

Fiscal Forecast

Presented to the School Board

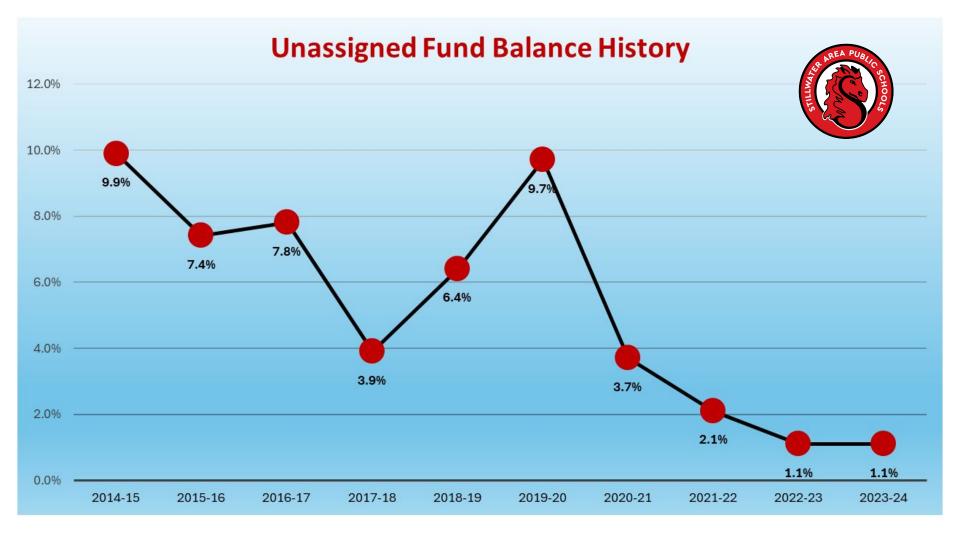
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Chief Financial Officer

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Current Financial Reality

- Unfunded state mandates
- Legislation impacting revenue
- Inflation and rising costs
- Projected enrollment levels
- One-time only funding (federal grant carryover not available in FY26)





General Fund Fiscal Forecast Assumptions: Revenue (in millions)

(Current fiscal year (FY25) is the baseline budget year)

Revenue Category	FY25 Prelim. Budget	FY26 Projected	Difference	FY26 & FY27 Projection Assumptions
Budgeted Enrollment	8,259	8,205	-54 students	FY26 projected enrollment levels are lower at Gr 1-2. FY27 projected increase of 0.5 –1% of total enrollment
State Aid (excluding Sped, Comp Ed, EL)	\$72.2	\$73.9	\$1.7	Projected 2% annual increase to general ed. basic aid formula for FY26 & FY27
Compensatory Education	2.0	1.7	-0.3	MDE's FY26 calculation only includes Direct Certification economic indicators as of 10/1/24 (a \$300,000 loss). Assuming no change for FY27.
Special Education	22.9	22.9	0.0	Cross subsidy rate increases to 50% in FY27
English Learner (EL)	0.5	0.7	0.2	In FY26, LEP rate increases from \$1,228 to \$1775; Concentration rate increases from \$436 to \$630
Levy	44.0	46.4		Based on certified Pay 2025 levy, current law & projected enrollment
Federal	3.7	2.3	-1.4	Federal grant funding not available in FY26 and beyond (i.e. carryover funds spent in FY25)
Other	4.0	4.0		Same level as FY25 (includes student activity funds, athletics, interest, grants)
Total	\$149.3	\$151.9	\$2.6	

General Fund Fiscal Forecast Assumptions: Expenditures (in millions)

(Current fiscal year (FY25) is the baseline budget year)

Expenditure Category	FY25 Prelim. Budget	FY26 Projected	Difference	FY26 & FY27 Projection Assumptions
Salaries	\$72.9	\$76.2	\$3.3	Assuming current FY25 staffing levels as of 7/1/24, negotiated agreements, (steps & lanes, where applicable), COLA % included
Benefits	35.5	37.4	1.9 Inflation, add'l benefit costs and changes legislation included in projections	
Purchased Services	25.9	26.7	0.8Cost of inflation included in projections	
Supplies, Materials, Other	15.9	16.4	0.5	Cost of inflation included in projections
New Curriculum Requirements	<u>0</u>	<u>1.4</u>	1.4 Estimated costs for curriculum	
Total	\$150.2	\$158.1	\$7.9	



General Fund Fiscal Forecast FY26-FY27 (in millions)

	FY24 Actual	FY25 Prelim. Budget	FY26 Projected	FY27 Projected
Revenue	\$142.6	\$149.3	\$151.9	\$152.1
Expenditures	<u>-144.9</u>	<u>-150.2</u>	<u>-158.1</u>	<u>-157.7</u>
Balance	-2.3	-0.9	-6.2	-5.6
Use of Restricted Fund Balance*	2.3	0.9	<u>1.4</u>	0.0
Surplus/(Shortfall)	\$0.0	\$0.0	\$-4.8	\$-5.6

^{*}Restricted - Operating Capital fund balance used in:

FY24: capital projects at sites, technology licenses & curriculum

FY25: wireless network

FY26: curriculum (unfunded by State)



A PUBLIC SCHOOLS

July 2024

2025-26 Long-Term

(LTFM) 10-year plan

submitted to MDE

Facilities Maintenance

2025-26 Budget Timeline

Nov. 2024

FY26 Budget Planning

meetings

Jan./Feb. 2025

FY26 Budget Planning meetings

Feb 17: FY26 preliminary enrollment projections

Feb 18: School Board Mtg FY26 Budget Guidelines &

Assumptions Fiscal Forecast

FY26 Staffing allocations provided to schools

June 2025

Jun 3: School Board Mtg
FY26 Priority Based

Budgeting Update (w/budget book)

Jun 17: School Board Mtg

FY26 Preliminary Budget Presentation (approval)

Aug. 2024

Pay 25 Levy planning (MDE summer levy input)

Oct. 2024

Oct 1: Initial "Oct 1"
Enrollment Count

Sept. 2024

Sept 10: School Board Mtg

Sept 24: School Board Mtg Pay

25 Preliminary Levy approval

Pay 25 Levy Update

(enrollment update)

Back to School Report

Dec. 2024

Dec 3: *School Board Mtg* Pay 25 Levy TNT Hearing FY24 Financial Audit presentation

Dec 17: School Board Mtg
Pay 25 Final Levy Certification

FY26 Budget & Capital Planning meetings

FY26 Revenue Projections

March 2025

FY26 Budget allocations provided to schools & programs

Staffing Meetings with school & program administrators

Mar 18: School Board Mtg

FY25 Revised Budget FY26 Priority Based Budgeting Update

Mar 20: School & Program staffing plans due

May 2025

April 2025

FY26 Priority Based Budgeting

Apr 22: School Board Mtg

Update

School & Program budgets due

May 20: School Board Mtg
FY26 Priority Based Budgeting
Update

2/14/25



Questions