

June 2025
Preliminary Budget
Study Session

June 26th, 2025





Agenda

- How the Budget is Prepared
- Enrollment
- FTE Analysis
- Budgeted Revenues by Source
- Budgeted Expenditures by Object
- Program Detail
- Reevaluation of Budgeted Expenditures
- Budget Without Reductions
- Risks



Budget Overview

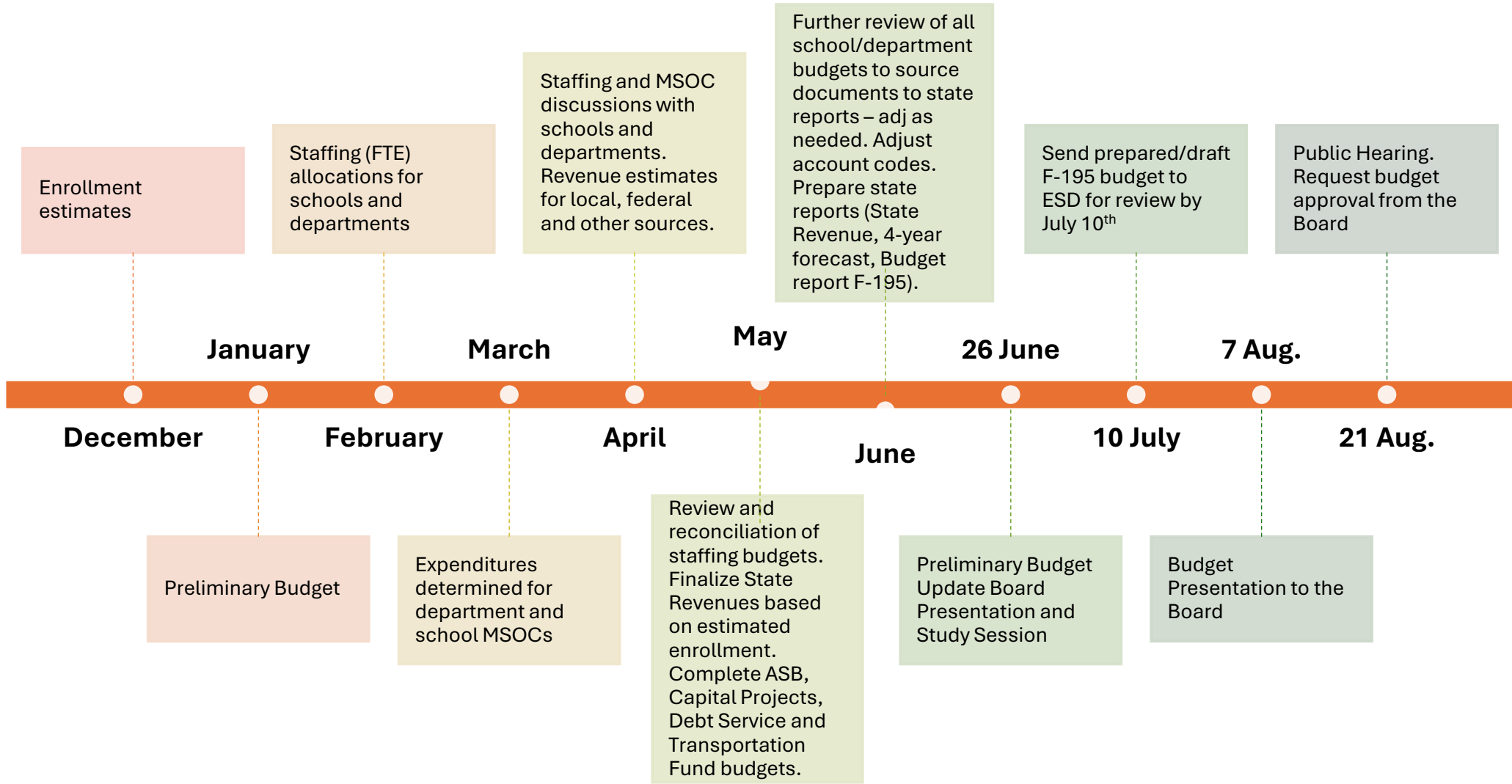
Budget is a spending plan for district goals and objectives

The budget should include a four-year budget plan

The budget must balance, estimated expenditures can be greater than estimated revenues, if fund balance is used to balance the budget

If unable to present a balanced budget, the district may petition OSPI requesting permission to include receivables, collectible in future years, in order to balance the budget. If granted, OSPI will place binding conditions on the district, designed to improve the district's financial condition (RCW 28A.505.110)

Budget Preparation Timeline





2025-26 Enrollment Projections

Program	2024-25 Budgeted Enrollment (a)	Current Avg Annual Enrollment (May) (b)	2025-26 Budgeted Enrollment (c)	2025-26 Budget to 2024-25 Current (c-b)
K-12 (FTE)	18,550.00*	18,725.61	18,937.80	212.19
Running Start (FTE)	546.12	550.78	559.00	8.23
Open Doors (FTE)	23.80	22.44	35.00	12.56
ALE (FTE)	206.00	259.82	307.00	47.18
Total K-12 (FTE)	19,325.92	19,558.65	19,838.00	279.35
Special Education (Headcount)	2,273.00	2,277.00	2,300.00	23.00
TBIP (Headcount)	4,229.62	5,036.43	5,100.00	63.57

*F-195 notes 18,250 K-12 enrollment. However, revenues and expenditures for an additional 350 students were built into the budget and staffed for.

