YELM Community Schools

26-27 Budget Adoption

Board Meeting and Public Hearing

August 27, 2026

FUNDS FOR ADOPTION

GENERAL FUND – MAIN FOCUS OF PRESENTATION

SMALL FUNDS

- CAPITAL PROJECTS
- ASB
- TRANSPORTATION VEHICLE
- DEBT SERVICE



Executive Summary

Yelm Community Schools (YCS) continues to face significant and persistent financial challenges resulting from repeated local levy failures, rising inflation, and declining enrollment. As a result of these ongoing financial pressures, the District remains under state-imposed Binding Conditions. In response, the District has undertaken a comprehensive review of expenditures and implemented difficult cost-reduction measures designed to align resources with current revenues and strategic plan priorities. These efforts are focused on achieving a balanced budget for the 2026–27 fiscal year while prioritizing core academic programs, student services, and the programs that can be sustained within the District's available resources.

BUDGET SUMMARY – ALL FUNDS

	General Fund	Associated Student Body Fund	Debt Service Fund	Capital Projects Fund	Transportation Vehicle Fund
SECTION A: BUDGET SUMMARY					
Total Revenues and Other Financing Sources	88,115,069	908,849	7,483,229	3,654,955	649,751
Total Appropriation (Expenditures)	94,694,479	795,151	7,212,132	5,959,900	1,153,441
Other Financing Uses--Transfers Out (G.L. 536)	484,287	XXXXX	0	0	0
Other Financing Uses (G.L. 535)	0	XXXXX	0	0	0
UNUSUAL OR INFREQUENT ITEMS - INFLOWS (G.L. 968)	0	0	0	0	0
UNUSUAL OR INFREQUENT ITEMS - OUTFLOWS (G.L. 538)	0	0	0	0	0
NET CHANGE IN FUND BALANCE	-7,063,697	113,698	271,097	-2,304,945	-503,690
Beginning Total Fund Balance	7,940,871	741,021	4,388,727	6,462,147	1,106,441
Ending Total Fund Balance	877,174	854,719	4,659,824	4,157,202	602,751

ENDING FUND BALANCE BREAKDOWN

Restricted for Carryover	$170,500	
Non-spendable – Inventory and prepaid items	$450,000	
Unassigned to Minimum Fund Balance Policy	$0	
Unassigned Fund Balance	$256,674	
Ending Fund Balance		$877,174

This ending fund balance indicates we do not have enough to meet the ending fund balance policy of 5%. Meeting the ending fund balance policy would result in a negative fund of $3,857,550

