



# 2025-26 Proposed Budget

Lake Washington School District

Board Meeting  
June 23, 2025



# Outline

## 2025-26 Proposed Budget Document Presentation

- Budget Policies, Process & Timeline
- Overview of All Funds
- General Fund Revenues & Expenditures
- Next Steps



# Mission and Vision of LWSD



## Our mission

Each student will graduate prepared to lead a rewarding and responsible life as a contributing member of our community and greater society.



## Our vision

Every Student Future Ready:

- Prepared for College
- Prepared for the Global Workplace
- Prepared for Personal Success

Equipping every student for a successful future



# Objective



*The district will implement a balanced budget starting in the 2025-26 school year while maintaining budget reserves to ensure unforeseen changes or events do not create a local financial crisis.*

# Prioritizing our Strategic Commitments

## STRATEGIC COMMITMENTS

The **Strategic Commitments** anchor our strategic framework, guiding intentional actions and informing decisions toward the achievement of our vision and goals.

**COMMITMENT #1:**  
**Equitable & Just Systems**

**COMMITMENT #2:**  
**Inclusive & Rigorous Learning**

**COMMITMENT #3:**  
**Integrated Sustainability**

**COMMITMENT #4:**  
**Operational Excellence**

# Budget Policies, Process and Timeline



# Budget Preparation, Adoption and Implementation Policy: 6000

## Annual Budget

A district's annual budget is **tangible evidence of the board's commitment toward fulfilling the aims and objectives of the instructional program**. The budget expresses in specific terms the services to be provided, consistent with immediate and long-range goals and resources available and establishes priorities within broad program areas such as basic education, other separately funded programs and support services.

Prior to presentation of the proposed budget for adoption, the superintendent shall prepare for the board's study and consideration appropriate documentation supporting his/her recommendations, which shall be designed to meet the needs of students within the limits of anticipated revenues consistent with reasonable management practices.

**Program planning and budget development shall provide for staff participation and the sharing of information** with patrons prior to action by the board.

# Budget Hearings, Review & Adoptions Policy: 6000

## Budget Adoption

The budget shall be presented in a **public hearing** no later than August 31. Following this formal presentation, the president shall invite any written or oral testimony for or against the budget. After sufficient opportunity to react, the budget shall be adopted by the board. Such action shall be recorded in the official minutes of the board. Copies of the budget as adopted shall be filed with the educational service district no later than September 3. Copies of the budget will be filed with the State Superintendent of Public Instruction.

## Budget Hearings and Reviews

The board shall hold an **annual budget meeting** as prescribed by state law at which time the voters of the district are invited to a **public hearing** on the proposed budget for the coming year. Members of the board and the administration shall be present at this meeting to answer questions on any phase of the budget.

# Operational Expectations

## OE-5 Financial Planning

The Superintendent shall develop and present to the Board a multi-year financial plan that is related directly to the Board's **Results** priorities and **Operational Expectations** goals, and that avoids long-term fiscal jeopardy to the district.

### The Superintendent will develop a budget that:

- 5.1 Is in a summary format understandable to the Board and community, presented in a manner that allows the Board to understand the relationship between the budget and the **Results** priorities and any **Operational Expectations** goals for the year.
- 5.2 Clearly describes revenues and expenditures with adequate supporting detail.
- 5.3 Shows the amount spent in each budget category for the most recently completed fiscal year, the amount budgeted for the current fiscal year, and the amount budgeted for the next fiscal year.
- 5.4 Discloses budget-planning assumptions.
- 5.5 Assures fiscal soundness in future years that includes provisions for reasonable contingencies.

# Operational Expectations

## OE-5 Financial Planning (continued)

- 5.6 Provides necessary information to the Board on matters with a significant budgetary impact, allowing the Board adequate time to consider the information presented.
- 5.7 Reflects anticipated changes in employee compensation, including inflationary adjustments, step increases, performance increases and benefits.
- 5.8 Includes such amounts as the Board determines to be necessary for its own governing function.
- 5.9 Is based on reasonable consultation with appropriate constituent groups.

### The Superintendent may not develop a budget that:

- 5.10 Plans for the expenditure in any fiscal year of more funds than are conservatively projected to be available during the year.
- 5.11 Provides for an anticipated year-end fund balance of less than **seven** percent of the projected revenue.

