



25-26 Budget Adoption

Board Meeting and Public Hearing

August 28, 2025

FUNDS FOR ADOPTION

GENERAL FUND – MAIN FOCUS OF PRESENTATION

SMALL FUNDS

- CAPITAL PROJECTS
- ASB
- TRANSPORTATION VEHICLE
- DEBT SERVICE



BUDGET SUMMARY – ALL FUNDS

	General Fund	Associated Student Body Fund	Debt Service Fund	Capital Projects Fund	Transportation Vehicle Fund
SECTION A: BUDGET SUMMARY					
Total Revenues and Other Financing Sources	90,303,343	908,849	7,502,756	978,000	551,000
Total Appropriation (Expenditures)	99,692,259	986,374	7,220,308	4,950,000	700,000
Other Financing Uses--Transfers Out (G.L. 536)	275,658	XXXXX	0	0	0
Other Financing Uses (G.L. 535)	0	XXXXX	0	0	0
Excess of Revenues/Other Financing Sources Over/ (Under) Expenditures and Other Financing Uses	-9,664,574	-77,525	282,448	-3,972,000	-149,000
Beginning Total Fund Balance	4,900,000	489,541	4,048,577	15,755,096	1,244,551
Ending Total Fund Balance	-4,764,574	412,016	4,331,025	11,783,096	1,095,551

ENDING FUND BALANCE BREAKDOWN

Restricted for Carryover	\$ 600,000
Restricted for Debt Service	\$ 275,658
Non-spendable – Inventory and prepaid items	\$ 450,000
Assigned to Other Purposes (revolving account)	\$ 8,000
Unassigned to Minimum Fund Balance Policy	\$ 0
Unassigned Fund Balance	<u>(\$6,098,232)</u>
Ending Fund Balance	<u>(\$4,764,574)</u>

This indicates that we do not have enough fund balance to meet our minimum fund balance policy or to submit a balanced budget.

If we set aside our minimum fund balance, our deficit would increase from \$6.1M to \$11.1M.

BUDGET ASSUMPTIONS AND UNKNOWNNS

- Levy Passage
- Enrollment Fluctuations (roll-up projections)
- Salary Negotiations
- New Revenue Streams
- Legislative Session Impacts
- Food Service Participation/Transportation Ridership
- Inflation
- Special Education/Safety Net Award
- Fundraisers

