



Fiscal Year 2026–2027 Proposed Budget June 2, 2026

Overview

State statute requires school boards to formally adopt annual budgets prior to July 1, establishing governance standards for responsible financial planning and ensuring no district funds are spent without formal authorization. These regulations reinforce fiscal discipline and protect the public interest.

Beyond statutory compliance, budget transparency serves as the foundation of public trust and effective governance. A well-documented budget allows the community—including parents, taxpayers, staff, and local leaders—to understand how public resources are invested in student learning. This transparency ensures stakeholders can see the connection between voter-approved referendums, state funding, and delivered programs and services. Clear documentation informs future planning through historical data while making resource distribution across schools, programs, and student populations explicit.

The budget translates the district's strategic plan into fiscal terms. Every dollar allocated represents a choice about educational priorities, from class sizes and course offerings to student support services and facility maintenance. Resources follow the district's educational mission, directing funding toward initiatives that improve student outcomes while making necessary trade-offs transparently. Long-term sustainability is balanced with immediate needs, preventing short-term decisions that create future financial instability.

RPS delivers strong academic programs and comprehensive student support. The budget maintains class sizes enabling personalized instruction, supports competitive compensation that attracts talented educators, and keeps instructional resources and technology current. Strategic funding preserves robust programming across academics, career pathways, arts, and athletics while sustaining comprehensive support for all learners—including special education, multilingual learners, and mental health resources—and ensuring safe, functional facilities.

This budget reflects input from school principals, department leaders, employee groups, and the School Board, honoring commitments to voters while navigating enrollment decline and funding uncertainties. Responsible budgeting requires looking beyond the immediate fiscal year: maintaining adequate fund balances, planning for known future costs, addressing structural imbalances proactively, and coordinating operational budgets with capital plans. Through careful fiscal management over seven years, RPS has built strong reserves that provide flexibility to implement strategic adjustments preserving educational quality.

This proposed budget does not include costs related to facilities decisions scheduled for future School Board consideration. However, the Board previously approved moving \$6 million from the unassigned general fund balance into a committed fund balance to support these facilities-related expenditures. Additional financing options will be presented when this matter moves forward.

Long-Term Budget Strategy Framework

Aligning resources with long-term objectives while sustaining essential student and staff services demands strategic financial planning that balances current needs against projected revenue and expenditure trends. The Long-Term Budget Strategy provides the framework through several core principles embedded in this budget proposal. These principles guide decisions on workforce planning through historical vacancy analysis and employee attrition forecasting, ensure staffing levels adjust proportionally with enrollment using established student-to-staff ratios, maintain Balanced Budget Model (BBM) allocation percentages as total budgets respond to enrollment shifts, anchor labor cost projections in negotiated settlements and anticipated inflation trends, and establish a general fund contingency budget to address unexpected developments throughout the year, including increases in utility costs and transportation contracts related to higher fuel prices.

RPS has built financial reserves through disciplined budget management. From fiscal year 2017–2018 through 2024–2025, the district consistently preserved unspent revenues, accumulating an unassigned general fund balance that surpasses the School Board's 8% minimum reserve policy. This financial strength enables strategic deployment of fund balance resources over a four-year period from 2026–2027 through 2029–2030, cushioning the transition required by anticipated declining enrollment, state special education revenue uncertainty, and compensation increases that will likely outpace revenue growth.

The School Board has authorized unassigned fund balance use of up to \$3.0 million annually until this account returns to the 8% policy threshold. This graduated approach allows measured staffing adjustments rather than disruptive program reductions. The Board has also approved accessing an additional \$2 million from fiscal year 2024–2025 unassigned fund balance surplus to further mitigate expenditure reductions in the 2026–2027 school year.

Looking ahead to fiscal year 2027–2028, the district is planning to transition cost center budgeting from incremental allocations to zero-based evaluation. Rather than applying inflation factors to prior-year spending, budget managers will justify resource needs from baseline, promoting operational efficiency and tighter alignment between funding and service delivery requirements.

Strategic Budget Reductions

Budget projections rely on the best available information and reasonable assumptions at the time of development. The July 2025 forecast incorporated anticipated inflationary increases in salaries, employee benefits, utilities, supplies, and software subscriptions

while also accounting for enrollment-driven revenue decline. The resulting deficit calculation reflects what would occur absent any deliberate spending reductions. Declining enrollment reduces per-pupil state funding even as operational costs continue rising for current programs, staffing, negotiated compensation, utilities, transportation, and special education services. The projected deficit represents the gap between falling revenues and rising costs that require strategic budget adjustments.

In June 2025, the School Board approved the Long-Term Budget Reduction Strategy with an initial general fund reduction target of \$13.5 million for fiscal year 2026–2027. This target was based on enrollment projections from the 2025 Reinhardt demographic study, which estimated 16,505 students for the 2026–2027 school year.

However, actual enrollment data revealed a significant positive variance from these projections. Fall 2025 enrollment exceeded expectations by nearly 500 students, as detailed in the Enrollment Analysis section of this memo. While a single year of unplanned growth does not reverse the anticipated long-term enrollment decline, it establishes a substantially higher baseline for fiscal year 2026–2027 than originally forecast. It also holds promise that enrollment may not decline as substantially in 2026–2027 as originally projected.

Given this development, the district recalculated enrollment projections for 2026–2027 using actual October 1, 2025 enrollment data and applying the original projection methodology. This analysis revised the estimate to 17,101 students, an increase of nearly 600 students over the July projections, though still reflecting a projected decline of 340 students from current actual enrollment of 17,441.

Revenue and Expenditure Forecast Revisions

The improved enrollment projections are expected to generate approximately \$4.1 million in additional revenue for fiscal year 2026–2027, as shown in the comparison below:

General Fund Forecast Comparison

Forecast (in millions)	July 2025	January 2026	Change
Revenue (new)	\$301.5	\$305.6	\$4.1
Fund balance use	\$5.2	\$7.2 ¹	\$2.0
All Sources	\$306.7	\$312.8	\$6.1

¹: Includes \$3.0M unassigned fund balance use (previously approved), \$2.0M additional unassigned fund balance from FY25 audit results, and \$2.2M from assigned, restricted, and reserved fund balances.

Expense projections also increased by approximately \$900,000, driven largely by enrollment growth and the subsequent need for additional staff to support these students:

Forecast (in millions)	July 2025	January 2026	Change
Expenditures	\$320.2	\$321.1	\$0.9
Surplus (Deficit)	(\$13.5)	(\$8.3)	\$5.2

With these revised estimates and additional fund balance resource allocation, the projected forecast deficit for fiscal year 2026–2027 decreased from \$13.5 million to \$8.3 million, an improvement of \$5.2 million.

Implementing the Reductions

With improved enrollment projections generating \$4.1 million in additional revenue and the availability of \$2 million in additional fund balance, the School Board approved a modified budget reduction target of \$8.3 million in January 2026, an improvement of \$5.2 million from the original July forecast.

Learning Sites - The district established a budget reduction working group to review and recommend reductions for learning sites. Consistent with the Balanced Budget Model's resource allocation framework, reductions were distributed proportionally across the budget. Learning sites represent approximately 41% of the fiscal year 2025–2026 general fund budget, with cost centers comprising the remaining 59%. Applying this proportional approach, learning sites were allocated \$3.4 million of the \$8.3 million reduction target, while cost centers were allocated \$4.9 million.

The working group evaluated multiple approaches and recommended two broad strategies. The first, building historical vacancy rates into school budgets, was implemented for the first time in the current fiscal year budget and continues in this proposal. This strategy recognizes that not all positions remain filled throughout the entire year due to natural turnover, hiring delays, and mid-year retirements. Budgeting as if all positions remain filled year-round overstates actual spending. This strategy is estimated to address approximately \$1.75 million of the necessary learning site reduction.

