

2025-26 Draft Budget



Foundations & Priorities

*Educating every child
for confidence today
and contribution tomorrow.*



Foundation 1: Educate the Whole Child

Foundation 2: Innovative Systems

Foundation 3: Community Engagement

Legislative Updates 2024-25 Adjustments

Transition to Kindergarten (TTK) funding approved

\$50 per-pupil one-time payment for materials, supplies, operating costs (MSOC) in June 2025 = \$71,627.50



Legislative Updates

2025-26 Changes

Transition to
Kindergarten funding
capped based on
2024-25 FTE

SPED – increased the
funding formula
“multiplier”

MSOC increase
\$109.84 per student =
approx \$151,500

Levy authority
increased by \$500 per
pupil in 2026 and by
3.33% above inflation
for 2027-2030

2.5% state salary
increase



2025-26 Budget Development



We identified early on in the budget cycle that we needed to reduce expenditures significantly to produce a balanced budget



Based on staffing levels, bargaining commitments, anticipated MSOC expenditures, we identified the need to reduce **\$1.6 M**



How Did We Get Here?

Declining enrollment

Outdated state funding model/Declining state investment in education

Rising operational costs

Rising staff costs

Delay in creating a balanced budget



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Historical Enrollment Trend

Birth Year	School Year	K	1	2	3	4	5	6	7	8	Total	Inc (Dec)
2008-09	2014-15	158	207	170	167	165	165	173	153	181	1,539	
2009-10	2015-16	138	225	155	177	174	168	187	173	148	1,545	6
2010-11	2016-17	94	187	144	162	161	175	177	168	160	1,428	(117)
2011-12	2017-18	137	141	171	157	171	162	193	171	161	1,464	36
2012-13	2018-19	141	145	157	181	153	174	168	195	164	1,478	14
2013-14	2019-20	144	159	156	170	189	161	183	166	197	1,525	47
2014-15	2020-21	114	130	147	143	158	179	155	163	157	1,346	(179)
2015-16	2021-22	135	121	146	150	150	155	178	167	169	1,371	25
2016-17	2022-23	128	159	138	158	155	154	173	181	168	1,414	43
2017-18	2023-24	122	144	165	142	158	159	162	170	179	1,401	(13)
2019-20	2024-25 Proj	117	132	160	174	141	165	179	172	171	1,411	10

We added 42 NEW waivers in 2024-25, but our year-over-year enrollment only increased by 10



1 Student = \$11,500 in state funding



4-Year Enrollment Projection

Birth Year	School Year	K	1	2	3	4	5	6	7	8	Total
1 Year Cohort Survival Projection											
2020-21	2025-26 Proj	112	127	147	169	173	147	186	190	173	1,423
2021-22	2026-27 Proj	128	121	141	155	168	180	166	197	191	1,446
2022-23	2027-28 Proj	123	138	135	148	154	175	203	176	198	1,451
2023-24	2028-29 Proj	108	133	153	142	147	160	197	216	177	1,434
3 Year Cohort Survival Projection											
2020-21	2025-26	112	132	145	169	176	146	181	183	172	1,415
2021-22	2026-27	128	127	145	153	170	181	160	185	183	1,431
2022-23	2027-28	123	144	139	153	154	176	199	163	185	1,435
2023-24	2028-29	108	139	158	146	154	159	193	203	163	1,423
Lowest Cohort Survival Projection											
2020-21	2025-26	112	125	141	163	173	142	173	180	171	1,381
2021-22	2026-27	128	120	134	144	162	174	149	174	179	1,363
2022-23	2027-28	123	137	128	136	143	163	182	150	174	1,336
2023-24	2028-29	108	132	146	131	135	143	171	183	149	1,299

