PARKLAND SCHOOL DISTRICT

Budget Executive Summary — Fiscal Year 2026-2027

Prepared by the Director of Business Administration · June 16, 2026

This summary presents the Parkland School District's proposed 2026-2027 General Fund Budget. The document is organized into two sections: (1) the proposed 2026-2027 budget financials including revenues, expenditures, and the Act 1 millage increase, and (2) the five-year fiscal projection and transition plan communicated to district staff.

SECTION I: 2026-2027 PROPOSED FINAL BUDGET SUMMARY

The following financial summary reflects the May Proposed Final Budget for 2026-2027. All figures are drawn directly from the 2026-2027 Budget Seminar presentation.

REVENUES

Revenue Source	2025-2026 Final	2026-2027 Final
Local Revenue	$190,511,170	$198,038,341
State Revenue	$49,982,834	$51,217,382
Federal Revenue	$2,503,794	$2,503,794
Other Financing Sources	$250,000	$250,000
TOTAL REVENUES	**$243,247,798**	**$252,009,517**

Note: Estimated revenues at base level assume no tax increase. The 3.5% Act 1 millage increase generates an additional $5,832,630.

EXPENDITURES

Expenditure Category	2025-2026 Final	2026-2027 Final
Salaries Total	$107,700,888	$111,137,028
Benefits Total	$76,152,454	$81,435,648
District-Wide Operations Total	$64,901,757	$69,095,259
TOTAL EXPENDITURES	**$248,755,099**	**$261,667,935**

BUDGET SURPLUS / (SHORTFALL)

	2025-2026 Final	2026-2027 Final
Total Revenues	$243,247,798	$252,009,517
Total Expenditures	$248,755,099	$261,667,935
Surplus / (Shortfall) Before Fund Balance	**($5,507,301)**	**($9,658,418)**

Note: Estimated shortfall includes application of the 3.5% millage increase, generating $5.8M of real estate taxes.

ACT 1 MILLAGE INCREASE — 3.5%

The Administration is recommending exercising its maximum allowable Act 1 Index tax increase of 3.5% for the 2026-2027 fiscal year. This is necessitated by the ongoing structural deficit, slowing assessed value growth in the region, and new debt service obligations related to the High School Renovation/Addition project.

Act 1 Millage Detail	Amount / Rate
Act 1 Proposed Index	**3.50%**
2025-2026 Millage Rate	17.80
2026-2027 Proposed Millage Rate	18.42
Millage Increase Over Prior Year	0.62
New Tax Revenue Generated from Millage Increase	**$5,835,901**

Impact on the Average Taxpayer

Average Residential Taxpayer Impact	Amount
Average Assessed Value (Residential)	$233,431
Estimated Annual Tax Bill at New Rate (18.42)	$4,300.50
Dollar ($) Increase to Average Taxpayer	**$145.43**
Homestead/Farmstead Reduction ($10,457 reduction to Assessed Value of eligible properties):	
2025-2026	**$191.94**
2026-2027	**$192.62**
Net Increase	**$0.68**

Note: The 3.5% Act 1 increase, while meaningful, addresses only a portion of the structural shortfall. The remaining gap of ($9,658,418) will be addressed through Fund Balance appropriation. Additionally, it should be noted that millage needed to offset new debt service alone represents $1,156,794, or 19.8% of the Act 1 Index.

SECTION II: FIVE-YEAR BUDGET OUTLOOK & FISCAL TRANSITION PLAN

The following section reflects the broader multi-year financial picture. It is intended to provide context for the structural challenges driving near-term budget decisions and to outline the strategic framework the district is deploying to return to fiscal balance.

UNDERSTANDING THE STRUCTURAL DEFICIT

When comparing the 2021-2022 school year to the proposed 2026-2027 budget, the scale of the structural challenge becomes clear. In 2021-2022, the General Fund recorded actual revenues of approximately $199.1 million against total expenditures of $188.3 million created a healthy surplus position.

By 2026-2027, base revenues are projected at $246.0 million while total recurring expenditures have grown to $261.6 million which creates a structural deficit of approximately $15.6 million before any tax increases or reserve appropriations. This gap reflects a fundamental condition where operating costs are growing at a pace that outstrips recurring revenue.

Primary Cost Drivers (2021-2022 vs. 2026-2027)

Cost Category	2021-2022 Actual	2026-2027 Budget
Salaries	~$91.6M	$111.1M
Employee Benefits	~$59.0M	$81.4M
IU Educational Services (Special Ed)	~$4.3M	$9.0M
Out-of-District Placements	~$1.0M	$3.0M
IU Transportation Deduct	~$1.5M	$3.0M
Cyber/Charter School Tuition	~$6.8M	$9.0M
Utilities & Energy	~$3.0M	>$4.0M
LCTI & LCCC Contributions	~$5.5M	$7.4M
Debt Service	~$14.1M	$16.3M

FIVE-YEAR BUDGET PROJECTION (2026-2027 through 2031-2032)

The five-year outlook illustrates a compounding structural gap if current trends are left unaddressed. Expenditures are projected to grow from $261.7M in 2026-2027 to $321.7M by 2031-2032, while revenues even assuming continued tax increases are projected to reach only $307.3M over the same period.

