



## Executive Summary

### FY26 Budget Overview

The proposed fiscal year 2026 budget reflects our continued commitment to maintaining fiscal responsibility while delivering the highest quality education for our students. At the same time, we must maintain and enhance our facilities to create learning environments that foster and support student success.

### Major Expenditures in FY26

This year's budget includes the following key investments:

- **HVAC replacement at the Middle School** (carryover from FY25 project) – \$320,000
- **LED lighting replacement** at the High School & Soccer Field (carryover from FY25 project) – \$176,000
- **Upgraded technology infrastructure**, including phones, servers, and internet switches – \$75,000
- **Glycol flush at the Middle School** – \$75,000
- **Fence replacement** for the Elementary School PreK/K playground area – \$24,000
- **Salary increases** per the Collective Bargaining Agreement (5% for all staff)
- **Sealcoating** at the Elementary School – \$13,400
- **New lawnmower** for the Middle School – \$17,000
- **Replacement of three exterior doors** that did not securely close – \$15,000
- **Three-year HVAC preventative maintenance contract** – \$33,000
- **28% increase in Property & Casualty and Workers' Compensation insurance** – \$251,244
- **Special Education Private Facility Costs** – \$905,176 (net cost after reimbursement: \$470,000)
- **132 Waubesa Community College dual-credit courses** for high school students

### Revenue Considerations in FY26

- A move from **Tier 2 to Tier 3** in the state's Evidence-Based Funding formula, resulting in a **23% decrease** in tiered EBF funding
- **Title II funding** not yet released, currently allocated at \$0
- **School Improvement Implementation grant** – \$36,100
- **Anticipated private facility reimbursement** – \$435,526
- **CPPRT** numbers were released this week – \$239,617.00

### Financial Position

We remain committed to maintaining fiscal responsibility and protecting our high state financial rating. This budget uses a combination of operating funds and fund balance reserves where appropriate. The district remains in a strong financial position, and we will continue to ensure that every dollar spent advances our mission of *Cultivating Our Future*. Our 5-year financial forecast is positive and shows that our reserves will continue to grow.

### **Budget Summary Highlights**

- **Projected FY26 year-end fund balance:** \$10,119,024
- **Fund balance-to-revenue ratio:** 72%, nearly four times greater than Board Policy 4:20's minimum requirement of 15%
- **Deficit spending in the O&M fund** is intentional to ensure our fund balance does not exceed allowable maximum reserves.

### **Budget Timeline**

- **August 13, 2025** – Tentative budget presented to the Board of Education and placed on display for more than 30 days
- **September 17, 2025** – Budget hearing at 6:15 p.m., Hinckley-Big Rock High School Library, followed by formal adoption at the Board of Education meeting

### **Conclusion**

A budget serves as a roadmap, built on the best available information at the time it is prepared. The FY26 tentative budget continues to balance fiscal responsibility with the goal of providing exceptional education and maintaining facilities that support high-quality teaching and learning.