

Board Financial
Update

March 26, 2026

FINAL LEGISLATIVE IMPACTS

BUDGET DEVELOPMENT GUIDING PRINCIPLES

Principles

1. We will be sensitive to our diverse needs and continue to focus on eliminating disparities among all groups.
2. We will prioritize coursework necessary for on-time graduation.
3. We will focus on maintaining and enhancing social emotional well-being and mental health services for all students.
4. We will focus on maintaining and enhancing the quality of learning and the learning environment for all students.
5. We will protect our institutional or program accreditations or compliance with laws and regulations.
6. We will rely on data and benchmarks, when available, to assess the educational impact of programs and initiatives considered for enhancement, reduction or elimination.
7. We will ensure transparency and communicate adjustments to district staff, partner organizations, parents and the community.
8. If position eliminations are necessary, we will make every effort, to reassign displaced employees to vacant positions for which they qualify.

Criteria

1. We will put the safety of our students, as well as staff, partners, and the community, at the forefront of all decisions.
2. We will consider the essential needs for maintenance of our physical facilities when making decisions.
3. We will be mindful of long-term financial impacts regarding both program enhancements and reductions.
4. We will prioritize the affordability and access to athletics, activities and school meals.

BUDGET
PREPARATION
CONSIDERATIONS
2026-27

- Legislative work is complete
- Ongoing Federal Impacts are an unknown
- Primary Local impacts
 - Enrollment projection decline
 - Wage and cost inflation (bargaining complete)
 - Levy collection will begin

