Budget Update –
School Board Work Session

September 15, 2026

BEAVERTON SCHOOL DISTRICT

Presentation Agenda

- Background
  - Understanding Components of the Budget (Fund Sources and Uses)
  - Where the money comes from
  - How we spend it
  - How we compare
  - Enrollment / Staffing History
- Staffing Allocation Methodology (SAM) Overview

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Presentation Agenda

- Other Funding Sources
- General Fund (operating fund)
  - The Numbers
  - Previous budget adjustments
- Budget Options/ Recommendations
- Budget Timeline
- Questions & Comments

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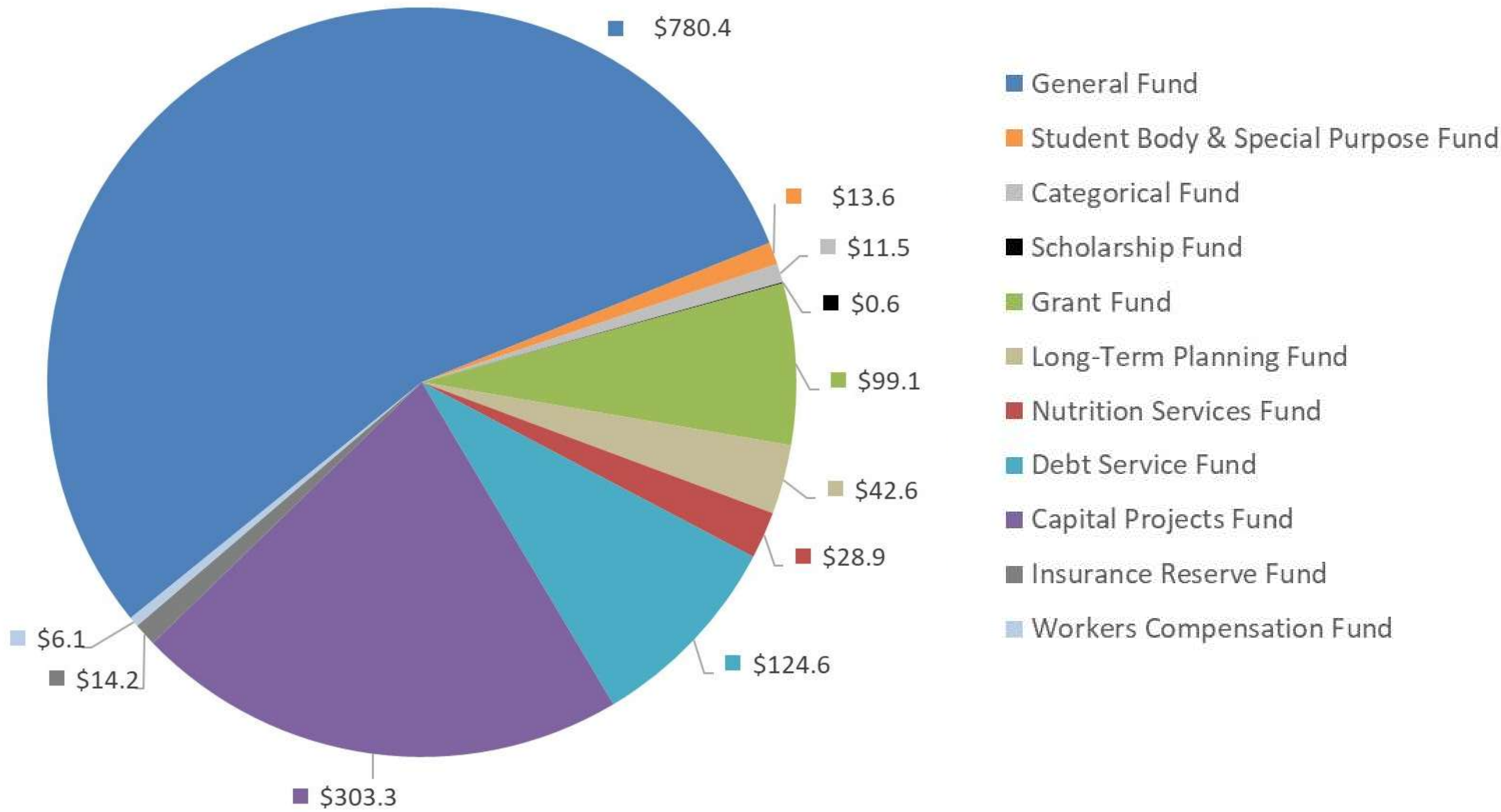
Components of the Budget - 2026-27



