



2026-27 Budget Hearing

August 24, 2026

BATTLE
GROUND
PUBLIC SCHOOLS

Connecting every student
to a successful future

Overview

- Budget process and challenges
- 2026 state legislative action: K-12 funding impact
- General fund assumptions
- General fund enrollment, revenue and expenditures
- Required disclosure
- General fund staffing, budget summary and fund balance
- Capital projects, ASB and debt service funds
- Four-year budget projection assumptions
- Monitoring budget
- Budget and contact information
- Public comments

Budget process

Process & Planning

- Budgeting operates as a continuous, year-round cycle.
- Active legislative school funding advocacy remains ongoing.
- Student enrollment projections and staffing needs are continuously monitored.
- Revenues, expenses, and fund balance forecasts are updated.

EP&O Levy Non-Renewal

Addressing immediate budget challenges:

-\$20 Million

in program reductions

-\$14 Million

from fund balance reserves

These cuts deeply impact student programs and eliminate critical reserves for curriculum adoptions and emergencies.

Board Updates

August 10, 2026

Budget work session update presented directly to the Board of Directors.

[View Posted Info](#)

Budget challenges

Local Levy Non-Renewal

Significant reductions to staffing and programs over two school years:

-\$34M

in critical student programs

Forces the district to rely heavily on the use of remaining fund balance reserves.

Unfunded Mandates

Funding gaps impact almost all school programs, including:

- Special Education
-\$3.74M to -\$6.0M
- Substitute Costs
-\$2.95M
- Transportation
-\$3.9M

Inflationary Costs

State funding increases (IPD) historically lag behind the Consumer Price Index (CPI).

Revenue sources are not keeping up with actual rising operational costs.

Fuel Costs **+\$345K (+39.4%)**

Insurance **+\$200.5K (+8%)**

Budget challenges

Levy-Tied Revenue

Direct Funding Stream
Impact

Loss of Revenue

Funding stream directly tied to required passed levy is lost, creating immediate baseline budget pressure.

State Forest Funding

Reductions in State
Allocations

-\$250,000+

Substantial loss of state forest funding revenues that support general operations.

Interest Income

Fund Balance Impact

-\$400,000

Low fund balance means lower interest income revenue.

Non-High District Fees

Service Cost Impacts

-\$40,000

Shortfall in school fees received for serving students coming from non-high school districts.

Outcomes of 2026 legislative action

Bus Depreciation

Reductions in transport funding:

-\$25M

Statewide Funding Cut

BGSD Local Impact:

- **-\$300,000** in 2025-26
- **-\$300,000** in 2026-27

Transition to Kindergarten

Early learning program reductions:

-25%

-\$27.3M Statewide Reduction

BGSD Local Impact:

- Cut **2 of 7** classrooms
- Impacts **34 students**

Election Costs Adjustments

Shift in levy election cost accounting: (\$206,000)

Policy Change:

- Levy election costs no longer charged to Board budget; must charge to superintendent's budget

Additional outcomes of 2026 legislative action

School Funding

No bills were seriously considered that would address the underlying funding needs of schools.

K-12 Policy Reductions

State budget needs and tax on millionaires dominated conversations while K-12 education receives policy-level reductions.

Transportation Benefits

Contractor benefits may be funded if surplus remains in June 2027. This is **highly unlikely** and not budgeted.

Running Start

Slight reduction to student classes during the summer term.

Sales Tax Exemption

Recent new sales tax on retail services exemption for K-12 available starting July 1, 2026, restoring no tax on those services.

General fund budget assumptions

Baseline & Enrollment

F195 Comparisons: Derived from 2025-26 budget and 2024-25 actual data.

Student FTE: Full-time equivalent (FTE) enrollment from 2025-26 is rolled forward.

Revenue & Costs

State Revenue: +2.6% Implicit Price Deflator (IPD) inflationary increases for funded basic education salaries & MSOCs. Expenditure increases not planned in 2026-27 forecast from prior year budget.

Expenditures: Adjusted upward to account for expenses such as transportation, utilities, fuel, and insurance cost increases.

Program Reductions

-\$20M

Required Funding Cut

Levy Loss Impact: Loss of local levy funding requires major reductions to staffing and MSOCs.

Staffing: Aligned strictly with student enrollment needs.

