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Fiscal Forecast

Presented to the School Board

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Chief Financial Officer

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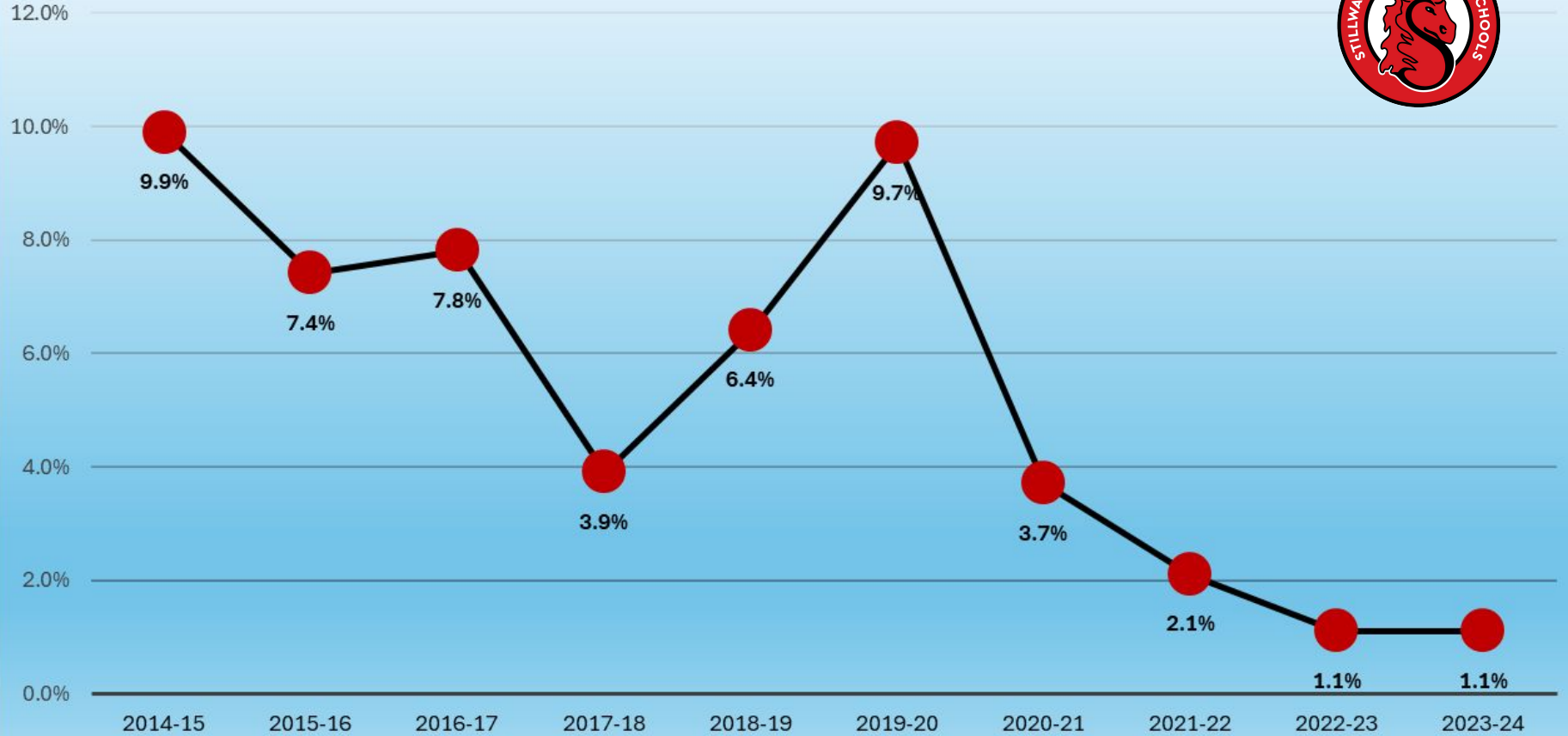
Current Financial Reality

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



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Unassigned Fund Balance History



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	2.4	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	<u>4.0</u>	<u>4.0</u>	<u>0.0</u>	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 in legislation included in projections
Purchased Services	25.9	26.7	0.8	Cost 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>	<u>1.4</u>	Estimated costs for curriculum
Total	\$150.2	\$158.1	\$7.9	