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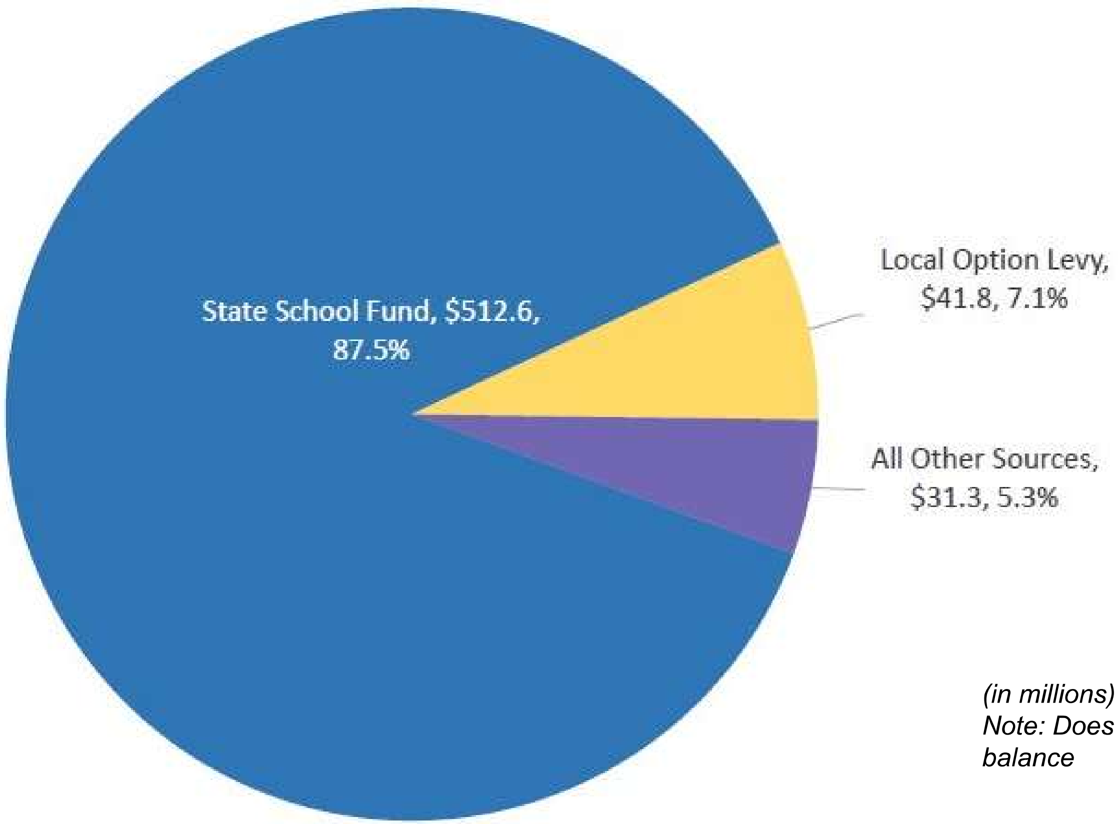
General Fund Revenue - 2024-25 Actuals



