Superintendent's 2026-27 Budget Message

May 5, 2026

Dear Beaverton School District Community,

As we look ahead to the 2026-27 school year, there is much to celebrate in our district, alongside some budget challenges now and in the years ahead.

Our strategic plan articulates Beaverton School District's promise, vision, mission, values, foundational priorities and goals in our efforts to support all of our students to succeed. At its core is a community-endorsed promise to our families: **Belong. Believe. Achieve.** We hold a responsibility to educate every student, cultivate their inclusion and belonging, provide the opportunities and support they need to succeed academically, and achieve their own successful futures. A steadfast commitment to equity, engagement, and excellence for all students is the foundation of our work.

The District is continuing essential work to meet our strategic goals, including:

- *Modernizing our curriculum*. Teachers are implementing new literacy / language arts curriculum based on the science of reading, and a math curriculum adoption is underway for implementation next year.
- *Supporting student needs.* We are developing a districtwide multi-tiered system of supports (MTSS), a systemic approach to identify and address students' academic, behavioral and social-emotional needs.
- *Expanding multilingual learning.* BSD is expanding dual language programming through a multi-year effort with the long-term goal that students across the district can access dual language learning K–12.
- *Developing workforce skills.* We continue to expand and enhance career technical education (CTE) and career-connected learning, including expansion of our new CTE programs in behavioral health and electrical trades.
- *Growing early learning*. BSD is continuing to expand and support early learning. Starting in 2026–27 we will have pre-kindergarten programs serving all of our Title I elementary schools.
- *Supporting student well-being*. The yearlong Believe You Matter initiative raised awareness and promoted student mental health and well-being, including suicide prevention, digital wellness, and sleep health.
- *Focusing time for learning*. BSD schools shone a spotlight on improving student attendance, a goal for every school. Our schools also addressed distracted learning in order to support students' academic focus and well-being, implementing restrictions on using personal devices during the school day.
- *Building the future.* Bond-funded school improvements including the new Raleigh Hills Elementary and Beaverton High School buildings are being completed on-time and on-budget. We have launched work toward updating our Long-Range Facility Plan to guide future facility planning amid declining enrollment.

All of these efforts are aligned with the District's strategic plan and made possible by our dedicated staff and the support of our community. The proposed budget sustains these efforts to support all of our students to succeed.

Budget Development Process for 2026-27 Budget

- *Phase 1*: The School Board received information about the structural deficit in the General Fund in August 2025 and agreed on a process to address the deficit in planning the 2026-27 budget.
- *Phase 2:* A large committee including school and department leaders and union partners met in October through December 2025 to review the District's staffing allocation methodology (SAM) and determine potential reductions. The list of possible budget reductions under consideration was focused by District leadership and reviewed with the School Board in January 2026.
- *Phase 3:* From January through March 2026, the District solicited feedback from students, staff, parents and community members. The District received over 4,000 survey responses, which included nearly 1,500 additional comments. The School Board appointed community members to Budget Committee vacancies.
- *Phase 4:* The final phase begins in May 2026 with the presentation of the Superintendent's Budget Message and 2026-27 proposed budget to the Budget Committee. The Budget Committee will review the proposed budget, receive community testimony, and request any additional information. The Budget Committee will approve the budget and tax levies and send the approved budget to the School Board for adoption in June 2026.

Notable Financial Assumptions

This budget message is designed to summarize important features, financial policies, and planned modifications in the 2026-27 proposed budget. Key financial assumptions include:

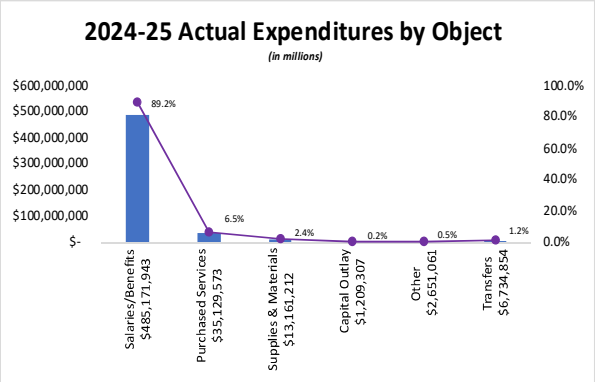
- State School Fund (SSF) of $11.36 billion statewide
- All funds budget of $1.4 billion
- General Fund budget of $780.4 million
- SSF revenue of $557.4 million
- Local option levy revenue of $44.5 million, funding 273 classroom teachers *(Progress on Standards)*
- Student Investment Account (SIA) allocation of $38.7 million *(Safe & Thriving, Progress on Standards)*
- High School Success (HSS) funding of $11.5 million *(College & Career Ready)*

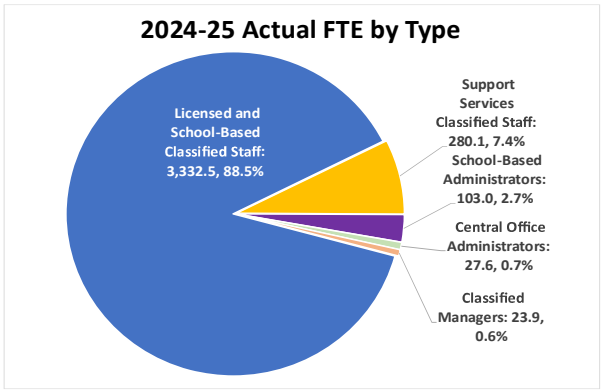
Planning the 2026-27 Budget

The 2026-27 budget aligns resources to the District's strategic plan and student success plan, with priorities identified through extensive community outreach and input from the District's students, families, staff and community. Careful consideration of the District's equity lens was used to center the conversations.

