

FY26 Budget

Financial Forecast and FY26 Preliminary Assumptions

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Agenda

State Budget

- Governor's Proposal
- Budget Environment

5-Year Financial Forecast

- Current Year Snapshot
- Trend Projections

FY26 Budget Assumptions

- Revenue and Expense Assumptions
- Possible Strategies

Next Steps and Discussion



STATE BUDGET



“The Year of the Kid”

\$3.1B State Investment **Proposed** by Governor Evers

FY26 Proposal - Key Financial Parameters

+\$58 per pupil aid (approx \$100K for SSD)

+\$334 per member revenue limit (approx \$500K for SSD)

+30% more for special education (approx \$1M for SSD)

See DPI Website for full details on these and other provisions included in the Governor's proposal



2023 Proposed vs Approved

2023 Governor Proposed

+\$1,000 revenue limit
increase (over two years)

+\$93 per pupil aid

+30% more for special
education

2023 Legislature Approved

+\$325 per year revenue
limit increase for 402 years

+\$0 per pupil aid

+0% more for special
education

See DPI Website for full details on these and other provisions included in the Governor's proposal and the final 2023-2025 biennial budget



FINANCIAL SNAPSHOT AND 5-YEAR FORECAST

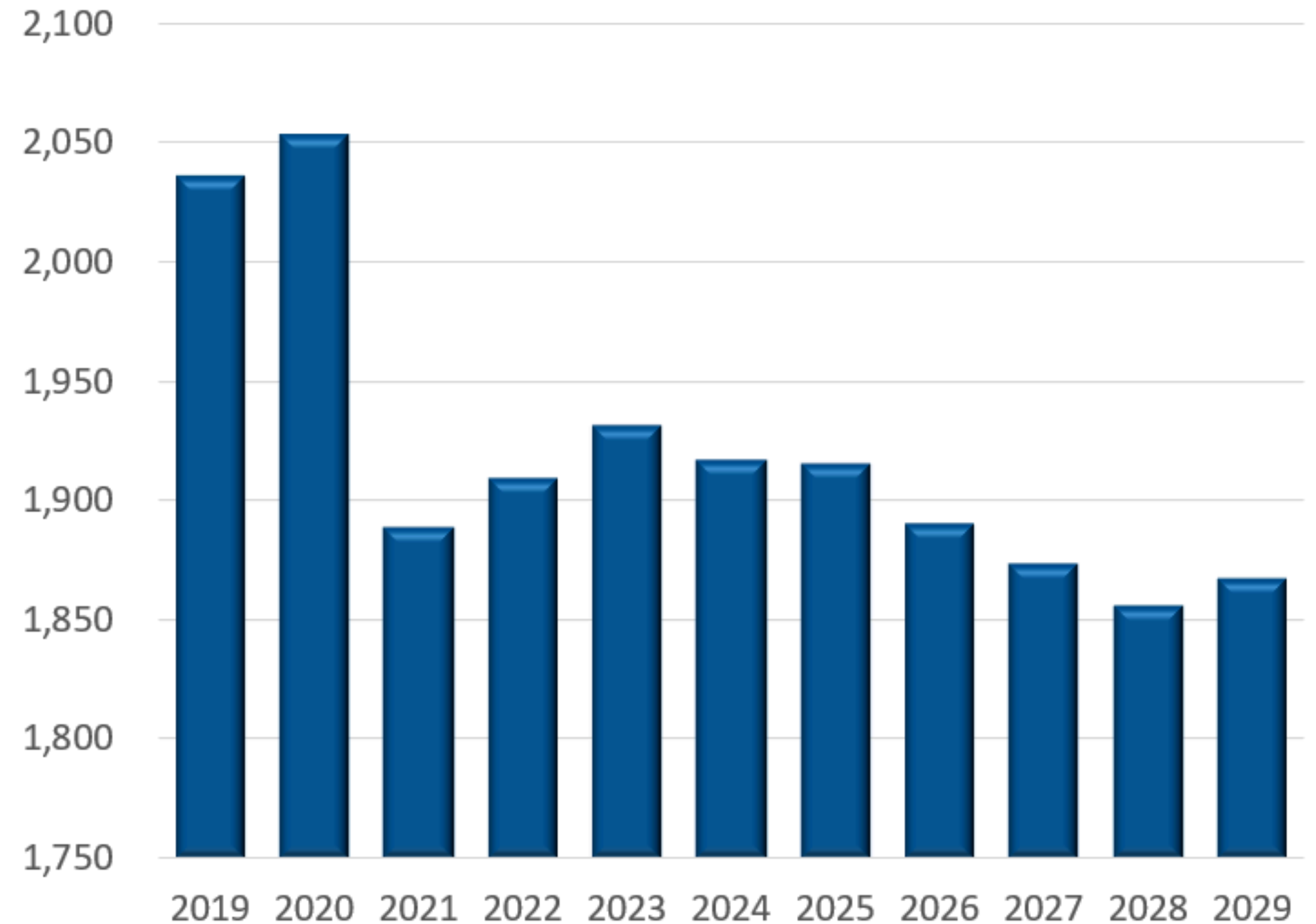


- Enrollment Trends
- Revenue, Expense, and Inflation Trends
- District Response/Changing Financial Picture
- Future Forecast



Enrollment Trend

- 1,916 Current Enrollment
- 138 Less Than 5 Years Ago
- 2.51% Decline Projected Enrollment
- 88% resident/12% non-resident (current and projected)