2025-26 Budgeted Staffing



Staff FTE Classification	2024-25 Budgeted Staff (a)	Current Actual Staff (January) (b)	Difference (a-b) (Negative = overbudget)	2025-26 Budgeted Staff (c) *	2025-26 Budget to Actual (c-b) Negative = reduction	2025-26 Budget to 2024-25 Budget (c-a) Negative = reduction
Certificated (FTE)	1,487.90	1,501.57	-13.67	1,392.85	-108.72	-95.05
Classified (FTE)	841.36	859.57	-18.21	855.82	-3.75	14.46
Total Staff FTE	2,329.26	2,361.14	-31.88	2,248.67	-112.47	-80.59

*Base hourly FTE was calculated differently for classified staff for 2025-26 compared to 2024-25: Transportation and AISP

-Focused staffing on FTE Enrollment, not Headcount Enrollment

-4.7% FTE reduction in total staff FTE compared to January staff FTE

2025-26 Budgeted Staffing Compensation



Staff Classification/ Budgeted FTE	2025-26 OSPI State Funded Salary	2025-26 Avg Budgeted Base* BSD Salary	Funded by Other Sources per FTE	Base Salary Funded By Other Sources (Total)
Certificated Instructional (CIS) 1,323 FTE	\$80,164	\$115,394	\$35,230 (or 30%)	\$46.6 M
Certificated Administrative (CAS) 70 FTE	\$118,994	\$180,951	\$61,957 (or 34%)	\$4.3 M
Classified (CLS) 886 FTE	\$57,507	\$77,168	\$19,661 (or 25%)	\$17.4 M

*Base Salary does not include additional salary pay for stipends for Remedy, Prof Learning days, additional days above contracted days, class coverage, overtime, position related stipends, etc.

Roughly \$68.3 Million of staff base salaries, are funded outside of state resources examples Local Levy, Local Sources (donations, fees), Federal Funds. This example also assumes all staff FTE are funded by the state, however not all BSD staff are funded by the state.



2025-26 School Classroom Based Staffing

Staff FTE Classification	2024-25 Budgeted Staff (a)	Current Actual Staff (January) (b)	Difference (a-b) (Negative = overbudget)	2025-26 Budgeted Staff (c) *	2025-26 Budget to Actual (c-b) Negative = Reduction	2025-26 Budget to Budget 2024-25 (c-a) Negative = Reduction
Certificated	810.44	852.86	-42.42	774.50	-78.36	-35.94
Classified	121.81	139.33	-17.52	133.63	-5.7	11.82
Total Staff FTE	932.25	992.19	-59.94	908.134	-84.06	-24.12

Elementary: Staffing allocation goal, Kinder at 22, 1st-3rd at 24, 4th-5th 27, AL 29 student per classroom

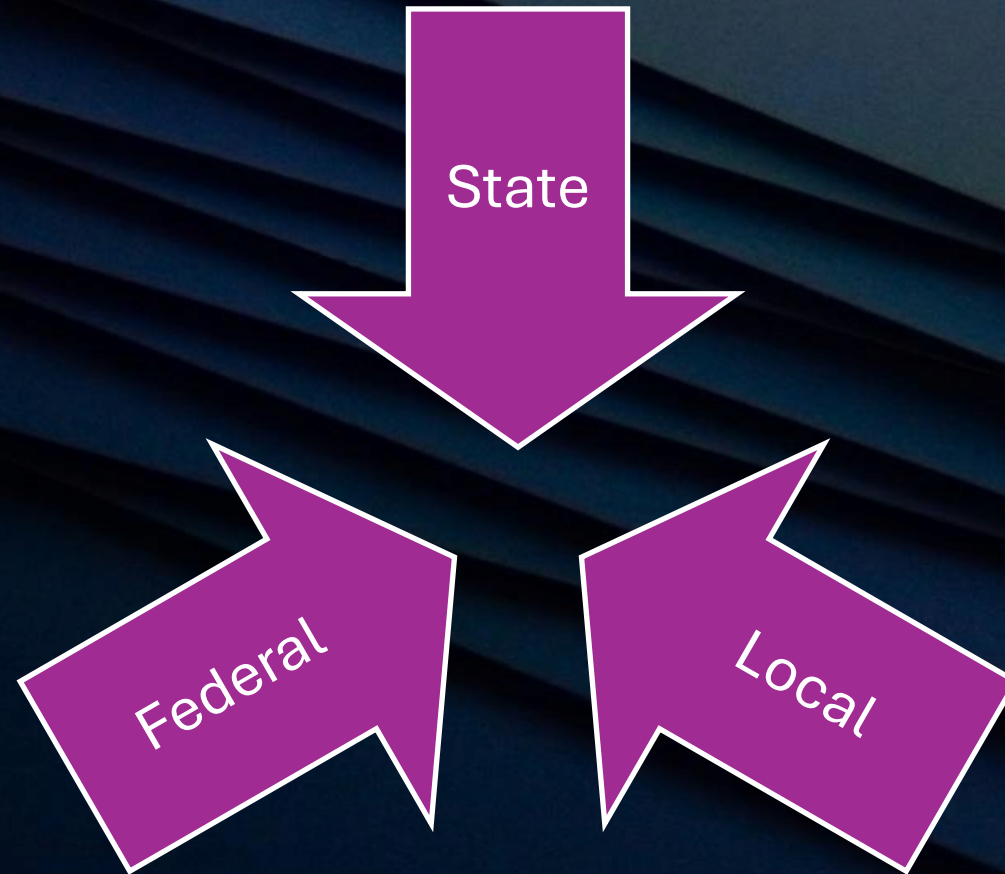
Secondary: Allocation for internal staffing at 23.5. If school has 1,000 FTE / 23.5 = 42.5 staff.

