
TOWN HALL INFORMATION SESSION # 2: SCHOOL DISTRICT BUDGET

OCTOBER 12, 2026



FIVE FUNDS (BUDGETS) MANAGED BY SCHOOL DISTRICTS

Different funds must be used for different, specific expenses



General Fund \$638.4

Day to day operations of the school district. Based primarily on student enrollment.



Debt Service \$86.8

Pays the principal and interest on any district bonds.



Capital Projects \$258.7

Technology, facilities and capital construction levies and bonds.



Transportation Vehicle \$3.0

Purchase of yellow school busses.



Associated Student Body \$10.3

Extracurricular activities, determined by ASB.

MANAGING FUNDS COMING IN AND FUNDS BEING USED



FUNDS COMING IN

Revenue

The funds allocated to a school district to operate all responsibilities of the school district.

\$640 Million



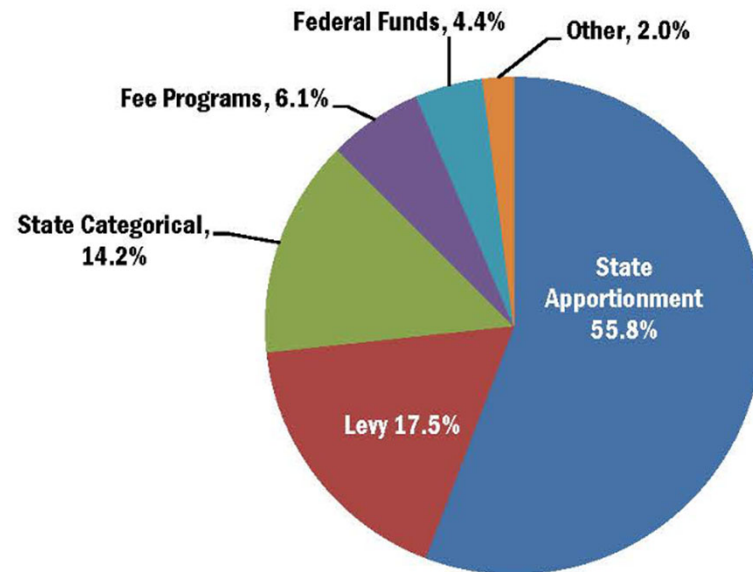
FUNDS BEING USED

Expenditures

The funds spent by the school district to operate all responsibilities of the school district.

\$638 Million

DISTRICT PERSPECTIVE WHERE DOES THE MONEY COME FROM



- State Funding
- Local EP&O Levy
- Federal Funding
- Local Fees
- Other grants, etc.