The second strategy adjusts the middle school student-to-teacher ratio. The middle school ratio adjustment addresses a unique circumstance from the first year of BBM implementation. When BBM launched, middle schools received two significant enhancements: a reduced student-to-teacher ratio of 22.86 students per FTE (down from 24.75) and eligibility for Title I funding that no middle school had previously received. Adjusting the ratio back to 24.75 students per FTE generates approximately \$1.3 million in savings while still providing middle schools with the benefit of Title I resources.

Cost Centers - Representing 59% of the general fund budget, cost centers were allocated \$4.9 million of the \$8.3 million reduction target. Consistent with the proportional allocation approach, each cost center budget manager was asked to identify reductions

proportional to their share of the fiscal year 2025–2026 budget. Through this process, budget managers across the 53 cost centers identified approximately \$4.8 million in potential reductions, most of which were accepted and incorporated into the final budget.

Major reductions within cost center recommendations include approximately \$2.0 million through historical vacancy budgeting, recognizing typical turnover and hiring timelines in specialized positions. This includes \$1.5 million in special education and \$500,000 in maintenance and operations positions. The capital projects cost center reduced expenditures by approximately \$1.3 million in response to decreased Long-Term Facilities Maintenance (LTFM) PayGo levy revenue. The finance department reduced its budget by approximately \$300,000 by removing one-time Skyward to Qmlativ migration support costs that were included in the baseline forecast but are not recurring expenses. Additional savings resulted from shifting certain positions from general fund support to restricted funding sources including Title grants where allowable, freeing general fund dollars while maintaining staffing levels and services.

Beyond the cost center reduction process, the central office senior leadership reorganization recommended by the Superintendent and approved by the School Board contributes an estimated \$442,000 in additional savings, bringing total cost center and central office reductions to approximately \$5.2 million.

General Fund Reductions by Budget Type

Description	Learning Site	Cost Center	Total
Historical Position Vacancy	\$1,750,000	\$2,000,000	\$3,750,000
Middle School Student to Teacher Ratio	\$1,300,000		\$1,300,000
Capital Projects		\$1,300,000	\$1,300,000
Finance One-Time Qmlativ Upgrade		\$300,000	\$300,000
Central Office Reorganization		\$442,000	\$442,000
Budget Manager Adjustments		\$1,185,000	\$1,185,000
Total	\$3,050,000	\$5,227,000	\$8,277,000

Financial Outlook and Budget Process

Like many school districts in Minnesota, RPS is navigating changing enrollment patterns and evolving revenue structures that require thoughtful financial planning. While per-pupil state funding continues with inflationary increases, projected declines in student enrollment reduce total revenue even as costs for staffing, benefits, and operations rise. The district's careful fiscal management has built strong reserves that provide flexibility during this transition, allowing time to implement strategic adjustments that preserve educational quality.

This budget was developed through careful forecasting and planning, incorporating historical financial data, enrollment projections from the Reinhardt demographic study, and anticipated state, federal, and local funding within the BBM framework. The Long-Term Budget Strategy approved by the School Board in 2025 applies guiding principles that inform revenue projections, expenditure assumptions, and staffing allocation decisions. Multi-year financial projections guide ongoing decisions to maintain fiscal balance while supporting essential programs and services.

Balanced Budget Model Implementation Year 2

The BBM continued to mature across the organization, with year-two refinements at school sites and inaugural implementation of cost centers in central office budget planning.

In the second year of implementing the BBM at school sites, principals and central office staff benefited from improved collaborative processes, enhanced planning tools, and more time allocated for budget development work. Resource allocation utilized both district-assigned staffing and site-based resource decisions guided by school-specific enrollment projections and strategic priorities. Initial consideration was given to aligning resource decisions with School Continuous Improvement Plan goals, building toward full integration in the fiscal year 2027–2028 budget.

Year 2 introduced two significant enhancements that expanded school-level decision-making authority. First, discretionary supply budgets, including funding for site supplies, printing and copying, contracted services, hourly overtime, and software subscriptions, moved from separate central office allocations into the site-based decision-making component of BBM. This integration placed spending decisions at the school level where needs are best understood. While required to maintain minimum spending levels in this category, principals gained discretion to allocate additional resources based on school-specific priorities.

Second, the district implemented the statutory framework allowing only 80% of compensatory education revenue to be allocated directly to school sites while designating 20% centrally. This central set-aside serves two purposes: supporting eight schools generating limited compensatory revenue that do not qualify for Title I funding, and funding allowable district-level services such as elementary reading coaches, reading specialists, and the lead school counselor. This reallocation freed approximately \$1.8 million in general fund dollars to return to schools as site-based funding for assistant principals, clerical staff, and other purposes permitted within the BBM school determined component.

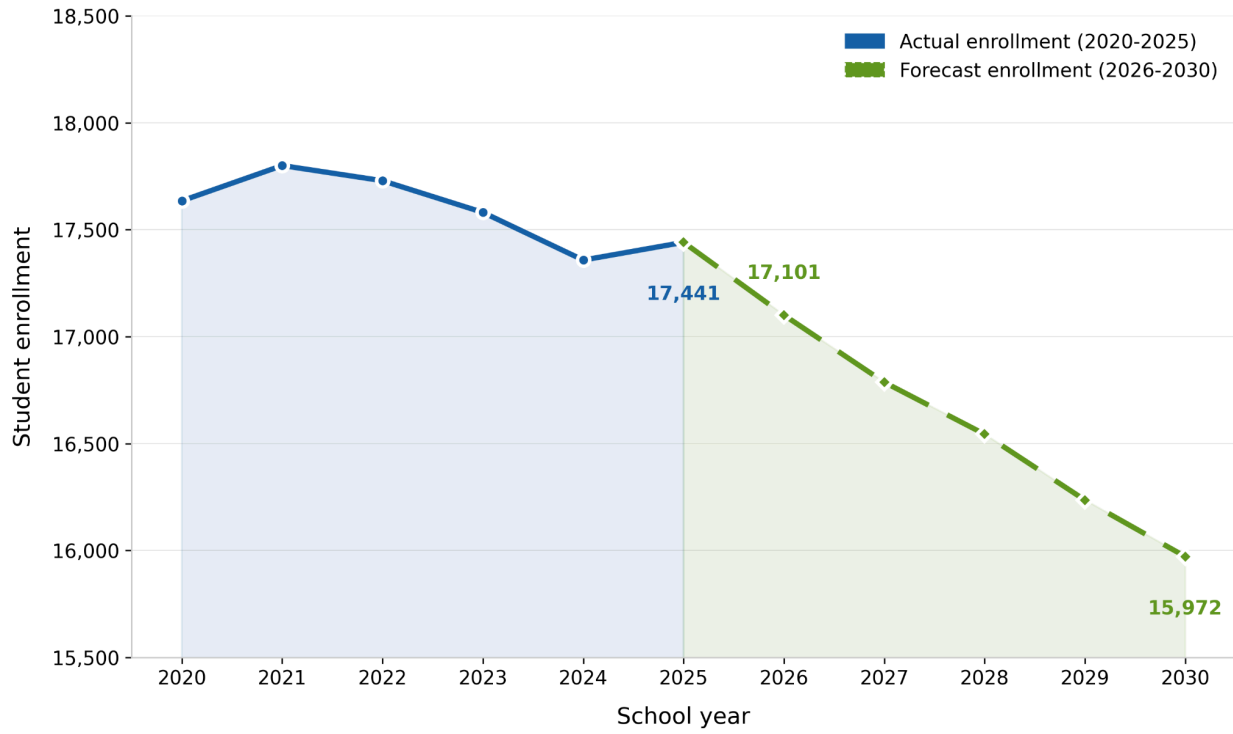
Central office and districtwide services introduced cost center development by systematically restructuring all accounts into dozens of cost centers aligned to operational functions. These cost centers account for two types of resources: those used by the central office to support district-wide functions such as human resources, finance, and facilities, and those allocated by central office leaders to school sites including special education, health services, multilingual learning, curriculum materials and professional development. Each cost center received an explicit assignment of a budget manager responsible for resource planning and management. This restructuring established clear accountability structures, connected expenditures to service delivery, and created transparent ownership of budget decisions to ensure resources support both central operations and school-based needs effectively.