1 Year Cohort Survival calculation includes increase in waivers – that trend will probably not continue

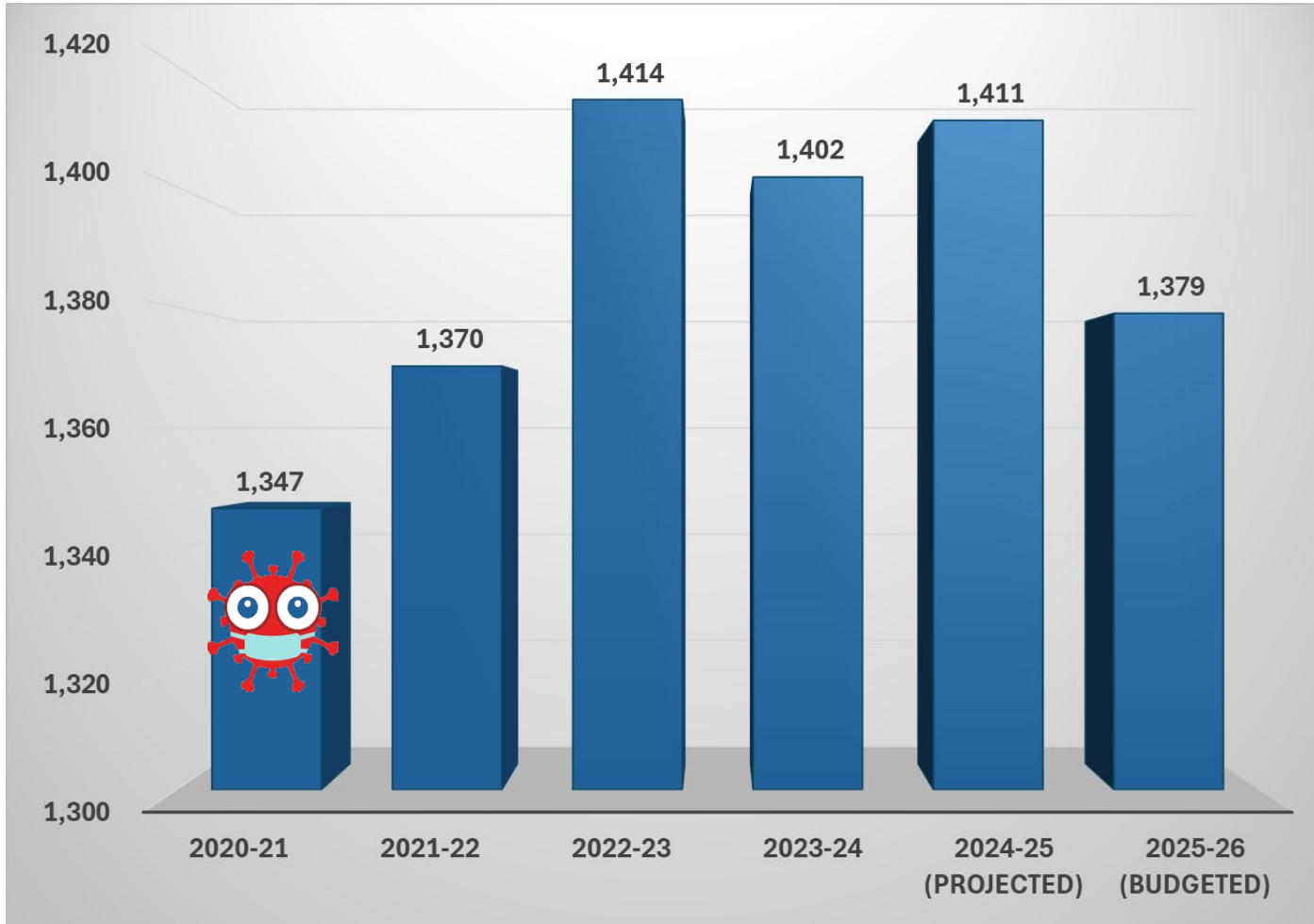
3 Year Cohort Survival calculation includes post-Covid uncertainty

Lowest Cohort Survival calculation takes the lowest survival rate of all calculations for the most conservative projection.