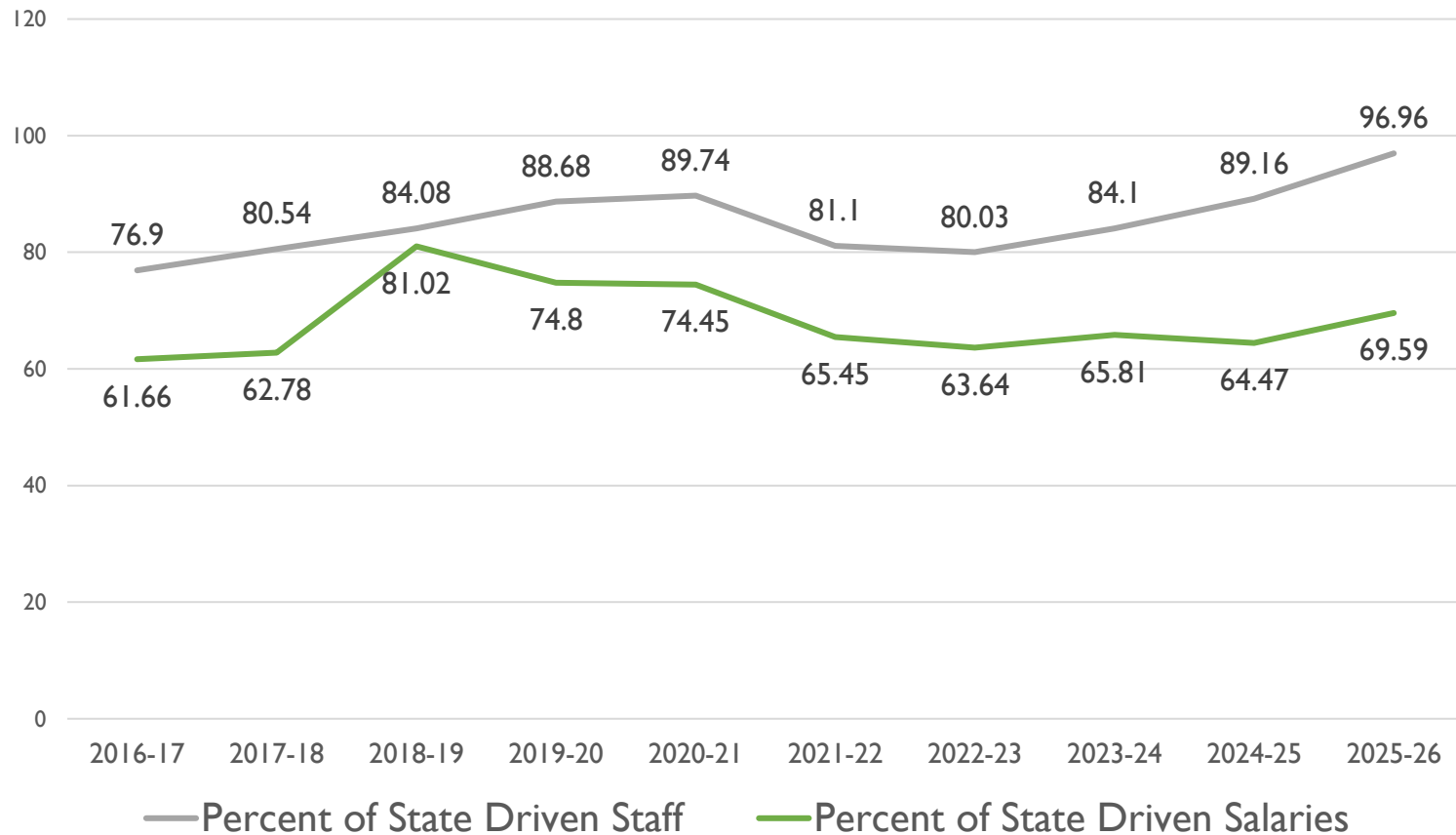
LEGISLATIVE IMPACTS

- Transition to Kindergarten (TTK)
 - Reduction of 30%
 - Slot reductions not yet identified
 - Tuition allowable to maintain slots
- Bus Depreciation
 - Extends depreciation to 10 or 15 years
 - Slows our ability to replace buses
- LEA reductions
 - Will not impact Tacoma
- Sales tax on services will end July 1, 2026

Estimated State Revenue Increases / (Decreases)	Governor 26-27	Senate 26-27	House 26-27	Conf. 26-27
Implicit Price Deflator (IPD)	\$ 5,013,000	\$ 4,828,000	\$ 4,828,000	\$ 4,826,000
Medical Benefits	1,318,000	1,464,000	1,635,000	1,634,000
Materials, Supplies & Operating Costs (MSOC)	1,009,000	971,000	971,000	971,000
Materials, Supplies & Operating Costs (MSOC) Gr 9-12	12,000	41,000	10,000	41,000
Fringe Benefits (Retirement)	-	-	-	-
ALE	957,000	958,000	958,000	958,000
Subtotal State Revenues=>	\$ 8,309,000	\$ 8,262,000	\$ 8,402,000	\$ 8,430,000
<i>Percent increase in State Funding=></i>	<i>1.9%</i>	<i>1.9%</i>	<i>1.9%</i>	<i>2.2%</i>
Estimated State Expenditure Increases / (Decreases)	Governor 26-27	Senate 26-27	House 26-27	Conf. 26-27
Implicit Price Deflator (IPD)	\$ 6,285,000	\$ 6,052,000	\$ 6,052,000	\$ 6,052,000
Retirement	-	-	-	-
Class Size Reduction / High Poverty/Enrollment	-	-	-	-
Medical Benefits	1,241,000	1,379,000	1,540,000	1,540,000
K-3 Compliance	-	-	-	-
Salary Increases	-	-	-	-
Subtotal State Expenditures=>	\$ 7,526,000	\$ 7,431,000	\$ 7,592,000	\$ 7,592,000
NET EFFECT OF STATE LEGISLATIVE CHANGES	\$ 783,000	\$ 831,000	\$ 810,000	\$ 838,000
<i>Percent increase in State Funding=></i>	<i>0.2%</i>	<i>0.2%</i>	<i>0.2%</i>	<i>0.2%</i>