@2025 Frontline Education



Public school enrollment projections

Average projected enrollment **decrease:**
7% by 2028-29

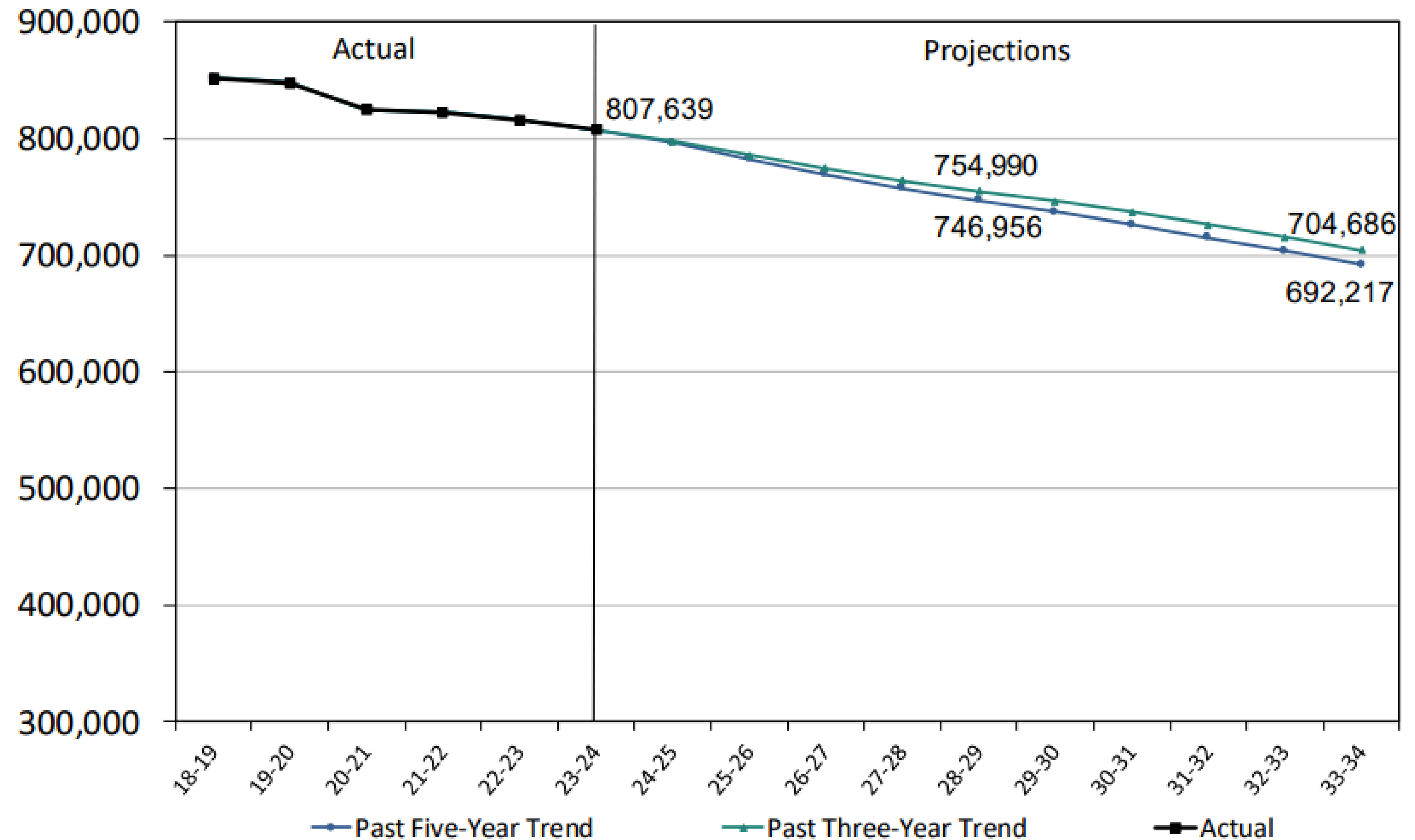
All grade groupings to decline:

K-5 by **8%**

6-8 by **4%**

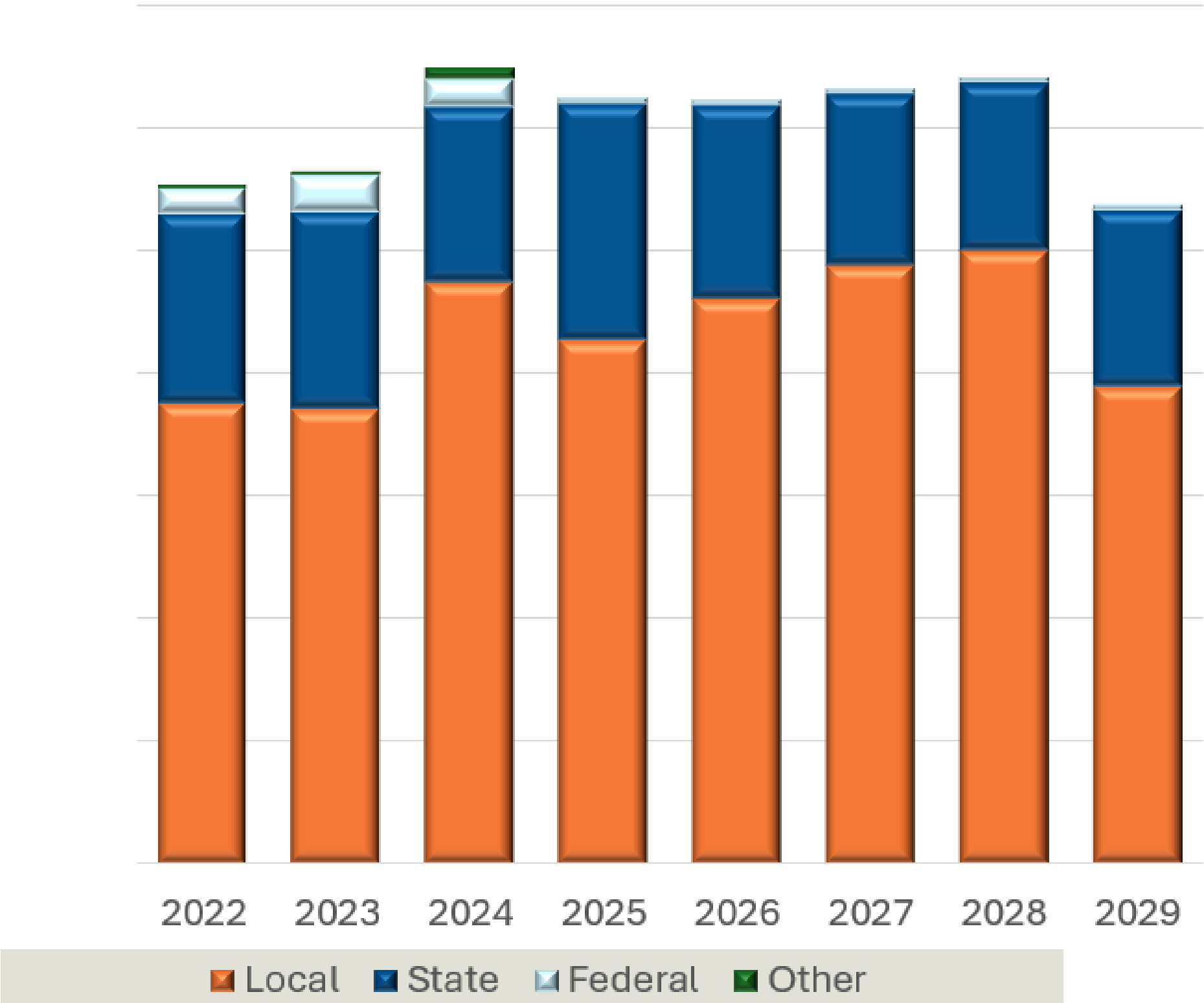
9-12 by **7.6%**

Statewide 4K-12 Students

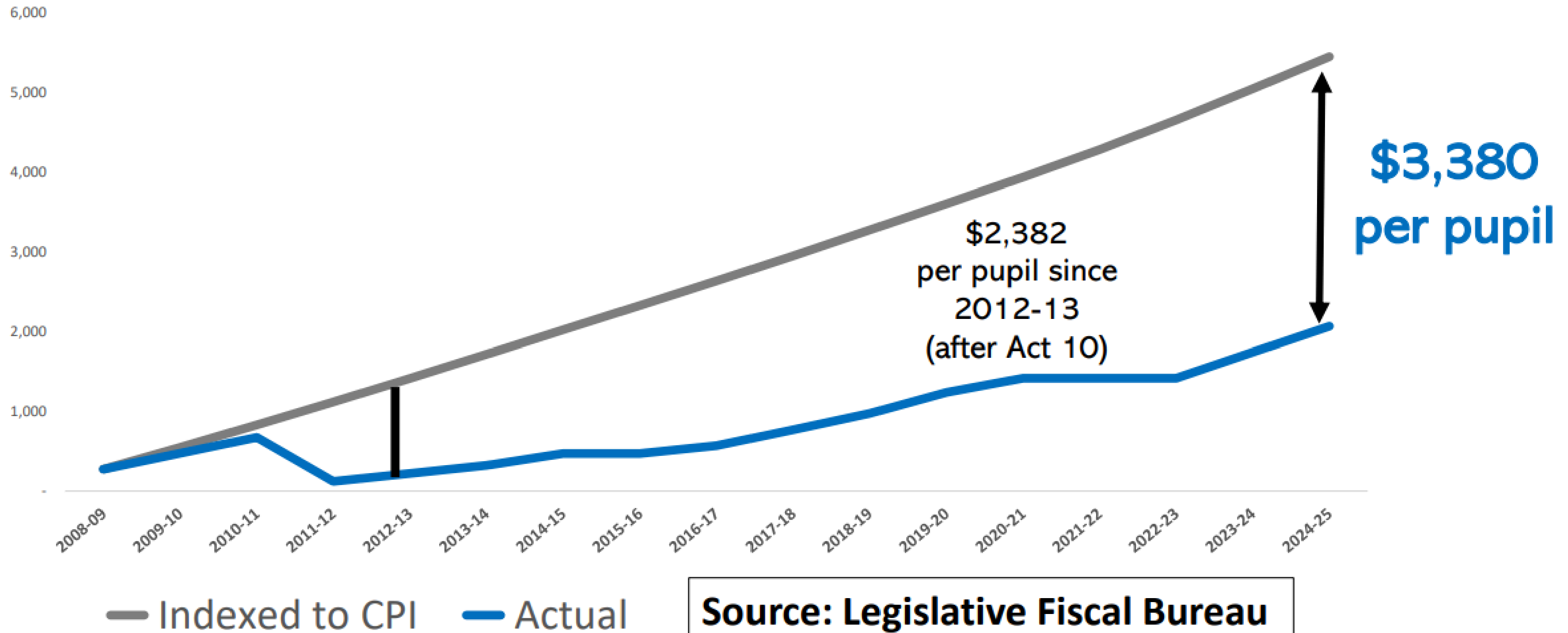


How are we Funded?

Local Property Taxes
+
State Aid
=
90% of District Revenue

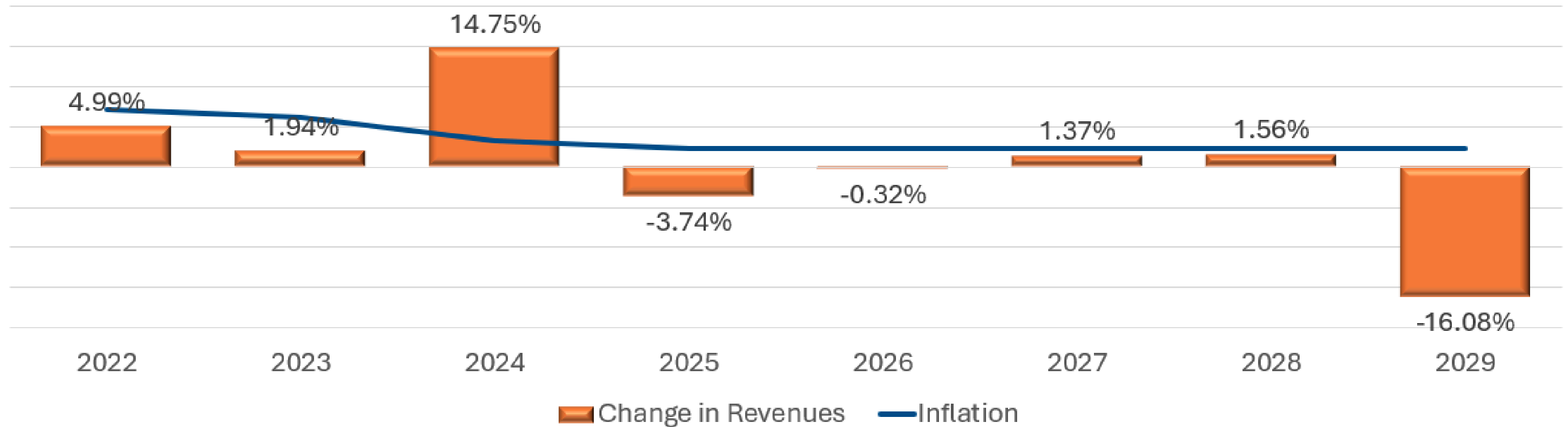


General school district revenues per pupil lag inflation by more than \$3,300 since 2009



