

# 5 Year Financial Projections

Finance Committee  
Meeting  
January 28, 2026



# Mission

**Empowering Learners**

**Creating Equity**

**Cultivating Community**



# Strategic Plan Goals and Board Policy

- Review, expand, and clarify financial practices to increase transparency and communication, with a focus on aligning financial decision making to district goals
- Maintain an operating fund balance of at least 25 - 30% (Board Policy 4:20)
- Board Policy 4:10 Fiscal and Business Management

# Understanding 5 Year Projections

- Models with multivariable outcomes are often prone to a margin of error
- Directional decision-making means assessing trends effectively, and deciding how to react with information in consideration of future consequences
- Assists with looking at impacts of decisions on fund balances, tax rates and feasibility of options

# 5 Year Projections (Using Frontline)

- Software is used to create financial projections and scenario comparisons to support data-informed decisions
- Assumptions and inputs allow us to model *Scenarios*
  - Everything that is known is used
  - District creates a *Baseline Model*
  - Additional models are created to illustrate ‘what-if scenarios’



# Example Inputs / Known Data

- FY 25-26 Budget (approved September, 2025)
  - Year 0 of the 5 Year Projection
- Tentative 2025 Levy (presented November 19th, 2025)
- Audited fund balances for June 30, 2025

# Major Assumptions

- CPI - 2026: 2.9%, 2027-2030: 3%
  - Dec 2025 CPI = 2.7% (used for 2026 Levy)
- Baseline model: Fully Staffed with Salary increases for both the GFT and PSRP Collective Bargaining Agreements (CBAs)

# Major Assumptions (Continued)

- EBF assumptions (Tier II District in FY 2028, based on estimated Adequacy)
- All other purchased services are 4% except
  - Transportation 4% for FY 2027-2031
  - Health Insurance = 17% for FY 2027. FY 2028-2031 = 7%
  - Special Education Tuition = 15% for FY 2027. FY 2028-2029 = 5%. FY 2030-2031 = 4%

