

# Budget Outlook

## School Board Work Session Adoption of 2026-27 Budget Development

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June 3, 2026

Jackie Bryan, Chief Financial Officer

Andrew Burgess, Controller

Lauren McAlister, Director of Budget

Sarah Semroc, Director of Budget Strategy



# Our Promise

Every student in Highline Public Schools is known by name, strength and need, and graduates prepared for the future they choose.



# LAND ACKNOWLEDGEMENT

“We begin by acknowledging that we are on the ancestral land stewarded since time immemorial by the Salish people of the Duwamish, Green, White, Cedar, and Upper Puyallup Rivers, many of these giving birth to the contemporary citizens of the Muckleshoot Indian Tribe. We honor and give thanks that we are able to collectively engage in this conversation on their sacred homelands about the future of teaching and caring for our sacred children and youth.”





## CULTURE OF BELONGING

A culture where all are welcome, valued, and safe.



## INNOVATIVE LEARNING

Academic experiences that engage, empower, and challenge every student.



## BILINGUAL & BILITERATE

Multicultural skills that enable students to live, work, and communicate across cultures.



## FUTURE READY

Students explore possibilities and develop mindsets that prepare them for a changing future.

*Our Promise: Every student is known by name, **strength** and **need**, and graduates prepared for the **future they choose**.*

# Objectives

## Highline Budget Overview

- Capital Project Fund
- Transportation Vehicle Fund
- Associated Student Body (ASB) Fund
- Debt Services Fund
- **General Fund**
  - Five-Year Outlook
  - Revenue Sources
  - Expenditure Projections
  - Next Steps



## ***Policy 6000 - Financial Management for Equity***

"As trustee of local, state, and federal funds allocated for use in public education, the board shall be vigilant in fulfilling its responsibility to see that these funds are used in alignment with the District's Strategic Plan goals. The Board is committed to using the District's Equity Lens, as found in Policy and Procedure 0010, when determining the equitable fiscal practices for the district."



# Policy 6000 - Financial Management for Equity

*"The board's goals for district fiscal management, including budget development, are:*

- To distribute Highline resources in a way that considers equity in a student-centered mindset to eliminate or significantly reduce systemic, measurable inequities in opportunity.
- To ensure open communication with staff, families and community as to how the district strategies are guiding resource allocation decisions.
- To keep in mind the long-term fiscal and academic impacts of any budget decision.
- To recognize the importance of and maintain adequate resources for operational support for schools, staffs, and students.
- To provide timely and appropriate information to staff who have fiscal management responsibilities.
- To establish maximum efficiency procedures for accounting, reporting, business, purchasing and delivery, payroll, payment of vendors and contractors, and all other areas of fiscal management.
- To establish a strong system of internal control to safeguard district assets, to assure management that financial transactions occur as intended, and to protect employees."



# Budget Development Context



2025-26

Steady enrollment

Minimal increase in revenue from legislation

Expenditures will surpass revenues, resulting in use of fund balance

\$8M in reductions for 2026-27

**Unassigned ending fund balance: 5%**



2026-27

Steady enrollment

Expenditures will surpass revenues, resulting in use of fund balance

Continued reductions for 2027-28

Potential technology levy collection in April 2027

**Unassigned ending fund balance: minimum 3%**



2027-28

Steady enrollment

Revenues and expenditures match due to system controls

Potential reductions for 2028-29\*

Potential technology levy collection in November 2027 and April 2028

**Unassigned ending fund balance: minimum 3%**

# 2026-27 Reductions

Reductions include a minimum of 8% reduction per central department

- 31.5 centrally funded positions
- 0% inflationary adjustments (IPD) for Central Office Administrators, Professional Technical positions, Executive Assistants
- \$1.4M departmental non-staffing reductions

***Total Reductions for 2026-27: \$8M***



# 2026-27 Budget Development Timeline

Leaders worked with teams to identify reductions

Potential systemwide adjustments identified

Reductions communicated to impacted staff

District communication plan implemented

Year End Expenditure & Revenue projections finalized

Contract negotiation continues

Budget Public Hearing & Work Session

Final Budget Submitted to OSPI

Contract negotiation continues

**OCTOBER-DECEMBER 2025**

**FEBRUARY 2026**

**APRIL 2026**

**JUNE 2026**

**JANUARY 2026**

Reduction decisions finalized

Contract negotiation begins (Teamsters)

**MARCH 2026**

Resource Alignment Meetings (RAMs) with school leaders

Contract negotiation begins (HEA)

**MAY 2026**

Final Budget Developed

Contract negotiation continues



# 2026-27 Budget Development Timeline

## Staff, Students, Family & Community Engagement

### Staff

Superintendent Advisory  
Leadership Team- SALT

Resource Alignment Meetings

Strategic Plan Refinement &  
Budget Engagement meetings

Leadership Forum &  
Foundational Leadership  
meetings

ThoughtExchanges

### Students

Student Superintendent  
Leadership Team-  
SSLT

Student Feedback Sessions

ThoughtExchanges

Associated Student Budget  
(ASB) Fund development

### Families

Family Action Committee &  
Budget Subcommittee- FAC

Strategic Plan Refinement &  
Budget Engagement meetings

Capital Facilities Advisory  
Committee-CFAC

ThoughtExchanges

Public Hearing

### Community

Strategic Plan Refinement &  
Budget Engagement meetings

Capital Facilities Advisory  
Committee-CFAC

Capital Oversight Committee

ThoughtExchanges

Public Hearing

# Capital Projects Fund



# 2026-27 Capital Projects Fund

<b>Beginning Fund Balance</b>	<b>\$180,235,823</b>
<b>Revenues</b>	<b>+ \$18,404,098</b>
<b>Expenditures</b>	<b>- \$131,247,767</b>
<b>Ending Fund Balance</b>	<b>\$67,392,154</b>



