LITTLE ROCK
SCHOOL DISTRICT

# LRSD FY27 Public BUDGET Informational Meeting

Concludes with a Q & A Session

# Our Goals for This Presentation

- **Transparency:** Clearly show where our money comes from and how it is spent.
- **Understanding:** Explain the "why" behind upcoming budget adjustments.
- **Prioritizing Students & Alignment:** Ensure our financial decisions align with district goals and priorities, and prioritize students and classroom instruction.
- **Shared Ownership:** Encourage the community to be part of the solution.

# The Current Financial Picture

While our total revenue has generally increased over the years, the district faces significant financial strain heading into 2026-27.

Refer to Handouts:

1. Revenue/Expenditure History Document
2. The Current Financial Picture & The Challenge Document

# The Current Financial Picture

## What's contributing to the district's financial strain?



**Staffing Levels:** While student enrollment has declined, our rate of staff position reductions has not kept pace with the student enrollment decline.



**Fund Balance Reliance:** Historically, spending has outpaced revenues, eroding the district's fund balance.



**Expiring Funds:** The "extra" temporary funding available during the past (recent) 34 years is no longer available.



**Rising Costs:** Significant increases in salary schedules, health insurance premiums, retirement contributions, transportation costs, and SPECIAL EDUCATION costs.

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# Protecting Our Priorities

*Refer to FY27 Goals & Priorities Alignment Document and the LRSD Strategic Plan Framework Document*

Even as we reduce spending, we are committed to investing in the areas that matter most. Our FY27 budget recommendations and priorities are aligned to and guided by our overall district goals and strategic plan priorities and outcomes approved by the LRSD Board.







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# FY27 Budget Goal and Priorities

**FY27 BUDGET GOALS**

- Operating Expenditure Reduction Goal = **$12- 15 million estimated**
- Operating Fund Balance Goal = +2 - 2.5 million in FYs 27 - 30
  - Total of +8 -10 million over the next four fiscal years

# FY27 Budget Goal and Priorities

**FY27 BUDGET PRIORITIES**

- **Priority 1** - Using Strategic Plan Phases 1 & 2 Initiatives as a guide, identify the essential district personnel, programs, and external providers needed for fiscal years 2027 & 2028.
- **Priority 2** - Determine what, if anything, can be reduced from each expenditure source.
- **Priority 3** - Intentionally plan for “some” employee raises or bonuses within fiscal years 2027 or 2028
- **Priority 4** - Accelerate the District Viability Process with Solution Seekers to co-create ideas for the district’s long-term fiscal planning and health. *(This priority has limited to no impact on the FY27 budget development process, but is critical to the budget development process in fiscal years 2028 and beyond.)*

# How We Will Achieve the $12-$15 Million Reduction?

*Refer to FY27 Draft Budget Reduction Planning Document*

The district is shifting resources away from operations that do not directly align with FY27 budget priorities:

- **Refining Staffing Formulas:** Implementing new guidelines to ensure staff ratios are equitable and efficient across all schools.
- **Operational Efficiency:** Identifying reductions in external program providers and administrative areas that do not directly impact the classroom.
- **Long-Term Stability:** Our goal is to increase the operating fund balance by **$8-$10 million** over the next four years to ensure the district remains financially healthy.

# FY27 Timeline and Public Involvement

*Refer to FY27 Budget Development Timeline Document*

We want you to stay informed and involved throughout this **ongoing** process:

- **Process began on December 4, 2025.**
- **February 17 & 19, 2026:** Public meetings regarding the FY27 Budget
- **February 26, 2026:** Board votes on recommended Employee Contract Length Changes
- **March 12, 2026:** Current Board votes on Part 1 of the Budget Reduction Plan
- **April 9, 2026:** New Board votes on Part 2 of the Budget Reduction Plan
- **April 10, 2026 - December 17, 2026:** Ongoing Viability Process engagements and planning meetings. The board tentatively votes on Viability Planning recommendations at the December 2026 board meeting.

# FY27 Timeline and Public Involvement

*Refer to Visioning Together: Community Solutions for a Thriving LRSD - Viability Process Document*

## Visioning Together:
## Community Solutions for a Thriving LRSD




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# Visioning Together:

# Community Solutions for a Thriving LRSD

## Community Experts and Partners Needed:

***Financial Sustainability and Strategic Investment - Marketing, Branding, and Family Engagement - Innovation and Program Design - Community Engagement and Civic Leadership - Talent Development and Organizational Culture - Data, Research, and Strategic Planning - Policy, Law, and Government Relations - Business and Workforce Leaders***




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FY27 Budget Feedback Form

# Q & A Session & Feedback

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# Thank You for Attending

## Have a great evening!

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