



FY27 Budget

Financial Forecast and FY27 Preliminary Assumptions

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OUR PROMISE

The Shorewood School District is an inclusive community that values, supports, and challenges every student so they thrive now and in the future they choose.



Agenda

Budget Development

- Progress to Date
- Purpose for Today

State Budget

- Pending Changes
- Budget Environment

Financial Forecast

- Revenue and Expense Assumptions
- FY27 and Trend Projection

FY27 Priorities

Next Steps and Discussion



FY27 Budget Development Status

- ✓ Enrollment Projections/Action on Open Enrollment
- ✓ Staff Input Session
- ✓ Community Input Session
- ✓ Leadership team prioritizing and budget development in process

Today:

- ☐ Review current trend and forecast
- ☐ Identify baseline assumptions to guide the FY27 budget
- ☐ Review and discuss priorities for the FY27 budget development



STATE BUDGET



Pending State Budget Items (sample/significant items)

Wisconsin PTA vs State Assembly ("School Finance Lawsuit")

Budget Impact: Unknown

Timeline: Unknown

Surplus Negotiations

Budget Impact: Up to 45% of special education reimbursement based on current proposal; property tax relief possible

Timeline: Spring?

Remove \$325 Per Pupil Annual Increase

Budget Impact: Loss of approximately \$400,000 per year

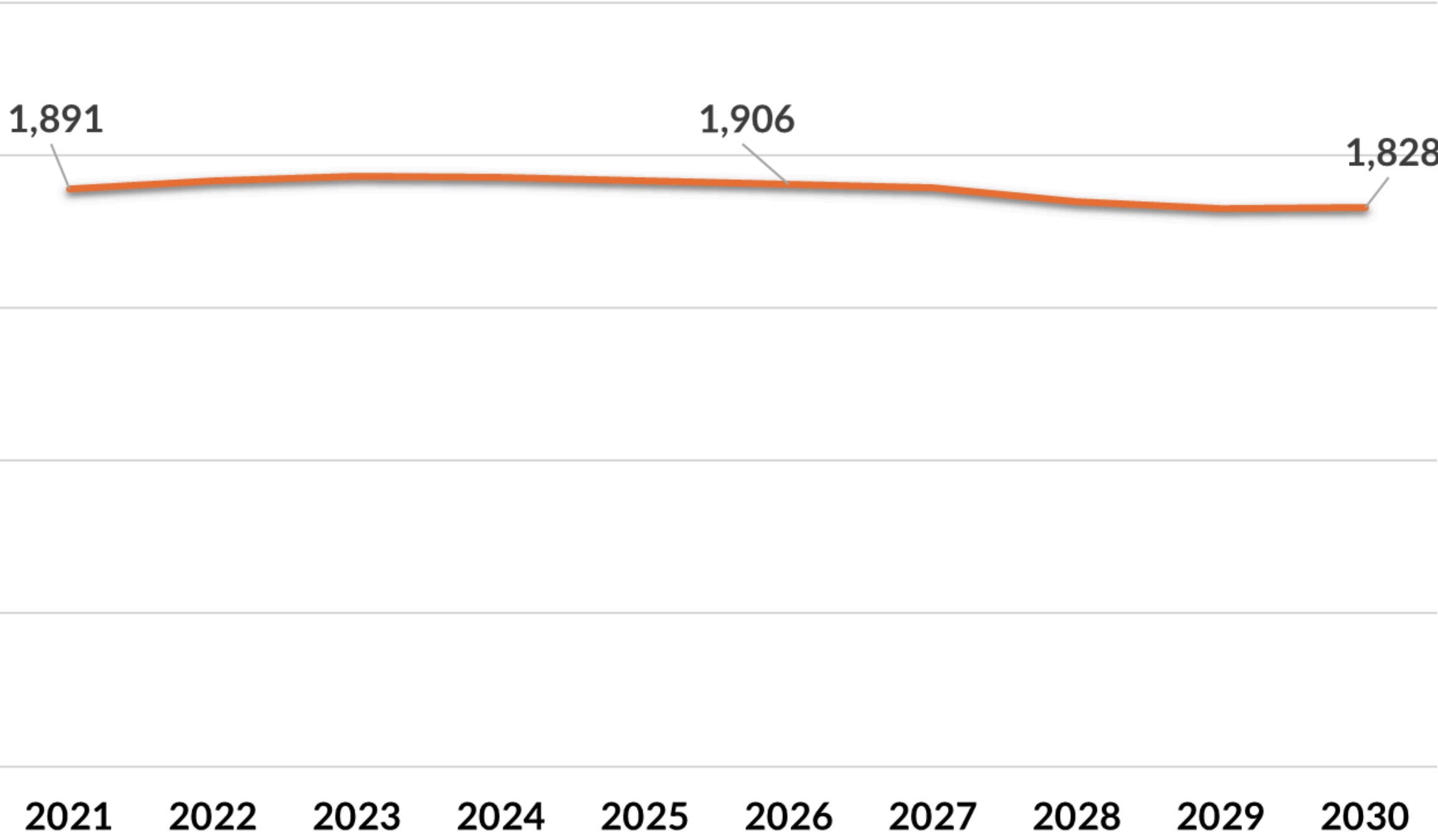
Timeline: Unknown



FINANCIAL SNAPSHOT AND 5-YEAR FORECAST



Historic and Projected Enrollment



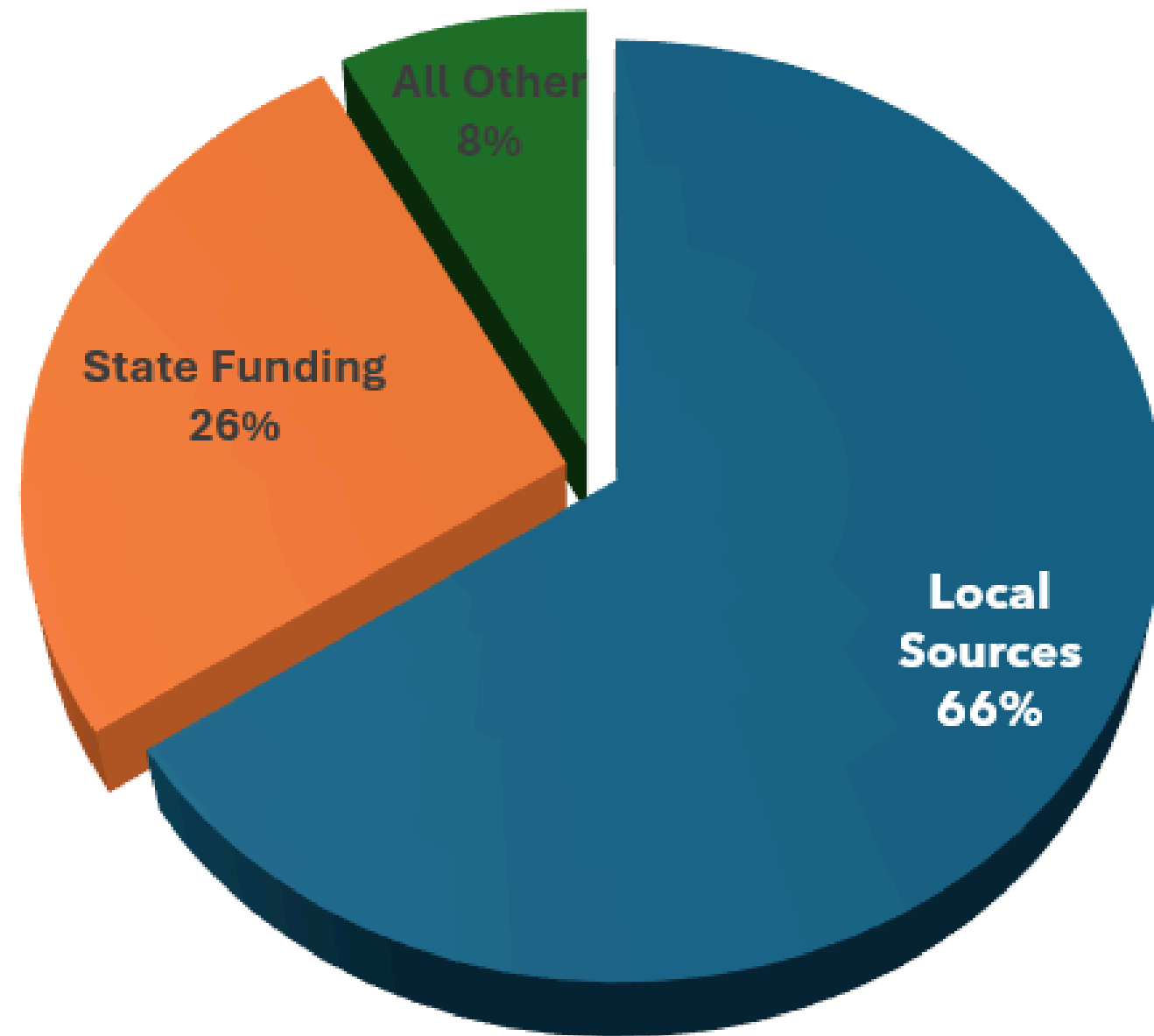
General Assumptions

- Gradual decline based on M.D. Roffers report
- 1,895 total enrolled next year





Current Year Revenue



Projected Local Revenue	\$20,462,548
Local Taxes	\$19,552,133
Interest, Sales and All Other Local Revenue	\$910,415

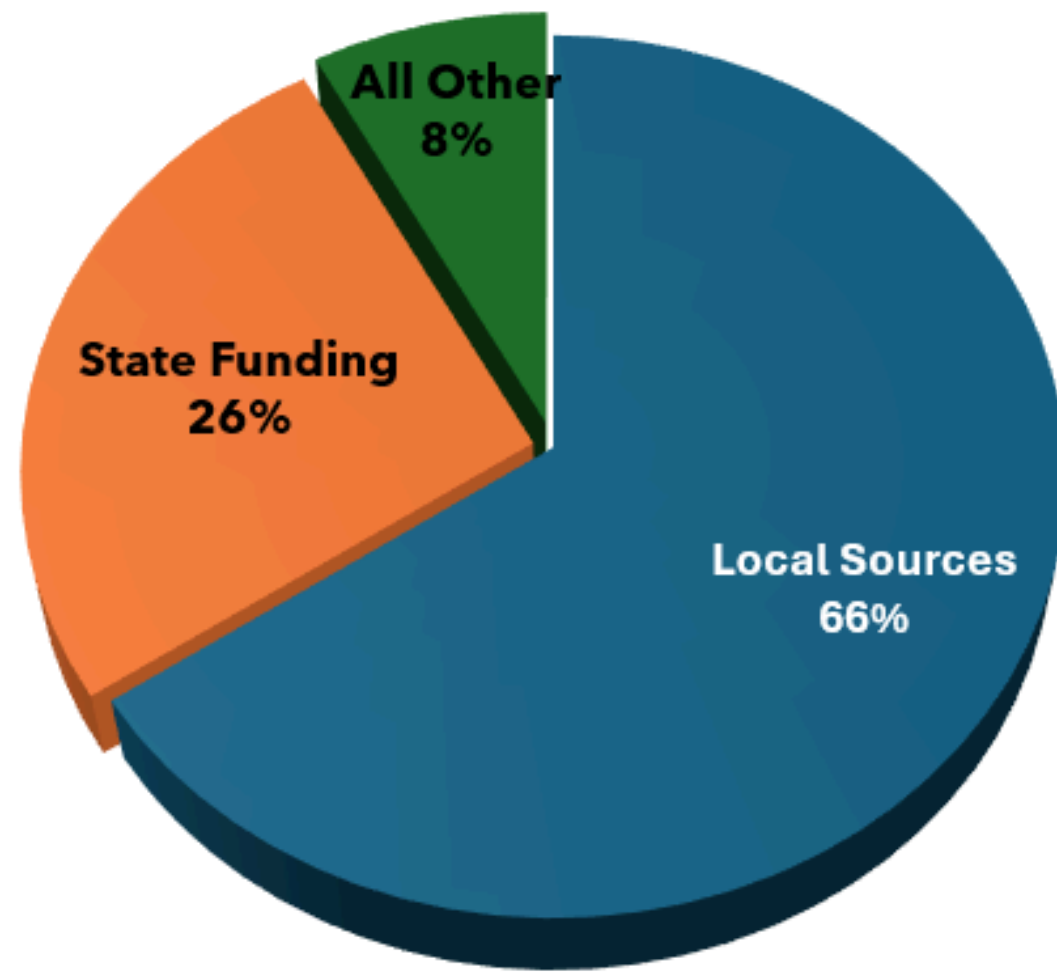
Projected State Sources	\$8,248,362
General State Aid	\$6,688,660
All Other State Revenue	\$1,559,702

Projected All Other Revenue	\$2,468,469
Federal Revenues	\$164,165
Interdistrict Payments	\$2,304,304
All Other Revenue	\$0

