

FY26 Budget

Budget Balancing Strategies

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Agenda

Budget Process ReCap

- Previous Presentations
- Upcoming Presentations and Approvals

5-Year Financial Forecast

- Trend Projections

Budget Balancing Purpose

Priorities, Challenges and Funding Strategies

FY26 Budget

Future Planning

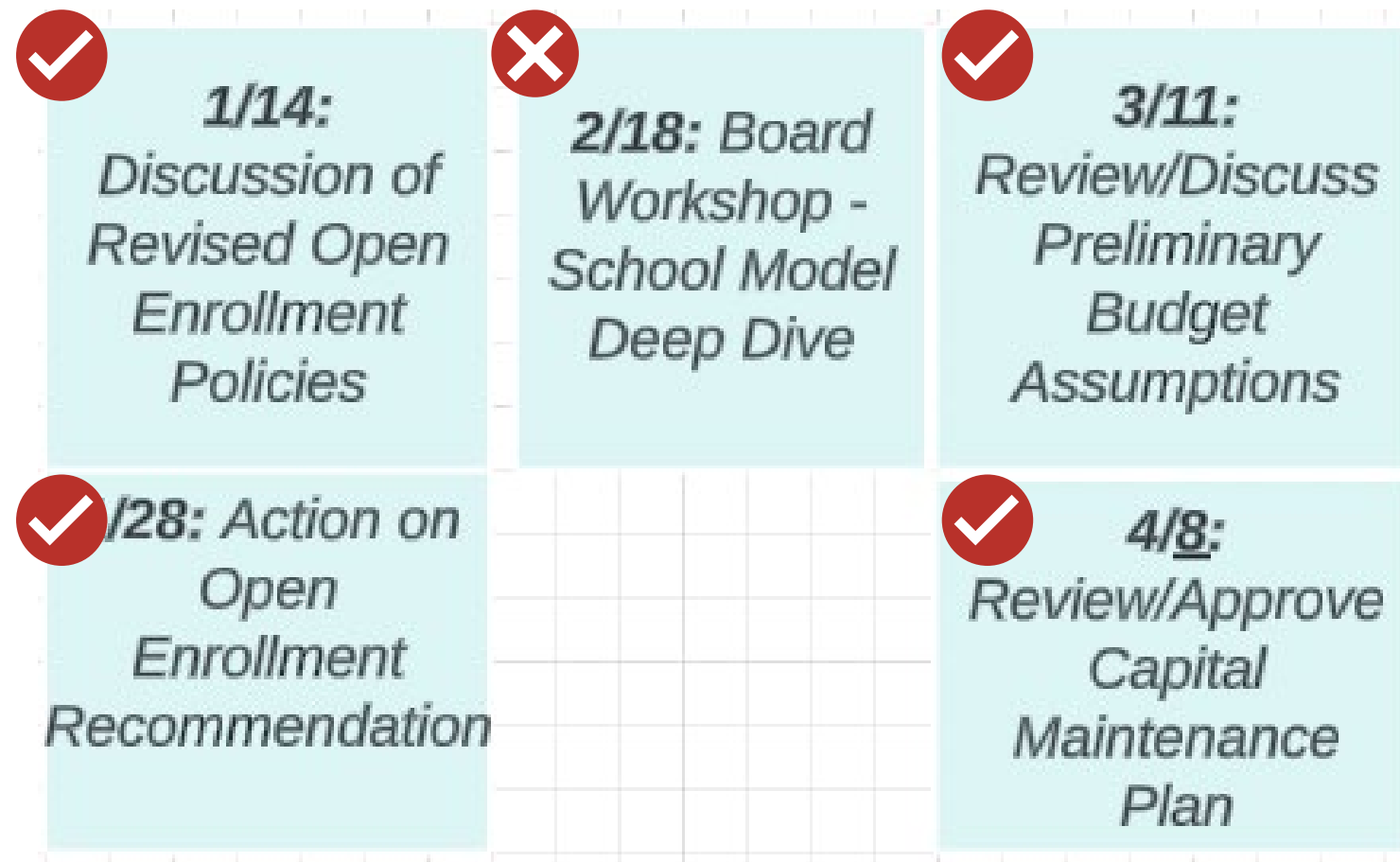
Discussion



Budget Process

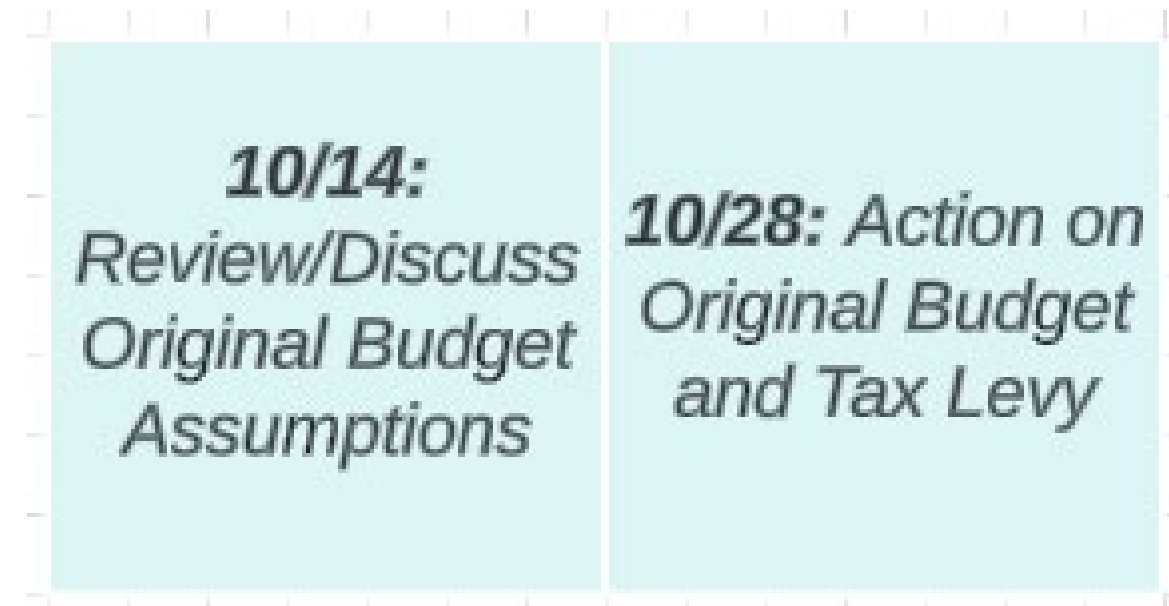
Budget Development Calendar

Progress to Date



Budget Process

Next Phase



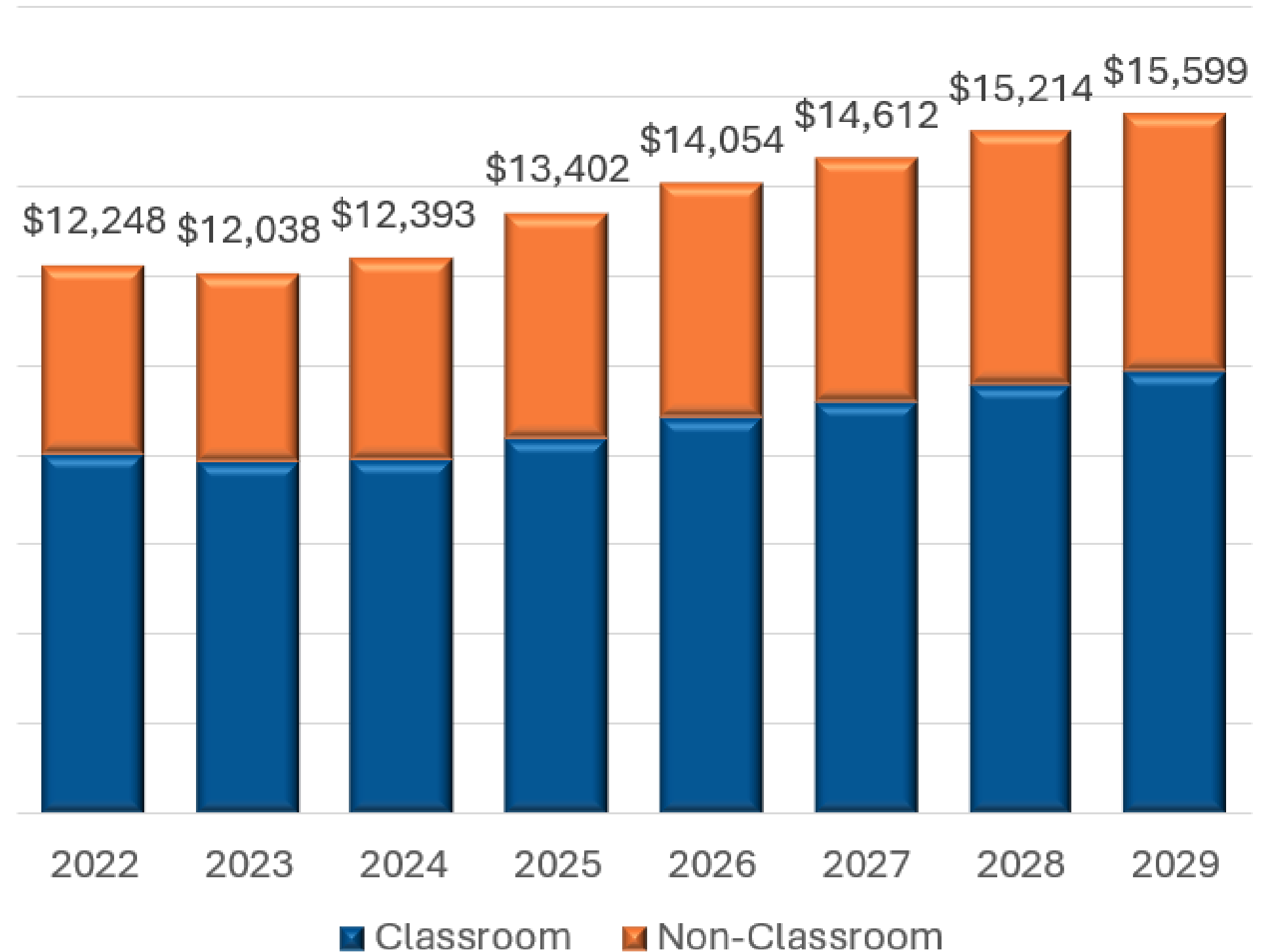
5-YEAR FINANCIAL FORECAST