# Budget Adoption Timeline



**June 23**

Budget Presentation  
Budget Available on  
website

**June 23-  
August 3**

Public Comment  
Period

**August 4**

Public Hearing

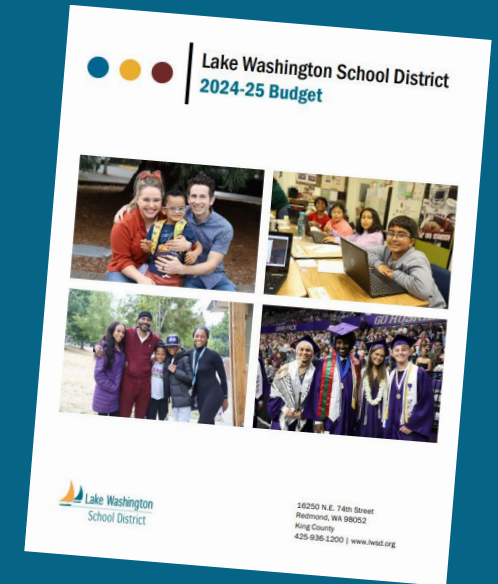
**August 18**

Formal Board  
Action

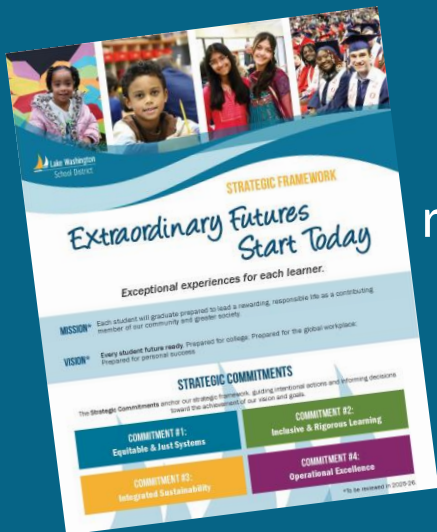


# 8 Years

## MERITORIOUS AWARD



Budget is publicly available



Budget is responsive to Strategic Priorities



LWSD has received the Meritorious Budget award for 8 years running

# Community Engagement Work

Actions To Date

Community Budget Presentation Town Hall

Budget Advisory Committee

Budget Update Videos

Legislative Update





# 2025-26 Proposed Budget Overview

All Funds

# Expenditures By Fund \$ in Millions

Different funds must be used  
for different, specific expenses



## **General Fund \$612.2**

Day to day operations of the school district.  
Based primarily on student enrollment.



## **Debt Service \$84.0**

Pays the principal and interest on any  
district bonds.



## **Capital Projects \$223.9**

Technology, facilities and capital  
construction levies and bonds.



## **Transportation Vehicle \$3.4**

Purchase of yellow school busses.



## **Associated Student Body \$10.0**

Extracurricular activities, determined by ASB.

# Debt Service Fund

\$84.0 Million



- Expenditure Authority for \$84.0 million
- Expenditures are for the redemption of principal and payment of interest on bonds and includes \$4 million contingency
- Revenue is from levies to repay bonds and reflects estimated interest revenue
  - Can only levy the amount we need for principal and interest payments

# Capital Projects Fund

\$223.9 Million



- Expenditure Authority for \$223.9 million
  - Includes 2022 capital technology and facility levy projects
  - 2022 & 2024 construction levy projects
- Revenues include:
  - 2022 Technology and Capital Projects Levy
  - 2022 & 2024 Six-year Construction Levies
  - Investment earnings
  - Impact fees
  - King County Parks Aquatic Center Grant

## **2022 Six-year Construction Levy Projects**

- Middle School Additions
- Rockwell Elementary Rebuild and Enlarge
- Redmond and Eastlake High School Additions
- Emerson High School Rebuild and Enlarge

## **2024 Construction Levy Projects**

- Alcott and Smith Elementary Rebuild and Enlarge
- Kamiakin & Evergreen Middle School Rebuild and Enlarge
- Fieldhouse and Community Pool at JHS

## **2022 Four-year Levy Projects – Facilities and Technology**

- Building Systems & Improvements
- Code, Compliance, Health & Safety
- School and Program Improvements
- Site Improvements, Athletics & Playfield Upgrades
- Technology Infrastructure, Equipment, & Business and Technology Systems

# 2025-26 Major Capital Projects



# Transportation Vehicle Fund

\$3.4 Million



- Expenditure Authority for \$3.4 million
- Expenditure budget to replace 15 buses
- Revenue includes state depreciation funds for bus replacement and investment earnings
- Last Transportation Levy was in 2001. Still using these funds and state depreciation dollars to fund replacement of aging bus fleet.
- State does not have a consistent method of funding ongoing purchases of electric buses – continue to advocate with our legislators

