Washoe County School District

Fiscal Year 2025-26
Budget in Brief

Business and Financial Services

425 East Ninth Street | Reno, Nevada 89512

LETTER FROM THE CFO

Dear Washoe County Residents,

In June 2025, the Washoe County School District's Board of Trustees adopted the Amended Final Budget for Fiscal Year 2025-26 (July 1, 2025, through June 30, 2026). The Fiscal Year 2025-26 budget began with a $9.67 million General Fund budget deficit mainly due to flat State funding, declining enrollment, and cost increases.

The Governor's Recommended Budget, constrained to projected State revenues for the 2025-27 biennium, kept the District's per pupil amount flat at the same level as Fiscal Year 2024-25, at $9,705 per student. The flat per pupil amount was caused by unfavorable revenue projections in the State Education Fund. The Nevada May Economic Forum resulted in worse revenue projections, leading Nevada lawmakers to transfer $115.7 million from the Education Stabilization Account to the State Education Fund in the 2025-27 biennium to keep K-12 education funding whole. Washoe County School District's final per pupil amount for Fiscal Year 2025-26 was approved at $9,708. This small increase of $3 per student was not enough to cover ongoing costs and cost increases.

In addition to typical inflationary cost increases, the District also experienced cost increases related to the Nevada Public Employee Retirement System pension rate increases, new fixed costs related to the opening of the new Debbie Smith Career & Technical Education High School, a health insurance rate increase of 10%, and increased special education costs related to the rapidly increasing number of students with Individualized Education Plans.

The focus of the 2025-26 budget process was to preserve and maintain as many prior school investments as possible, while still resolving the budget deficit. Over the course of four months, the Board of Trustees and staff worked together to reduce the budget deficit by $7.58 million, to $2.09 million. Although the $2.09 million budget deficit remains unresolved, staff will provide further recommendations in the fall to resolve the deficit and to address the projected Fiscal Year 2026-27 budget deficit.

This Budget-in-Brief document is intended to provide you with facts about our school district; the District's approach to balancing the budget; major sources of funding; as well as major changes included in the Fiscal Year 2025-26 budget. Additionally, you can view the detail of the District's budget in a variety of ways by visiting Interactive Budget in the District's Data Gallery.

We hope you find this budget document useful to understanding the Washoe County School District's Fiscal Year 2025-26 budget.

Respectfully,

Mark Mathers
Chief Financial Officer

RECAP OF 2025-26 GENERAL FUND BUDGET PROCESS

A summary of the Fiscal Year 2025-26 General Fund budget process is below. The General Fund budget deficit was reduced from $9.67 million to $2.09 million over the course of four months.

Recap of FY26 General Fund Budget Process

Decrease to WCSD's share of State SpEd Funding by $0.7 million

FEB. 25	APRIL 8	MAY 13	MAY 27	JUNE 10
$9.67M Deficit	$6.56M Deficit	$4.09M Deficit	$2.7M Deficit	$2.09M Deficit

Factors In:

- PERS Rate Increase +$4.6M
- New Debbie Smith CTE HS +$4.7M
- Increased Special Education costs +$4.7M
- Employee Step Increases and Health Insurance Increase +$12.3M

$3.11M in reductions:

- End OPEB Contributions ($1.46M)
- End Medicaid Payment to the State ($1.20M)
- End Stormwater Utility Fees ($0.3M)
- Reset department budgets ($1.18M)
- Academic Reorganizations ($0.54M)
- Additional Special Education Costs +$1.6M

$2.47M in reductions:

- Shift Education Alliance staff out of General Fund ($0.35M)
- Reduce Travel and Training budgets ($0.33M)
- Reduce electricity and natural gas budget ($2.0M)
- Increased to field maintenance costs +$0.21M

