

Budget 26-27 Reduction Options Rough Draft (2/23/26)

Important note: None of these budget adjustments have anything to do with the construction of the new high school and two elementary schools. All construction funds come from a completely separate budget account fund.

How did we get here? Big Drivers:

1. Employee settlements exceeded the amount of revenue the district received from the State.
 - a. In 23-24 and 24-25, the district received an extra \$853,567 in funding from the State. The extra cost of employee contracts was \$2,725,300. This is a difference of \$1,871,733. These additional costs continue in 26-27.
 - b. Deficit from 25-26 that carried over to 26-27: \$640,756
 - c. Increasing number of high school students going online or PSEO. Estimated loss of revenue each year: \$700,000.
 - d. Additional special education costs. Next year the State of Minnesota will decrease our special education transportation subsidy by approximately \$145,000;
 - e. iPad lease payment is due \$348,100. [Note: This must be paid.]
 - f. Declining student enrollment on the Iron Range.
 - g. Revenue received by the State of Minnesota has not equaled inflationary cost increases since 2000 by \$3,000,000 annually adjusted for inflation.

Budget Reduction Possibilities/Options

Staffing Related

1. Community Education		\$20,000
a. Comm Ed shift	\$20,000	
2. Activities		
a. Reduce extra athletic coaches	\$62,000	\$62,000
3. Tech Department		\$131,100
a. Buildings pay for IXL	\$24,000	
b. 1404 savings by doing work internal	\$50,000	
c. Changes in Microsoft software	\$2,700	
d. Phone hook-up savings	\$4,400	
e. [Reduce iPads purchased 27-28	\$100,000]	
f. Grant pays for Leader in Me	\$50,000	
4. Transportation		\$36,030
a. Bus maintenance labor 10% discount	\$6,700	
b. Switch to Number 2 Diesel	\$9,655	
c. Reduce all away 7-12 events 20%	\$19,675	

5. Buildings and Grounds		\$15,000
6. Transportation 4 day school week		\$219,712
a. Would require union agreement		
7. Buildings and Grounds		\$20,000
a. No overtime if 4 day week	\$20,000	
8. Activities 4 day week		\$17,600
a. Reduce Junior High Coaching pay	\$17,600	
i. Would require union agreement		
9. Grants pay for school-business coordinator		\$50,000
10. Reduce 1 administration		\$100,000 - 167,273
11. Reduce paras from 100 to 70		\$300,000
12. Do not replace retiring/leaving teachers (4)		\$452,800
13. Hold staffing increases at 0% and 0%,		\$400,000 - \$500,000
a. Dist pays entire health increase cost, employee pays nothing extra (approximately \$400,000 total).		
i. Single increase for district will be: \$166,000 or \$1,810 per person		
ii. Family increase for district will be: \$ 234,000 or \$3,690 per person		
	Sub-Total	\$1,824,242 - \$1,991,515

14. Redeploy/shift 7 Teachers \$792,400
- a. Redeploy/shift to special education so all teachers who want a job have a job. This will require one year provisional licenses and agreement from the teachers. We will also need to post for qualified licensed teachers, but these are extremely difficult positions to fill with qualified teachers.

Total potential budget adjustments **\$2,616,642 - \$2,783,915**