Source: Lake Washington School District 2026-27 Budget

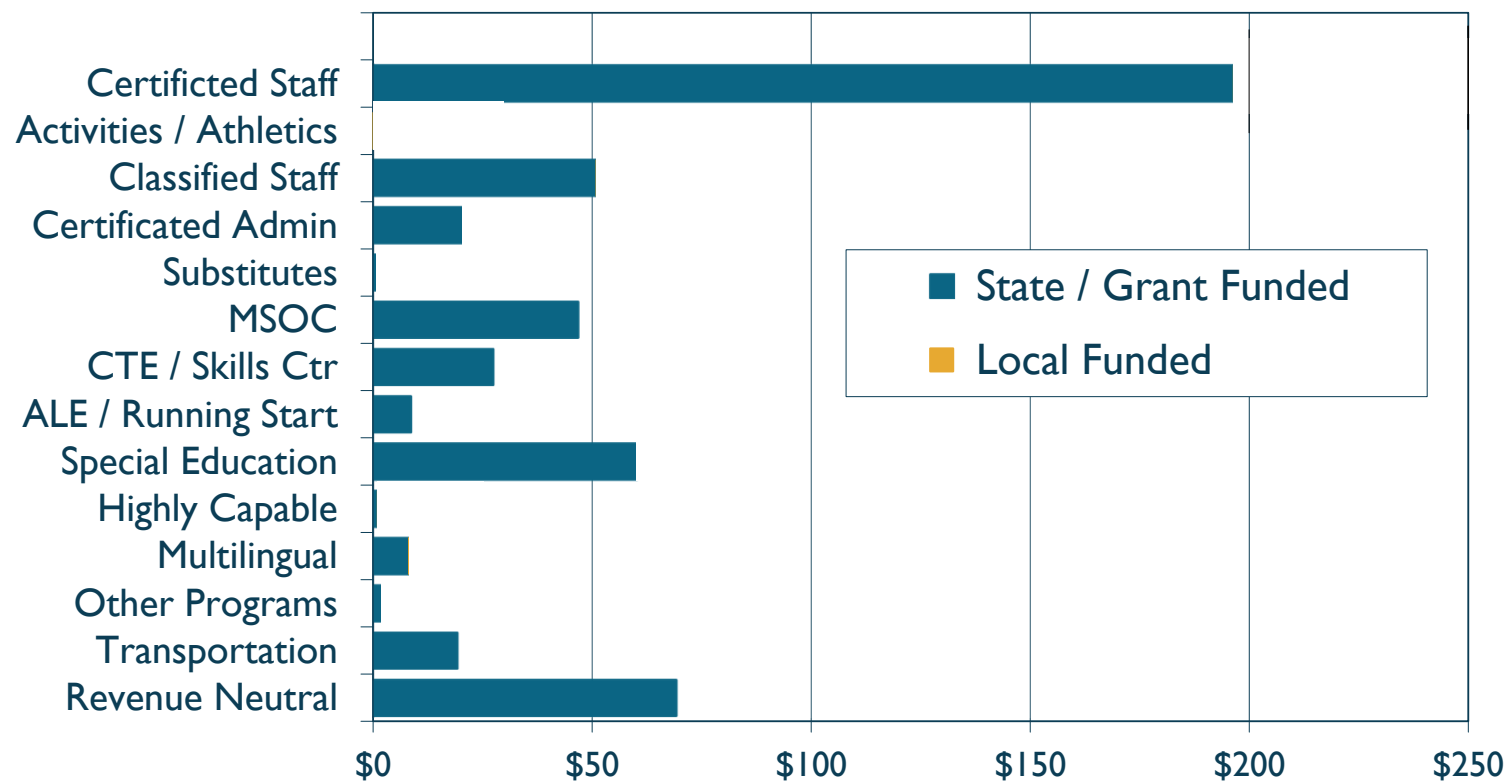


WHAT IS THE MAJORITY OF THE SCHOOL DISTRICT BUDGET SPENT ON?

86%

86% of the school district budget is spent on staff.

STATE FUNDING VS. LOCAL FUNDING





GENERAL FUND





BUDGET PLANNING



ASSUMPTIONS DRIVE BUDGET PLANNING

Revenue Assumptions

- Continued enrollment decline
- Continued increased revenue for staff salaries and benefits
