

**SIOUX FALLS SCHOOL BOARD**

**April 1, 2026 3:00 PM**

**Instructional Planning Center  
201 East 38<sup>th</sup> Street, Sioux Falls**



**Nan Kelly  
President**

**Dr. James Nold  
Superintendent**

This agenda may also be viewed on the District's website: [www.sf.k12.sd.us](http://www.sf.k12.sd.us)

**AGENDA**

1. Call to Order
2. Public Input on Work Session Agenda Items
3. Work Session - FY27 Budget
4. Board Member Committe Updates
5. Adjournment

# Budget Review FY27



**Board Work Session #2**  
**April 1, 2026**

20	Unreserved FB 6/30 of Budget Year	27,218,427	25,346,948	23,987,424	22,104,418	21,527,732	20,719,254
21	<b>FB as a Percent of Prior Year Expds.</b>	<b>11.6%</b>	<b>10.9%</b>	<b>10.2%</b>	<b>9.3%</b>	<b>9.0%</b>	<b>8.5%</b>
22	Budgeted use of Fund Bal Each Year	(3,125,402)	(1,871,479)	(1,359,524)	(1,883,006)	(576,686)	(808,478)
23	Fund Balance without Efficiency Factor	11.6%	9.7%	7.1%	4.7%	2.8%	1.0%
	Fund Balance	27,218,427	25,346,948	23,987,424	22,104,418	21,527,732	20,719,254
<b>Key Variables</b>		<b>Projected</b>	<b>Projected</b>	<b>Projected</b>	<b>Projected</b>	<b>Projected</b>	<b>Projected</b>
Revenue		<b>FY26</b>	<b>FY27</b>	<b>FY28</b>	<b>FY29</b>	<b>FY30</b>	<b>FY31</b>
24	COVID-19 Funding (now in federal)						
25	State Apportionment	2,755,040	2,837,691	2,922,822	3,010,507	3,100,822	3,193,846
26	Opt Out	12,000,000	12,500,000	13,000,000	13,500,000	14,000,000	14,500,000
27	Transfer from CO	8,037,500	8,037,500	8,037,500	8,037,500	8,037,500	8,037,500
28	State Aid Increase	1.25%	1.40%	2.00%	2.00%	2.00%	2.00%
Expenditures							
29	Efficiency Factor (Addl)		1.00%	0.75%	0.75%	0.75%	0.75%
30	New COVID-19 Expds						
31	Teacher Delta						
32	Health Insurance Increase	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%
32	GF Red/Class Size Inc (can be neg)						
33	% Salary Increase (Linked to State Aid)	1.88%	1.95%	2.00%	2.00%	2.00%	2.00%

# Challenges for FY27

## State Aid

- FY26 was 1.25%.
- FY27 is 1.4%

## Rate of Inflation

- For FY26, it was over 3%.
- For FY27, it was 2.54%.

## Staff Salary Increases

- Increases above the State Aid Allocation

## FY 27 (2026-2027) Budget Reduction Proposals

Department	Budget Code	Description	FTE	Budget Reduction	Department Savings
Human Resources	55	Reduced a Clerical position by half and is sharing duties with Finance	0.50	\$31,000	
Administrative Services/Legal	56	Reduce remaining TeamMates Supervisor position		\$27,407	
<b>HR/Admin Services</b>				<b>Total Savings</b>	<b>\$58,407</b>
Curriculum Services	57	Reduce Spanish Immersion annual evaluation and removes New Tech Network Contract		\$19,000	
<b>Curriculum Services</b>				<b>Total Savings</b>	<b>\$19,000</b>
Operational Services	64	Reduce Custodial Mentor Trainer	1.00	\$66,000	
Operational Services	64	Reduce 1 FTE Custodian .5 CTE and .5 GMMS	1.00	\$66,000	
Operational Services	64	Reduce 1 FTE Custodian Learning Lab - RISE Work Program	1.00	\$66,000	
Operational Services	64	Modify Electrical Peak Demand - LED Con. Allows for Lowered Peak and Energy Rebate	NA	\$50,000	
Operational Services	64	Reduced Supplies Budget for Light Bulbs	NA	\$35,000	
Operational Services	64	Additional Savings from Op. Services Total	NA	\$34,260	
<b>Op. Services</b>				<b>Total Savings</b>	<b>\$317,260</b>
Finance	67	Reduced a Clerical position by half and is sharing duties with Human Resources	0.50	\$31,000	
<b>Finance</b>				<b>Total Savings</b>	<b>\$31,000</b>

