



Financial Update

Budget Adjustment Update

Kris Blackburn, Director of Business Services
July 16, 2026



Presentation Agenda



Recap

- Budget Adjustment Process and Planning for the Next 5 Years
- Budget Adjustment Process – Why Now?
- Goals

Update

- Program-Based Budget Adjustments
- Staff Feedback

Timeline

Looking Ahead



The district is entering into two separate but linked important conversations

BUDGET ADJUSTMENT PROCESS

AND

PLANNING for the NEXT 5 YEARS

*Now through November
Reductions implemented in
the Fall of 2027*

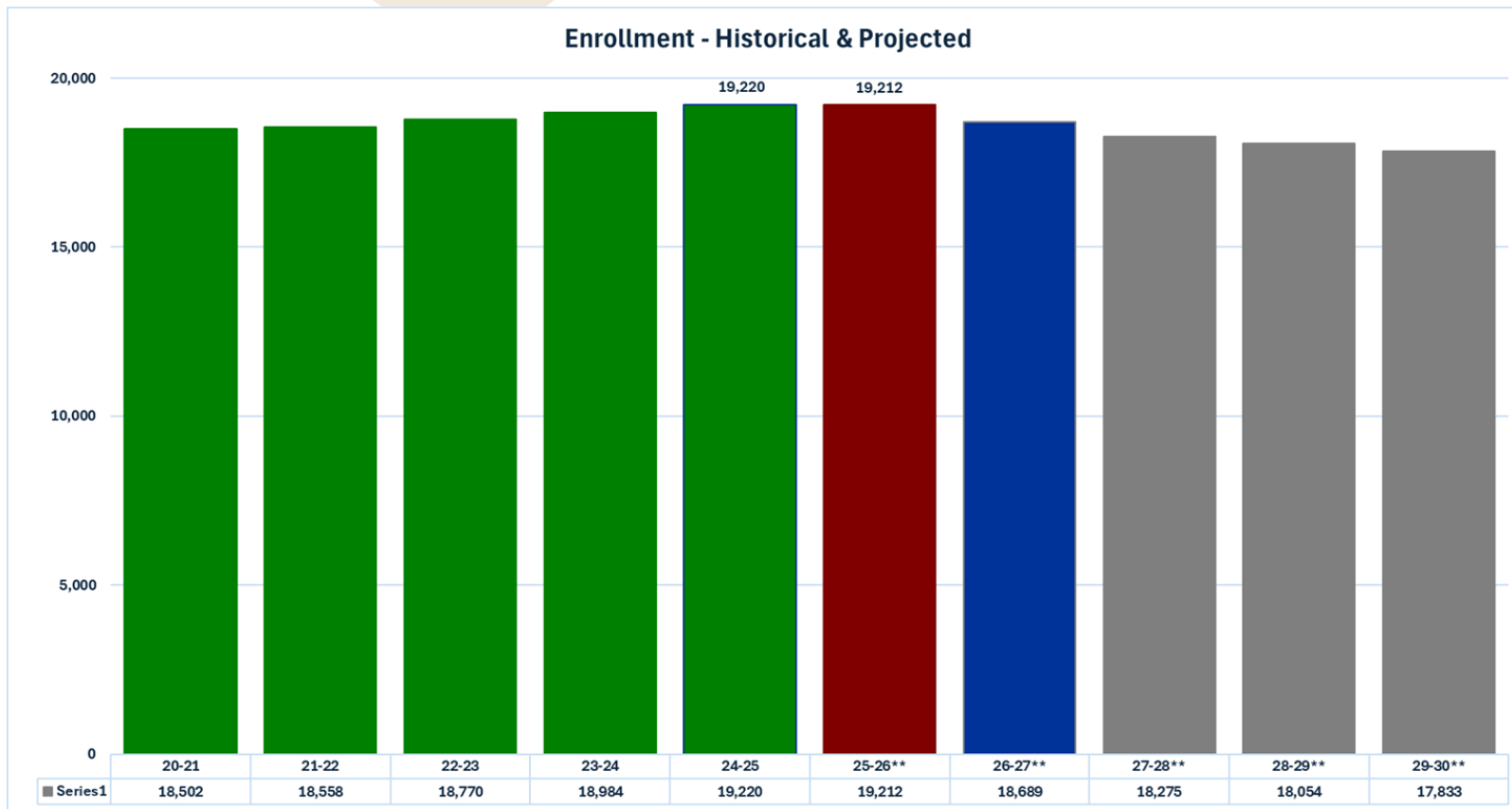
*August through Next
November (2027)*

Budget Adjustment Process – Why Now?