(in millions)
Note: Does not include beginning fund balance

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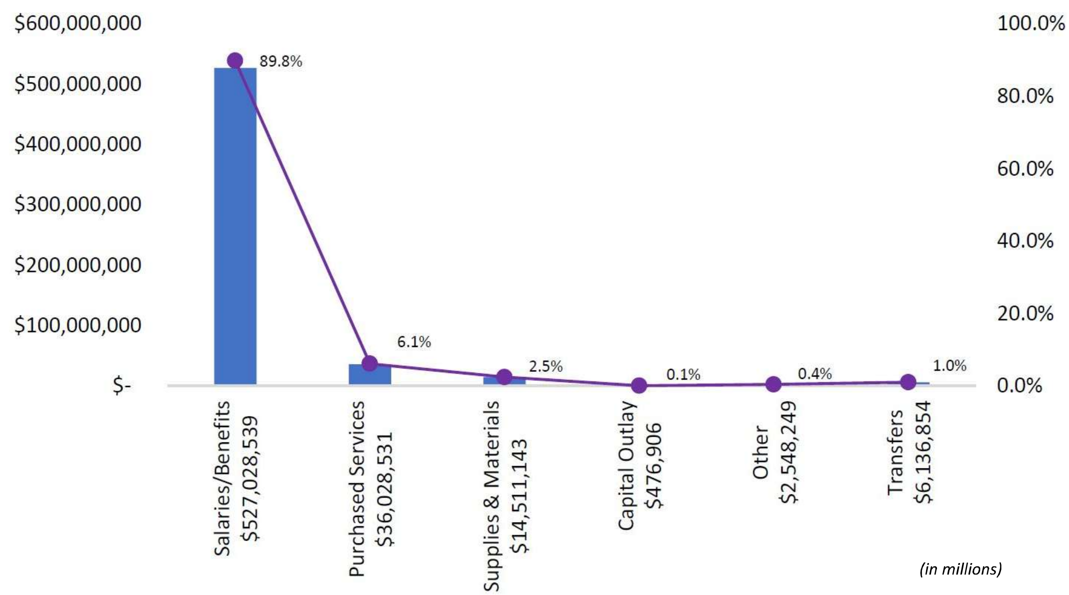
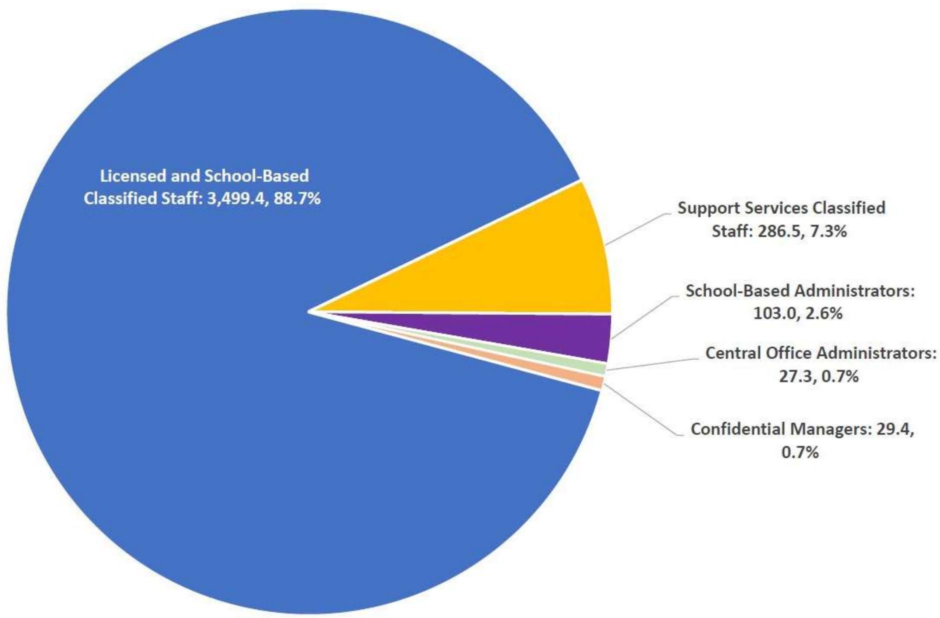
General Fund Expenditures, FTE by Type - 2024-25 Actuals





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How We Compare

- Based on location and/or demographics
  - Portland Public Schools
  - Salem-Keizer Public Schools
  - Hillsboro School District
  - Tigard-Tualatin School District

