

Independent School District No. 877 BHM

Financial Forecast 2025-26 through 2027-28

Forecast Base Scenario

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)

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

		2024-25	2025-26	2026-27	2027-28
Grades K-5		107.339	101.065	103.213	103.690
Grades 6-8		52.583	50.670	46.826	46.695
Grades 9-12		71.238	61.947	63.555	61.228
		231.160	213.682	213.594	211.613
Staffing Changes			(17.478)	(0.088)	(1.981)

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)	\$	(81,848,933)	\$	(84,331,348)	\$	(86,749,023)
Net Change	\$ 1,990,645	\$	(1,902,294)	\$	(2,535,279)	\$	(3,436,081)	\$	(4,647,476)
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	\$	8,614,376	\$	5,355,855	\$	571,210
Fund Balance %	15.98%		13.33%		10.52%		6.35%		0.66%