Enrollment Analysis

Enrollment is the key metric for all district revenue, and the starting point for development of every budget. The district's revenue reflects enrollment projections from the demographic study conducted by Dr. Hazel Reinhardt, former Minnesota State Demographer, projecting enrollment trends in RPS through 2030. Based on that study, the district anticipated that enrollment for the 2025–2026 school year would decline by 379 students, from 17,323 to 16,944. In fact, actual enrollment on October 1, 2025 was 118 students more than that same time last year, resulting in actual enrollment of 17,441, which exceeded the projection by 497 students.

Projections for 2026–2027 use the October 1, 2025 actual enrollment as the baseline, applying adjustments for student attrition factors and kindergarten enrollment consistent with the 2025 enrollment projection guide. These projections anticipate enrollment of 17,101, representing a decline of 340 students as shown on the chart below.

Historical Enrollment Trends and Projections



General Fund – The District’s Main Operating Fund

General Fund Sources

Operating Referendum Property Taxes– The 2015 and 2024 voter-approved operating referendums provide ongoing revenue for RPS, stabilizing the district's budget while strengthening academic programs and supporting essential student services. In fiscal year 2026–2027, these two referendums will generate just over \$2,158 per pupil unit, representing an inflation-adjusted increase of 2.37% over fiscal year 2025–2026. However, because referendum revenue is calculated on a per-pupil basis, declining enrollment offsets some of the inflation adjustments. For this budget, the district projects total operating referendum revenue of approximately **\$39.8 million**. This budget proposal will enable the school district to meet all of the commitments to fund programs and functions that were included in the Ignite Student Learning referendum that voters approved in November 2024. An updated summary of those investments will be posted on the [RPS website](#) following approval of the budget.

Other Property Taxes - The district is budgeting to receive **\$26.6 million** from other Board-approved property tax levies, including Local Optional Revenue (LOR), Long-Term Facilities Maintenance (LTFM) PayGo, Operating Capital, and Career & Technical Education (CTE) revenues.

Other Local - Other local revenue sources total approximately **\$9.7 million** and include Medical Assistance reimbursement for health services provided to eligible students, activities participation fees and gate admissions from athletics and extracurricular programs, E-Rate reimbursements for telecommunications equipment and internet services, grants, and investment interest earnings on district funds.

State Basic Aid Formula Revenue - State General Education Aid serves as the district's primary operating revenue source, calculating funding through a weighted enrollment formula. The state determines Average Daily Membership (ADM) by counting full-year students as 1.0 and prorating students who enroll or exit during the year. This enrollment is then weighted by grade level to produce Adjusted Pupil Units (APU), with elementary students (K-6) weighted at 1.0 and secondary students (7-12) weighted at 1.2 to account for increased costs at higher grade levels.

For the 2026–2027 fiscal year, the per pupil unit amount increases by 2.69%, rising from \$7,482 to \$7,683, continuing the inflation adjustment implemented by the 2023 Legislature. Under this formula, each elementary student (1.0 APU) generates \$7,683 in state aid, while each secondary student (1.2 APU) generates \$9,220. RPS is forecasting **\$139.3 million** of state general aid revenue. Unfortunately, the current economic environment is increasing operational costs beyond CPI adjusted revenue from the state.

State Special Education Aid - The district is expected to receive **\$55.7 million** in state special education aid, one of the largest categorical revenue sources in the budget. This funding supports compliance with special education mandates, including individualized education programs, specialized instruction, therapies, and adaptive equipment. While

substantial, this revenue covers only a portion of the district's total special education costs, with the remainder supported through the general education formula, Medical Assistance reimbursements, and federal funds.

State Compensatory Aid Revenue - Schools serving economically disadvantaged students receive support through compensatory funding. Following Minnesota's transition to universal meals, the state now relies on direct certification data from SNAP and Medicaid programs to identify students from lower-income families, replacing the previous free and reduced-price meal application system. This shift has introduced significant volatility into revenue calculations.

To protect districts from sudden funding losses, the legislature appropriated an additional \$10 million into the compensatory revenue program for fiscal year 2026–2027. This new formula guarantees that each district receives revenue equal to at least 65.9971% of the compensatory revenue calculated at the site level in fiscal year 2025–2026, adjusted for any enrollment decline between October 1, 2024, and October 1, 2025. Under this formula, RPS will receive \$441,000 less in compensatory revenue than in fiscal year 2025–2026. The district currently estimates **\$14.6 million** for fiscal year 2026–2027.

Understanding that hold harmless provisions provide only short-term relief, legislators created a Legislative Task Force on Compensatory Revenue to develop a more stable approach to measuring student poverty for funding allocation. Dr. Pekel represents RPS on this task force, which will present final recommendations in late 2026. These recommendations may substantially reshape compensatory revenue distribution for RPS in subsequent years.

Other State Aids - The remaining **\$20.9 million** in state funding comes from various categorical aid programs targeting specific services and populations, including multilingual learner support, student support personnel aid, gifted and talented programming, state pension contribution assistance, and unemployment reimbursement for seasonal staff. These categorical aids, along with numerous smaller allocations, supplement the basic education formula to address specialized student needs and statutory requirements.

Federal Grants Revenue - Although Congress passed most education funding bills at levels comparable to the prior year, school districts nationwide continue to express concern about federal revenue stability, and RPS is no different. While appropriations for core formula grants such as ESEA and IDEA remain largely unchanged, uncertainty persists regarding implementation of federal programs, potential mid-year policy shifts, and long-term sustainability of discretionary grants.

The political environment surrounding federal education funding poses planning challenges for districts that rely on these resources to support special education services, programs for economically disadvantaged students, and other critical student supports. For fiscal year 2026–2027, RPS has budgeted federal aid conservatively at approximately **\$9.2 million**, consistent with current allocations while recognizing the potential for funding

disruptions. The district maintains contingency plans to adjust services should federal funding decline unexpectedly during the fiscal year.

In total, general fund revenue supporting this budget is estimated at **\$315,891,819**. The table below represents the total revenue by major funding source in the General Fund.

General Fund Revenue by Major Source

Major Source	2026-2027		2025-2026		1 Year Change	
	Proposed Budget	%	Original Budget	%		%
Local: Property Taxes	\$66,418,276	21.0%	67,954,219	22.2%	(1,535,943)	(2.3%)
Local: Other	\$9,715,971	3.1%	9,150,336	3.0%	\$565,635	6.2%
State	\$230,533,319	73.0%	218,652,282	71.3%	\$11,881,037	5.4%
Federal	\$9,224,253	2.9%	10,948,647	3.6%	(1,724,394)	(15.7%)
Total	\$315,891,819		\$306,705,484		\$9,186,335	3.0%

Other Funding Sources - The School Board has authorized using up to \$5 million in unassigned fund balance and \$2.2 million in restricted/reserved fund balances to balance the fiscal year 2026-2027 budget, totaling up to \$7.2 million in fund balance resources.

Sources of Additional Budgeted Revenue Above the January 2026 Forecast

While total proposed revenue for fiscal year 2026-2027 has increased approximately \$10 million over the January 2026 forecast, this growth does not ease budget pressures. Approximately 95% of the increase consists of restricted funding for specific purposes detailed below, leaving limited new resources available to address the structural deficit between unrestricted revenues and expenditures.

When the January 2026 forecast was developed, some revenue sources were budgeted conservatively or excluded entirely due to uncertainty about availability or final allocations. As budget development progressed and additional information became available, these revenue sources were incorporated into the proposed budget. Below are the major sources of revenue added since the January forecast and the reasons for their initial exclusion:

Federal Aid (Title, Special Education) - Federal Title and special education funds were conservatively budgeted at 80% of prior year funding in the January forecast due to uncertainty surrounding federal appropriations. With Congress now having passed most education funding bills at prior-year levels, the district has updated these amounts to reflect MDE's initial allocations.