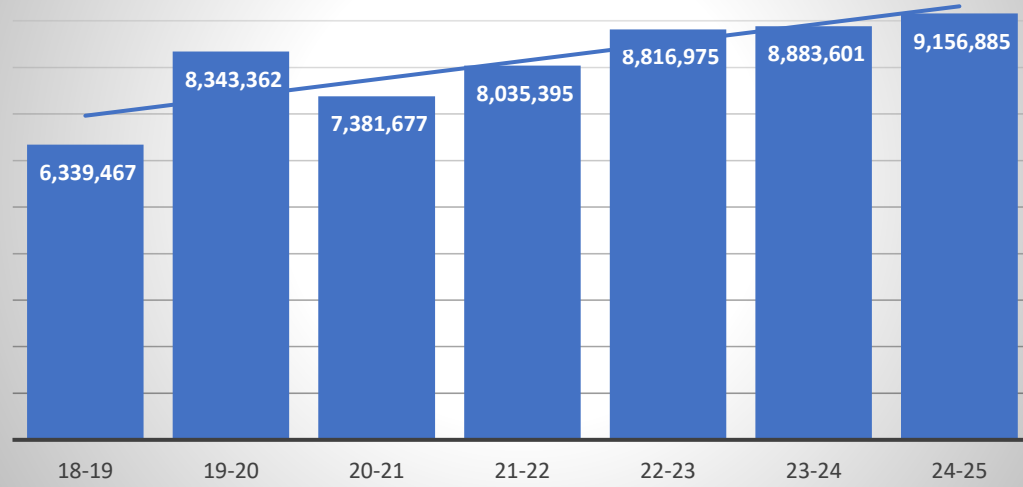
FINAL LEGISLATIVE FUNDING IMPACTS

Percent of State Driven Staff and Salaries Compared to Total BE and LEVY Funded Staff