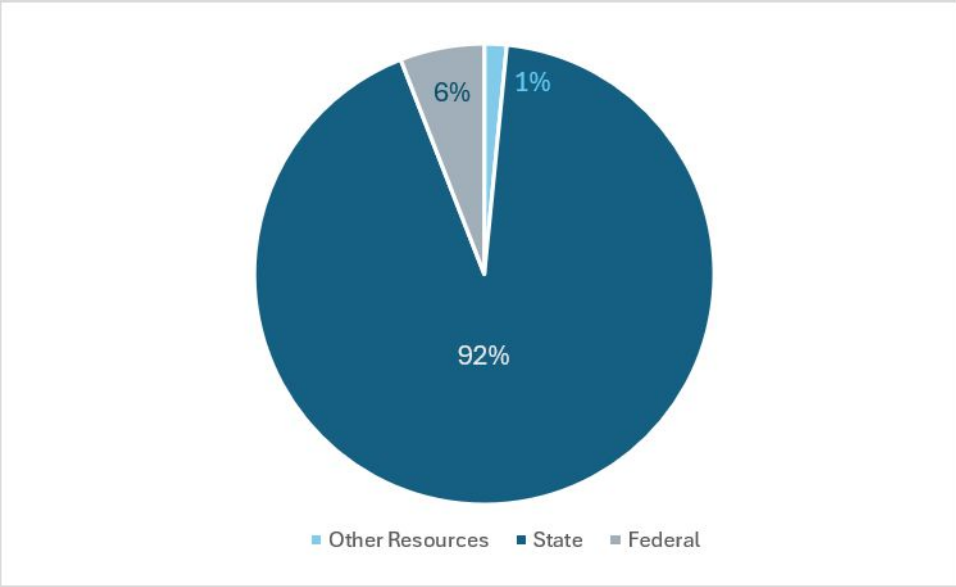
BUDGET ASSUMPTIONS AND UNKNOWNS

- Levy Passage
- Enrollment Fluctuations (roll-up projections)
- Salary Negotiations
- New Revenue Streams
- Legislative Session Impacts
- Food Service Participation/Transportation Ridership
- Inflation
- Special Education/Safety Net Award
- Fundraisers
- Meeting K-3 Ration to maximize funding
- Maintenance of Effort for special education

FTE ENROLLMENT COUNTS

	Average 1/ 2024-2025	Budget 2/ 2025-2026	Budget 3/ 2026-2027
A. FTE ENROLLMENT COUNTS (calculate to two decimal places)			
1. Kindergarten /2	412.66	397.00	313.00
2. Grade 1	404.22	364.00	308.00
3. Grade 2	426.06	417.00	387.00
4. Grade 3	448.81	441.00	386.00
5. Grade 4	429.88	455.00	412.00
6. Grade 5	451.47	433.00	450.00
7. Grade 6	409.94	466.00	413.00
8. Grade 7	417.40	418.00	442.00
9. Grade 8	387.23	418.00	378.00
10. Grade 9	440.36	405.00	436.00
11. Grade 10	411.56	416.00	365.00
12. Grade 11 (excluding Running Start)	346.73	325.00	316.00
13. Grade 12 (excluding Running Start)	300.61	298.00	266.00
14. SUBTOTAL	**5,286.93**	**5,253.00**	**4,872.00**
15. Running Start	125.92	125.00	130.74
16. Dropout Reengagement Enrollment	27.50	25.00	26.00
17. ALE Enrollment	127.48	132.00	96.00
18. TOTAL K-12	**5,567.83**	**5,535.00**	**5,124.74**

GENERAL FUND REVENUE CATEGORIES

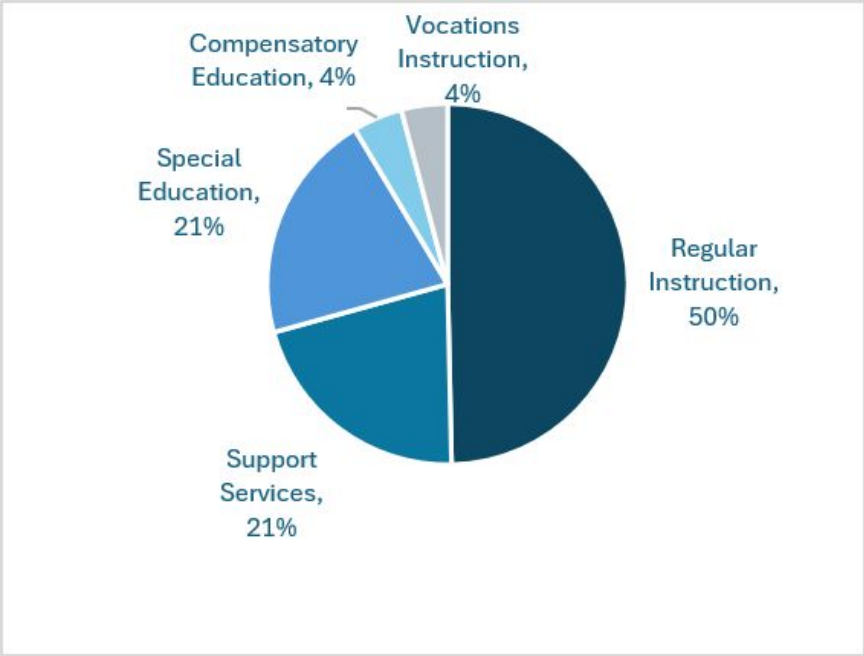


State Based on enrollment and other formulas including salaries, benefits and MSOC's. For general purpose as well as categorical programs including special education, pupil transportation, English learners, learning assistance, advanced academics.