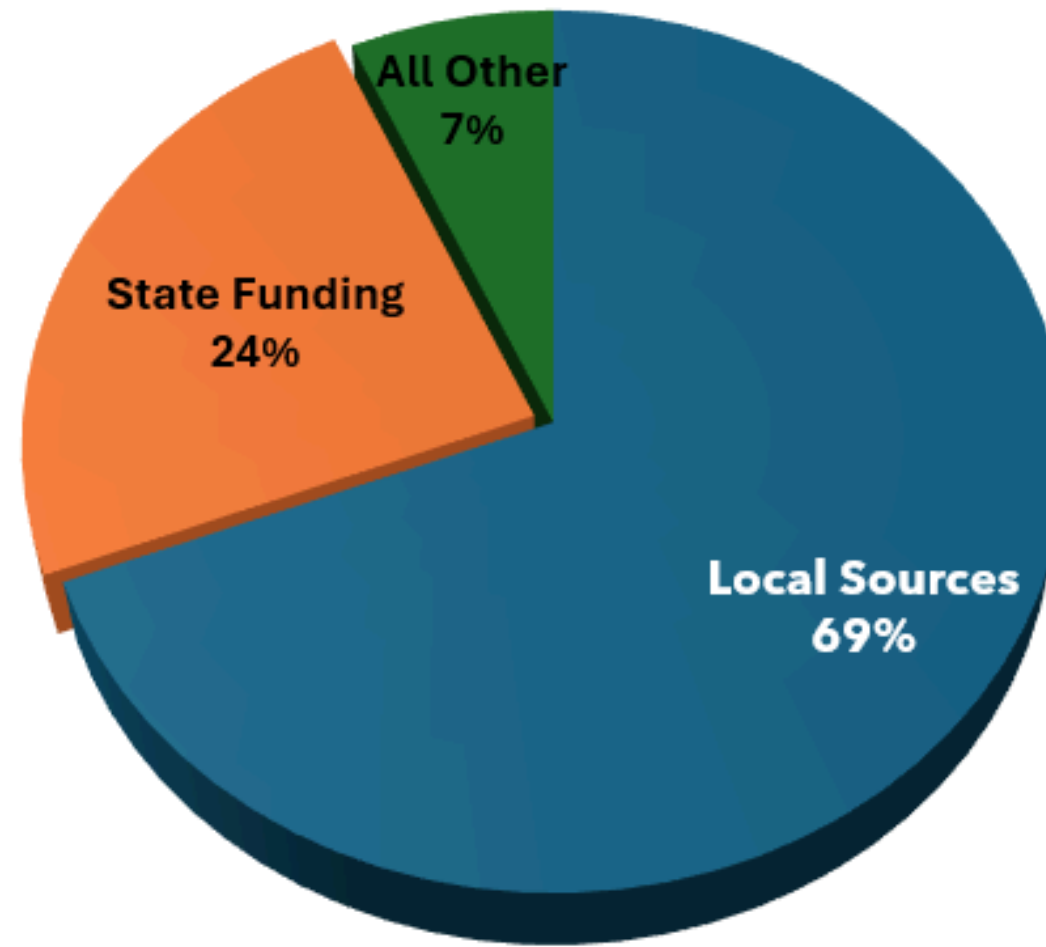
Current Year vs Next Year Revenue (projection)

General Assumptions

- \$325 per pupil increase
- 40% special education aid reimbursement
- No increase in total statewide state aide
- No/minimal changes to other revenue streams