State Special Education Reimbursement - State special education aid allocations are calculated using prior-year expenditure data that was not finalized at the time of the January forecast. Updated aid calculations from the MDE are now reflected in the proposed budget.

Compensatory Aid Distributed to Sites - Compensatory revenue increased above the January 2026 forecast due to two factors. When MDE completed its initial spring allocations, the calculation reflected the statewide minimum compensatory spending as defined in statute, resulting in a per-pupil amount of \$7,295 compared to the previous \$6,936. This \$359 per-pupil increase generated approximately \$1.5 million in additional revenue for RPS that was not previously allocated by formula in statute. Additionally, the recently completed legislative session appropriated an additional \$10 million statewide to mitigate compensatory revenue losses experienced by districts, providing RPS an additional \$48,798. State statute imposes significant restrictions on how these funds may be used, and 80% must be distributed to school sites to serve students from lower-income families.

State Grants - Special Education Teacher (SPED) Pathway Program and Teacher Mentorship and Retention Grant, both through MDE, have been awarded.

State English Language Cross Subsidy Aid - The 2023 Legislature established a new English Learner cross-subsidy aid program, with fiscal year 2026–2027 as the first year of funding. Modeled on the existing special education cross-subsidy aid, this program provides partial reimbursement for the gap between English Learner program expenditures and dedicated English Learner revenue. MDE provided its estimated allocations to districts in April. It should be noted that at RPS, this program is called Multilingual Learners.

State English Language Base & Concentration Aid - The 2023 Legislature also enacted scheduled increases to both the base pupil formula and concentration factor formula for English Language aid, taking effect in fiscal year 2026–2027. These formula enhancements were omitted in the original January 2026 forecast.

E-Rate Reimbursement - The E-Rate program provides partial reimbursement from the federal government to schools for eligible telecommunications and internet services. The increase in projected E-Rate revenue above the January forecast reflects additional district technology purchases qualifying for reimbursement under this program.

Hourly Worker Unemployment Aid - Additional reimbursement is expected for summer unemployment costs.

Additional Budgeted Revenue by Source

Sources of funding not in January 2026 Forecast	Amount
Federal Aid (Title, Special Education)	\$1.7M
State Special Education Reimbursement	\$1.6M
Compensatory Aid (distributed to sites)	\$1.7M

Sources of funding not in January 2026 Forecast	Amount
State Grants	\$1.5M
State English Language Cross Subsidy Aid	\$1.1M
State English Language Base & Concentration Aid	\$0.8M
E-Rate Reimbursement	\$0.9M
Hourly Worker Unemployment Aid	\$0.3M

General Fund Uses

Employee Salaries & Benefits - The general fund expenditure budget is driven primarily by staffing costs, which total **\$257.7 million** and account for 79.9% of all expenditures. Within this staffing investment, salary expenses constitute 54.0% of the total general fund budget, down slightly from 54.8% in fiscal year 2025–2026. Employee benefits show more dramatic growth, increasing \$10.2 million and rising from 23.6% to 25.8% of the general fund budget. This expansion reflects escalating healthcare costs and associated increased premium contributions.

Purchased Services - Purchased services total **\$46.5 million** in the proposed budget, up \$1.1 million from the current year. This growth reflects unavoidable cost pressures including transportation contract escalators, tuition obligations to out-of-state educational institutions, and utility rate increases estimated at approximately 4%. As a percentage of the general fund, however, purchased services decrease slightly year over year despite the absolute dollar growth.

Supplies & Materials - The supplies and materials category totals **\$10.7 million**, a budgeted decrease of approximately \$1 million from the prior year. This reduction primarily reflects a technical budget correction rather than reduced purchasing. In the fiscal year 2025–2026 budget, approximately \$850,000 in unallocated compensatory aid revenue was incorrectly classified under the supplies expenditure code instead of the appropriate “other” category. Correcting this classification accounts for most of the reduction. Additional decreases in non-instructional supplies contribute to the remaining change in this category. Importantly, learning site supply budgets remain allocated at the same per-pupil level as the current year, ensuring schools maintain consistent purchasing power for instructional materials.

Capital - The capital category totals **\$2.7 million**, reflecting a decrease driven by several factors. Following MDE guidance, principal and interest payments for certain debt issuances have been reclassified from capital expenditures in the general fund to the debt service fund, creating an accounting shift rather than actual spending reduction. Additionally, the district is reducing obligations for Subscription-Based Information Technology Arrangements (SBITA), long-term software subscription commitments being paid down, and decreasing transportation vehicle purchases. The bulk of district capital investment occurs through the building construction fund, which finances major facility renovation projects across RPS schools.

Other – These expenditures of **\$5 million** include several components that provide budget flexibility and account for pending decisions. The contingency account increases from \$2.4 million to \$3 million, providing additional reserve capacity to address unforeseen needs and potential gaps identified during the district's first year implementing the cost center framework. This category also includes reductions for anticipated vacant positions based on historical attrition patterns, holding accounts for unallocated federal revenue pending MDE approval, and certain grants that are included in the revenue budget but have not yet been allocated to specific programs or departments.

General Fund Expenditures by Major Use

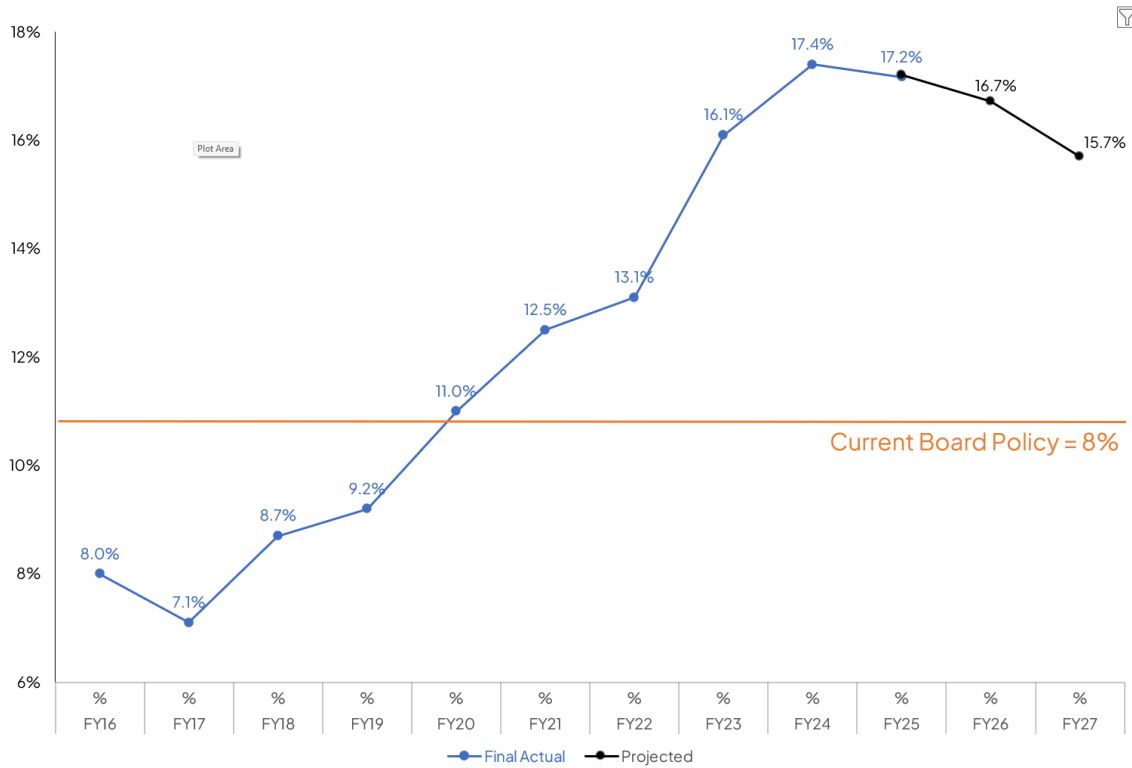
Major Use	2026–2027		2025–2026		1 Year Change	
	Proposed Budget	%	Original Budget	%		%
Employee Salaries	\$174,361,027	54.0%	169,413,747	54.8%	\$4,947,280	2.9%
Employee Benefits	\$83,382,556	25.8%	73,137,626	23.6%	\$10,244,930	14.0%
Purchased Services	\$46,519,031	14.4%	45,409,358	14.7%	\$1,109,673	2.4%
Supplies & Materials	\$10,732,214	3.3%	11,768,172	3.8%	(1,035,958)	(8.8%)
Capital	\$2,653,505	0.8%	4,709,203	1.5%	(2,055,698)	(43.7%)
Other	\$5,042,961	1.6%	4,871,629	1.6%	\$171,332	3.5%
Total	\$322,691,294		\$309,309,735		\$13,381,559	4.3%

