

2026-27 Budget Update

Board Meeting

April 9th 2026

Martin Turney, Chief of Finance & Operations

Moriah Banasick, Executive Director of Finance & Budget

Purpose

- Provide an update on 2026–27 budget development
- Explain why adjustments are required
- Share how the district is responding through staffing and budget adjustments
- Outline what this means and next steps

Why Adjustments Are Required

- Continued enrollment decline driving reduced revenue
- Rising costs outpacing state funding
- Structural imbalance between revenue and expenditures
- Fund balance projected below Board minimum without action

FACT Meeting 1/2

Financial Analysis Core Team met in March 2026

What We Heard

- Strong interest in how school funding works and what funds can be used for
- Growing understanding that enrollment drives revenue and budget pressure
- Concern about Running Start growth and financial impacts
- Questions about shifting enrollment patterns and student choices
- Increased focus on long-term financial sustainability and district response

FACT Meeting 2/2

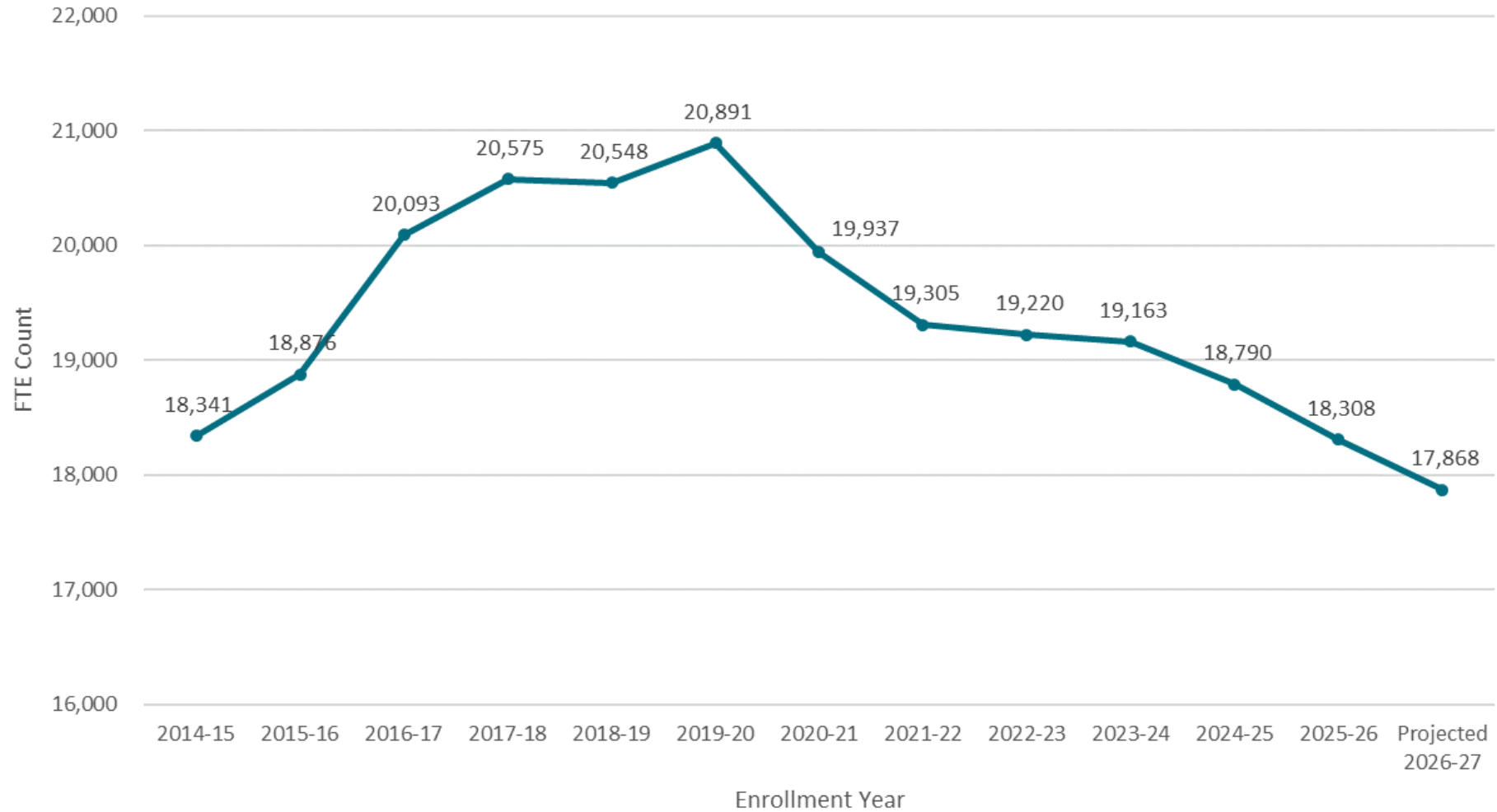
Financial Analysis Core Team met in March 2026