# Pacific Middle School

2026-27 Budget – \$ 65M

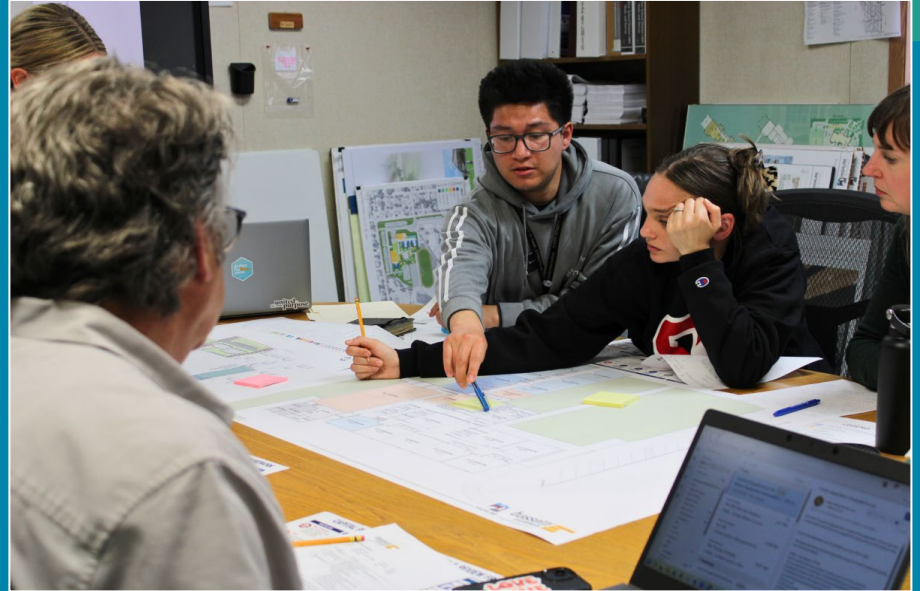
Opening September 2027



# Capital Improvements & Critical Needs

2026-27 Budget – \$15M

- Southern Heights Fire Response
- Roof Replacements & Restorations
- Electrical Upgrades
- HVAC Improvements
- Boiler Replacements



# Transportation Vehicle Fund



# 2026-27 Transportation Vehicle Fund

<b>Beginning Fund Balance</b>	<b>\$2,055,444</b>
<b>Revenues</b>	<b>+ \$2,850,000</b>
<b>Expenditures</b>	<b>- \$2,900,000</b>
<b>Ending Fund Balance</b>	<b>\$2,005,444</b>



# Associated Student Body Fund



# 2026-27 Associated Student Body Fund (ASB)

<b>Beginning Fund Balance</b>	<b>\$1,234,000</b>
<b>Revenues</b>	<b>+ \$1,891,900</b>
<b>Expenditures</b>	<b>- \$1,911,400</b>
<b>Ending Fund Balance</b>	<b>\$1,214,500</b>



# ASB Fund



# Debt Services Fund



# 2026-27 Debt Services Fund

<b>Beginning Fund Balance</b>	<b>\$27,754,630</b>
<b>Revenues</b>	<b>+ \$68,183,242</b>
<b>Expenditures</b>	<b>- \$72,500,000</b>
<b>Ending Fund Balance</b>	<b>\$23,437,872</b>



# General Fund



# 2026-27 General Fund

<b>Beginning Fund Balance</b>	<b>\$33,156,988</b>
<b>Revenues</b>	<b>+ \$443,812,650</b>
<b>Expenditures</b>	<b>- \$449,974,029</b>
<b>Ending Fund Balance</b>	<b>\$26,995,610</b>

