



Budget Hearing: June 3, 2026

Presented by:
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Jason Franklin, CPA, Executive Director, Finance & Business Services

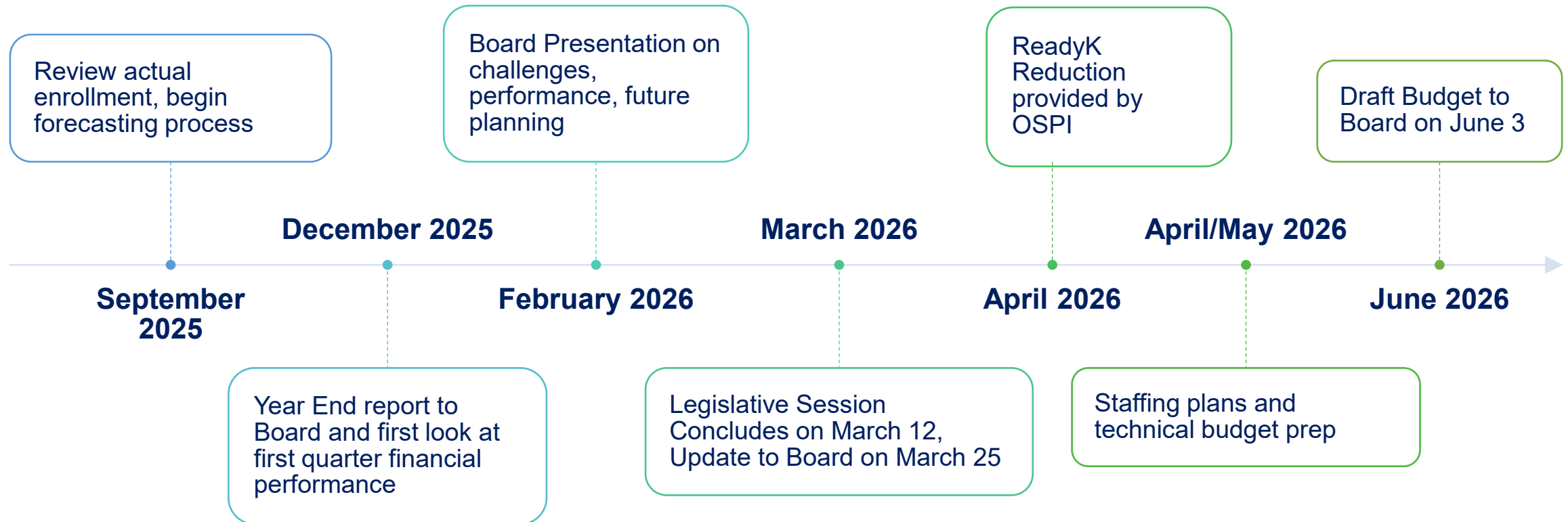


Budget Requirements



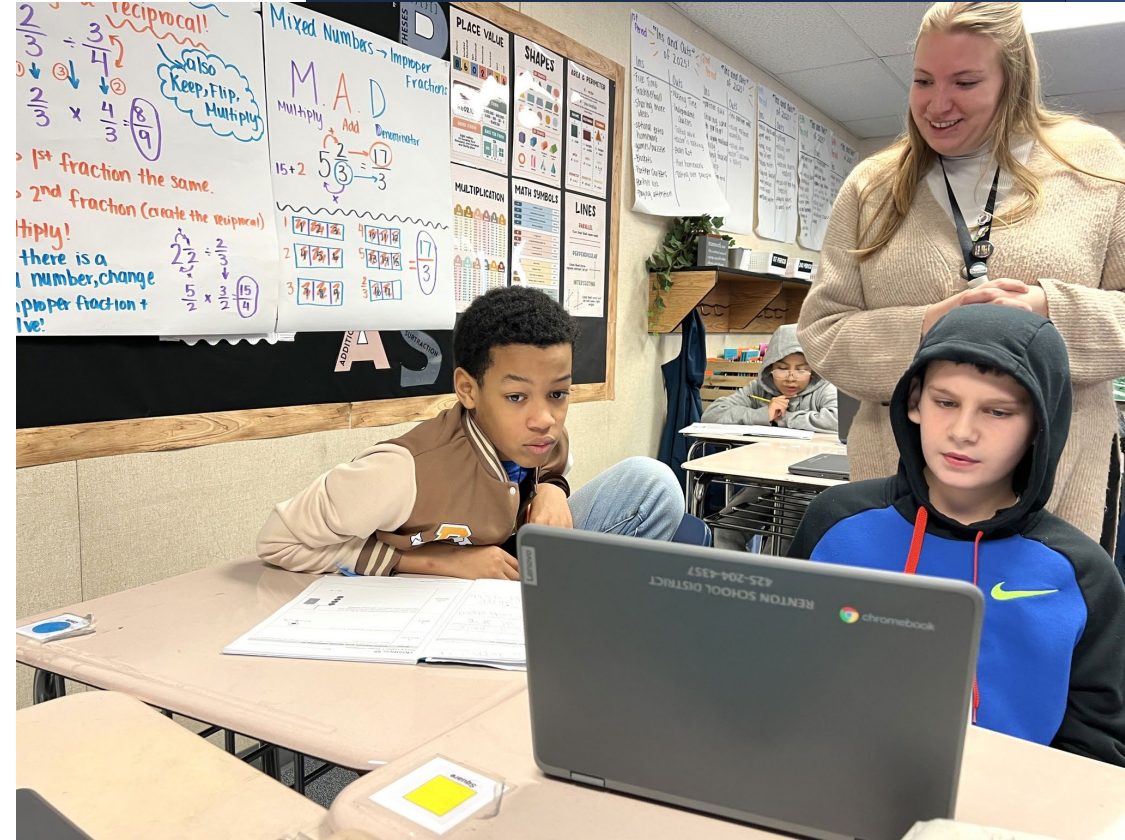
- Must be created for all established District funds in the format prescribed by the Office of the Superintendent of Public Instruction (F195)
- Budget must be prepared and presented to the Board for review during an annual budget hearing and must be adopted not later than August 31
 - Our Fiscal Year runs September 1 through August 31
- The General Fund budget expenditures may not exceed the sum of estimated revenues and unassigned fund balance
- The budget is a plan. It can and will change, but it is a key component of our transparency in budgeting and communicates our financial plan for our educational model

Process To-Date for 2026-27 Budget



Current Budget Development Status

- Following the short legislative session, we have worked to incorporate the maintenance level increases to our budget and awaited news for the reduction of ReadyK (TTK) funding
- Numbers presented are estimates and are not final
- We will provide/post a draft of our formal F195 document as soon as possible
 - Educational Service District will review our proposed budget and provide feedback/comments



Legislative Outcomes for Budget

- 2026-27 Legislative Actions:
 - Set IPD increase at 2.6%
 - *Note that we receive IPD increase dollars only for positions on the Prototypical School Model, and only on the amount provided for in the PSM*
 - Cut \$27.3M from Transition to Kindergarten statewide
 - Reduction of 5 classrooms for RSD
 - Cut \$21.1M from bus depreciation proceeds statewide, increasing minimum service life to 10 or 15 years depending on bus type
 - Will mean increased MSOC burden down the road
 - Provided maintenance level increases already provided in law
 - No new dollars for MSOC, Sped, or Transportation
 - Eliminated the new sales tax on services introduced in July 2025

Budget Outlook



- Budget plan currently reflects an estimated 4.5% overall ending fund balance as targeted
 - Our current four-year projection shows fund balance growing incrementally back towards board goals
- The budget remains very tight for 2026-27 and we anticipate limited relief for 2027-28
 - Our plan to restore fund balance is now underway, but without additional funding, reductions are not off the table for the future
- An interfund loan will be needed again this year if cash flow is insufficient due to revenue timing
 - A resolution to authorize this will be presented with the final budget
- Continued work is needed with our legislators related to the funding model, particularly around transportation, special education, substitute costs, and insurance/MSOC cost increases

General Fund Summary

Our basic education program, categorical programs, local/community programs, and operations comprise our General Fund.