What This Means

- Continued need to reinforce key financial concepts across audiences
- Importance of clearly linking enrollment changes to budget and staffing decisions
- Expectation for consistent, clear communication as adjustments are implemented
- Need to actively support our community in understanding and navigating these changes

Enrollment Historical & 2026-27 Projection

FTE



Includes TTK & Running Start

2026-27 Budget Cost-Savings Summary

Total Cost Savings: ~\$15.8M

Staffing Cost Savings: ~\$12.1M

Non-Staffing Cost Savings: ~\$3.7M

- Adjustments reflect enrollment decline, cost pressures, and alignment of expenditures to revenue
- Staffing changes are aligned to enrollment and primarily achieved through attrition
- Non-staff adjustments reflect operational efficiencies and unfunded state program pressures

Our Budget Approach

Guided by fiscal stewardship and long-term sustainability

- Use a Start, stop & continue/grow framework
 - Include "Shift" where work continues but how it is delivered changes
- Aligned to Board Budget development guidelines
- Responsive to enrollment, constrained state funding, and rising costs

Fiscal Stewardship

- Not all investments are ongoing
- Some are intentionally time-limited based on need and impact

Staffing to Enrollment – FTE & Cost Savings

Staffing Adjustments		
Description	FTE	Amount
Administrators	(6.8)	\$ (1,675,009)
Other Central and Operations	(13.0)	\$ (1,581,400)
Total Administration & Operations	(19.8)	\$ (3,256,409)
School-Based Staffing	(53.4)	\$ (8,811,000)
Non-Staffing Adjustments		
Non-Personnel Costs (MSOCs)		\$ (1,106,519)
Unfunded State Programs		\$ (500,000)
Other		\$ (2,146,000)
Total Non-Staffing Adjustments		\$ (3,752,519)
	Total	\$(15,819,928)

6.35%
 Admin & Operations FTE
 19.8/312 Total FTE

4.24%
 School Based Staffing FTE
 53.4/1259 Total FTE

What We're Starting

These investments are aligned to student experience, access, and strategic priorities, funded within a constrained budget environment

Instructional Enhancements

- Systemwide MTSS Universal Screening to strengthen early identification and intervention
- Expansion of dual language programming through development of a Mandarin dual language pathway in preschool and elementary

Student & Family Supports

- Expanded partnership WEA/Wildcats to support Special Education staffing
- Shift to cost-effective service delivery models for mental health supports

Strategic Realignment

- Repurposing of resources to support secondary outcomes and elementary innovation

Adjustments to Enrollment

Staffing to enrollment and supporting long term financial sustainability

Staffing Adjustments

- Staffing to enrollment and supporting long-term financial sustainability, approx. 60.0 FTE
- Achieved primarily through attrition and position realignment

Unfunded State Programs

- Optional summer school offerings while maintaining credit recovery access

Contracts & Operational Efficiencies

- Extended Day contracts
- Consolidation of select contracted service partnerships
- Operational efficiencies across the district specifically in Finance, Technology, and facilities

What We're Continuing

We are sustaining core priorities and long-term commitments that ensure consistency and system-wide support

Student Support

- Access to mental health services through adjusted service models
- Care coordination support for students and families (Care Solace)
- Extended School Year Services (ESY) for students that receive Special Education Services

Instructional Core

- Curriculum implementation following prior adoption cycles
- MTSS/UDL framework supporting student learning