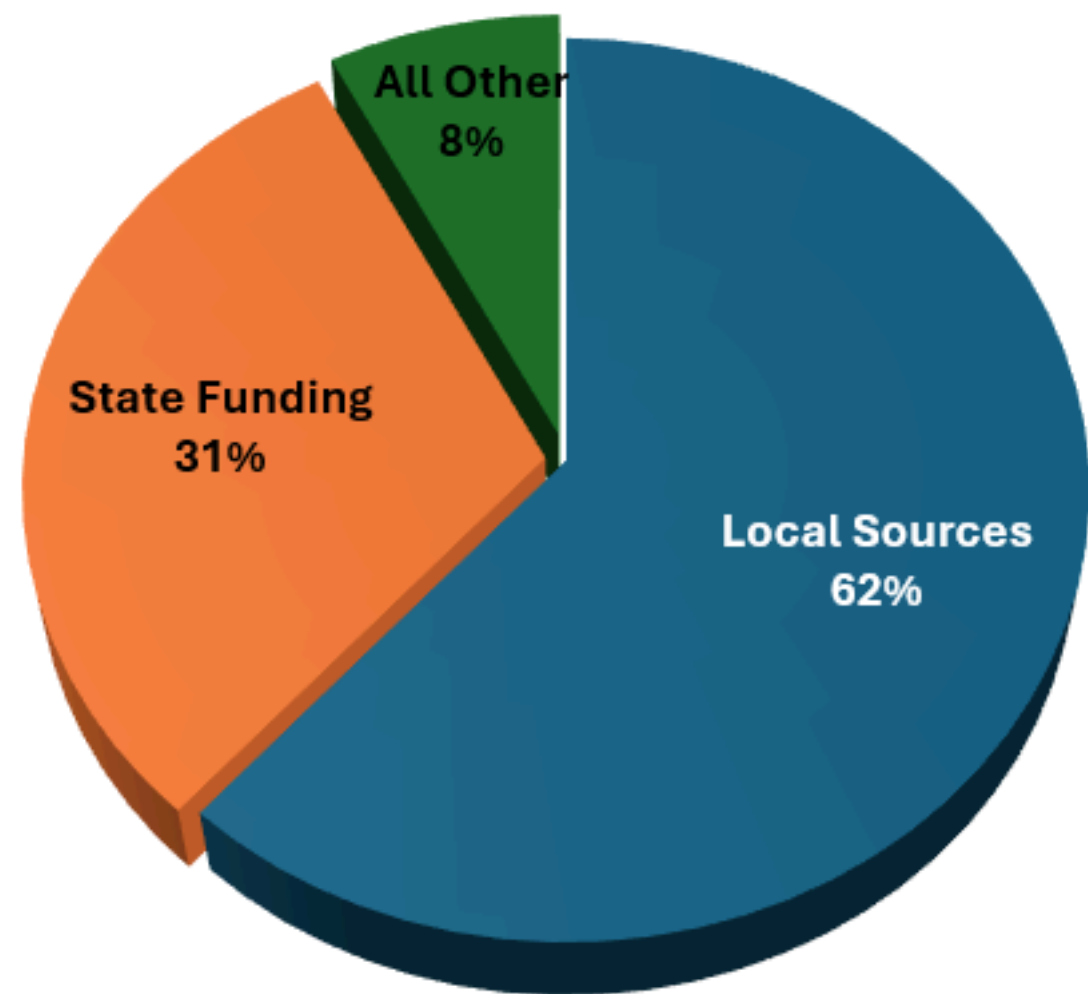
Source: Legislative Fiscal Bureau

Annual Changes in Revenues

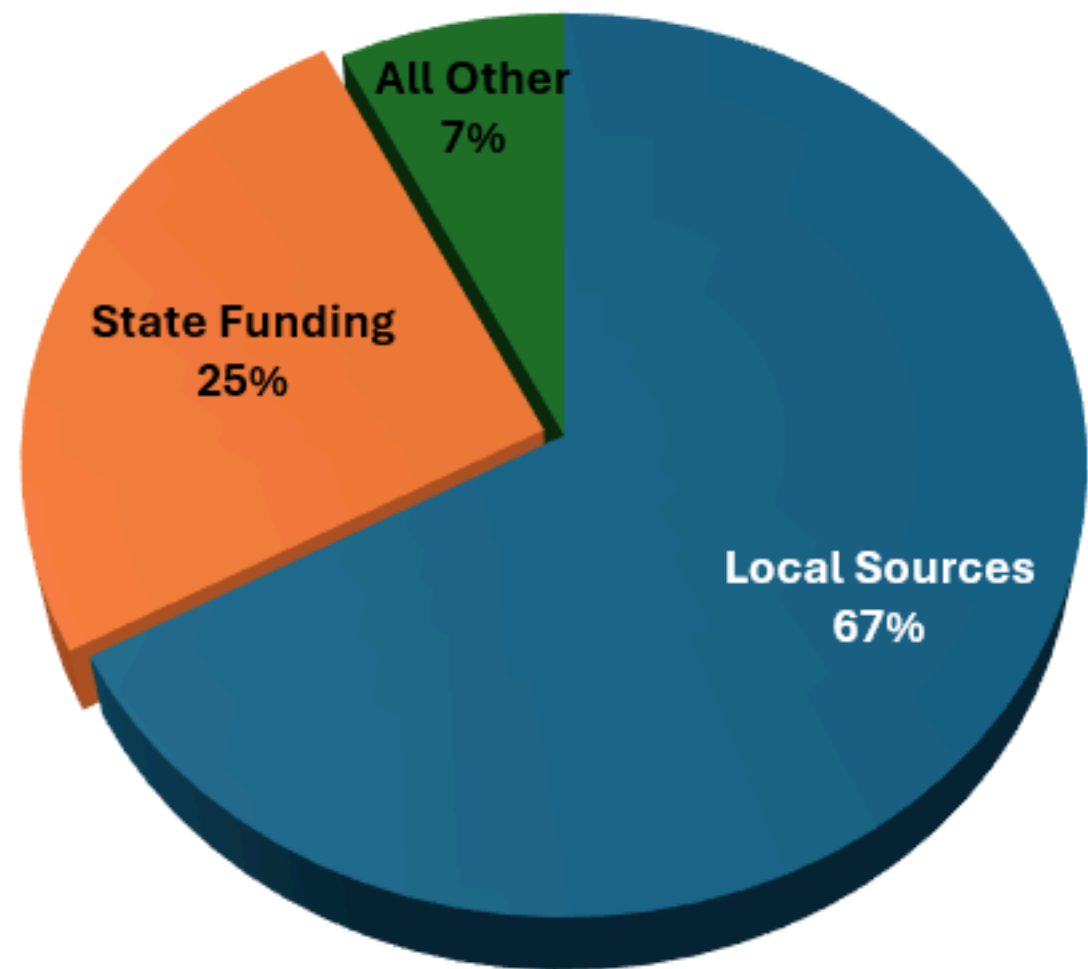


REVENUE COMPARISON

Current Fiscal Year Budget compared to Projected Next Year



Current Year - Budget

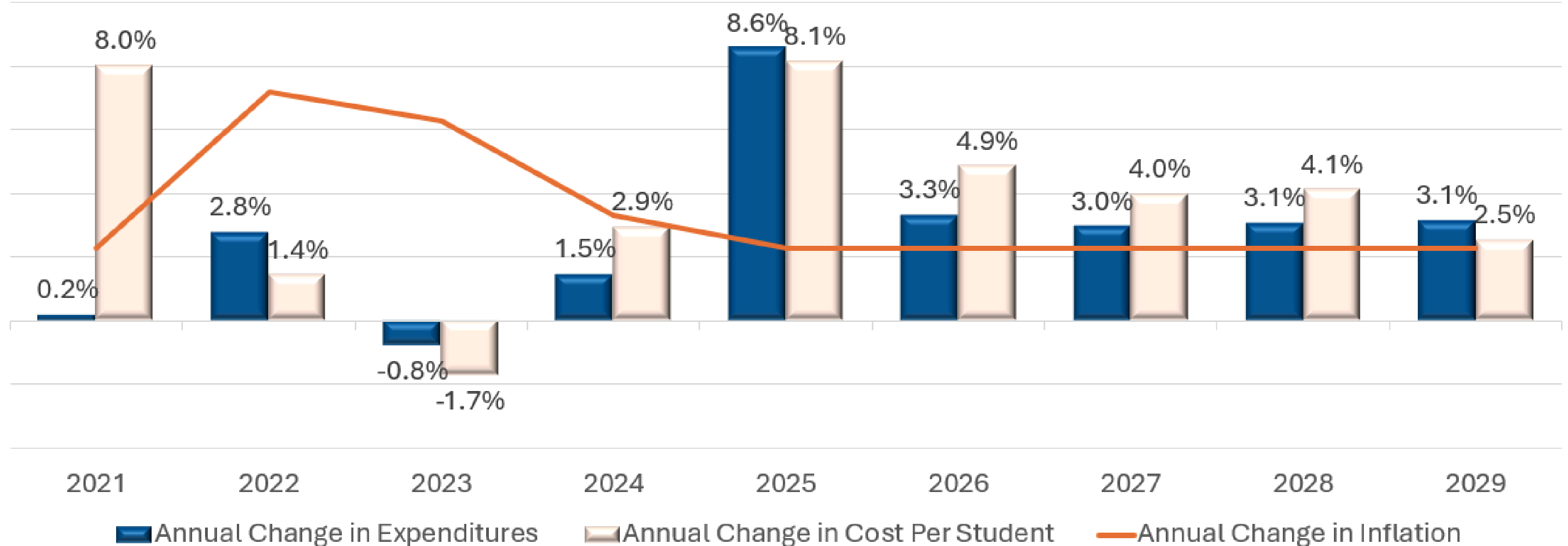


Next Year - Projected

- Assumptions:
- \$325 per student revenue limit
 - No change to categorical aid and federal grants
 - Decreased state aid/increased property tax reliance
 - 1,668 rolling resident membership average