- No other significant changes in state funding
- Levy amount based on voter approved amounts with rollback for enrollment declines

Expenditure Assumptions

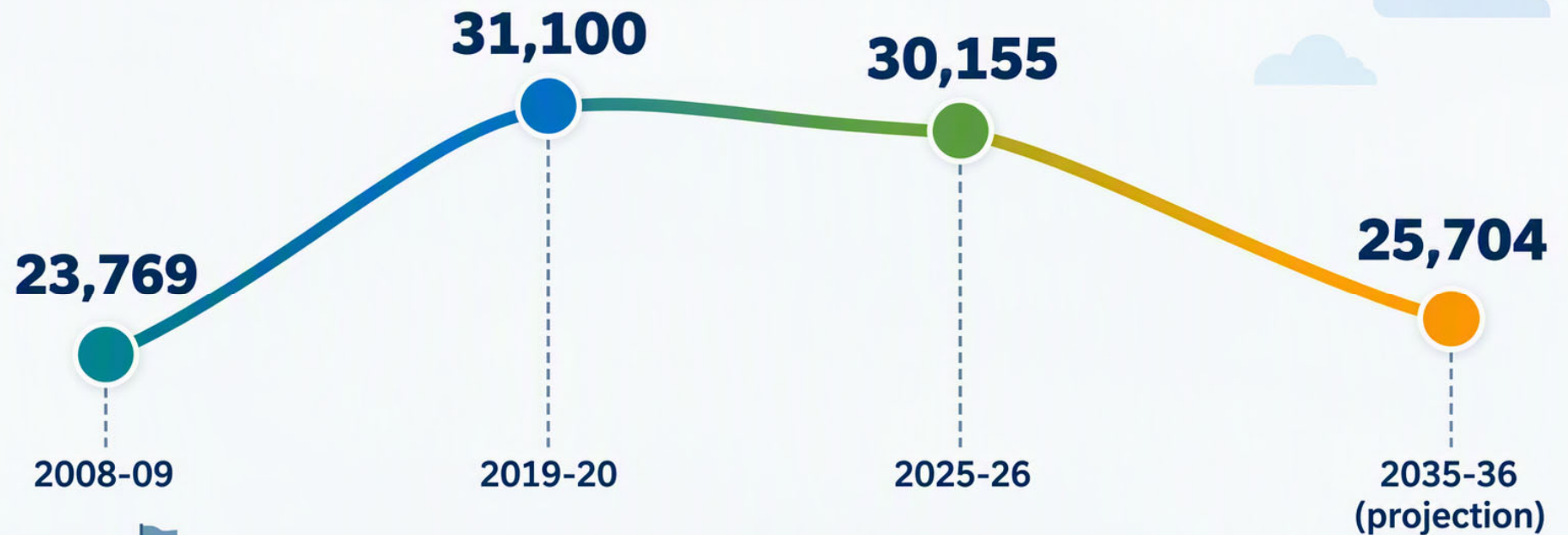
- Implement staffing ratios
- Plan for continued central office reductions
- Fund required staff salaries and benefits not funded by the state.
- Increased costs for utilities, insurance, fuel, etc.
- Budget/Staff reductions required

