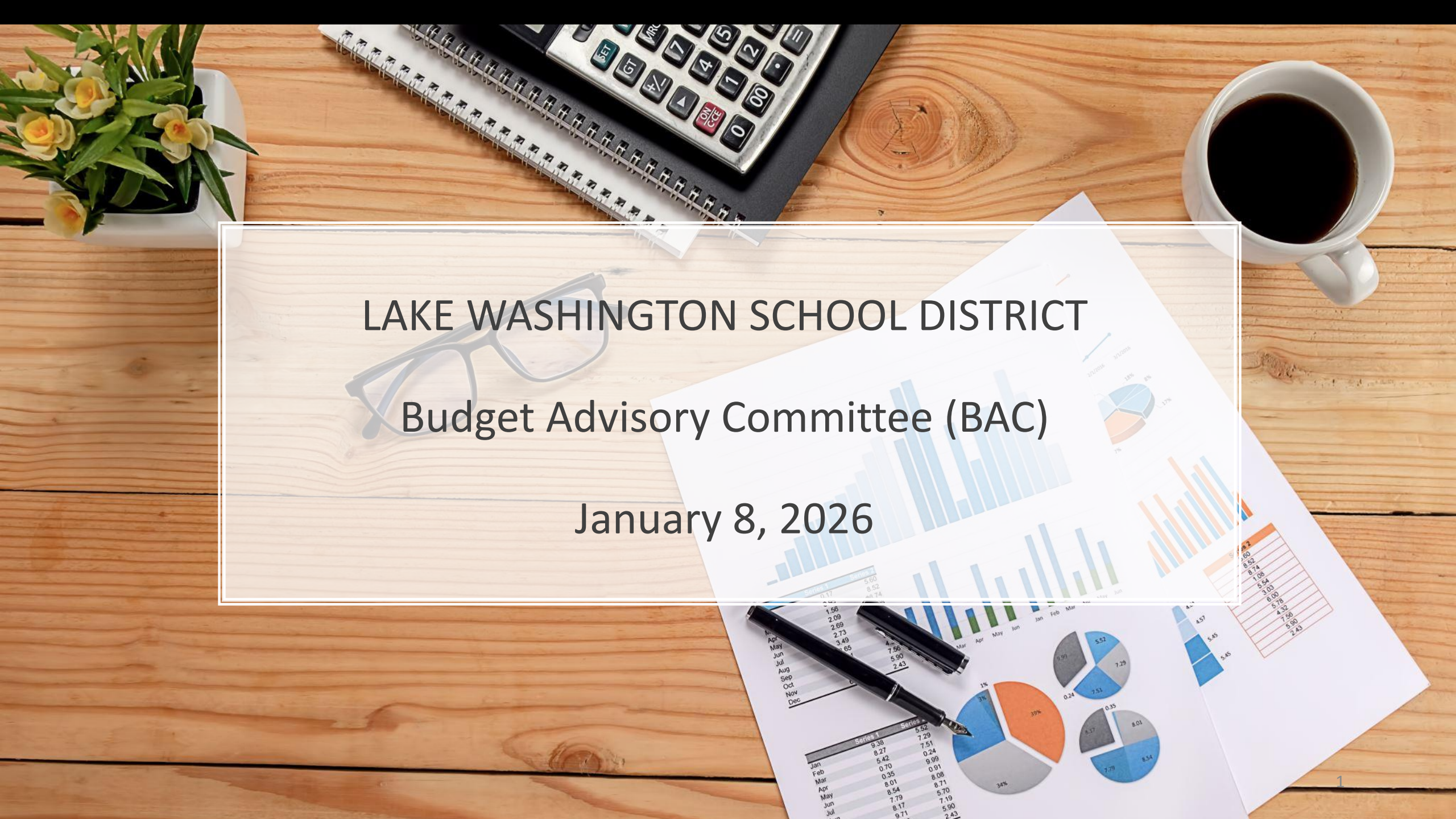




LAKE WASHINGTON SCHOOL DISTRICT

Budget Advisory Committee (BAC)

January 8, 2026

1



CHECK-IN: SNOW!

Which picture represents your response to snowy weather?