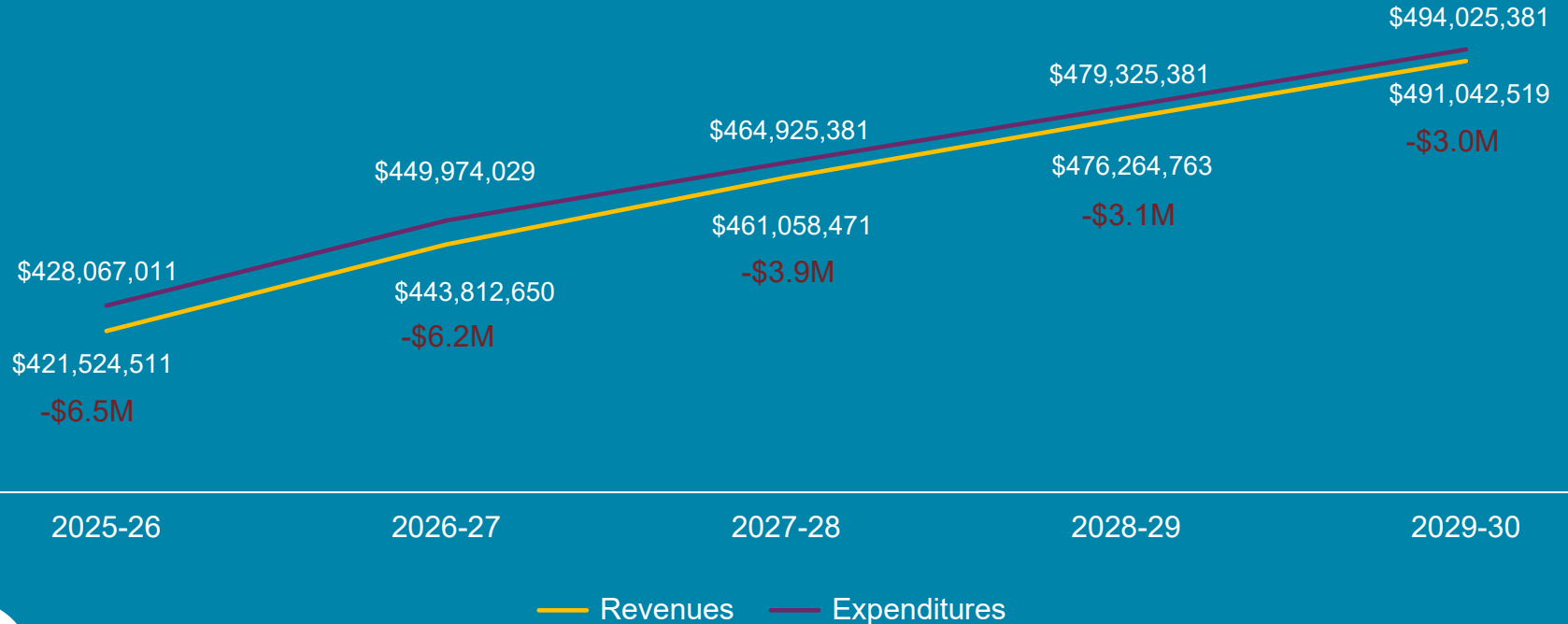


# Five Year Outlook




# Five Year Outlook

2026-27 budget estimates. Subject to change.



# Fund Balance

1. **Non-spendable:** Items that are not in spendable form or are legally required to remain intact.
2. **Restricted:** Funds with constraints imposed by law or legislation.
3. **Committed:** Funds with constraints imposed by school board.
4. **Assigned:** Funds intended for a particular function.
5. **Unassigned:** Remaining spendable funds after amounts are set aside for various restrictions.

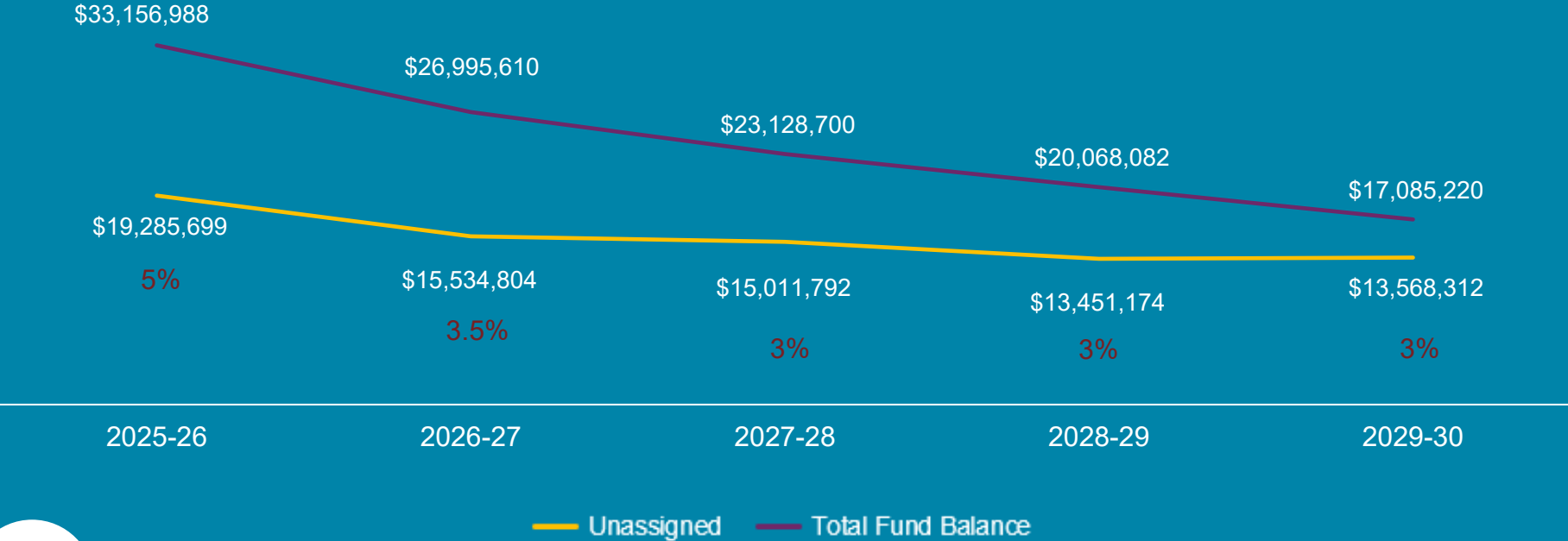


Board policy 6022 requires an **unassigned fund balance** above 3% of expenditures attributable to basic education, special education, CTE, skills centers, support services and transportation.



# Ending Fund Balance Projections

2026-27 budget estimates. Subject to change.