Federal These monies fund programs such as Title I, Special Education and support free and reduced lunches in the nutrition services program.

Other Grants from non-state entities and local revenues, such as donations, fines and fees, pay to play fees, and meal service payments.

WHAT PROGRAMS DOES IT PAY FOR?



Regular Instruction General classroom and student supports like counselors and certificated specialists. Also includes our ALE and Open Doors programs.

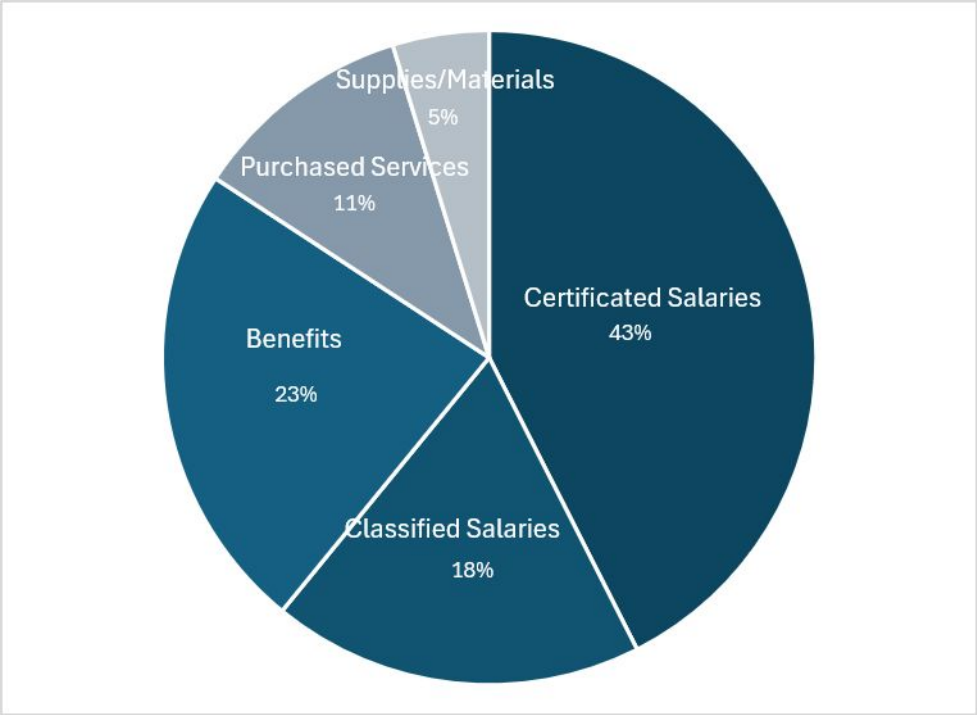
Support Services District office supports, facilities, maintenance/grounds, custodial, student transportation, child nutrition programs, insurance premiums, utilities.

Special Education Special education services to students with disabilities

Compensatory Education Other state/federal programs such as Learning Assistance Program, Title programs, English Learner, and Advanced Academics.

Vocational Instruction Career/technical education

WHAT ACTIVITIES DOES IT PAY FOR?



Travel and Capital Outlay not displayed (less the 1%)

Salaries and Benefits

85% of Total Expenditures

Purchased Services

All contracted services, such as special ed staff, IT subscription contracts, insurance and utilities, running start, audit, and legal.

Supplies & Materials

Includes books and classroom supplies, equipment, cleaning supplies, and other tangible products.

