

# Spending Reduction Plan Proposal for SY 2025-26

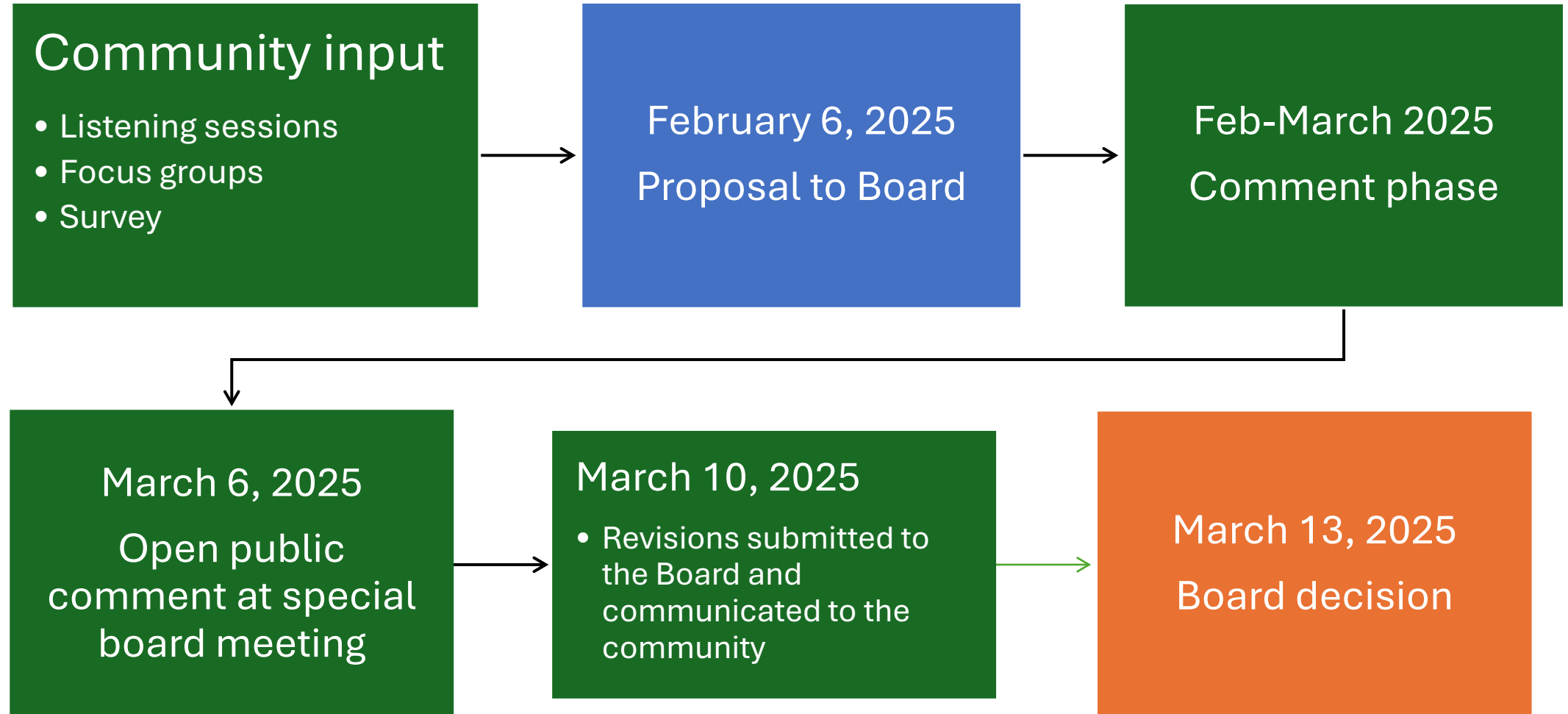
Regular School Board Meeting  
February 6, 2025

**FOR OUR FUTURE WORLD**  
Bellevue School District Strategic Plan



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# Budget Planning Timeline



# Our Financial Reality



Like many districts across the state, we are grappling with a substantial budget deficit caused by rising costs, increased student needs, and inadequate state funding. Since COVID, we have been spending more than we receive in revenue, leading to the depletion of our reserves below the 5% required by board policy.

