2026-27 Board of Education Budget Preparation

BLUEJAYS

2026 - 2027 Budget Planning

- Present initial recommended/proposed resources, levies, and tax asking
  - Review 26-27 Valuations
  - Review School Funding
    - Foundation/State Aid
    - Special Education Reimbursement
    - Spending Cap
- Highlight funds impacted
- Explain recommendation that includes BOE vote to access an allowable, additional $891,918 (Pillen Plan)
- Meet with Board Finance Committee prior to September Budget Approval
  - Prior to finalizing proposed budget
  - Confirm Projected 26.27 Payroll Expense
  - Develop initial General Fund Working Budget

2026-27 Valuations

2026 Preliminary Valuations

Handout #1

Recommended Levy & Tax Askings

- **Bond Fund**:
  - Tax Asking: $3,200,000
  - Levy: $0.1881 (25.26: $.20)
- **QCPUF Fund**:
  - Tax Asking: $176,697
  - Levy: $0.0100 (25.26: $.01)
- **General Operating Fund**:
  - Tax Asking: $11,928,304
  - Levy: $0.6750 (25.26: $.60) **(Includes maximum allowed under Pillen Plan & Special Election proceeds)**
- Total Tax Asking: $15,305,001
- Total Overall Levy: $0.8661 ($0.81 in 25-26)

2026 Tax Asking Scenario

2026-27 Proposed Tax Askings & Property Tax Levies

- Proposed General Fund Levy (.6750) is **<u>more</u>** than in 25.26
  - Includes Special Election Proceeds and the additional allowable 6%
  - Historical General Fundy Levy (for reference)

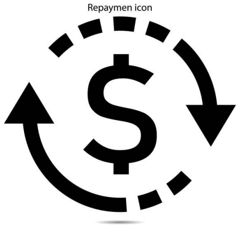
25/26: **.60** 24/25: **.56** 23/24: **.64** 22/23: **.77** 21/22: **.72** 20/21: **.77**

- Proposed Bond Fund Levy (.1811) is **<u>less</u>** than in 25.26
- Proposed QCPUF Fund Levy (.01) is **<u>the same</u>** than in 25.26
- Proposed Total Overall Levy (.8661) is **<u>more</u>** than in 25.26
  - Historical Overall Levy (for reference)

25/26: **.81** 24/25: **.81** 23/24: **.86** 22/23: **.95** 21/22: **.93** 20/21: **.93**

The Pillen Plan (School Funding)

- Foundation/State Aid: $1500 per student
- 80% Special Education Reimbursement
- 3% Spending Cap
  - Can increase based on **growth in membership (0%)**, LEP, Poverty (AGPS: 3.00%)
  - A super majority of the board may increase the district's base growth percentage used to determine the school district's property tax authority by up to 6% (AGPS: $891,918)



Bond fund

Collect Property taxes

Bond Principal & Interest for Project

Purpose

Revenue Source: Taxes

Not Part of $1.05

Levy is Restricted to Bond Principal & Interest

Bond Fund Update

2025-2026

Receipts:	$3,100,000.00
Payments:	$2,878,026.00

2026-2027

Receipts **(Proposed)**:	$3,200,000.00
Payments:	$2,965,282.00 (+ fees)

Proposed Bond Fund Levy for 2026.2027: .1811 (25.26: .20)

(Proposed levy yields $3,200,000 in receipts - In essence, the same level of receipts as that of previous year but able to lower the levy due to an increase in property valuations)

QCPUF Fund Update

Due to legislation that occurred in the spring of 2024, this fund can now be used to purchase safety and security items

<u>2025-2026</u> Levy (Proposed): .01 Receipts: $156,052

Funds were used for safety/security improvements and upgrades as well as to reduce the stress on the general fund budget

<u>2026-2027</u> Levy (Proposed): .01 Receipts (Proposed): $176,697

Proposed QCPUF Fund Levy for 2026.2027: .01 (25.26: .01)

Funds to be used to reduce stress on the general fund budget: annual costs for safety/security measures such as fire safety, technology monitoring software, alarm and camera systems

General fund

Operation of District

No Building Projects

Purpose

Main Revenue Source: Taxes

Levy is Restricted - Part of the $1.05

2026-2027 General Fund Overview

2026-2027 GF Receipts and Expenditures

Handout #3

2026-27 General Fund Proposed Resources -

- Property Tax Revenue: **$11,928,304**
    - (25.26: $9,332,873)
  - Includes a BOE majority vote to access an additional $891,918 (25.26: 805,028) & $1.3 Million Approved Through The Special Election
- Non-Property Tax Revenue: **1,764,223**
    - (25.26: 1,717,022)
- Estimated Federal Sources/Receipts (IDEA, ESSA, ESSER): **$340,000**
    - (25.26: $340,.000)
- State Aid/Foundational Aid: **$1,932,203**
    - (25.26: $1,945,882)
- Estimated Special Education Reimbursement (80%): **$1,878,450**
    - (25.26: 1,700,000) (Payments begin in December)

Total Resources: $17,843,180.00 (25.26: $15,205,303)

Total Proposed General Fund Levy: $0.6750 (25.26: $0.5980)

Maximum Allowable under the Pillen Plan Cap & Special Election

OTHER FUNDS (not directly impacted by proposed levy and tax asking)

- Employee Benefit
  - Employee Funded
- Hot Lunch
  - Federal/State Supported + receipts from meal payments
  - **General Fund must support when needed**
- Special Building
  - Bond Proceeds
- Student Fee
  - Receipts from participation fees, college tuition fees
- Activity Account
  - Receipts from activities and fundraising proceeds
  - **General Fund must support when needed**