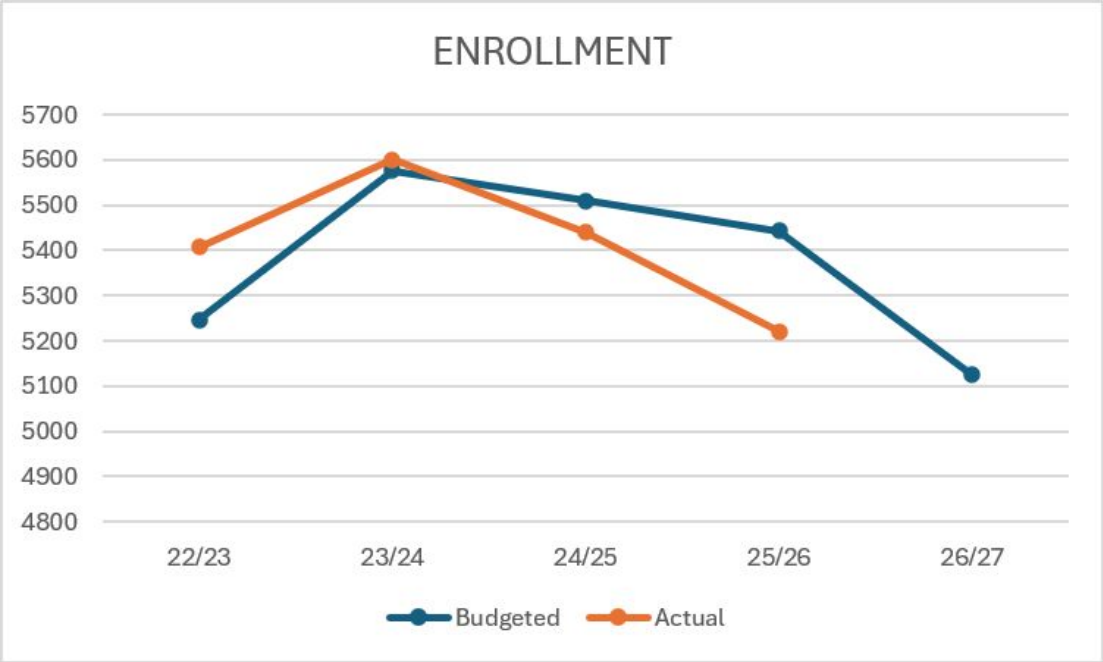
Travel

Staff travel has been limited the past couple of years.

Capital Outlay

Equipment items exceeding $5,000

FOUR-YEAR ENROLLMENT TREND



Fund Balance – 4 Year History + 26-27 Budget

	2022-23 Actual	2023-24 Actual	2024-25 Actual	2025-26 Projection	2026-27 Budget
Beginning Balance	$8,611,802	$7,037,900	$4,979,114	$5,926,152	$7,940,871
+ Revenue	93,808,277	98,465,628	92,639,185	$90,374,861	$88,115,069
- Expenditure	95,104,724	100,242,474	91,415,824	$95,871,324	$94,694,479
- Transfers Out	277,455	281,940	276,323	275,658	$484,287
Ending Balance	$6,586,473	$4,979,114	$4,897,756	$7,940,871	$877,174

CONTRIBUTING FACTORS TO DECLINING FUND BALANCE

- Levy Failures
- Underfunding of basic education
- Paying higher salaries than provided by the state
- Subsidize Special ed, Food service, Transportation above what the state provides
- Large reductions to local effort assistance (LEA) funding
- Cost of goods and services increasingly outpacing state funding for MSOCs
- Reduced Enrollment
- ESSER Cliff

Fund Balance – 4 Year Forecast

	2026-27 Projection	2027-28 Projection	2028-29 Projection	2029-30 Projection
Beginning Fund Balance	$7,940,871	$6,767,693	$8,209,709	$2,207,538
+ Revenues	$94,005,588	$101,379,720	$98,932,419	$94,115,069
-Expenditures	$94,694,479	$99,804,609	$104,799,695	$110,181,319
-Transfer out	$484,287	$133,095	$134,895	
Ending Fund Balance	$6,767,693	$8,209,709	$2,207,538	($13,858,712)