Regardless of the cohort calculation used, the overall trend is showing a decrease in enrollment



2025-26 Student Enrollment K-8



- Enrollment has been difficult to project post-pandemic.
- Pierce County (and nationwide) birth rates have declined, affecting DSD enrollment trends.
- Outgoing 8th grade class is 171, incoming Kindergarten class is projected at 111.
- Even though Kindergarten class size has declined, there are trends for class size recovery as students progress through grade levels.
- Enrollment projection for 25-26 is conservative



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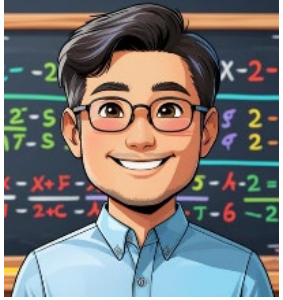
State Funded vs District Funded Salaries/Benefits (2025-26)

	State Funded Units	State Funded Salary/Benefits	District Actual FTE	District Actual Salary/Benefits	Difference
Classroom Teachers, Specialists & Coaches	68.46	8,478,589	61.90	9,197,489	(718,900)
Counselors	3.58	443,510	3.65	601,699	(158,189)
Librarians	2.02	249,560	-	-	249,560
Nurses	2.04	252,037	0.90	141,117	110,920
Social Workers	0.85	105,521			105,521
Psychologists	0.28	34,802			34,802
Bargaining Commitments				293,170	(293,170)
Substitutes		41,584		361,800	(320,216)
Professional Learning Days		138,104		227,565	(89,461)
Total Cert Instructional Staff	77.22	9,743,707	66.45	10,822,840	(1,079,133)
Cert Administrators	1.36	232,017	1.00	279,849	(47,832)
Principals	4.03	687,521	3.90	978,470	(290,949)
Total Cert Administrative Staff	5.39	919,539	4.90	1,258,319	(338,780)
Health Services	-	-	1.86	164,272	(164,272)
Office Support	6.81	669,761	5.17	590,683	79,078
Paraprofessionals	3.28	322,627	4.46	462,272	(139,645)
Custodians	5.42	533,643	5.00	438,373	95,270
Security	0.26	25,393		-	25,393
Facilities/Maintenance/Grounds/ Warehouse/Laborers/Mechanics	2.76	271,349	3.00	384,887	(113,538)
Central Admin & Technology	4.78	470,260	7.90	1,090,613	(620,353)
Coaches		-		367,538	(367,538)
Substitutes		-		78,240	(78,240)
Total Support Staff	23.30	2,293,032.35	27.39	3,576,878	(1,283,846)
Totals	105.91	12,956,278	98.74	15,658,037	(2,701,759)

- This table includes salaries and benefits for basic ed and district support positions only; no grant or tech levy funded positions are included.
- Other employee costs not included in this table:
 - Bus Drivers & Food Service
 - Vacation/Personal/Sick Leave Cashout-Outs
- The district pays **\$2.7 M** more in salaries and benefits than what is funded by the state!



State Funded Salaries



Certificated

% State Funded 82%

Teachers, Counselors,
Nurses

- The state does not fund the number of staff it takes to adequately run the district.

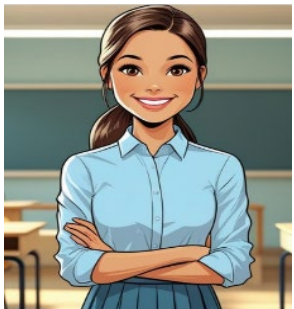


Cert Admin

% State Funded 66%

Superintendent,
Principals

- For the staff they DO fund, the amount is far below the district's actual cost.



Classified

% State Funded 88%

Paras, Custodians,
Technology, Business Office



State Investment in K-12 Then and Now

- While total dollars invested in K–12 has increased over the last decade, the K–12 share of investment has declined since the 2019–21 biennium.

	2019-21	2021-23	2023-25	2025-27
Total Spend (billions)	\$26.6	\$27.5	\$31.2	\$33.7
K-12 Percentage	51.6%	44.5%	43.4%	43.2%

- If the state invested 51.6% of its operating budget for the 2025–27 biennium, it would mean an additional \$6.5 billion for schools.