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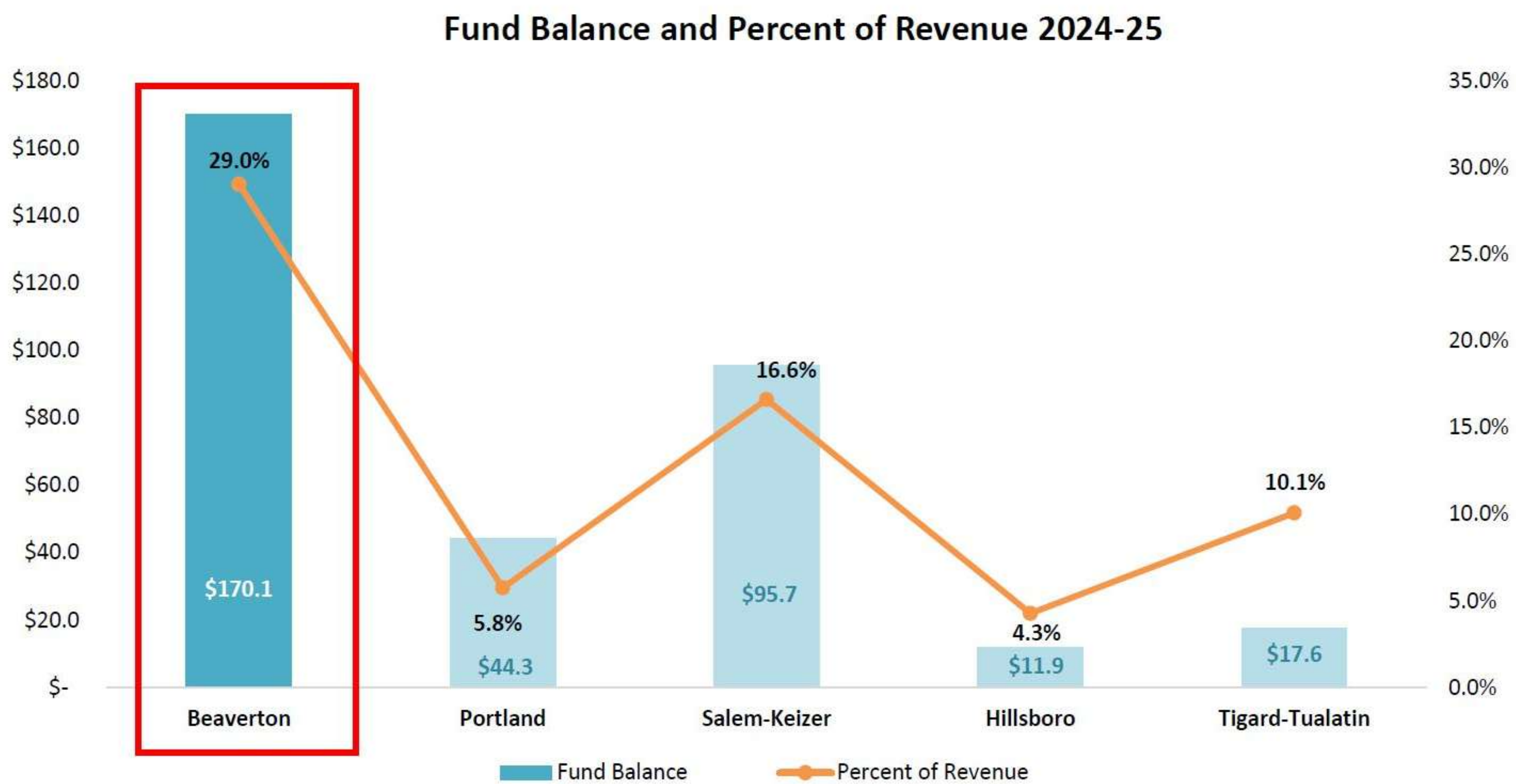
How We Compare (General Fund) – 2025 Ending Fund Balance

Source: Annual Comprehensive Financial Report for each school district.