Classroom Based staffing represents General ed classroom teachers, CTE teachers, Principals, Asst Principals, Office Staff, GSAs, Level C classified staff

School staffed at FTE, not headcount (less Running Start, WANIC etc)

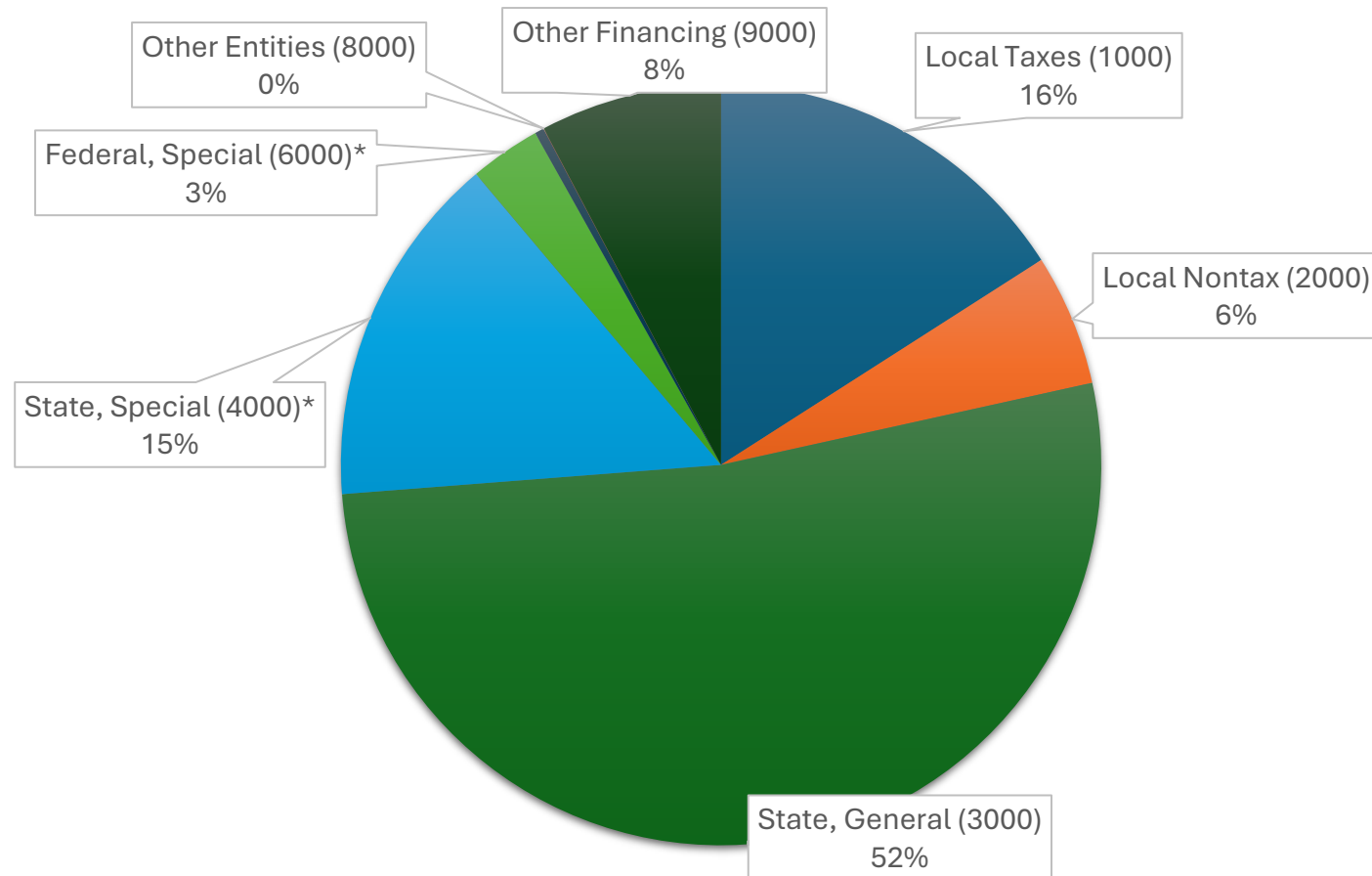


Budgeting Revenues



Budgeting Revenues

*Restricted Program = funds received can only be spent for specific expenditure programs



4 Primary Sources:

- State 67%
- Local Taxes - Levy 16%
- Other Financing - CPF Levy Transfer 8%
- Federal 3%