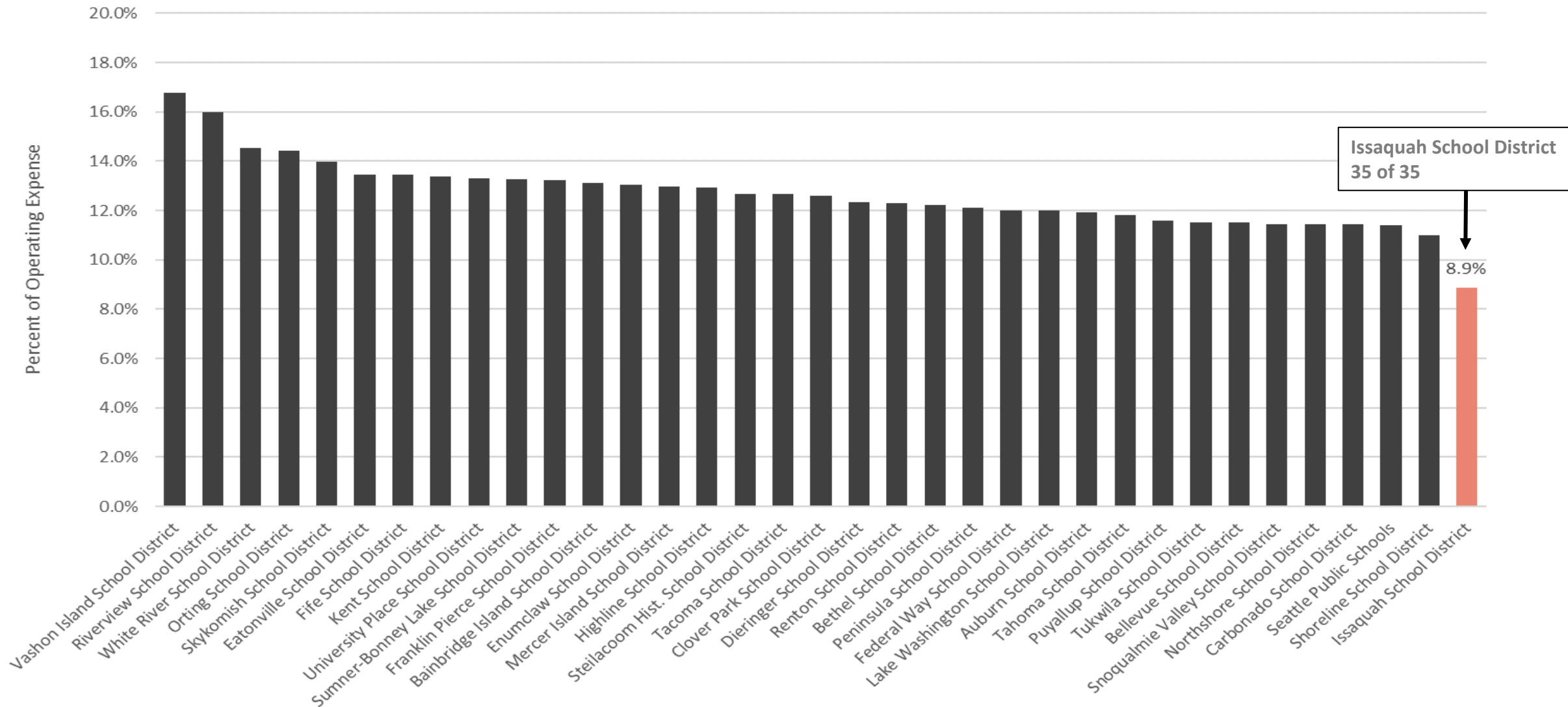
Expanded Access

- BASC programming supporting preschool access and summer opportunities
- Continuing Transition to Kindergarten (TTK) programming in 2026-27