Enrollment based on full-time equivalent (FTE)

Budget to Budget

F195 Budget Document comparison showing projected changes across school models.

	Actual	Budget	Budget	Change From
	2024-25	2025-26	2026-27	2025-26
Comprehensive Schools	10,060	9,783	9,735	(48)
Alternative Learning Experience (ALE)	2,037	2,066	2,232	166
Sub Total	12,097	11,849	11,967	118
*Transitional Kindergarten	120	0	0	0
Open Doors	36	33	38	5
Running Start	329	305	293	(12)
Total Enrollment per F195	12,582	12,187	12,298	111
*Transitional Kindergarten		120	85	(35)

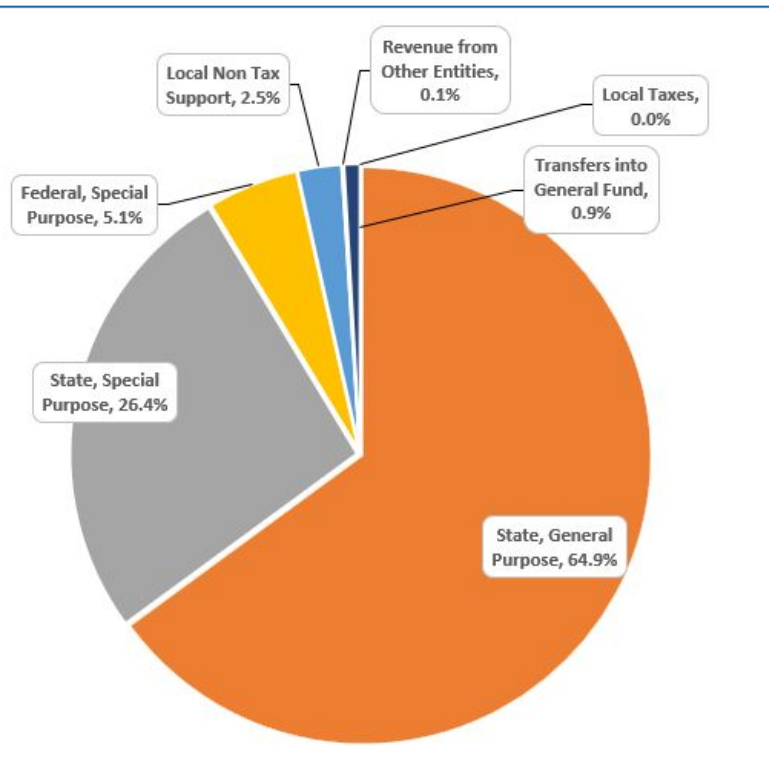
*No longer included in F195 Enrollment Counts starting 2025-26

Actual to Budget

Actual figures analyzed against the approved budget baseline.

	Actual	Budget	Change From
	2025-26	2026-27	2025-26
Comprehensive Schools	9,905	9,735	(170)
Alternative Learning Experience (ALE)	2,130	2,232	102
Sub Total	12,034	11,967	(67)
*Transitional Kindergarten	0	0	0
Open Doors	38	38	0
Running Start	292	293	1
Total Enrollment	12,364	12,298	(66)
*Transitional Kindergarten	126	85	(41)