Annual Change in Expenditures and Cost per Student



2.30% Projected 5-Year Inflation Average

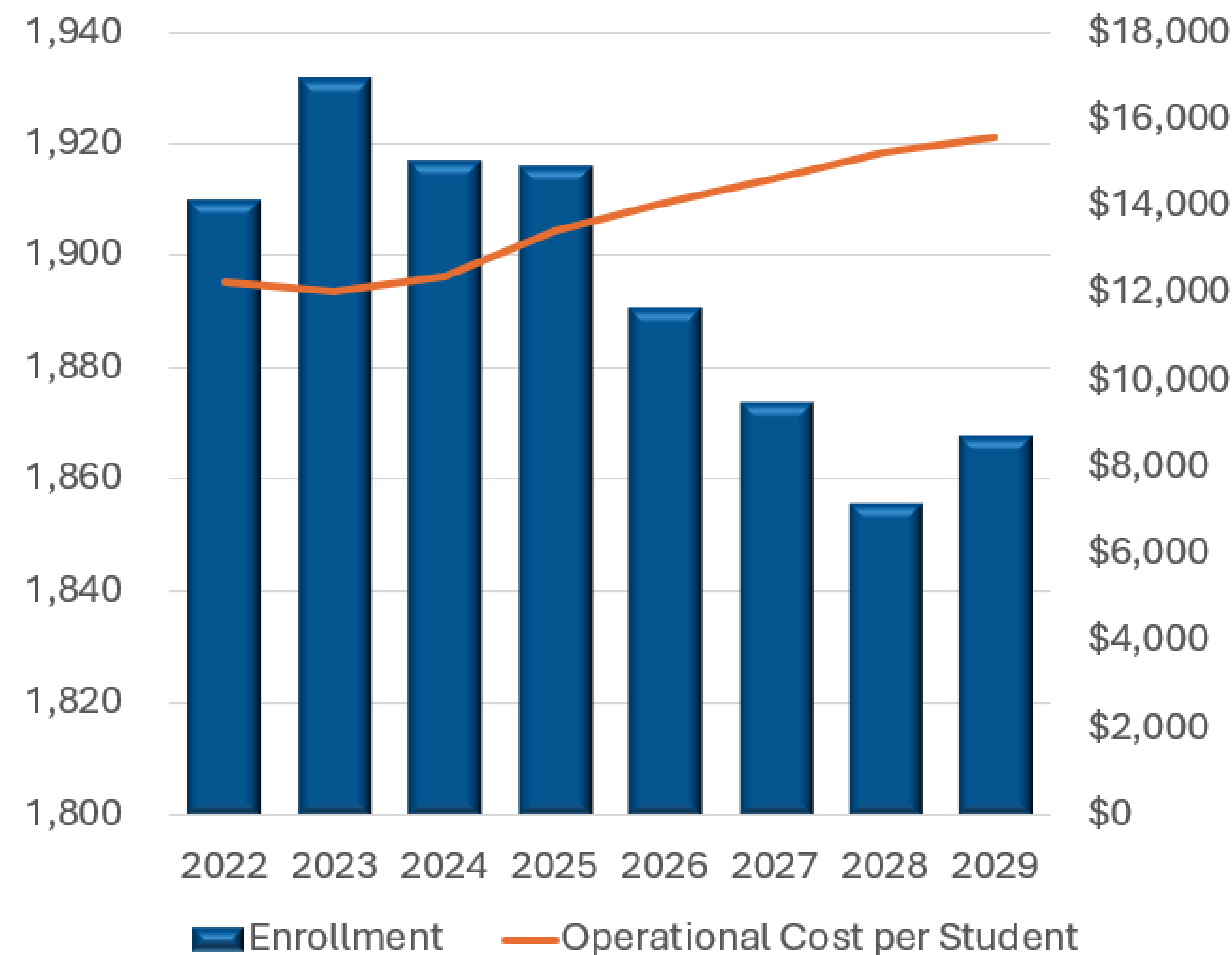
4.19% Projected 5-Year Expense Change



Increasing Cost per Student

4.73% Projected Average Increase in cost per Student

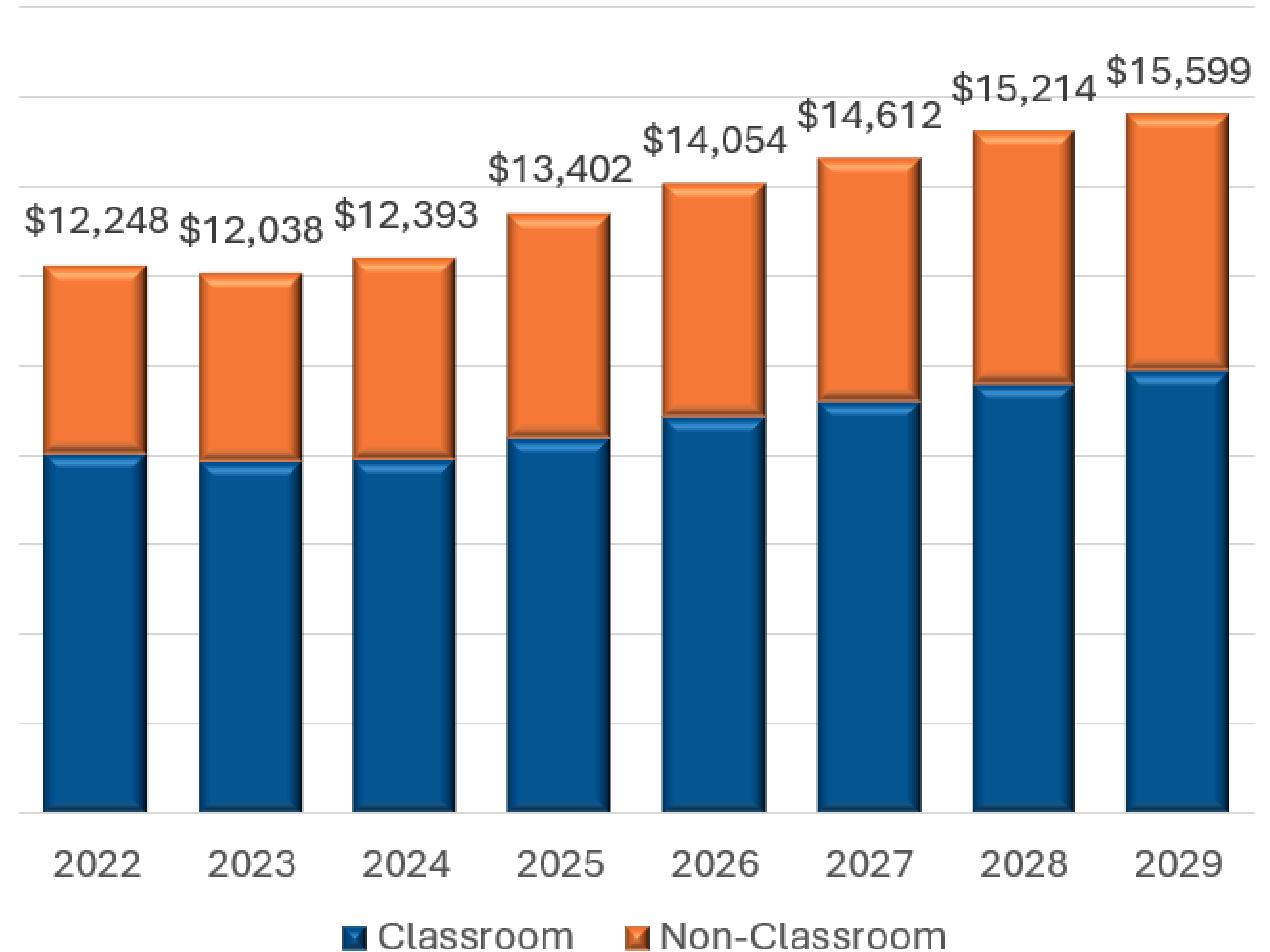
-2.51% Projected Enrollment Decline



General Fund Operating Cost Per Student

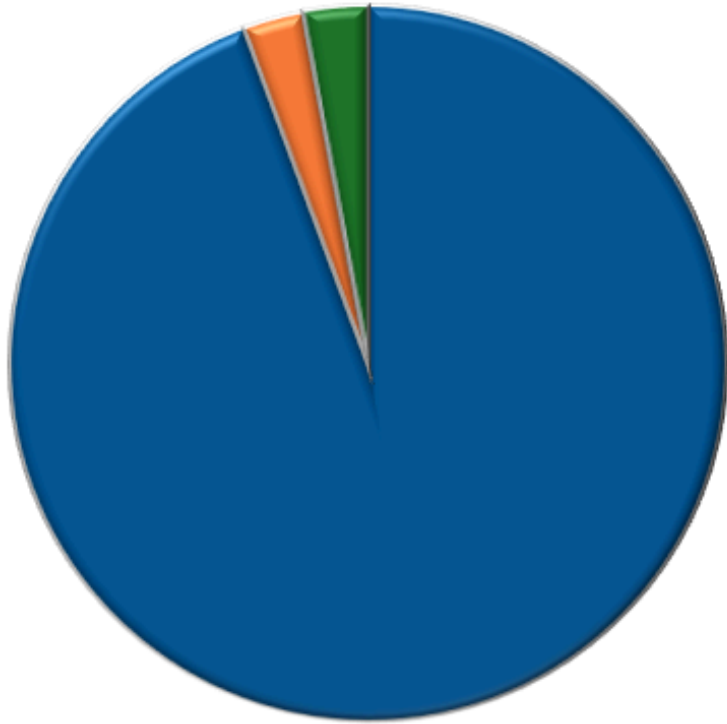
Projected future spending changes:

- 17.77% Increase in Classroom Spending
- 14.11% Increase in Non-Classroom Spending



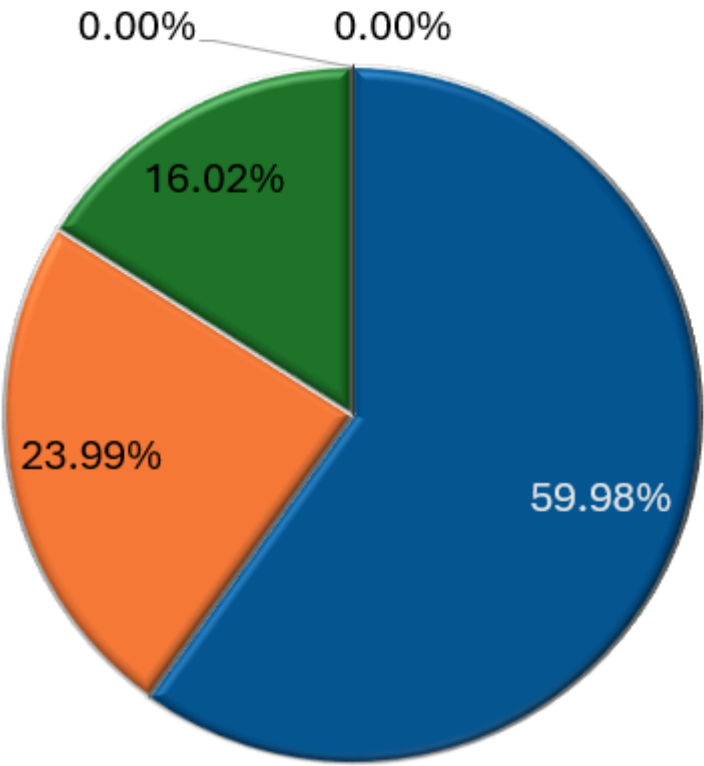
Classroom Expenses by Type

- Salaries and Benefits
- Purchased Services
- Other Expenses
- Supplies
- Capital Outlay