To put us on a path to restoring our financial stability, **we need to reduce spending by approximately \$16M for the 2025–26 school year. That’s on top of the \$10M that we are already working to cut from this year’s spending. This means making tough decisions about programs, services, and staffing.**

**2/3/25 Update: Our reductions for the current year are estimated to reach only \$6M, so cuts for 25-26 must reach \$20M.**



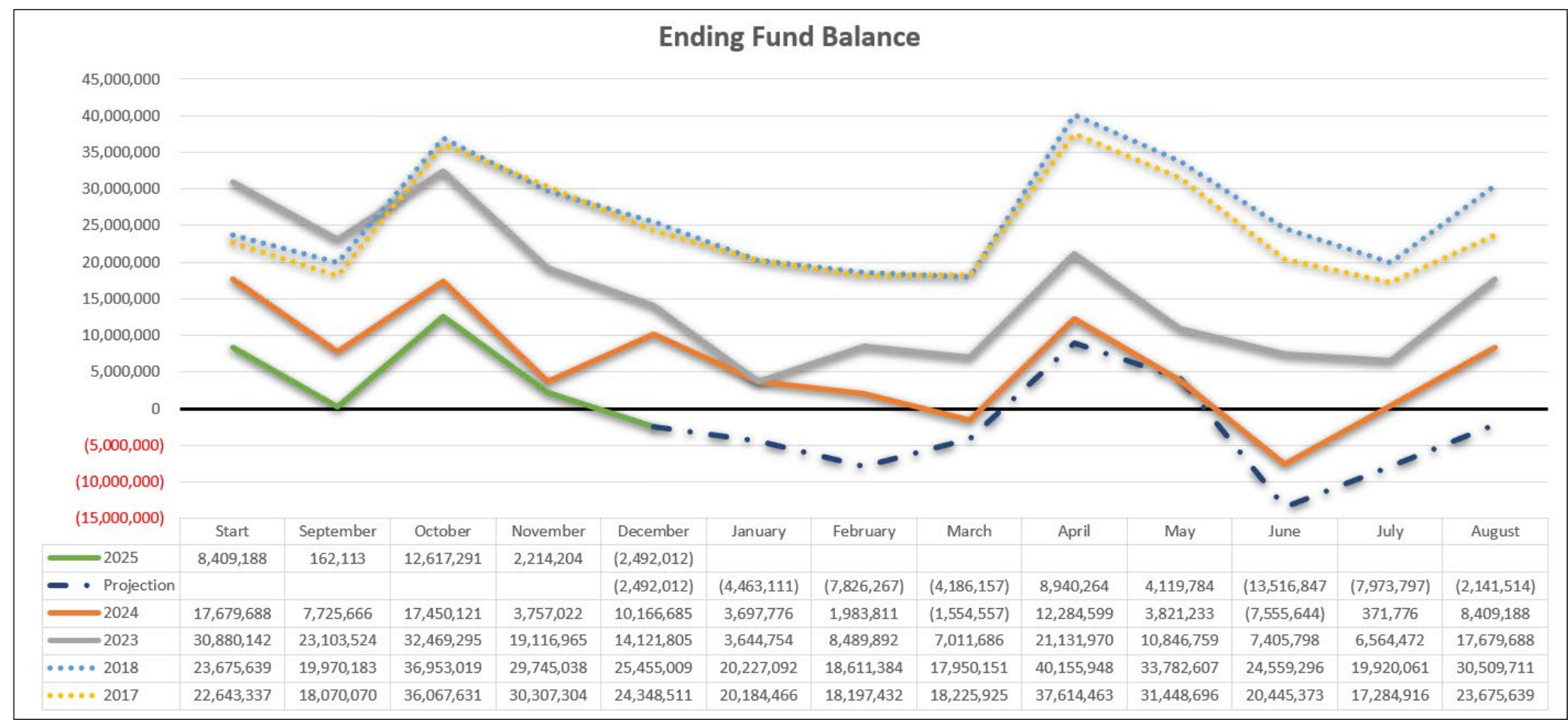
# OSPI 2025 Financial Warning List

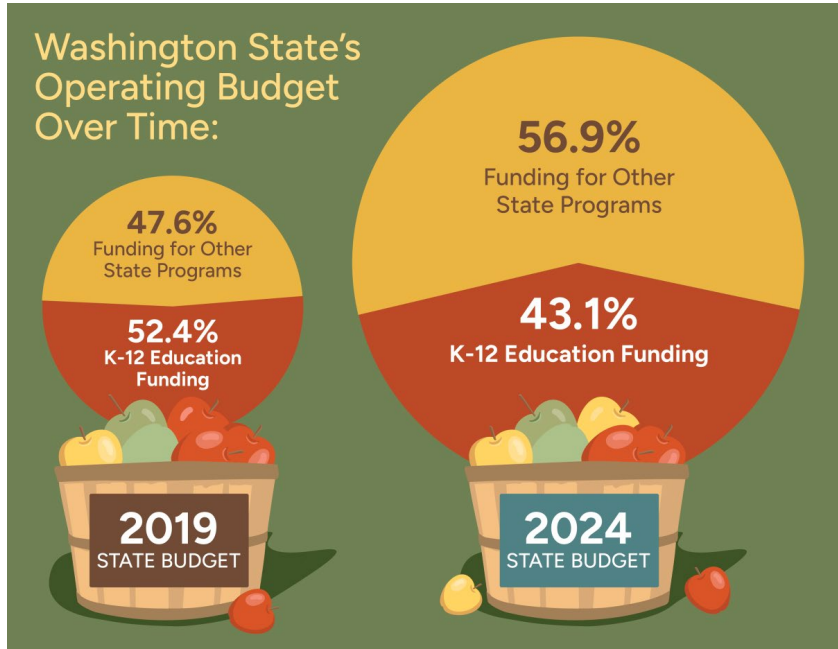
| SCHOOL DISTRICT | 1516 | 1617 | 1718 | 1819 | 1920 | 20-21 | 21-22 | 22-23 | 23-24 |
|-----------------|------|------|------|------|------|-------|-------|-------|-------|
|                 | 3.10 | 3.10 | 2.25 | 1.50 | 2.20 | 2.20  | 1.45  | 1.80  | 0.75  |
|                 | 2.50 | 2.95 | 3.15 | 3.15 | 2.30 | 3.15  | 3.00  | 1.55  | 0.80  |
| Bellevue        | 3.10 | 3.10 | 3.15 | 3.30 | 2.80 | 2.45  | 2.80  | 1.90  | 1.00  |
|                 | 4.00 | 4.00 | 4.00 | 3.90 | 4.00 | 4.00  | 2.50  | 0.30  | 1.10  |
|                 | 3.40 | 3.40 | 2.95 | 3.45 | 3.30 | 3.70  | 2.60  | 1.55  | 1.20  |
|                 | 3.70 | 3.85 | 3.85 | 4.00 | 4.00 | 2.60  | 3.00  | 2.10  | 1.20  |
|                 | 3.85 | 3.85 | 2.10 | 3.05 | 3.15 | 2.80  | 1.15  | 2.90  | 1.35  |
|                 | 2.50 | 2.10 | 2.90 | 2.95 | 2.45 | 2.70  | 2.70  | 1.60  | 1.40  |