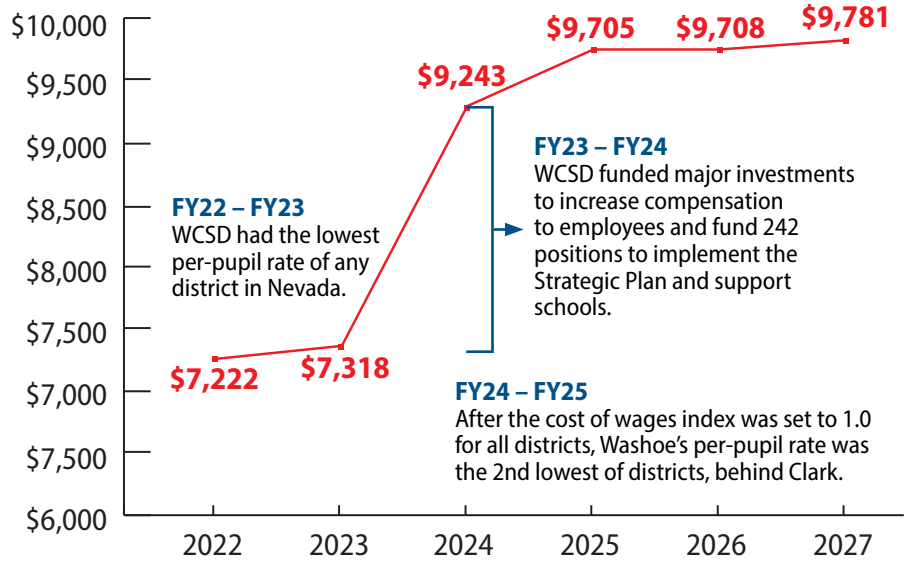
$0.94M in reductions:

- Increase to per-pupil revenue ($0.17M)
- Reduction to Workers Compensation rate ($0.31M)
- Reduce Contingency Account ($1.57M)
- State Special Education revenue reduction +$0.70

$0.61M in reductions:

- School Police Officer staffing freeze ($400K)
- Strategic Plan budget reductions ($100K)
- Athletic Transportation Fee increase ($115K)

Washoe's Base Per-Pupil Funding



- In the 2023-25 biennium, Nevada school districts received a massive increase in per-pupil funding due to the post-pandemic economic recovery.
- Based on the recent turn in the economy, support to schools will fall below the inflation rate in the 2025-27 biennium.
- WCSD's challenge will be to preserve and maintain investments made in the 2023-25 biennium.

District-Wide Fiscal Year 2025-26 Budgeted Expenditures by Fund Type

General Funds
$666.5 million

Special Revenue Funds
$306.5 million

Capital Projects Funds
$287.6 million

Debt Service Funds
$133.2 million

Internal Service Funds
$120.3 million

Enterprise Funds
$32.9 million

The Fiscal Year 2025-26 District-wide expenditure budget amounts to $1.5 billion. This budget includes $139.1 million in interfund transfers, resulting in a net District-wide expenditure budget of $1.4 billion. As illustrated in the pie chart, the majority of the expenditures occur in the District's General Fund ($666.5 million), which supports daily operations.

Capital Projects funds make up $287.6 million of the District's expenditure budget, which funds projects in the District's Capital Improvement Plan. The District has $133.2 million of expenditures for Debt Service funds to account for the principal and interest payments for the District's long and medium-term debt payments related to capital projects.

The District also has $306.5 million in budgeted Special Revenue fund expenditures that account for revenue sources that are restricted for specific purposes, such as Title I, weighted funding under the Pupil Centered Funding Plan, State Special Education, Federal Special Education and other grant programs.

In Fiscal Year 2025-26, WCSD budgeted $120.3 million in expenditures of Internal Service funds that account for employee health insurance, worker's compensation, and the District's property and casualty insurance program.

Lastly, the District has $32.9 million budgeted for expenditures in its Enterprise Fund, which accounts for activities related to the District's Nutrition Services program.

DISTRICT STAFF

In order to provide services to its students and families, the District is staffed with 7,463 Full-Time Equivalent (FTE) positions. Of that, 4,290 FTEs are for licensed personnel (teachers, deans, librarians, counselors, nurses, principals and assistant principals) that provide instruction or direct support to our schools.

