



TROY SCHOOL DISTRICT

# Board of Education

## Amendment #2

March 2026





# General Fund

## Budget Amendment #2

2025-2026

01

Minor adjustments to revenues to ensure alignment with our February 2026 State Aid Status Report

02

Revenue and expenditure adjustments to ensure general ledger matches all submitted and approved grant applications

03

Salary and benefit adjustments to reflect most recent staffing levels. Factors in several mid-year retirements and vacancies.

04

Amended non-salary and non-benefit expenditures to reflect year-to-date expenditures plus projected remaining expenses.

# General Fund – Amendment #2

	2025-2026 Original Budget	2025-2026 Amendment #1	2025-2026 Amendment #2
Revenue	190,545,984	197,760,255	201,232,225
Expenditures	194,285,613	203,763,818	206,832,475
Change in Fund Balance	(3,739,629)	(6,003,563)	(5,600,250)
Beginning Fund Balance	32,979,691	33,713,795	33,713,795
Ending Fund Balance	29,240,062	27,710,232	28,113,545
Fund Balance %	15.05%	13.59%	13.59%



# Revenue Adjustments

Description	2025-2026 Amendment #1	2025-2026 Amendment #2	Difference
Enrollment	12,071.23	12,068.58	(2.65)
27h(2) Mentoring	0	363,038	363,038
27l(2) Educator Comp	0	1,784,862	1,784,862
31aa Mental/Safety	1,966,318	3,797,147	1,830,829
Other Grants	4,929,485	5,142,319	212,834



# Expenditure Adjustments

Description	2025-2026 Amendment #1	2025-2026 Amendment #2	Difference
27h(2) Mentoring	0	363,038	363,038
27l(2) Educator Comp	0	1,784,862	1,784,862
Other Grants	4,929,485	5,142,319	212,834
Edustaff	8,696,899	9,054,655	357,756
Facility Supplies	1,134,200	1,314,000	179,800



# 2026–2027 Original Budget Estimate

	2025-2026 Amendment #2	2026-2027 Assumptions
Revenue	201,232,225	201,418,960
Expenditures	206,832,475	199,580,639
Change in Fund Balance	(5,600,250)	1,838,321
Beginning Fund Balance	33,713,795	28,113,545
Ending Fund Balance	28,113,545	29,951,866
Fund Balance %	13.59%	15.01%



# Budgetary Challenges

- Enrollment
- Lack of urgency in Lansing
- Revenue landscape
- Rising expenditures
  - Salary and benefits
  - Retirement costs
  - Special education



# Budget Priorities

## **Secure known expenditure obligations through 2029**

- Allows us to build multi-year budget projections to more accurately strategize our staffing plans
- Allows for better alignment as we begin strategic planning
- Provides labor stability and increased morale during challenging economic times

## **Data driven alignment of student support services**

- Support for MTSS teams K-12
- Development and support for implementation for K-8 reading curriculum
- Continued support for math implementation and student support

## **Reductions through attrition where feasible**

- Utilized over last three years to avoid layoffs through strategic use of fund balance
- 95% of budget is people- limited options available
- RIF through the lens of least impact on student achievement
- Review possible Employee Severance Plan



# Budget Process

- Identify reduction targets
- Gather input and feedback from multiple work groups
  - SSAB
  - Principals
  - Administrative Staff
  - Sub-cabinet
- Development and implementation of reduction framework



# Reduction Targets

- Maintain instructional priorities
- Structural balance
- 15% fund balance
  
- Proposed Targets
  - \$12 million in reductions
    - Salaries & benefits
    - Purchased services
    - Departmental adjustments
    - Discretionary spending