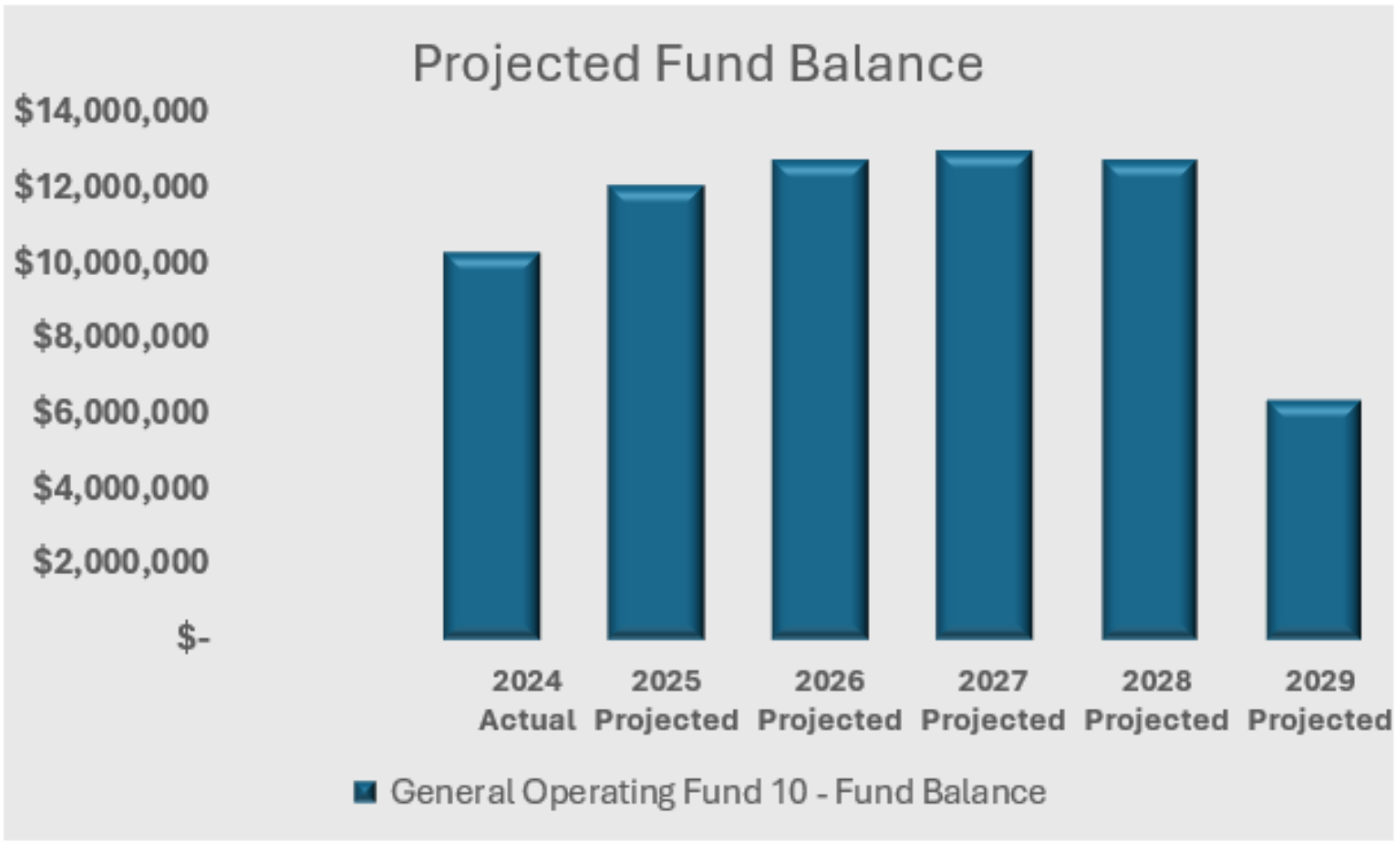
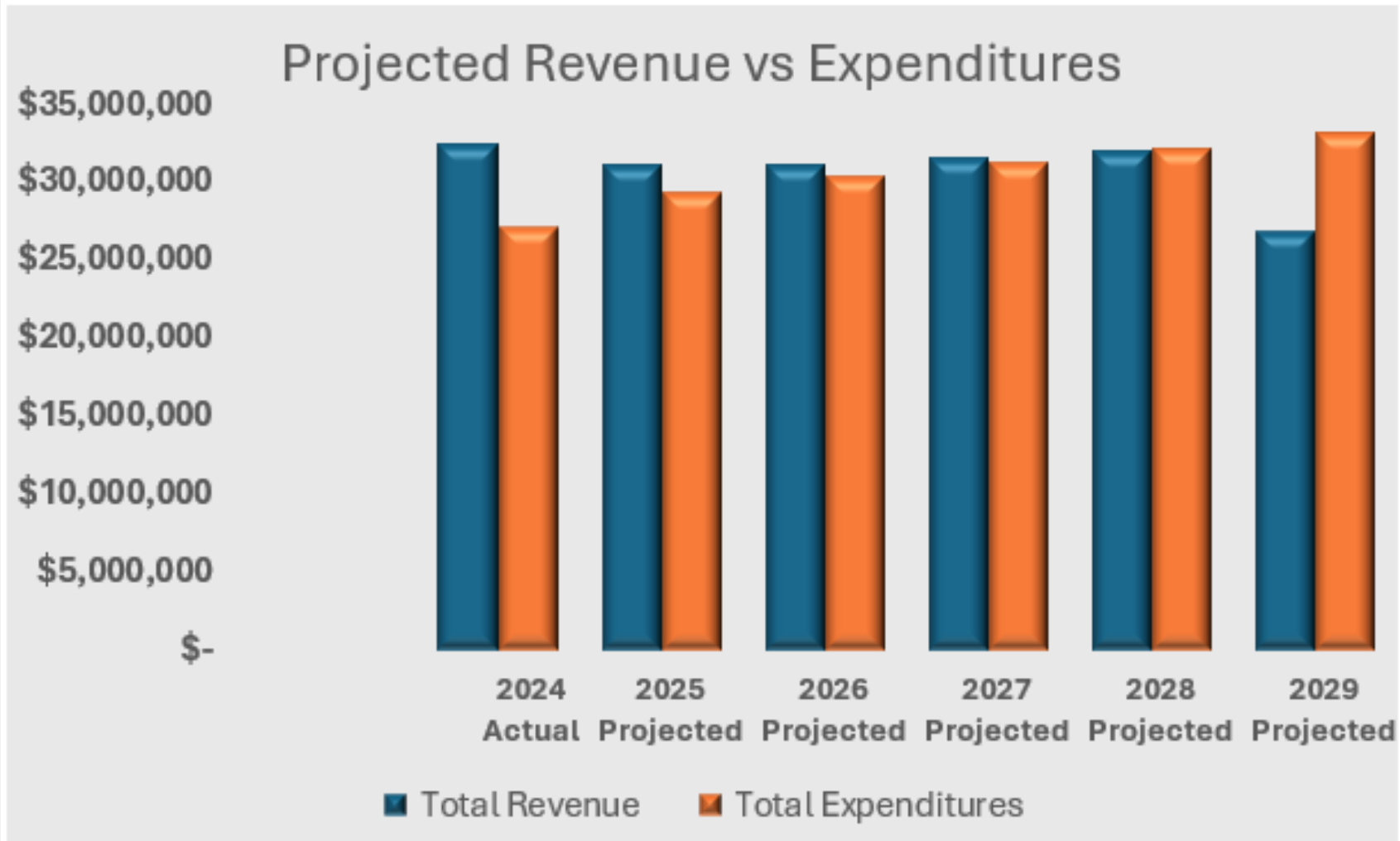
General Fund Operating Cost Per Student

Projected future spending changes:

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



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



BUDGET BALANCING PURPOSE



Budget Balancing Purpose

- ✓ Community Promise
- ✓ Financial Reality
- ✓ Changing Student Needs



Budget Balancing Goals

- ✓ High Impact Spending
- ✓ Stay True to Priorities
- ✓ Phase Changes



Everything we do has value, but not everything significantly impacts the achievement of our goals.



