

# **GENERAL FUND BUDGET FRAMEWORK FOR 2025-2026**

## **INTRODUCTION**

The Budget Framework is a guiding document to build the fiscal year 2025-2026 budget. It consists of strategic focus areas, assumptions, and parameters that are used to develop and guide the budget process. The Budget Framework consists of the following elements:

**STRATEGIC FRAMEWORK FOCUS AREAS**, which establish school board directives and expectations for the budget.

**ASSUMPTIONS**, which describe key assumptions regarding revenue and cost drivers and directions to principals for site budget development.

**PARAMETERS**, which provide thresholds or constraints on various revenue and expenditures. Changes to and/or additional parameters may be authorized during the budget process.

## **1. STRATEGIC FRAMEWORK FOCUS AREAS**

- a. Focus Area 1** – Establish a district-wide system of social-emotional learning and support.
- b. Focus Area 2** – Build equitable systems and support throughout the district.
- c. Focus Area 3** – Increase E-12 opportunities for career exploration and preparation.

## **2. ASSUMPTIONS**

### **a. ENROLLMENT**

- i. Projected Adjusted Pupil Units (APU) for 2024-2025 are (5,702).
- ii. Projected Adjusted Pupil Units (APU) for 2025-2026 are (5,736).

### **b. FUNDING**

- i. Levy revenue was adopted in December 2024.
- ii. State funding for 2025-2026 will be based on current statutes adjusted for appropriate demographic changes (i.e., enrollment, free/reduced meals, etc.) and estimates for the current legislative session.
- iii. Compensatory revenue by building will be planned based on the Department of Education estimates.
- iv. Integration will be budgeted according to the approved Achievement & Integration plan and tax levies already adopted.
- v. All applications for federal programs and other grants will budget indirect cost reimbursement to the school district to the maximum extent allowable.
- vi. For staffing for grant programs to continue, budget managers must provide evidence of their continued funding.

### **c. EXPENDITURES**

- i. Compensatory revenue-funded budgets will be based on State Department of Education funding estimates and site-based decision-making plans reviewed and approved by the Superintendent's Office, CIA, Human Resources & Finance Departments.
- ii. For staffing for grant programs to continue, budget managers must provide evidence of their continued funding. Budget managers must communicate grant renewals and/or funding carryover. The business office will not re-budget those programs without the budget manager's authorization.
- iii. After the budget is approved, positions eventually costing less than budgeted may not be "tapped" for other spending. The savings are needed to offset the cost of positions costing more than budgeted.
- iv. Employee compensation (salary/fringe benefits) will be based on current collective bargaining agreements with appropriate adjustments/estimates for unsettled contracts.
- v. Inter-fund cost chargebacks will increase (as allowed under relevant rules, statutes, and laws) such that projected expenditures in the fund that is being charged match expected revenues. Further, if the specific fund has a fund balance that exceeds 10%, chargebacks may access the fund balance amount in excess of 10%. Here again, chargebacks will follow relevant rules, statutes, and laws.
- vi. Long-term substitute costs will be reallocated (budget and expense) to buildings as charges are incurred.
- vii. Integration will be budgeted according to the approved Achievement & Integration plan and tax levies already adopted.
- viii. Technology expenditures will be allocated at year-end to appropriate UFARS programs.

### **3. PARAMETERS**

- a. Given the unrestricted fund balance is below board targets, the administration will present a budget for board approval that, minimally, reflects a balance of projected expenditures and projected revenues. To the extent necessary to achieve a balanced budget, the administration will recommend cost savings, efficiencies, or reductions in any/all areas they deem appropriate, providing they adhere to the following parameters. Additional cost savings are encouraged where they can be found within the parameters.
- b. There will be no changes to attendance area boundaries in 2025-2026.
- c. There will be no changes to transportation fees in 2025-2026. Currently, transportation fees of \$235 (full year) or \$117 (seasonal) per year, per student or \$470 per family, per year will be charged to students in grades K-12 residing within district walk boundaries. Students qualifying for free & reduced meals receive a 50% fee waiver.
- d. Building allocation amounts for purchased services and supplies per pupil may be decreased by as much as 10% (compared to 2024-25) as determined necessary by the administration. Accordingly, purchased services expenditures (postage, copier maintenance, communications, tuition, repairs, mileage, rentals, etc.) & supply expenditures (office supplies, instructional supplies, workbooks, etc.) for non co-curricular programs at each school will be allocated \$126 to \$140 per pupil, depending on the size of the decrease determined necessary.
- e. Co-curricular allocation amounts for purchased services and supplies per pupil may be decreased by as much as 10% (compared to 2024-25) as determined necessary by the administration. Accordingly, Two Rivers purchased services and supplies for co-curricular programs will be allocated \$85-94 per pupil, depending on the size of the decrease determined necessary.
- f. Staff allocations for budget development will be based on the February 1, 2025 projected enrollment for 2025-2026.

- g. There will be no changes to staffing ratios in 2025-2026. Classroom teacher staffing for schools will be based on the following ratios:
- i. Elementary Classrooms: 90% of elementary classrooms will fall within the following ranges:
    1. K 18-25 students per classroom (district avg. 21.5)
    2. 1-2 20-27 students per classroom (district avg. 23.5)
    3. 3-4 22-29 students per classroom (district avg. 25.0)
  - ii. Middle School Classrooms: 75% of middle school classrooms will not exceed the following class sizes:
    1. Core Programs (Science, Soc. Studies, Lang. Arts, Math) 31
    2. Non-Core (Music, Art, Phy. Ed., FACS, Tech. Ed., World Lang.) Variable
    3. 5<sup>th</sup> and 6<sup>th</sup> grades based on sections per the approved Middle School model schedule.
  - iii. High School Classrooms: 75% of high school classrooms will not exceed the following class sizes:
    1. Core Programs (Science, Social Studies, Language Arts, Math) 33
    2. Non-Core (Music, Art, Phy. Ed., FACS, Tech. Ed., World Lang.) Variable