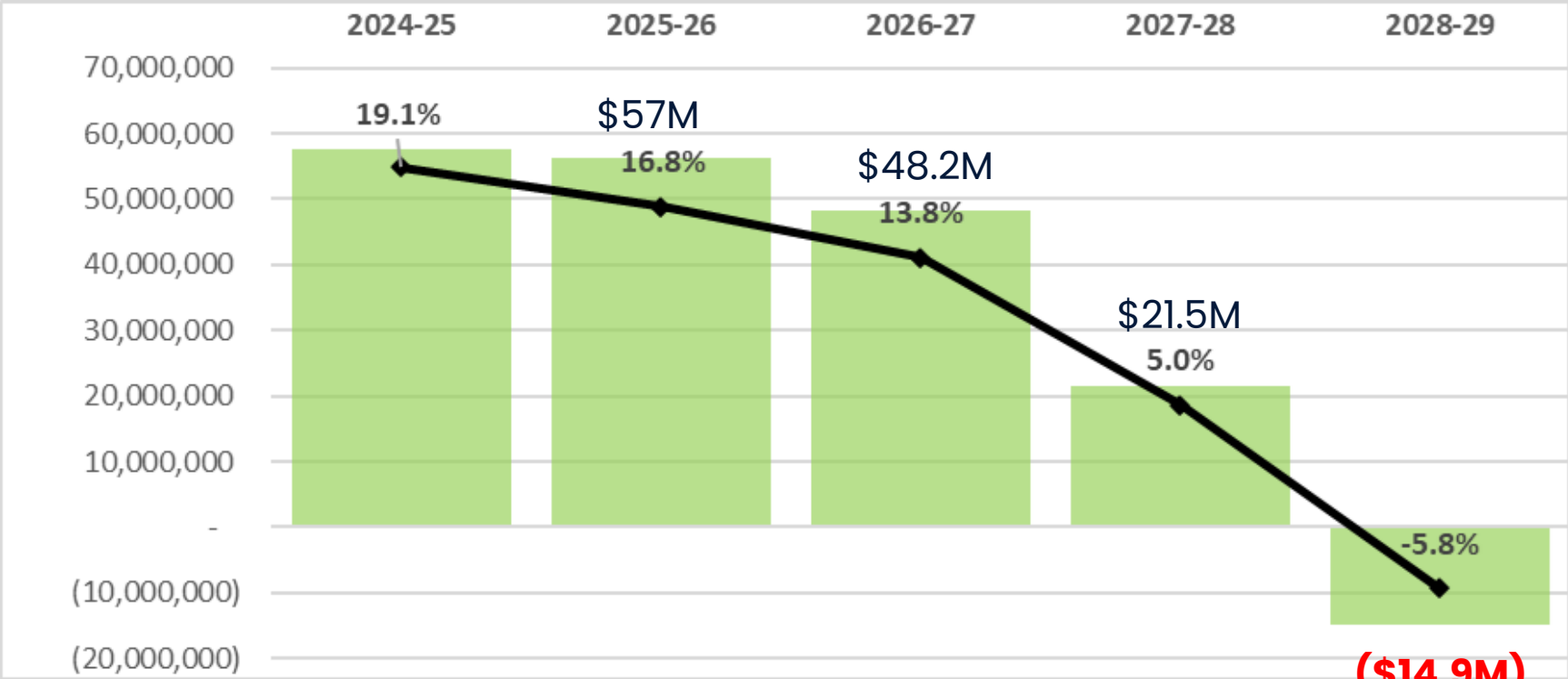


- Fund Balance Policy 701.2 establishes that the unrestricted fund balance will be at **16.6%** by the end of each Fiscal Year (FY). This amount is approximately two months of expenditures.
- Current expenditures continue to rise faster than the revenues we receive.
 - Increasing pressure on operational costs and enrollment declines
- At the current rate of spending, the district will be below **fund balance** policy by FY 2027 and Statutory Operating Debt at the close of the FY 2029 school years.