Budgeting Revenues – GF Local Taxes (Levy)

Levy	CY 2025	CY 2026
Voter Approved	\$79 Million	\$84 Million
Levy Collection	\$62.1 Million	\$75.1 Million

HB 2049 increase for calendar year (cy) **2026**

2025-26 Fiscal Year Collection
\$69.1 Million

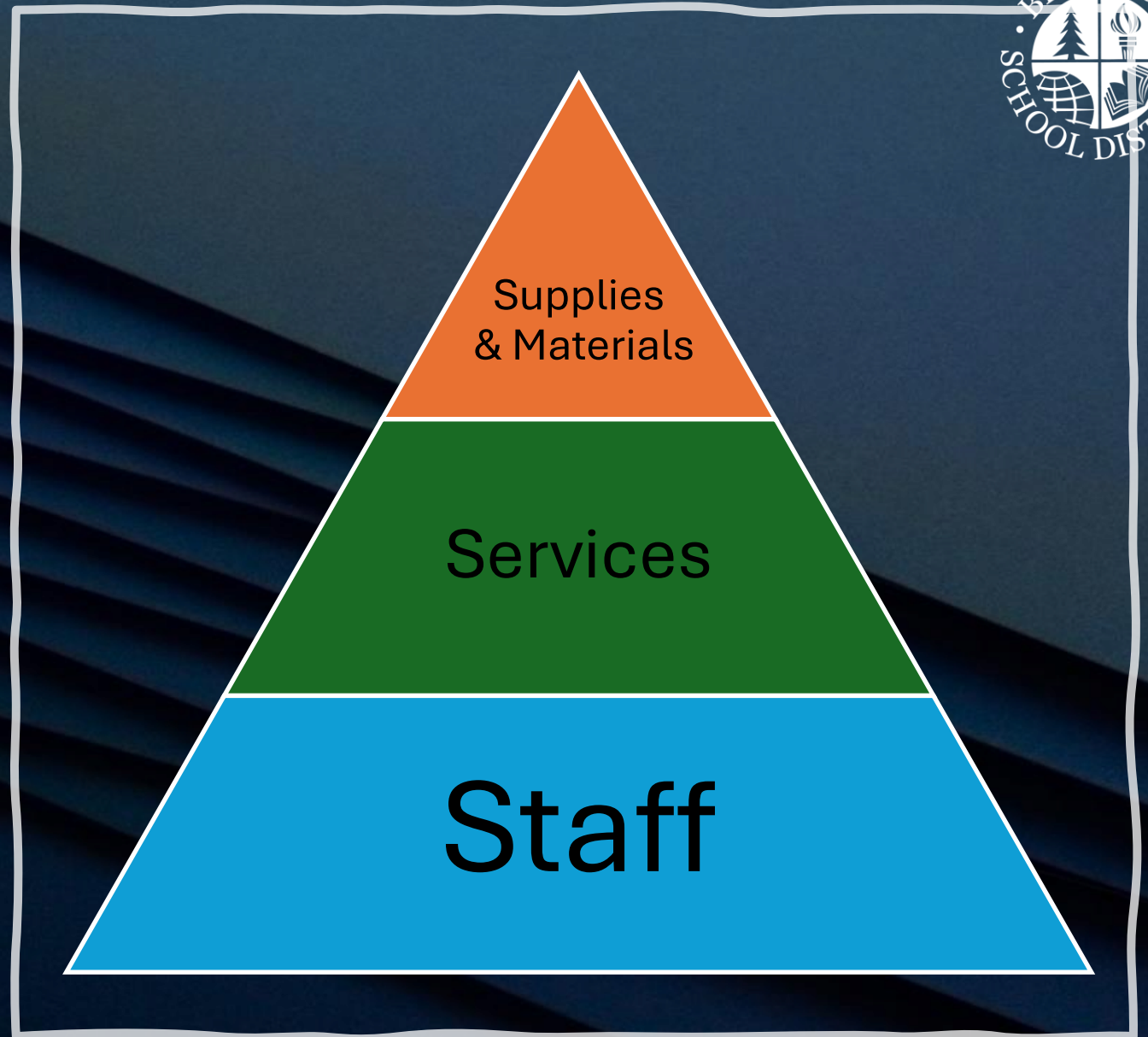
Levies are authorized for a calendar year (cy), however school district fiscal (fy) years are spread over 2 calendar years beginning Sept 1 – August 31

Levy property taxes are collected in October and April

Budgeting Revenues – Detail of State General and Special Revenues

Revenue Source	2024-25 Budget	2024-25 Projection	2025-26 Budget	Source and Revenue Assumptions
State, General (3000)	\$214,864,707	\$219,662,001	\$225,591,167	
Basic Ed	\$210,411,800	\$215,209,094	\$220,286,485	Enrollment driven. State IPD, Benefits, MSOC increases. General Ed, ALE, Running Start, Open Doors Programs.
Special Ed – Basic Ed	\$4,452,907	\$4,452,907	\$5,304,682	Enrollment driven. State IPD, Benefits, MSOC increases. SB 5263
State, Special (4000)	\$76,639,342	\$63,047,149	\$65,138,734	Categorical Programs
Special Education	\$28,453,610	\$28,453,610	\$30,108,296	Enrollment driven. SB 5263, State IPD and Benefit increases.
Learning Assistance (LAP)	\$4,038,757	\$4,038,757	\$4,085,818	PY enrollment drive. State IPD and benefit increases.
Transitional Bilingual	\$7,989,171	\$7,989,171	\$8,521,710	Enrollment driven. State IPD and benefit increases.
Transportation	\$9,137,278	\$7,804,138	\$7,000,000	Ridership from Spring 2024-25. Ridership from Fall and Winter 2025-26.
State Agencies (4300)	\$20,352,752	\$7,352,752	\$8,070,413	Safety Net, Grant contingency. (2024-25 included additional optimistic enrollment)
Total State Gen & Special Revenues	\$291,504,049	\$282,709,150	\$290,729,901	