Fiscal Year	Projected Revenues	Projected Expenditures	Projected Gap
2025-2026 (Final Budget)	$243,247,798	$248,755,099	($5,507,301)
2026-2027 (Final)	**$252,009,517**	**$261,667,935**	**($9,658,418)**
2027-2028	$262,757,467	$276,649,307	($13,891,840)
2028-2029	$271,956,329	$288,502,594	($16,546,265)
2029-2030	$283,453,601	$297,370,364	($13,916,763)
2030-2031	$295,118,834	$308,159,654	($13,040,820)
2031-2032 (Status Quo)	$307,274,037	$321,719,498	($14,445,461)

Source: Parkland School District 2026-2027 Budget Seminar, Five-Year Budget Projections. 2026-2027 revenue reflects post-millage estimate.

THE 5-YEAR FISCAL TRANSITION PLAN

The district has a financial transition plan to address the structural deficit. Current fund balance reserves provide a bridge for the near term. However, to protect long-term financial health and avoid depleting reserves, the district is implementing a structured 5-Year Fiscal Transition Plan with the goal of returning to a structurally balanced budget by 2031-2032. The plan rests on three pillars:



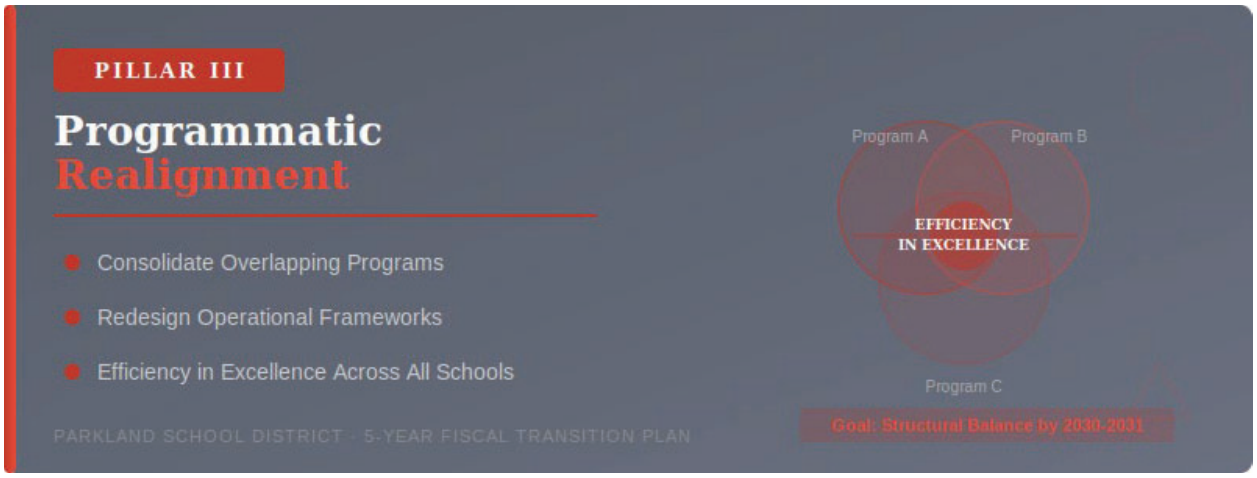
Pillar I — Personnel Restructuring & Compensation

Because personnel costs represent the largest share of the budget, the district will pursue responsible workforce optimization through: evaluation of all upcoming retirements to assess whether positions can be absorbed through natural attrition rather than immediate backfill; exploration of Early Retirement Incentive Programs (ERIP) to transition top-of-scale salaries; and a collaborative approach to future contract negotiations focused on sustainable, long-term salary and benefit structures.



Pillar II — Capital & Resource Optimization

The district will deploy "expenditure smoothing" strategies to prevent high-cost purchases from creating one-time budget spikes. Specific approaches include; strategically extending the lifecycle of technology hardware before replacement cycles; pacing major curriculum adoptions over multiple years; and continuously analyzing debt service obligations for smart refinancing or restructuring opportunities.



Pillar III — Programmatic Realignment

The district will ensure educational excellence is maintained within a more efficient operating framework through evaluation of current program offerings to identify and seamlessly consolidate overlapping or underutilized programs; and redesign of certain operational frameworks to achieve efficiency in excellence across all schools.

Bottom Line…

While our structural deficit is real, it remains within our ability to address. By steadily implementing the 5-Year Fiscal Transition Plan and carefully utilizing our reserve funds, we will uphold the high standards at Parkland and restore the district's financial stability.