FTE ENROLLMENT COUNTS

Average 1/
2023-2024

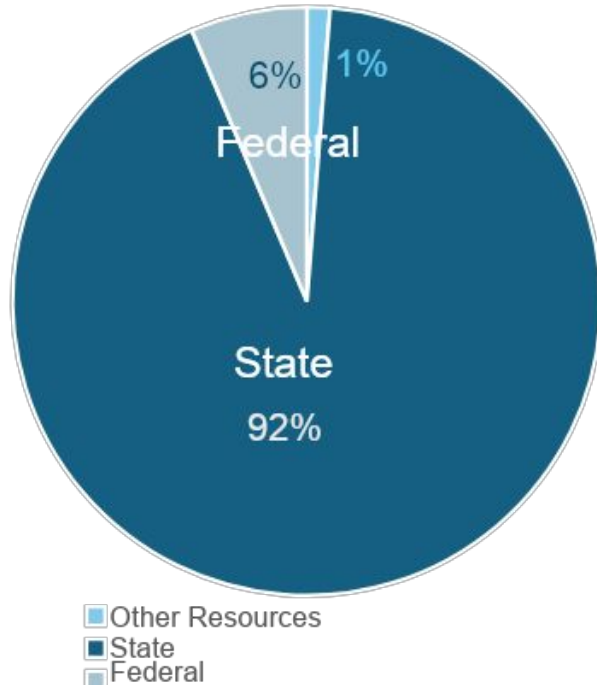
Budget 2/
2024-2025

Budget 3/
2025-2026

A. FTE ENROLLMENT COUNTS (calculate to two decimal places)

1. Kindergarten /2	444.24	433.17	397.00
2. Grade 1	424.66	378.21	364.00
3. Grade 2	452.65	396.61	417.00
4. Grade 3	430.60	440.87	441.00
5. Grade 4	459.26	412.87	455.00
6. Grade 5	419.43	452.20	433.00
7. Grade 6	425.60	388.97	466.00
8. Grade 7	412.08	428.08	418.00
9. Grade 8	423.97	412.21	418.00
10. Grade 9	441.65	410.01	405.00
11. Grade 10	442.51	435.26	416.00
12. Grade 11 (excluding Running Start)	368.11	427.96	325.00
13. Grade 12 (excluding Running Start)	262.27	346.47	298.00
14. SUBTOTAL	5,407.03	5,362.89	5,253.00
15. Running Start	120.82	125.00	125.00
16. Dropout Reengagement Enrollment	34.90	25.00	25.00
17. ALE Enrollment	131.27	115.00	132.00
18. TOTAL K-12	5,694.02	5,627.89	5,535.00

GENERAL FUND REVENUE CATEGORIES

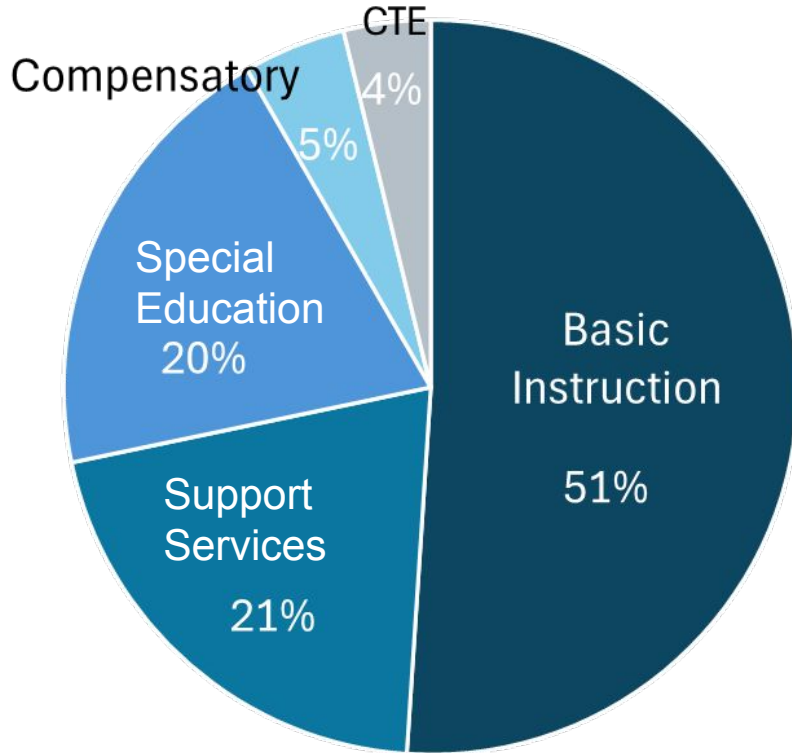


State Based on enrollment and other formulas including salaries, benefits and MSOC's. For general purpose as well as categorical programs including special education, pupil transportation, English learners, learning assistance, advanced academics.

Federal These monies fund programs such as Title I and special education and support free and reduced lunches in the nutrition services program.

Other Grants from non-state entities and local revenues, such as donations, fines and fees, pay to play fees, and meal service payments.

WHAT PROGRAMS DOES IT PAY FOR?



Regular Instruction General classroom and student supports like counselors and certificated specialists. Also includes our ALE and Open Doors programs.