Student Enrollment



Projected Fund Balance with No Adjustments



Goals of the Budget Adjustment Process



- Develop a short-term plan to address the deficit spending for the upcoming school year, with the changes to be implemented in the 2027–28 School Year.
- Move ideas that need a longer “runway” for implementation on to the Planning for the Next 5 Years Process.



Program-Based Budget Adjustments

- A Program-Based Budget Adjustment is a strategy where budget reductions are distributed across district programs relative to their overall size.
- Instead of applying an identical flat percentage cut to every department regardless of scope, each program's reduction target is calculated as a direct reflection of its percentage of district expenditures.

Program-Based Budget Adjustments – General Fund



- District Departments and Services
 - Communications, Finance, Human Resources, Payroll, Professional Evaluation Research & Assessment, Student Information, Superintendent's Office, Teaching & Learning Services, Technology
- Facility Usage and Maintenance
 - Districtwide and school maintenance
- Transportation Ridership and Routes
 - Districtwide transportation services
- School-Specific Adjustments: Elementary School
- School-Specific Adjustments: Middle and High School
- Student Support Services
 - Districtwide multilingual and special education services

Included in each area are Salaries and Benefits, Contracted Services, Supplies & Materials, Textbooks, Staff Development, Software, Devices, Equipment, Furniture, Dues and Fees

Program-Based Budget Adjustment Targets



General Fund Target = \$13,000,000

District Departments and Services	\$1,000,000	School-Specific Adjustments: Elementary	\$4,200,000
Facility Usage and Maintenance	\$1,200,000	School-Specific Adjustments: Middle and High School	\$4,500,000
Transportation Ridership and Routes	\$1,400,000	Student Support Services	\$700,000

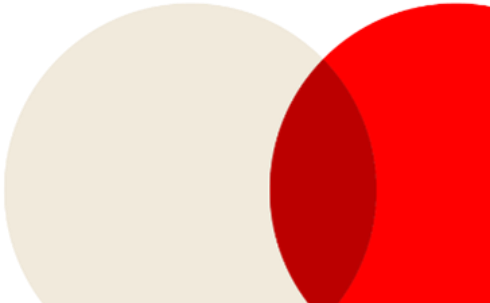
Nutrition Services	\$200,000	Community Education	\$400,000
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Adjustments to these funds do not directly impact the General Fund and their use is restricted by statute. Accordingly, the adjustment is not counted toward the target above.



Program Steering Committees

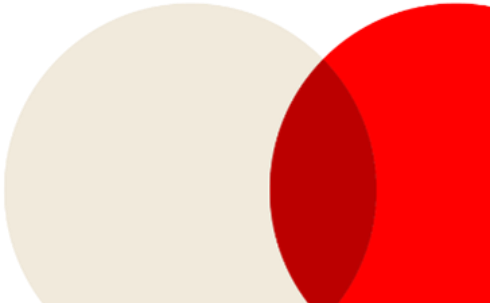
Steering Committees (Based on Program-Based Budgeting)

- District Departments and Services - 18 members
 - Facility Usage and Maintenance - 13 members
 - Transportation Ridership and Routes - 9 members
 - School-Specific Adjustments: Elementary School - 22 members
 - School-Specific Adjustments: Middle and High School - 15 members
 - Student Support Services - 14 members
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- Nutrition Services - 4 members
 - Community Education - 10 members
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Staff Feedback: Budget Adjustment Survey



- We recognize that the best insights often come from those working directly in our schools and departments
 - All district staff have been invited to provide feedback via a Google form
 - The survey opened in May and will remain open until September 11
 - Data provided will be used to inform our decision-making process
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- In the bottom right corner, there are two overlapping circles. The larger one is a light beige color, and the smaller one, which overlaps the bottom right of the beige circle, is a bright red color.

