



Presentation / Discussion

Fiscal Year 2027 Budgeting

Forecasting Revenues—Too Many Unknowns

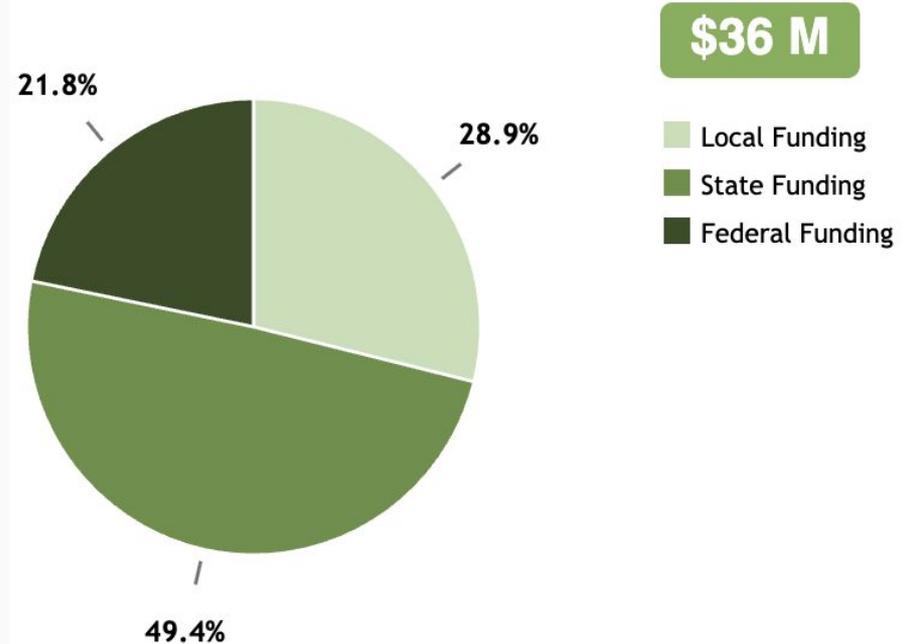


Federal

Will Federal Title grants be fully funded? Will there be any increase? Is Title III being cut?

- 5.2% of all revenue is Title.
- Spending of these funds is restricted by category.
 - Title I – Academic support for low-income students.
 - Title II – Professional development for educators.
 - Title III – Support for English learners.
 - Title IV – Student enrichment and safe, healthy schools.

District Financial Information - Revenue Percentages (FY 2024)



State

Will categoricals (transportation, special education) be reduced?

State–Will Evidence Based Funding a be fully funded? Will there be an increase?

- This year, EBF is 47% of our total revenue.
- Annual increases declining...6.49%, 6.14%, 4.64%, 2.10%

Local

Local-Our most stable revenue source.

Property Tax

- This year, local property taxes are 20% of our revenue.
- Local property tax revenue will increase by 4.9%.

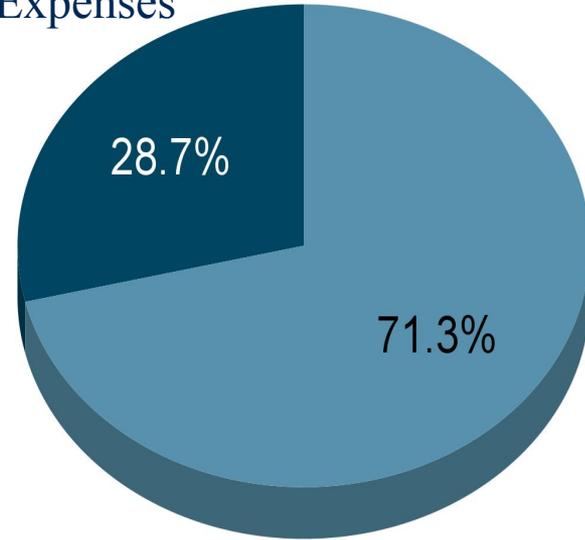
1% Sales Tax

- Revenue goes to paying construction bonds.

Expenditures

- Salary to increase by at least 4% for certified.
- Salary to increase by at least 4.5% for non-certified.
- Employee Benefits? For 2026 we saw increases of...
 - Dental +15%
 - Health +17.47%
- Facilities

Other Expenses



Salary / Benefits

Forecasting



2025-2026 Budget currently running a **\$185,000 deficit***

FY 27 Estimates...

	Revenue	Expenditure	Balance
A	4%	4%	-\$192,000
B	4%	5%	-\$548,958
C	1.85%	4%	-\$952,000
D	1.85%	5%	-1,315,444

*We are using our savings (cash reserves), not going into debt.

Recommendation



Target a reduction in expenditures of at least \$1 Million. If we are wrong...

- Best case: We operate in the black and do not drawdown fund balances.
- Worst case: We operate in the red and drawdown fund balances by no more than about \$400,000.

Recommended Reductions



RCESPA Non-Certified	170,000
Non-Certified	156,500
Certified	350,000
Administrative	136,000
Other Staff	231,000
Total Proposed Staffing Cost Reduction	1,043,500
Budget Cuts-Discretionary Spending	141,135
Total Proposed Reduction	1,184,635

RCESPA Non Certified



PreK TAs	<u>2 positions (unfilled positions)</u>	50,000
CARE TAs	<u>3 positions</u> (reassign to vacancies)	120,000
		170,000

Non Certified



Clerical	<u>1 position</u> (retirement)	46,000
Parent- Family Liaisons	<u>Reduction in time</u>	8,500
Nurse	<u>1 position</u> (unfilled position)	82,000
Crossing Guards	<u>0.2 positions</u> (eliminate positions)	20,000
		156,500

PreK	<u>1 positions</u> (eliminate one-year position)	70,000
K-5	<u>3 positions</u> (eliminate one-year position, two positions through attrition)	210,000
CARE	<u>1 position</u> (reassign)	70,000
		350,000

Reduction in Force (RIF) of teachers means that we RIF the position, not the person. The person who is non-renewed depends on evaluation rating, years of service in RCS, and position qualification. Specifically, we will have three positions subject to RIF:

- One-year position at PK
- One-year position at PA
- CARE

This may change between now and the March board meeting if positions for 2026-2027 open up due to resignation.

Administrative



PreK	<u>Reduction in salary</u> (retirement)	56,000
Food Services	<u>1 position and Reduction in salary</u> (retirement and consolidation)	80,000
		136,000

**After applying the 4% contractual increase, reducing teacher salaries by \$350,000 represents a 2.26% reduction, while reducing administrative costs by \$136,000 represents a 4.33% reduction. In other words, the administrative budget is being reduced at nearly double the percentage rate of the teacher budget.

Other Staff



Permanent Full-Time Substitutes	<u>10 Positions</u>	135,000
School Resource Officer	<u>1 positions</u>	96,000
		231,000

Other



Navigate 360	No longer utilized / underutilized	7,885
Conferences / Travel	Eliminate non-grant funded conferences and travel.	15,000
Verizon	No longer utilized / underutilized. Hotspot services.	2,400
ECCRA	No longer utilized due to changes in teacher evaluation model. End of multi-year contract.	15,000
Lexia	No longer utilized / underutilized. End of multi-year contract.	47,600
Teaching Strategies for Early Childhood	No longer utilized / underutilized. End of multi-year contract.	22,500
Metro	Internet and phone service. Redundant. In the process of canceling.	14,000
Frontier	Internet and phone service. Redundant. Contract scheduled to end in October.	12,000
Spring Green	Weed spraying. Can manage in house.	1,000
Church Insurance	Student Accident Insurance. Redundant.	3,750
		141,135