|                 | 3.10 | 3.10 | 3.15 | 3.85 | 3.70 | 3.35  | 2.75  | 1.55  | 1.50  |
|                 | 2.95 | 2.55 | 2.25 | 2.25 | 2.60 | 3.00  | 3.00  | 1.90  | 1.50  |
|                 | 2.50 | 2.50 | 2.60 | 3.00 | 3.00 | 3.15  | 2.45  | 2.25  | 1.50  |
|                 | 3.70 | 3.70 | 3.85 | 3.85 | 3.85 | 3.50  | 2.75  | 1.45  | 1.50  |
|                 | 3.25 | 2.85 | 2.80 | 3.15 | 3.00 | 3.00  | 3.00  | 1.90  | 1.50  |
|                 | 3.10 | 3.70 | 3.65 | 3.55 | 3.55 | 3.70  | 3.15  | 2.60  | 1.55  |
|                 | 3.10 | 2.70 | 3.55 | 3.50 | 1.90 | 3.55  | 2.45  | 1.70  | 1.60  |
|                 | 3.70 | 3.30 | 2.50 | 2.50 | 2.95 | 3.05  | 3.10  | 1.45  | 1.70  |
|                 | 4.00 | 4.00 | 3.80 | 3.65 | 3.65 | 3.70  | 3.90  | 2.15  | 1.70  |
|                 | 3.10 | 3.25 | 2.05 | 3.05 | 2.85 | 3.05  | 3.00  | 2.60  | 1.70  |



# Ending Fund Balance

The 2025 base projection for the ending fund balance was set at \$3.8 million upon the close of Fiscal Year 2024. The district aims to achieve an \$11 million ending fund balance by the end of Fiscal Year 2025. However, with the current projection standing at **(\$2,141,514)**, the district has implemented multiple spending reduction measures. These reduction totals are \$6,500,000. With these reductions, the projected ending fund balance is between \$3,400,000 and \$4,400,000.