# Associated Student Body Fund

\$10.0 Million

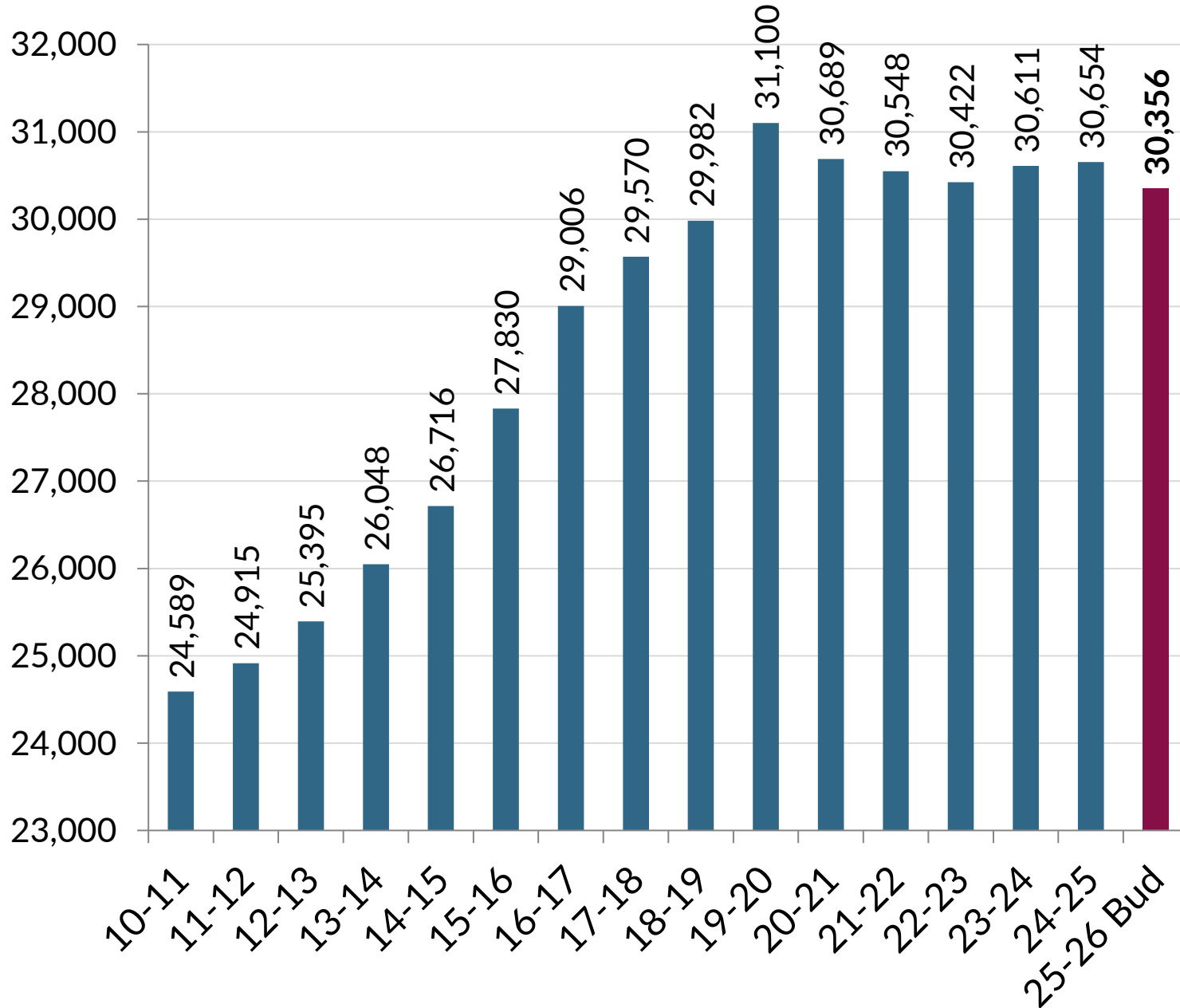


- Expenditure Authority for \$10.0 million
- Each school prepares individual budget plan for the year
- Expenditures for student extra curricular activities in each school
- Revenues include fundraisers, sales, and sports