The remaining 3,173 FTEs represent non-licensed personnel, such as bus drivers, custodian/maintenance positions, school secretaries, clerical staff, teacher aides and assistants, School Police and Nutrition Services workers that all provide direct support to schools. Also included are other central services positions that provide indirect support to schools (Human Resources, Business & Financial Services, Information Technology, etc.)

District-Wide Full-Time Equivalent Positions

PUPIL CENTERED FUNDING PLAN

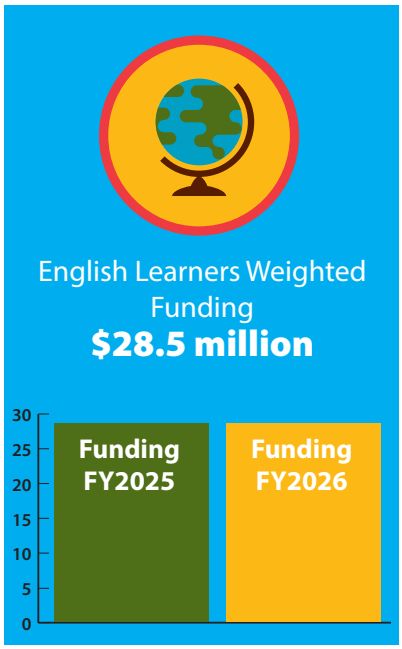
Base Funding
$654.3 million

English Learners Weighted Funding
$28.5 million

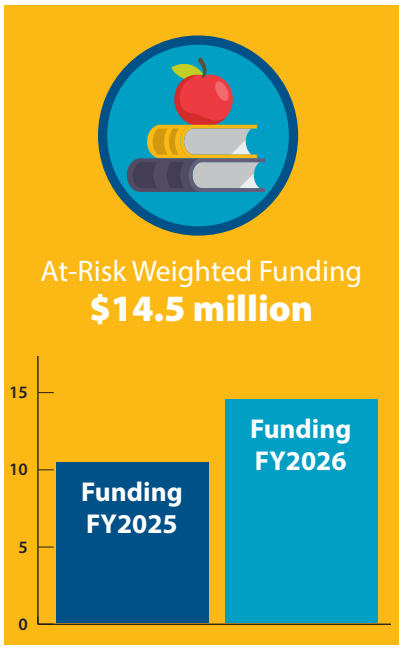
At-Risk Weighted Funding
$14.5 million

Gifted & Talented Weighted Funding
$1.5 million

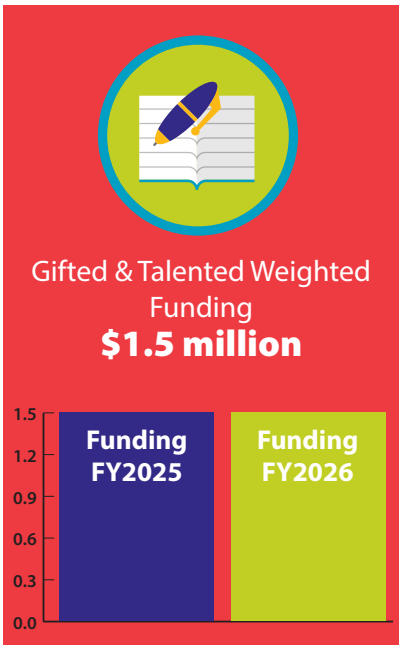
The Fiscal Year 2025-26 District-Wide Budget Includes $698.8 million in State funding through the Pupil Centered Funding Plan Base Funding includes $654.3 million in General Fund revenues to support everyday operations. Weighted Funding categories include funding to provide services to students in need of additional supports. These funds will be spent on students in need of these additional supports and in alignment with the District's new Strategic Plan.



Weighted funding for English Learners remained flat at $28.5 million in FY2026.



Weighted funding for At-Risk students increased by $4.1 million, from $10.4 million in FY2025 to $14.5 million in FY2026.



Weighted funding for Gifted & Talented remained flat at $1.5 million in FY2026.

