WATERFORD SCHOOL DISTRICT

Board of Education
COW Meeting

2025-2026 Revised Budget

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November 6, 2025

Original Budget Assumptions 2025-26

- Foundation Allowance increase $392 per pupil to $10,000
- Property Tax Headlee Rollback impact of $294,594 – State formula projects Non-Homestead received locally of 18.0000 mills, actual formula allowed is 17.6749 mills
- Salary steps applied, no improvement on scale, and no off schedule payments
- All health coverages increase 3% as of January 1, 2026 (Hard Cap is 2.9%), extra for changes in coverage levels
- Enrollment decline of 88 pupils per Michigan Alliance forecasting
- Included cost savings and other adjustments

Revised Budget Assumptions 2025-26

- Foundation Allowance increase $442 per pupil to $10,050 increase of $50 per FTE greater than Original Budget
- Enrollment decline of 50 students Fall preliminary rather than 88
- Property Tax Headlee Rollback impact of $294,594 – State formula projects Non-Homestead received locally of 18.0000 mills, actual formula allowed is 17.6749 mills same as Original Budget
- 27l (2) Educators Compensation Off Schedule payments - negotiations
- Unknown impact of open enrollment healthcare changes with offering of a no employee premium cost on the new HMO option for Administration and non-affiliated employees
- $629,957 K-5 curriculum materials new grant 35m revenue and expenses

Revenue Changes	Increase (Decrease)
Foundation Allowance at $10,050 per student rather than the original budget of $10,000 ($50 more per student) Enrollment decrease of 50 students rather than original budget of 88	$621,638
Categorical - 51C Special Education, 31a (defer to FY27 as Original Budget included FY26 carryover of $1.4M), Section 41 Bilingual, 61D CTE, 35a(5) Early Literacy, FIRST Robotics, Vocational Education and Enrollment Stabilization	187,596
31aa Based on if we opt-in if we opt-out the original budget had $835,199 the new increase it to $941,700 at $140/pupil estimate	106,501
MPSERS Cost Offset – 147a(1) Eliminated	(714,653)
27l(2) and 27l(4) – One Time Funding MPSERS Healthcare MPSERS allocation was improved by $337,698; Educator's compensation is $985,225 (in negotiations at this time not included)	337,698
35m K5 Curriculum Resources (NEW – Expenses as well, non-recurring)	629,957
Prior period adjustments – Special Education and Court Placed Students (CVS) Interest Earnings	580,077 (50,000)
Total Revenue Adjustments	**$1,698,814**

Expense Changes	Increase (Decrease)
35m K5 Curriculum Resources Grant	629,957
27l (2) Educators Compensation (in negotiations)	0
Classroom Supports Elementary 7 positions – large class size providing additional class size assistants in classrooms (retirees and contracted)	280,000
School ADvanced ED – Professional Development Training for Evaluations	12,580
Increased Substitute Rates with Edustaff	100,000
Budget refinement on supplies, contracted services, and equipment maintenance that were unused in the prior year (no classroom impact – Operations and Maintenance and Transportation)	(356,556)
Total Expenditure Adjustments	**$665,981**

Open Items 2025-26

- Negotiation Settlements
- Distribution of Educator Compensation Funding (part of negotiations)
- Open Enrollment changes
- Pricing and structure changes Pools and Fitness
- Impact on Open Enrollment changes on Federal changes in subsidies for Marketplace selections – Employees transitioning to WSD coverages away from Marketplace

	Original Budget	Amendment 1	Change Amendment 1 – Original Budget
Revenue	$120,862,687	$122,561,501	$1,698,814
Expenditures	$122,447,062	$123,113,043	$665,981
Surplus (Deficit)	($1,584,375)	($551,542)	$1,032,833
Fund Balance FY25 Projected Fund Balance % of Fund Balance	$16,961,149 $15,376,774 12.558%	$16,961,149 $16,409,607 13.329%	

Next Steps

- Formal Budget Resolution for General Fund to be adopted by Board on November 20, 2025
- February/March 2026 Amendment – General Fund, Center Program Fund, and Special Revenue Funds will include:
  - Negotiation impacts
  - Audited student count
  - Open enrollment impacts

Questions?