# General Fund

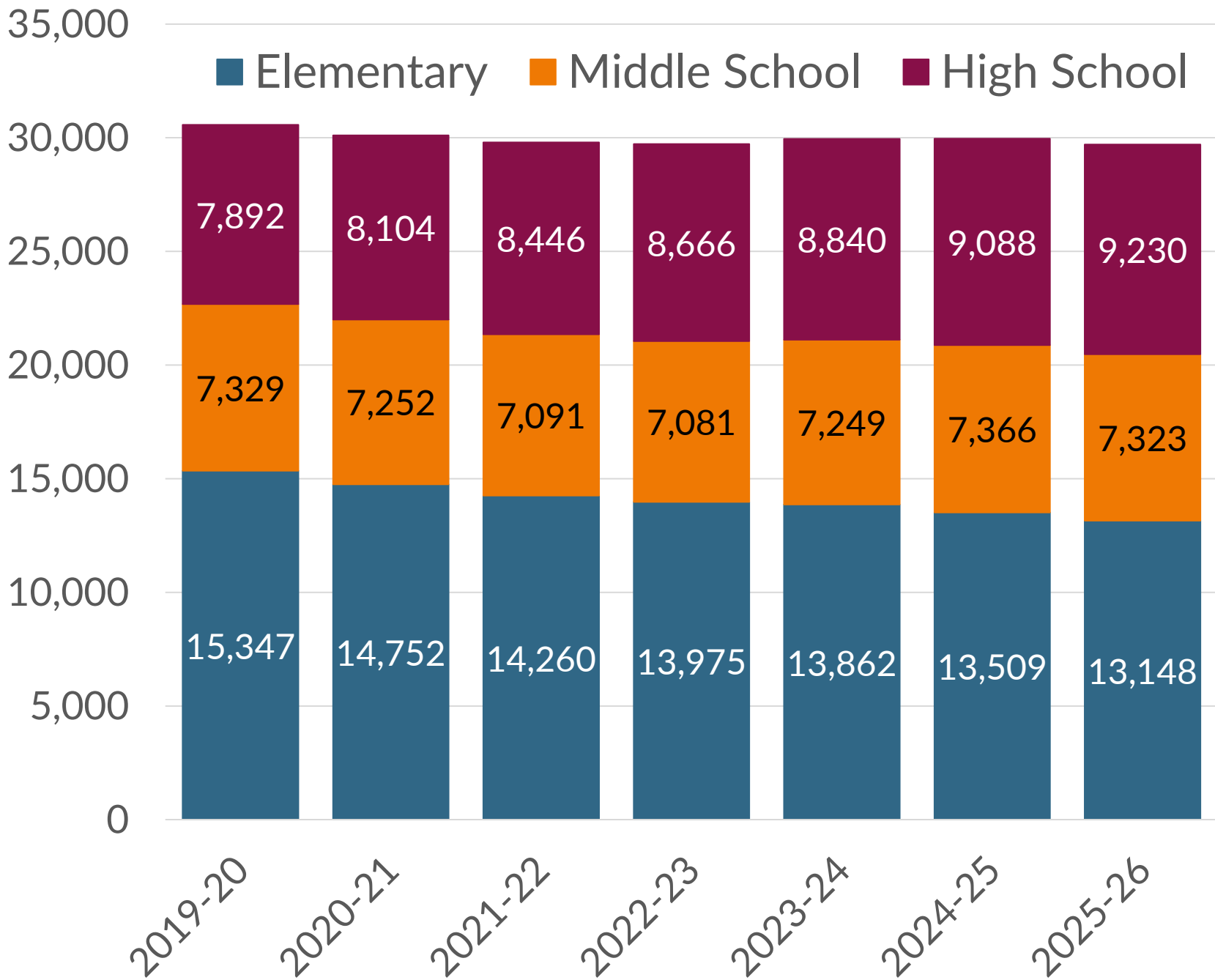


# Historical Enrollment



- **LWSD Enrollment History**
- Headcount enrollment projected to be **30,356**
- Decrease of 298 students from this year





# Enrollment History October 1 Headcount

- High school up 16.9%
- Middle school down 0.1%
- Elementary down 14.3%
- Fewer students in elementary eventually means fewer students moving up to secondary