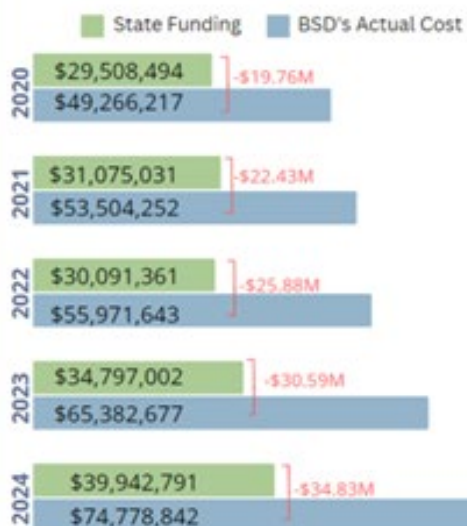
| State                                                                                                                                                                                                                         | Local                                                                                                                                                                                                                                                                                                                               |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <ul style="list-style-type: none"><li>• Decline in % of Funding to Education in State Budget</li><li>• Skyrocketing Operating Costs &amp; Inflation</li><li>• Cap of Local Levy Dollars</li><li>• Unfunded Mandates</li></ul> | <ul style="list-style-type: none"><li>• Declining Enrollment Post COVID</li><li>• Inaccurate or Incorrect Budget Assumptions (ex. operating costs, CBAs)</li><li>• End of ESSER Funds While Continuing ESSER Investments</li><li>• Budget &amp; Spending Management &amp; Oversight Challenges</li><li>• Budget Reporting</li></ul> |

How We Got Here.

# GAPS IN STATE FUNDING



## SPECIAL EDUCATION



Since 2020, BSD has been underfunded for Special Education by **\$133.5 Million.**



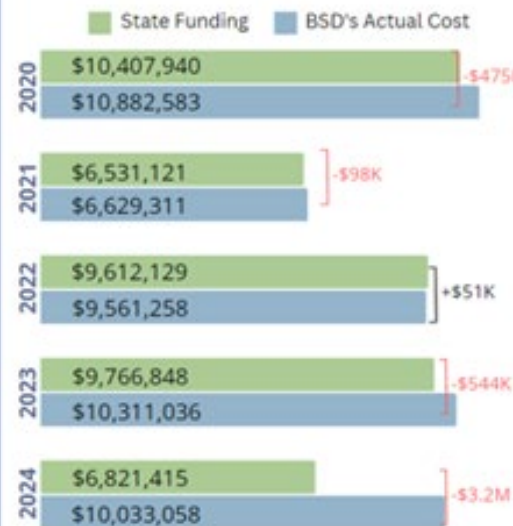
## MATERIALS, SUPPLIES & OPERATING COSTS (MSOC)