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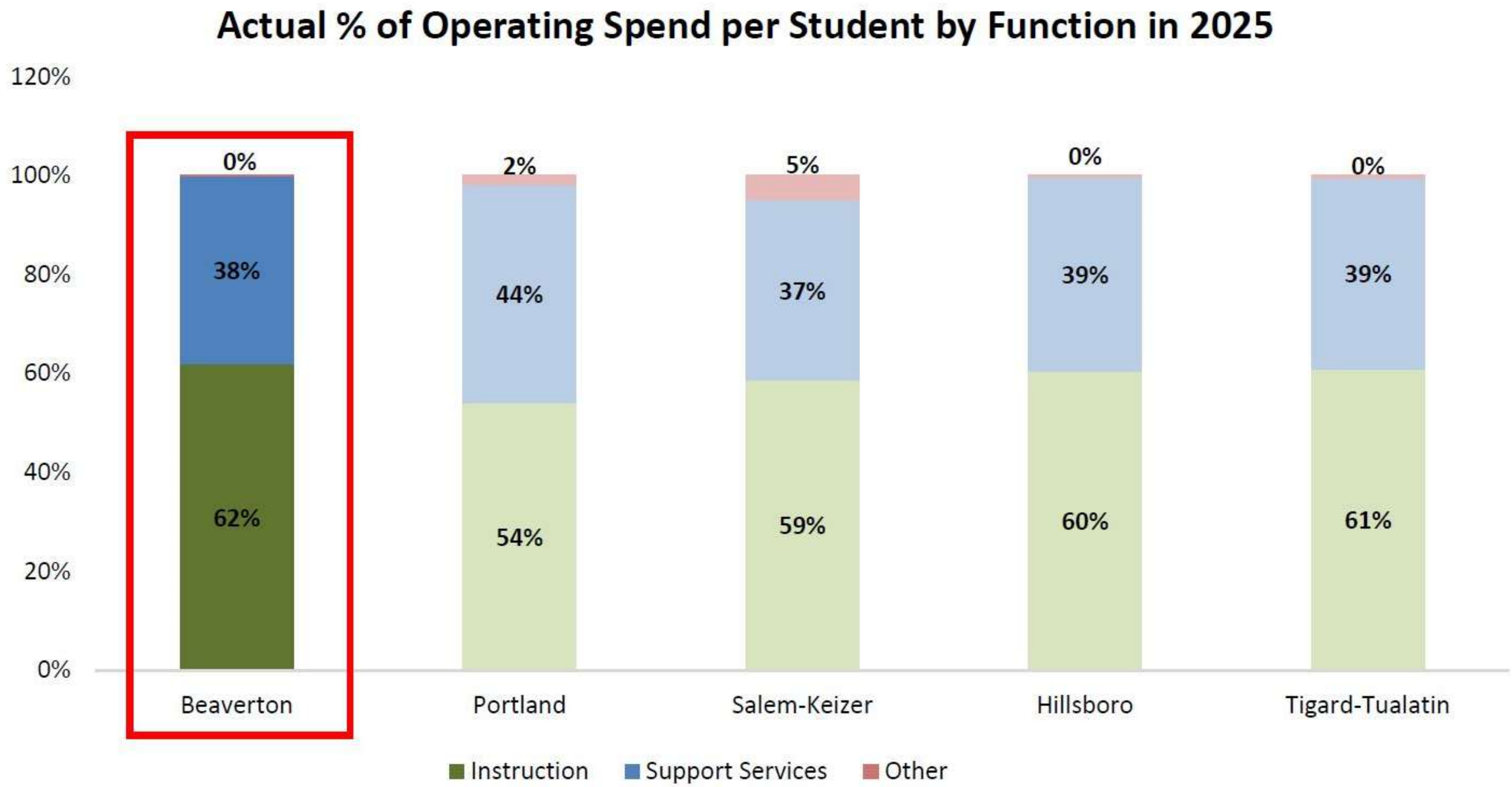
How We Compare (General Fund) – 2025 Expenditures

Source: Annual Comprehensive Financial Report for each school district.



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District Enrollment as of September 30
(general education)

