

Budget Study Session

Date: March 4, 2026

Presenters:

Ben Shuldiner, Superintendent

Dr. Kurt Buttleman, Assistant Superintendent of Finance

Agenda



1. Legislative Update
2. School Budget Development Update
3. Proposed Savings and Efficiencies for 2026-27
4. 2026-27 Operating Budget Development Timeline

Legislative Update



- The 2026 Legislative Session is scheduled to adjourn on Thursday, March 12
- Updated State Revenue Forecast (+\$827 million in two-year budget compared to November)
- As of 2/24/26, anticipated changes in State funding for SPS:
 - Reduction of ~\$1.1 million in bus depreciation reimbursement
 - Reduction in BEST grant program
 - Sales Tax exemption (~\$2M assumed in budget deficit for 2026-27)
 - Other changes net to less than +/- \$100k than anticipated in planning for 2026-27

Schools Budget Development Update



Annual Average FTE Change Summary



| School Type | 2025-26 AAFTE Adopted | 2026-27 AAFTE Proposed | Student AAFTE Change | Percentage Change |
|--------------------|-----------------------------|------------------------------|-------------------------|----------------------|
| Elementary | 20,140 | 19,977 | (163) | -0.8% |
| K-8 | 4,373 | 4,732 | 359 | 8.2% |
| Middle | 9,174 | 9,133 | (41) | -0.4% |
| High | 13,188 | 13,157 | (31) | -0.2% |
| Non-Traditional | 1,427 | 1,047 | (380) | -26.6% |
| Grand Total | 48,302 | 48,046 | (256) | -0.5% |

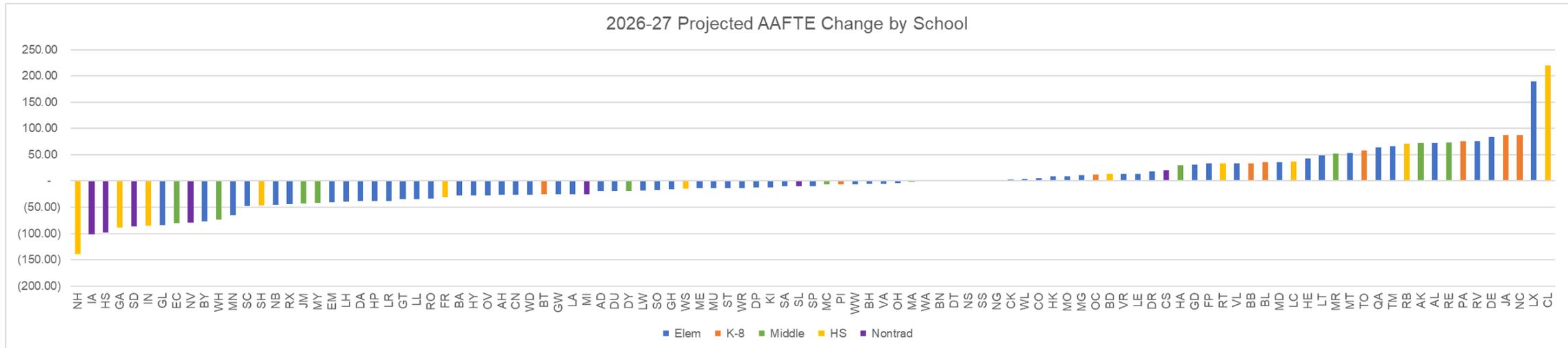
Annual Average FTE (AAFTE) – School districts report to the Office of Public Instruction the number of full-time equivalent (FTE) students enrolled on the fourth school day of September and the first school day of October through June. These ten counts are then averaged to obtain an annual average FTE enrollment count.

Open Enrollment Update



- Earlier Open Enrollment
- Families have received assignment notification
- **Currently 830 students remaining on waitlists for 2026-27**
 - At this time last year, over 2,000 students were on waitlists

Enrollment Change Overview



Outliers

- + Enrollment: Cleveland (+220), South Shore (+87), Hazel Wolf (+87), Thornton Creek (+84)
- Enrollment: Interagency (-102), Nathan Hale (-139), World School (-86), Cascade K-12 (-98), Garfield (-89)

*Cascadia Elementary enrollment increases addressed in 25-26 budget.

