



FY27 Budget

Budget Balancing Strategies

Heather Heaviland, Director of Business Services
April 28, 2026

Agenda

Budget Process Status

Budget Balancing Purpose

Strategies

FY27 Budget

Future Planning

Discussion



Budget Process

Progress to Date

✓ 1/27 Action on Open Enrollment Recommendation

✓ 2/17 Internal Stakeholder Input Session

✓ 3/9 External Stakeholder Input Session

✓ 3/10 Budget Assumptions/Forecast Review

✓ 4/14 Capital/Vehicle Plan Review/Approval



Budget Process

Next Steps

- Today: Budget Balancing Strategies
- 5/26 Review/Discuss Preliminary Budget
- 6/9 **Action** on Preliminary Budget
- 8/25 Annual Meeting
- October Review and Approve Original Budget



BUDGET BALANCING

Purpose, Goals, Priorities



Budget Balancing Purpose

- ✓ Fiscal Stewardship and Commitment
- ✓ Financial Reality
- ✓ Changing Student Needs



Budget Balancing Goals

- ✓ High Impact Spending
- ✓ Align to Strategic Plan
- ✓ Phase Changes



Budget Priorities (26-27)

Internal Stakeholders

 Salaries

 Core classroom sizes

 Benefits/healthcare

External Stakeholders

 Core classroom sizes

 Staffing Efficiency



STRATEGIES



2026-27: Examine staffing assignments
and re-allocate for highest impact



Priority: Maintain manageable class sizes in core classes

- Add additional Atwater teacher
- Add 0.2 to SHS ELA Department
- Add 0.2 FTE to SHS Science

+Maintain World Language Programming (+0.6 FTE)

Estimated Investment: \$210,000

Funding Strategy

- Reduce alternative education staffing (-0.8 through attrition)
- Re-allocate 0.2 of Multilingual teacher to English/Reading (SHS)
- Reduce under-enrolled elective courses (-1.0 through attrition)

**Projected Budget Impact:
FY27+: \$0K**



Priority: Improve 3rd Grade Reaching Achievement

- **Add two reading intervention aides in order to free up reading teachers to work more closely with classroom teachers**

Estimated Investment: \$60,000

Funding Strategy

- **Re-allocate instructional aides assigned to grade levels with class sizes that do not trigger a need for a full-day classroom aide**

**Projected Budget Impact:
FY27+: \$0K**



Priority: Operational/Staffing Efficiency

- **Examine non-instructional roles for potential consolidation**

Anticipated Changes

- **Consolidate attendance/health aides at SIS and SHS (-1.75 FTE)**
- **Divide communications manager role across existing staff with partial outsourcing**

**Projected Budget Impact*:
FY27+: \$-100K**



Priority: Support Student Mental Health

- **Renew Children's Services Contract for 26-27 to maintain integrated mental health therapy with consultation services for school staff**

Estimated Investment: \$72,000

Funding Strategy

- **Leverage state mental health grant (\$65,000 including prior year carry-over)**
- **Evaluate alternative service model options for future years**

Projected Budget Impact:

FY27: \$7,000

FY28: Up to \$45K



Priority: Maintain Competitive Compensation and Benefits*

- Ensure increases are consistent with peer districts in order to meet operational expectations/maintain salaries in the top 33%
- Maintain similar health care plans with 87.4% of lowest cost plan premiums covered by the District

Estimated Investment: \$930,000

***Pending negotiations with the SEA**

Funding Strategy

- Leverage revenue limit increase (projected at \$411K)
- Increase anticipated interest income (\$130K)
- Decrease retirement set-aside (no benefit change; \$125K)

Projected Budget Impact:

FY27: \$264,000

FY28+: TBD



STRATEGIES



Future Planning:

1. Leverage savings to reduce potential future operating referenda amount.
2. Consider school consolidation



Capital Strain on Operations

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

Strategy

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



Rising Health Care Costs

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

- 4.17% increase for 25-26; Lowest in last 5 years but still in excess of our revenue increase;
- Trend data suggests challenges will continue and may grow

Strategies

- ✓ Board workshop in summer 2024 with our benefits broker to dig into potential changes to mitigate increases over time (Complete)
- ✓ RFP for benefits broker to assist with self-funding in 2025 (Complete)
- ✓ Allocate unspent HRA funds for future self-funding (Ongoing)



Maintaining Top Compensation

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

Strategies

- ✓ Staffing efficiencies through potential school reconfiguration
- ✓ Continuing conversations to identify feasible alternative strategies



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 2025: Launch process with neighborhood and enrollment study (Complete)
2. Summer 2025: Convene task force; additional model research (In process)
3. Fall 2025: Task force analysis and recommendation (In process)



DISCUSSION