# Budget Enrollment – Average Annual FTE

Average Annual Full-Time Equivalent drives funding



**Basic Education**  
*Estimated 170 FTE Decrease*

**Special Education**  
*Estimated 100 FTE Increase*



# 2025-26 PRELIMINARY REVENUES AND EXPENDITURES

	Revenue Changes \$ In Millions
2024-25 Budget	\$597.1
State COLA (IPD), Health and Pension, L&I	\$6.1
Enrollment	(\$2.5)
EP&O Levy	\$4.8
State Prototypical Model Shortfall – Special Education Multiplier, MSOC, Fixed Costs	\$4.3
Transportation (Based on actual 24-25)	\$1.5
Budget Alignment	\$0.3
State/Federal Grants/Self-Supporting Prog.	<u>\$3.0</u>
Total Change	\$17.5
<b>Proposed 2025-26 Budget</b>	<b>\$614.6</b>

# 2025-26 PRELIMINARY REVENUES AND EXPENDITURES

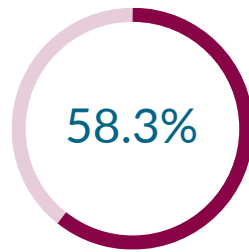
	Revenue Changes \$ In Millions	Required Expenditures \$ In Millions
2024-25 Budget	\$597.1	\$602.5
State COLA (IPD), Health and Pension, L&I	\$6.1	\$13.7
Enrollment	(\$2.5)	(\$1.1)
EP&O Levy	\$4.8	
State Prototypical Model Shortfall – Special Education Multiplier, MSOC, Fixed Costs	\$4.3	\$3.3
Transportation (Based on actual 24-25)	\$1.5	\$1.5
Budget Alignment	\$0.3	(\$10.3)
State/Federal Grants/Self-Supporting Prog.	<u>\$3.0</u>	<u>\$2.6</u>
Total Change	\$17.5	\$9.7
<b>Proposed 2025-26 Budget</b>	<b>\$614.6</b>	<b>\$612.2</b>

# 2025-26 PRELIMINARY REVENUES AND EXPENDITURES

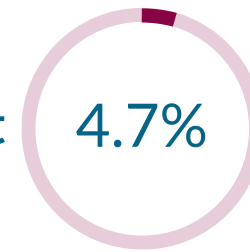
	Revenue Changes \$ In Millions	Required Expenditures \$ In Millions	Net Gain (Loss) \$ In Millions
2024-25 Budget	\$597.1	\$602.5	(\$5.4)
State COLA (IPD), Health and Pension, L&I	\$6.1	\$13.7	(\$7.6)
Enrollment	(\$2.5)	(\$1.1)	(\$1.4)
EP&O Levy	\$4.8		\$4.8
State Prototypical Model Shortfall – Special Education Multiplier, MSOC, Fixed Costs	\$4.3	\$3.3	\$1.0
Transportation (Based on actual 24-25)	\$1.5	\$1.5	\$0.0
Budget Alignment	\$0.3	(\$10.3)	\$10.6
State/Federal Grants/Self-Supporting Prog.	<u>\$3.0</u>	<u>\$2.6</u>	<u>\$0.4</u>
Total Change	\$17.5	\$9.7	\$7.8
<b>Proposed 2025-26 Budget</b>	<b>\$614.6</b>	<b>\$612.2</b>	<b>\$2.4</b>

# Sources of Revenue

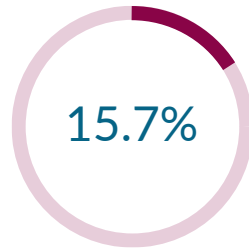
Where LWSD funding comes from



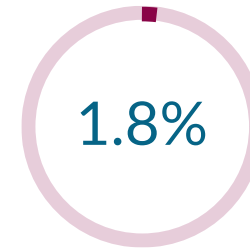
**State Apportionment  
Driven by Enrollment**



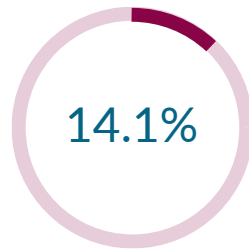
**Federal Funding**



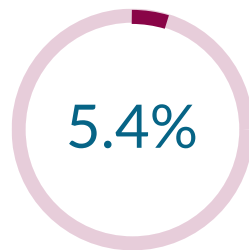
**Levy**



**Other**



**State Categorical**



**Local/Fee Programs**

# Revenue Summary

	2024-25 <u>Budget</u>	2025-26 <u>Budget</u>	% <u>Change</u>
State Apportionment	\$352,436,473	\$358,562,577	1.7%
State Categorical	80,805,104	87,068,379	7.8%
Federal	28,582,242	28,649,178	0.2%
Levy	91,677,330	96,466,430	5.2%
Local/Fee Programs	32,959,822	33,189,452	0.7%
Other	10,585,188	10,625,455	0.4%
Total Revenue Budget	\$597,046,159	\$614,561,471	2.9%

# Expenditures

Where does the funding go?