Current Year - Budget

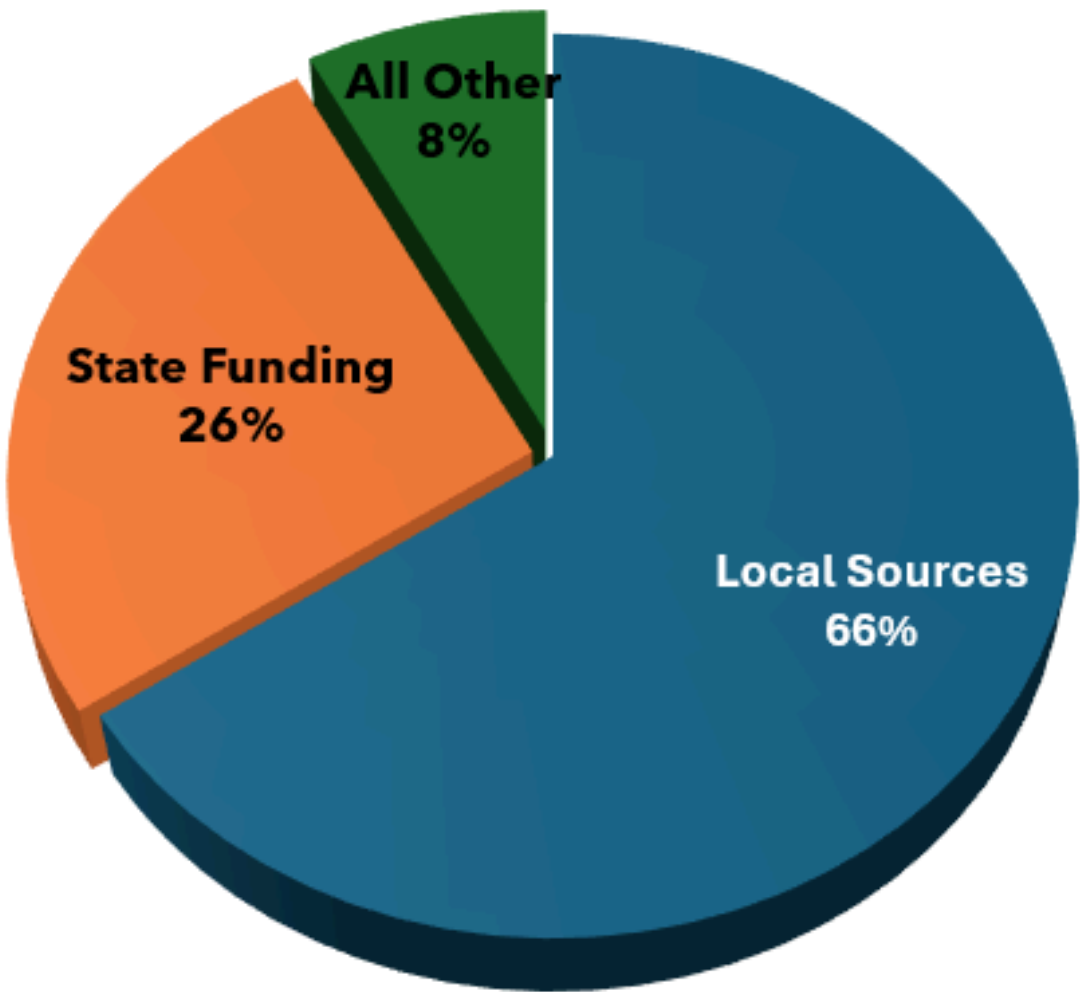


Next Year - Projected

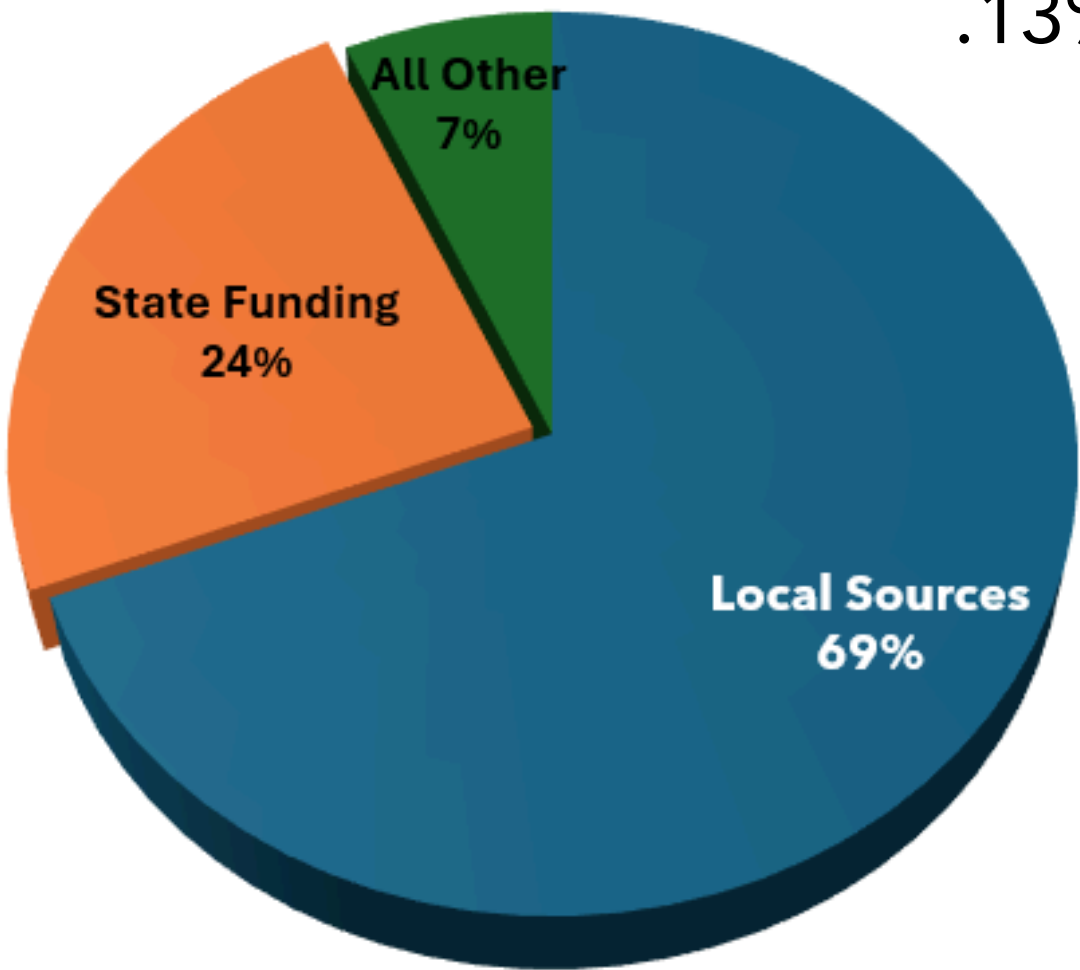
Current Year vs Next Year Revenue (projection)