Since 2020, BSD has been underfunded for MSOC by **\$29.37 Million.**



## TRANSPORTATION

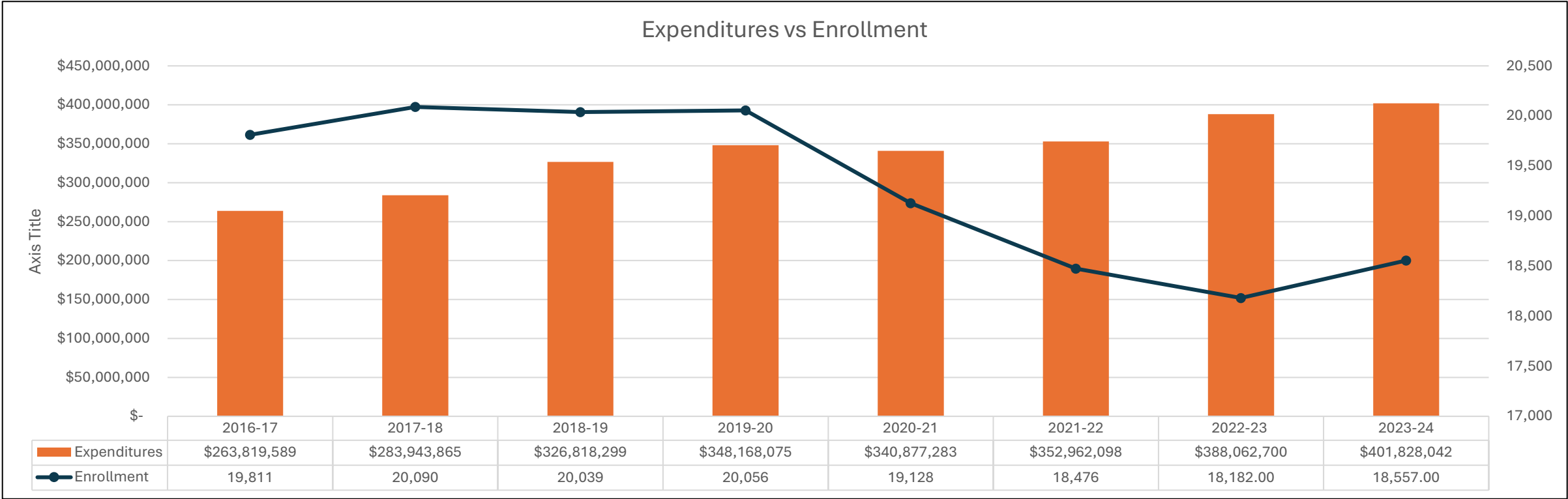


Since 2020, BSD has been underfunded for Transportation by **\$4.27 Million.**

**SINCE 2020, FUNDING GAPS HAVE COST BSD \$167.14M.**

# Expenditures vs Enrollment Trend

Expenditures vs Enrollment



Expenditure Data Source F-196: [Apportionment, Enrollment, and Fiscal Reports | OSPI](#)  
Enrollment Data Source 1251 FTE: [Apportionment, Enrollment, and Fiscal Reports | OSPI](#)

# Apportionment Advance: Resolution 2025-02

- What is an apportionment advance?
  - The state allows school districts to receive apportionment funds in advance of the schedule defined in state law. This could be a cash flow solution for districts and should not be considered a budget balancing strategy.
- Projected shortfall of Cash Flow in June 2025 - ~\$15M
- Drivers for Advancement
  - Higher than projected expenditures
  - Current year reductions have not fully come to fruition
  - No reserves (savings) to absorb the shortfall
  - In May & June we receive a lower percentage of our scheduled apportionment

| Sep | Oct | Nov | Dec | Jan | Feb | Mar | Apr | May | June | Jul   | Aug |
|-----|-----|-----|-----|-----|-----|-----|-----|-----|------|-------|-----|
| 9%  | 8%  | 5%  | 9%  | 8%  | 9%  | 9%  | 9%  | 5%  | 6%   | 12.5% | 10% |

# Steps We've Taken Since 2022

## Reductions

- Central office staffing
- Operational staffing
- School consolidations
- District-wide MSOC reduction
- Transportation efficiencies
- Professional development reduction
- Employee furloughs
- \$50M in cuts since 2021

## Revenue

- Increase enrollment through innovative programs
- Improve special education safety net process
- Legislative advocacy (levy in 2024, BIG 3 in 2025)

## Processes

- Budget monitoring
- Improved reporting
- Priority-based budgeting
- Improve efficiencies

# Spending Reduction Proposal

SY 2025-26



# Community Engagement



- **Phase 1: Community Input (January)**
  - Equity Driven Decision Making “Spectrum of Engagement”: *Inform and Consult*
  - Purpose: to understand our community’s perspectives and ideas on ways to reduce spending, generate revenue, and prioritize trade-offs
  - Includes: listening sessions, focus groups, and survey
- **Phase 2: Comment Phase (February – March)**
  - EDDM Spectrum of Engagement: *Inform and Consult*
  - Purpose: to provide an opportunity for our community to comment on the Spending Reductions Proposal that will be shared on February 6
  - Will include a survey and public comment

# Community Input to Inform Proposal

## STUDENT OUTREACH

- Chinook
- Student Advisory Group
- Interlake High School ASB
- Tillicum
- Newport High School Black Student Union Group