Total Teaching



Other



Building Administration



Transportation



Maintenance and Operations



Nutrition Services

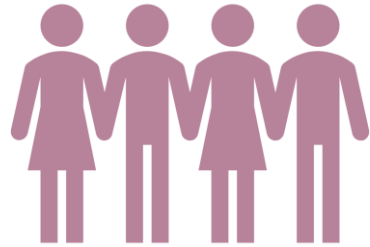


Central Administration

# Expenditure Program Summary

	2024-25 <u>Budget</u>	2025-26 <u>Budget</u>	% <u>Change</u>
Regular Education	\$350,627,488	\$355,923,823	1.5%
Alternative Learning Exp.	\$1,042,585	\$1,044,590	0.2%
Special Education	84,259,246	89,895,857	6.7%
CTE/Vocational Education	22,346,721	18,490,103	(17.3%)
Skill Center Instruction	4,873,441	4,907,107	0.7%
Compensatory Ed.	17,930,247	18,223,792	1.6%
Other Instruction	31,569,983	31,424,420	(0.5%)
Community Services	4,167,936	4,012,218	(3.7%)
District Wide Support	57,821,507	59,048,721	2.1%
Nutrition Serv./Transportation	27,814,306	29,229,611	5.1%
<b>Total Expenditure Budget</b>	<b>\$602,453,460</b>	<b>\$612,200,242</b>	<b>1.6%</b>

# 2025-26 Budget Investments Implemented During 2024-25



Para Educator Staffing  
\$1.1 Million

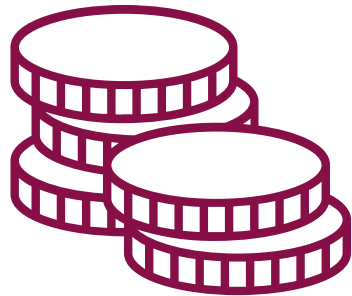


Transportation  
\$1.5 Million

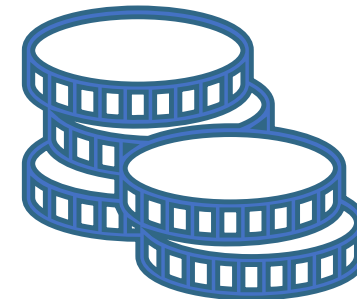
# 2025-26 Budget Investments

## Budget Alignment

Total Budget Alignment - \$10.3 Million



\$17.4 Million Reduction



\$7.1 Million Reinvestment

# 2025-26 Budget Investments Fixed Costs



Property and Liability  
Insurance  
\$0.9 Million



Utilities  
\$0.8 Million



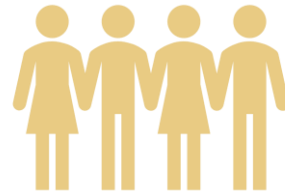
Election Costs  
\$0.5 Million

# 2025-26 Budget Investments State, Federal and Local Impacts



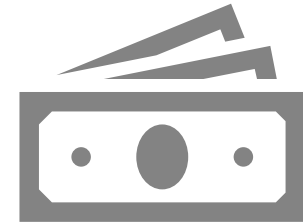
Enrollment

\$1.1 Million Reduction



Staff Compensation

State/Local \$13.7 Million



Grants/Self-Supporting

Programs \$3.0 Million

# Materials, Supplies and Operating Costs (MSOC)

- State Funded MSOC \$46.8 million
- District Budgeted MSOC Expenditures - \$30.8 million
- Difference of \$16 million is used to improve student achievement in the areas of special education, substitute costs, professional learning, compensation for curriculum work, meetings, and training.



# Fund Balance

Dollars in Millions

- Fund balance is like district savings
- Financial requirement (minimum 7%)
- Carry over is expenditure capacity carried over from one year to the next
- Fund balance has implications for bond ratings
- Appropriate fund balance is between the 8% minimum and 10%

25-26 Revenue

614.6

25-26 Expenditure

612.2

Revenue - Expenditure 2.4

Beginning 25-26 Fund Balance

58.1  -16.3%  
previous year

Ending 25-26 Fund Balance

60.5  -12.9%  
previous year



# Revenue Assumptions

- Enrollment decline of approximately 1.0% per year or 892 students over for 2026-27 and beyond - based on Flo Analytics long-term forecast (Jan 2025)
- State IPD increase of