Net Change

- Preliminary Projection = .13% increase



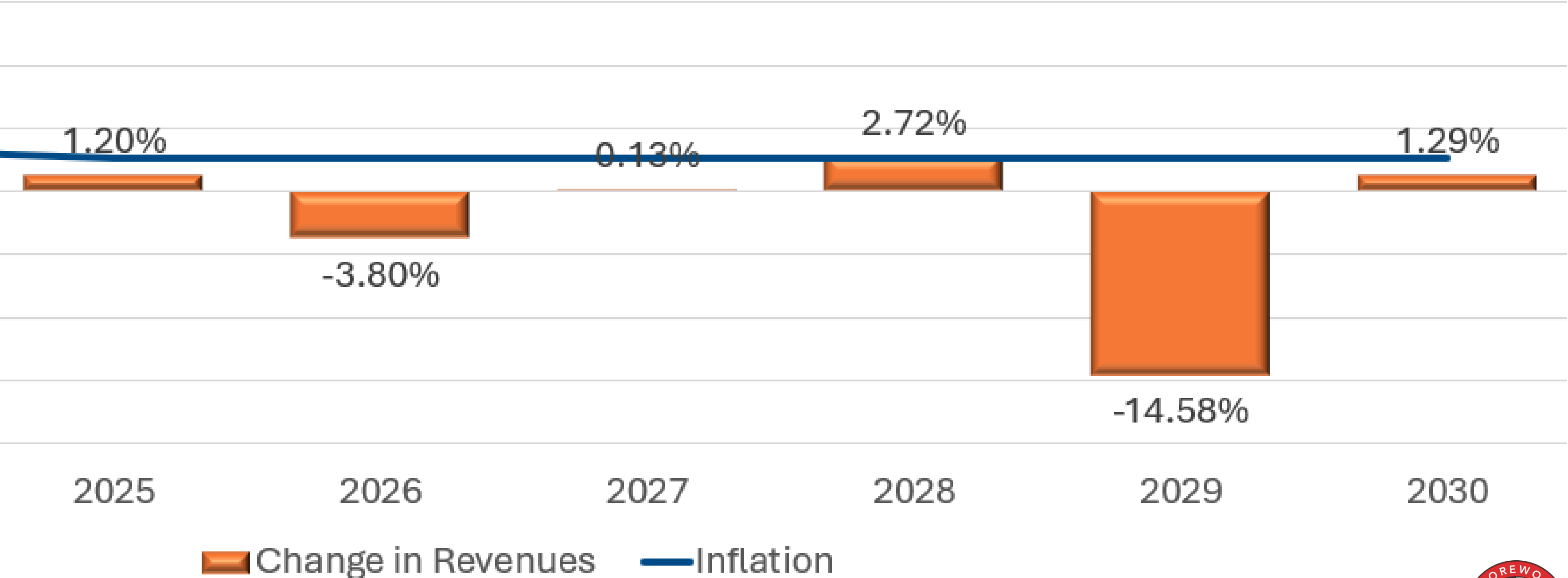
Current Year - Budget



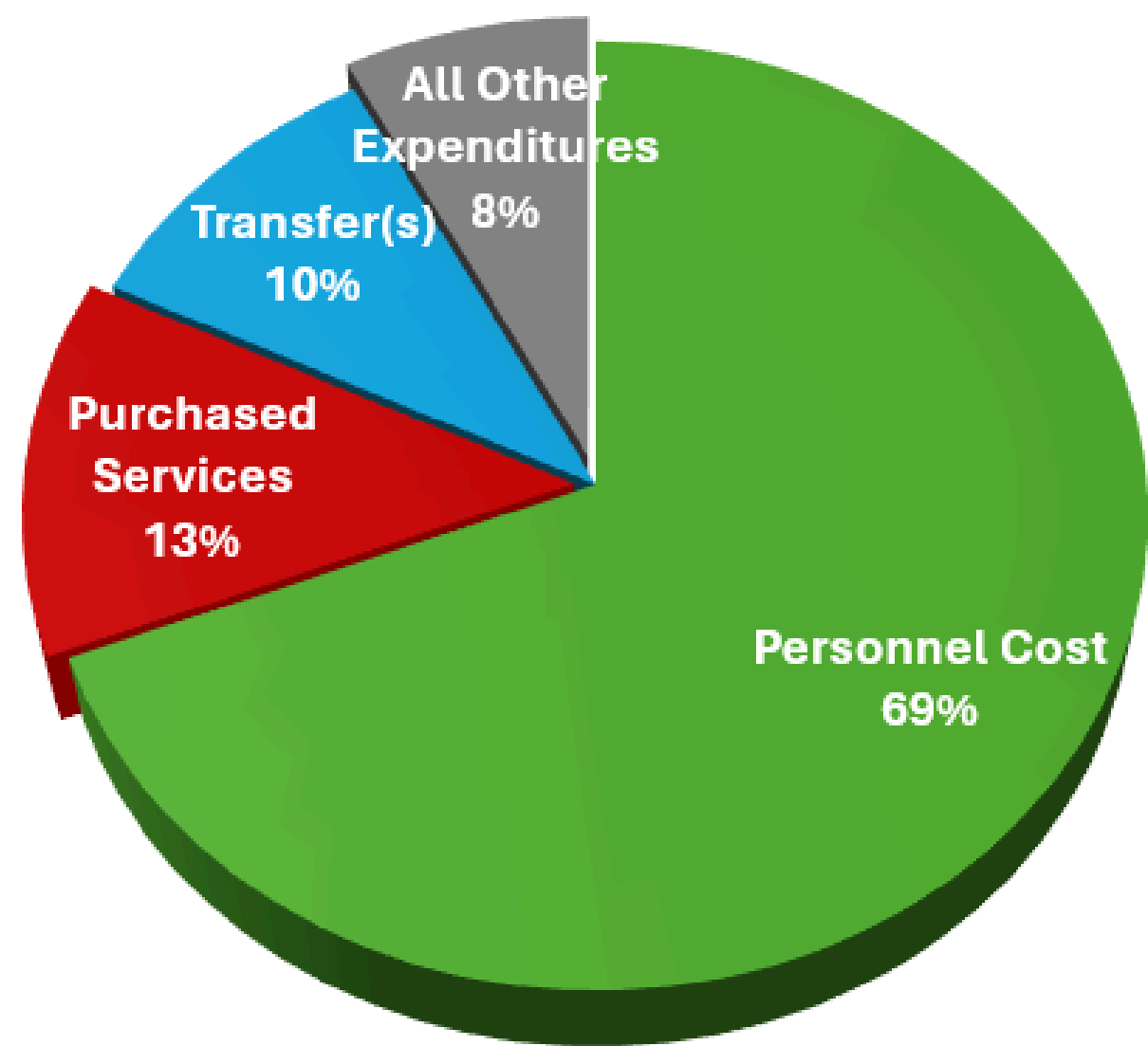
Next Year - Projected



5-Year Revenue Projection



Current Year Expense



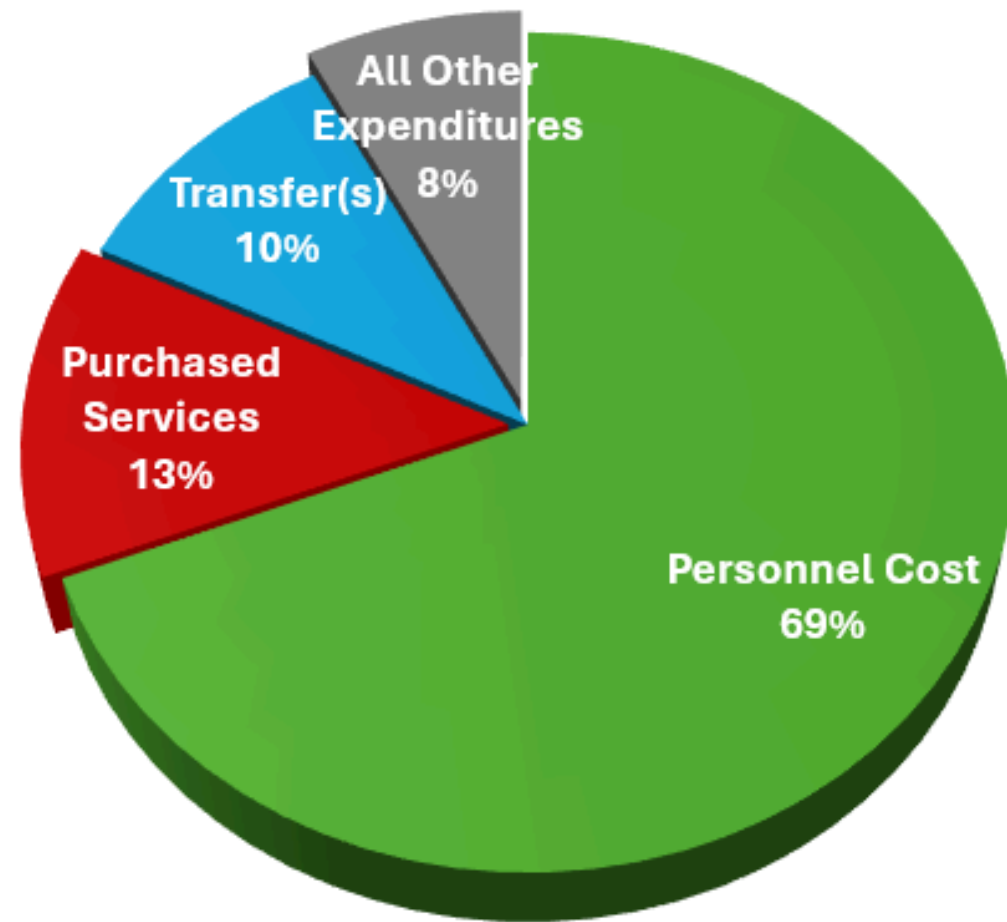
Budgeted Personnel Costs	\$20,813,853
Salaries	\$14,728,186
Benefits	\$6,085,668
Budgeted Purchased Services	\$3,888,132
Budgeted Fund Transfer(s)	\$3,072,405
Budgeted Other Expenditures	\$2,319,912
Supplies & Equipment	\$1,331,933
Interest, District Insurance, Other Uses	\$987,979