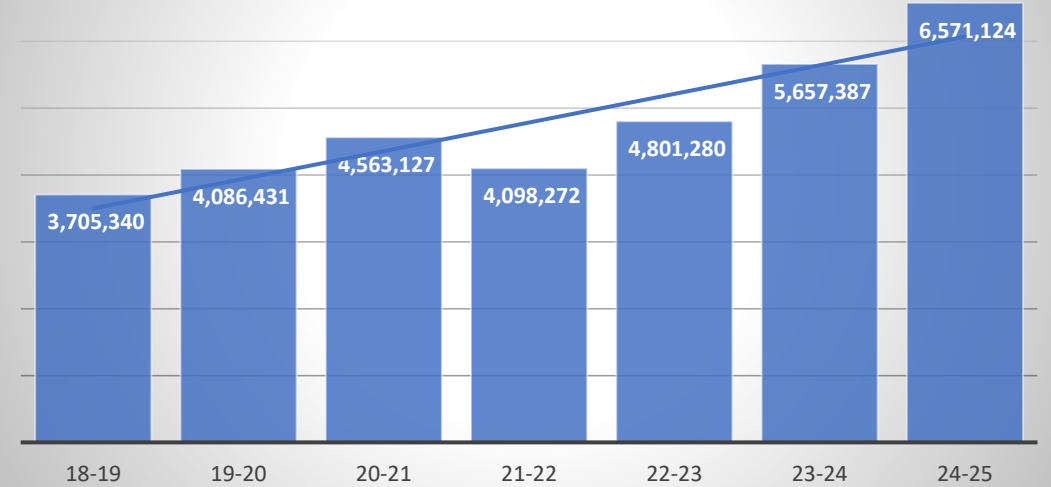


FUNDING
GAP FROM
THE STATE

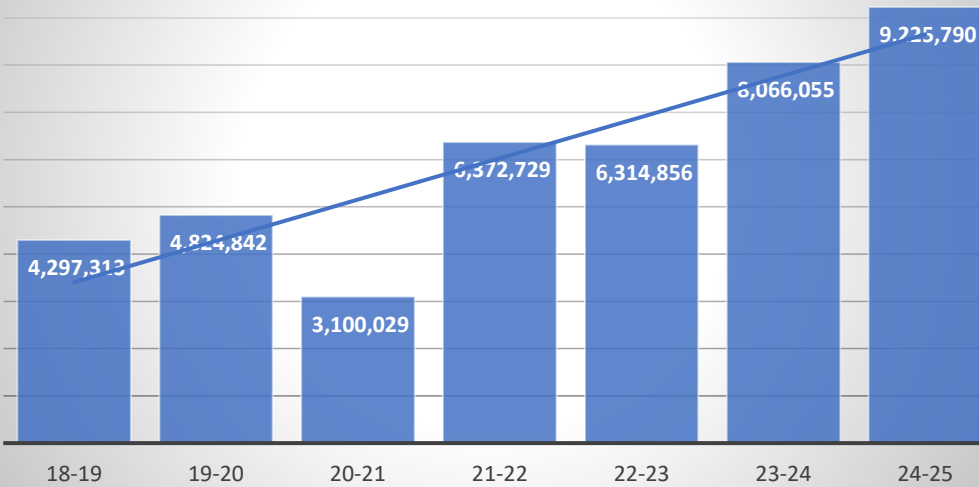
Utilities Cost Comparison



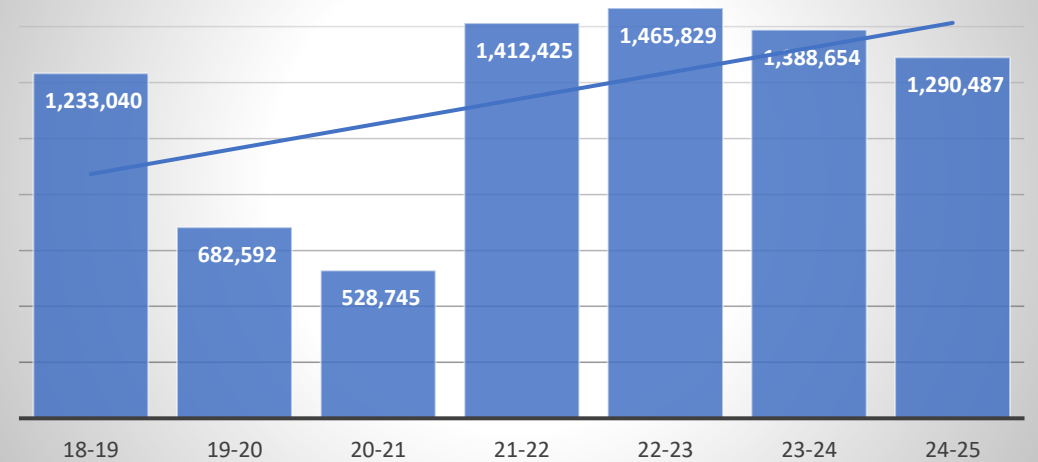
Insurance Cost Comparison



Food Cost Comparison



Motor Vehicle Fuel Cost Comparison



APPENDIX

2026-27 Budget Process

2025-27 Legislative Session	
2025-26 • Full Cycle	2026-27 • Review and Adjust Year

Review year

- Only minor modifications

Modify

- Apply shortfall impacts
- Apply Legislation impacts
- Program adjustments needed