2026-27 General Fund Proposed Resources

<u>Includes +1.3 and a BOE majority vote to access an additional $891,918</u>

- GF maximum allowable property tax revenue is **more** than in 25.26 (an increase of $2,600,000)

- Federal Resources are **the same as** that in 25.26 (Title I and Title IIA decreased/IDEA increased slightly)
- Total proposed GF resources without the $891,918 = $16,950,000
- Estimated expenditures for 26.27 (a 4% increase from 25.26) = $17,000,000

A budget deficit range between -0- and - $50,000

2026-27 General Fund Estimated Expenditures

- Non-Payroll expenditures continue to be less than that in 22.23
  - 22.23: 3,400,000.00
  - 23.24: 2,800,000.00
  - 24.25: 3,200,000.00
  - 25.26: 3,240,000.00
  - 26.27: (Proposed) 3,370,000.00

2026-27 General Fund Estimated Expenditures

- 26.27 PayRoll expenditures estimates represent a 4% increase from the previous year
    - 25.26 PayRoll = 13,100,000
    - 26.27 PayRoll = *13,625,000
        - $1,000 base teacher increase - CIR comparable
        - 4% increase for majority of non-certified and admin.

PayRoll expenditures account for 80+% of General Fund Budget

*Overall PayRoll estimates for 26.27 currently still in progress

- Placement on salary schedule for certified staff not final until completed graduate coursework is confirmed (due by Oct. 1st)
- Benefit enrollment occurs in August; finalized for Sept. payroll

2025-26 General Fund Estimated Expenditures

- SPED reimbursements are “a year in arrears”
  - Payments begin in December and are based on 25.26 expenditures

- Increase in enrollment
  - Enrollment increases include increases in SPED numbers and required services

2026-27 General Fund Proposed Resources

<u>Includes a BOE majority vote to access an additional $891,918</u>

Vote later on the agenda: *Discuss, consider, and take all necessary action to adopt resolution increasing the school district's base growth percentage used to determine the school district's property tax request authority by up to 6%*

- Proposed resources for General Fund without the additional $891,918.00 would likely result in -0- cash reserve or a negative balance at the end of the year

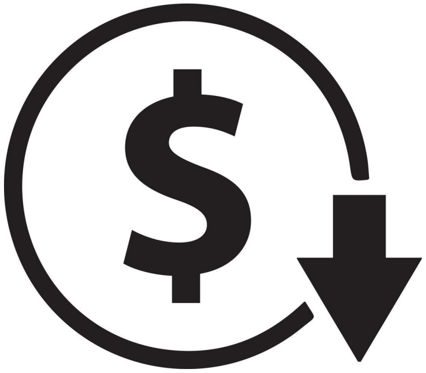
2026-27 General Fund Proposed Resources

<u>Includes a BOE majority vote to access an additional $891,918</u>

- The additional allowable amount needed to
  - Ensure focus remains on healthy student learning
    - Provide Staffing Levels that meet needs of students
    - Offer a Competitive wage - CIR requires we meet a minimum
    - Position district to add staff FTE in the future
- Begin to rebuild General Fund Reserve to
  - Meet continued rising costs - Payroll and non-Payroll
  - Be prepared for emergencies as well as inconsistent disbursement of receipts
  - Return interfund transfers/payback interfund loans
  - Reduce amount needed to access short-term line of credit (with interest) during low receipt months

Progress over the past 4 years - In Response to the Pillen Plan Caps

- Reduced **Non-Payroll** Expenditures: Proposed for 26.27 continues to be less than that in 22.23
  - 22.23: 3,400,000
  - 23.24: 2,800,000
  - 24.25: 3,200,000
  - 25.26: $3,240,000
  - 26:27: (Proposed) $3,370,000



Progress over the past 4 years - In Response to the Pillen Plan Caps

- **Payroll** Increases have been reduced each of the previous years
    - District has no control over annual insurance increases
    - District must comply with CIR Comparability for Certified Wages
    - Payroll increases from the previous year
        - 23.24 increase of $800,000
            - Certified group moved to a higher deductible/lower premium cost to the district
                - $1050 to $1200
                - Also added Alternate Network option = $0 deductible
        - 24.25 increase of $500,000
            - Administrative group moved to a higher deductible.lower cost to the district
                - $1200 to $1900
                - Alternate Network = $400 deductible

Progress over the past 4 years - In Response to the Pillen Plan Caps

- **Payroll** Increases have been reduced each of the previous 3 years
    - Payroll increase from the previous year
        - 25.26 increase of $300,000
            - Certified group moved to a higher deductible/lower premium cost to the district
                - $1200 to $1900
                - Alternate Network = $400 deductible
                - Reduced Certified by 1 FTE
            - Overall Package Percentage Increases for staff have decreased
                - Prior to 23.24 package increases had been over 3%
                - Since 23.24 package increases had been 2% or lower
        - 26.27 increase 3-4% - to remain competitive and within CIR comparability

2026 - 2027 Budget Planning

- 2026-27 Budget Timeline/Meeting Schedule
  - Monday, August 17th - Budget Presentation - 6:00 p.m.
  - Monday, September 14th - Budget & Taxation Hearing - 6:00 p.m.
  - Monday, September 21st - Budget Approval - 4:00 p.m.
  - Wednesday, September 30th - Budget Due to NDE and State Auditor