

Independent School District No. 877 BHM

Financial Forecast 2026-27 through 2028-29

Scenario #2 - Half Staff Cuts in 2026-27

January 12, 2026 Board Work Session

Enrollment Assumptions:

1 Enrollment totals revised down from enrollment projections

TOTAL GRADES ECSE-12

ECSE-12	2024-25	2025-26	2026-27	2027-28	2028-29
	5,117	4,984	4,959	4,937	4,966
ECSE/VPK (ADM)	87	83	91	93	94
Kindergarten	355	323	356	366	370
Grades 1-5	1,785	1,822	1,822	1,805	1,819
Grades 6-8	1,166	1,177	1,093	1,118	1,103
Grades 9-12	1,723	1,585	1,603	1,561	1,586
	5,117	4,990	4,965	4,943	4,972
Total Enrollment Change	(127)	(25)	(22)	29	

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

	2025-26	2026-27	2027-28	2028-29
Grades K-5	102.745	103.309	103.071	103.787
Grades 6-8	51.451	49.401	50.449	49.881
Grades 9-12	64.746	66.475	66.559	67.744
	218.942	219.185	220.079	221.412

Staffing Changes

0.243 0.894 1.333

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 increase from 44% to 50% in 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 a \$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:												
			2.75%	3.00%	2.00%	2.00%						
			\$200	\$224	\$154	\$157						
General Ed Formula	\$7,281		\$7,481	\$7,705	\$7,859	\$8,016						
			<u>2024-25</u>	<u>2025-26</u>	<u>2026-27</u>	<u>2027-28</u>						
Revenue	\$ 81,945,427	\$ 81,514,858	\$ 83,566,069	\$ 84,963,267	\$ 87,054,758							
Expenditures	\$ (80,063,814)	\$ (82,376,533)	\$ (85,511,695)	\$ (88,267,058)	\$ (91,128,790)							
Net Change	\$ 1,881,613	\$ (861,675)	\$ (1,945,626)	\$ (3,303,791)	\$ (4,074,032)							
Operating Capital - 01-424	\$ 1,479,743	\$ 1,340,884	\$ 1,204,889	\$ 1,066,082	\$ 929,920							
Operating Capital - 05-424	\$ 200,893	\$ 334,437	\$ 454,309	\$ 562,090	\$ 791,902							
LTFM - 467	\$ 870,417	\$ 675,511	\$ 434,347	\$ 178,663	\$ (64,271)							
3rd Party Billing - 472	\$ 496,996	\$ 574,883	\$ 652,406	\$ 729,550	\$ 806,297							
AMI Aid - 420	\$ 7,041	\$ 7,669	\$ 12,487	\$ 15,753	\$ 17,381							
Total Restricted/Reserved	\$ 3,055,090	\$ 2,933,384	\$ 2,758,438	\$ 2,552,138	\$ 2,481,229							
Severance Pay - 411	\$ 3,209,069	\$ 3,406,729	\$ 3,169,392	\$ 3,201,086	\$ 3,358,770							
Total Committed	\$ 3,209,069	\$ 3,406,729	\$ 3,169,392	\$ 3,201,086	\$ 3,358,770							
Dental Insurance	\$ (28,482)	\$ 6,518	\$ 26,518	\$ 51,518	\$ 76,518							
Carryover	\$ 320,186	\$ 320,186	\$ 220,186	\$ 120,186	\$ 95,186							
Student Activities-Fund 9/51	\$ 649,021	\$ 632,171	\$ 613,315	\$ 596,633	\$ 583,481							
PPD - F335	\$ 188,663	\$ 254,353	\$ 336,565	\$ 423,624	\$ 513,868							
Capital Set Aside-Technology	\$ 809,390	\$ 492,390	\$ 675,390	\$ 858,390	\$ 1,041,390							
3rd Party Special Ed	\$ -	\$ -	\$ -	\$ -	\$ -							
Total Assigned	\$ 1,938,778	\$ 1,705,618	\$ 1,871,974	\$ 2,050,351	\$ 2,310,443							
Total Unassigned and Nonspendable	\$ 13,459,426	\$ 12,676,870	\$ 11,038,209	\$ 7,712,102	\$ 3,286,806							
Fund Balance %	16.81%	15.39%	12.91%	8.74%	3.61%							