# Budget Reduction Rubric & Scoring

Impact on Student Learning		
Score	Definition	
5	Minimal or no measurable impact on instruction; core academic program remains intact.	
4	Limited impact; manageable at the school/building level with mitigation.	
3	Moderate impact; learning conditions change for some students/programs.	
2	Significant disruption to instruction or student supports; notable reductions in service level.	
1	Severe impact on core instruction or essential supports; high likelihood of negative outcomes.	
Equity Impact		
Score	Definition	
5	No disproportionate impact on high-need or protected student groups.	
4	Minimal impact on high-need students; targeted mitigations available.	
3	Some disproportionate impact likely; requires mitigation and monitoring.	
2	Clear inequitable effect on vulnerable populations; difficult to mitigate.	
1	Severe impact on vulnerable populations; inconsistent with equity commitments.	
Legal / Compliance Risk		
Score	Definition	
5	Fully compliant with laws, regulations, board policies, and labor agreements; no foreseeable legal risk.	
4	Minor compliance considerations; manageable with procedural adjustments; low risk of grievance.	
3	Moderate complexity; potential complaint/grievance but defensible with strong documentation.	
2	Significant risk of grievance, complaint, or regulatory scrutiny; requires redesign/mitigation.	
1	High probability of legal violation, contract breach, or failure to meet mandated services.	
Cost Savings Amount		
Score	Definition	Per FTE
5	Substantial recurring savings that materially closes the structural gap.	100,000.00
4	Meaningful recurring savings; contributes significantly toward the target.	75,000.00
3	Moderate savings; helpful but not transformative.	50,000.00
2	Limited savings relative to disruption; small contribution.	25,000.00
1	Minimal or one-time savings; does not meaningfully address the gap.	-
Feasibility / Timeline		
Score	Definition	
5	Easily implementable within the required timeframe; minimal disruption; strong internal capacity.	
4	Implementable with manageable planning and coordination; timeline achievable.	
3	Requires moderate change management and/or phased rollout.	
2	Difficult to implement within the timeline; major operational/logistical barriers.	
1	Not feasible within required timeframe; high likelihood of implementation failure.	
Stakeholder Support		
Score	Definition	
5	Broad understanding and support across stakeholder groups; low resistance expected.	
4	General acceptance with manageable concerns.	
3	Mixed reactions; moderate opposition expected but manageable with communication.	
2	Significant resistance from one or more major stakeholder groups.	
1	Widespread opposition likely; high political/relational/morale risk.	

Weighted Total	Tier	Red Flag	Include in Scenario? (Y/N)
4.40	Tier 1 – Strong Candidate		Y
0.00	Tier 3 – High Risk		Y
0.00	Tier 3 – High Risk		Y
4.55	Tier 1 – Strong Candidate		Y
3.90	Tier 2 – Consider		Y
4.30	Tier 1 – Strong Candidate		Y
4.55	Tier 1 – Strong Candidate		Y
4.90	Tier 1 – Strong Candidate		Y
4.10	Tier 1 – Strong Candidate		Y
4.35	Tier 1 – Strong Candidate		Y
3.00	Tier 2 – Consider		Y
4.10	Tier 1 – Strong Candidate		Y
0.00	Tier 3 – High Risk		Y
4.85	Tier 1 – Strong Candidate		Y
4.70	Tier 1 – Strong Candidate		Y
3.75	Tier 2 – Consider		Y
4.90	Tier 1 – Strong Candidate		Y
4.85	Tier 1 – Strong Candidate		Y
4.85	Tier 1 – Strong Candidate		Y
4.90	Tier 1 – Strong Candidate		Y
5.00	Tier 1 – Strong Candidate		Y

# Proposed Reductions

Areas for consideration include:

- Positions that are not directly connected to the classroom.
- Maximizing adult to student ratios and contract allowances.
- Implementing a realignment of administrative and support staffing to better match current needs and resources.



# Board Feedback

- Do you believe the budget priorities as outlined are adequate?
- Are the overall goals and budget targets in alignment with Board expectations?
- What other considerations might Board members want administration to consider?



# Proposed Budget Timeline

Date	Target	Notes
January Workshop 1/13/26	<ul style="list-style-type: none"> <li>•Amendment #1</li> <li>Proposed budget process &amp; talking points</li> <li>Initial budget assumptions                             <ul style="list-style-type: none"> <li>○ CREC (1/16)</li> </ul> </li> </ul>	CREC – Michigan Consensus Revenue Estimating Conference - will provide insights into available revenues for State budget
February Workshop 2/3/26	<ul style="list-style-type: none"> <li>•Enrollment Projections – Plante Moran Cresa</li> </ul>	<p>Governor’s Executive Budget is due early February – will give first indication as to SA budget for FY 26/27</p> <p>Governor’s State of Sate is scheduled for February 25<sup>th</sup> – will give indication as to priorities in the budget</p>
March Retreat 3/7/26	<ul style="list-style-type: none"> <li>•Amendment #2</li> <li>(Review/adjust assumptions</li> <li>Identify resource allocation priorities</li> </ul>	Should have House and Senate budgets (or some indication) to triangulate with executive budget from February
April Workshop	<ul style="list-style-type: none"> <li>•Provide reduction recommendations</li> </ul>	Provides time necessary to enact reductions and address any contractual obligations
June Regular Meeting	<ul style="list-style-type: none"> <li>•Amendment #3</li> <li>FY 26-27 Budget Resolution</li> </ul>	Amendment #3 will include all up to date assumptions and provide our final RIF targets

**Thank you!**

