rows 3,4,5)	\$69,800,506	\$69,882,836	\$82,609,803	\$88,294,830	\$90,465,492	\$92,480,658	\$92,577,282	\$92,632,645	\$22,832,139	32.71%	4.67%
	Capital Projects Levy (Net Tax Capacity % Change)	\$3,527,108	\$3,850,865	\$4,197,186	\$4,502,759	\$5,352,619	\$5,922,517	\$6,218,643	\$6,529,575	\$3,002,467	85.13%	12.16%
	Compensatory Revenue	\$2,916,812	\$2,501,235	\$2,634,416	\$5,400,322	\$5,562,409	\$5,265,181	\$5,265,181	\$5,265,181	\$2,348,369	80.51%	11.50%

Expenditures by MDE Codes

	MDE Code:	Expenditures	FY21	FY22	FY23	FY24	FY25	FY26	FY27	FY28	Change FY21 to FY28	Total % Change FY21 to FY28	Annual % Increase
	000s	Administration	\$6,510,816	\$5,590,568	\$6,507,343	\$6,705,152	\$6,927,213	\$7,206,845	\$7,498,101	\$7,801,485	\$1,290,669	19.82%	2.83%
	100s	District Support Services	\$1,102,910	\$1,103,280	\$1,256,336	\$1,491,566	\$1,679,622	\$1,745,199	\$1,813,395	\$1,884,320	\$781,410	70.85%	10.12%
	200s	Elementary and Secondary Regular Instruction	\$43,284,299	\$41,174,553	\$48,367,744	\$50,489,019	\$51,797,977	\$53,708,844	\$56,108,711	\$58,564,784	\$15,280,485	35.30%	5.04%
	300s	Vocational Ed Instruction	\$938,771	\$796,403	\$1,305,360	\$1,329,517	\$1,334,268	\$1,390,155	\$1,448,521	\$1,509,488	\$570,717	60.79%	8.68%
	400s	Special Education Instruction	\$19,721,679	\$19,510,510	\$21,595,642	\$24,269,457	\$26,411,133	\$27,563,841	\$28,770,694	\$30,034,511	\$10,312,832	52.29%	7.47%
	600s	Instructional Support Services	\$3,575,438	\$3,000,876	\$3,518,447	\$3,392,425	\$3,619,598	\$4,251,598	\$4,306,638	\$4,585,003	\$1,009,565	28.24%	4.03%
	700s	Pupil Support Services/Transportation	\$7,982,506	\$7,525,331	\$8,699,810	\$10,081,837	\$10,783,226	\$11,000,744	\$11,581,147	\$12,009,378	\$4,026,872	50.45%	7.21%
	800s	Sites and Buildings/Custodial	\$5,946,641	\$6,092,602	\$7,369,452	\$7,356,270	\$7,360,442	\$7,632,562	\$7,915,843	\$8,210,817	\$2,264,176	38.07%	5.44%
	900s	Fiscal & Other Fixed Costs/Property Insurance/Bond Payment	\$1,207,095	\$704,232	\$650,290	\$677,888	\$813,466	\$837,870	\$863,006	\$888,896	-\$318,199	-26.36%	-3.77%
		Total General Fund Operating Expenditures	\$90,270,155	\$85,498,355	\$99,270,424	\$105,793,131	\$110,726,945	\$115,337,658	\$120,306,056	\$125,488,682	\$35,218,527	39.01%	5.57%

Inflation

To find annual inflation rates for a calendar year, look to the December column. For instance, the inflation rate in 2024 was 2.9%. Meanwhile, the "Ave" column shows the average inflation rate for each year using CPI data. In 2023, the average inflation rate was 4.1%. These average rates are published by the BLS but are rarely discussed in the news media, taking a back seat to the actual rate of inflation for a given calendar year.

Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Ave
2025	3.0	2.8	<i>Avail. April 10</i>										
2024	3.1	3.2	3.5	3.4	3.3	3.0	2.9	2.5	2.4	2.6	2.7	2.9	2.9
2023	6.4	6.0	5.0	4.9	4.0	3.0	3.2	3.7	3.7	3.2	3.1	3.4	4.1
2022	7.5	7.9	8.5	8.3	8.6	9.1	8.5	8.3	8.2	7.7	7.1	6.5	8.0
2021	1.4	1.7	2.6	4.2	5.0	5.4	5.4	5.3	5.4	6.2	6.8	7.0	4.7
2020	2.5	2.3	1.5	0.3	0.1	0.6	1.0	1.3	1.4	1.2	1.2	1.4	1.2
2019	1.6	1.5	1.9	2.0	1.8	1.6	1.8	1.7	1.7	1.8	2.1	2.3	1.8
2018	2.1	2.2	2.4	2.5	2.8	2.9	2.9	2.7	2.3	2.5	2.2	1.9	2.4
2017	2.5	2.7	2.4	2.2	1.9	1.6	1.7	1.9	2.2	2.0	2.2	2.1	2.1
2016	1.4	1.0	0.9	1.1	1.0	1.0	0.8	1.1	1.5	1.6	1.7	2.1	1.3

*Data Source: U.S. Bureau of Labor Statistics:

Inflation's Impact on School Funding



General Education Formula Allowance, 2003-2025
Adjusted for Pupil Weight Change and Inflation (CPI)



The difference in the FY21 formula allowance per pupil and the inflation adjusted formula allowance was \$569. **Between FY21 and FY25 this difference grew by \$795 per pupil (from \$569 to \$1364 per pupil).**

An additional \$795 per pupil would provide our district **\$6,635,510** in additional annual funding.