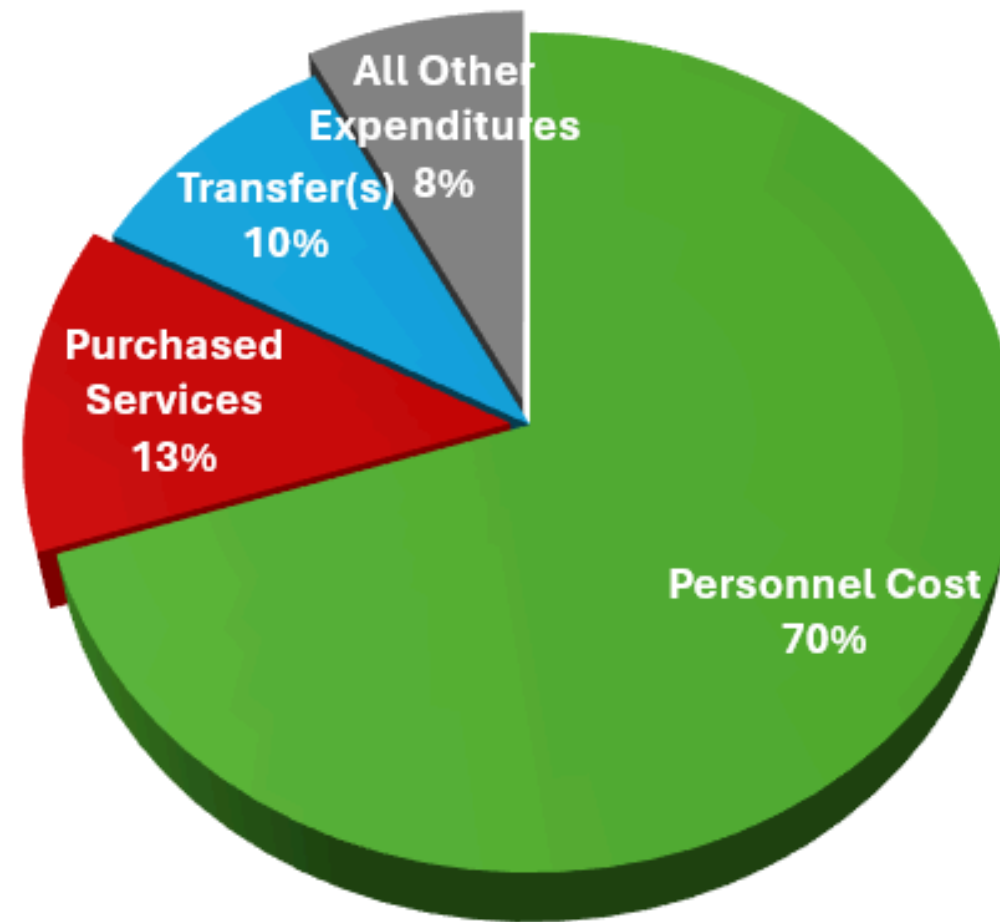
Current Year vs Next Year Expense (projection)

General Assumptions

- CPI Increase on most expenses (2.63%)
- 10% Medical Insurance Increase
- 10% Property/Liability Insurance Increase
- No change to program model/operations