# 2026-27 Revenue



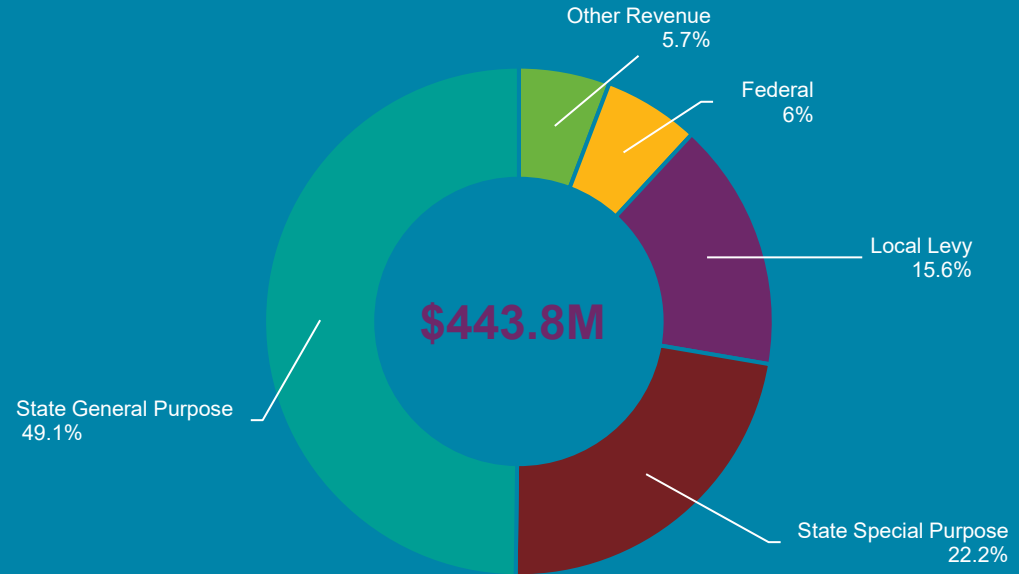
# 2026-27 Revenue Sources

**71.4%** of our revenue comes from state funded sources

**15.6%** of our revenue comes from the local operating levy

**6.0%** of our revenue comes from federal sources

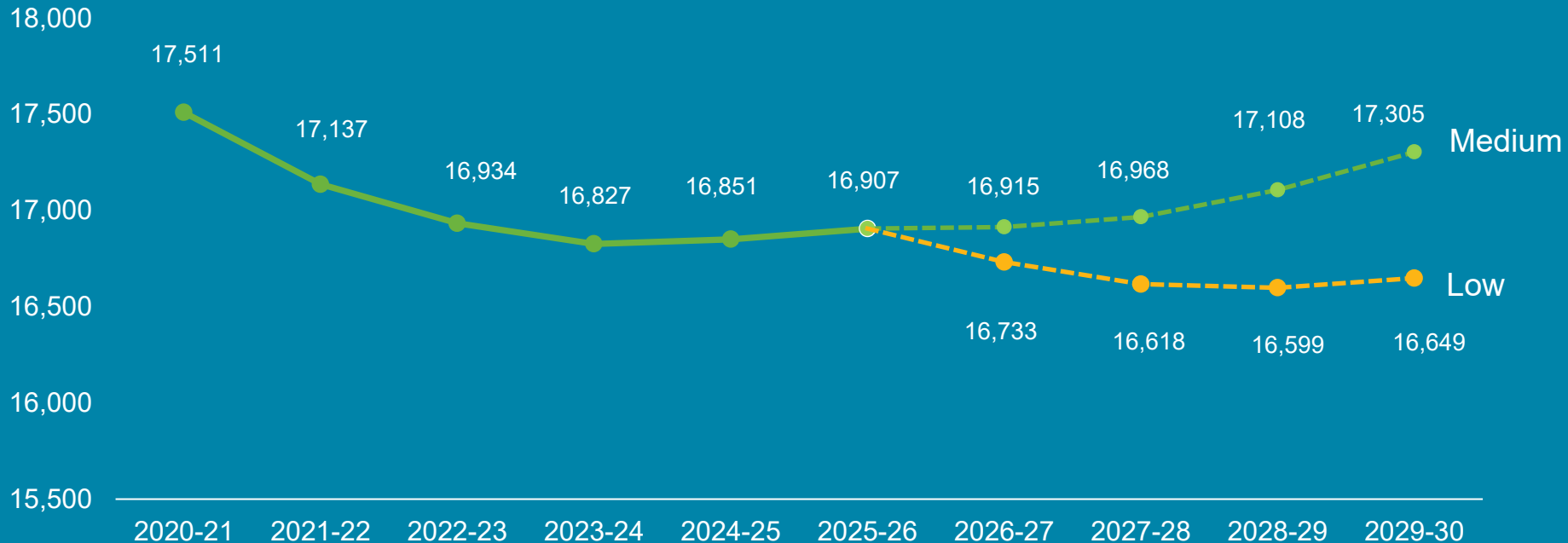
**5.7%** of our revenue comes from other sources, such as grants and donations