Washington Office of Superintendent of
PUBLIC INSTRUCTION



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Rising Operational Costs

	2024-25	2025-26	% Increase
Utilities	821,000	845,000	3%
Insurance	407,029	471,859	16%
	1,228,029	1,316,859	

	Amount
State MSOC Funding	2,077,578
District Budgeted MSOC	4,874,446
Difference	(2,796,868)

Dieringer’s actual MSOC costs are \$2.8 M more than funded by the state!
“MSOC” = Materials, Supplies and Operating Costs



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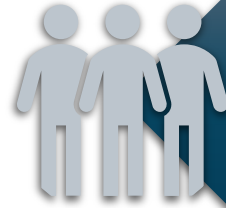


Rising Staff Costs

2.5% salary increase

For every 1% we bargain in excess of the state salary increase, the district must absorb the FULL cost.

<u>Group</u>	<u>Cost of 1%</u>
Admin	25,300
DEA	129,600
DCPEA	32,200
IUOE	13,300
DACE	<u>3,700</u>
	204,100



State salary increases only apply to the staff units that are funded by the state



The district passes the salary increase to ALL employees, including grant-funded positions



Grant programs must adjust their expenditures to accommodate the increased salaries, or the district subsidizes the program.



A 1% salary increase from the state results in \$59,000 of ongoing unfunded salary and benefits cost for the district

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Declining Fund Balance

	Fund Balance	Increase (Decrease)
2021-22	6,099,761	
2022-23	5,519,425	(580,336)
2023-24	4,654,075	(865,350)
2024-25 (Projected)	3,800,000	(854,075)

⚠ We have spent down fund balance by \$2.3 M in 3 years!