General Fund Summary

Sources & Uses	Amount
Sources of Funds	
Current Year Revenue	\$315.9 M
Restricted/Reserved Fund Balance	\$3.9 M
Unassigned Fund Balance	\$2.9 M
Total Sources	\$322.7 M
Uses of Funds	
Total Expenditures	\$322.7 M
Balanced Budget	\$0

This budget proposes using \$2.9 million from the unassigned fund balance during fiscal year 2026–2027, reducing the balance from an estimated \$53.5 million at the start of the year to \$50.6 million by year-end. The opening balance reflects projected results from fiscal year 2025–2026. This will reduce the balance to 15.7% of general fund expenses at fiscal year end.

General Fund Unassigned Fund Balance Prior 10 Year Actual Results and 2 Years of Projections



General Fund Budget Cost Centers & Learning Sites

The BBM has evolved from a school-focused initiative in year one to a district-wide framework in year two. Central office and district-wide services are now organized into 53 cost centers, mirroring the budget structure implemented at learning sites. This expansion completes the vision of transparent, accountable resource management across the organization. The table below shows the district's total proposed General Fund budget organized by Budget Type, followed by Learning Site and Cost Center budget details.

Expenditure Budget Summary by Budget Category – General Fund

Budget Type	2026–2027 Original Budget	%
Learning Site	\$133,993,229	41.52%
Cost Center	\$188,698,065	58.48%
Total	\$322,691,294	

Learning Site Budget Details – General Fund

Learning Site	2026–2027 Original Budget	% of Learning Sites Budgets	% of Entire Budget
Bamber Valley Elementary	\$4,772,745	3.56%	1.48%
Bishop Elementary School	\$4,742,360	3.54%	1.47%
Care & Treatment at ESC	\$399,296	0.30%	0.12%
Care & Treatment at SERCC	\$29,830	0.02%	0.01%
Care & Treatment PrairieCare	\$296,526	0.22%	0.09%
Century High School	\$9,543,405	7.12%	2.96%
Churchill Elementary School	\$2,062,698	1.54%	0.64%
CTECH	\$1,192,061	0.89%	0.37%
Dakota Middle School	\$6,437,006	4.80%	1.99%
Elton Hills Elementary	\$2,881,739	2.15%	0.89%
Folwell Elementary School	\$2,915,942	2.18%	0.90%
Franklin Elementary School	\$5,399,918	4.03%	1.67%
Gage Elementary School	\$3,621,776	2.70%	1.12%
Gibbs Elementary School	\$5,058,766	3.78%	1.57%
High School ALC	\$5,240,160	3.91%	1.62%
Hoover Early Learning School	\$240,051	0.18%	0.07%
Hoover Elementary School	\$1,884,203	1.41%	0.58%
Hospital Homebound C&T	\$209,642	0.16%	0.06%

Learning Site	2026–2027 Original Budget	% of Learning Sites Budgets	% of Entire Budget
Jefferson Elementary	\$3,961,130	2.96%	1.23%
John Adams Middle School	\$6,670,555	4.98%	2.07%
John Marshall High School	\$10,649,692	7.95%	3.30%
Kellogg Middle School	\$5,592,469	4.17%	1.73%
Lincoln K-8 School	\$3,723,116	2.78%	1.15%
Longfellow 45–15 Elementary	\$2,712,227	2.02%	0.84%
Mayo High School	\$10,762,631	8.03%	3.34%
Middle School ALC	\$907,413	0.68%	0.28%
MNSync Elementary	\$942,480	0.70%	0.29%
MNSync Secondary	\$3,035,875	2.27%	0.94%
Overland Elementary School	\$4,604,921	3.44%	1.43%
P-TECH	\$873,804	0.65%	0.27%
Phoenix Academy	\$211,255	0.16%	0.07%
Pinewood Elementary School	\$3,040,753	2.27%	0.94%
RAIL	\$254,024	0.19%	0.08%
Riverside Central Elementary	\$5,434,095	4.06%	1.68%
Sunset Terrace Elementary	\$4,501,346	3.36%	1.39%
Washington Elementary School	\$2,836,854	2.12%	0.88%
Willow Creek Middle School	\$6,350,465	4.74%	1.97%
Total	\$133,993,229	100.00%	41.52%

Cost Center Budget Details – General Fund

Cost Center	2026–2027 Original Budget	% of Cost Centers Budgets	% of Entire Budget
Academic Supports	\$812,532	0.43%	0.25%
Activities & Athletics	\$4,476,023	2.37%	1.39%
Advanced Learning	\$1,705,823	0.90%	0.53%
Capital Projects Fund 01	\$4,057,251	2.15%	1.26%
Communications	\$657,057	0.35%	0.20%
Community Education	\$619,366	0.33%	0.19%
Community Partnerships	\$183,484	0.10%	0.06%
Contingency and Other	\$2,755,415	1.46%	0.85%

Cost Center	2026–2027 Original Budget	% of Cost Centers Budgets	% of Entire Budget
Curriculum	\$5,661,523	3.00%	1.75%
Debt Services	\$716,724	0.38%	0.22%
Elections	\$50,000	0.03%	0.02%
Family Engagement	\$187,899	0.10%	0.06%
Federal Title Programs	\$3,078,086	1.63%	0.95%
Finance	\$2,717,858	1.44%	0.84%
Grounds & Trucking	\$1,556,775	0.83%	0.48%
Health & Safety	\$1,126,499	0.60%	0.35%
Health Services	\$2,739,826	1.45%	0.85%
Housing Stability	\$70,000	0.04%	0.02%
Human Resources	\$1,880,560	1.00%	0.58%
Human Resources District Subs	\$4,273,174	2.26%	1.32%
Interpretation Services	\$1,116,596	0.59%	0.35%
Maintenance & Operations	\$13,242,181	7.02%	4.10%
Mental Health & Social Work	\$948,144	0.50%	0.29%
Multilingual Learning	\$6,645,489	3.52%	2.06%
Office of Superintendent	\$533,905	0.28%	0.17%
Policy, Innovation & Strategy	\$373,767	0.20%	0.12%
Postsecondary Enrollment Options	\$3,727,848	1.98%	1.16%
Registration & Records	\$668,434	0.35%	0.21%
Research & Evidence	\$895,158	0.47%	0.28%
Risk Management	\$1,645,096	0.87%	0.51%
RPS Summer Academy	\$433,123	0.23%	0.13%
School Board	\$332,297	0.18%	0.10%
School Improvement	\$1,227,869	0.65%	0.38%
Security and Safety	\$953,185	0.51%	0.30%
Special Education	\$75,497,936	40.01%	23.40%
Staff Development	\$1,473,387	0.78%	0.46%
Student Behavior & Enrollment	\$583,958	0.31%	0.18%
Technology Operations	\$7,710,561	4.09%	2.39%
Transportation	\$24,425,309	12.94%	7.57%
Utilities	\$6,088,449	3.23%	1.89%