Numbers may not total to 100% based on rounding

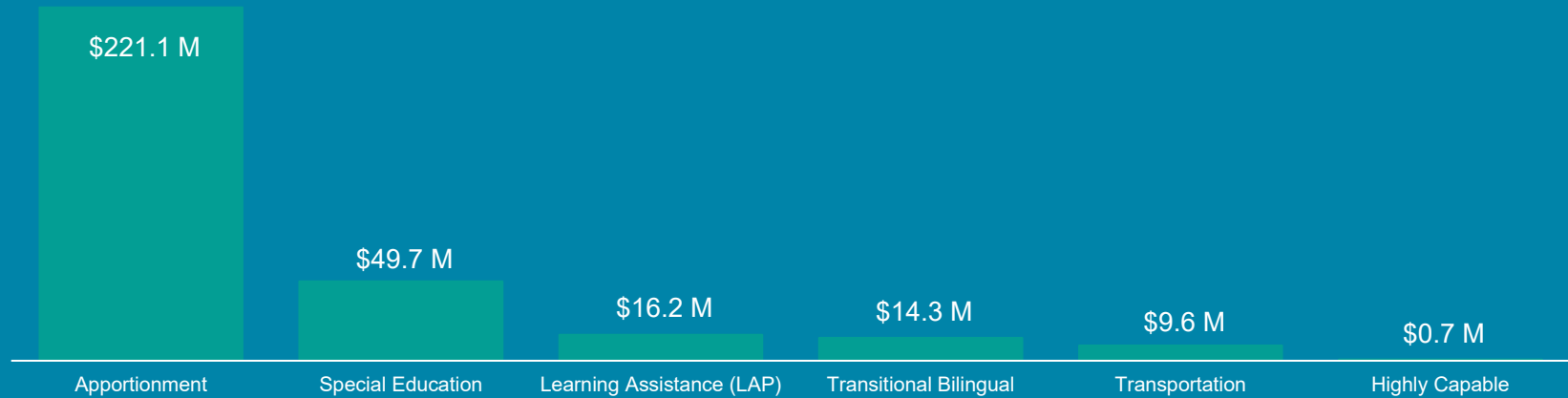
# State Funding Driven by Enrollment

Annual Average FTE



# 2026-27 State Revenues

## What is Basic Education?

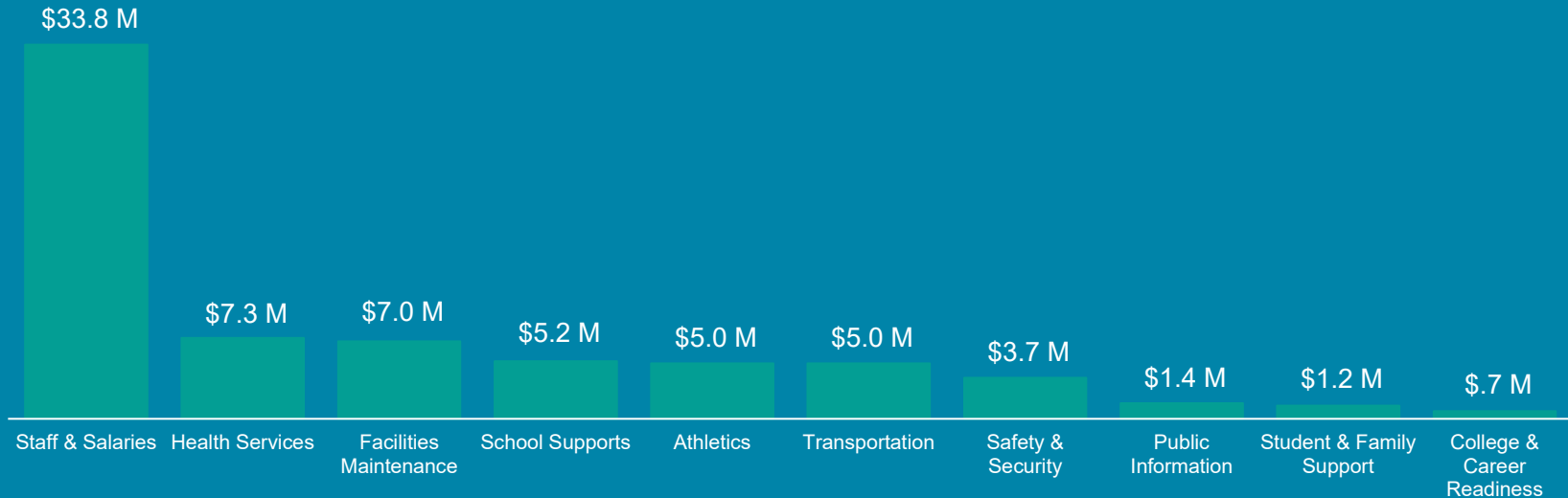


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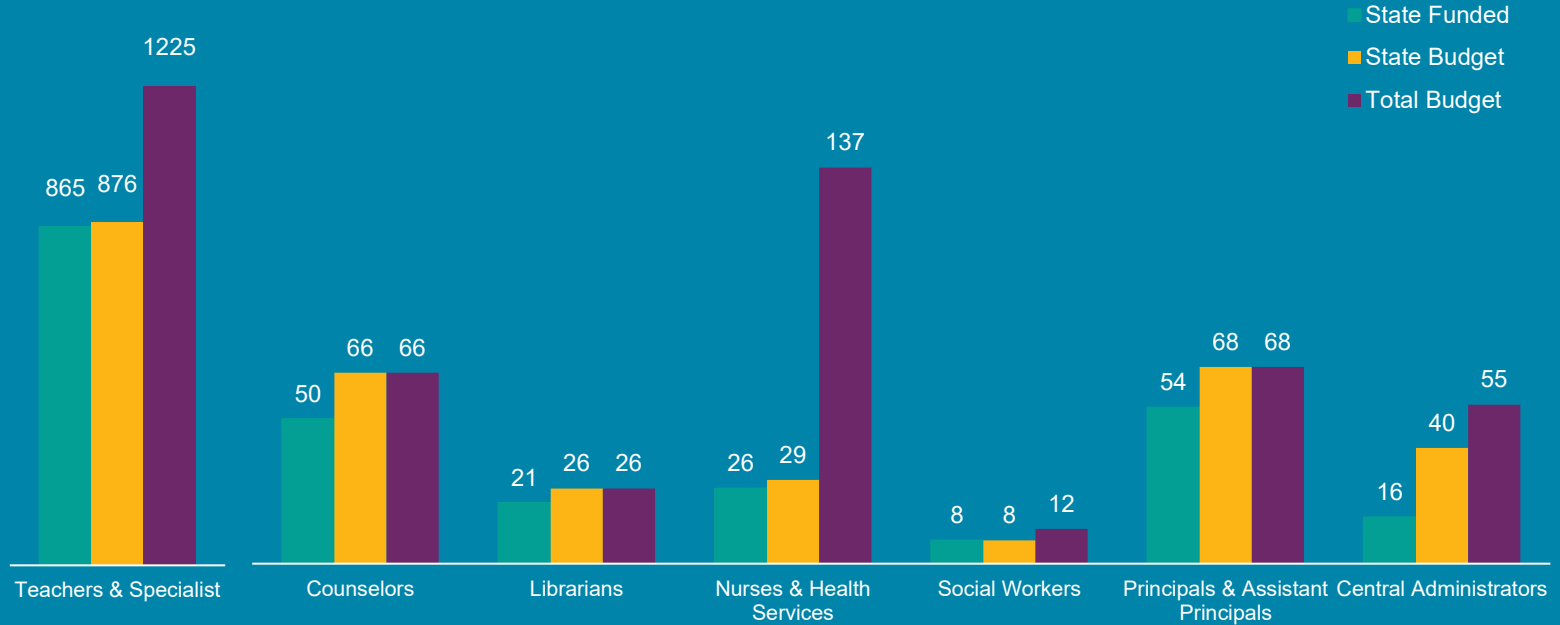