Description	Amount
Beginning Fund Balance <i>(Based on April 2026 Projections)</i>	\$ 12,214,740
Projected Revenues	315,936,718
Revenue Capacity	8,000,000
Appropriations Authority <i>(expenditures and transfers)</i>	-316,026,690
Appropriations Capacity ¹	-5,903,567
Projected Ending Fund Balance for 2026-27 <i>(4.5% overall EFB, 2.7% Unrestricted Fund Balance)</i>	\$14,221,201

Net change in assets is budgeted at \$2,006,458

Note¹ – 0.73% (\$2,096,429) of total salary and benefits expenditures are programmed for attrition savings and underutilized appropriations

General Fund – Expenditures by Program and Object Comparison

Functional Use	2025-26	2026-27 Budget	Change
Regular Instruction	\$ 142,197,385	\$ 143,605,316	\$ 1,407,931
Special Education	60,071,821	65,169,675	5,097,854
Vocational Education	17,551,482	18,380,544	829,062
Compensatory Education	23,736,699	25,450,059	1,713,360
Other Programs	6,313,645	7,230,033	916,388
Community Services	2,720,954	3,071,794	350,840
Support Services	56,366,284	59,022,839	2,656,555
Totals	308,958,270	321,930,260	12,971,990

Object Use	2025-26	2026-27 Budget	Change
Salaries - Certificated Employees	\$ 137,147,653	\$141,053,268	\$ 3,905,615
Salaries - Classified Employees	59,854,221	61,722,280	1,868,059
Employee Benefits	65,347,190	68,847,171	3,499,981
Supplies and Resources	19,185,959	19,925,292	739,333
Purchased Services	27,063,337	29,999,830	2,936,493
Travel	129,713	129,773	60
Capital Outlay	230,197	252,646	22,449
Totals	308,958,270	321,930,260	12,971,990

General Fund – Expenditure Changes by Program

Program Comparison	2023-24 Budget	2024-25 Budget	2025-26 Budget	2026-27 Budget	Change 2025-26 to 2026-27
Basic Education	\$175,427,957	\$177,268,023	\$172,629,368	\$173,920,842	1,291,474
Ready “K” Kindergarten	-	2,955,840	2,960,874	2,719,966	-240,908
Targeted Assistance/ESSER (Federal)	16,551,928	-	-	-	-
Special Education	48,918,476	55,271,984	60,071,821	65,169,675	5,097,854
Career & Technical Education (CTE)	16,017,400	18,166,009	17,551,482	19,052,197	1,500,715
Title Programs (Federal)	6,676,035	7,646,368	6,762,264	8,547,436	1,785,172
Learning Assistance (LAP -State)	8,287,914	8,608,522	9,154,195	9,012,733	-141,462
Transitional Bilingual (STBIP – State)	5,834,973	5,938,821	6,083,055	6,730,533	647,478
Early Childhood Education (ECEAP - State)	1,758,412	1,885,855	1,622,227	1,748,055	125,828
Nutrition Services	7,752,981	7,976,558	9,292,528	9,389,216	96,688
Transportation	11,260,041	13,960,288	13,680,890	14,895,912	1,215,022
Other Programs	9,509,077	10,182,903	9,149,566	10,743,695	1,594,129
Totals	307,995,194	309,861,171	308,958,270	321,930,260	12,971,990

Materials, Supplies, and Operating Costs (MSOC)