Staff Feedback: Budget Adjustment Survey

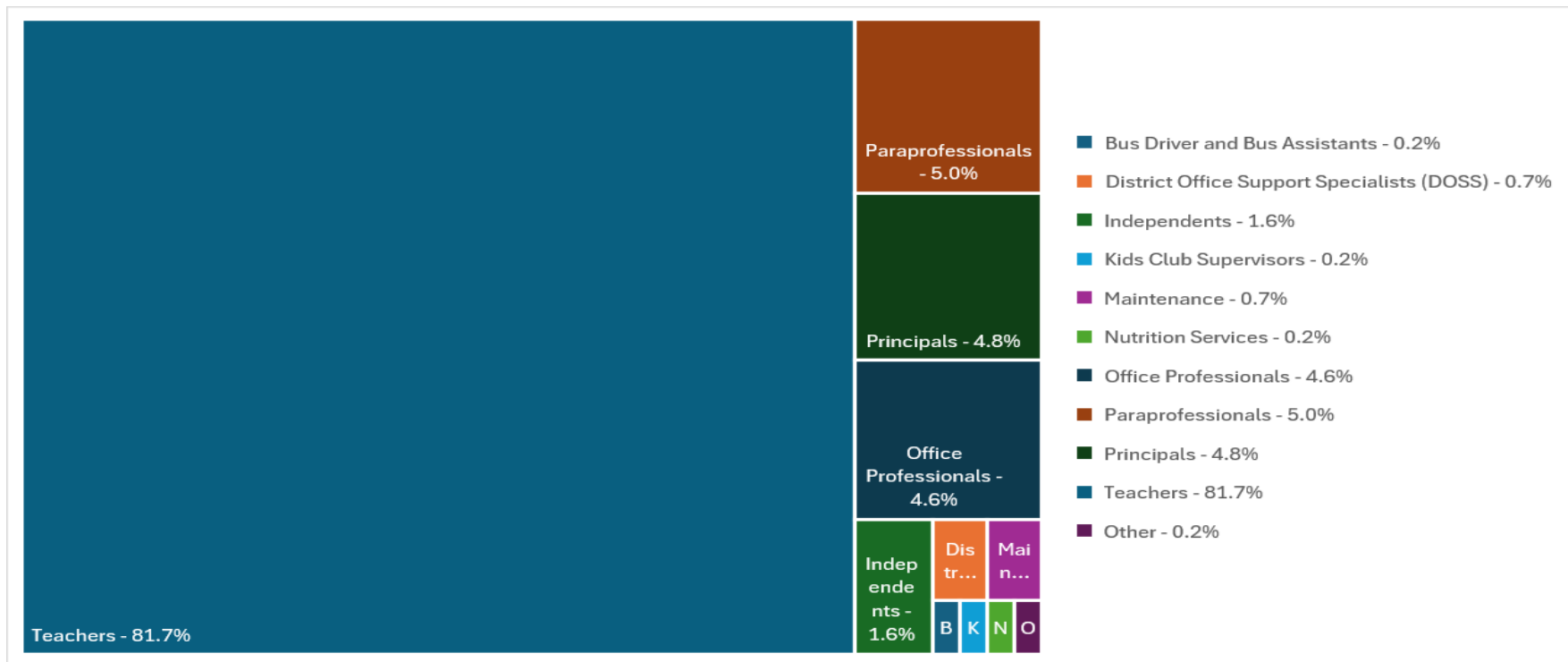


Staff were provided the opportunity to respond to the following questions:

1. What program, resource, or position do you believe is vital to student success or operational safety and would not recommend eliminating or reducing?
2. Looking specifically at your individual building, department, or program, where do you see opportunities for cost savings or increased efficiency?
3. Looking at the entire school district/system, where do you see opportunities for broader budget adjustments or streamlining of services?
4. Are there ways in which the district could increase revenues (aka make more money) which should be considered?
5. Is there anything else that should be considered as these changes are evaluated?