Budget Reductions



Transportation
\$139,000



Payroll Technician
\$110,000



Executive Director
\$210,000



Shift Salaries to CPF
\$155,000



School-Based
Classified Support \$170,000



Cert BE Staffing \$544,000

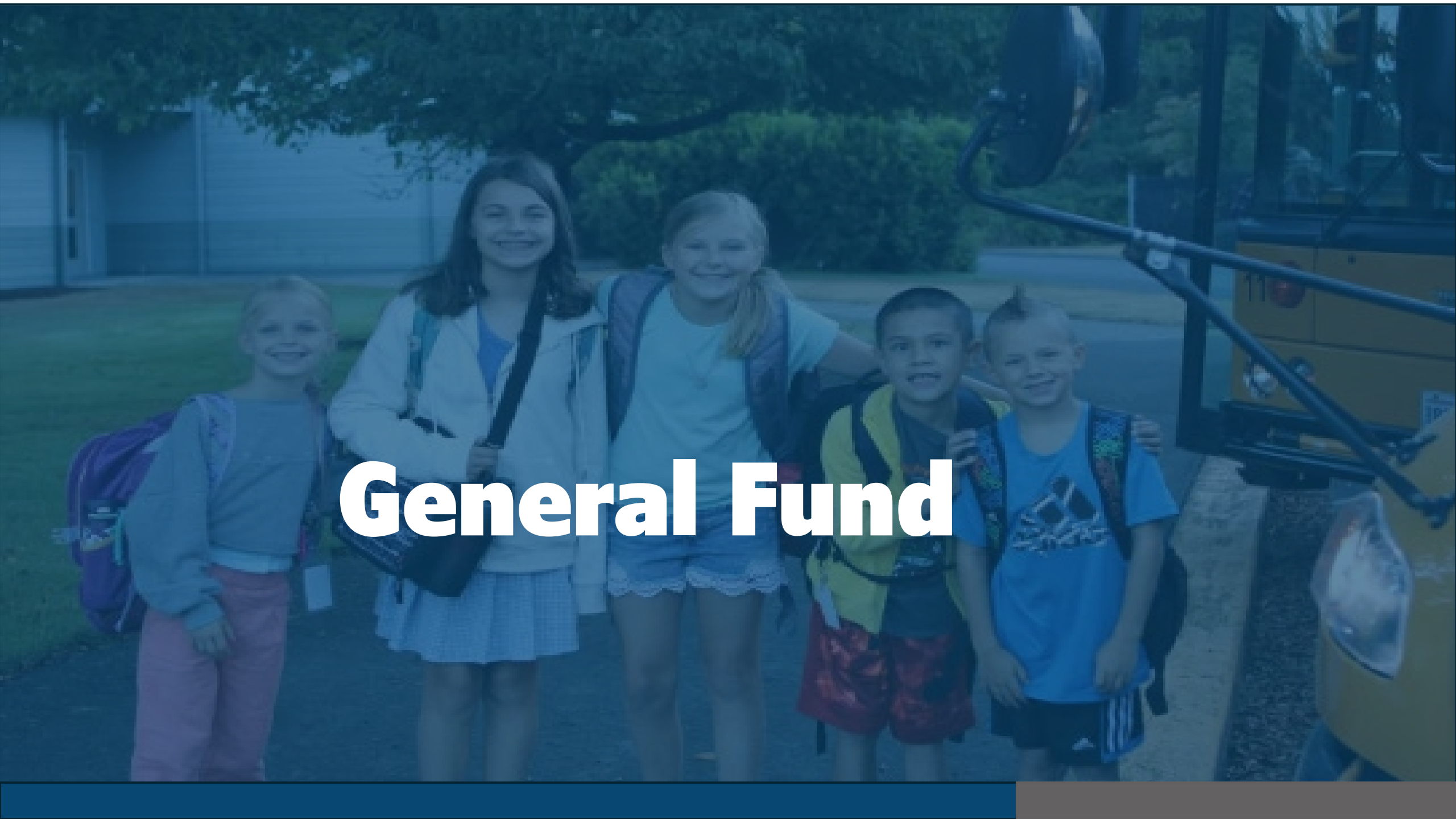


SPED Staffing
\$150,000



MSOC Savings \$150,000

25% of the proposed
cuts are from central
office/administrative
positions.

A photograph of five children, three girls and two boys, standing in a line in front of a yellow school bus. They are all smiling and wearing backpacks. The image has a blue tint. The text "General Fund" is overlaid in white, bold, sans-serif font in the center.

General Fund

General Fund - Revenues



Key Messages:

Revenue	24-25 Budget	25-26 Budget	Difference	% Change
Local Taxes (Levy)	6,131,550	6,355,240	223,690	3.65%
Local Non-Tax (Fees, Rentals, Interest)	792,340	795,580	3,240	0.41%
State General Purpose (Apportionment)	14,871,094	16,078,724	1,207,630	8.12%
State Special Purpose (State Categorical Programs)	5,380,654	5,458,201	77,547	1.44%
Federal General Purpose (Federal Forest)	2,500	2,500	-	0.00%
Federal Special Purpose (Federal Categorical Programs)	2,090,879	2,146,879	56,000	2.68%
Revenue From Other Entities	-	-	-	-
Other (Transfer from Capital Levy)	1,750,000	1,830,000	80,000	4.57%
Total	31,019,017	32,667,124	1,648,107	5.31%

- **State General Purpose** (apportionment) revenue shows an 8% increase, even though we are projecting fewer students in 25-26. This is due to a very conservative enrollment projection for 24-25 prior to waivers being accepted, and actual enrollment was higher than projection.
- **State Special Purpose** revenue reflects increased state funding for growing multilingual and SPED population
- Increased **Federal Special Purpose** revenue comes from increased food service and Medicaid.

General Fund – Expenditures



Expenditures	24-25 Budget	25-26 Budget	Difference	% Change
Basic Education	17,399,387	17,148,342	(251,045)	-1.44%
Special Education	4,886,462	4,968,003	81,541	1.67%
Vocational Education	907,295	990,439	83,144	9.16%
Categorical/Grants	739,542	905,157	165,615	22.39%
Other Instructional Programs	1,540,302	1,542,544	2,242	0.15%
Community Services	307,476	279,817	(27,659)	-9.00%
Support Services	6,867,836	6,811,795	(56,041)	-0.82%
Total	32,648,300	32,646,097	(2,203)	-0.01%

Key Messages:

Even though we have inflationary increases in staff and MSOC costs, the effect of \$1.6 M in reductions reveals slightly less overall budgeted expenditures compared to 24-25.