# 5 Year Fund Balance History

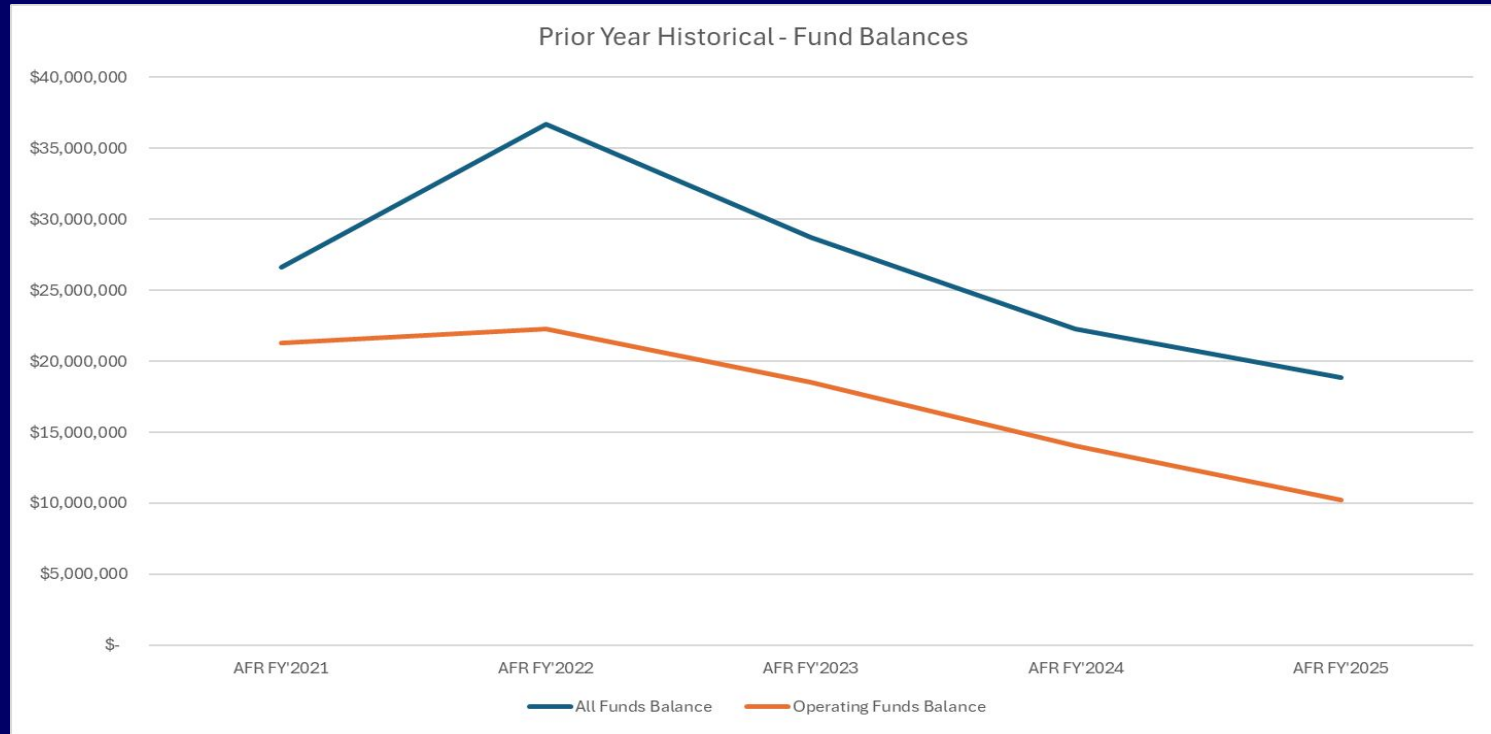
- Small operating surplus from FY 2021 to FY 2022 driven by additional Federal aid (ESSER II, ESSER ARP and NSLP funding)
- Structural deficit (FY 2022-2025) where annual costs consistently outpaced revenues
- This was a planned multi-year drawdown of reserves in anticipation of the referendum (timing)
  - Result: Standard & Poor's downgrade from 'AA+' to 'AA' in May 2025