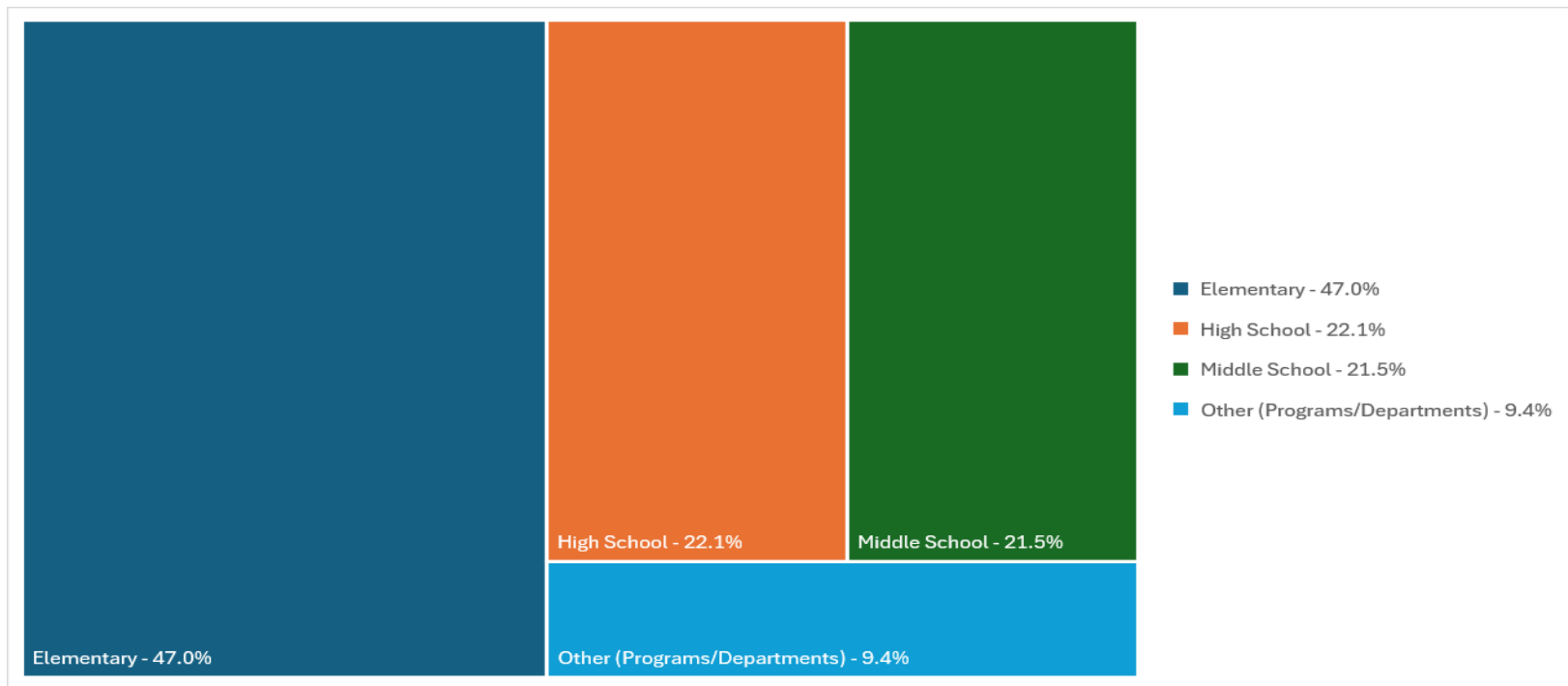
Staff Feedback: Budget Adjustment Survey

Respondents by Bargaining Group (through July 8)



Staff Feedback: Budget Adjustment Survey

Respondents by Location (through July 8)



Budget Adjustment Timeline



District Work

Internal Committees determine the potential budget adjustments based on a program based budget model.

2026

Aug-Nov

2026

April-Aug

Informing Communities

Scheduled staff meetings and community meetings to educate them on the recommendations from the district.

Board Approval

First Reading of budget adjustment recommendations to be implemented in the 2027-28 school year.

2026

Nov

2026

Dec

Finalize Plan & Inform Communities

Implement the approved the budget adjustments.

Move the recommended additional budget adjustments that require more planning to the "Planning for the Next 5 Years" process.

Questions?