Revenue: \$212,992,846



State Funding Focus

91.3%

of revenue is state funding, which is driven by student enrollment

Local Levy Support

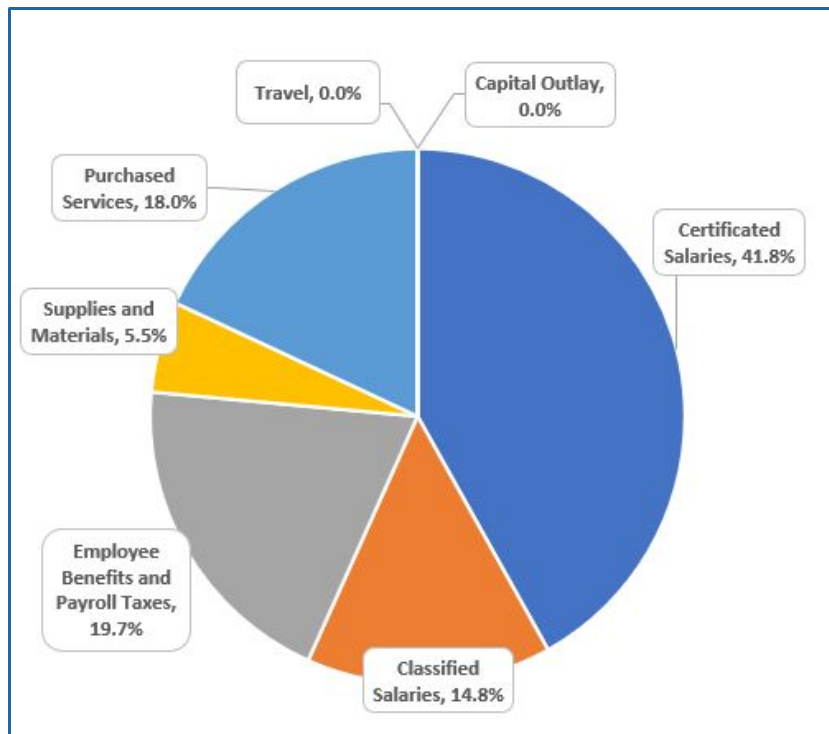
0%

Was 13% of funding for the 2024-25 school year

Revenue: \$212,992,846

	2026-27	Percent Budget
Local Taxes	\$ 63,189	0.03%
State, General Purpose	\$ 138,249,039	64.91%
State, Special Purpose	\$ 56,281,373	26.42%
Federal, Special Purpose	\$ 10,947,690	5.14%
Local Non Tax Support	\$ 5,312,555	2.49%
Revenue from Other Entities	\$ 209,000	0.10%
Other Financing Sources	\$ 1,930,000	0.91%
Total Revenue	\$ 212,992,846	100.00%

Expenditures by object: \$227,003,616



Salaries & Benefits

76.3%

of district expenditures are allocated to salaries and benefits

Adjusted Salaries & Benefits Comparison

~85%

Closer to the state average because the district contracts out for nutrition and transportation service

Expenditures by object: \$227,003,616

Purchased Services

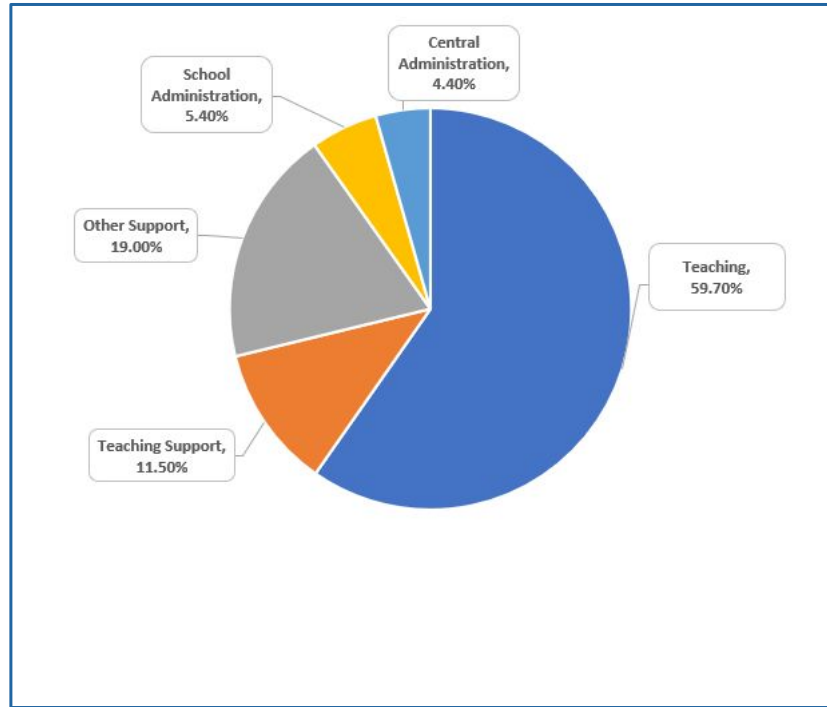
\$40.9M (18.0% of Budget)

Key Expenditures include:

- **Transportation: \$17.0M**
- **Utilities: \$4.7M**
- **Food Services: \$4.6M**
- **Special Ed Placements: \$3.8M**
- **Running Start: \$2.9M**
- **Insurance: \$2.7M**

