

District Wide K-12 Deficit Correction Recommendation for FY27 (2026-27)

Summary of Budget Deficit for FY26 (2025-26)

Enrollment

- FY26 Budget was built on 3028 full time equivalent (FTE) students and our count day showed 2948 FTE students. Note: this was 2970 and was updated on Oct. 9, 2025 from new state report

Budget

- FY26 Budget was a \$638,060 deficit based (3028 FTE)
- FY26 Budget now is a \$1,246,953 deficit based (2948 FTE) note: updated with new enrollment number

FY26 will require \$1,246,953 in reserves, which is unsustainable for future years.

[September 29, 2025 Board Work Session Agenda](#)

5.c. Financial Outlook includes:

- [Presentation on budget and enrollment](#) which contains: (note: this has been updated with new student enrollment number)
 - Budget changes with enrollment, enrollment by building, grade level and avg. class size, revenue/expenses by building and per pupil, and school location map.
- [Budget Reduction Timeline for FY27](#) as a guide of statutes that must be followed and timeline for information.

In July, the school board requested that proposed solutions include all three areas (revenue, reductions/cuts, and efficiencies). The following is the overall breakdown of solutions:

- Increase revenue proposed is \$350,000 tax increase
- Reductions/cuts proposed up to \$400,000
- Efficiencies proposed up to \$470,000

Unknown future financial factors

- What will increase in state general education funding be from the legislature? The state is behind on estimated sales tax revenue.
- What are increased costs from property/liability and health insurance, new bus contract, and wages/benefits?
- The President and the House of Representatives have proposed budget cuts to Title funding (estimated loss of \$200,000+ in revenue).
 - Title IIA directly supports 4.0 FTE classroom teachers in Piedmont Valley Elementary.

Updated 10/10/2025

INCREASE REVENUE RECOMMENDATION

Board approved increase local property tax effort through Capital Outlay and transfer funds:

Rationale: Increase revenue to reduce number of staff reductions and additional school closures for FY27.

- Revenue increase of \$350,000 increase in Capital Outlay and transfer to the General Fund for three years.

Timeline

- Proposed in preliminary budget prepared for June board meeting/hearing
- Action by current school board at July 2026 meeting

Effects

- *Tax Increase and may put us at or close to the maximum request for Capital Outlay*

EFFICIENT OPERATIONS WITH SAME EDUCATION OPPORTUNITIES Reduction of 7.60 FTE

Offer Seven (7) Early Retirement Incentives to General Fund (includes Title) Teachers

Rationale: Every replaced teacher on average will have a lower salary or if not replaced, the district absorbs full salary.

- Cost of \$15,000 each with total \$105,000
 - Fund with transfer from Capital Outlay
 - Minimum savings of \$10,000 per teacher

Timeline

- Approve MOU at October board meeting
- Teacher requests by December 17
- Approve up to seven (7) at January board meeting

Effects

- *Absorb staff senior staff positions or replace senior staff with lower cost staff*
- *Possible increase in class sizes*
- *May eliminate or reduce need for Reduction in Force (RIF) of staff*
- *May not get seven (7) teachers to apply*

Updated 10/10/2025

Combine Whitewood and Rural Principal

Rationale: This position was split for the 2022-23 school year and was previously one position. Combining will lower administration by 0.15 FTE and reduce a teaching position of 0.45 FTE. This would be a return to previous practice when the district was under 3000 students.

- Savings of \$57,461.65

Timeline

- Board decision on or before February board meeting

Effects

- *Increased travel between sites with less time at locations*

Move Whitewood 5th grade to Sturgis Williams Middle School

Rationale: We can offer the same education opportunities with class sizes similar to other middle school classrooms and align all elementaries along the I-90 corridor as K-4 settings.

- Savings of \$64,000 through reduction of one (1) teacher

Timeline

- Prior to December 1 is preferred to work through retirements and transfers to maintain staff

Effects

- *Increase of class size of estimate from 22.8 to 25.8*

Closure of Atall and Hereford Schools

Rationale: Review of student enrollment, cost and proximity to CMCS, the same education opportunities and continued low student to teacher ratio can be offered at CMCS to serve the 20 students displaced.

- Savings of \$252,000 through reduction of:
 - 2 teachers
 - 4 paraprofessionals
 - Operating costs

Timeline

- Must be completed by board resolutions prior to December 1

Effects

- *Students assigned to CMCS*
- *Increase of class size with current staffing*
 - *If all students attend, may need to keep one teacher for grade level splits reducing the savings by \$64,000*
- *Increase travel costs either through mileage or transportation provided*

Updated 10/10/2025

District is researching providing transportation for Atall and Hereford and continue to provide the two routes to CMCS

Rationale: In order to serve two area school closings with consistent transportation to CMCS. The district will be quoting for a new bus service contract this winter and allows for the district to take responsibility for this routing area with non CDL drivers.

- Estimated general fund savings \$20,000 vs. General Fund cost through Harlow contract.

Timeline

- Decision at January board meeting

Effects

- *Purchase of vans or small buses through Capital Outlay*
- *Need for rural drivers to fill 3-4 positions*

REDUCTIONS AND CUTS

Reduction of 5.0 FTE

Reductions in supplies, professional development, afterschool supports, etc.

Rationale: Reduction of supply items. Evaluate our professional development to reduce need of subs, supervise activities, student supports with minimum impact to student opportunities.

- Savings of \$50,000 minimum

Timeline

- April preliminary budget

Effects

- *May reduce afterschool supports*
- *May require reduction but will require flexibility in where we assign activity staff.*
- *May require calendar revisions to alleviate need for substitutes. (early release, late start, modified four (4) day school week)*

Self Insurance of buildings

Rationale: Some buildings are not under our primary insurance carrier due to age. We purchase secondary coverage that is more than three (3) times the rate we pay for the rest of our buildings.

- Savings up to \$68,000 depending on buildings selected to omit from coverage

Timeline

- May board meeting

Effects

- *Requires a Capital Outlay reserve \$500,000 dedicated to coverages for wind, hail, etc.*

Updated 10/10/2025

Reduction of 1.0 FTE Talented and Gifted (TAG) Program

Rationale: Elimination of this program will not increase class sizes across any building and does not change core instruction for all students.

- Savings of \$64,000

Timeline

- March board meeting

Effects

- *Eliminates the program for 115 students in grades 1-8.*

Reduction of 2.0 FTE Teachers overall in (PVE, STEL, WW, SMS, SWMS)

Rationale: Reduction of 2.0 FTE positions will be identified and either absorbed through early retirement incentive or through RIF procedures.

- Savings of \$128,000

Timeline

- March board meeting

Effects

- *Will increase class sizes and will reduce personnel*

Reduction of 1.0 FTE Counselor

Rationale: Addition of 2.0 counseling was added with ESSER fund from Covid to support students and funding has since lapsed since 2020.

- Savings of \$68,600

Timeline

- March board meeting

Effects

- *Direct impact on access to support for students (counseling, mental health, guidance, etc.)*

Elimination of contract for 1.0 FTE School Resource Officer Services from Summerset PD

Rationale: The Meade County Sheriff Deputy that serves Piedmont Valley Elementary split time with Stagebarn Middle School. This will be the same coverage we have with Sturgis Elementary and Sturgis Williams Middle School. In 2020, our costs for SRO's was \$83,000 and now is over \$200,000. This increase in cost is due to grant funds that are no longer available.

- Savings of \$28,500

Timeline

- March board meeting

Effects

- *Response time to safety situations with shared buildings (PVE and Stagebarn)*
- *Relationship building between law enforcement and students with lack of visibility*

Updated 10/10/2025