Cost Center	2026–2027 Original Budget	% of Cost Centers Budgets	% of Entire Budget
Youth Empowerment	\$849,498	0.45%	0.26%
Total	\$188,698,065	100.00%	58.48%

All Other Funds by Cost Center

Cost Center Budget Details – All Other Funds

Fund	Cost Center	2026–2027 Original Budget
02 - Food Service Fund	Student Nutrition Services	\$14,612,015
04 - Community Service Fund	Academic Supports	\$255,468
04 - Community Service Fund	Comm Ed Adult Enrichment	\$847,820
04 - Community Service Fund	Comm Ed Adult Literacy	\$2,199,968
04 - Community Service Fund	Comm Ed Early Child Services	\$1,835,820
04 - Community Service Fund	Comm Ed Youth Programing	\$8,823,159
04 - Community Service Fund	Early Learning	\$1,559,851
04 - Community Service Fund	Maintenance & Operations	\$19,850
04 - Community Service Fund	Office of Community Education	\$1,090,396
06 - Building Construction Fund	Capital Projects Fund 06	\$41,794,341
07 - Debt Service Fund	Debt Services	\$32,927,456
08 - FSA Plan & HRA Trust Fund	Employee Benefits	\$3,271,000
20 - Workers Compensation Fund	Employee Benefits	\$1,120,963
25 - Dental Trust Fund	Employee Benefits	\$2,615,000
29 - Health Trust Fund	Employee Benefits	\$46,789,964
45 - Postemployment Benefits Trust	Contingency and Other	\$669,200
Total		\$160,432,271

Employee Services

The table below presents fiscal year 2026–2027 staffing by employee contract group, totaling 2,622.1 FTE. This number exceeds the original fiscal year 2025–2026 budget due to enrollment growth that required additional staffing beyond original projections and new grant-funded positions supporting Ethnic Studies and Restorative Practices. Coordinated Early Intervening Services (CEIS) is also funding behavior support positions. The fiscal year 2026–2027 budget represents a reduction of 27.7 FTE from current actual staffing levels, implementing the strategic workforce adjustments described earlier through attrition and selective position elimination.

FTE by Contract Group – All Funds

Employment Group	2026-2027 Original	2025-2026 Original	1 Year Change	2025-2026 Revised Budget as of 2/28/26	2026-2027 Original Budget Change from 2025-2026 Revised Budget
Administrators	17.0	17.0	0.0	17.0	0.0
Cabinet	5.0	6.0	(1.0)	6.0	(1.0)
Clerical	90.8	94.5	(3.7)	93.5	(2.7)
Community Education	15.9	12.8	3.1	12.8	3.1
Education Support Professionals	494.0	498.1	(4.1)	518.5	(24.5)
Maintenance	137.0	137.0	0.0	137.0	0.0
Mental & Physical Health Professionals	65.2	63.6	1.6	65.0	0.2
Operations Professionals	171.7	173.2	(1.5)	174.5	(2.8)
Principals	60.0	60.0	0.0	60.0	0.0
School Board	7.0	7.0	0.0	7.0	0.0
SNS	92.8	83.3	9.5	89.6	3.2
Superintendent	1.0	1.0	0.0	1.0	0.0
Teachers	1,464.7	1,447.9	16.8	1,467.9	(3.2)
Total	2,622.1	2,601.4	20.7	2,649.8	(27.7)

Employment contracts for Teachers, Principals, and Administrators have been settled through June 2027. The employee services budget includes a cost of living adjustment and step movement for the other union contracts and work agreements, for which negotiations will begin soon.

The next table presents the district's total FTE organized by budget type within the BBM framework, distinguishing between positions managed through cost centers and those budgeted directly at learning sites. This breakdown provides transparency about where staffing decisions are made and funded.

Cost Centers include two position types. Central Office positions comprise cabinet members, department directors, and central office staff who provide district-wide services including finance, human resources, technology, facilities, and instructional support. Learning Site Allocated positions are staff members who work at school buildings but remain centrally funded, including special education teachers and paraprofessionals, nurses and health services staff, social workers, multilingual education teachers, and other specialized personnel funded through categorical revenue or district-wide allocations.

Learning Sites represent staff budgeted directly at schools through the BBM. Schools receive district-assigned FTE positions based on enrollment-driven formulas along with budget dollars that principals control for site-determined staffing decisions. This category includes general education teachers, administrators, clerical staff, student supports, and other positions funded through this combined allocation approach.

This structure ensures specialized positions requiring district-wide coordination and categorical funding remain centrally budgeted while providing school principals with flexibility for positions funded through the site-based component.

FTE by Budget Type and Position Type

Budget Type	Position Type	FTE
Cost Center	Work at Central Office Locations	413.05
	Work at Learning Sites	1,035.15
Cost Center Total		1,448.20
Learning Site Total		1,173.91
Total		2,622.11

The following tables detail employee service costs across the district's three major operating funds: general fund, food service, and community service. The first table compares fiscal year 2026–2027 to fiscal year 2025–2026, showing a total increase of \$15.5 million driven primarily by growth in benefits, payroll taxes, and pension costs. The second table breaks down fiscal year 2026–2027 employee costs by fund, with the general fund representing 93% of total employee services.

Employee Services
Major Funds – General, Food Service, Community Service

	2026–2027 Original	2025–2026 Original	\$ Change	% Change
Salaries	\$188,980,987	\$183,538,889	\$5,442,098	3.0%
Taxes, Benefits, Pensions	\$88,358,800	\$77,754,343	\$10,604,457	13.6%
Total	\$277,339,787	\$261,293,232	\$16,046,555	6.1%

	General	Food Service	Community Service	Grand Total
Salaries	\$174,361,027	\$3,922,261	\$10,697,699	\$188,980,987
Taxes, Benefits, Pensions	\$83,382,556	\$1,506,564	\$3,469,680	\$88,358,800
Total	\$257,743,583	\$5,428,825	\$14,167,379	\$277,339,787
	92.9%	2.0%	5.1%	

Summary of All Funds

Revenue

Presented below is the total budgeted revenue for all district funds, comparing fiscal year 2026–2027 to fiscal year 2025–2026. The district's total budget across all funds is \$475.8 million, an increase of \$65.4 million or 15.9% from the prior year. The general fund grows 3% to \$315.9 million. The most significant increase occurs in the building construction fund, which rises to \$42.3 million. This increase is related to planned issuance of bonds for continued LongTerm Facilities Maintenance (LTFM) projects. With the transition to annual bond issuances to fund this ongoing work, the proceeds from those bonds are now more likely than not to materialize and should be entered as revenue in the original budget in lieu of a budget revision entry later in the year. The health trust fund increases 23% to \$46.5 million, reflecting greater contributions from other funds for insurance premiums. Debt service increases \$5.6 million to \$33.6 million as the district services existing bond obligations.