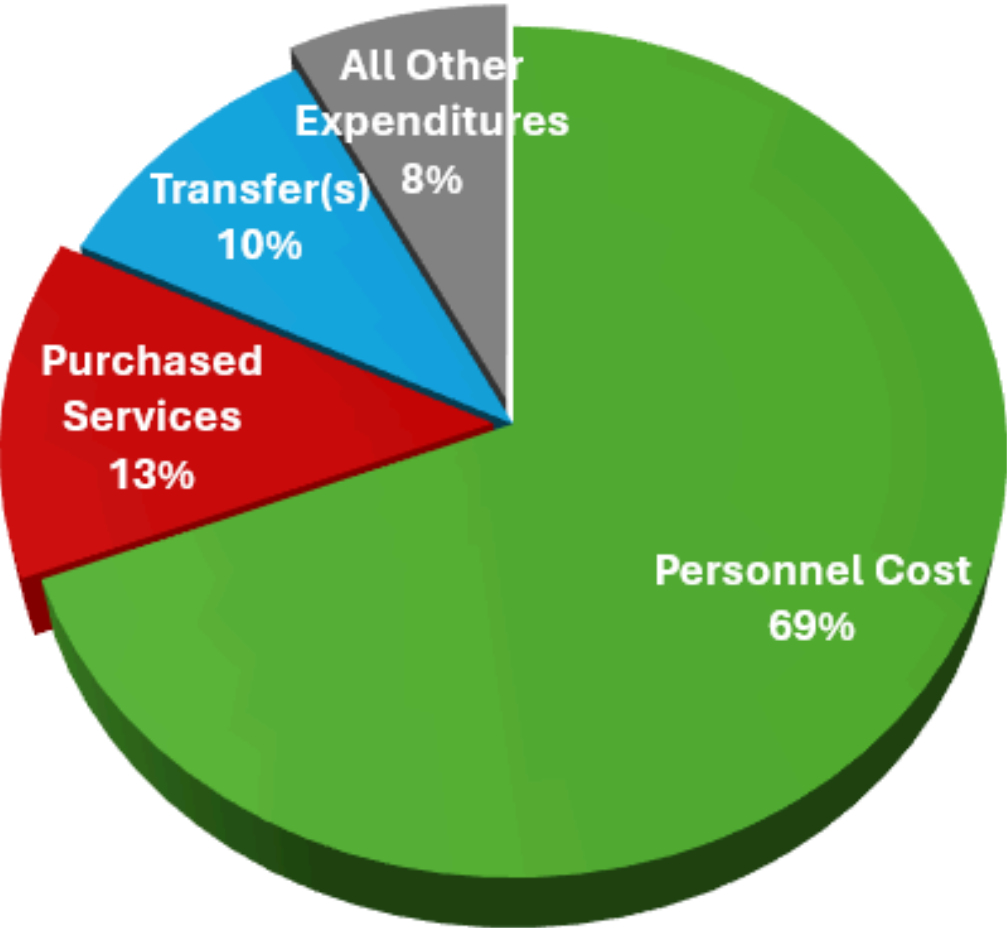


Current Year - Budget

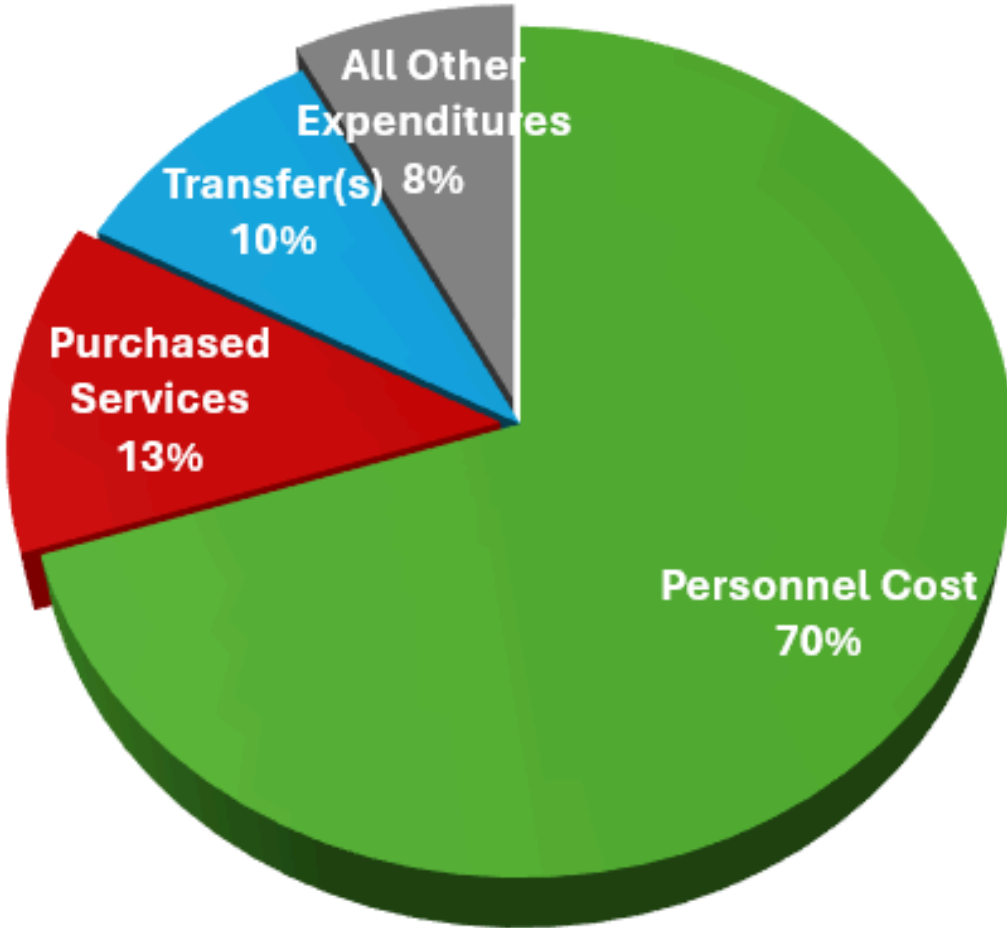


Next Year - Projected

Current Year vs Next Year Expense (projection)



Current Year - Budget



Next Year - Projected

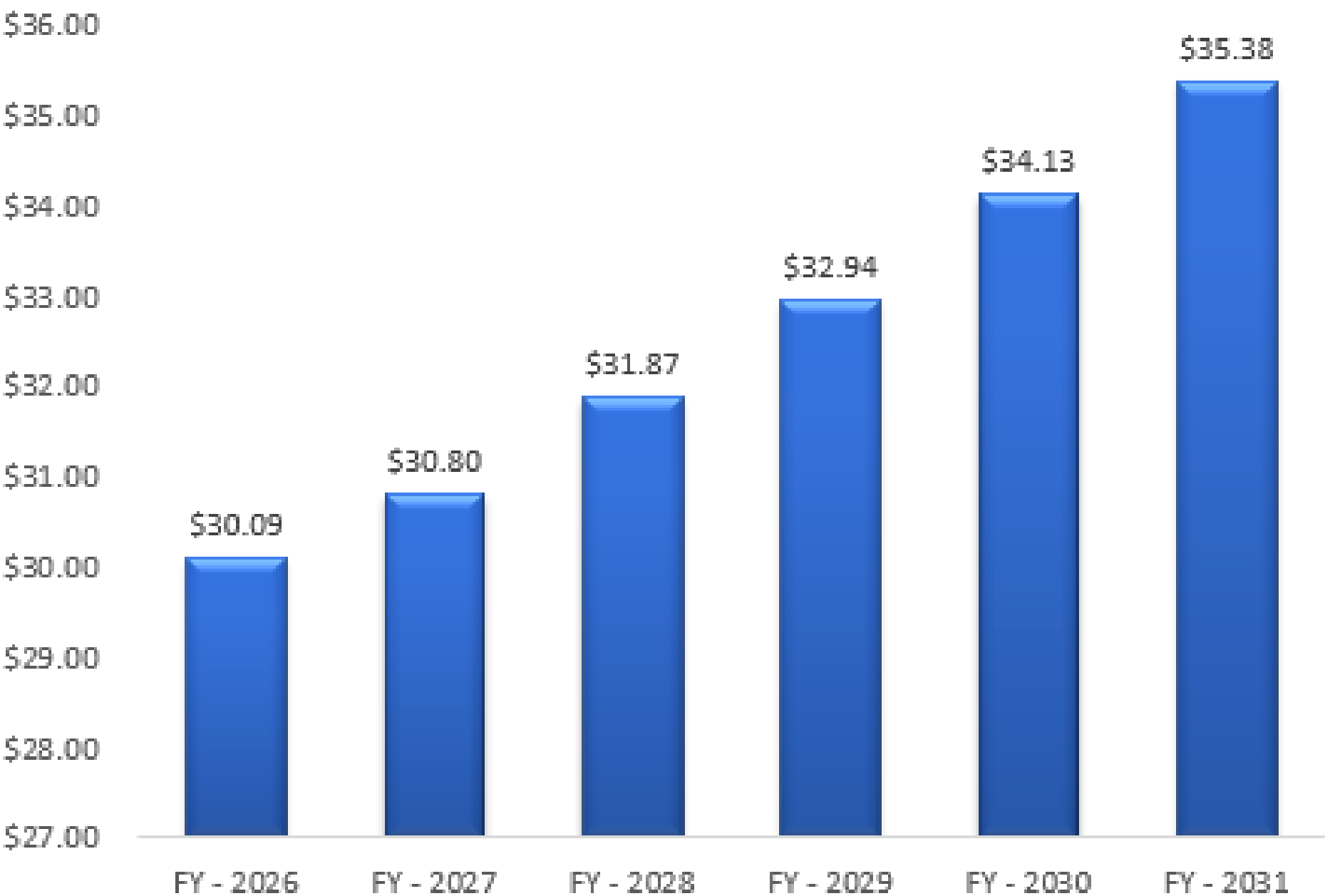
Net Change

- Preliminary Projection = 2.35% increase



5-Year Expense Projection

TOTAL EXPENDITURE PROJECTIONS (MILLIONS)