GENERAL FUND REVENUE

General Fund revenues total $663.7 million, consisting of State, local, federal, and other sources. Under the Pupil Centered Funding Plan, WCSD receives 98.6% of its General Fund revenue from the State. The $663.7 million is made up of:

Adjusted Base Per-Pupil funding
$558.2 million

This is the District's per pupil amount of $9,708 multiplied by the projected average daily enrollment (57,501.35 students) for the 2025-26 school year.

Transportation
$25.6 million

This is a fixed amount of revenue based on the District's historical transportation costs, so that the District has guaranteed revenue for transporting students to school.

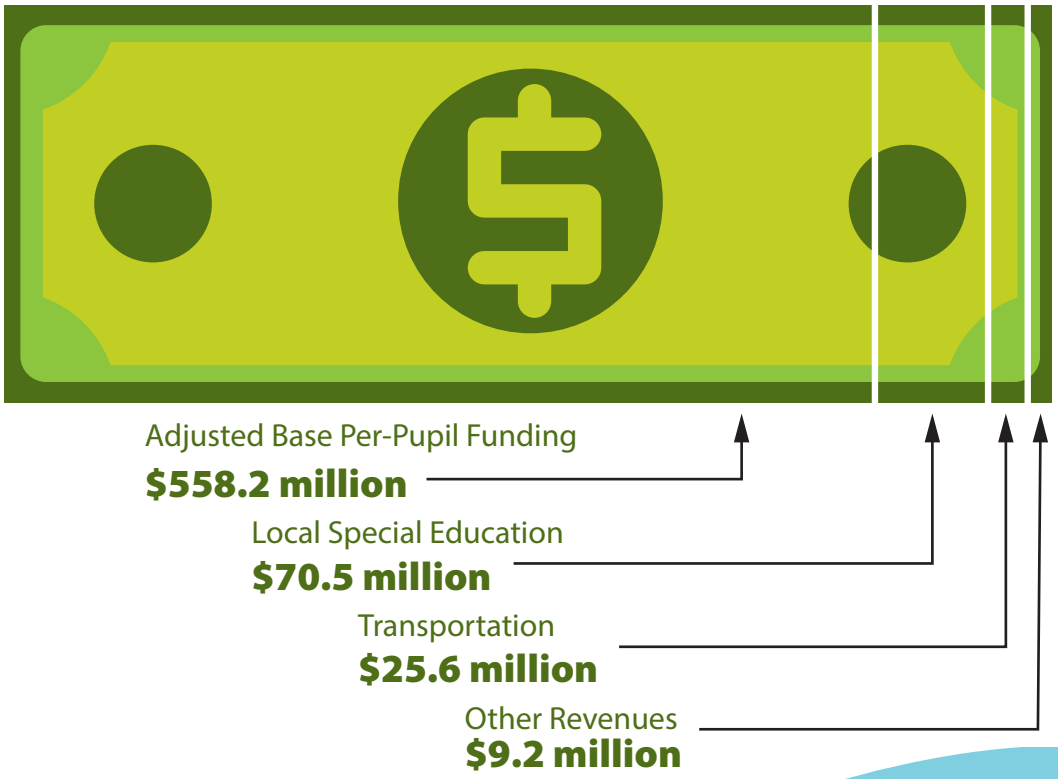
Local Special Education
$70.5 million

This is a fixed amount of revenue based on historical amounts the District has had to transfer from its General Fund to the Special Education fund due to shortfalls in State Special Education Funding.