FUND BALANCE – DISTRICT RESERVES

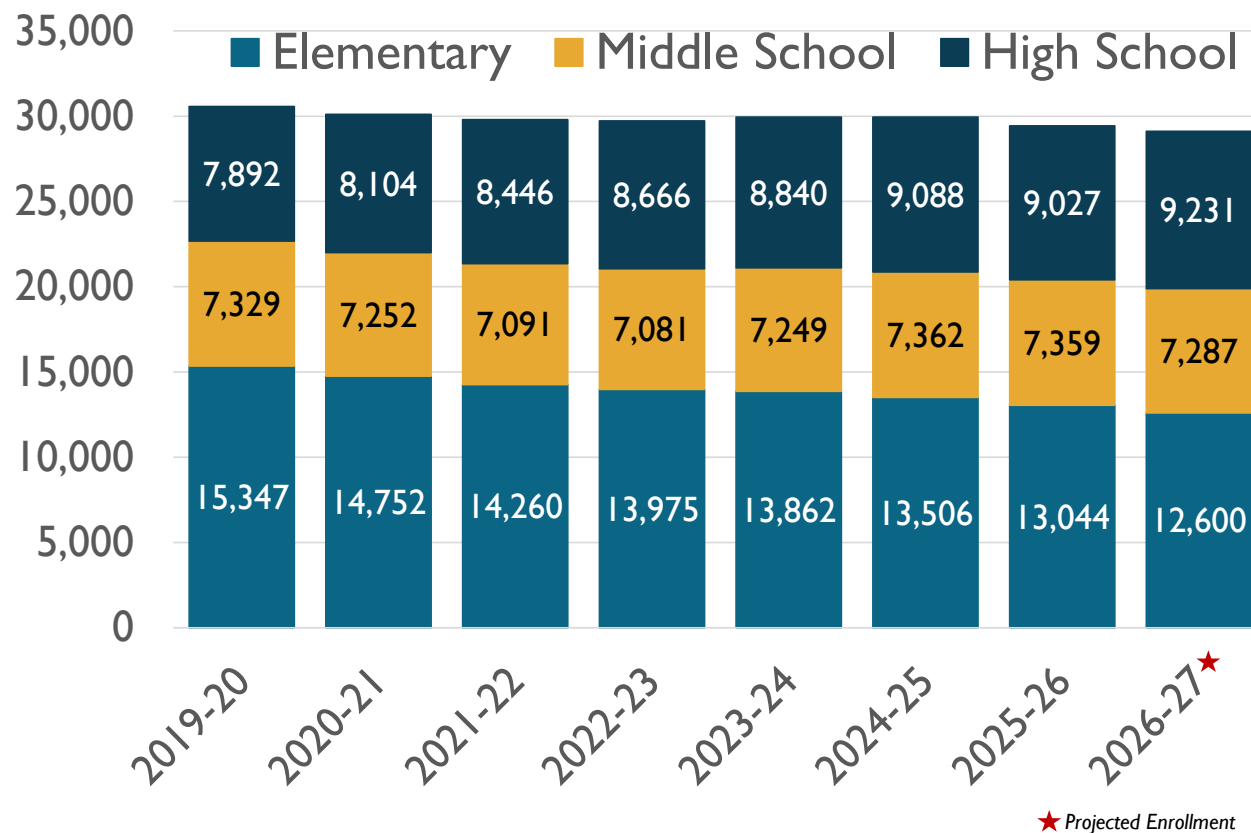
9-10%

The district targets budget reserves of 9-10%

Enrollment Over Time



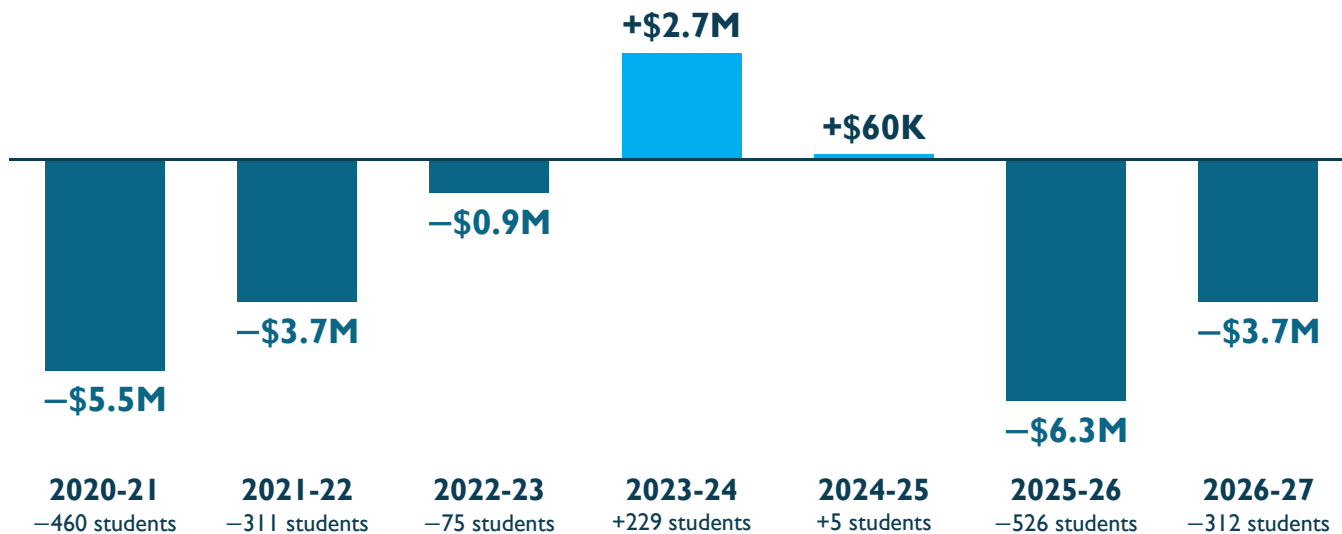
ENROLLMENT HISTORY OCTOBER | HEADCOUNT



- High school up 17.0%
- Middle school down 0.05%
- Elementary down 17.9%
- Fewer students in elementary eventually means fewer students moving up to secondary

