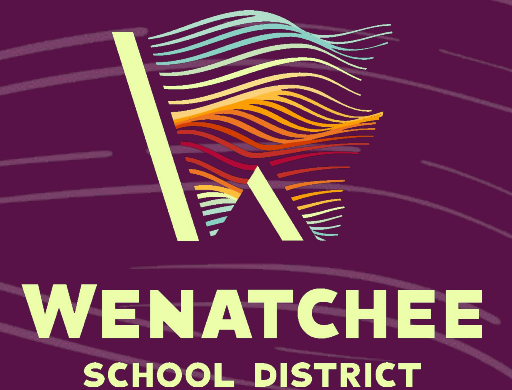


Board Budget Update

May 12, 2026



Difference Between Operations & Bond Funds

Operating Budget: Day-to-Day

- Funds day-to-day operations, student support, and staffing.
- Comes from combination of state, federal allocations & local levies
- Amounts are based on student enrollment and special needs of students, such as poverty, disabilities, and limited English language skills

Operating Budget Cannot

Build new schools, replace facilities, support any large-scale construction, nor pay long-term debt.



Bonds: For Building

- Voter approved funding to build or modernize school buildings
- Long term 15-30 years paid by local property tax.

Bonds Cannot

Pay for teacher and staff salaries, supplies, daily operations, instructional programs and administrative costs or backfill budget shortfalls.



Budget Reduction Principles

- The WSD Promise Statement
- Prioritize Student-Outcomes
- Leverage resignations and retirements
- Make reductions furthest from the classroom (wherever possible)
- Optimize operations, efficiencies, and needs
- Transparency and communication
- Maintain levy funded programming and student opportunities (wherever possible)
- Short-term goals balanced with long-term planning



Milestones for Decision Making and Gathering Input

- **August** - 25/26 Budget approved by the school board
- **October**
 - Enrollment projections updated based on October 2025 count
 - 2024-25 year-end close out (fund balance)
- **November/December**
 - Preliminary budget reduction amount identified
 - Leadership Team Share, Board Budget Committee, Association Budget Committee (January)
 - Developing preliminary budget reduction plan
- **January** - State legislative budget session begins
- **March/April**
 - State legislative budget sessions ends
 - All impacted staff are notified
- **May** - Budget reductions finalized
- **June** - 2026-27 preliminary budget presented to the board
- **August** - 2026-27 budget approved by the board

**2026/27 Federal
Funding
Restored!**

Operational Budget Reduction Target - ~~\$5.4~~ \$2.5 million

- **\$2.5 million in BEA (Basic Education Allocation)**
- ~~**\$2.9 million in Federal Funding**~~

Budget Reduction Factors

- **Declining enrollment - actual and projected**
 - Enrollment drives about 75% of our funding
- **Inflationary costs outpacing funding**
 - Salaries and benefits
 - Insurance premiums
 - Materials, Supplies, and Operating Costs (MSOC)
- ~~**Loss of federal funding**~~

**2026/27
Federal Funding
Restored**

Federal Budget Factors

- WSD still has concerns on funds being released in July
- All indications from NCESD and OSPI are that the funding will be released
- Reimagining our Federal Program allocation
 - Funds are based on 2024 allocations without increases for inflation or IPD for salaries
 - Approaching new ways to support students with funding
- Continue to support students at high levels through staffing and programs

Areas of Reduction

- Restructuring District Office Administration
- Restructuring Building Administration
- Retirements and Resignations
- Staffing modifications
- Unfilled positions
- MSOC - Contracts

No school closures 26/27

Budget Reduction and Savings Breakdown

Classification	\$	%
<i>MSOC</i>	<i>620,000</i>	<i>23.8%</i>
<i>Leadership Restructuring/Funding</i>	<i>500,000</i>	<i>19.2%</i>
<i>Funding shifts</i>	<i>500,000</i>	<i>19.2%</i>
<i>Staffing Turnover (Certificated & Classified)</i>	<i>480,000</i>	<i>18.5%</i>
<i>Certificated Reductions (Not Leadership)</i>	<i>350,000</i>	<i>13.5%</i>
<i>25-26 Capital Projects (Return to General Fund)</i>	<i>150,000</i>	<i>5.8%</i>
Total Reductions/Savings	2,600,000	100.0%

Enrollment Decline
Data shared - January
13, 2026

Demographic
Enrollment Prestation
- March 24, 2026

Preliminary Budget Reduction Plan

We need to honor the work of the Wenatchee School District over the past three years for the heavy budget reduction process. It has been challenging to every single staff member, our stakeholders, and our system. We have done a great deal of heavy lifting.

Reduction Amounts:

23/24 School Year = \$4.4 million

24/25 School Year = \$8.9 million

25/26 School Year = \$2.8 million

26/27 School Year = \$2.6 million

**Four Year Total =
\$18.7 Million**

Opportunities for Future Growth

Opportunities for Future Growth

- Staffing for choice: in-district choice and students from out of district
- Accelerated Pathways - year two
- Valley 10th Grade/Kinder Opportunities
- Additional ALE opportunities - WestSide
- Adjusted our registration timeline
- Researching other areas for growth/efficiencies
- Advertising WSD opportunities in new ways
- WSD Bond - enhanced facilities = new enrollment

Questions and Comments

Thank you!