Assumptions: Flat Enrollment, Revenue Increases $1.5M/yr w/o Levy, Expenditures Increase 5%/yr, No Additional Cuts, **Levy Passes at $1.50 per $1000 Assessed Value For 2 Years**

Fund Balance – 4 Year Forecast

	2026-27 Projection	2027-28 Projection	2028-29 Projection	2029-30 Projection
Beginning Fund Balance	$7,940,871	$877,174	($9,445,461)	($21,264,982)
+ Revenues	$88,115,069	$89,615,069	$93,115,069	$98,615,069
-Expenditures	$94,694,479	$99,804,609	$104,799,695	$110,181,319
-Transfer out	$484,287	$133,095	$134,895	
Ending Fund Balance	$877,174	($9,445,461)	($21,264,982)	($32,831,232)

Assumptions: Same as previous slide with the exception of **No Levy Passing**

FUND BALANCE ONGOING MONITORING

- Additional cuts will need to be made
- Closely monitor enrollment first 4 days of school to identity any staffing adjustments
- Closely monitor revenues and expenditures to avoid any potential recovery of funds
- Closely monitor budget vs expenditures monthly to identify any expenditure trends that need to be addressed
- Continuous analysis of all expenditures and staffing to identify potential reductions

EXAMPLES OF WHAT IS NOT FUNDED BY THE STATE?

- ➔ Special Education - $1.5M
- ➔ Substitute Costs- $689K
- ➔ Athletics - $975K
- ➔ Salaries and Benefits - Over $8M

STAFF CATEGORY	AVG SALARY	STATE ALLOCATION	DIFFERENCE
Certificated Instructional Staff (CIS)	$103,000	$87,183	$15,817
Certificated Administrative (CAS)	$146,538	$129,413	$17,125

<u>Options to cover excess costs:</u>

- Hiring a reduced number of staff below the state allocated numbers
- Use Levy Funds

Materials, Supplies and Operating Costs (MSOC)

2026-27 Required MSOC Disclosure

MSOC Allocation from State (F-203)			
Regular Instruction			$ 7,506,125.00
Grades 9-12 Additional			$ 631,437.80
		Total	**$ 8,137,562.80**
District's MSOC Budgeted Expenditures			**Total**
Supplies and Materials			$ 1,611,735.00
Purchased Services			$ 6,124,075.00
Travel			$ 1,000.00
Capital Outlay			$ 5,000.00
		Total	**$ 7,741,810.00**
			$ 395,752.80



Capital Projects

Transportation





ASB

Debt Service



CAPITAL PROJECTS AND TRANSPORTATION VEHICLE

2026-27 Fund Summary	Capital Projects Fund	Transportation Vehicle Fund
Beginning Fund Balance	$ 6,462,147	$ 1,106,441
Total Revenues	$ 3,654,955	$ 649,751
Totals Expenditures	$ 5,959,900	$ 1,153,441
Net Change in Fund Balance	$ (2,304,945)	$ (503,690)
Ending Fund Balance	$ 4,157,202	$ 602,751

Capital Projects Fund –Accounts for building renovations, new construction, equipping of new facilities, site purchases and improvements, and technology system upgrades.

Transportation Vehicle Fund - Accounts for the purchase of pupil transportation vehicles.

ASB AND DEBT SERVICE

2026-27 Fund Summary	ASB Fund	Debt Service Fund
Beginning Fund Balance	$ 741,021	$ 4,388,727
Total Revenues	$ 908,849	$ 7,483,229
Totals Expenditures	$ 795,151	$ 7,212,132
Net Change in Fund Balance	$ 113,698	$ 271,097
Ending Fund Balance	$ 854,719	$ 4,659,824

Associated Student Body (ASB) Fund Accounts for the student extracurricular activities in each school. Each school student body organization prepares and submits, a revenue and expenditure plan of ASB activities for the school year.

Debt Service Fund Provides for the redemption and payment of interest on voted and non-voted bonds.



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