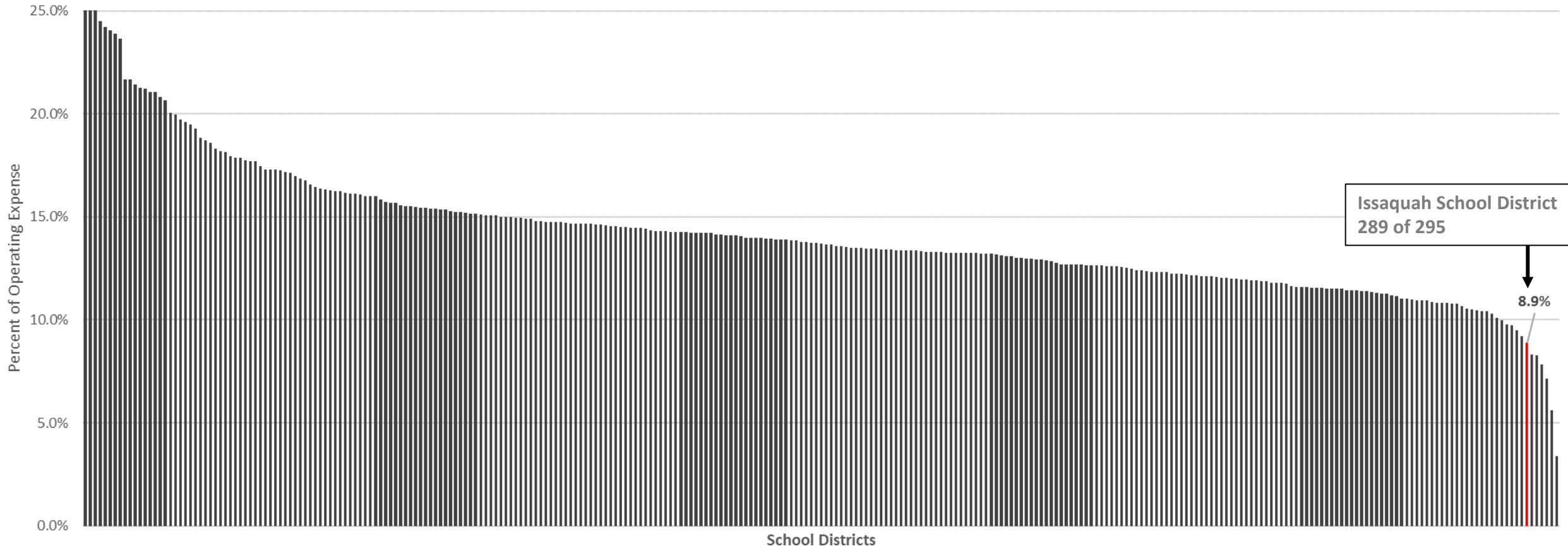
What This Means for Students & Staff

- School staffing will reflect enrollment levels
- Core instructional programs remain in place
- Some additional activities and services will be reduced or sunset
- Continued focus on the instructional core, student support systems and outcomes
- Honor and preserve voter-approved levy funded programs and supports

Puget Sound ESD Comparison - Administrative Costs (2024)