District Total Revenue by Fund

Fund	2026–2027 Original	2025–2026 Original	\$ Change	% Change
01 - General	\$315,891,819	\$306,705,484	\$9,186,335	3.0%
02 - Food Service	\$12,982,962	\$12,387,056	\$595,906	4.8%
04 - Community Service	\$15,887,101	\$15,802,672	\$84,429	0.5%
06 - Building Construction	\$42,260,000	\$900,000	\$41,360,000	4595.6%
07 - Debt Service	\$33,614,901	\$28,025,288	\$5,589,613	19.9%
08 - FSA Plan & HRA Trust	\$3,949,000	\$4,199,000	(\$250,000)	(6.0%)
20 - Workers Compensation	\$1,344,000	\$1,333,000	\$11,000	0.8%
25 - Dental Trust	\$2,691,000	\$2,641,000	\$50,000	1.9%
29 - Health Trust	\$46,513,000	\$37,808,000	\$8,705,000	23.0%
45 - OPEB Trust	\$634,000	\$574,000	\$60,000	10.5%
Total	\$475,767,783	\$410,375,500	\$65,392,283	15.9%

Expenditures

The following table presents total budgeted expenditures for all district funds, comparing fiscal year 2026–2027 to fiscal year 2025–2026. Total expenditures across all funds are \$483.1 million, an increase of \$37.8 million or 8.5% from the prior year. General fund expenditures are anticipated to grow 4% to \$322.7 million, reflecting the cost increases detailed earlier in this memo. The building construction fund increases 25.7% to \$41.8 million to support major facility renovation projects. The health trust fund rises 24.1% to \$46.8 million, driven by healthcare cost escalation and premium increases. Debt service expenditures increase 21.7% to \$32.9 million as the district services bond obligations.

District Total Expenditures by Fund

Fund	2026-2027 Original	2025-2026 Original	\$ Change	% Change
01 - General	\$322,691,294	\$309,309,735	13,381,559	4.3%
02 - Food Service	\$14,612,015	\$13,707,471	904,544	6.6%
04 - Community Service	\$16,632,332	\$16,463,447	168,885	1.0%
06 - Building Construction	\$41,794,341	\$33,261,315	8,533,026	25.7%
07 - Debt Service	\$32,927,456	\$27,059,688	5,867,768	21.7%
08 - FSA Plan & HRA Trust	\$3,271,000	\$3,221,000	50,000	1.6%
20 - Workers Compensation	\$1,120,963	\$1,071,960	49,003	4.6%
25 - Dental Trust	\$2,615,000	\$2,821,000	(206,000)	(7.3%)
29 - Health Trust	\$46,789,964	\$37,695,783	9,094,181	24.1%
45 - OPEB Trust	\$669,200	\$670,800	(1,600)	(0.2%)
Total	\$483,123,565	\$445,282,199	37,841,366	8.5%

District Summary by Fund

Fund	Revenue	Expenditures	Excess Revenue/ (Use of Fund Balance)	Estimated Beginning Fund Balance	Projected Ending Fund Balance
01 - General	\$315,891,819	\$322,691,294	(6,799,475)	\$79,270,332	\$72,470,857
02 - Food Service	\$12,982,962	\$14,612,015	(1,629,053)	\$7,728,956	\$6,099,903
04 - Community Service	\$15,887,101	\$16,632,332	(745,231)	\$2,655,908	\$1,910,677
06 - Building Construction	\$42,260,000	\$41,794,341	\$465,659	\$34,077,479	\$34,543,138
07 - Debt Service	\$33,614,901	\$32,927,456	\$687,445	\$6,556,673	\$7,244,118
08 - FSA Plan & HRA Trust	\$3,949,000	\$3,271,000	\$678,000	\$12,900,542	\$13,578,542
20 - Workers Compensation	\$1,344,000	\$1,120,963	\$223,037	\$1,364,416	\$1,587,453
25 - Dental Trust	\$2,691,000	\$2,615,000	\$76,000	\$1,192,042	\$1,268,042
29 - Health Trust	\$46,513,000	\$46,789,964	(276,964)	(3,763,829)	(4,040,793)
45 - OPEB Trust	\$634,000	\$669,200	(35,200)	\$22,281,423	\$22,246,223
Total	\$475,767,783	\$483,123,565	(7,355,782)	\$164,263,942	\$156,908,160

Frequently Asked Questions

1. Given that the operating referendum passed in 2024, why does RPS still need to make budget cuts?

The referendum is absolutely helping—without these dollars, the reductions would be significantly larger. Here's why we still face budget challenges despite this critical support.

What the referendum does: *The 2024 operating referendum provides approximately \$19 million annually to support educational programs, staffing, and student services. These dollars are protecting class sizes, maintaining competitive teacher salaries, preserving programming like arts, athletics, and ensuring students continue receiving comprehensive support services, such as school counselors. The referendum is doing exactly what voters intended—stabilizing the district's budget and protecting educational quality.*

Why we still need reductions: *School funding in Minnesota is driven primarily by student enrollment. When enrollment declines, so does our revenue from the state—even with the referendum in place. RPS is facing two simultaneous pressures:*

First, declining enrollment reduces our revenue. The state provides approximately \$7,683 per elementary student and \$9,220 per secondary student (1.2 times elementary) annually through the basic funding formula. As enrollment decreases, we lose this per-pupil funding. With projected enrollment declining by 340 students in 2026–2027, this represents approximately \$3 million in lost state funding.

Second, costs continue rising faster than revenue. Employee health insurance premiums are increasing 17.5% annually, negotiated salary increases reflect cost-of-living adjustments, transportation contracts include inflationary escalators and fuel surcharges, and utility costs continue climbing. These expense increases outpace the revenue growth we receive from the referendum and state funding combined.

The impact: *Without the referendum, the district would be making cuts of approximately \$27.7 million instead of \$8.3 million. The referendum dollars are preventing devastating reductions that would significantly impact class sizes, programming, and student services. Instead of eliminating positions across the district, we are able to manage reductions strategically through attrition, selective adjustments, and careful use of fund balance reserves.*

Looking ahead: *The district is committed to transparent communication about our financial challenges and the decisions we make to address them. We are deeply grateful to voters for supporting our schools through the 2024 referendum. These dollars make a significant difference every day in our classrooms, and we continue working to maximize every resource available to support student success.*

2. What are the district's current debt obligations?

Debt Issue	Issue Date	Final Maturity	Remaining Principal	FY27 Amount Due
General Obligation Bonds				
2013A - G.O. Alt. Facilities Bonds	3/28/2013	2/1/2028	\$4,205,000	\$2,220,625
2015A - G.O. Alt. Facilities Bonds	5/13/2015	2/1/2036	\$2,320,000	\$276,513
2015B - G.O. Refunding Bonds	5/13/2015	2/1/2028	\$2,305,000	\$1,204,150
2016A - G.O. Alt. Facilities Bonds	3/17/2016	2/1/2036	\$6,725,000	\$786,750
2016C - G.O. Fac Maint Bonds	8/11/2016	2/1/2037	\$8,845,000	\$955,900
2017B - G.O. Fac Maint Bonds	8/30/2017	2/1/2033	\$2,295,000	\$373,381
2018A - G.O. Fac Maint Bonds	12/19/2018	2/1/2035	\$18,415,000	\$2,108,856
2020A - G.O. Building Bonds	1/30/2020	2/1/2040	\$131,330,000	\$10,670,406
2020B - G.O. Fac Maint & Ref Bonds	11/5/2020	2/1/2040	\$37,455,000	\$2,672,144
2022A - G.O. Fac Maint Bonds	5/12/2022	2/1/2039	\$49,120,000	\$4,030,688
2025A - G.O. Fac Maint Bonds	6/12/2025	2/1/2042	\$32,505,000	\$2,510,375
2026A - G.O. Fac Maint Bonds *	6/25/2026	2/1/2042	\$33,800,000	\$891,692
General Obligation Bonds Total			\$329,320,000	\$28,701,480
Certificates of Participation				
2012B Certificates of Participation	12/1/2012	2/1/2029	\$3,195,000	\$1,328,519
2014A Certificates of Participation	3/19/2014	2/1/2034	\$3,095,000	\$453,708
2017A Certificates of Participation	8/30/2017	2/1/2033	\$4,200,000	\$676,000
2025B Certificates of Participation	6/12/2025	4/1/2028	\$4,475,000	\$2,423,750
Certificates of Participation Total			\$14,965,000	\$4,881,977
Total			\$344,285,000	\$33,583,457

* These General Obligation (G.O.) bonds are to be issued June 25, 2026. Preliminary information is from Ehlers

3. How will school budgets for FY27 compare to school budgets for FY26? Which schools are up, which are down, and why?

Elementary schools gain 17.4 FTE driven by enrollment growth and reallocation of compensatory funding. Middle schools decrease 9.6 FTE due to the ratio adjustment (22.86 → 24.75 students per FTE) described earlier, though they partially offset this through increased site-selected positions. High schools remain relatively stable with a net gain of 2.2 FTE.