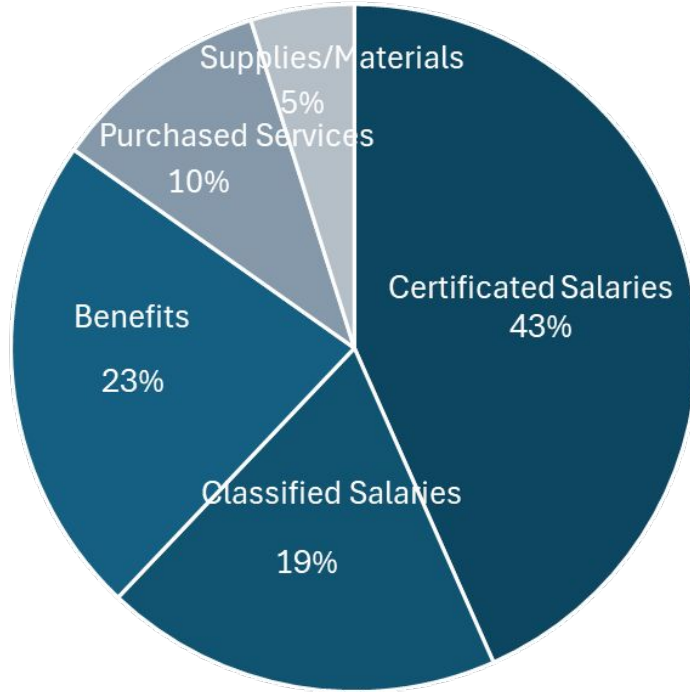
Support Services District office supports, facilities, maintenance/grounds, custodial, student transportation, child nutrition programs, insurance premiums, utilities.

Special Education Special education services to students with disabilities

Compensatory Education Other state/federal programs such as Learning Assistance Program, Title programs, English Learner, and Advanced Academics.

Vocational Instruction Career/technical education

WHAT ACTIVITIES DOES IT PAY FOR?



Travel and Capital Outlay not displayed (less the 1%)

Salaries and Benefits

85% of Total Expenditures

Purchased Services

All contracted services, such as special ed staff, IT subscription contracts, insurance and utilities, running start, audit, and legal.

Supplies & Materials

Includes books and classroom supplies, equipment, cleaning supplies, and other tangible products.

Travel

Staff travel has been limited the past couple of years.

Capital Outlay

Equipment items exceeding \$5,000

Fund Balance – 4 Year History + 25-26 Budget

	2021-22 Actual	2022-23 Actual	2023-24 Actual	2024-25 Projection	2025-26 Budget
Beginning Balance	\$8,566,879	\$8,611,802	\$7,037,900	\$4,979,114	\$4,900,000
+ Revenue	89,534,177	93,808,277	98,465,628	92,232,230	90,303,343
- Expenditure	89,211,478	95,104,724	100,242,474	92,313,588	99,692,259
- Transfers Out (DSF)	277,776	277,455	281,940	276,323	275,658
Ending Balance	\$8,611,802	\$6,586,473	\$4,979,114	\$4,897,756	-\$4,764,574

CONTRIBUTING FACTORS TO DECLINING FUND BALANCE

- Levy Failures
- Underfunding of basic education
- Paying higher salaries than provided by the state
- Subsidize special ed above what the state provides
- Large reductions to local effort assistance (LEA) funding
- Cost of goods and services increasingly outpacing state funding for MSOCs
- Reduced Enrollment
- ESSER Cliff

Fund Balance – 4 Year Forecast

	2025-26 Projection	2026-27 Projection	2027-28 Projection	2028-29 Projection
Beginning Balance	\$4,900,000	\$1,155,179	\$1,216,492	\$231,509
+ Revenue	96,223,096	104,874,417	109,058,828	112,827,718
- Expenditure	99,692,259	104,676,872	109,910,716	115,406,251
- Transfers Out (DSF)	275,658	136,232	133,095	134,895
Ending Balance	\$1,155,179	\$1,216,492	\$231,509	-\$2,481,919

Assumptions: Flat Enrollment, Revenue Increases \$3.5M/yr w/o Levy, Expenditures Increase 5%/yr, No Additional Cuts, **Levy Passes at \$1.30 per \$1000 Assessed Value**