Adopt

- June 25 adoption

Execute the budget plan

Monitor the budget

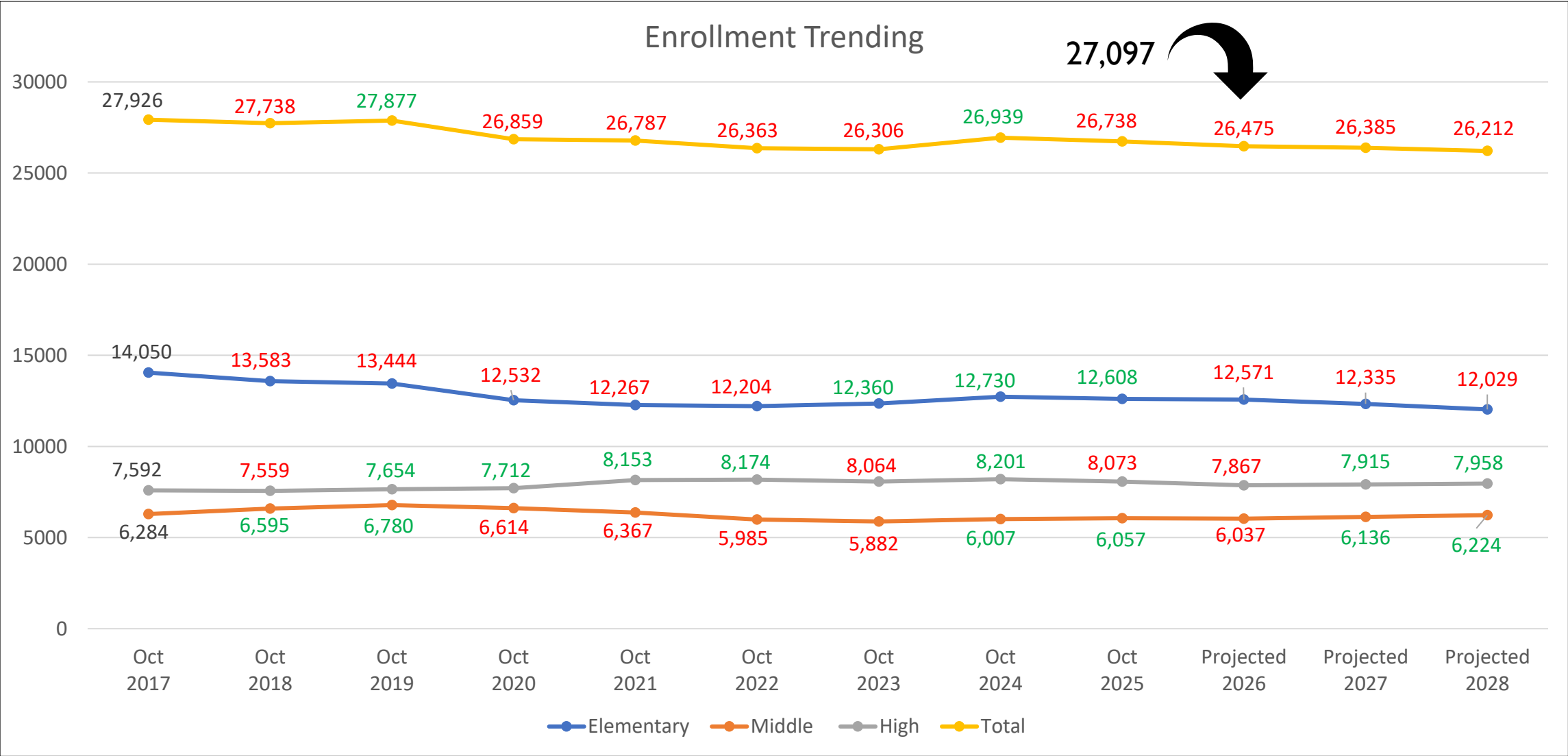
- Expenditure oversight
- Revenue monitoring