A significant change in year two of BBM affects site budgets. The district now allocates 80% of compensatory revenue directly to schools for site-based decisions, with 20% retained centrally for district services and support to eight non-Title I elementary schools. This freed approximately \$1.8 million in general fund dollars, increasing site-controlled resources reflected in the site-selected FTE increases across schools.

FTE Summary by Site

Site	Allocated FTE			Site Determined FTE			Total Change
	26-27	25-26	Change	26-27	25-26	Change	
Elementary Schools							
Bamber Valley	28.0	26.0	2.0	10.7	8.7	2.0	4.0
Bishop	26.0	25.0	1.0	12.7	12.1	0.6	1.6
Churchill	11.5	11.5	0.0	5.4	6.2	-0.8	-0.8
Elton Hills	15.5	14.5	1.0	10.2	11.8	-1.6	-0.6
Folwell	17.5	17.5	0.0	5.8	5.1	0.7	0.7
Franklin	26.0	29.0	-3.0	18.6	16.3	2.3	-0.7
Gage	18.0	18.0	0.0	15.8	20.8	-5.0	-5.0
Gibbs	29.0	27.0	2.0	11.5	10.5	1.0	3.0
Hoover	9.5	9.5	0.0	5.5	6.0	-0.5	-0.5
Jefferson	22.0	21.0	1.0	9.2	8.3	0.9	1.9
Lincoln K-8	23.4	22.4	1.0	7.6	6.7	0.9	1.9
Longfellow	14.5	14.5	0.0	7.1	5.5	1.6	1.6
MNSync	4.7	4.0	0.7	1.6	1.8	-0.2	0.5
Overland	25.0	25.0	0.0	15.2	14.5	0.7	0.7
Pinewood	16.5	17.5	-1.0	8.5	8.9	-0.4	-1.4
Riverside	29.4	26.8	2.6	21.7	20.1	1.6	4.2
Sunset Terrace	22.0	20.0	2.0	18.1	14.4	3.7	5.7
Washington	16.5	16.5	0.0	5.8	5.2	0.6	0.6
Elementary Total	355.0	345.7	9.3	191.0	182.9	8.1	17.4

Site	Allocated FTE			Site Determined FTE			Total Change
	26-27	25-26	Change	26-27	25-26	Change	
Middle Schools							
Dakota	41.6	45.2	-3.6	13.9	15.1	-1.2	-4.8
John Adams	42.0	45.2	-3.2	15.2	13.4	1.8	-1.4
Kellogg	36.2	38.2	-2.0	15.2	14.9	0.3	-1.7
Willow Creek	40.0	43.7	-3.7	14.3	12.3	2.0	-1.7
Middle Total	159.8	172.3	-12.5	58.6	55.7	2.9	-9.6
High Schools							
Century	59.1	59.1	0.0	21.3	22.9	-1.6	-1.6
John Marshall	62.8	63.2	-0.4	27.5	27.6	-0.1	-0.5
Mayo	69.4	69.8	-0.4	23.4	20.1	3.3	2.9
MNSync	20.2	18.4	1.8	4.6	5.0	-0.4	1.4
High Total	211.5	210.5	1.0	76.8	75.6	1.2	2.2
Total	726.3	728.5	-2.2	326.4	314.2	12.2	10.0

Allocated Budget Dollars for Site-Determined Use

Site	2026-2027 Allocation	2025-2026 Allocation	Change
Elementary Schools			
Bamber Valley	\$850,613	\$681,215	\$169,398
Bishop	\$1,148,453	\$975,738	\$172,715
Churchill	\$415,599	\$460,324	(\$44,725)
Elton Hills	\$749,161	\$910,393	(\$161,232)
Folwell	\$460,095	\$339,999	\$120,096
Franklin	\$1,634,711	\$1,374,203	\$260,508
Gage	\$1,594,430	\$1,752,696	(\$158,266)
Gibbs	\$1,110,463	\$875,277	\$235,186
Hoover	\$433,796	\$450,308	(\$16,512)
Jefferson	\$810,541	\$732,872	\$77,669
Lincoln K-8	\$614,264	\$473,635	\$140,629
Longfellow	\$581,430	\$455,163	\$126,267

Site	2026–2027 Allocation	2025–2026 Allocation	Change
MNSync	\$211,397	\$218,739	(\$7,342)
Overland	\$1,265,224	\$1,116,889	\$148,335
Pinewood	\$783,521	\$750,355	\$33,166
Riverside	\$1,713,586	\$1,498,362	\$215,224
Sunset Terrace	\$1,559,641	\$1,232,106	\$327,535
Washington	\$442,009	\$333,352	\$108,657
Elementary Total	\$16,378,934	\$14,631,626	\$1,747,308
Middle Schools			
Dakota	\$1,598,984	\$1,523,840	\$75,144
John Adams	\$1,626,949	\$1,398,135	\$228,814
Kellogg	\$1,568,512	\$1,398,311	\$170,201
Willow Creek	\$1,668,982	\$1,267,154	\$401,828
Middle Total	\$6,463,427	\$5,587,440	\$875,987
High Schools			
Century	\$1,935,293	\$1,774,541	\$160,752
John Marshall	\$2,827,190	\$2,570,528	\$256,662
Mayo	\$2,215,451	\$1,849,939	\$365,512
MNSync	\$642,277	\$702,178	(\$59,901)
High Total	\$7,620,211	\$6,897,186	\$723,025
Total	\$30,462,572	\$27,116,252	\$3,346,320

4. Will class sizes change between FY2025–2026 and FY2026–2027 as a result of this budget proposal?

The School Board approved class size targets for budget purposes remain unchanged from the current school year.

Kindergarten	21	3rd Grade	30
1st Grade	25	4th Grade	32
2nd Grade	30	5th Grade	32

5. What is English Learner (EL) and Special Education cross subsidy? How much does RPS receive?

In Minnesota, the term cross-subsidy refers to the gap between program costs and dedicated revenue. The Special Education cross-subsidy represents the amount a district must spend to provide services to students with Individualized Education Programs (IEPs) minus dedicated Federal, State, and Third-Party Billing revenue. In fiscal year 2026–2027, the cross-subsidy reduction aid increases from 44% to 50%, resulting in an anticipated funding gap of \$10.9 million.

The English Learner cross-subsidy represents English Learner program (Multilingual Learner in RPS) expenditures minus State-provided English Learner revenue. Fiscal year 2026–2027 is the first year of the English Learner cross-subsidy reduction aid established by the Legislature in 2023. This aid will reduce the cross-subsidy by 25%, resulting in a budget gap estimated at \$4 million.

6. What level of cuts does the district predict it will need to make in FY2027–2028 and beyond to balance the budget?

The June 2025 forecast established a reduction target of approximately \$13.0 million for fiscal year 2027–2028, based on projected enrollment of 16,505 students on October 1, 2026. However, as demonstrated this year, enrollment projections can vary from actual results. The fiscal year 2026–2027 budget initially assumed enrollment of 16,944 students, but actual October 1, 2025 enrollment reached 17,441—a positive variance of 497 students that reduced required reductions by \$4.1 million from new revenue.

The fiscal year 2027–2028 reduction target will be similarly influenced by actual enrollment reported on October 1, 2026. If enrollment trends continue to exceed projections, the required reductions may be lower than the preliminary \$13.0 million target. Conversely, if enrollment declines more than anticipated, additional reductions may be necessary. The district will present an updated fiscal year 2027–2028 budget proposal to the School Board in fall 2026, incorporating actual enrollment data and current financial conditions.