	Budget 2026-27	Percentage of
Certificated Salaries	\$94,869,283	41.8%
Classified Salaries	\$33,684,769	14.8%
Employee Benefits and Payroll Taxes	\$44,786,769	19.7%
Supplies and Materials	\$12,565,109	5.5%
Purchased Services	\$40,929,445	18.0%
Travel	\$111,323	0.0%
Capital Outlay	\$56,918	0.0%
Total Expenditures	\$227,003,616	100.00%

Expenditures by activity: \$227,003,616



Teaching & Support

71.2%

of dollars go toward teaching activities and teaching support

	Budget 2026-27	Percentage of Budget
Teaching	\$ 135,490,159	59.7%
Teaching Support	\$ 26,142,598	11.5%
Other Support	\$ 43,120,755	19.0%
School Administration	\$ 12,163,561	5.4%
Central Administration	\$ 10,086,543	4.4%
Total	\$ 227,003,616	100.0%

Materials, supplies and operating costs (MSOC)*



Compliance & Disclosure

* Disclosure is required by RCW 28A.505

The district fully complies with the provisions of ESSB 5998 and ESSB 5192.

F-203 MSOC Revenue	
Basic Education Program 01 and 97 MSOC	14,674,375
Grades 9-12 Additional Program 01	582,817
Total MSOC Revenue	<u>15,257,192</u>

Program 01 and 97 MSOC expenditures	
Program 01 Obj 5	3,297,477
Program 01 Obj 7	4,046,439
Program 01 Obj 8	1,681
Program 01 Obj 9	-
Program 97 Obj 5	1,456,274
Program 97 Obj 7	10,560,501
Program 97 Obj 8	33,151
Program 97 Obj 9	6,918
Total MSOC Expenditures	<u>(19,402,441)</u>
MSOC Revenue Over (Under) MSOC Expenditures	<u><u>(4,145,249)</u></u>

Staffing reductions

	Actual	Budget	Budget	Change from
	2024-25	2025-26	2026-27	2025-26
FTE Certificated Employees	875.19	827.87	786.00	(41.87)
FTE Classified Employees	510.60	482.68	446.03	(36.65)
Total	1385.79	1310.55	1232.03	(78.51)

Key Adjustments & Additions

- 137.2 positions reduced in the 2026-27 school year
- **Added support:** Special education and nursing staff added to meet critical student needs
- **Furlough days:** 3 days for central office administrators, 2 days for all other staff

Overall Reduction

268.3

Staff positions reduced over the last two school years

16%

Total staff reduction since the 2024-25 baseline

Largest percentage of reductions is focused on district and building administrative roles.

General fund budget summary

Budget Summary	
2026-27	
Total Revenues	\$ 212,992,846
Total Expenditures	\$ 227,003,616
Expenditures Exceed Revenue	\$ (14,010,770)
Beginning Fund Balance	\$ 25,686,284
Ending Fund Balance	\$ 11,675,514

General Fund Balance

Restricted cannot be used to balance the budget.

Previously assigned for curriculum adoptions, capital repairs, etc.

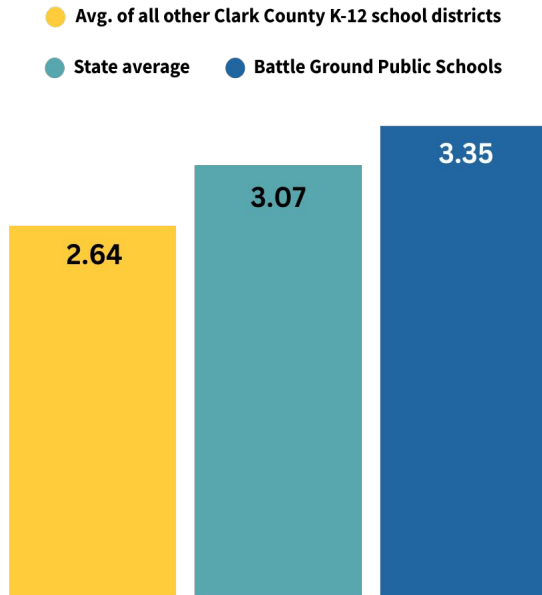
Unassigned is the "rainy day" fund.

Unassigned to minimum fund balance (policy 6022) is for cash flow and other economic uncertainties.

