



## Superintendent Update February 23, 2026

### Enrollment Projections

Grade Level	Resident	Open Enroll	Placements	02-18-2026	School
12	137	35	(15)	166	High School 607
11	102	24		121	
10	142	29		168	
9	122	31		152	
8	130	30	(2)	160	Middle School 462
7	126	27		151	
6	120	31		151	
5	127	31	0	158	Bear Cave Intermediate 437
4	98	34		132	
3	118	29		147	
2	108	26	0	134	Bonner Elementary 401
1	94	40		134	
Kindergarten	100	33		133	
<b>Total</b>	<b>1524</b>	<b>400</b>	<b>(17)</b>	<b>1907</b>	

### Legislative Update - School Finance

#### Compensatory Revenue

- Current FY26 \$550,000      Projected FY27 \$450,000
- Background Information
  - Compensatory revenue in Minnesota is additional state funding within general education intended to support districts with higher concentrations of students in poverty. Traditionally, it has been driven by the count of students eligible for free or reduced-price meals – historically from both paper applications and direct certification from state data (i.e., Medicaid, SNAP, TANF).
  - As part of the education finance law passed in the 2023 Minnesota Legislative Session, significant changes were made to how compensatory revenue would be calculated beginning FY26 and later.

- Shift to Direct Certification Only
  - The formula for FY26 and beyond was amended to count only students eligible through direct certification.
  - Paper applications for free/reduced meals will no longer be counted, narrowing the basis of the compensatory pupil units.
  - This is intended to align the formula with Universal Free School Meals (eliminating the incentives for families to fill out paper forms), but reduces counted CPUs for many districts.
- New Compensatory Revenue Formula Structure
  - Compensatory revenue equals the building's compensatory pupil count × the building compensatory allowance.
  - This ties compensatory revenue more directly to the statewide compensatory allowance factor and CPUs calculated from direct certification counts.
  - The law also sets a statewide minimum guarantee: if the total calculated statewide revenue falls below a fixed floor (\$838,947,000 for FY26, with a similar floor for FY27 and later), the commissioner proportionately increases revenue to meet that level.

### Blue Ribbon Task Force: Special Education Funding for FY28

- Reduction of \$250 million in special education expenditures for FY28
- Two areas funded under special education that are not directly related to special education costs
  - ADSIS \$168 million
    - Interventions and strategies to support students before referral to special education
      - Academic - Reading, Math
      - Behavioral Support
      - Small group and/or individual support
      - Early intervention
  - Transportation \$85 million
    - Reimbursement for 504, homeless, care and treatment (account code 728)
- Stewartville Costing
  - ADSIS \$265,000
  - Transportation 728 \$60,000

### Basic Aid Formula Inflationary Increase

- Projected FY27 2.75% \$400,000
- Actual FY27 2.69% \$390,000

### Hourly Summer Unemployment

- Anticipated Costs FY27 \$80,000