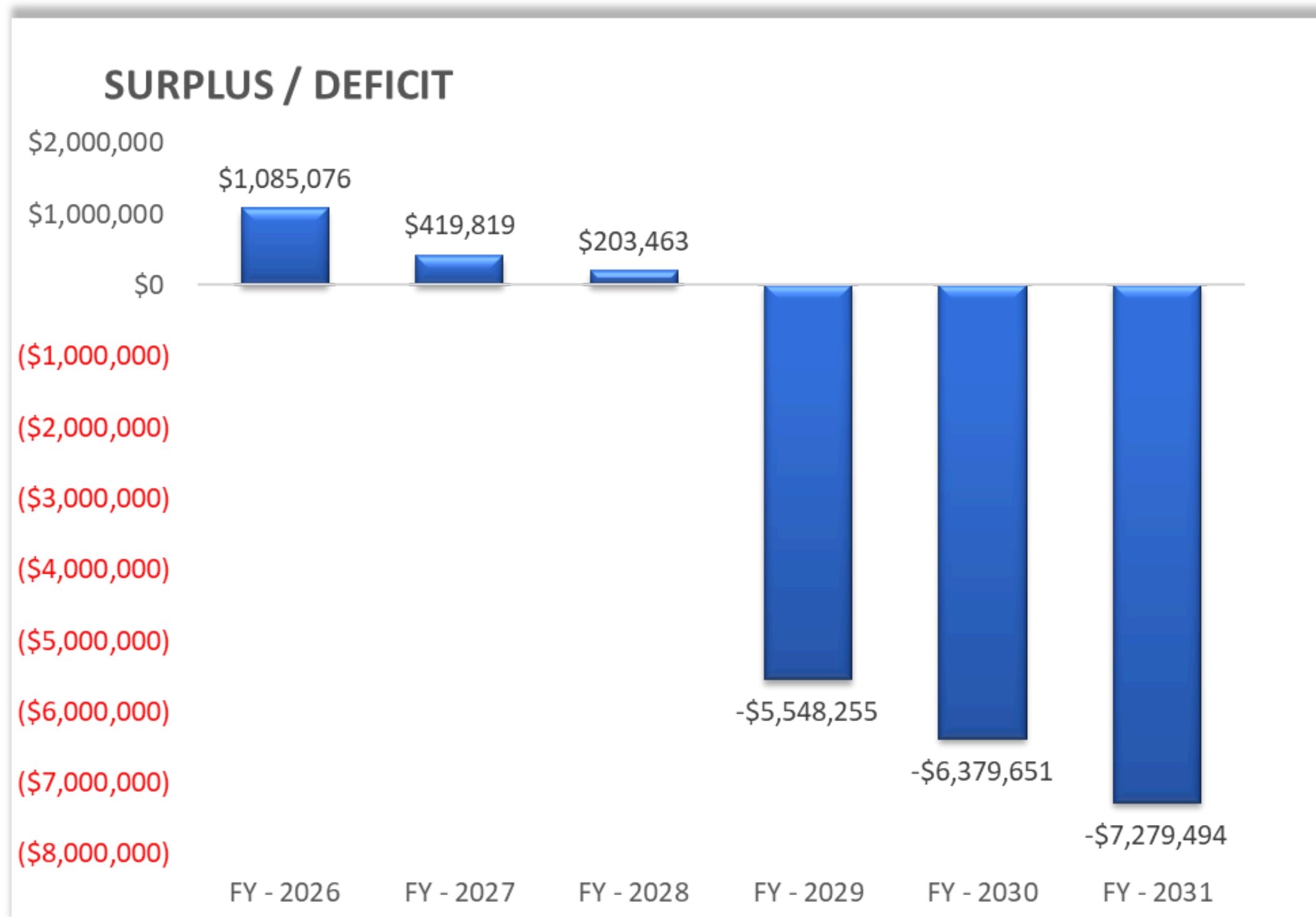


**Total Annual Increase
30-31**

- +\$5.29M
- \$1.06 M per year



Financial Forecast



General Assumptions

- CPI Increase on most expenses (2.63-3.0%)
- 10% Medical Insurance Increase
- 10% Property/Liability Insurance Increase
- No change to program model/operations
- Leveraging surplus (current and future) for capital needs



Financial Forecast - Observations

- Revenue growth is insufficient
 - 86% of projected 5-year revenue growth is used to fund projected increases in medical insurance, utilities, and property/liability insurance
- Personnel costs will increase to nearly 120% of the current budgeted amount over the next five years
- Responsibility for school funding is continuing to shift towards local taxpayers
 - If property values and the current operating referendum amount stay constant, school property tax for a \$450,000 home will increase by approximately \$600 over the next five years
 - An increase over \$1,000 per year would be needed to fund the gap in the total gap in FY31 (Year 3 of next potential operating referendum)



Budget Assumption Summary

1,895 Students

\$325 Per Pupil Increase

40% Special Education Reimbursement

\$0 total state aide increase; minimal increases to other revenues

2.63% increase on salaries and most other expenses

10% increase on medical, property, liability, and general insurance



PRIORITIES, DISCUSSION, AND NEXT STEPS



Staff Priorities (2/17)

How would you spend \$1.00?

37% Salaries and Wages

14% Class sizes in core subject areas

11% Benefits and health care

8% Student mental health and wellness



Community Priorities (3/9)

How would you spend \$1.00?

Class sizes in core subject areas should be prioritized; openness to looking at sunsetting certain classes or programs that have very high staff needs relative to students served in order to better balance class sizes; Implications for **salaries and wages**

Interest in pursuing more efficiencies including fewer staff in support roles and other possible opportunities



Strategic Vision - Leadership Priorities

Strengthen instruction and expand learning pathways, including AP/advanced courses, career-based learning and dual enrollment

Increase use of data to drive decisions, especially progress monitoring

Build belonging and equity through restorative practices, affinity groups, student voice, and culturally responsive systems for both students and staff

Grow community and career partnerships

Operate efficiently and sustainably



NEXT BUDGET MEETING: BUDGET BALANCING

- Our next budget presentation will go through:
 - Specific changes for next year (increases and decreases); funded priorities
 - Proposed strategies for mid- and long-term cost containment



DISCUSSION

1. Which priorities emerging from staff, leader, and community input are most critical to fund in FY27?
2. Are there specific programs or services we currently offer that the Board would like to see reductions in next year, in order to free up funds for other priorities?
3. 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 FY27 budget?