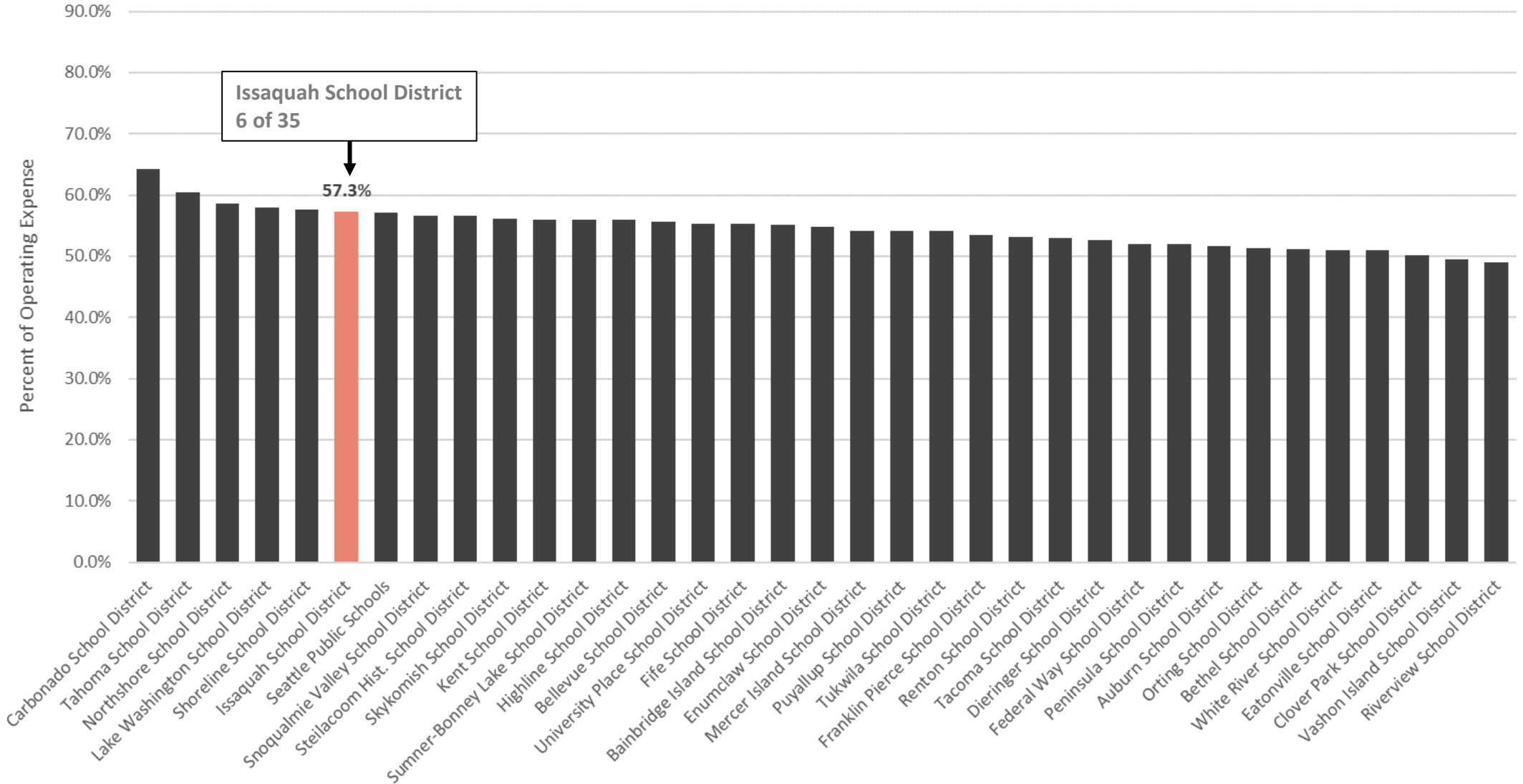


WA State Districts Comparison - Administrative Costs (2024)



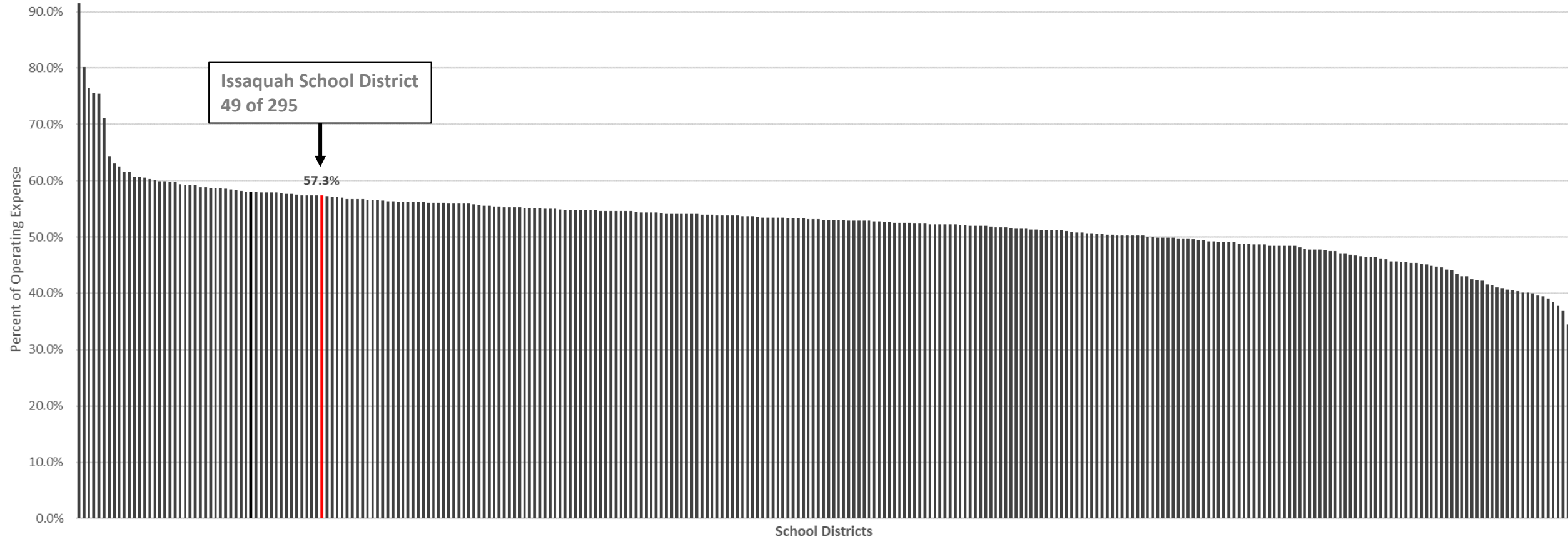
Source: OSPI F196; Activity codes 11, 12, 13, 14, 15, 21, 23, 41, 51, 61

Puget Sound ESD Districts Comparison - Teaching Costs (2024)



Source: OSPI F196; Activity code 27

WA State Districts Comparison - Teaching Costs (2024)



Source: OSPI F196; Activity code 27

Next Steps in Budget Development

- Refine 2026-27 enrollment projections to finalize staffing assumptions
- Continue development and refinement of the 2026-27 budget
- Provide an updated budget preview to the Board in June
- Create the 2026-27 Annual Budget Guide for the August Budget Hearing
- Include biannual budget and enrollment updates to families and staff in the 2026-27 communications plan

Thank you

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