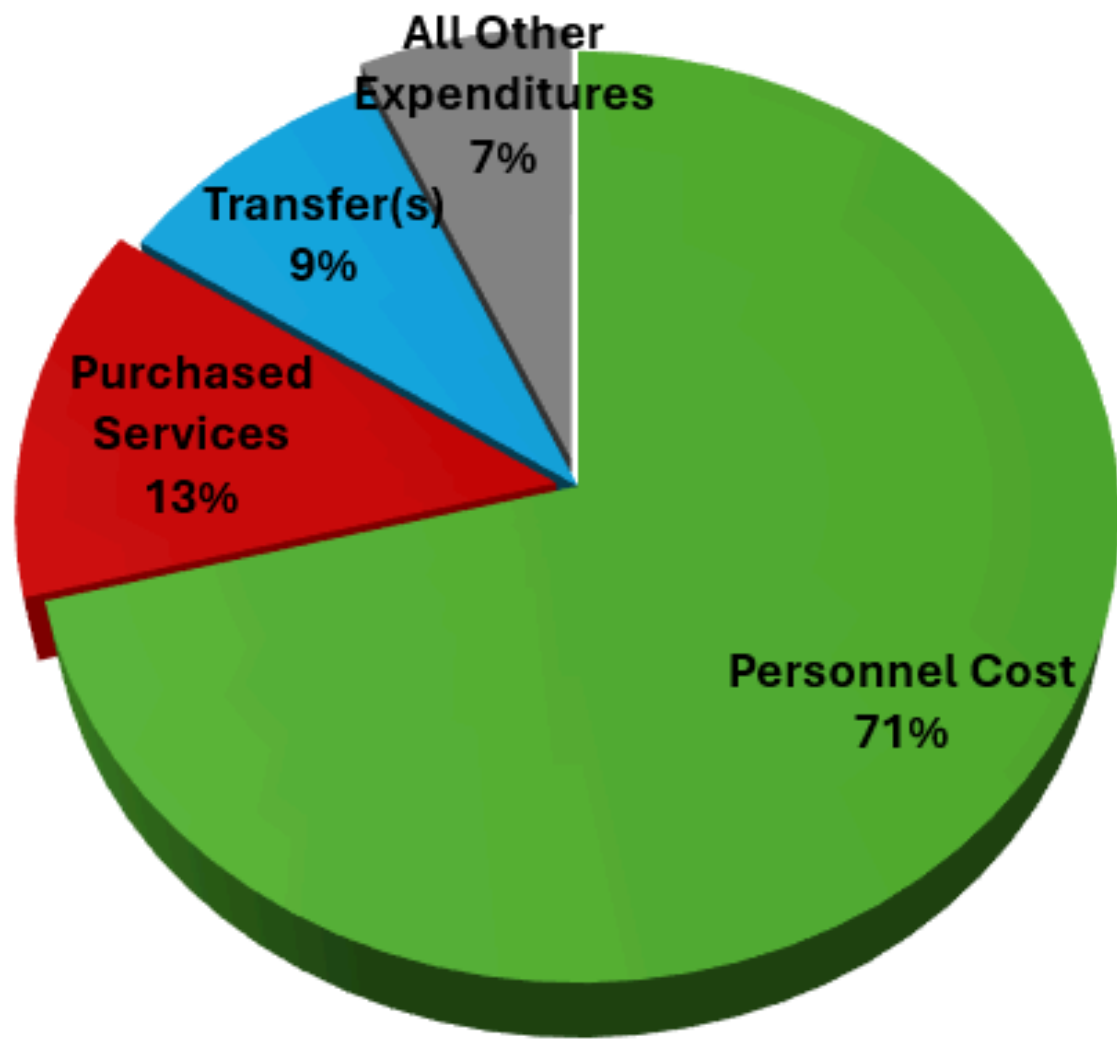
Non-Classroom Expenses by Type

- Salaries and Benefits
- Purchased Services
- Other Expenses
- Supplies
- Capital Outlay