Budgeting Expenditures



Budgeting Expenditures by Program

*Restricted Program = funds received can only be spent for specific expenditure programs

Expenditure Program	2024-25 Budget	2024-25 Projection	2025-26 Budget	Source and Expenditures Assumptions
Regular Instruction (00)	\$246,556,548	\$245,677,272	\$230,167,526	School staffing based on FTE Rollup & staffing metrics. Compensation increases based on bargaining agreement & state increase for benefit rates. Department/School MSOC budgets based on supplies and services needs/requirements. Basic Ed, ALE, Running Start, Open Doors, Sports. State, levy, local funding.
Federal Special Purpose (10)	\$0	\$0	\$0	No ESSER Federal Funding. Exhausted.
Special Education Instruction (20) *	\$71,039,005	\$78,744,497	\$85,161,029	Majority of costs are FTE. MSOCs are about \$18 M. Staff based on proj enrollment, caseload language, IEPs. State, federal, local funding.
Vocational (CTE) Ed Instruction (30)*	\$11,077,859	\$11,077,859	\$12,286,263	CTE, staffed based on enrollment and course demand. Grades 6-12.
Skill Center Instruction (40)	\$0	\$0	\$0	N/A
Compensatory Education Instruction (50 &60)*	\$18,276,953	\$18,276,953	\$18,524,751	State TBIP, State LAP, State specific grants & Federal Title programs. Program FTE & MSOCs designed by T/L Depts to meet the needs of students and allowable use of funds. Restricted Programs*
Other Instructional (70)	\$4,202,263	\$4,202,263	\$3,138,591	Summer School, Highly Capable*, WANIC*. Student needs/available funding and enrollment drive FTE and MSOCs.
Community Services (80)	\$9,352,544	\$9,352,544	\$9,889,762	Preschool, Facility Use. Projected preschool enrollment and budgeted revenues derives FTE and MSOCs.
Support Services (90)	\$64,892,420	\$65,360,816	\$69,104,726	District Wide-Tech, HR, Bus Off, Operations, Grounds, Custodial, Nutrition Services, Transportation, Utilities & Insurance. FTE and MSOCs. State, GF and CPF Levy & Local funding.
Total Expenditures	\$425,397,592	\$432,692,204	\$428,272,648	