## STAFF LISTENING LUNCHES

- All 28 Schools (16 elementary, 5 middle, 4 high school, 2 choice, and Digital Discovery)
- ESC, ESC-West, MSC, and WISC



## FAMILY OUTREACH

- Focus on underserved communities
- Spanish session at Highland
- Families of students receiving special education, multilingual, and advanced learning services
- Families experiencing housing insecurity
- With support from our community partners

## SURVEY

- Open January 13 - 24

## EMAIL

- [communityinput@bsd405.org](mailto:communityinput@bsd405.org)

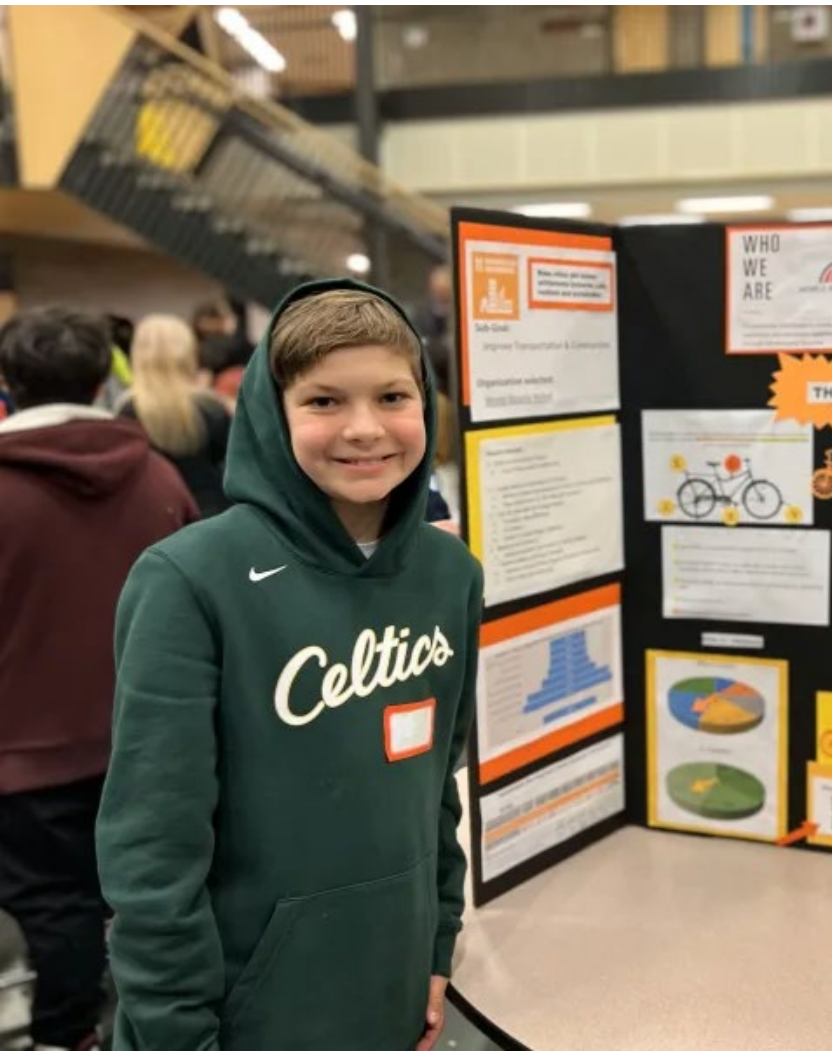
## COMMUNITY LISTENING SESSIONS

- Two in-person Community Listening Sessions
- One online Listening Session

## ADMINISTRATOR LISTENING SESSIONS

- Two elementary sessions
- Two secondary sessions

# Key Themes from January Input Sessions



- Buffer those with **greatest needs** to the extent possible
- Preserve **student engagement and learning**
- Prioritize **student-facing supports**
- Get **lean and efficient** starting with central office
- Improve **transparency & communication**

# Key Considerations

- Preventing Binding Conditions & the Rebuilding of the Fund Balance (Unrestricted Cash Savings)
- Themes and Tensions from Community Input Sessions
- Budget Parameters from School Board
- 2024-2029 Strategic Plan (Belong, Learn, Lead)
- Equity-Driven Decision Making (EDDM)
- Opportunity to Reorganize for Student and Staff Success