REDUCED REVENUE

Year-over-year change in total K-12 enrollment, valued at \$12,000 per pupil



Net reduced revenue

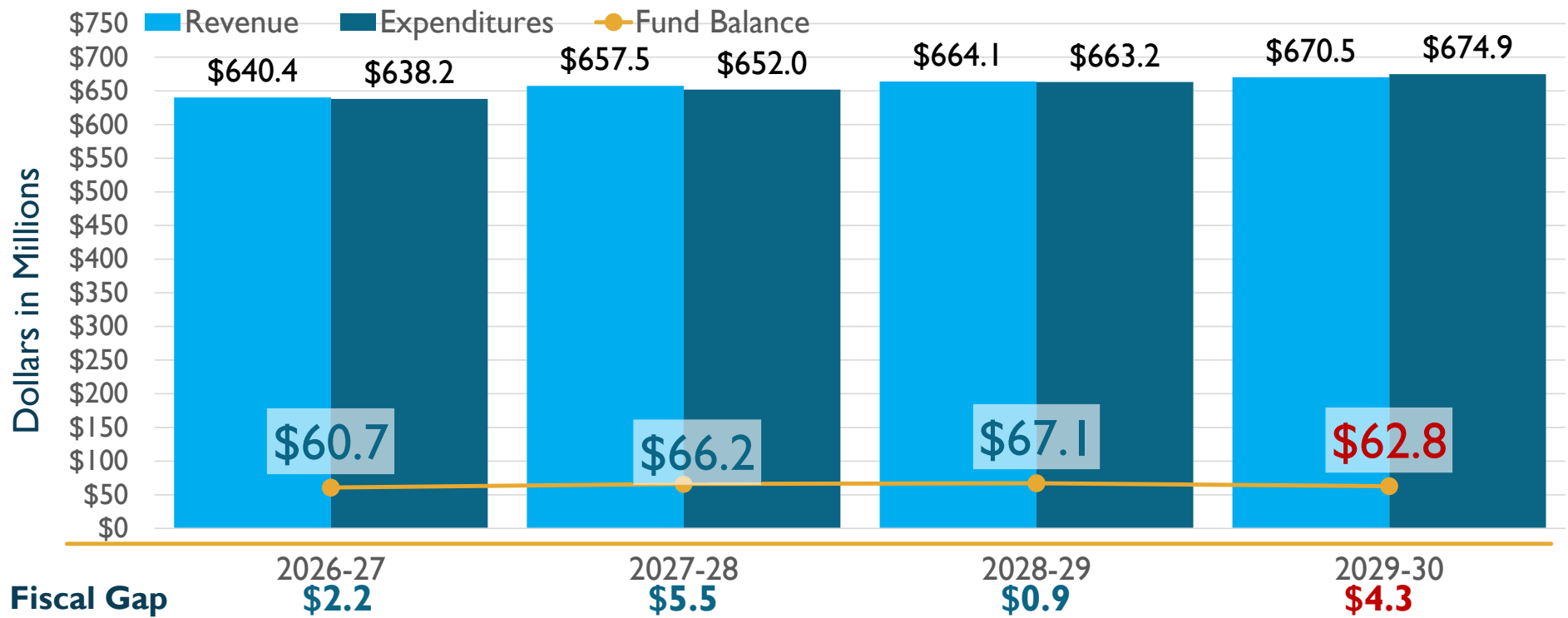
\$17.4M

2019-20 to 2026-27

Net decline of 1,450 students (-4.7%) $\times$ \$12,000

Declines of \$20.2M, offset by \$2.8M from gains in 2023-24 and 2024-25

REVENUE & EXPENDITURE PROJECTIONS WITH 2026-27 BUDGET ALIGNMENT



HOW DOES THIS RELATE TO THE BOUNDARY AND ENROLLMENT REALIGNMENT WORK?



STRATEGY: CHANGING ATTENDANCE BOUNDARIES



A LOCALIZED EXAMPLE TO DEMONSTRATE A SYSTEM IMPLICATIONS REVENUE VS. STAFFING COST

Kindergarten staffing is generated on a 1:20 ratio (one teacher for 20 students on average)

Small school <i>(generates 1.5 teachers)</i> 30 students · 2 teachers · class size 15		Medium school <i>(generates 2.5 teachers)</i> 50 students · 3 teachers · class size 16–17		Large school <i>(generates 4.0 teachers)</i> 80 students · 4 teachers · class size 20	
Revenue	\$360,000	Revenue	\$600,000	Revenue	\$960,000
Staffing cost	\$320,000	Staffing cost	\$480,000	Staffing cost	\$640,000
Remaining after staffing (\$1,333 per pupil)		Remaining after staffing (\$2,400 per pupil)		Remaining after staffing (\$4,000 per pupil)	
+\$40,000		+\$120,000		+\$320,000	
					
Staffing uses 89% of revenue		Staffing uses 80% of revenue		Staffing uses 67% of revenue	

Kindergarten staffing example · Revenue at \$12,000 per pupil · Staffing at \$160,000 per teacher



PROJECTED SYSTEM IMPACTS OF INEFFICIENT STAFFING MODELS

Smaller schools typically need more teachers relative to enrollment.