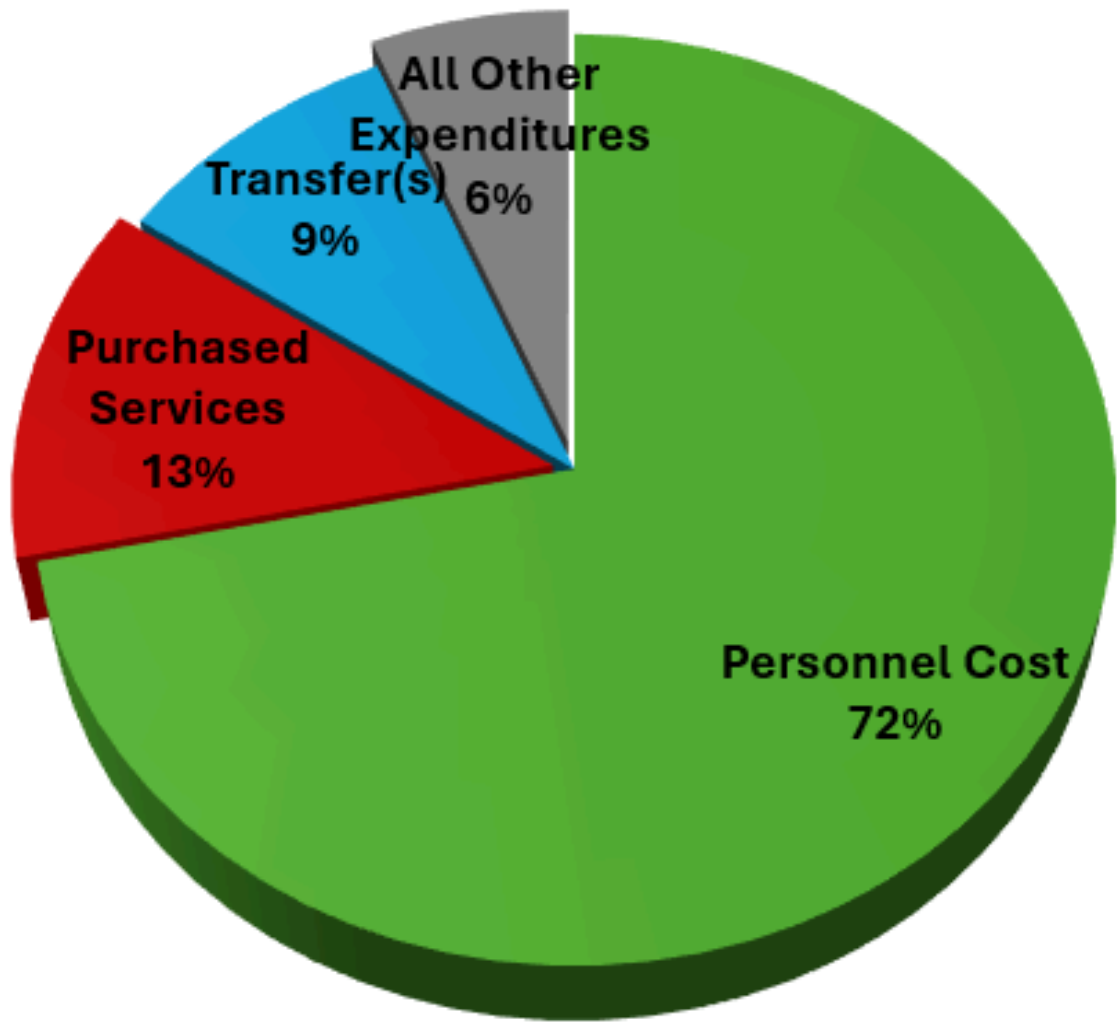


EXPENSE COMPARISON

Current Fiscal Year Budget compared to Projected Next Year



Current Year - Budget

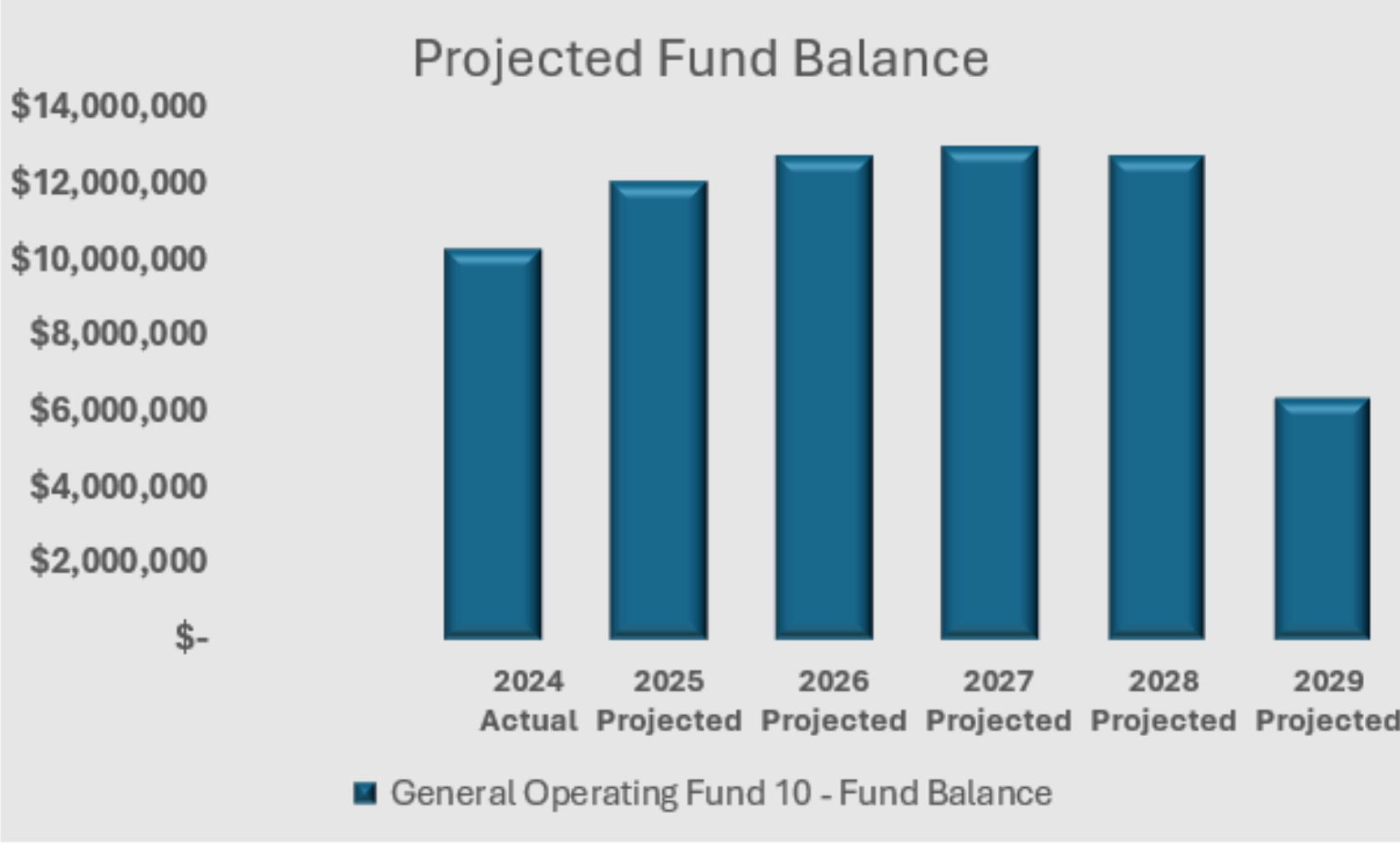
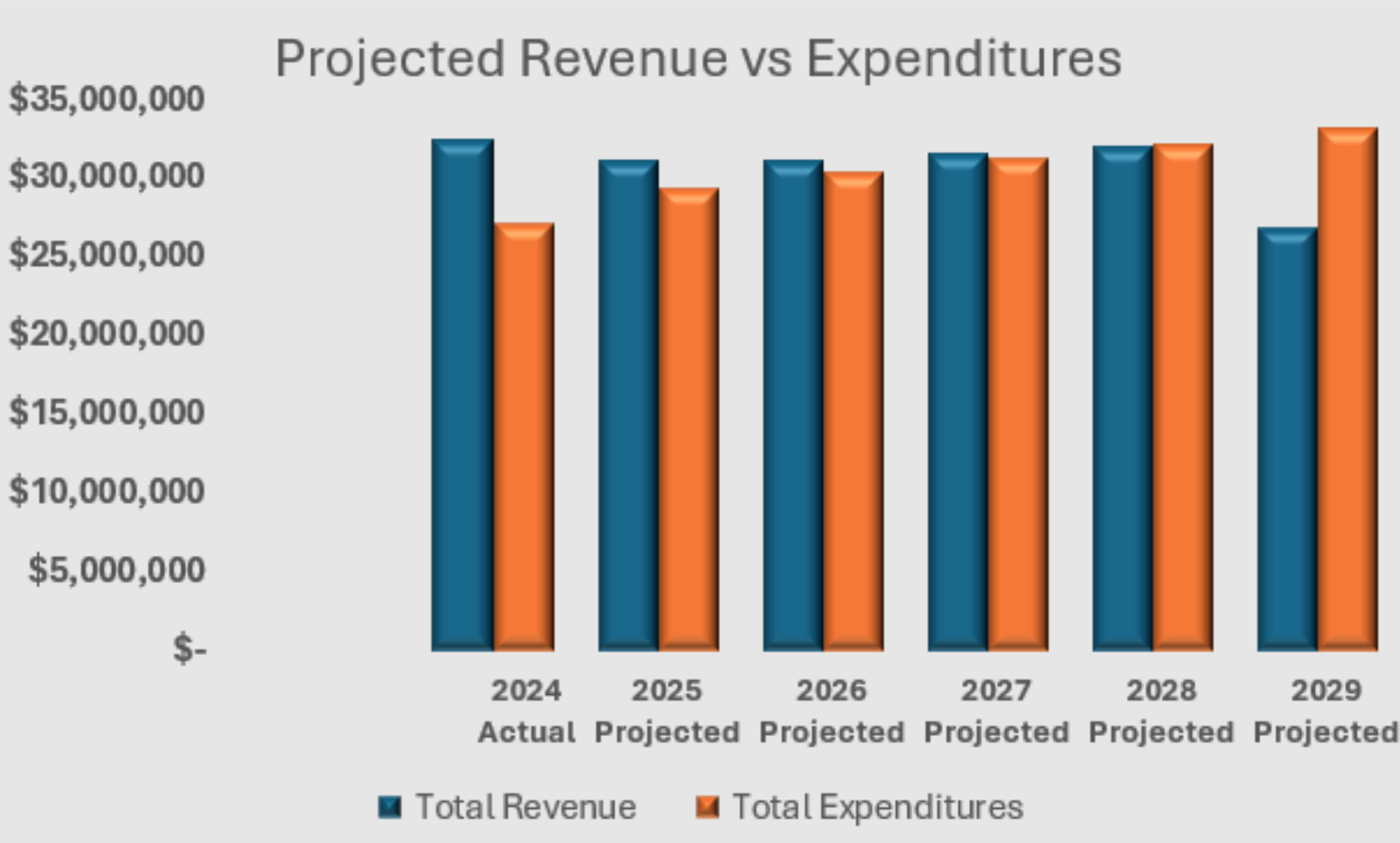


Next Year - Projected

- Assumptions:
- Up to 2.95% salary increase (CPI=2.95%)
 - Up to 14% health insurance increase
 - 5% property insurance increase
 - 2% on all other materials, supplies, and services



FORECAST



Three Year Financial Outlook:

By FY 2027 the district is expected to trend toward a fund balance of \$12,949,022 Net gain for the year is \$235,554

Five Year Financial Outlook:

By FY 2029 the district's fund balance is projected to trend toward \$6,308,757 Projected Net loss for FY 2029 is -\$6,403,388



FY26 BUDGET CHALLENGES AND DISCUSSION



COST CONTAINMENT: CHALLENGES

- Fewer low-hanging fruit
- Transitional phase of change/partial FTE needs
- Fewer opportunities to reduce staffing through attrition
- New needs surfacing
- Change fatigue
- Unclear appetite for future operating referendum or school configuration change



DISCUSSION QUESTIONS

- Is the Board comfortable with the assumptions outlined? What would the Board like the District to take into consideration as we refine and build the FY26 budget?
- What strategies would the Board suggest to help mitigate the challenges outlined?
- Are there specific budget areas or opportunities the Board would like the District to explore in greater detail?
- What long-term financial outcomes would the Board like the District to drive towards?