# 2026-27 Local Revenues

## What is Basic Education?



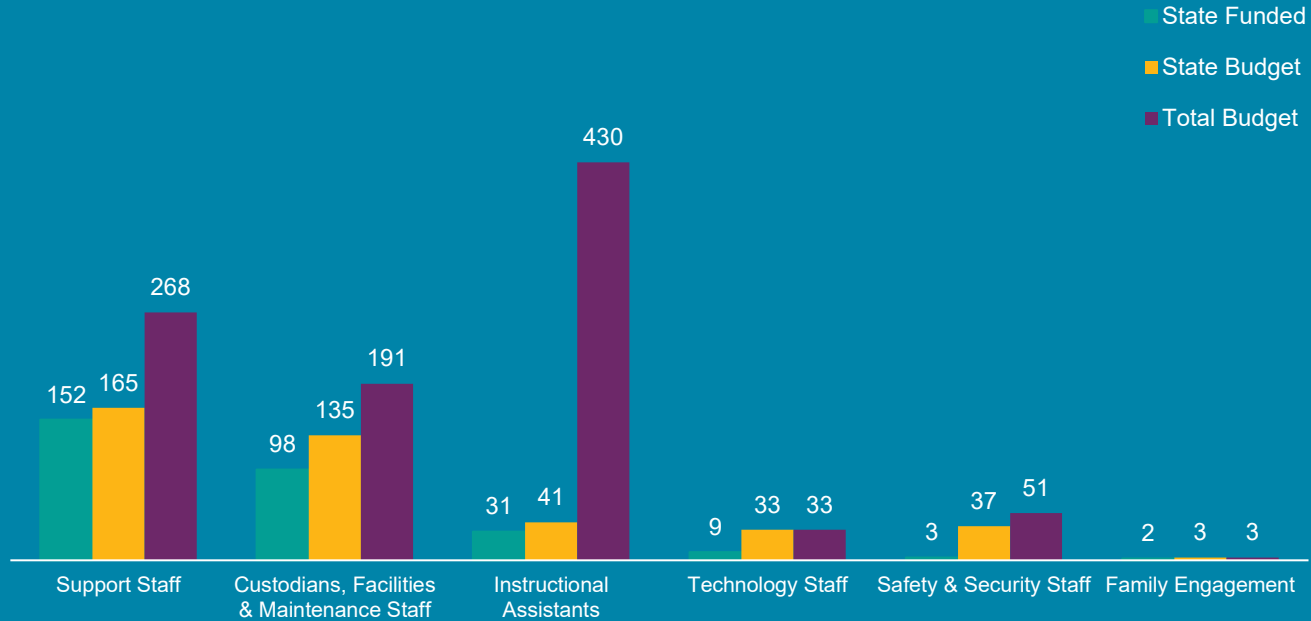
# State Prototypical Model Comparison



## Certificated Staff



# State Prototypical Model Comparison

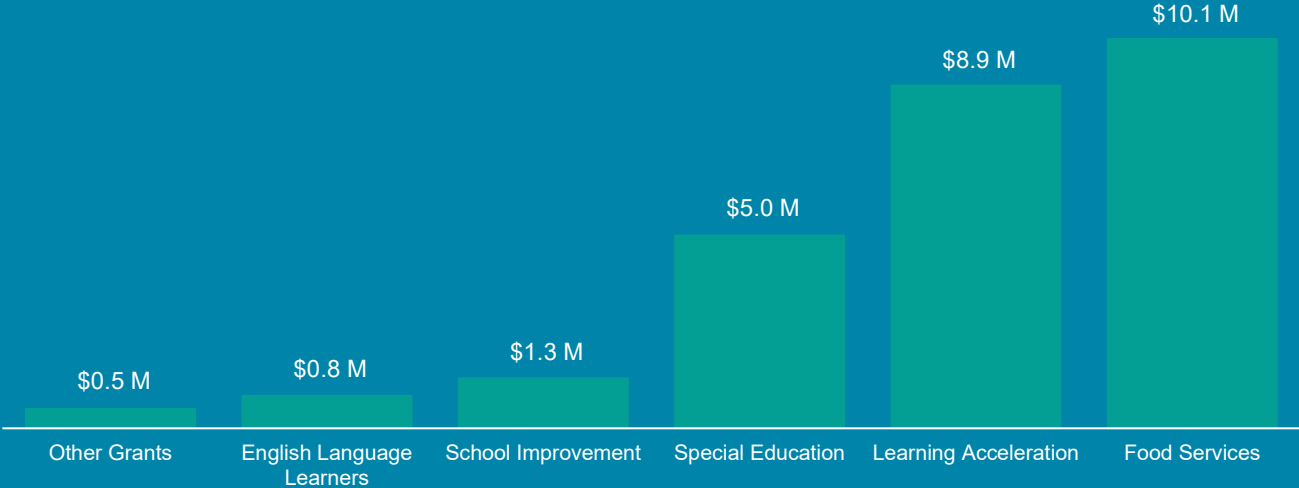


## Classified Staff

Numbers may not total to 100% based on rounding



# 2026-27 Federal Revenues



\*includes carryover from 2025-26

Numbers may not total to 100% based on rounding



# Local Levies



## EP&O

Also called “Enrichment levy”

