

Independent School District No. 877 BHM

Financial Forecast 2026-27 through 2028-29

Scenario #1 - No Staff Cuts in 2026-27

January 12, 2026 Board Work Session

Enrollment Assumptions:

1 Enrollment totals revised down from enrollment projections

TOTAL GRADES ECSE-12

	<u>2024-25</u>	<u>2025-26</u>	<u>2026-27</u>	<u>2027-28</u>	<u>2028-29</u>
ECSE-12	5,117	4,984	4,959	4,937	4,966
ECSE/VPK (ADM)	87	83	91	93	94
Kindergarten	355	323	356	366	370
Grades 1-5	1,785	1,822	1,822	1,805	1,819
Grades 6-8	1,166	1,177	1,093	1,118	1,103
Grades 9-12	1,723	1,585	1,603	1,561	1,586
	5,117	4,990	4,965	4,943	4,972

Total Enrollment Change	(127)	(25)	(22)	29
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Major Staffing Assumptions:

1 Adjust staffing based on enrollment changes in future years using 19-20 adjusted ratios

2 Staffing contingency positions available at 2.95 FTE and 1.0 FTE for special education

	<u>2025-26</u>	<u>2026-27</u>	<u>2027-28</u>	<u>2028-29</u>
Grades K-5	102.745	103.309	103.071	103.787
Grades 6-8	51.451	51.451	52.499	51.931
Grades 9-12	64.746	66.475	66.559	67.744
	218.942	221.235	222.129	223.462

Staffing Changes	2.293	0.894	1.333
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Major Revenue Assumptions:

1 General education formula scenarios as listed below

2 Operating referendum of \$750 per pupil approved in 2019 for 2021 through 2030

3 Special education aid 5% increase all years

4 Special education cross subsidy increase from 44% to 50% in FY 27 forward

5 Federal funding remains the same (Title programs, Special Ed, Title II)

6 Compensatory revenue remains the same

7 PPD included for all years

Major Expenditure Assumptions:

1 Salary & benefit increases projected are based on expected market conditions, comparable settlements, and settled contracts

2 Non-salary, non-benefit costs are estimated to increase 0% - 3% for all years

3 PPD included for all years and expenditures adjusted to match revenues

4 Staffing contingency positions set at 2.95 FTE for all years and 1.0 FTE for special education

Fund Balance Assumptions:						
1	The District's fund balance policy is 8-12% of expenditures					
2	Building Carryover fund balance estimated to have a \$100,000 utilization					
3	Committed Severance Fund Balance based on Actuarial estimates					
Other factors that will have an impact on this three year forecast:						
1	The impact of inflation for both expenditures and the General Education formula					
2	Outcomes of the state legislative session					
The year end fund balances that result from the assumptions above are:						
General Education Formula changes:						
		2.75%	3.00%	2.00%	2.00%	
		\$200	\$224	\$154	\$157	
General Ed Formula	\$7,281	\$7,481	\$7,705	\$7,859	\$8,016	
	<u>2024-25</u>	<u>2025-26</u>	<u>2026-27</u>	<u>2027-28</u>	<u>2028-29</u>	
Revenue	\$ 81,945,427	\$ 81,514,858	\$ 83,566,069	\$ 84,963,267	\$ 87,054,758	
Expenditures	\$ (80,063,814)	\$ (82,376,533)	\$ (85,718,499)	\$ (88,473,862)	\$ (91,335,594)	
Net Change	\$ 1,881,613	\$ (861,675)	\$ (2,152,430)	\$ (3,510,595)	\$ (4,280,836)	
Operating Capital - 01-424	\$ 1,479,743	\$ 1,340,884	\$ 1,204,889	\$ 1,066,082	\$ 929,920	
Operating Capital - 05-424	\$ 200,893	\$ 334,437	\$ 454,309	\$ 562,090	\$ 791,902	
LTFM - 467	\$ 870,417	\$ 675,511	\$ 434,347	\$ 178,663	\$ (64,271)	
3rd Party Billing - 472	\$ 496,996	\$ 574,883	\$ 652,406	\$ 729,550	\$ 806,297	
AMI Aid - 420	\$ 7,041	\$ 7,669	\$ 12,487	\$ 15,753	\$ 17,381	
Total Restricted/Reserved	\$ 3,055,090	\$ 2,933,384	\$ 2,758,438	\$ 2,552,138	\$ 2,481,229	
Severance Pay - 411	\$ 3,209,069	\$ 3,406,729	\$ 3,169,392	\$ 3,201,086	\$ 3,358,770	
Total Committed	\$ 3,209,069	\$ 3,406,729	\$ 3,169,392	\$ 3,201,086	\$ 3,358,770	
Dental Insurance	\$ (28,482)	\$ 6,518	\$ 26,518	\$ 51,518	\$ 76,518	
Carryover	\$ 320,186	\$ 320,186	\$ 220,186	\$ 120,186	\$ 95,186	
Student Activities-Fund 9/51	\$ 649,021	\$ 632,171	\$ 613,315	\$ 596,633	\$ 583,481	
PPD - F335	\$ 188,663	\$ 254,353	\$ 336,565	\$ 423,624	\$ 513,868	
Capital Set Aside-Technology	\$ 809,390	\$ 492,390	\$ 675,390	\$ 858,390	\$ 1,041,390	
3rd Party Special Ed	\$ -	\$ -	\$ -	\$ -	\$ -	
Total Assigned	\$ 1,938,778	\$ 1,705,618	\$ 1,871,974	\$ 2,050,351	\$ 2,310,443	
Total Unassigned and Nonspendable	\$ 13,459,426	\$ 12,676,870	\$ 10,831,405	\$ 7,298,494	\$ 2,666,394	
Fund Balance %	16.81%	15.39%	12.64%	8.25%	2.92%	