Information & Technology Svcs	71	Reduction of Technical Support Specialist Position	1.00	\$94,066	
Information & Technology Svcs	71	Reduce Software Support	NA	\$4,527	
<b>Information &amp; Technology Svcs</b>				<b>Total Savings</b>	<b>\$98,593</b>
High School ~ Instruction	110	Restructure Department Chair positions by removing extra planning period (MOU)	4.32	\$305,888	
High School ~ CTE	114	CTE Administrative Restructuring	NA	\$100,000	
High School Advanced Placement	115	Reduce incentive from \$60 per test passed to \$55 per test passed	NA	\$14,310	
<b>High School Programs</b>				<b>Total Savings</b>	<b>\$420,198</b>
Elementary Gifted	116	Reduced Purchased Services (Testing)	NA	\$5,000	
Elementary Gifted	116	Reduced Supplies and Materials (SAM LAB)	NA	\$4,000	
<b>Elementary Programs</b>				<b>Total Savings</b>	<b>\$9,000</b>
Middle School Programs	120	Reduce FTE that is given above the funding formula	2.33	\$199,448	
<b>Middle School Programs</b>				<b>Total Savings</b>	<b>\$199,448</b>
Athletics	131	Change from buses to vans for state golf, reduce HS busing for all sports 15 mile radius, return Metro cheer to Jefferson HS, SB Helmet Reconditioning was not needed (reduced), eliminate roll ticket supplies for events	NA	\$42,696	
<b>Athletics</b>				<b>Total Savings</b>	<b>\$42,696</b>
Professional Development	140	Reduce Teacher hourly and benefits, Reduce instructional Training Expenses	NA	\$45,403	
<b>Professional Dev Funds</b>				<b>Total Savings</b>	<b>\$45,403</b>
Title	401/435	Instructional Coach Reduction	0.50	\$45,000	
<b>Title Funds</b>				<b>Total Savings</b>	<b>\$45,000</b>

English Learners Program	415	Reduction 0.5 Clerical at the Community Engagement Center	0.50	\$15,086	
English Learners Program	415	Reduction in ESP support at the 4 middle schools due to fewer newcomers	1.50	\$57,353	
English Learners Program	415	Reduction of 2 EIC teachers	2.00	\$170,396	
<b>EL Programming</b>				<b>Total Savings</b>	<b>\$242,835</b>
Busing	543	Reduce Supplies	NA	\$11,000	
Busing	543	End of additional stipend agreement with SBI	NA	\$53,000	
Busing	543	Reduce EIC Busing to All City Elementary	NA	\$188,035	
<b>Busing</b>				<b>Total Savings</b>	<b>\$252,035</b>
Social Work Services	545	Reduce 0.67 Social Worker FTE from General Budget and Transfer to Title for 1 Year	0.67	\$61,950	
Counseling Services	546	Reduce 0.5 Counseling Position from General Budget and Transfer to Title for 1 Year	0.50	\$45,500	
<b>Counseling &amp; Social Workers</b>				<b>Total Savings</b>	<b>\$107,450</b>
Student Assessments	550	Reduce OT, Reduce Software Support, Reduce Supplies, Reduce Professional Services	NA	\$16,000	
<b>Student Assessments</b>				<b>Total Savings</b>	<b>\$16,000</b>

				<b>Total Reductions \$1,904,325</b>	
<b>Efficiencies</b>					
Operational Services	64	Reduced Electrical Consumption - LED Conversion		\$210,500	
Information & Technology Svcs	71	Software, Support, and Licensing efficiencies by moving to new network equipment		\$251,032	
				<b>Efficiencies</b>	<b>\$461,532</b>
				<b>Total Efficiencies</b>	<b>\$461,532</b>
				<b>Total Savings</b>	<b>\$2,365,857</b>

# Requests by the Board

**Can We Pay Staff More?**

- FY27 State Aid: 1.4%
- Negotiated Agreement: 1.95%

**Can We Reduce Elementary Class Size?**

- Current Allocation is 24.3 to 1

# Elementary Class Size Reduction

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## Four Areas:

1. Change the Current Open Enrollment Policy
  2. Add Elementary Class Size Reduction Teachers (Title)
  3. Add Elementary Teachers to be Allocated (General Fund)
  4. Set a Standard of Consideration for Elementary Schools
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# Open Enrollment Policy JCA-R (Elementary Only)

<b>Grade Level</b>	<b>Current Class Size</b>	<b>Proposed Class Size</b>	<b>Notes</b>
Kindergarten (CSR)	20.5	19.5	
Kindergarten	25	24	
1st Grade	26	25	
2nd Grade	27*	26	<b>*At 27 students, an Over-Enrollment Education Support Professional is needed in the classroom.</b>
3rd–5th Grades	28	27	

# Add Class Size Reduction (CSR) Teachers



## Title Schools:

- 11 CSR teachers in 2025-26
- Add 3 additional teachers through Title dollars for 2026-27
- Consideration by grade starting at Kindergarten - 2nd Grade
- \$258,000 from Title 1

# **Add Four (4) Additional Elementary Teachers**

**All Non-Title Schools:**

- **Add 4 elementary teachers over the allocation**
  - **Some Over-Enrollment Education Support**
    - **Professionals savings**
      - **\$344,000 general budget**

# General Education Budget: Add Four Elementary Teachers

<b>New Cost</b>				
Reduce Elementary Class Size		Add Four Elementary FTE	\$344,000	
Elementary			<b>New Cost</b>	<b>\$344,000</b>
			<b>New Total Savings</b>	<b>\$2,021,857</b>