General fund levy that supports learning

Makes up over 15% general fund revenues

Passes with simple majority (50% + 1)

Passed in November 2025 with 63%



## Capital/Tech Levy

Also called “Technology levy”

Capital fund levy that supports both technology infrastructure and critical facility needs

Deposited into capital fund but can be transferred to general fund for specific technology costs

Passes with simple majority

Last passed in 2020



## Transportation Levy

Transportation Vehicle Fund levy

Approved for purchases of new buses and major repair of aging vehicles

Passes with simple majority

Not used in Highline

# 2026-27 Expenditures

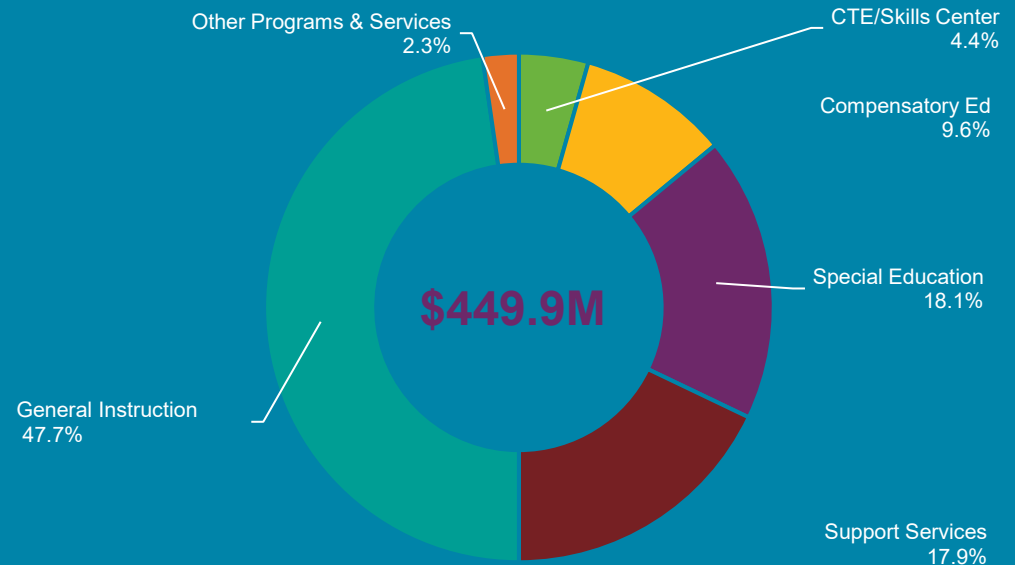


# 2026-27 Expenditures

**80%** funds instructional activities

**4%** funds student nutrition and transportation

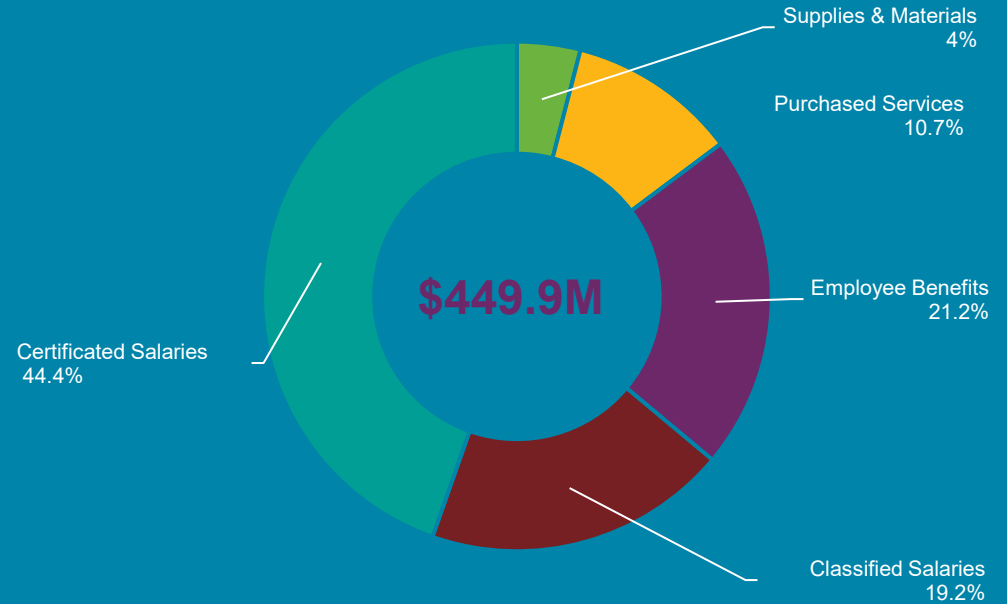
**16%** funds districtwide services such as utilities, facilities, security, technology and central office support