Other Revenues
$9.2 million

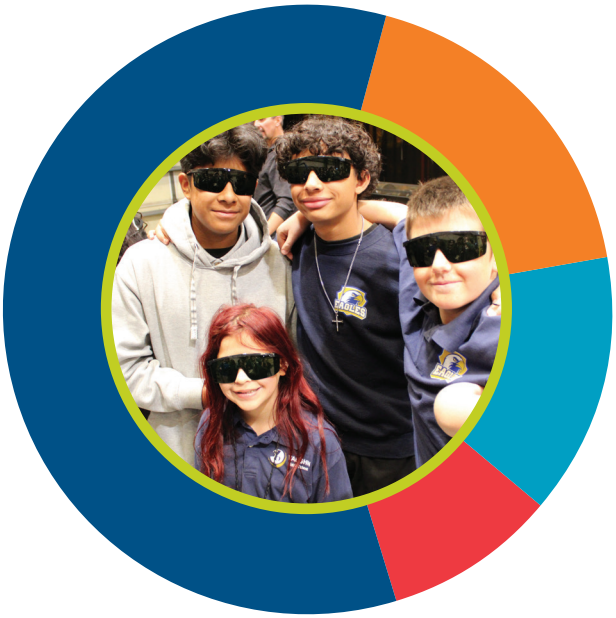
In addition to State revenue, WCSD's General Fund receives $8.8 million in various local revenues, $370,000 in federal revenues and $50,000 in other revenues. The largest single revenue in this category is investment earnings.

General Fund Revenue Categories



GENERAL FUND APPROPRIATIONS BY FUNCTION

The District has a structurally-balanced budget, meaning its General Fund expenditure budget of $666.5 million equals its total General Fund revenues. The chart below shows how the District spends its per pupil revenue, which is spent mainly on student instruction and student/school supports (77%) and which provides positions like teachers, counselors, nurses, and psychologists, along with curriculum and supplies budgets. The section below the chart provides examples of what is included in each expenditure category on a per pupil basis.



Direct Instruction – $5,717 per pupil *Regular Instruction, Special Programs, Vocational Programs, Co-curricular Programs, and Transfers to Special Education and Gifted & Talented Instruction*

Student & School Support – $1,752 per pupil *Student Support, School Administration, Instructional Staff Support*

Operations & Transportation – $1,386 per pupil *Operations, Maintenance, Utilities, and Student Transportation*

Central Services – $853 per pupil *General Administration, Central Support, Contingency, and Other Interfund Transfers*

- Direct Instruction includes positions like classroom teachers, deans, aides, assistants, substitute teachers, and athletic coaches, along with textbook and other instructional material costs. In total, these costs are $392.5 million.
- Student and School Support include positions such as school principals, assistant principals, other office staff, counselors, nurses, psychologists, and curriculum support staff. These costs are $120.3 million of the District's General Fund budget.
- Operations and Transportation includes bus drivers and bus fuel, custodians, maintenance staff, utility costs, and school police positions. These costs make up $95.1 million of the General Fund budget.
- Central Services is for the Board, Superintendent, General Counsel, Community Relations and other services such as Finance and Purchasing, Human Resources, Information Technology, and Accountability, all of which support schools. The General Fund budget for Central Services is $58.6 million.

GENERAL FUND BY EXPENDITURE TYPE

The chart below shows the major expenditure categories in the General Fund. The most significant cost in the General Fund is for salaries and benefits, due to the 4,682 Full-Time Equivalent positions that provide services and supports to students and schools. The FY26 budget funds employee step increases, cost of living adjustments, and a 10% health insurance rate increase.

Utility costs for electricity and natural gas have stabilized resulting in the opportunity to lower the utilities budget by $2 million compared to FY25.

The Other category was reduced by $1.5 million, with a reduction to the General Fund Contingency Account during the FY26 budget process.

The categories in the chart below include non-personnel costs funded in the 2025-26 General Fund budget.

Salaries and Benefits
$605.9 million

Utilities
$16.9 million

Other
$13.4 million

Instructional Materials
$10.7 million

Property and Liability Insurance
$9.8 million

Repairs and Maintenance
$4.0 million

Information and Technology Licenses
$3.3 million

Transportation Fuel
$2.5 million

CAPITAL PROJECTS FUND

Washoe County School District's Fiscal Year 2025-26 Capital Projects budget aligns with its Capital Improvement Program (CIP) and provides $287.6 million in capital investments. The District's CIP is a five-year plan which provides the timeline for forecasted capital projects and equipment purchases, and identifies options for financing the plan. These investments include capital renewal, facility modernization projects, a school information technology device refresh program, and the acquisition of a new Enterprise Resource Planning system, along with other capital projects.