	Projected Beginning Fund Balance 2026-27	Use of Fund Balance 2026-27	Projected Ending Fund Balance 2026-27	Percentage of Expenditures
Restricted for Carryover of Restricted Revenues	\$ 1,700,000	\$ (1,700,000)	\$ -	
Nonspendable for Inventory & Prepaids	\$ 5,400,000	\$ (1,000,000)	\$ 4,400,000	1.94%
Restricted to Self-Insured & Uninsured Risks	\$ 165,000	\$ -	\$ 165,000	0.07%
Assigned to Other Purposes	\$ 7,000,000	\$ (7,000,000)	\$ -	
Unassigned Fund Balance	\$ -	\$ -	\$ -	
Unassigned to Minimum Fund Balance Policy	\$11,421,284	\$ (4,310,769)	\$ 7,110,515	3.13%
Total	\$25,686,284	\$ (14,010,769)	\$11,675,515	5.14%

Projected 2026-27 Financial Health Score

2023-24 financial health scores



Projected Financial Health Score	Measurement	Points	Weighted Score
Unrestricted fund balance to revenue ratio	>2% - 6%	2	0.80
Expenditures to revenue ratio	105%-110%	1	0.35
Days cash on hand	>30	0	0.00
4-year budget summary plan - negative fund balance	3 years	1	0.10
	Total		1.25
Higher scores indicate greater financial stability and ability to respond to unexpected expenditures. A 4.0 is considered a perfect score.			

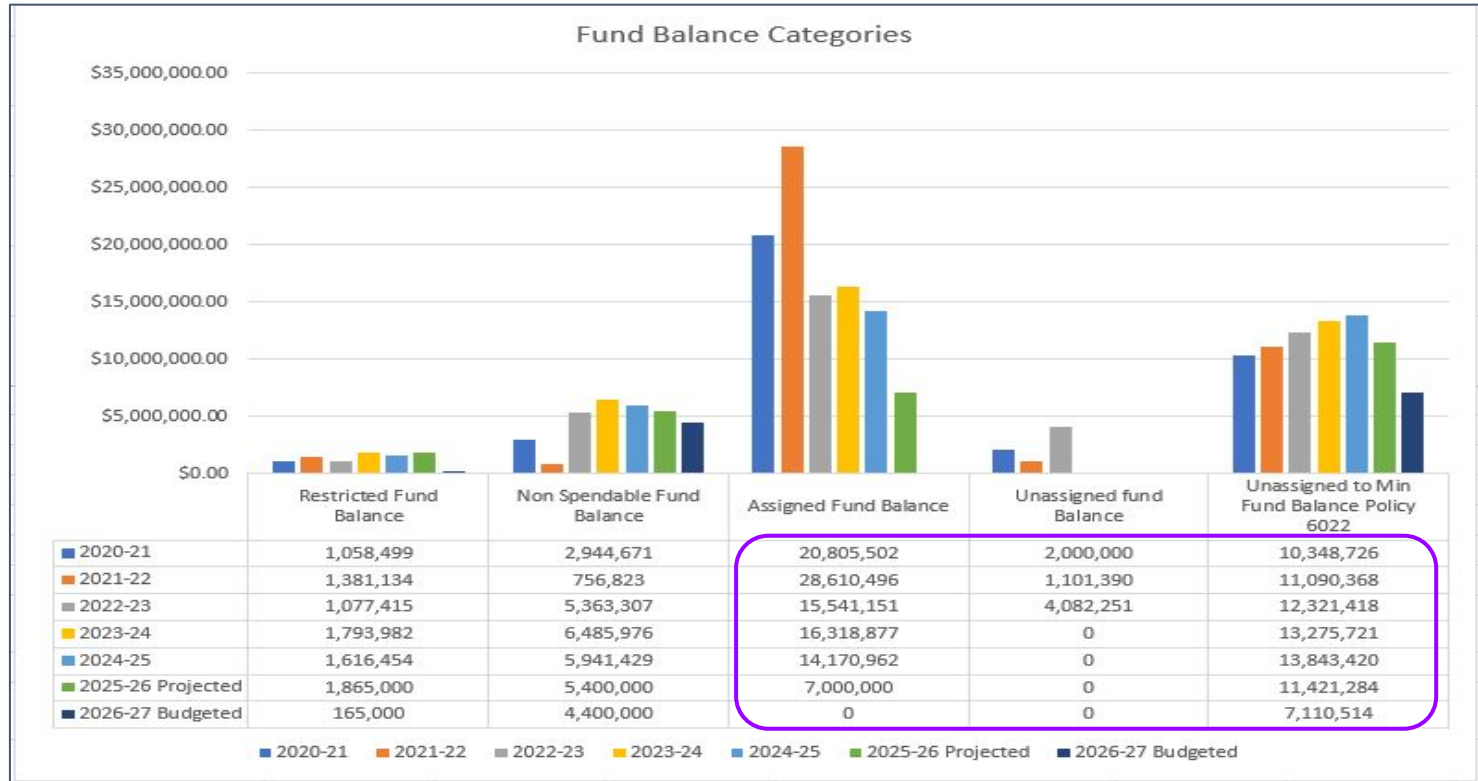
Financial Warning Zone (0 - 1.751)