Numbers may not total to 100% based on rounding

# 2026-27 Expenditures

**85%** funds staff salaries and benefits

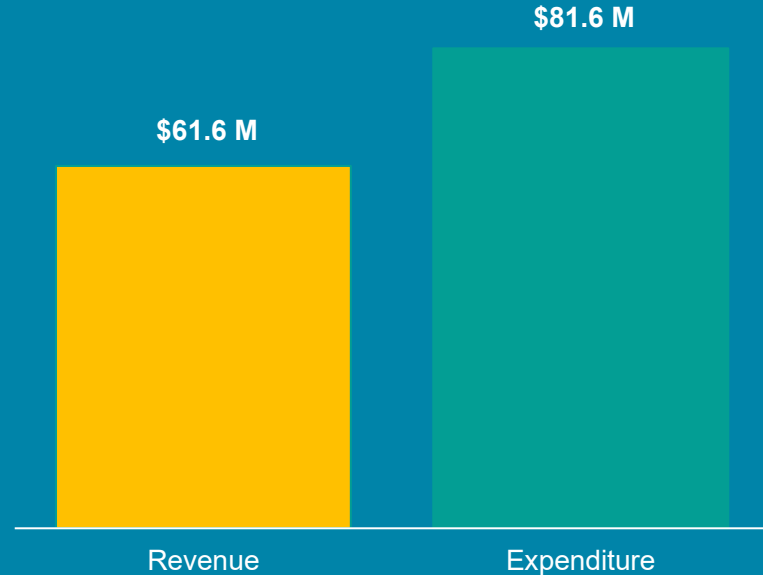


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# 2026-27 Expenditures

## Special Education

**\$20M** above state and federal funding is going towards special education services

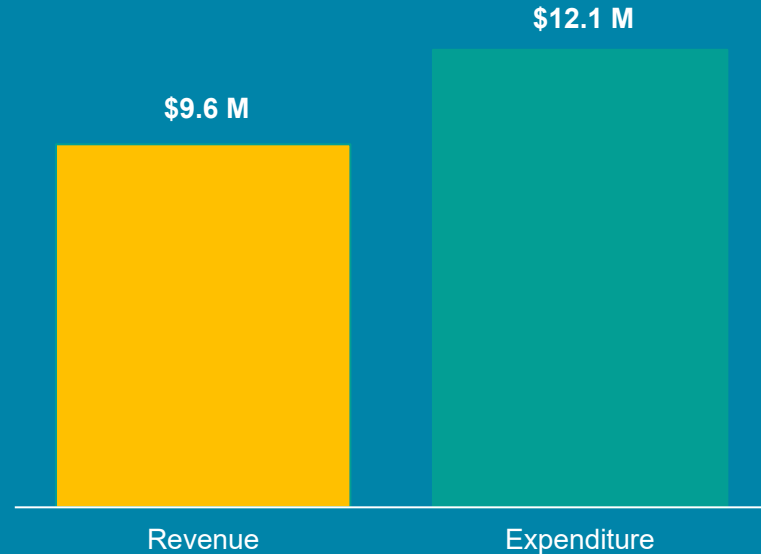


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# 2026-27 Expenditures

## Student Transportation

**\$2.5M** above state funding is going towards student transportation

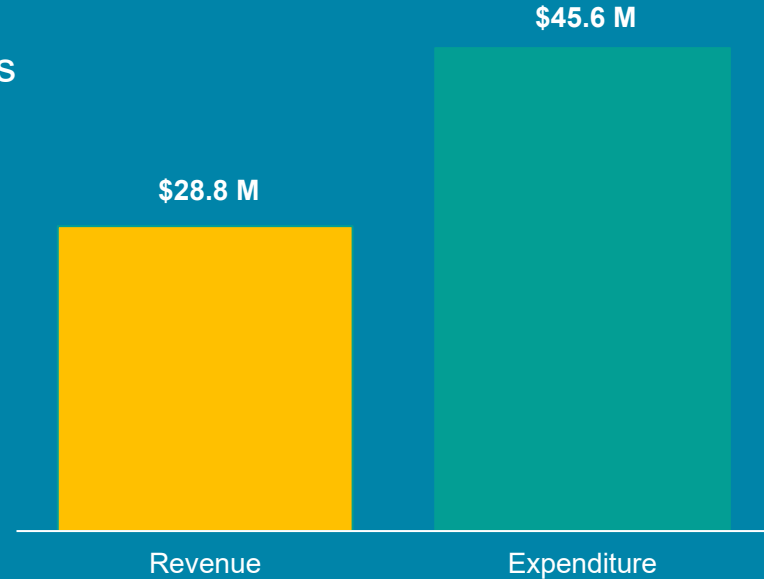


Numbers may not total to 100% based on rounding

# 2026-27 Expenditures

## Supplies, Materials & Operating Costs

**\$16.8M** above state funding is going towards supplies, materials and operating cost



Numbers may not total to 100% based on rounding

# Next Steps



# Long-Term Planning

- Continue to work with Legislators to fully fund basic education
- Long-term plan may include reductions in 2026-27 and beyond
- Minimum unassigned fund balance remains at or above 3% board minimum
- Potential 4-year Capital Technology Levy on November 2026 ballot (\$12M/year)
- Continue to solicit feedback from students, staff, families and community



# Next Steps

- June 3: Budget Work Session
- June 18: Budget Intro
- June 24: Public Hearing
- July 1: Budget Action

## 2026-27 and Beyond

- Monthly Board budget updates
- Continue student, staff, and community engagement





What questions do you have about Highline's fiscal long-term plan?

Is there any additional information that would be helpful as the Board approves the 2026-27 budget?

Additional Information can be found online:

- Budget Book
- F-195/F-195F State Budget Book

[highlineschools.org/budget](https://highlineschools.org/budget)