Fund Balance – 4 Year Forecast

	2025-26 Projection	2026-27 Projection	2027-28 Projection	2028-29 Projection
Beginning Balance	\$4,900,000	-\$4,764,574	-\$16,319,185	-\$29,504,503
+ Revenue	90,303,343	93,258,493	96,858,493	100,458,493
- Expenditure	99,692,259	104,676,872	109,910,716	115,406,251
- Transfers Out (DSF)	275,658	136,232	133,095	134,895
Ending Balance	-\$4,764,574	-\$16,319,185	-\$29,504,503	-\$44,587,156

Assumptions: Same as previous slide with the exception of **No Levy Passing**

FUND BALANCE ONGOING MONITORING

- Additional cuts will need to be made
- Closely monitor enrollment first 4 days of school to identify any staffing adjustments
- Closely monitor revenues and expenditures to avoid any potential recovery of funds
- Closely monitor budget vs expenditures monthly to identify any expenditure trends that need to be addressed
- Continuous analysis of all expenditures and staffing to identify potential reductions

EXAMPLES OF WHAT IS NOT FUNDED BY THE STATE?

- Special Education - \$1.5 M
- Athletics - \$1.5M
- Salaries and Benefits - Over \$10M

STAFF CATEGORY	AVG SALARY	STATE ALLOCATION	DIFFERENCE
Certificated Instructional Staff (CIS)	\$109,600	\$85,000	\$24,600
Certificated Administrative (CAS)	\$149,500	\$126,000	\$23,500

Options to cover excess costs:

- Hiring a reduced number of staff below the state allocated numbers
- Use Levy Funds

Materials, Supplies and Operating Costs (MSOC)

MSOC Allocation from State (F-203)

Regular Instruction	\$	7,890,601
Grades 9-12 Additional	\$	310,229
Total	\$	8,200,830

**2025-26
Required
MSOC
Disclosure**

District's MSOC Budgeted Expenditures	Totals	
Supplies and Materials - Object 5	\$	2,492,089
Purchased Services - Object 7	\$	5,985,945
Travel - Object 8	\$	43,667
Capital Outlay - Object 9	\$	30,000
Total	\$	8,551,701
Difference	\$	(350,871)

PETITION TO BUDGET RECEIVABLES

- REQUIRED WHEN YOU CANNOT SUBMIT A BALANCED BUDGET.
- BUDGET ADOPTION RESOLUTION INCLUDES LANGUAGE REGARDING PETITIONING OSPI TO BUDGET RECEIVABLES OF \$4,764,574 FOR REVENUES THAT WILL COME IN THE FUTURE.
- BUDGETING RECEIVABLES WILL NOT ALLOW US TO EXIT BINDING CONDITIONS WITH THE STATE



Capital Projects

Transportation



ASB

Debt Service



CAPITAL PROJECTS AND TRANSPORTATION VEHICLE

2025-26 Fund Summary	Capital Projects Fund	Transportation Vehicle Fund
Beginning Fund Balance	\$15,755,096	\$1,244,551
Total Revenues	978,000	551,000
Total Expenditures	4,950,000	700,000
Net Change in Fund Balance	(3,972,000)	(149,000)
Ending Fund Balance	\$11,783,096	\$1,095,551

Capital Projects Fund –Accounts for building renovations, new construction, equipping of new facilities, site purchases and improvements, and technology system upgrades.

Transportation Vehicle Fund - Accounts for the purchase of pupil transportation vehicles.



ASB AND DEBT SERVICE

2025-26 Fund Summary	ASB Fund	Debt Service Fund
Beginning Fund Balance	\$489,541	\$4,048,577
Total Revenues	908,849	7,502,756
Total Expenditures	986,374	7,220,308
Net Change in Fund Balance	(77,525)	282,448
Ending Fund Balance	\$412,016	\$4,331,025

Associated Student Body (ASB) Fund Accounts for the student extracurricular activities in each school. Each school student body organization prepares and submits, a revenue and expenditure plan of ASB activities for the school year.

Debt Service Fund Provides for the redemption and payment of interest on voted and non-voted bonds.

