



# DIOCESE OF SIOUX CITY

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Date: February 25, 2026  
To: School Bookkeepers, Business Managers, Pastors & Administrators  
From: Royce Ranniger, Deb Conley  
CC: Diane Donnelly  
Re: School Budget Information 2026-2027

This information is offered as a guide to assist with budgeting for the 2026-2027 school year. We are requesting that your budget be submitted to the Catholic Schools Office (CSO) and Parish Accounting at the Diocese after it has been approved by your school board. We suggest having a timeline of March 31 for completion.

## **Revenue:** **Parish Support** **/Investment**

Determine amount of parish investment that is needed by the school budget and propose this amount to the Parish Finance Council. **Remember, the amount you put in your school budget to be received from the parish should match what the parish has in their budget for school support.** Good collaboration and communication with your Parish Finance Council is critical. It is possible that a mid-year adjustment be made if your budget allows. Budget amendments will require a board motion.

## **Non-Corporate Rate**

The non-corporate rate will be determined annually by the Catholic Schools Office and Office of Finance in collaboration with the Diocesan Board of Education. The amount for 2026-2027 remains at \$500 per student.

## **Investment Income**

Budget a **5%** estimate of your investment account balance as of March 31 or whatever date your spending policy indicates. If the majority of your investments are in money market savings or Certificates of Deposit, budget 3.5%. Do not budget for anticipated withdrawals as income; instead, it is a funding source. As you begin to have surplus funds, make sure you evaluate whether you should be investing in longer term options. Reach out to our office to discuss further.

## **St. James Guaranteed Interest Fund**

Budget interest earned at 2.5% (no fees).

## **Gross School Tuition**

Your published tuition times the estimated enrollment should be budgeted as gross tuition.

**Cost Per Student (CPS):** Each school bookkeeper received an email from the CSO which included their respective cost per student calculation in an Excel spreadsheet format. Please use the Excel file from the email as a template for your 2026-2027 CPS calculation. It is our expectation that all schools' tuition rates will be near or at their CPS.

It is reasonable that your published tuition may exceed your CPS slightly. As suggested before, incorporate any extra fees into your tuition rate and eliminate discounts for multiple students, grade levels, employee, parish membership, etc. Employee discounts can be handled by the local Tuition Assistance Committee.

**Tuition rates for 2026-2027:** The Catholic Schools Office from the Diocese has worked with each school on suggested tuition rates for 26-27. Once your budget is approved, send us a copy of your tuition rate(s).

**Student First Education Savings Accounts (ESAs) and Diocesan Scholarships (MLTF, etc.):** Do not budget ESA funding or diocesan scholarships as revenue. ESA funding and diocesan tuition awards are awarded to the students, not to the school, and are not reflected as a revenue of the school. Instead, these funding sources reduce the net parent cost for tuition.

As a reminder, ESAs will be available to all students regardless of income as long as they meet the following requirements:

- Iowa residents
- Age 5 by September 15
- Enrolled at least 75% full time

**Local Tuition Assistance:** All local tuition assistance scholarships must be awarded based on written criteria that has been approved by the school board. Scholarships that are awarded to students based on merit or specific criteria should be reflected in the budget as a contra (negative) revenue in the tuition revenue account series. These awards are frequently funded by endowments, from which funds are released on an annual basis to support the tuition awards. Do not budget the release of endowed funds as income; instead, it is a funding source.

**Local Scholarship Awards** The Catholic Schools Office (CSO) strongly recommends the use of TADs to assign award amounts based on demonstrated financial need. The local scholarship awards should be a specific component of each student's tuition package, if applicable. The estimated total of all local awards should be reflected in the budget as a contra (negative) revenue in the tuition revenue account series. Note: There will not be a 2nd round of MLTF so late enrolling students will rely on local tuition assistance.

**Catholic School Foundation (CSF) Grants** The Catholic School Foundation will meet on March 26 to review their budget for 26-27. The one significant change will be the support for mental health grants for Catholic Charities therapy services. For those schools who utilize these services, you should budget \$10,000 to cover these costs in 26-27 as the CSF will no longer be funding these expenses. There may be some individual grants to schools for specific purposes. We will reach out to these schools as applicable. The CSF will pay for the asbestos inspection required for all school every three years and will continue to pay for the background checks for all new employees.

**Centennial Distribution** The Diocesan Finance Council approved a Centennial distribution for September 2026. Budget for a 6% increase.

- Development Income** Work with your development staff or use a similar amount that you earned in the current year. Example – annual galas. You should work with your development staff and event committee to continue to expand these opportunities. Development income is still an important revenue stream for our Catholic schools.
- School Sponsored Groups** Budget for the proceeds the school expects to receive. You may want to have a separate budget for these groups to ensure adequate oversight of the financial activities.
- SCRIP**

**Expenses:**

- Lay Salary** Your school board will need to review and approve your salary changes in executive session. It is not necessary for the school board to review individual staff compensation changes other than increases for administrator(s). The Cost of Living in 2025 was ≈2.50%. This should be your starting point for next fiscal year.
- Lay Health Insurance** The 26/27 rates will be determined shortly after the March renewal meetings. It appears that the High-Deductible insurance rate will go up next year. Plan for an overall average increase of 8%.
- Vehicle Insurance** Budget a minimum 10% increase.
- Property & Liability** Plan on a minimum 10% increase. Evaluate whether your valuations on your property and buildings are adequate and accurate.
- Worker’s Compensation** Work Comp renews annually in January. Due increased salaries and claims experience, budget a minimum 10% increase.
- In-kind income/expense** If your school building is owned by the parish, include a fair market value of what it would cost to lease the buildings. This would be an income and expense line item that will offset each other.
- Capital Improvement & Equipment Reserve Fund** Proactive budgeting for capital improvements is essential to maintaining the long-term safety, functionality, and value of our school facilities. We recommend using 2.5% of the insured value of the buildings listed on your ledger page to address ongoing capital needs. This is a funding “use” and should be listed below the net income(deficit) from operation. We recommend processing a transfer of funds on a monthly basis to a bank account designated as “Capital Improvement Funds”.
- Allocating funds at this level allows the school to plan for predictable expenses such as roof replacement, HVAC upgrades, infrastructure repairs, and code compliance improvements. Without a dedicated capital improvement reserve, these necessary projects can quickly become deferred, leading to higher long-term costs, increased risk of emergency repairs, and potential disruption to the educational environment.
- Parish Schools** Employees working for both the school and parish should be budgeted according to their allocated time at each entity.

Please don’t hesitate to contact us with questions:

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- Royce Ranniger [roycer@scdiocese.org](mailto:roycer@scdiocese.org)