

June 24, 2025

To: Dr. Carlondrea Hines

From: The Business Office

Re: FY2026 Budget Recommendation

The purpose of this memo is to provide summary information regarding the recommended budget for the 2025-26 fiscal year (FY2026). We appreciate the collaboration with you, budget managers, the Finance Advisory Committee, and the School Board in establishing the budget assumptions that were foundational to the development of this year's budget.

This budget has been updated to reflect:

- Revenues and expenditures for the GASB 68 pension adjustment in the General Fund
- Revenue and expenditures to reflect anticipated activity in the Internal Service Fund for self funded medical and dental.

General Fund

The budget, as presented, results in a FY2026 estimated year-end unreserved General Fund balance of \$5,581,268 (7.93%). This fund balance is a slight decrease of \$33,000 from the FY2025 June budget update. This fund balance is below the board approved budget assumptions for FY2025 (8%). At this point, we believe this is a realistic picture of the budget, as we:

- maximize revenue across all federal and assigned state revenue programs;
- work with our transportation providers to contain rapidly growing costs;
- work with the Finance Advisory Committee (FAC) and all budget managers to monitor and contain spending; and
- make a plan to grow fund balance in the coming years, as recommended by the FAC.

Budget Reductions

The budget includes reduction in budget capacity for the following:

- Instruction and Learning Reorganization - \$641,000
- Staffing changes due to enrollment and schedule changes - \$1,031,000
- Reduction in substitute costs for teachers, paras, custodians - \$271,000
- Paraprofessional reduction due to student need and schedule change - \$236,000
- Pause design team work - \$5,000

The final recommended revenue and expenditure budget for FY2026 is as follows:

Fund	Revenue	Expenditures
General	\$85,371,000	\$86,182,000
School Nutrition	\$3,027,000	\$3,090,000
Community Service	\$8,929,000	\$8,064,000
Debt Service	\$19,225,000	\$18,855,000
Internal Service	\$12,479,000	\$13,549,000

We will continue to work closely with budget managers to maintain fiscal transparency and accountability.