# 5 Year Projection

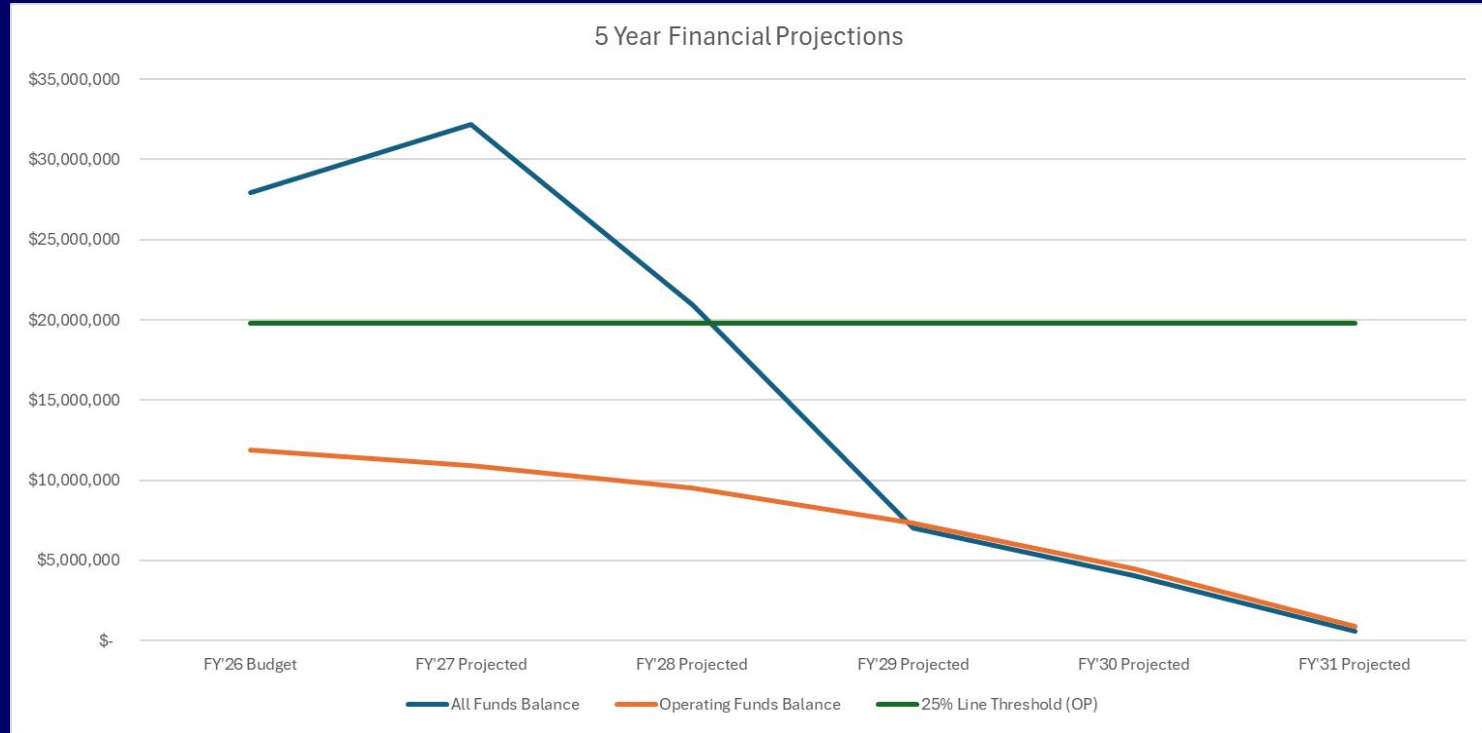
- The successful March 2024 Operating Levy Referendum provides additional funding
- Maintaining Excellence commitments:
  - Address capital needs and improve safety and security
  - Attract, train and retain quality teachers
  - Maintain programming and class sizes
- District has issued \$17M in Debt Certificates, to be received in December 2025 for the Long Range Facility Plan (LRFP)



