

Independent School District No. 877 BHM

Financial Forecast 2025-26 through 2027-28

Scenario #1 - No Staff Cuts in 2025-26

January 13, 2025 Board Work Session

Enrollment Assumptions:

1 Enrollment totals revised down from enrollment projections

TOTAL GRADES ECSE-12

	<u>2023-24</u>	<u>2024-25</u>	<u>2025-26</u>	<u>2026-27</u>	<u>2027-28</u>
ECSE-12	5,200	5,042	4,921	4,921	4,875
ECSE/VPK (ADM)	92	88	85	90	92
Kindergarten	347	356	344	365	374
Grades 1-5	1,805	1,776	1,773	1,797	1,798
Grades 6-8	1,135	1,160	1,160	1,072	1,069
Grades 9-12	1,821	1,672	1,569	1,607	1,552
	5,200	5,052	4,931	4,931	4,885

Total Enrollment Change	(148)	(121)	0	(46)
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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>2024-25</u>	<u>2025-26</u>	<u>2026-27</u>	<u>2027-28</u>
Grades K-5	107.339	107.339	109.487	109.964
Grades 6-8	52.583	52.583	48.739	48.608
Grades 9-12	71.238	71.238	72.846	70.519
	231.160	231.160	231.072	229.091

Staffing Changes	0.000	(0.088)	(1.981)
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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 at 44% in FY 25 and FY 26. 50% for 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 an \$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:						
		2.00%	2.00%	2.00%	2.00%	
		\$143	\$146	\$149	\$152	
General Ed Formula	\$7,138	\$7,281	\$7,427	\$7,576	\$7,728	
	<u>2023-24</u>	<u>2024-25</u>	<u>2025-26</u>	<u>2026-27</u>	<u>2027-28</u>	
Revenue	\$ 80,980,042	\$ 80,062,682	\$ 79,313,654	\$ 80,895,267	\$ 82,101,547	
Expenditures	\$ (78,989,397)	\$ (81,964,976)	\$ (83,612,113)	\$ (86,094,528)	\$ (88,512,203)	
Net Change	\$ 1,990,645	\$ (1,902,294)	\$ (4,298,459)	\$ (5,199,261)	\$ (6,410,656)	
Operating Capital - 01-424	\$ 1,780,737	\$ 1,662,421	\$ 1,534,943	\$ 1,406,708	\$ 1,274,232	
Operating Capital - 05-424	\$ 160,222	\$ 107,638	\$ 16,095	\$ (84,974)	\$ (45,644)	
LTFM - 467	\$ 377,945	\$ 217,101	\$ 9,676	\$ (202,009)	\$ (435,448)	
3rd Party Billing - 472	\$ 379,846	\$ 477,206	\$ 574,041	\$ 670,331	\$ 766,054	
AMI Aid - 420	\$ 8,406	\$ -	\$ 2,421	\$ 3,570	\$ 3,373	
Total Restricted /Reserved	\$ 2,707,156	\$ 2,464,366	\$ 2,137,176	\$ 1,793,626	\$ 1,562,567	
Severance Pay - 411	\$ 2,890,038	\$ 3,087,698	\$ 3,169,392	\$ 3,201,086	\$ 3,358,770	
Total Committed	\$ 2,890,038	\$ 3,087,698	\$ 3,169,392	\$ 3,201,086	\$ 3,358,770	
Dental Insurance	\$ (20,400)	\$ 14,600	\$ 34,600	\$ 59,600	\$ 84,600	
Carryover	\$ 759,429	\$ 659,429	\$ 559,429	\$ 459,429	\$ 434,429	
Student Activities-Fund 9/51	\$ 630,300	\$ 628,825	\$ 625,510	\$ 624,563	\$ 627,313	
PPD - F335	\$ -	\$ 9,948	\$ 4,080	\$ (19,805)	\$ (32,645)	
Capital Set Aside-Technology	\$ 428,147	\$ 111,147	\$ 294,147	\$ 477,147	\$ 660,147	
3rd Party Special Ed	\$ -	\$ -	\$ -	\$ -	\$ -	
Total Assigned	\$ 1,797,476	\$ 1,423,949	\$ 1,517,766	\$ 1,600,934	\$ 1,773,844	
Total Unassigned and Nonspendable	\$ 12,624,921	\$ 10,925,280	\$ 6,851,196	\$ 1,829,495	\$ (4,718,330)	
Fund Balance %	15.98%	13.33%	8.19%	2.12%	-5.33%	