Annual Capital Renewal	**$43,878,811**
Facility Modernization Projects	**$159,077,771**
Admin Building	**$8,000,000**
IT Device Refresh/ERP System	**$12,919,795**
Other Major Projects	**$19,153,886**
Debt Service Costs	**$44,537,455**

Major financing sources for the District's CIP include:

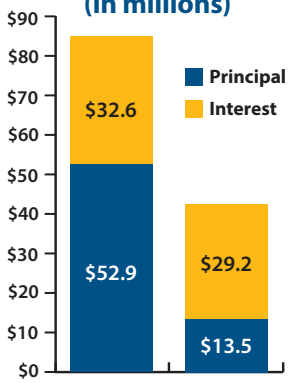
- Mix of debt financing and pay-as-you-go (PAYGO) sources
- WC-1 Sales Tax (0.54% on sales of goods) – $65.3 million
  - Supports WC-1 bonds' debt service and can be used for PAYGO
  - The 2025-26 budget includes a planned $90-$100 million bond issuance to fund capital projects
- Property Taxes ($0.3885 per $100 of assessed valuation) – $96.4 million
  - Supports rollover bonds' debt service and can be used for PAYGO
  - The 2025-26 budget includes a planned $50 million bond issuance to fund capital projects
- Government Services Tax (tax on MSRP of vehicles)

DEBT SERVICE FUNDS

The district has two debt services funds to pay the principal and interest payments on its medium and long-term debt. The Debt Service Fund receives property tax revenues that are used to pay the District's principal and interest on long-term debt from previous issuances of rollover bonds. This fund also receives a transfer from a Capital Projects Fund in order to make debt payments on the District's medium-term debt vehicle fleet purchases.

The WC-1 Debt Service Fund receives sales tax revenue which is used to make debt payments on long-term debt for new schools and school improvements. This fund is also used for pay-as-you-go capital projects, allowing the District to pay for capital projects without issuing debt. The chart to the right shows the budgeted principal and interest payments for each of the District's Debt Service funds.

2025–26 Principal and Interest Payments
(in millions)



SPECIAL REVENUE FUNDS

The District's budgeted total special revenue fund revenues of $298.5 million and plans to utilize $8 million in fund balance to pay for program expenditures in Fiscal Year 2025-26, resulting in $306.5 million of total expenditures. These special revenues funds provide many student and staff support programs outside of the General Fund operations. These funds include federal grants like Title I and IDEA. State revenues include Special Education and weighted funding under the Pupil-Centered Funding Plan. The District receives various other grants across the federal, state and local levels.

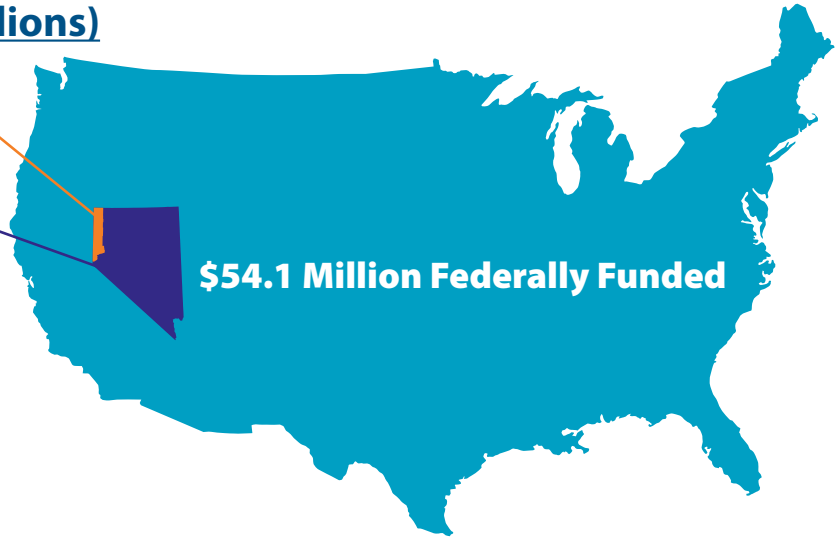
Revenues by Source (in millions)