# What is NOT in the reduction plan

- 7-Period Day at High School and Middle School
- Athletics, Activities, Extracurriculars and Clubs
- Elementary Specialists (Library, Art, Music, PE, Computer Science at Title 1 Funded Schools)
- Full-time Counselors at Elementary; Additional Counselors at Title 1 Schools
- Graduation Success Coaches
- School Closures or Consolidations



# Spending Reductions Plan Proposal

## *Overview*

| Reduction Area | # Positions | Reduction Amount            |
|----------------|-------------|-----------------------------|
| Central Office | 40-49       | \$5,375,000 - \$6,670,000   |
| ESSER Funded   | 23-31.5     | \$3,245,000 - \$4,288,500   |
| School-Based   | 70-98       | \$10,040,000 - \$14,320,000 |
| TOTAL          | 133-179     | \$18,660,000 - \$25,278,500 |

*NOTE: The number of positions and reduction amounts are approximate*

# Spending Reductions Plan Proposal

## *Central Office Reductions*

| Central Office Reductions                       | # Positions | Reduction Amount          |
|-------------------------------------------------|-------------|---------------------------|
| Cabinet, Director Level Positions               | 5-8         | \$1,350,000 - \$2,160,000 |
| Central Office Furloughs, Contract Holdbacks    | -           | \$1,050,000               |
| Central Office Staff (certificated, classified) | 25-30       | \$1,875,000 - \$2,250,000 |
| Operations Staff                                | 10-11       | \$1,100,000 - \$1,210,000 |
| TOTAL                                           | 40-49       | \$5,375,000 - \$6,670,000 |

*NOTE: The number of positions and reduction amounts are approximate*

# Spending Reductions Plan Proposal

## ***ESSER Reductions***

| ESSER Funded Reductions                                                   | # Positions    | Reduction Amount                 |
|---------------------------------------------------------------------------|----------------|----------------------------------|
| Co-Teachers at Title 1 Schools<br>(maintain Title grant-funded positions) | 1-3            | \$158,000 - \$474,000            |
| Mental Health Assistance Team (MHAT)                                      | 15-19.5        | \$2,025,000 - \$2,632,500        |
| Family Engagement<br>(maintain at highest need schools)                   | 3-5            | \$180,000 - \$300,000            |
| Summit Program                                                            | 4              | \$632,000                        |
| Tutoring                                                                  | -              | \$250,000                        |
| <b>Total</b>                                                              | <b>23-31.5</b> | <b>\$3,245,000 - \$4,288,500</b> |

*NOTE: The number of positions and reduction amounts are approximate*

# Spending Reductions Plan Proposal

## ***School-Based Reductions\****

| School-Based Reductions*                    | # Positions | Reduction Amount            |
|---------------------------------------------|-------------|-----------------------------|
| Assistant Principals                        | 12-16       | \$2,640,000 - \$3,520,000   |
| Elementary and Secondary Certificated Staff | 30-40       | \$4,740,000 - \$6,320,000   |
| Non-Classroom Certificated Staff            | 10-20       | \$1,580,000 - \$3,160,000   |
| Classified Staff                            | 18-22       | \$1,080,000 - \$1,320,000   |
| TOTAL                                       | 70-98       | \$10,040,000 - \$14,320,000 |

*NOTE: The number of positions and reduction amounts are approximate*

*\* Minimize reductions at Title I schools*

# Analysis of Reductions by Group

| Location    | Employee Group | Percent Reduction | Percentage Reduction over 3 years |
|-------------|----------------|-------------------|-----------------------------------|
| School      | Administrators | 22%               | 24%                               |
| School      | Certificated   | 5%                | 5%                                |
| School      | Classified     | 4%                | 4%                                |
| Central     | Administrators | 22%               | 34%                               |
| Central     | Certificated   | 49%               | 43%                               |
| Central     | Classified     | 7%                | 7%                                |
| Grand Total |                | 6%                | 7%                                |