2025-26 Readusting Budgeted Assumptions



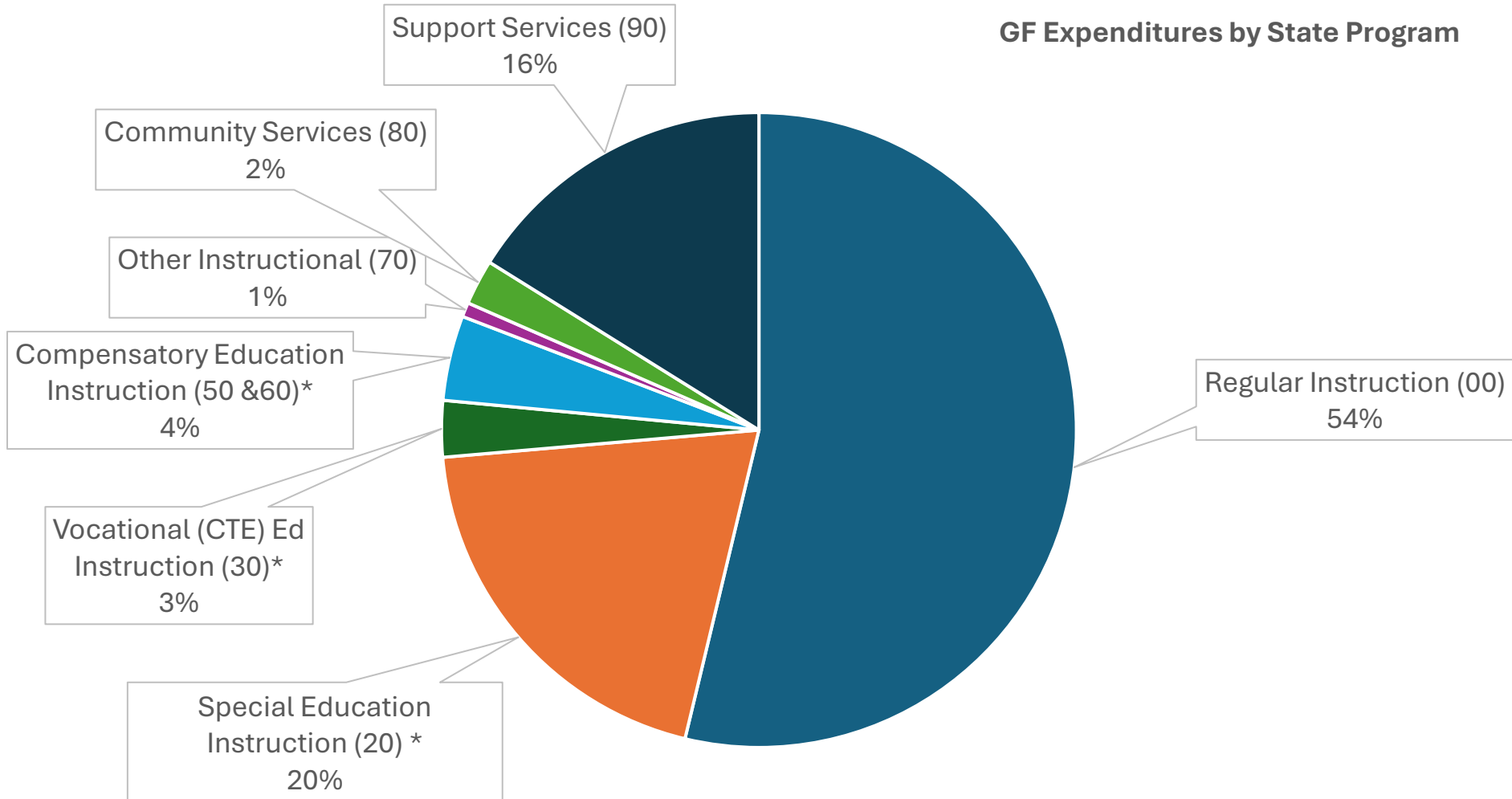
Expense Category	2023-24 Budgeted	Actual Spend 2023-24	2024-25 Budgeted (a)	2024-25 Projected Spend (b)	2025-26 Budgeted (c)	2024-25 Proj to 2025-26 Budget (b-c)	2024-25 Budget to 2025-26 Budget (c-a)
Cert Subs w/ bens	\$0.3 M	\$5.8 M	\$3.2 M	\$5.5 M	\$5.5 M	\$0	+\$2.3 M
Class Coverage	\$0	\$0.44 M	\$0	\$0.43 M	\$0.47 M	+\$0.04 M	+\$0.47 M
Remedy w/ bens	\$1.6 M	\$2.0 M	\$1.8 M	\$3.1 M	\$3.4 M	+\$0.03 M	+\$1.6 M
State Special Ed	\$66.0 M	\$70.0 M	\$72.0 M*	\$73.7 M	\$78.3 M	+\$4.6 M	+\$6.3 M*
Utilities	\$4.5 M	\$6.4 M	\$5.0 M	\$6.4 M	\$6.5 M	+\$0.01 M	+\$1.5 M
Running Start	\$3.4 M	\$4.9 M	\$3.7 M	\$5.2 M	\$5.4 M	+\$0.2 M	+\$1.7 M
Total of Sample	\$75.8 M	\$89.5 M	\$85.7 M	\$94.3 M	\$99.57 M	+\$4.88 M	+\$13.87 M

*Early September 2024, Special Ed budget was revised to \$72 M (\$6 M more than Original Budget of \$66 M). Budget to Budget based on \$72 M.

Just a sample of budget categories reevaluated.