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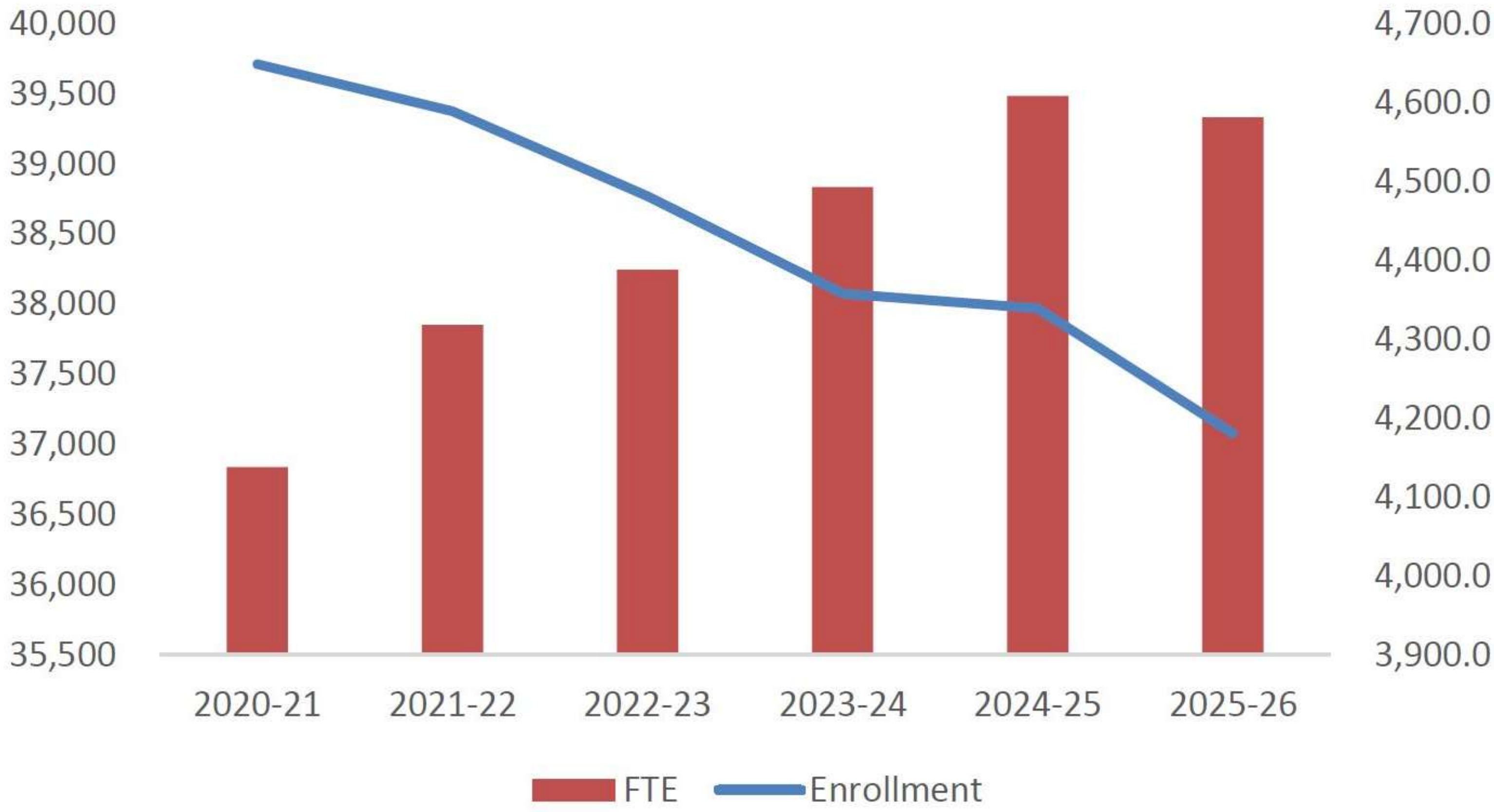
District Enrollment and Staffing
(all funds)