Detailed Analysis & Accounting

FY26-28 General Fund Revenue & Expenditure Summary:

Presentation from March 24, 2025 Finance & Facilities Comm Mtg

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>	2026-27 <i>Budget Planning</i>	2027-28 <i>Budget Planning</i>
REVENUE						
Local Property Taxes	25,735,790	27,688,451	23,043,148	27,231,234	27,231,234	27,231,234
State Aid	91,139,706	93,372,720	44,525,123	93,735,871	94,128,571	94,529,125
Federal Grants	5,664,196	2,424,837	650,900	2,215,399	2,090,397	2,090,397
Other Local Revenues	6,500,222	2,808,513	3,140,218	2,384,023	2,384,023	2,384,023
Total General Fund Revenue	129,039,914	126,294,521	71,359,389	125,566,527	125,834,225	126,234,779
EXPENDITURES						
Expenditures by Object						
Salary and Wages	70,667,952	74,404,096	49,105,516	77,384,942	80,479,672	83,698,191
Employee Benefits	21,153,508	23,704,575	14,550,201	24,964,419	26,311,955	27,741,309
Purchased Services	17,357,200	16,211,054	11,769,646	16,282,784	16,766,717	17,265,167
Supplies and Materials	3,643,277	3,104,538	2,274,809	3,191,374	3,287,116	3,385,729
Capital and Equipment	6,977,978	8,828,098	4,953,292	9,671,511	7,617,029	8,077,363
Other Expenditures	680,796	736,456	398,594	758,400	781,244	804,682
Total General Fund Expenditures	120,480,711	126,988,817	83,052,058	132,253,430	135,243,733	140,972,441

2025-26 Adopted Budget - Fund Balance Breakout:

Presentation from March 24, 2025 Finance & Facilities Comm Mtg

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%	13,184,198	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		1,199,818	
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	



NOTE: To remain at 10% Unassigned Fund Balance as of June 30, 2026, the School Board will need to:

1. Utilize \$1.12M of the Assigned Fund Balance.
2. Utilize the Learning and Development Restricted Fund Balance.
3. Utilize the Compensatory Restricted Fund Balance.

2026-27 Budget Projection - Fund Balance Breakout:

Presentation from March 24, 2025 Finance & Facilities Comm Mtg

INDEPENDENT SCHOOL DISTRICT #720
2025 FINANCIAL PROJECTION MODEL (FPM)
 FUND BALANCE PROJECTIONS - GENERAL FUND

YEAR 2
2026 - 2027

FUND BALANCE	FUND BALANCE		FUND BALANCE	
	JULY 1, 2026 (PROJECTED)	%	JUNE 30, 2027 (PROJECTED)	%
Unassigned	13,184,198	10.0%	5,269,388	3.9%
Nonspendable	1,826,844		1,826,844	
Restricted				
Long Term Facilities Maintenance (LTFM)	3,588,006		3,588,006	
Operating Capital	1,199,818		1,506,793	
Capital Projects (Technology) Levy	1,565,029		1,359,179	
Restricted - Other	1,944,140		2,051,451	
Assigned for District Programming	1,703,134		-	
Committed Fund Balance	287,390		287,390	



NOTE: To remain at 3.9% *Unassigned Fund Balance* as of June 30, 2027, the School Board will need to utilize the remaining \$1.7M in the *Assigned Fund Balance* in FY27.

***Assumes no increase in revenue or decrease in expenditures for FY27.*

2027-28 Budget Projection - Fund Balance Breakout:

Presentation from March 24, 2025 Finance & Facilities Comm Mtg

INDEPENDENT SCHOOL DISTRICT #720

2025 FINANCIAL PROJECTION MODEL (FPM)

FUND BALANCE PROJECTIONS - GENERAL FUND

YEAR 3
2027 - 2028

FUND BALANCE	FUND BALANCE JULY 1, 2027		FUND BALANCE JUNE 30, 2028	
	(PROJECTED)	%	(PROJECTED)	%
Unassigned	5,269,388	3.9%	(9,125,100)	-6.5%
Nonspendable	1,826,844		1,826,844	
Restricted				
Long Term Facilities Maintenance (LTFM)	3,588,006		3,588,006	
Operating Capital	1,506,793		1,470,260	
Capital Projects (Technology) Levy	1,359,179		940,162	
Restricted - Other	2,051,451		2,163,827	
Assigned for District Programming	-		-	
Committed Fund Balance	287,390		287,390	



***Assumes no increase in revenue or decrease in expenditures for FY27 or FY28.*

School Board Focus & Discussion

Two Word Summary:

Inflation & Enrollment

Moving forward with the decision in mind.

In the simplest of terms, there are **three options** for the financial decisions that need to be made for the 2026-27 school year.

1. Budget cuts
2. Increased revenues
3. A combination of budget cuts and revenues

The \$7-9 Million Budget Challenge for the 2026-27 School Year

Budget Cuts

- At least \$3M in permanent budget cuts and adjustments based on declining enrollment for FY27.
- And???

Increased Revenues

An opportunity exists for a **tax neutral** operating levy increase.

- A \$5.1 million tax decrease occurs in calendar year 2026 due to part of our construction debt being paid in full.
- A tax neutral operating levy would generate \$4.8 million in new revenue, if it were to run on November 4, and if it were to be approved by the voters in our community.

Initiate Planning for FY28 and Beyond...

Discussion