Educational Program Resolution



Board Policy No. 0060 Financial Planning and Budgeting

“The Superintendent shall not cause or allow Seattle Public Schools to:

5. In years in which a significant operating deficit or surplus is projected, fail to present a Reduced or Increased Educational Program Resolution for Board approval.”

No Program changes are being proposed at this time for 2026-27.

School Allocations for 2026-27



Schools are allocated staff and discretionary budget in February each year, upon which to build their budget for the following year.



These allocations are based on enrollment projections provided by Enrollment Planning, applied to the Weighted Staffing Standards (WSS) model.



During the month of March, schools develop their budget for the upcoming year based on these enrollment projections, staffing and budget allocations. FEPP Levy schools also integrate their allocations into their budgets at this time.



The 2026-27 allocation for each school can be found in the “Purple Book.”

2026-27 WSS Model Changes



SPS is committed to ensuring that the changes to the WSS model on the following slide will not result in school staff losing employment with SPS. The district will manage these changes through attrition and displacement processes.

School Allocation (WSS) Changes for 2026-27



| Changes | Proj. FTE Savings | Estimated General Fund Savings |
|--|-------------------|--------------------------------|
| Reduce mitigation fund to an amount equal to 10 FTE | 15.0 | \$2.4M |
| Align CTE teacher allocation to secondary model of 32:1 | 13.3 | \$2.2M |
| Shift .5 FTE from all comprehensive (high schools and World School) Academic Intervention Specialists from General Fund to LAP | | \$1M |
| Align Grades K-3 with state funding model of 17:1 | 16.0 | \$2.6M |
| Adjust rounding for Multilingual (ML) teachers to nearest 0.2 FTE | 10.2 | \$1.6M |
| Adjust rounding for counselors to nearest 0.2 FTE | 3.7 | \$0.6M |
| Increase Grades 4-5 staffing allocation model to 28:1 | 15.5 | \$2.4M |
| Increase Grades 6-12 staffing allocation model to 32:1 | 27.3 | \$3.4M |
| Reserve 35% of savings to fulfill the employment commitment | | (\$5.7M) |
| Total | 101.0 | \$9.5M |



Identified Areas of Additional Reductions/Changes for 2026-27



Central Office



- Eliminate centrally funded vacant positions (\$4M – \$5M)
- Additional Central Office Budget Reductions / Changes (\$4M - \$10M)
 - Restructuring / reorganizing JSCEE
 - District initiated PD (subs) (~ \$450k)
 - Travel reductions (~\$100k)
 - Optional contracts
 - Repurposing Self-help budgets (~\$600k)
 - Inter-district reimbursement process updates
 - Culinary Services changes
 - Continue Furlough days for Non-represented staff (~ \$600k)
 - Sun-setting previous Strategic Plan budget (~\$1.5M)

**Range of
Savings:
\$8M - \$15M**

Transportation



- Change distribution of vendor bus assignments to leverage volume pricing
 - Net savings: ~\$3M
- Routing efficiencies
 - Net savings: ~\$500k

**Savings:
~\$3.5M**

Balancing the 2026-27 Budget



Summary of one-time solutions for balancing the 2026-27 Budget:

- Transfer Capital Interest (\$5M)
- Delay Repayment of the “Rainy Day” Fund (Economic Stabilization Account) (\$7M)
- Inflation Reduction Act “tax credit” (~\$5M)
- Interfund Loan not utilized (\$16M)
- Current projection of unused fund balance available from 2025-26 Budget (~\$10M - \$20M)
- ***If necessary:***
 - Reduce Fund Balance

Summary of ongoing solutions for balancing the 2026-27 Budget:

- School Staffing Changes (\$9.5M)
- Anticipated Central Office Changes (~\$8M - \$15M)
- Transportation Changes (~\$3.5M - \$5.5M)
- Anticipated Net change in State Funding from Legislature (-\$1M)

**Range of
Solutions/Savings:
\$63M - \$81.1M**

Board Budget Development Next Steps



- **March:** Transition Ad Hoc Budget Committee to Standing Audit & Finance Committee
- **March – June:** Updates to Board on budget process
- **July 1:** Public meeting on the proposed 2026-27 Budget
- **August:** Board Meeting to adopt 2026-27 Budget

Thank you!

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