General Fund Summary

25-26 Budget	
Basic Ed & District Support Salaries & Benefits	
Teachers & Admin	11,426,189
Classified	4,511,254
DACE	367,538
Substitutes (Cert & Clsf)	438,120
Barg Commitments/Stipends	293,170
Cashouts/Buybacks	351,600
	17,387,871
Categorical Programs & Grants	10,662,545
School Budgets & Department MSOC	4,595,681
Total Expenditures	32,646,097
Beg FB	3,459,117
Revenue	32,667,124
Projected Total Expenditures	(32,646,097)
Budget Surplus/(Shortfall)	21,027
End FB	3,480,144
Total Fund Balance %	10.66%
Min Fund Balance Policy (8-10%)	3,264,610



General Fund 4-Year Forecast

General Fund	2025-26 Budget	2026-27 Forecast	2027-28 Forecast2	2028-29 Forecast
Beginning Fund Balance	3,459,117	3,480,144	3,612,997	4,193,504
Revenues	32,667,124	33,744,348	34,771,472	34,953,049
Expenditures	32,646,097	33,611,495	34,190,965	34,785,301
Increase (Decrease) in Fund Balance	21,027	132,853	580,507	167,748
Ending Fund Balance	3,480,144	3,612,997	4,193,504	4,361,252
Total Fund Balance %	10.66%	10.75%	12.26%	12.54%
Total Unassigned Fund Balance %	9.25%	9.41%	10.98%	11.29%

Assumptions:

- Future salary increases of IPD only – settled bargaining agreements could make significant impacts
- Full collection of eligible levy in 2027-30



Other Funds

ASB

**Transportation Vehicle
Capital Projects
Debt Service**



ASB Fund - 4-Year Forecast

ASB Fund	2025-26 Budget	2026-27 Forecast	2027-28 Forecast2	2028-29 Forecast
Beginning Fund Balance	111,744	93,315	93,815	94,315
Revenues	193,800	190,000	193,000	195,000
Expenditures	212,229	189,500	192,500	193,500
Increase (Decrease) in Fund Balance	(18,429)	500	500	1,500
Ending Fund Balance	93,315	93,815	94,315	95,815



Transportation Vehicle Fund - 4-Year Forecast

	2025-26	2026-27	2027-28	2028-29
Transportation Vehicle Fund	Budget	Forecast	Forecast2	Forecast
Beginning Fund Balance	169,135	95,488	114,484	134,155
Revenues	201,353	193,996	194,671	195,079
Expenditures	275,000	175,000	175,000	275,000
Increase (Decrease) in Fund Balance	(73,647)	18,996	19,671	(79,921)
Ending Fund Balance	95,488	114,484	134,155	54,234



Capital Projects Fund - 4-Year Forecast

Capital Projects Fund	2025-26 Budget	2026-27 Forecast	2027-28 Forecast2	2028-29 Forecast
Beginning Fund Balance	6,675,883	4,384,217	3,954,269	4,075,342
Revenues	7,493,554	6,778,197	6,188,190	6,346,844
Expenditures	7,918,047	5,341,000	4,200,000	4,200,000
Transfers Out	1,867,173	1,867,145	1,867,117	1,867,089
Increase (Decrease) in Fund Balance	(2,291,666)	(429,948)	121,073	279,755
Ending Fund Balance	4,384,217	3,954,269	4,075,342	4,355,097

Additional Information for 2025-26:

Major projects include:

- ✓ Districtwide HVAC replacement
- ✓ NTMS Turf Field

Assumptions for 2026-27 through 2028-29:

- ❖ Passage of replacement capital/technology levy at tax rates that maintain our current total tax rate.
- ❖ This would provide about \$1.7 M in tech and \$4.2 M in capital levy funds each of the 4 years of the levy.



Debt Service Fund - 4-Year Forecast



Debt Service Fund	2025-26 Budget	2026-27 Forecast	2027-28 Forecast2	2028-29 Forecast
Beginning Fund Balance	1,048,835	1,041,965	1,042,002	1,089,044
Revenues	616,003	631,632	693,009	707,632
Expenditures	622,873	631,595	645,967	659,139
Increase (Decrease) in Fund Balance	(6,870)	37	47,042	48,493
Ending Fund Balance	1,041,965	1,042,002	1,089,044	1,137,537

Additional Information for 2025-26 Budget:

- Revenue is based on tax rate of \$0.14 (2025) and \$0.12 (2026) per \$1,000 of Assessed Value
- Assessed value growth for 2026 is estimated at 4.0%





Questions?