The District uses a staffing allocation methodology (SAM) to allocate most of the staff in our schools. The SAM includes a commitment to a more equitable and responsive allocation of resources to schools based on student needs. Under this model school staffing is based on projected student enrollment, weighted by the number of students experiencing poverty. This equity-based staffing formula provides incrementally greater staffing and smaller class sizes in schools with higher levels of need. The District makes modifications for enrollment and other changes as circumstances warrant and funding allows. The SAM currently uses funds from the general operating budget, as well as several grants including the SIA and HSS.

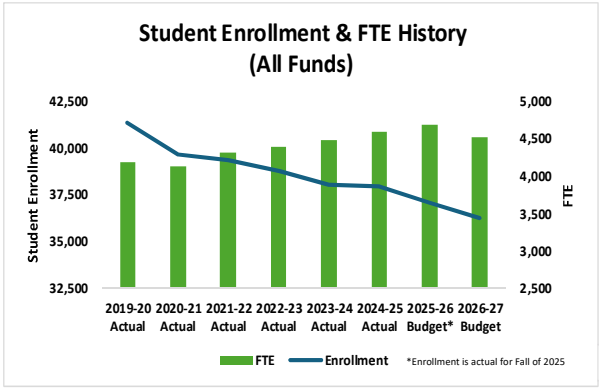
As a people-intensive organization, the District's budget is largely driven by staffing costs. Nearly 90% of the District's General Fund is dedicated to employee salaries and benefits, reflecting the nature of public education. Within those staffing expenditures, more than 90% is accounted for by staff working directly in schools, where resources are focused on classroom instruction and school-based services.





*School-based staff include Licensed and School-Based Classified Staff and School-Based Administrators.

Enrollment projections continue to decline for the fall of 2026, with an estimated student projection of 36,273, representing a decrease of 807 students from the prior year. As shown below, while student enrollment has declined over time, District staffing levels have increased during much of the same period.



Although the District remains in stronger financial condition than many Oregon school districts, the 2026-27 budget addresses significant ongoing challenges, including declining enrollment, revenues that have not kept pace with costs, flat federal funding, a structural General Fund deficit, and the closure of our smallest elementary school.

While over the last several years we have worked to limit the structural deficit, concentrated budget cuts in the central office, and successfully avoided reductions at the school level outside of enrollment declines, it is no longer possible to avoid reductions that will impact our schools. As a result, the 2026-27 budget includes reductions at both the school and district levels, following extensive review of staffing allocations to maximize efficiencies and minimize impacts on direct student services. Overall staffing decreases by 159 full-time equivalent (FTE) in all funding sources.

Major General Fund budget adjustments for 2026-27 include the following:

- Enrollment adjustments ($8.0 million) – Staffing changes reflecting student enrollment changes
  - Decreases 68.8 FTE due to declining enrollment
  - Increases 42.0 FTE due to increased special education students
- Local option levy revenue shortfall ($4.9 million) – This reduction will affect average class size by less than 1 student per classroom
  - Decreases 30.0 FTE

- McKay Elementary closure ($1.7 million)
    - Reduces 15.9 FTE
- Targeted reduction due to deficit ($11.1 million)
    - District office reductions ($2.0 million)
        - Decreases 8.5 FTE in central staffing
    - Program support adjustments ($0.7 million)
        - Decreases 4.3 FTE
    - School staffing allocation methodology (SAM) adjustments ($8.4 million)
        - Decreases 53.0 FTE across 53 schools
- Budget additions ($4.9 million) including:
    - Math curriculum adoption
    - General fund support for 3.0 FTE special education teachers due to IDEA grant shortfall
    - General fund support for Outdoor School to mitigate state funding shortfall
    - Transportation for middle school after-school programs
    - Addition of boys volleyball as an OSAA-sanctioned sport

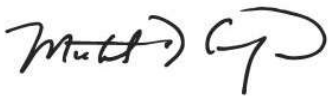
Conclusion

Making budget reductions that impact our students and staff is a difficult and painful process. In closing, I want to thank our community for their support; our BSD employees for their dedicated efforts for our students; the families, staff and community members who provided thoughtful input on priorities; the SAM committee for its work to revise recommended staffing allocations; and the District's budget team for their hard work in preparing the proposed 2026-27 budget. Many thanks to the Budget Committee for their thoughts and attention in reviewing the proposed budget and providing feedback as we plan for the 2026-27 school year.

Guided by the District's strategic plan, equity lens, staffing allocation methodology, and community input, we will continue to make informed decisions while advocating at the state and federal levels not only for our students but for all Oregon students. We will continue to seek opportunities to innovate, improve, and strengthen partnerships to ensure student success.

Thank you for your consideration of the 2026-27 proposed budget to meet the needs of our students.

Respectfully submitted,



Michael Schofield
Interim Superintendent
Beaverton School District