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# 5 Year Projection Scenarios

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# Revenue Assumptions

- Using 25/26 budget as base year - Act 1 projections in out years
- Assessment growth is flat with minimal increase in out years
- Regular & Special Education subsidies lower than previously projected
- Interest rates projected to decline per PFM assumptions
- Earned income tax based on current trend
- Federal Funding remains flat



# Expenditure Assumptions

- Using 25/26 budget as base year
- Salaries & Benefits based on contracts and current market trend
- Transportation based on contract
- Special Education cost increase higher than previously projected
- Departments and building budgets based on trend
- Transfer to Capital Projects Fund and Debt updated to match need



# Scenario 1 - \$213 Million Borrowing

	<u>2024-2025</u> Budget		<u>2025-2026</u> Projection		<u>2026-2027</u> Projection		<u>2027-2028</u> Projection		<u>2028-2029</u> Projection		<u>2029-2030</u> Projection	
<b>Revenue</b>												
Local	\$	105,212,484	\$	109,253,493	\$	113,490,388	\$	117,469,531	\$	121,387,854	\$	125,442,074
State	\$	28,476,259	\$	28,894,211	\$	29,896,238	\$	30,549,413	\$	31,344,482	\$	32,313,509
Federal	\$	416,922	\$	416,922	\$	416,922	\$	416,922	\$	416,922	\$	416,922
Other												
<b>Revenue Total</b>	<b>\$</b>	<b>134,105,665</b>	<b>\$</b>	<b>138,564,626</b>	<b>\$</b>	<b>143,803,548</b>	<b>\$</b>	<b>148,435,866</b>	<b>\$</b>	<b>153,149,258</b>	<b>\$</b>	<b>158,172,505</b>
<b>Expenditures</b>												
Salaries and Benefits	\$	89,827,887	\$	90,949,770	\$	95,666,618	\$	100,322,026	\$	105,277,333	\$	110,565,865
Operating Expenses	\$	31,228,275	\$	35,034,467	\$	35,704,165	\$	36,925,488	\$	38,203,005	\$	39,704,927
Debt & Transfers	\$	13,049,503	\$	12,580,389	\$	12,432,765	\$	12,415,406	\$	14,383,558	\$	17,465,164
<b>Total Expenditures</b>	<b>\$</b>	<b>134,105,665</b>	<b>\$</b>	<b>138,564,626</b>	<b>\$</b>	<b>143,803,548</b>	<b>\$</b>	<b>149,662,920</b>	<b>\$</b>	<b>157,863,896</b>	<b>\$</b>	<b>167,735,956</b>
<b>Net Operating Balance</b>	<b>-</b>	<b>\$</b>	<b>-</b>	<b>\$</b>	<b>-</b>	<b>\$</b>	<b>-</b>	<b>(\$1,227,054)</b>	<b>(\$4,714,638)</b>	<b>(\$9,563,451)</b>		



# Scenario 2 -\$100 Million Borrowing

	<u>2024-2025</u> <u>Budget</u>	<u>2025-2026</u> <u>Projection</u>	<u>2026-2027</u> <u>Projection</u>	<u>2027-2028</u> <u>Projection</u>	<u>2028-2029</u> <u>Projection</u>	<u>2029-2030</u> <u>Projection</u>
<b>Revenue</b>						
Local	\$ 105,212,484	\$ 109,253,493	\$ 113,490,388	\$ 117,469,531	\$ 121,387,854	\$ 125,442,074
State	\$ 28,476,259	\$ 28,894,211	\$ 29,896,238	\$ 30,549,413	\$ 31,344,482	\$ 32,313,509
Federal	\$ 416,922	\$ 416,922	\$ 416,922	\$ 416,922	\$ 416,922	\$ 416,922
Other						
<b>Revenue Total</b>	<b>\$ 134,105,665</b>	<b>\$ 138,564,626</b>	<b>\$ 143,803,548</b>	<b>\$ 148,435,866</b>	<b>\$ 153,149,258</b>	<b>\$ 158,172,505</b>
<b>Expenditures</b>						
Salaries and Benefits	\$ 89,827,887	\$ 90,949,770	\$ 95,666,618	\$ 100,322,026	\$ 105,277,333	\$ 110,565,865
Operating Expenses	\$ 31,228,275	\$ 35,034,467	\$ 35,704,165	\$ 36,925,488	\$ 38,203,005	\$ 39,704,927
Debt & Transfers	\$ 13,049,503	\$ 12,580,389	\$ 12,432,765	\$ 11,188,352	\$ 10,417,183	\$ 10,337,486
<b>Total Expenditures</b>	<b>\$ 134,105,665</b>	<b>\$ 138,564,626</b>	<b>\$ 143,803,548</b>	<b>\$ 148,435,866</b>	<b>\$ 153,897,521</b>	<b>\$ 160,608,278</b>
<b>Net Operating Balance</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(\$748,263)</b>	<b>(\$2,435,773)</b>



# Considerations

- Recognizing we began the exploration of a new high school on the assumption of it costing about \$170 Million
- Current plan requires us to borrow more money than previously projected and encroaches upon our borrowing capacity level or legal borrowing limit
- Given the updated assumptions in the 5 yr budget projections
- Given the trajectory of the projections with borrowing \$213 Million
- Given the state and federal subsidies and the current status of the economy
- Keeping our 3 pillars of commitment:
  - Commitment to ensuring continued focus on student performance/program development and academic excellence,
  - Commitment to recruiting, retaining, and developing employees,
  - Commitment to addressing facilities as outlined in our master facilities plan

# Recommendation

- Keeping true to our 3 pillars of commitment we recognize the current projections present future risks that necessitate consideration of alternatives to a construction project of this magnitude. Therefore, it is recommended that we do not proceed forward into design development at this time and seek alternatives from our design professionals to address issues that remain on the campus and in the building.