Share which picture you chose and why

8



2



4



6



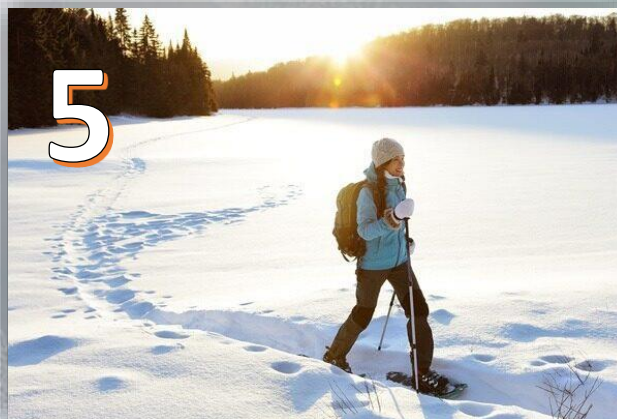
9



3



5



7



10



Committee Purpose/Charge

- A District led volunteer citizens advisory group designed to inform the public on education funding policies and practices and to solicit participation and feedback in the District' budgeting process.
- Receive and gather financial and other information from the District for purpose of providing advice and counsel to the Superintendent on financial and business matters
- Explore and evaluate issues and needs of the District relative to fiscal affairs
- Utilize community survey data to inform committee work and feedback
- Understand the systems and processes currently in place to address the fiscal needs of the District
- Understand both the short-term and long-term financial plans and planning of the District.
- Provide advice to the Superintendent concerning budget and fiscal planning process and transparency with regard to District fiscal matters.

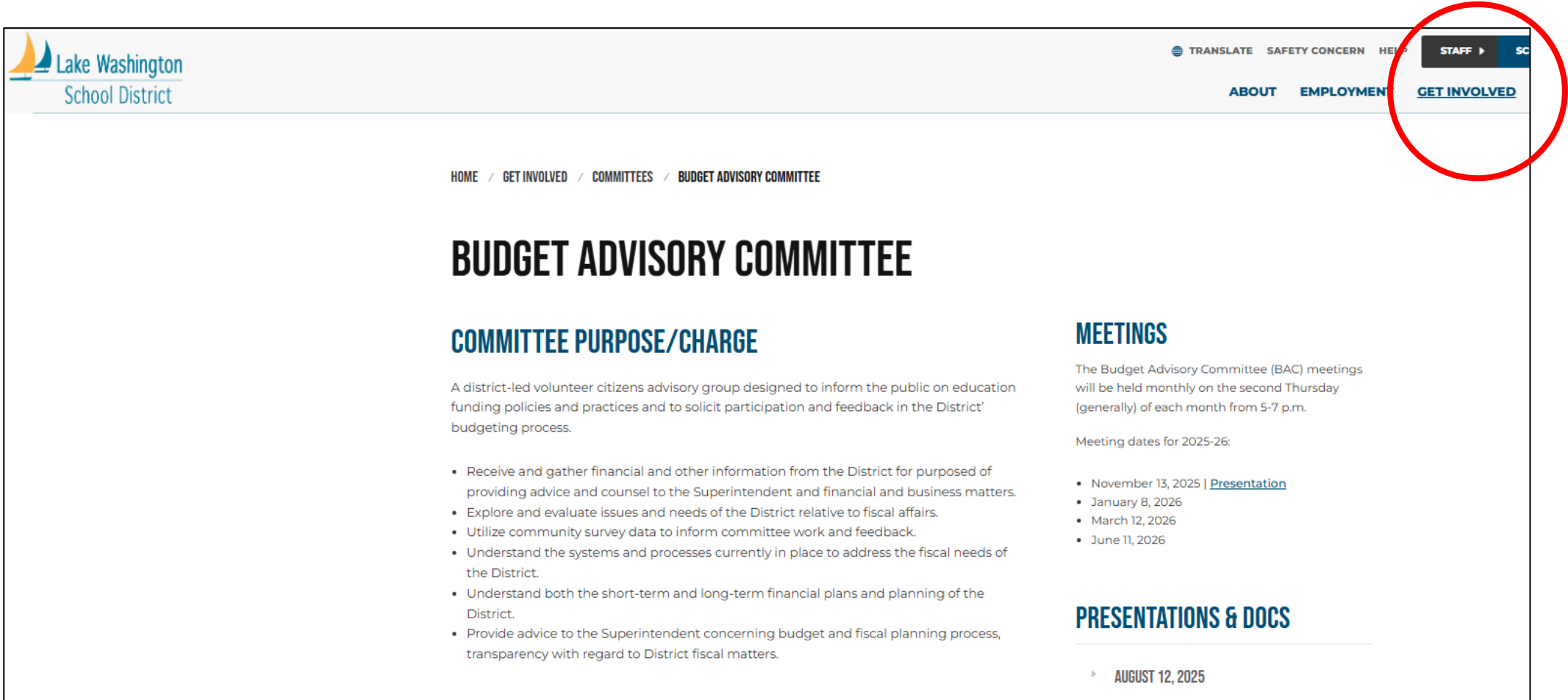




Meeting Norms/Ground Rules

- Start / end on time
- Silence electronics
- Ask questions of each other for the purposes of gaining clarity and understanding
- Express yourself in terms of your needs and interests and the outcomes you wish to achieve
- Listen respectfully, and sincerely try to understand the other person's needs and interests
- Demonstrate curiosity and willingness to learn