Required State Law Certification

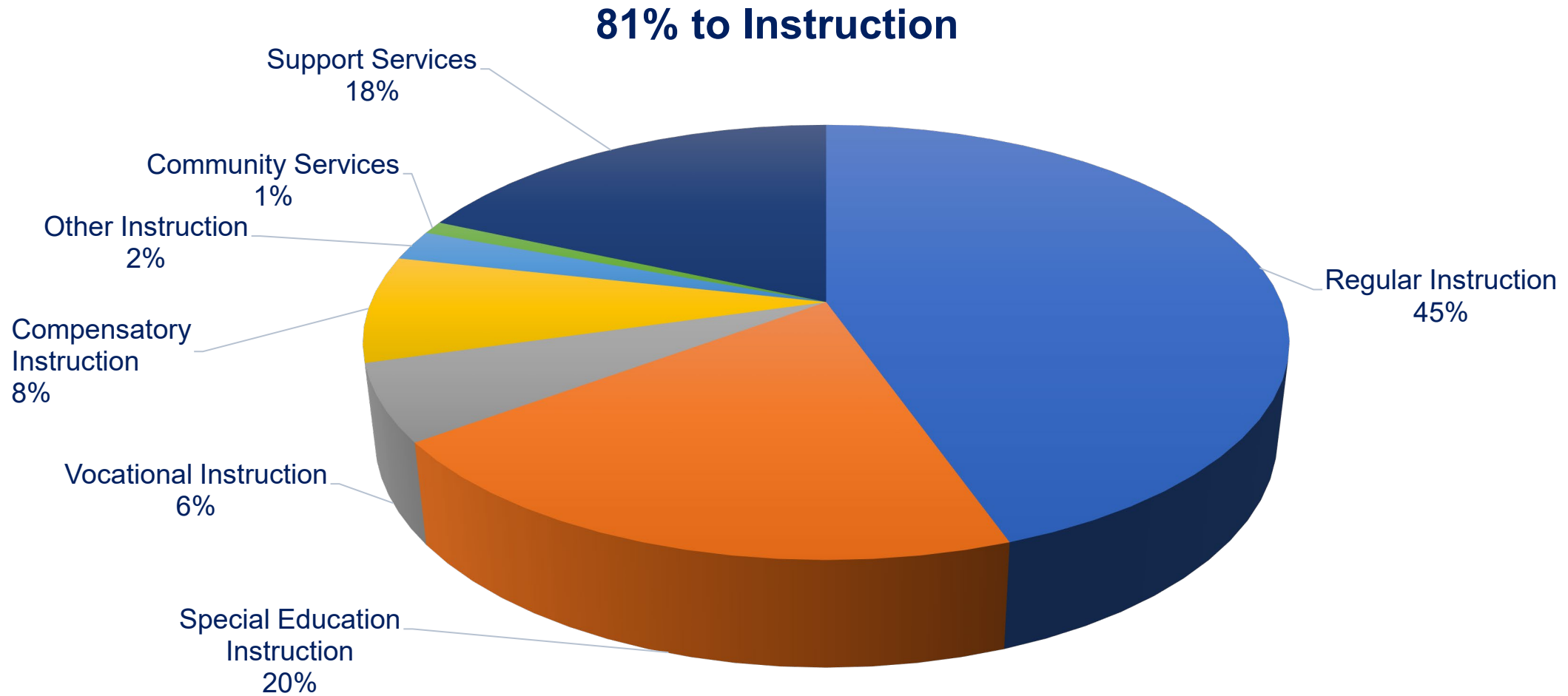
During the annual budget hearing, we are required to disclose the use of MSOC allocations provided by the state

The District has allocated all MSOC monies provided by the state for its intended purpose and relies on local levy to bridge the gap.

Description	Amount
Basic education MSOC state allocation	\$19,307,659
District budgeted MSOC expenditures	24,290,120
Difference	-4,982,461



Where Are Our Dollars Invested?



Four Year Outlook (F195F)

	2026-27	2027-28	2028-29	2029-30
Projected Revenue	\$323,936,718	\$334,503,392	\$340,905,399	\$348,494,694
Projected Expenditures	321,930,257	330,463,106	338,255,876	346,566,122
Difference	2,006,461	4,040,286	2,649,523	1,928,572
Total Ending Fund Balance	14,221,201	18,261,484	20,911,007	22,839,579

These projected numbers are based on many assumptions related to enrollment, inflationary increases, and levy collections. This model shows a possible future of our budget, but it is an estimate only and does not depict potential actions to further mitigate our structural deficit or potential future legislative outcomes. Many factors will affect these projections.

Capital Projects Fund

The Capital Projects Fund is used for the acquisition and construction/modernization of District facilities

Description	Amount
Beginning fund balance	\$137,096,134
Projected revenues	321,239,587
Expenditure authority	243,708,865
Transfers to General Fund	800,000
Change in net assets	76,730,723
Projected ending fund balance	213,826,857

Note: The transfer to the General Fund is for the Technology Levy support of software licensing for instruction, which must be expended from the General Fund.