2035

Most schools will be small or medium

\$2.6–\$4.8 million

Projected district-wide excess elementary staffing cost impact *per grade level*



STRATEGY: SCHOOL CLOSURE OR CONSOLIDATION

IF ENROLLMENT IS DECLINING, WHY CAN'T THE DISTRICT SIMPLY OPERATE THE SAME SYSTEM WITH FEWER STUDENTS?

FIXED COSTS

Fixed annual cost by school level

School level	Fixed annual cost
Elementary	\$1.56M – \$2.15M
Middle school	\$2.1M
High school	\$5.2M

Elementary:

More than 300 students = \$2.15M

300 students or fewer = \$1.56M

EXAMPLE ASSUMPTIONS

SCHOOLS

29

elementary schools

AVERAGE ENROLLMENT

398

students per school

FIXED COSTS

\$2.15M

per elementary school

FIXED COSTS ACROSS 29 ELEMENTARY SCHOOLS

11,542

Projected enrollment 2035

÷

29

elementary schools

=

398

avg. students per school

Fixed cost per student

\$5,402

\$2.15M ÷ 398 students

Total fixed cost, 29 schools

\$62.35M

29 × \$2.15M per year

A 398-student elementary school carries \$2.15M in fixed costs — fewer students per building means a higher cost per student.

FIXED COST PER PUPIL: 2025 VS. 2035 ENROLLMENT

2025 ENROLLMENT

13,044 students

\$4,780

fixed cost per pupil

CHANGE PER PUPIL

+\$622

+13% per pupil

1,502 fewer students (–11.5%)

2035 PROJECTED

11,542 students

\$5,402

fixed cost per pupil

How it's calculated: fixed cost stays at \$62.35M in both years (29 elementary schools × \$2.15M)

2025: $\$62.35\text{M} \div 13,044 = \$4,780$ per pupil | 2035: $\$62.35\text{M} \div 11,542 = \$5,402$ per pupil

2025 VS. 2035: FIXED COSTS AND CHANGE IN REVENUE

Metric	2025 · 13,044 students	2035 · 11,542 students	Change
Cost per pupil Fixed cost ÷ enrollment	\$4,780	\$5,402	+\$622 (+13%) per pupil
Total fixed costs 29 schools × \$2.15M	\$62.35M	\$62.35M	No change
Total revenue Enrollment × \$12,000	\$156.5M	\$138.5M	−\$18 M less revenue

Revenue drops \$18.0M while fixed costs hold at \$62.35M — fixed costs rise from 39.8% to 45.0% of revenue.

Assumes \$12,000 revenue per pupil and \$2.15M fixed cost per elementary school (29 schools), per slides 22–25.



STRATEGY: REDUCING RELIANCE ON PORTABLES



FISCAL IMPLICATIONS OF PORTABLES

162

portables in use
50 are SAGE design (since 2015)

22 yrs

average age
range: 6 to 46 years

\$6,600

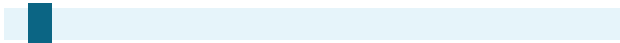
operating cost per unit
per year

~\$1.07M

annual operating cost
full inventory (162 × \$6,600)

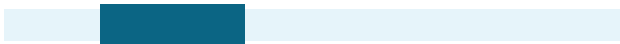
One-time cost per portable

Demolition



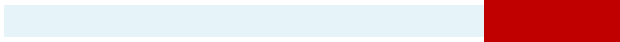
\$25K–\$50K

Relocation



\$100K–\$250K

Purchase new



\$500K–\$650K

10-YEAR OPERATING COST

\$66,000

per portable (\$6,600 × 10)

\$10.7M

full inventory (162 portables)