Presentations will be posted on Committee website



Lake Washington
School District

TRANSLATE SAFETY CONCERN HELP STAFF SC

ABOUT EMPLOYMENT GET INVOLVED

HOME / GET INVOLVED / COMMITTEES / BUDGET ADVISORY COMMITTEE

BUDGET ADVISORY COMMITTEE

COMMITTEE PURPOSE/CHARGE

A district-led volunteer citizens advisory group designed to inform the public on education funding policies and practices and to solicit participation and feedback in the District's budgeting process.

- Receive and gather financial and other information from the District for purposes of providing advice and counsel to the Superintendent and financial and business matters.
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- Provide advice to the Superintendent concerning budget and fiscal planning process, transparency with regard to District fiscal matters.

MEETINGS

The Budget Advisory Committee (BAC) meetings will be held monthly on the second Thursday (generally) of each month from 5-7 p.m.

Meeting dates for 2025-26:

- November 13, 2025 | [Presentation](#)
- January 8, 2026
- March 12, 2026
- June 11, 2026

PRESENTATIONS & DOCS

► AUGUST 12, 2025

AGENDA

Bond Rating
Update

2026 Levy
Information

Legislative
Update

Budget
Document
Education



BOND RATING UPDATES



WHAT IS A BOND RATING?

- A bond rating is an independent assessment of a bond issuer's credit worthiness, indicating their ability to repay debt (principal and Interest) on time.
- Ratings may impact the cost of borrowing for an issuer.
- School districts are rated by Moody's and Standard and Poor (S&P).
- Ratings are typically done when school districts sell bonds.
- Rating agencies can also conduct a surveillance review at any time regardless of whether a school district is selling bonds

SCHOOL DISTRICT BOND RATINGS

- This fall, Moody's and S&P have been conducting surveillance rating reviews for school districts across the state.
- The majority of districts have been receiving rating downgrades primarily due to budget concerns and fund balance reductions
- The district works with our bond underwriters, DA Davidson, on these reviews

LAKE WASHINGTON SCHOOL DISTRICT

MOODY'S

What we expected: Ratings downgrade

- Moody's implemented a new methodology in early 2021, which reduced the focus on the tax base and increased the focus on fund balance. This was unfavorable for nearly all Washington school districts, because our state's funding formula is stable compared to other states, so school districts in other states tend to maintain much higher fund balances just to manage cash flow.
- However, because many WA school districts temporarily increased fund balances due to pandemic effects, many downgrades under the new methodology are happening now that those inflated fund balances have been drawn down.

LAKE WASHINGTON SCHOOL DISTRICT

MOODY'S

What actually happened: Ratings downgrade

Rating Agency	Previous Rating May 2024	Updated Rating December 2025
Moody's	Aaa (negative outlook)	Aa1 (stable outlook)

- Lake Washington School District's **Aa1** remains an elite rating within the state. **Only three districts in the state have the Aa1 rating from Moody's:** Lake Washington SD, Snoqualmie Valley SD and Issaquah SD.

LAKE WASHINGTON SCHOOL DISTRICT STANDARD AND POOR (S&P)

What we expected: Ratings downgrade

- Our underwriter shared that eight out of eight large/neighboring districts (Bellevue, Central Valley, Issaquah, Northshore, Puyallup, Shoreline, Spokane, Tacoma) that were reviewed in the K-12 sector recently were downgraded. One out of eight was downgraded from stable to a negative outlook.

LAKE WASHINGTON SCHOOL DISTRICT STANDARD AND POOR (S&P)

What actually happened: **Rating maintained**

Rating Agency	Previous Rating April 2020	Updated Rating December 2025
S&P	AA+ (stable outlook)	AA+ (stable outlook)

- Lake Washington School District **has the highest credit rating assigned to any school district in the state** and is now the only Washington district with a rating of AA+.



2026 LEVY RENEWALS UPDATE

2026 LEVY RENEWALS

- Updated website and FAQs
- Scheduled and advertised Online Town Halls
- Continue to present to PTSAs, services clubs, and other groups as invited
- **Election Day – February 10, 2026**



[HOME](#) / [2026 LEVIES](#)

LEVIES - FEBRUARY 10, 2026

TWO LEVY RENEWALS TO SUPPORT EXCELLENCE FOR EVERY STUDENT

The February 10, 2026 measures continue funding that benefits every student in the district. The measures ensure access to the programs, technology and facilities that support safe schools, strong teaching and opportunities for all

**PROPOSITION 1: RENEWAL OF
EDUCATIONAL PROGRAMS &
OPERATIONS LEVY**

**PROPOSITION 2: RENEWAL OF
SCHOOL TECHNOLOGY &
CAPITAL PROJECTS LEVY**

Together, these levies renew funding to maintain staff, programs and services that ensure students have the skills they need for their next step, whether that's a two- or four-year college, a technical certification, or joining the work force.