$35.3 Million Locally Funded

$119.5 Million State Funded

$89.6 Million Transfers from General Fund

- $82.7m to Special Education
- $4.9m to Gifted & Talented
- $2.0m to Medicaid



Expenditures by Fund (in millions)

- **State Special Ed – $120.6**
- **Other Special Revenue Funds – $102.8**
- **English Learners Weighted Funding – 31.8**
- **Title I – $16.6**
- **At-Risk Weighted Funding – $16.1**
- **IDEA – $12.5**
- **GATE Weighted Funding – $6.4**

INTERNAL SERVICE FUNDS

WCSD has three internal service funds that fund various programs, The Property & Casualty Fund includes the district's property and liability insurance premium costs, along with costs related to damaged property and other liabilities. The district has a self-funded health insurance program, so the Health Insurance Fund tracks the revenue and expenditures of that program. Lastly, the Workers' Compensation Fund tracks the district's workers compensation insurance and claim costs. The chart below shows the total budgeted expenditures for each of the internal services funds.

Health Insurance – $103.3 million

The Health Insurance Fund accounts for all revenues and expenditures associated with the District's self-funded health insurance program. A 10% health insurance premium rate increase is budgeted effective January 1, 2026.

Property & Casualty – $10.3 million

The District conducted a Request for Proposal to identify an insurance broker for the 2025-26 school year. A new broker was chosen through the procurement process and has begun providing brokerage services for property and liability insurance to the District.

Workers' Compensation – $4.3 million

The Workers' Compensation Fund accounts for revenues and expenditures associated with the District's workers' compensation program that provides benefits to employees who are injured on the job. The workers' compensation rate was reduced by 10.5%, effective July 1, 2025, to align revenues with projected costs.

ENTERPRISE FUND – $32.9 MILLION

The District has one enterprise fund which accounts for activities related to the its Nutrition Services program. The costs of the Nutrition Services program are supported mainly by federal meal reimbursements and some user charges for a la carte meals.

The District conducted a Request for Proposal to choose a food service provider during the 2024-25 school year. A new vendor was selected through the procurement process and will begin providing meals to students for the 2025-26 school year.

OUTLOOK BEYOND FISCAL YEAR 2025-26

With 98.6% of Washoe County School District's revenues received directly from the State through the Pupil Centered Funding Plan, the District is almost entirely dependent on State Education Fund revenues for daily operations. The District's per pupil amount increases from $9,708 in Fiscal year 2025-26 to $9,781 in Fiscal Year 2026-27. This increase of $73 per student, a 0.75% increase, will not be enough to cover ongoing costs, which will lead to the District needing to resolve another General Fund budget deficit for the 2026-27 school year.

The Washoe County School District has also been experiencing declining enrollment since 2019. Nearly 88% of the District's General Fund revenues are based on enrollment, so future enrollment trends will greatly impact District revenues.

In addition to State funding challenges, school districts face uncertainty in the future of federally funded programs. Federal grants that impact at-risk students, English learner students, special education students, and student meals all face uncertain futures. The District will continue to monitor the future of these programs and address any challenges during the 2026-27 budget process.

THANK YOU

Thank you for your time reading about the Washoe County School District's Fiscal Year 2025-26 budget. Again, this Budget-in-Brief document is intended to provide you with facts about our school district; the District's approach to balancing the budget; major sources of funding; as well as major changes included in the Fiscal Year 2025-26 budget. You can view the detail of the District's budget in a variety of ways by visiting Interactive Budget in the District's Data Gallery.

OUR PROMISE

We will know every student by
NAME, STRENGTH and NEED
so they graduate prepared for the future they choose and we will deliver on this promise in partnership with our
FAMILIES and COMMUNITY.