# Class Size Guidance for Elementary Staffing

Maintain final decision-making authority with the principal in the best interest of the school. **If possible, building administrators should consider the following steps to manage class size:**

1. Attempt to have no classroom at or over 30 students
2. Kindergarten and 1<sup>st</sup> grade should be the smallest with class sizes, except in the case of a specialized school where early enrollment must occur.
3. Engage leadership teams that include teachers at the building level to:
  - Consider grade level strengths and class composition
  - Consider building needs and constraints
  - Minimize the use of blended classes when possible

# Elementary Class Size Reduction

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## Four Areas:

1. Change the Current Open Enrollment Policy by 1 Student
  2. Add 3 More Class Size Reduction Teachers (Title)
  3. Add 4 Elementary Teachers to be Allocated (General Fund)
  4. Set a Standard of Consideration for Elementary Schools
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# Staff Salary Increase

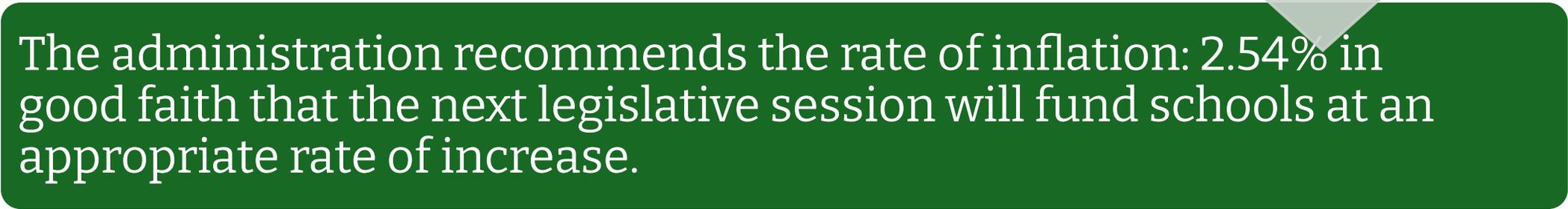
## Superintendent Recommendation



**1.95% required through the negotiations process.**



The administration recommends the rate of inflation: 2.54% in good faith that the next legislative session will fund schools at an appropriate rate of increase.



# Updated 5-Year Plan

41	Fund Balance without Efficiency Factor	11.6%	9.3%	6.4%	3.6%	1.5%	-0.7%
42	<b>Budgeted use of Fund Bal Each Year</b>	<b>(3,125,402)</b>	<b>(2,757,501)</b>	<b>(2,252,529)</b>	<b>(2,780,281)</b>	<b>(1,480,528)</b>	<b>(1,721,931)</b>
43	<b>FB as a Percent of Prior Year Expds.</b>	<b>11.6%</b>	<b>10.4%</b>	<b>9.4%</b>	<b>8.1%</b>	<b>7.5%</b>	<b>6.6%</b>
44	<b>Fund Balance</b>	<b>27,218,427</b>	<b>24,460,926</b>	<b>22,208,397</b>	<b>19,428,116</b>	<b>17,947,588</b>	<b>16,225,658</b>
<b>Key Variables</b>		<b>Projected</b>	<b>Projected</b>	<b>Projected</b>	<b>Projected</b>	<b>Projected</b>	<b>Projected</b>
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45 COVID-19 Funding (now in federal)							
46	State Apportionment	2,755,040	2,837,691	2,922,822	3,010,507	3,100,822	3,193,846
47	Opt Out	12,000,000	12,500,000	13,000,000	13,500,000	14,000,000	14,500,000
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Expenditures							
50	Efficiency Factor (Addl)		1.00%	0.75%	0.75%	0.75%	0.75%
49	New COVID-19 Expds						
51	Teacher Delta	0	0	0	0	0	0
52	Health Insurance Increase	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%
53	GF Red/Class Size Inc (can be neg)	0.00	0.00	0.00	0.00	0.00	0.00
54	% Salary Increase (Linked to State Aid)	1.875%	2.54%	2.00%	2.00%	2.00%	2.00%

# Additional Discussion Item: Opt Out

## Superintendent Recommendation

- Current: The 2025-2026 Opt Out available was \$17.6M; the School Board opted to utilize \$12M for the FY26 budget.
- Original Proposal for FY27: The 2026-2027 Opt Out was slated to be increased by \$500,000 to be set at \$12.5M utilized.
- New Proposal: In good faith that the legislature will provide the appropriate funding to schools, the administration proposes that the Sioux Falls School Board REDUCE the FY27 Opt Out taken to \$11M.

This is, in effect, a reduction of \$1.5M from the original proposal and \$1M from the previous year.

# Budget Summary

- FY26 Over \$3,000,000 In Reductions
- FY27 Over \$2,000,000 In Reductions
- Increase Staff Salary from 1.94% to 2.54%
- Add Elementary Staff to Reduce Class Size and Change the Open Enrollment Policy
- Reduce the Opt Out by \$1.5 Million of the Proposed FY27 Budget

**Questions?**