These levies stay in our community and directly support Lake Washington students. The levies expire after four years and must be renewed by voters to continue the funding. As more properties are built in our community or as property values increase, the individual tax rate has historically decreased.

Click on image to view larger.



PLEASE JOIN US!

**2026 REPLACEMENT LEVIES
ONLINE TOWN HALLS**

LWSD Superintendent Dr. Jon Holmen and Associate Superintendent of Business and Support Services Barbara Posthumus will offer a series of online town hall events about the 2026 Replacement Educational Programs & Operations Levy and 2026 Replacement School Technology & Capital Projects Levy

Each town hall meeting will offer an opportunity for question/answer sessions.

Learn more: www.lwisd.org/2026-levies

DATE	TIME	MEETING LINK
WEDNESDAY JANUARY 14	6-7 P.M.	MEETING LINK
WEDNESDAY JANUARY 21	7-8 P.M.	MEETING LINK
TUESDAY JANUARY 27	12-1 P.M.	MEETING LINK
THURSDAY JANUARY 29	6-7 P.M.	MEETING LINK

VOTE

Ballots due February 10, 2026

[LEVY FAQ](#)

Question?

- What questions have you heard about the levy?
- What advice do you have regarding the website/FAQ?





LEGISLATIVE UPDATES



STATE BUDGET PROCESS

- Budget landscape
 - Revenue forecast shows slowing growth, estimated \$2.3 billion deficit
 - Federal funding cuts to programs like SNAP, Apple Health, housing assistance, etc.
- Gov. Ferguson released his budget proposal on December 18
 - First proposal since taking office last year
 - Gov's budget does not need to be balanced
 - Signals his priorities and provides guidance for the legislature

GOVERNOR'S BUDGET PROPOSAL

- Total budget: \$79 billion, a \$1.2 billion increase
- \$33.3 billion allocated to K-12 schools
 - \$146.7 million reduction
- K-12 Impacts
 - 6% reduction of funding for statewide programs administered by OSPI
 - 9% reduction to Beginning Educator Support Team grant program
 - 50% reduction to Next Level Leaders Academy for principals and administrators
 - Reduction of Running Start, which is likely to impact summer enrollment
 - Extended bus depreciation schedule to 15 years
 - Includes grant funds for dual language, 9th grade success, graduation supports for foster youth, and supports for students experiencing homelessness

WHAT HAPPENS NEXT?

- The legislative session begins on Monday, January 12 and ends March 13
- Legislature will use the Governor's budget proposal as starting point for appropriations bills
- Hearings in House Appropriations and Senate Ways and Means held next week to collect feedback from the public
- Revenue forecast is due to the legislature no later than February 20 to help refine proposal
- Legislators release a revised budget following revenue forecast, usually very late in the session

FEEDBACK FROM LAST MEETING

Topics of Interests:

- Better Understanding Funding
 - Grants
 - ASB
- Spending
 - Fixed Costs
 - Staffing
 - Building Budgets
 - Priorities
- Budget Reductions/Investments
 - Last Year
 - Survey Results
 - Future
- Committee Impact and Goals

Hearing in the Community:

- Impact of new development/construction in parts of the community
- Questions regarding staffing levels
- Impact of Budget Reductions
 - High school periods
 - Music
 - Elementary split classes



BUDGET DOCUMENT EDUCATION



BUDGET DOCUMENT EDUCATION

Budget Document F-195 (State format)

2025-26 Budget F-195

BUDGET

FISCAL YEAR

2025-26

FORM F-195

SCHOOL DISTRICT NAME & NO. LAKE WASHINGTON NO. 414 COUNTY NAME & NO. KING NO. 17

2025-26 Work Plan

- Meetings - Quarterly, 2rd Thursday 5:00-7:00 or more often as needed

Date	Topic
November 13, 2025	Welcome, committee purpose, Levy update, Enrollment and Budget Update, Review Year end Financial Report, Work Plan for the Year
January 8, 2026	Bond Rating Update, 2026 Levy Information, Legislative Update, Budget Document education
March 12, 2026	Enrollment Forecast Presentation, Budget/Legislative Update, Financial Reports
June 11, 2026	Review Preliminary Budget and Related financial forecast