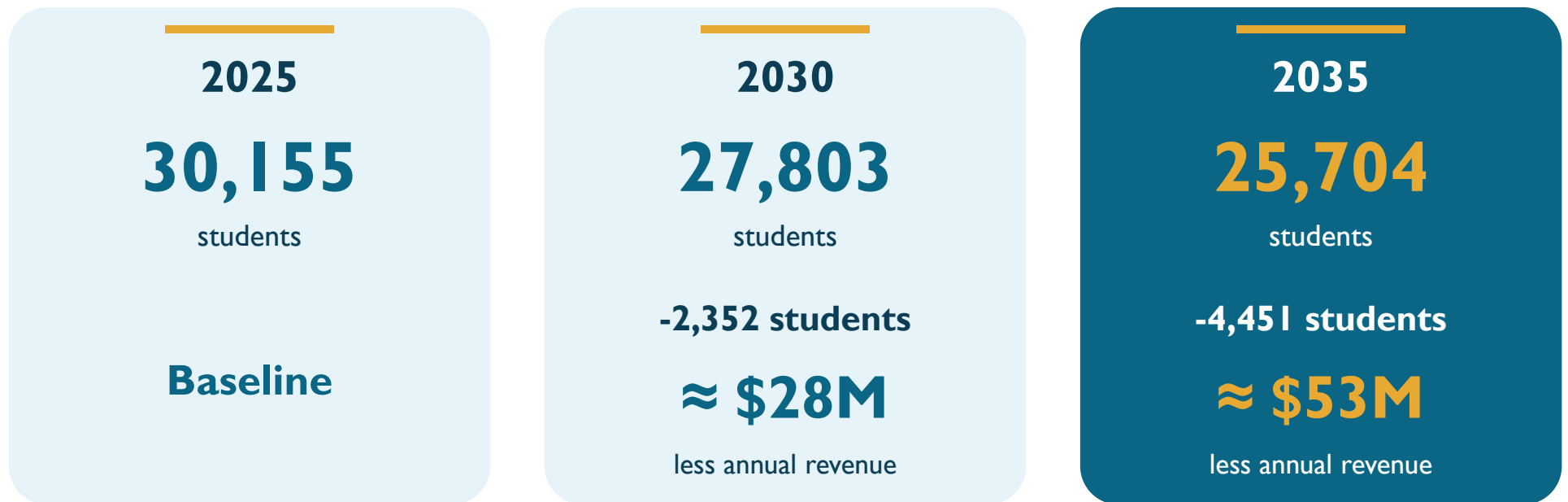
Not adjusted for inflation.



OVERALL BUDGET IMPLICATIONS OF DECLINING ENROLLMENT

PROJECTED ENROLLMENT DECLINE MEANS LESS ANNUAL REVENUE

Estimated annual revenue difference compared with 2025 enrollment, assuming \$12,000 per pupil.



Estimate only; projected enrollment decline × assumed annual revenue of \$12,000 per pupil.

WHERE ENROLLMENT REALIGNMENT FITS IN

The goal is not budget balance for its own sake, nor is it simply having schools of the right size. Those are means to an end. The real goal is maintaining a system that has the capacity and flexibility to meet student needs, both today and in the future. That requires doing the structural work necessary to preserve our focus on student outcomes, achievement, and opportunity.

FOUR TAKEAWAYS

- 1 The core equation of school funding is simple: recurring revenue must support recurring costs.
- 2 Enrollment drives a major share of revenue and staffing.
- 3 The District has already completed approximately \$15 million in budget reduction work since 2022, including a reduction of 30 FTE from central office staffing
- 4 **Continued alignment, including efficient and right-sized schools, helps preserve programs and services for all students.**

TOWN HALL INFORMATIONAL SERIES

30-minute information sessions

Session #	Subject	Date	Time
☒ Session #1	School District Enrollment	September 29	6 p.m.
☒ Session #2	School District Budget	October 7	12 p.m.
Session #3	School Capacity & LWSD School Construction Projects	October 14	12 p.m.
Session #4	Implications for Doing Nothing	October 21	12 p.m.
Session #5	Decision Making Process	October 28	12 p.m.
Session #6	Supporting Students During Change	November 4	12 p.m.
Session #7	Choice Schools & Specialized Programs	November 9	12 p.m.
Session #8	Frequently Asked Questions	November 18	12 p.m.


ONLINE INFORMATION SESSIONS

BOUNDARY & ENROLLMENT REALIGNMENT PROCESS

Each Information Session will be 30 minutes.
Sessions will be recorded and posted on the Realignment website.


Session #2:
School District Budget
October 7 12 p.m.
[JOIN HERE](#)


Session #6:
Supporting Students During Change
November 4 12 p.m.
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Have a question? Submit it here:
<https://forms.cloud.microsoft.com/R1p0hNM549>
For more information, visit:
www.lwssd.org/realignment

 Lake Washington School District

THANK YOU!

**FOR JOINING INFORMATIONAL SESSION #2
TOWN HALL FOCUSED ON BUDGET**