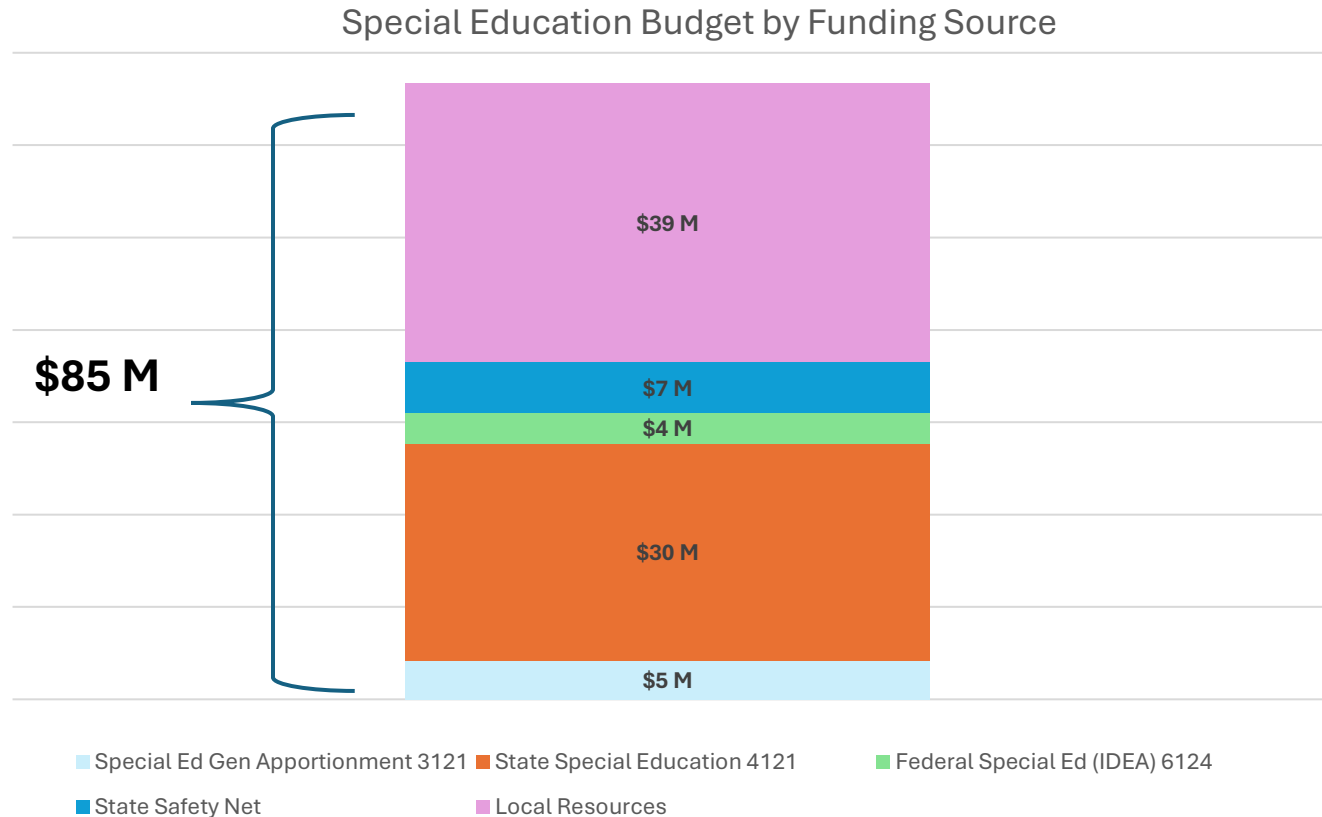
Budgeting Expenditures by Program

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Special Education (State & Federal Programs)

- \$85 M is Total Special Education Budget (State & Federal expenditures)
- 46% of Special Education funding support is Local Resources
- Staff 82% of budget
- MSOCs 18% of budget

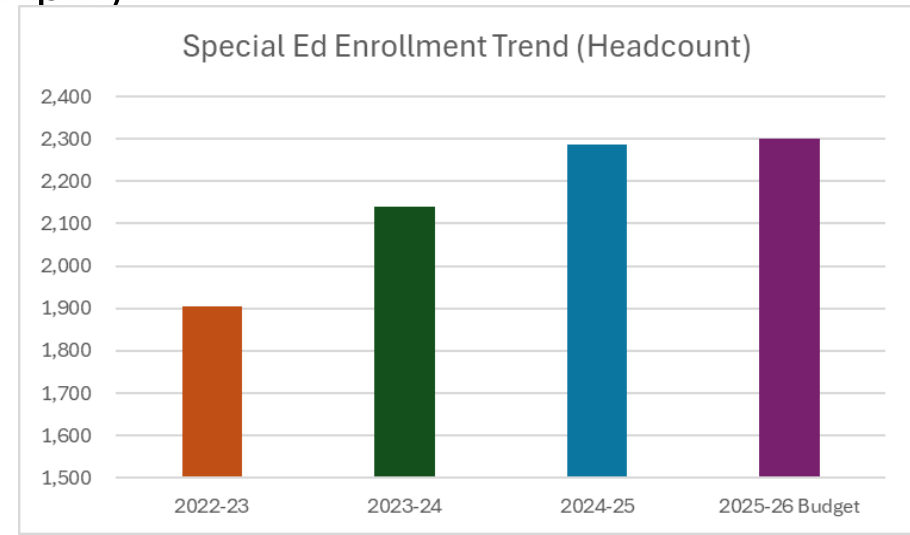


Special Education (State & Federal Programs)

- Program costs increasing \$6 million over projected 2024-25 expenses (not budgeted expenses)

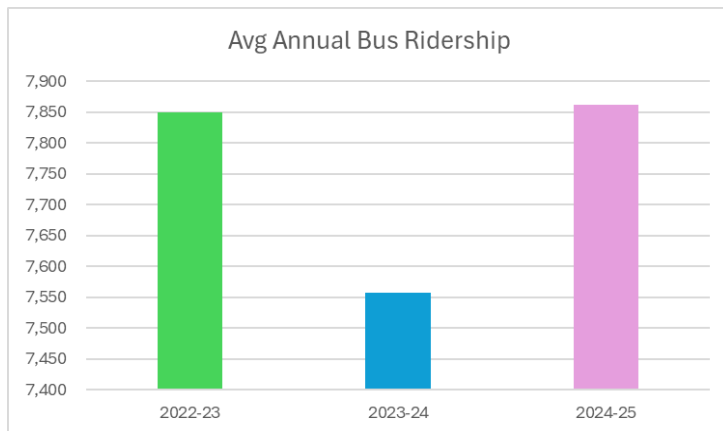
	24-25 Original Budget	24-25 Projected Spend	25-26 Budget
Special Education Instruction (20) *	\$71,039,005	\$78,744,497	\$85,161,029