Battle Ground Public Schools' projected score of **1.25** falls within this warning threshold.

A 4.0 is considered a perfect financial health score. Higher scores indicate greater stability.

Source: OSPI School District Budget Challenges and Financial Insolvency Webpage

General fund balance history



Other district funds

	Capital Projects Fund	Associated Student Body (ASB) Fund	Debt Service Fund
Beginning Fund Balance 2026-27	\$17,000,000	\$1,500,000	\$535,000
Revenue	\$18,279,220	\$3,243,366	\$387,125
Expenses	\$20,250,760	\$3,149,742	\$387,125
Transfer Out to General Fund	\$2,312,125		
Ending Fund Balance 2026-27	\$12,716,335	\$1,593,624	\$535,000
Purpose	Capital improvements and technology	Student activities - cultural, athletic, recreational, and social	Non-voted debt
Primary Funding Source	School Impact Fees, Capital Levy, and other resources	Fundraisers, fees, gate ticket sales	General Fund savings in energy
Expenditures	Technology and facility capital levy projects. Modular classrooms and support buildings. District wide lighting retrofit / energy savings project.	Extracurricular activities like transportation, officials, supplies and activities.	Interest payments for district wide lighting retrofit / energy saving project.

Four-Year Projections: General Fund Outlook

Baseline Assumptions

- **Local levy funding** is not assumed in these baseline projections.
- **Enrollment** is projected to grow over the next four years.
- **State inflationary revenues** are projected for contractual obligations, materials, supplies, and operating costs.

Critical Funding Scenarios

Projections show a negative fund balance unless significant budget reductions are made.

IF FUNDING IS NOT APPROVED (2027)

District must make **-\$13M to -\$15M** in student program reductions to balance the 2027-28 budget.

IF FUNDING IS APPROVED

The district will be able to start restoring some student programs in 2027-28.

**Additional reductions would be necessary to absorb any other unforeseen increases to expenditures.*

Four-Year Projections: General Fund

	2026-27	2027-28	2028-29	2029-30
Total Revenues	\$ 212,992,846	\$ 220,543,654	\$ 223,559,756	\$ 228,027,379
Total Expenditures	\$ 227,003,616	\$ 232,106,416	\$ 237,485,818	\$ 241,466,870
Expenditures Exceed Revenue	\$ (14,010,770)	\$ (11,562,762)	\$ (13,926,062)	\$ (13,439,491)
Beginning Fund Balance	\$ 25,686,284	\$ 11,675,514	\$ 112,752	\$ (13,813,310)
Ending Fund Balance	\$ 11,675,514	\$ 112,752	\$ (13,813,310)	\$ (27,252,801)



Critical Budget Constraint

Must make additional cuts and operate without restoring most budget cuts in 2025-26 and 2026-27 without a EP&O levy.

