

Executive Summary: Authorization to Commence Development of the FY27 Tentative Budget

Introduction

The Superintendent seeks Board authorization to formally initiate the budget development process for the Fiscal Year 2027 (FY27). This process represents a critical phase in our annual planning cycle, ensuring that financial resources are effectively aligned with Meridian CUSD 223's educational goals.

While the FY27 fiscal period does not begin until July 1, 2026, early authorization allows district leaders to project revenue, analyze enrollment trends, and collaborate with administrators and directors to determine staffing and curricular needs.

Strategic Alignment & Objectives

The FY27 budget will be built upon the principle of fiscal stewardship. The development process will prioritize the following objectives:

- ★ **Academic Excellence:** Allocating resources to support curriculum renewal and student intervention programs.
- ★ **Human Capital:** Budgeting for competitive compensation to retain high-quality staff, accounting for known collective bargaining increases.
- ★ **Operational Efficiency:** assessing facility needs and capital improvement projects outlined in the educational adequacy and utilization study.
- ★ **Financial Sustainability:** Maintaining a fund balance of at least 25%, per policy 4:20 Fund Balances, while mitigating the impact of inflation.

Preliminary Economic Outlook & Assumptions

The Administration will build the Tentative Budget based on the following preliminary economic indicators, which will be refined as data becomes available:

1. **Revenue Assumptions:** We anticipate a slight increase in state funding and a slight to moderate decrease in federal funding. Local property tax revenue is projected to increase by 4.98%
2. **Expense Drivers:** We are monitoring inflationary pressures on utilities, transportation, and insurance premiums.
3. **Contracts:** The contracted salary increase for the teaching staff is 5.5%, while the contracted increase for the support staff union is 5%.
4. **Enrollment Trends:** Initial projections indicate enrollment will decrease by less than 10 students.

Proposed Timeline: FY27 Budget Cycle

Upon approval to proceed, the Superintendent will adhere to the following high-level schedule:

Phase	Timeframe	Activity
Phase I	May-June	Administration develops internal site-based budgets and staffing projections.
Phase II	July	Finance Committee reviews initial revenue vs. expenditure projections.
Phase III	August	Presentation of the Tentative Budget to the Board of Education.
Phase IV	August-September	Public Inspection period and Public Hearing.
Phase V	September	Final Adoption of the FY27 Legal Budget.

Recommendation

It is recommended that the Board of Education authorize the Superintendent to begin the preparation of the FY27 Tentative Budget, including the solicitation of budget requests from administrators and directors and the formulation of preliminary revenue and expenditure estimates.