Year	IPD%	Year	IPD%
2025-26	2.5	2027-28	2.9*
2026-27	2.6*	2028-29	2.1*

\*OSPI Estimated, subject to change

- No other significant changes in state funding
- Levy amount based on 5% increase per year – recent legislation provided ability for districts to increase authority

# Four-Year Required Outlook

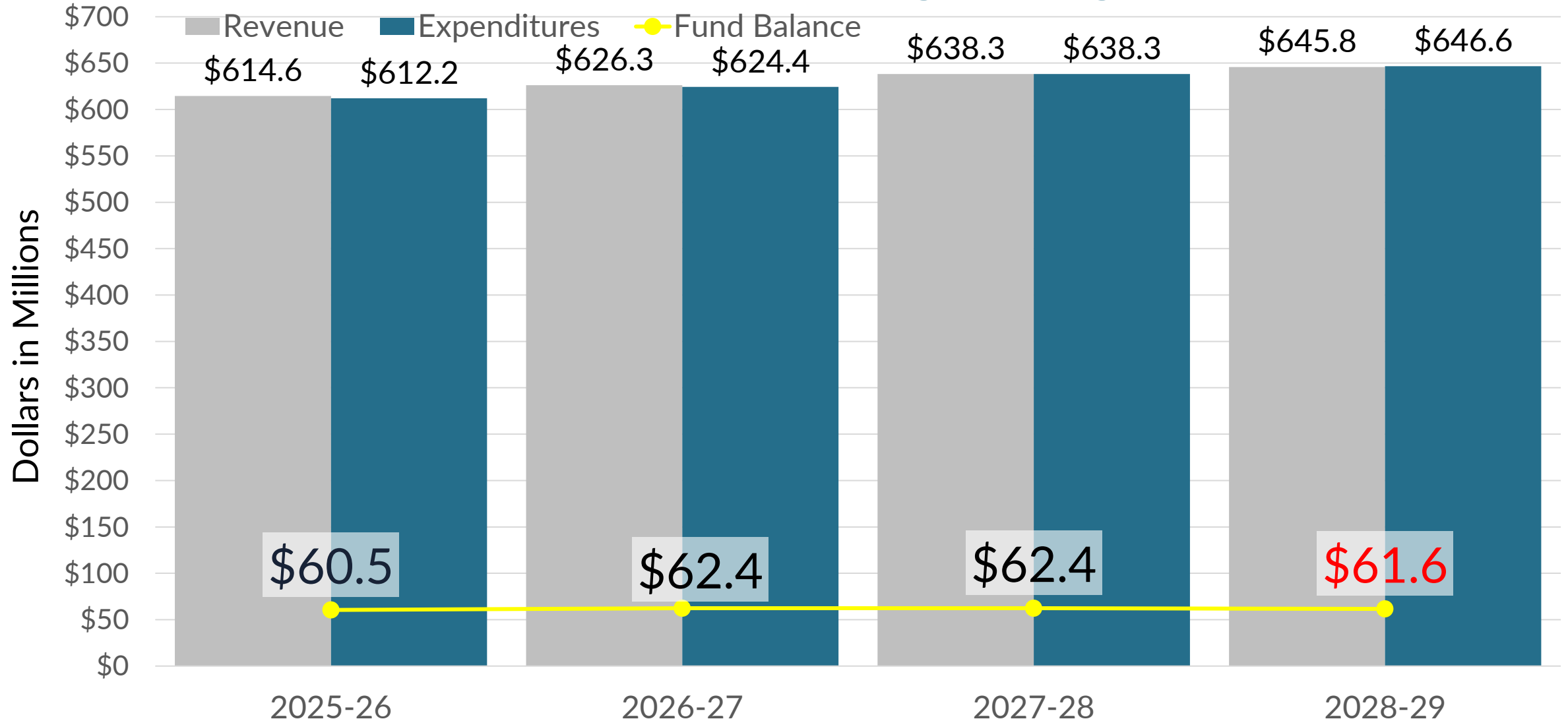
Expenditures and Revenues will continue to need ongoing realignment

# Expenditure Assumptions

- Certificated, classified, and administrative staffing is aligned with enrollment growth/loss and staffing ratios
- Right-sizing staffing/program reviews/lease costs
- Ongoing local costs needs over state funding for salaries/benefits/retirement
- Ongoing fixed cost increases – utilities, insurance costs continue to increase



