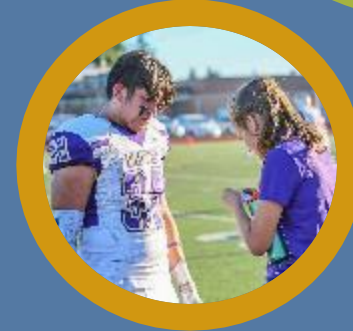


25-26 Budget Update

3/27/25



Considerations

- 2024-25 Ending Fund Balance estimated to meet 2024-25 budget expectations
- 2024-25 Actual enrollment is slightly under budgeted enrollment, and still lower than historical amounts. Demographer's report shows continued slow decline in future enrollment
- Local levy collection for Tax year 2026 will be limited by enrollment cap, however, 2025 Legislature is considering changes to the 2026 limit.
- All Federal Covid funding was spent as of the end of 2022-23
- Spending one-time money (fund balance) on ongoing expenses is not sustainable in the long term.
- Continued inflationary pressure in 2025-26 particularly in insurance rates.

Legislative Update

- End of 2025 session scheduled for late April
- House and Senate budgets expected early the week of March 24
- Implicit Price Deflator (IPD)
 - The Legislatively funded salary increase for 2025-26 is projected at 2.4%. This will be verified when the Legislative budgets are released next week.
- Special Education/MSOC Funding
 - Bills are expected to be passed to provide some additional funds, however this is very unknown at this point.
 - NKSD is estimated to spend ~\$4.0M out of local levy for SPED in 2024-25

Assumptions

- Enrollment slight decline budgeted for 2025-26
- Other revenue sources approximately unchanged
- Non-Basic Education state revenues increased by approximately 2.4% reflected in the IPD salary increase
- Minimal staffing reductions within attrition due to enrollment decline K-12

Next Steps

- Legislative session ends April 2025, possible extended special session
- At conclusion of Legislative session OSPI releases F-203 revenue estimate tool
- Internal budget work both personnel and non-personnel related
- District Finance Committee Meeting April 2025
- Initial budget submission to ESD114 by July 10, 2025
- Budget Hearing early August date
- Budget Board approval late August

Questions