# **2025** **LEGISLATIVE** **SESSION**



## **Bills to Watch:**

**Special Education**  
(SB 5263, SB 5307,  
HB1310)

**MSOC**  
(SB 5192, HB 1338)

**Transportation**  
(SB 5187)

**Levy/LEA**  
(HB 1356, SB 5593)

# Restoration Plan Priorities

**Restore Fund Balance to \$20M (\$15M in cash savings critical)**

School-Based Staffing

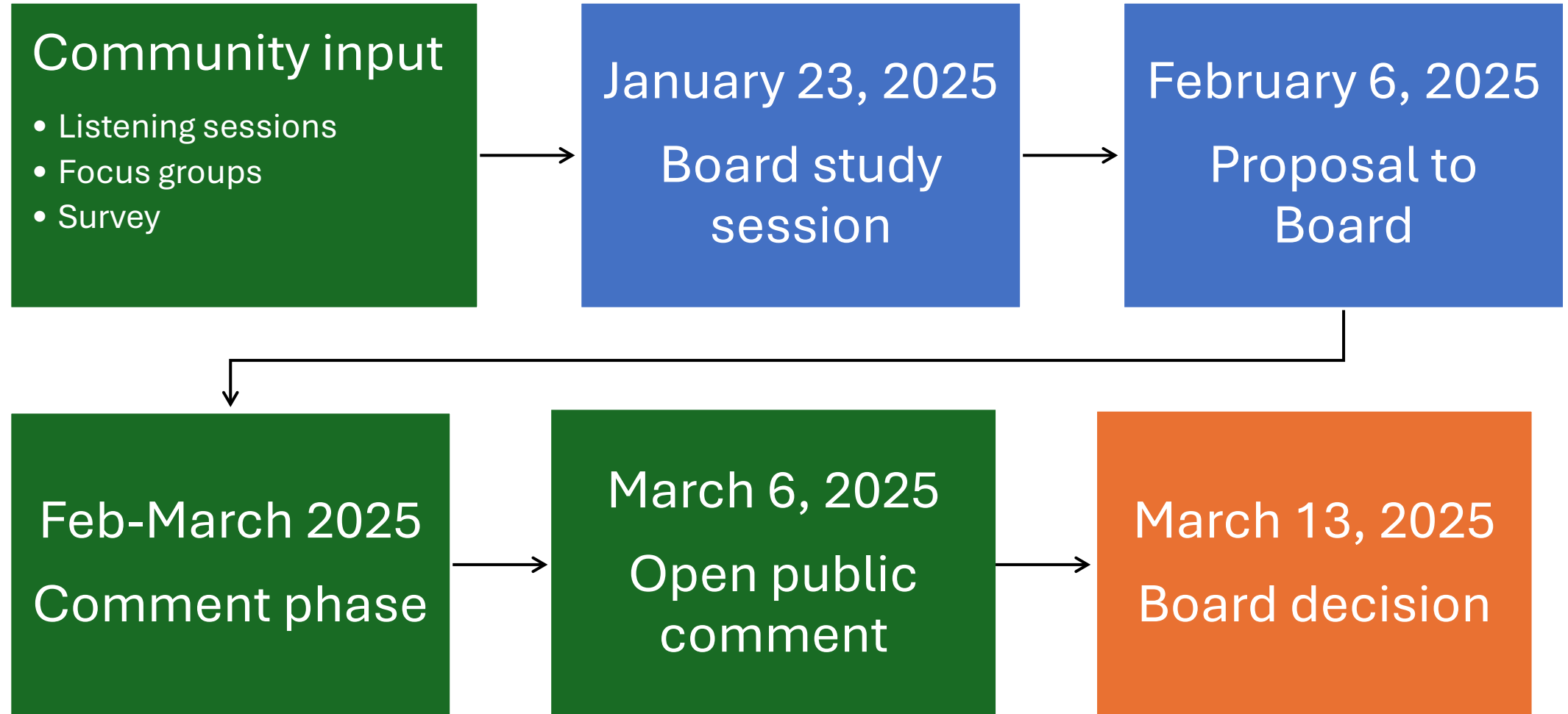
Student Behavior and Mental Health Supports

Strategic Plan Investments

Operational Excellence



# Budget Planning Timeline



# Preview of Tonight's Study Session

- December Financials Show Continued Spending Challenges
- December Fund Balance Below Zero
- Risk of Negative Fund Balance at End of Year
- Furloughs Helping But Not Enough
- Preparing for the Apportionment Advancement
- Risk of Binding Conditions
- Need to Find Additional 24-25 Reductions



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