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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*	<u>2.3</u>	<u>0.9</u>	<u>1.4</u>	<u>0.0</u>
Surplus/(Shortfall)	\$0.0	\$0.0	\$-4.8	\$-5.6

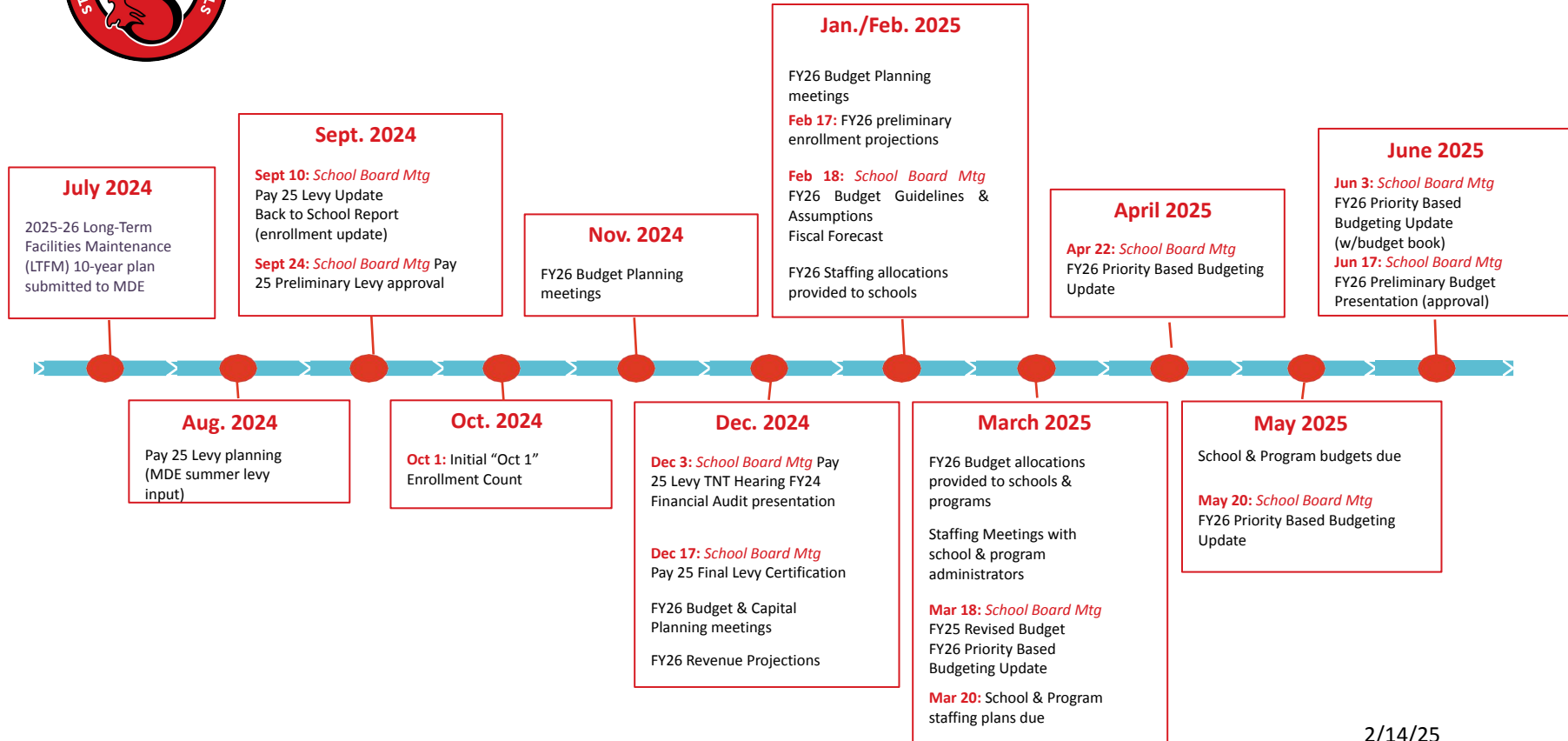
*Restricted - Operating Capital fund balance used in:
 FY24: capital projects at sites, technology licenses & curriculum
 FY25: wireless network
 FY26: curriculum (unfunded by State)



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2025-26 Budget Timeline





Questions