



Tiger Pride News and Notes Belinda Selfors Superintendent of Schools

Revised Budget for 2024-2025 shows a Projected Deficit of \$315,000

Each year, the district is required to prepare a preliminary budget by June 30. The reasons that the budget is considered to be “preliminary” are largely due to projections for enrollment as well as undetermined wages and/or salaries for newly hired staff members. Additionally, the costs of many of our contracted services through vendors are not determined until after July 1. Finally, we use trend data to help us project what our costs will be for hiring substitutes for employees who are absent throughout the coming school year. We do our level best to estimate what the enrollment will be for the next school year as well as anticipated costs for the unknown expenditures.

About six months into the fiscal year, the district recalibrates the expenditures and revenues to review and make revisions to the preliminary budget. At the board meeting on February 24, 2025, the members of the School Board were presented with a revised budget for the 2024-2025 school year.

When the preliminary budget was prepared and approved for the 2024-2025 school year, our assumptions for enrollment were within five students. In a typical school year, this would not pose concerns for the budget. However, the increase in state aid for the current school year was just under 2%. Having five less students enrolled in our school district results in about \$50,000 less revenue than anticipated. This decrease in revenue coupled with the minimal amount of state aid is creating concerns for our budget forecast.

In addition to this, our general levy decreased by approximately \$34,000, which is due to adjustments made to the funding formula and the slight decrease in enrollment. Other factors impacting our budget include the significant increase in our property insurance by nearly \$25,000; higher than anticipated increases in absences for teachers and paraprofessionals requiring substitutes and increases in vendor contracts for cleaning, transportation, business management, etc., in the amount of almost \$280,000.

To offset some of the increased expenditures, the district is anticipating an increase in revenue for Career and Technical education in the amount of \$30,000. Additionally, the district decreased expenses for classroom instructors for the current year in the amount of \$130,000.

The bottom line is that the district’s expenses are projected to exceed revenues by about \$315,000 during the current fiscal year. The fund balance on July 1, 2024 was at 10.30% and is expected to be at 9.12% at the year’s end on June 30, 2025. The board’s fund balance policy requires a minimum of 8%. While the anticipated fund balance on June 30, 2025 meets the minimum fund balance requirement, the district is planning to make budget alignments due to the revenue shortfalls for the 2025-2026 and 2026-2027 school years as a result of minimal state aid and the increasing amount of unfunded mandates.

Over the next four months, we will be diligent and intentional in working to contain costs to the greatest extent possible in order to achieve a more positive fiscal outcome. As we work to navigate the challenges of maintaining the district’s fiscal health, we will continue to be as transparent as possible with our staff, families, and community members.

Thank you for your support of our students, staff, and programs.

Go Tigers!