Debt Service Fund

Debt service is for the receipt and expenditure of long-term principal and interest costs



Description	Amount
Beginning fund balance	27,155,212
Projected revenue	57,125,335
Expenditures	55,572,575
Change in net assets	1,552,760
Projected ending fund balance	28,707,972

Bond sale planning may adjust these numbers prior to budget adoption

Associated Student Body Fund

Activity	Projected Revenue	Expenditures	Net Change
General Student Body	486,527	626,266	-139,739
Athletics	378,288	475,738	-97,450
Classes	54,500	49,820	4,680
Clubs	611,819	677,539	-65,720
Private Funds	9,220	24,184	-14,964
Totals	1,540,354	1,853,547	-313,193

- ASB Budget plans are created by the students with their advisors, and approved by the students and principals for incorporation into the District’s annual budget
- Cultural, Athletic, Recreational, and Social activities are allowed (CARS)





Transportation Vehicle Fund

- TVF is used for the purpose of purchasing new buses
- This fund does not include labor, fuel, or other operating expenses for school transportation
- Revenues come from state-funded depreciation and/or general fund transfers

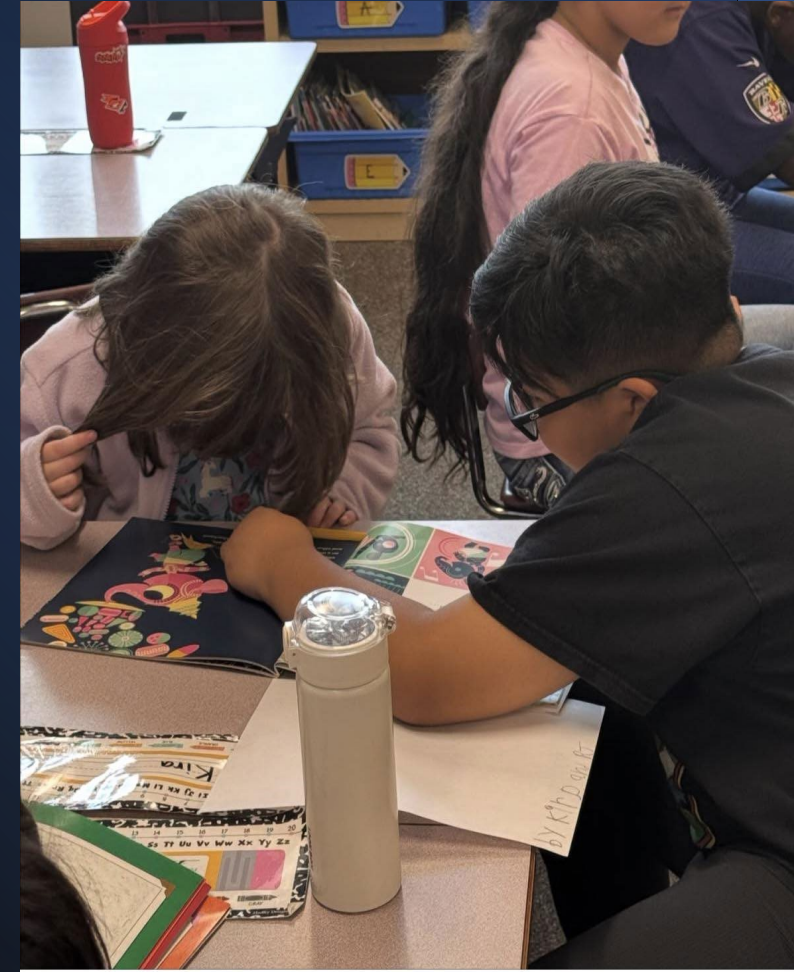
Transportation Vehicle Fund

Description	Amount
Beginning fund balance	\$5,288,423
Projected revenue	1,642,413
Expenditures	5,288,423
Change in net assets	-3,586,010
Projected ending fund balance	1,702,413



Next Steps

- Copies of the budget will be available for public review on our website at:
<https://www.rentonschools.us/departments/business-services/budget>
- Any feedback from the board of directors, administration, or the public may be incorporated in the final budget
- Our Educational Service District will review budget and provide feedback and preliminary approval
- Board will consider a vote to adopt the budget on June 24
 - This will include a resolution for the capital loan we may need for cash flow



Questions/ Discussion