Budget Priorities

24-25

- ✓ Academic Rigor
- ✓ Support for the Whole Child
- ✓ Compensation
- +
- ✓ Operational efficiency



PRIORITIES, CHALLENGES AND FUNDING STRATEGIES



FY26
Budget



Priority: Accelerated Math Achievement for All Students

- Launch new math curriculum for grades 6-12
- Curriculum materials
- Professional development

Estimated Investment:
\$110,000

Funding Strategy

- \$75,000 re-allocated from cash flow borrowing
- \$30,000 Seed grant request
- \$5,000 allocated from general teaching and learning budget

Projected Budget Impact:
FY26: \$0K



Priority: Support Student Mental Health

- \$50K needed to continue Children's Hospital partnership for student mental health therapy

Estimated Investment:
\$50,000

Funding Strategy

- \$50,000 from operating funds in 25-26
- RFP in 2026 to identify possible new vendor and/or consider expanding community wide and leveraging Fund 80

Projected Budget Impact:
FY26: \$50,000K



Priority: Empower Educators

- Offer professional development centered on key priorities

Estimated Investment:

\$58K (+\$65K included in math achievement)

Funding Strategy

- Allocate a portion of existing department and school budgets
- Leverage title and other grant funds

Projected Budget Impact:

FY26: \$0K



Priority: Enrich Learning Through After School

Activities

- New offerings for elementary early release days offered through the community recreation program

Estimated Investment: TBD

Funding Strategy

- Funds requested from the Seed Foundation
- Spend for start-up costs will match the Seed grant
- Ongoing funding through program fees

Projected Budget Impact:

FY26: \$0K



Priority: Operational Efficiency

- Align staffing to anticipated 25-26 enrollment and course selections
 - 6 grade levels could be at 5 section/grade size (vs 6 historically)
 - Decreased enrollment projected for SHS and SIS
 - K5 projected at 5 sections and enrollment trending low

Anticipated Changes

- SHS: 3.6 FTE net reduction
 - 2.80 teaching/.8 non-teaching
- SIS: .5 FTE net reduction (all teaching)
- 1.9 net reduction at Atwater
 - 1.0 teaching/.9 non-teaching
- 1.0 addition at Lake Bluff (teaching)

Projected Budget Impact*:

FY26+: \$-365K

*Included in consolidation scenarios; savings do not reduce overall spending due to anticipated salary increases that offset savings



Priority: Operational Efficiency

- Evaluate opportunities to reduce spending on non-teaching positions and external staffing

Anticipated Changes

- Decrease in substitutes not used for direct instruction
- Re-allocation of responsibilities to increase efficiency of support staff

Projected Budget Impact:
FY26+: \$-75K (estimate)



PRIORITIES, CHALLENGES AND FUNDING STRATEGIES



Future



Capital Strain on Operations

Challenge: Building maintenance costs for our historic properties are high and increasing

Strategies

- ✓ Transfer unspent funds to capital fund when feasible to decrease the future need to earmark funds for capital investment



Rising Health Care Costs

Challenge: The cost of health care for Shorewood and other Districts and organizations is escalating rapidly

- 8.8% increase for 25-26; Lowest in last 4 years but still well in excess of our revenue increase; Trend data suggests challenges will continue

Strategies

- ✓ Board workshop in summer '24 with our benefits consultants to dig into potential changes to mitigate increases over time **(Complete)**
- ✓ RFP for vendor to assist with planning for self-funding in 2025
- ✓ Allocate unspent 24-25 HRA funds for future self-funding



Maintaining Top Compensation

Challenge: Salary + fringe increases have consistently exceeded our revenue increase

Strategies

- ✓ Cost-benefit analysis of benefits
- ✓ Staffing efficiencies through school reconfiguration



School Size and Configuration

Challenge: Our school sizes have become increasingly difficult to staff efficiently due to changing enrollment

Strategies

Reconfigure School Model

1. April: Launching process with neighborhood and enrollment study
2. Summer 2025: Convene task force; additional model research
3. Fall 2025: Task force analysis and recommendation



QUESTIONS