- Reduction of 13 FTE compared to 2024-25
 - 5 FTE staff built in for contingency, but most have been filled
- Salary and Benefit costs increase YoY (IPD, Steps, Stipends)
- Enrollment projected at 2,330 students (27 more students than April)
- MSOCs are increasing roughly 30% (\$12 mill to \$16 mill)
 - 3% increase to services
 - Increase in NPAs
 - Contractual items
 - # of para-educators contracted in purchased services
 - Increase in the number of students served each year

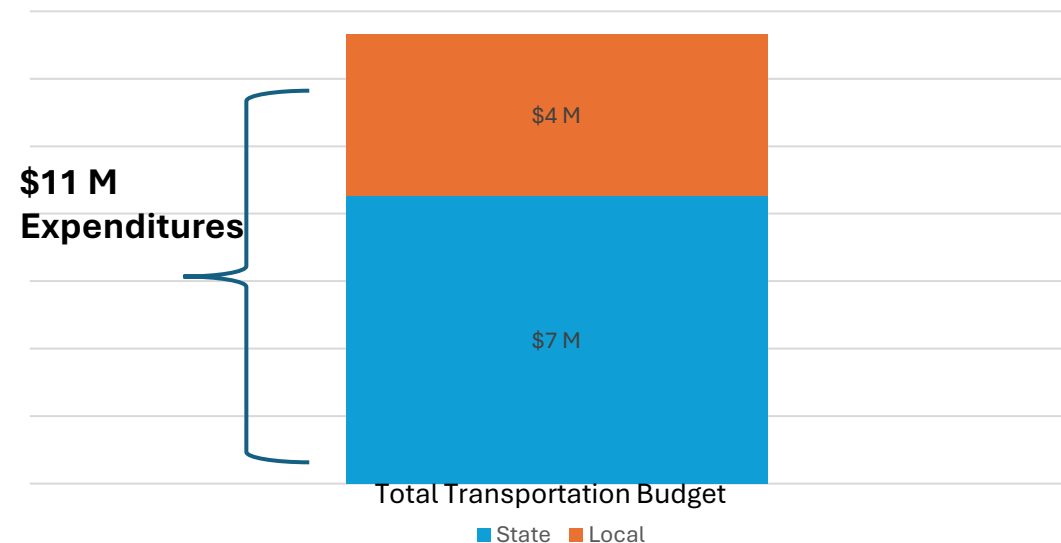


Student Transportation

- Bus Ridership projected to be consistent compared to 2024-25
- State budgeted revenues \$7 Million. Transportation safety net funding no longer available roughly \$800k loss of revenue
- Operating costs (salaries, benefits, supplies, services) budgeted expenditures \$11 Million



Transportation Operating Budget by Funding Source



2025-26 Preliminary Budget (Draft)



General Fund 2025-26 Budget - DRAFT

	2025-26 DRAFT	2024-25 Budget Extension	2023-24 Actuals	2022-23 Actuals
Beginning Fund Balance	-\$5,000,000*	\$8,409,188	\$17,679,688	\$30,880,142
Revenues	\$432,250,936	\$418,305,478	\$392,557,545	\$374,862,246
Expenditures	\$428,272,648	\$432,692,204	\$401,828,042	\$388,062,700
Revenues Over/(Under) Expenditures	\$3,978,288	-\$14,386,725	-\$9,270,497	-\$13,200,454
Ending Fund Balance	-\$1,021,712	-\$5,977,537	\$8,409,188	\$17,679,688

*Before 8/7/25, beginning fund balance estimates for 2025-26 will be reviewed in order to reflect projected ending fund balance based on June and preliminary July actuals.

Budget without Reductions



Without the Spending Reduction Plan approved by the School Board March 10th, projected ending fund balance for the fiscal year ending August 31, 2026 would have been roughly **\$-23 Million**.

	2025-26 Without Reductions	2025-26 Budget Draft	2024-25 Budget Extension	2023-24 Actuals
Beginning Fund Balance	-\$5,000,000	-\$5,000,000	\$8,409,188	\$17,679,688
Revenues	\$431,764,263	\$432,250,936	\$418,305,478	\$392,557,545
Expenditures	\$449,881,696*	\$428,272,648	\$432,692,204	\$401,828,042
Revenues Over/(Under) Expenditures	-\$18,117,433	\$3,978,288	-\$14,386,725	\$-9,270,497
Ending Fund Balance	-\$23,117,433	-\$1,021,712	-\$5,977,537	\$8,409,188

*Assumed no FTE reductions to staff, increases for bargaining parameters and state increases for benefits. MSOCs levels at current 2025-26 estimates. 23

Budgeting Risks

Special Education needs and expenditures continue to exceed budgeted expenditures

Actual fall enrollment lower than budgeted enrollment

Significant variations in enrollment at the school level resulting in overstaffing

Adding new positions that are not built into budgeted expenditures

Commit additional expenditures (Staff or MSOCs), without actual reductions to other expenditures to stay within budget authority

Transportation ridership lower than ridership budgeted to estimate revenues

Fund balance continues to decrease due to the above



Next Steps

Preliminary Budget review to ESD by July 10th

Adjust budget for projected ending fund balance, safety net revenues and high likelihood anticipated additional expenditures

Budget presentation August 7th board meeting

Budget Hearing for public comment – prior to the start of the August 21st board meeting

Budget presented to the Board for Approval at the August 21st board meeting

Questions?

