

# 2025 - 2026 Budget Proposal

## DRAFT 1

Presented February 26, 2025



*Today's Students.  
Tomorrow's Leaders.*

# TROY

## **CITY SCHOOL DISTRICT MISSION STATEMENT**

The Troy City School District will provide a strong educational and social foundation to graduate all students college and career ready.

- We continue to be proud of all that is happening throughout the district (from October 2, 2024 Board Presentation)
  - District proficiency rates well above the pre-pandemic proficiency rates in both ELA and Math
  - Met District Goal #1
  - Five of our six schools had their highest recorded Math proficiency rate
  - Three out of our six schools had a double-digit Math proficiency rate increase
    - PS2 - highest percent increase at 19%
  - CHS increased in both ELA and Math proficiency rates
  - PS 16 outperformed the State proficiency rate in both ELA and Math
  - PS 2 has been removed from Receivership



# Budget Development Process

- How do we sustain this progress and build on our successes?
- How do we ensure that we are meeting the needs of all of our students?
- How do we maintain our environment of continuous improvement?
- How do we do this in the most fiscally responsible way possible?



# Budget Development Process

- Educationally Sound

What do our students need to be successful?

- Mission Statement
- Staffing/Programs
- Supports
- Academic Achievement - How do we fully support our students going forward

- Fiscally Responsible

Good stewards of the taxpayers' money

- Mindful of our overburdened taxpayers
- Continue to search for other funding sources
- Under the tax cap for the last twelve years
- State and Federal money
- Long-term financial (strategic) planning



# Tax Cap

| Year      | Tax Cap<br>(What we could have done) | Tax Levy We Chose<br>(What we did) |
|-----------|--------------------------------------|------------------------------------|
| 2012-2013 | 3.61%                                | 2.89%                              |
| 2013-2014 | 4.01%                                | 2.99%                              |
| 2014-2015 | 3.61%                                | 2.99%                              |
| 2015-2016 | 2.75%                                | 2.49%                              |
| 2016-2017 | .13%                                 | 0%                                 |
| 2017-2018 | .45%                                 | .45%                               |
| 2018-2019 | 1.88%                                | 1.54%                              |
| 2019-2020 | 1.89%                                | 1.00%                              |
| 2020-2021 | 2.13%                                | 1.99%                              |
| 2021-2022 | 1.4%                                 | 0%                                 |
| 2022-2023 | 1.15%                                | 0%                                 |
| 2023-2024 | 2.46%                                | 0%                                 |
| 2024-2025 | 2.68%                                | 0%                                 |



# Tax Cap

- The mandated 2% Tax Cap is not necessarily 2%
- This year, the CPI (Consumer Price Index) is 2.95%
  - Equates to a CPI factor of 2%
- Our Tax Cap for 2025-2026 is 2.57%
  - This would generate approximately \$974,000 in additional revenue
- Draft 1 assumes 0% tax levy increase
  - This is the year that we may not be able to keep it 0%



# Considerations

- For the last several years, we discussed the need to be **conservative and strategic** with our choices.
  - Federal funding was ending
  - Significant uncertainty regarding the future of Foundation Aid
- In this year's budget, we were able to add approximately 30 positions that were initially created with federal funding
  - These positions were always planned as temporary
  - Attrition Plan
- We have received and are reviewing requests/priorities from Administration





# Revenues

- State Aid - \$90.5 M
  - Foundation Aid increase \$1,231,610 (2% Aid-Due-Minimum)
  - One time Small City Capital Outlay (\$3.6 M)
  - Expense-Driven Aids (\$2.7 M)
- Tax Levy - \$37.9 M
  - Tax Cap 2.57%
  - Draft 1 assumes 0% levy increase
- PILOTS and other tax items - \$4.275 M
- Tuition, Refunds, Interest and Misc. - \$2.6 M
- Federal Aid (Medicaid, etc.) - \$233 K
- Appropriated Fund Balance - \$3 M



# Transfer to Capital

- May 2023 – Small City Capital Outlay \$5M
- Estimated \$3.6M one-time Building Aid realized this budget cycle (2025-26)
  - Accelerated Reimbursement
- Non-recurring revenue – not to be used for recurring expenditures
- Propose Transfer to Capital as we did in previous years
  - Supplement Tech Wing/THS Site work
  - Complicated project – anticipate unknowns/cost escalation
  - Want to be prepared financially going into project
- This is budget neutral – corresponding expenditure and revenue



# Proposed Budget Draft 1

2024-2025 Budget

\$133,067,785

## **2025-26 Budget**

Draft 1 Revenues

\$139,596,851

Draft 1 Expenditures

\$143,716,818

Current Deficit

\$(4,119,967)

Includes Transfer to Capital

\$3,600,000



# Next Steps

- Continue the review, analysis and discussion of our current budget
  - Federal Fund positions
  - Reserve Usage
  - Tax Levy
- Continue our advocacy
- Continue to monitor the State budget process
- Draft 2 is scheduled to be presented at the March 12<sup>th</sup> Board Meeting
- Budget Vote is May 20, 2025



**TROY**  
CITY SCHOOL DISTRICT

**We Can.  
We Will.  
End Of Story**