# Revenue & Expenditure Projections With 2025-26 Budget Alignment



**Fiscal Gap**

**\$2.4**

**\$1.9**

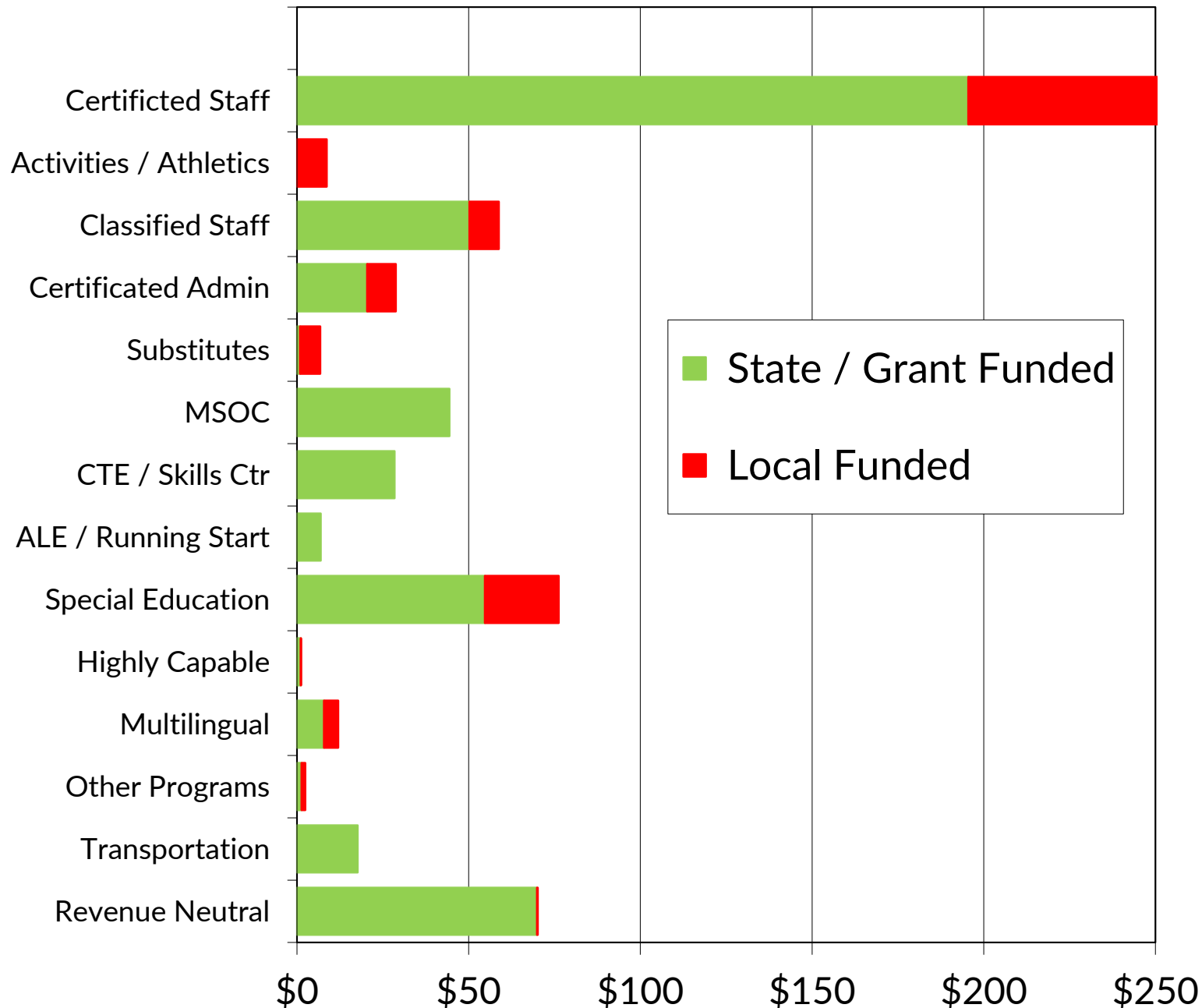
**\$0**

**\$0.8**



# The Funding Gap

There is a gap between what the state funds and what it costs to provide the programs and services our community rightfully expects.



24-25 Budget. 25-26 will be updated in the Fall.



# Next Steps

2025-26 Proposed Budget document will be available on the district's website. Hard copies can be obtained from Budget office.



June 23-  
August 3

Public Comment  
Period

August 4

Public Hearing

August 18

Formal Board  
Action