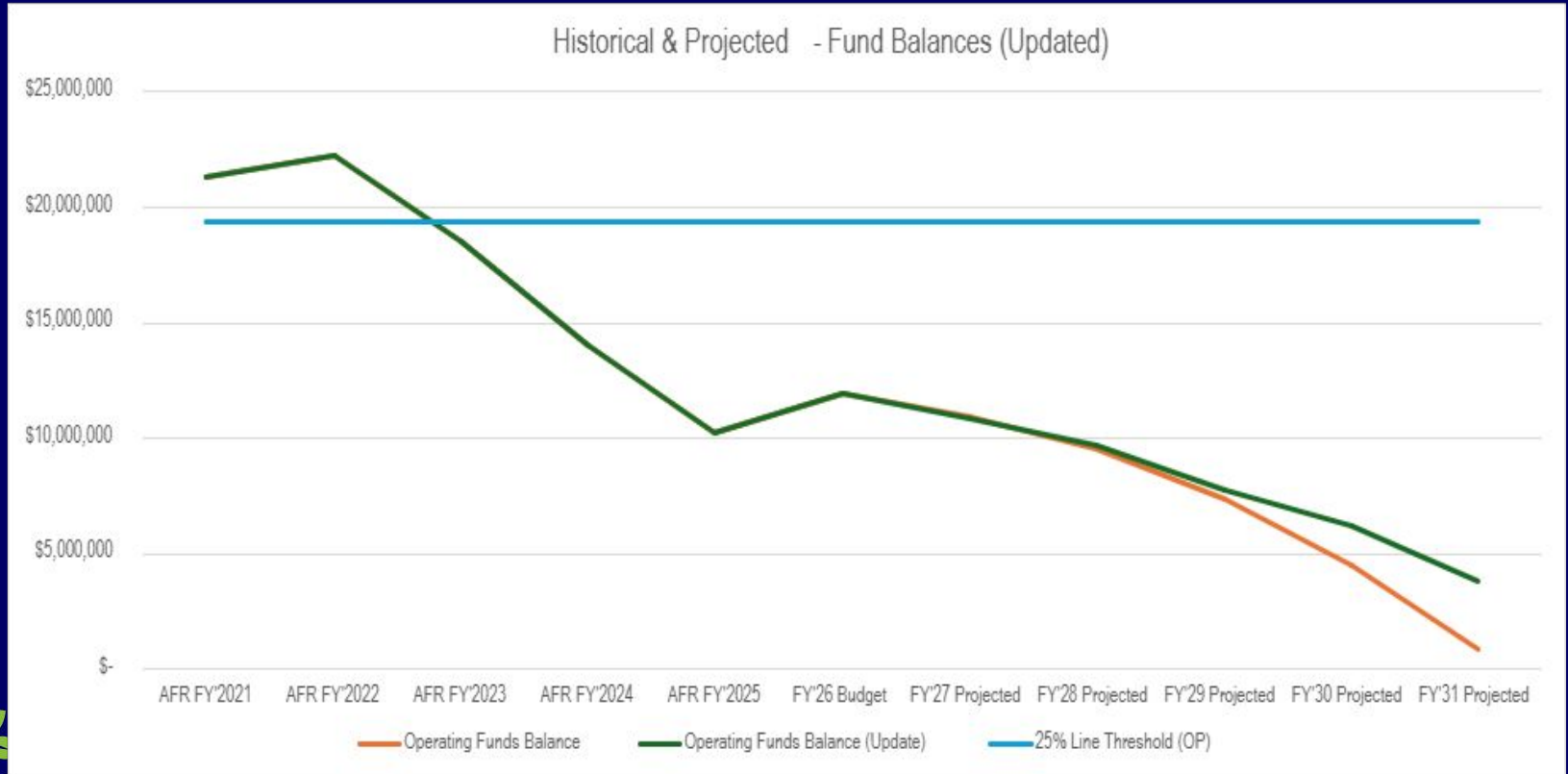
# 5 Year Fund Balance History (Presented Nov 19, 2025)



# 5 Year Projection (Presented Nov 19, 2025)



# 5 Year Projection (Updated)



# 25% Fund Balance Policy Alignment

This is the difference or 'Funding Gap' between projected Fund Balance and 25% Line

YEAR	FUNDING GAP
FY'27	\$ 8,537,381
FY'28	\$ 9,751,788
FY'29	\$ 11,613,414
FY'30	\$ 13,211,809
FY'31	\$ 15,580,495



# Potential Changes to Revenues

- State Funding (Negative)
  - Mandated Categoricals (MCATs) increase proration
- Federal Funding (Negative)
  - Title Funding in the future
  - Medicaid
- County Schools Facilities Sales Tax (Positive)
  - Could be used to offset future Debt Certificate issuances (\$20M included in the Projection)

# Potential Changes to Expenditures

- Educational Benefit Cooperative Membership (Positive)
  - Preliminary General Meeting - January 28, 2026
  - Insurance Advisory Committee Meeting - February 26, 2026
- Strategic Reviews
  - Staffing
  - Contractual Services
  - Department and Building Budgets

# Standard and Poor's May 2025 Report

- “The stable outlook reflects the district’s passage of an operating levy that will help maintain balanced operations and rebuild the fund balance within the next several years”
- S&P noted that it could lower the rating further “if the district experiences larger-than-expected operational imbalances in its general fund that lead to reserves falling to a level no longer consistent with that of similarly rated peers”

# Next Steps...

- Continue to monitor areas of risk, eg. MCATs
- To avoid further credit downgrades, the district should plan to rebuild our operating Fund Balance through 2029 to be compliant with our 25% Fund Balance Policy
- Updated Staffing Plan to be presented at the next Finance Committee on February 25, 2026

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