General Fund Ending Balance: 4-Year Projections

(Local levy funding is not assumed)

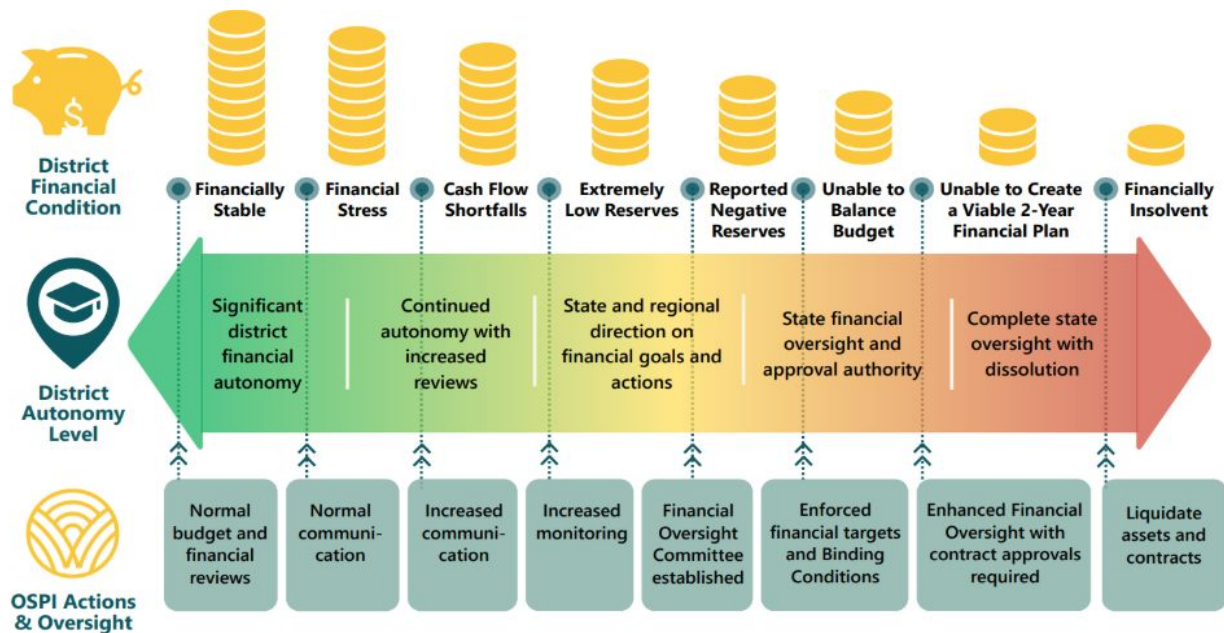
	2026-27	2027-28	2028-29	2029-30
Restricted for Carryover of Restricted Revenues	\$ -	\$ -	\$ -	\$ -
Nonspendable for Inventory & Prepaids	\$ 4,400,000	\$ 4,000,000	\$ 3,200,000	\$ 2,400,000
Restricted to Self-Insured & Uninsured Risks	\$ 165,000	\$ 165,000	\$ 165,000	\$ 165,000
Assigned to Other Purposes	\$ -	\$ -	\$ -	\$ -
Unassigned Fund Balance	\$ -	\$ -	\$ -	\$ -
Unassigned to Minimum Fund Balance Policy	\$ 7,110,515	\$ (4,052,248)	\$ (17,178,311)	\$ (29,817,802)
Total	\$ 11,675,515	\$ 112,752	\$ (13,813,311)	\$ (27,252,802)



Severe Projected Deficit

Without levy funding, the ending fund balance is projected to collapse to a critical deficit of **-\$27.2M** by 2029-30.

District financial condition and OSPI oversight



Source: OSPI School District Budget Challenges and Financial Insolvency Webpage

Four-year projections for other funds

Capital Projects

- Capital levy projects continue through 2027-2028
- Impact fees used as needed for growth

Debt Service Fund

- Non-voted debt for energy efficiency projects

Associated Student Body

- Annually projected by student body

Monitoring tools

Routine Reporting

- Monthly budget status reports
- Monthly enrollment reports
- Legislative updates
- Apportionment tracking

Audits & Oversight

- Internal audits by business office finance staff
- Monthly Audit Committee meetings
- State Auditor financial statement & program audits
 - Strong fiscal internal control environment reviewed annually





Collaboration That Cultivates Trust

Budget information

battlegroundps.org/district-financials

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Public comments

Any person may appear at the hearing and be heard for or against any part of the 2026-27 budget, the four-year budget plan, or any proposed changes to uses of enrichment funding. Please follow the procedures for citizens' comments by stating your name, limiting your time to three (3) minutes, and refraining from discussing confidential matters. The sign-in sheet for citizens' comments will be located by the entrance to the boardroom.

Board members do not normally respond to questions or petitions during citizens' comments. They will listen and give direction to the administrative team if action is deemed necessary.