Modify

- Adjust and address for the unexpected

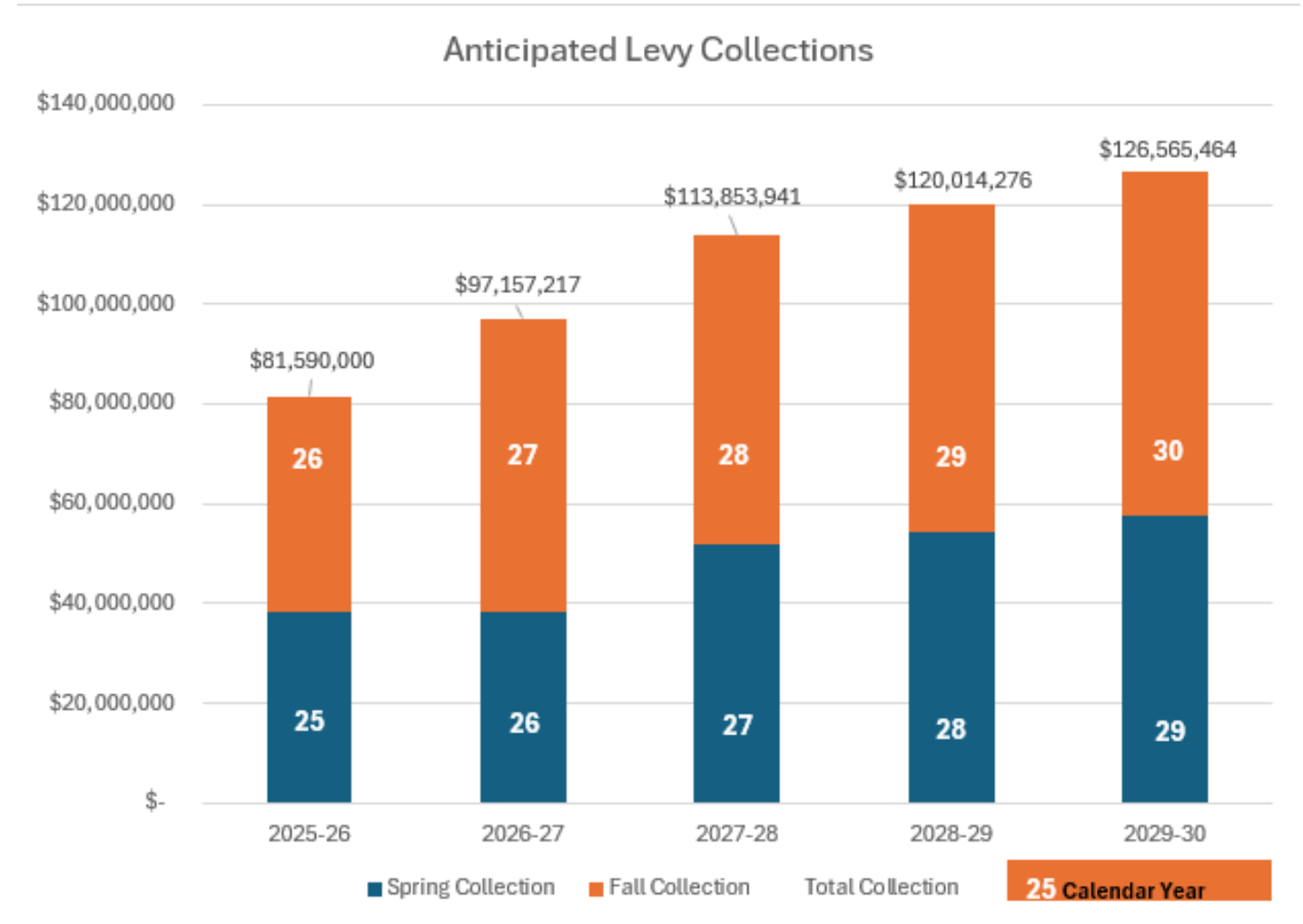
Report

- Monthly department reviews
- Cabinet reports
- Monthly Board reports

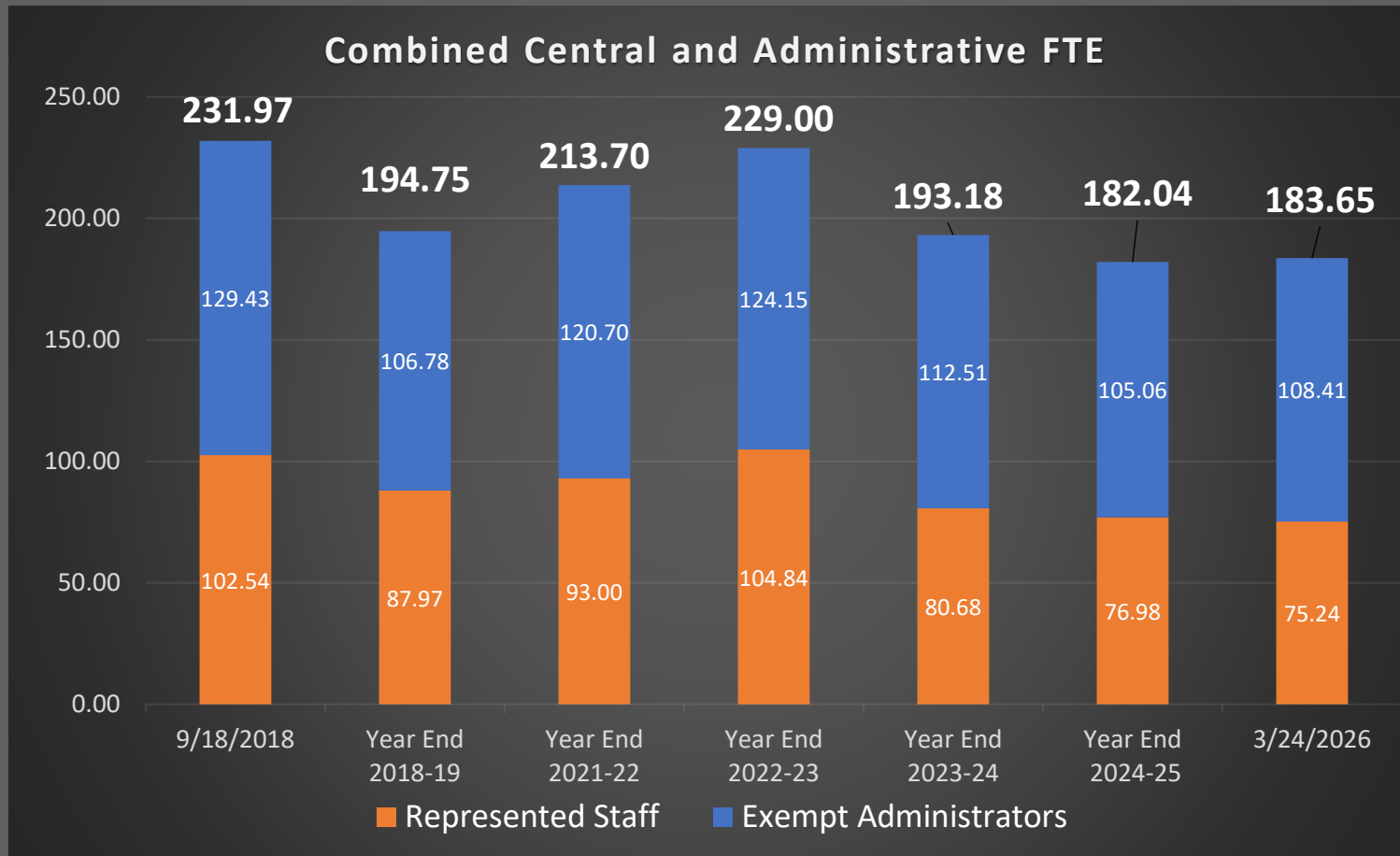


LEVY APPROVAL

- Levy approval of Educational Programs and Operations
- 70.97% Pass Rate
- ~15.6M in new revenues in 26-27
- Calendar year differs from collection year



PROGRESS MONITORING "ADMINISTRATIVE" GROUP



Includes all central administration* positions and spending in any union group in the following activities:

Activity 11 - Board of Directors
Activity 12 – Superintendent’s Office
Activity 13 – Business Office
Activity 14 – Human Resources
Activity 15 – Public Relations
Activity 21 – Instructional Supervision
Activity 41 – Supervision – Nutrition
Activity 51 – Supervision – Transportation
Activity 61 – Supervision - Maintenance

Includes all non-represented staff (exempt)

"Administrative" positions currently represent 5.4% of all FTE positions

*Central Administration activities are defined in the OSPI F-195 instructions.