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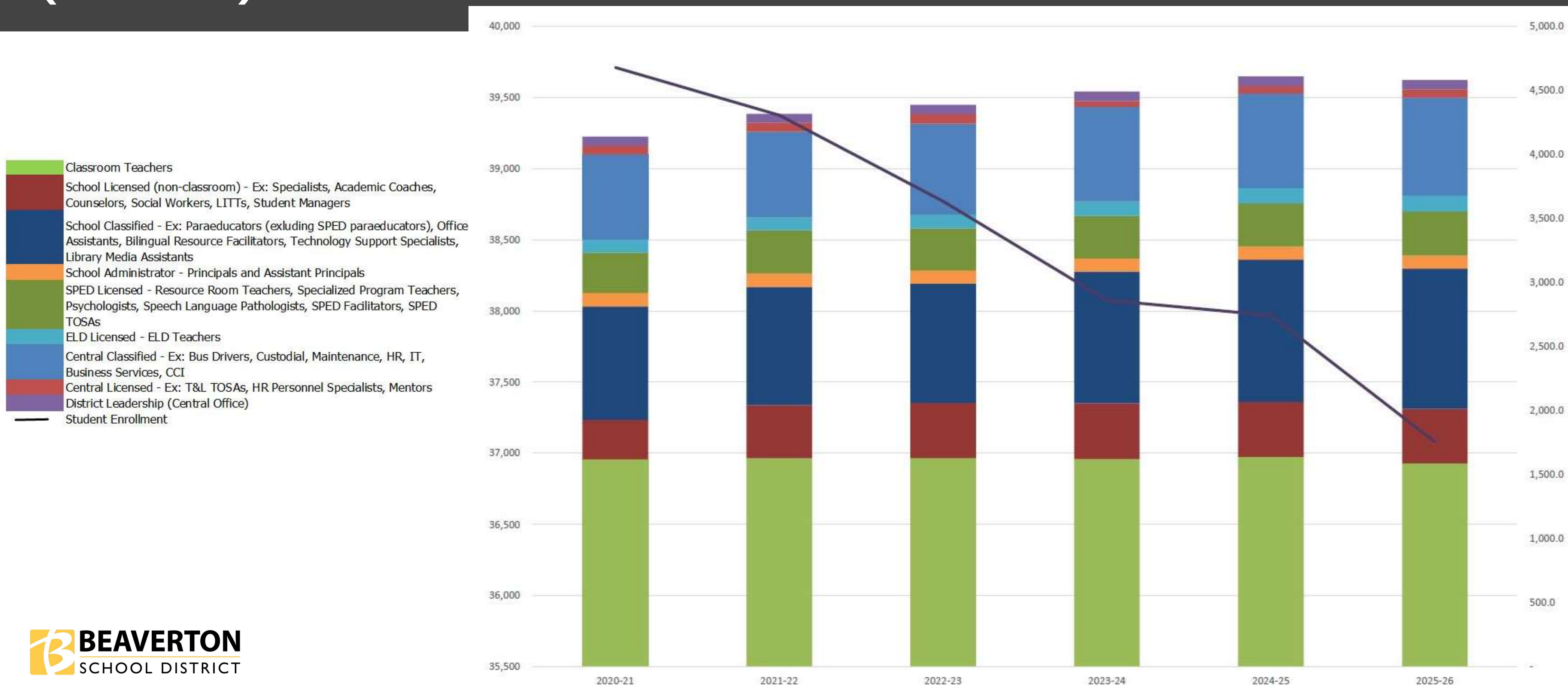
District Enrollment and Staffing
(all funds)



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Staffing Allocation Methodology

2026-27 SAM

- Resource allocation methodology for schools based on students and demographics (equity lens used)
- Allocations based on weighted enrollment:
    - Classroom teachers
    - Counselors
    - Assistant principals (secondary)
    - Non-salary
- If revisions are needed:
    - Small SAM (example: adjustments to FLEX Online)
    - Big SAM (example: Changes to Poverty Weighting)
    - Continuous Improvement Model

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Other Funding Sources – Not Keeping Up with Costs

- Local Option Levy
  - Slowing revenue – average growth 2.8% for last four years
  - 100% staffing (classroom teachers only)
  - Expires June 30, 2028

- Student Investment Account (SIA) / High School Success (HSS)
  - Slowing award allocations – average growth 1.9% for last three years
  - Primarily staffing
    - SIA – 96%
    - HSS – 90%

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The Numbers - Assumptions

- Based on 7% SSF increase in future biennia
- Uses SSF estimates for 2025-26 as of 6/16/26 and 2026-27 as of 6/15/26.
- Includes most recent enrollment projections. Future enrollment is reduced for extended ADMw.
- Includes PERS advisory rates for new biennium, including some rate credit.
- Does not include SIA or HSS funds.
- Based on best information available at this time.

The Numbers

As of September 1, 2026

Resources	2024-25 Actual	2025-26 Estimated	2026-27 Estimated	2027-28 Estimated	2028-29 Estimated	2029-30 Estimated
Beginning Fund Balance	$ 164,436,027	$ 163,355,696	$ 143,421,537	$ 126,125,745	$ 84,000,657	$ 37,731,366
State Controlled	512,606,804	544,701,733	556,656,021	556,426,463	571,165,038	581,831,718
Locally Controlled	73,043,087	76,449,784	72,691,711	74,413,879	75,667,380	76,947,911
Total	**$ 750,085,918**	**$ 784,507,213**	**$ 772,769,269**	**$ 756,966,087**	**$ 730,833,075**	**$ 696,510,996**
Expenditures	**2024-25 Actual**	**2025-26 Estimated**	**2026-27 Estimated**	**2027-28 Estimated**	**2028-29 Estimated**	**2029-30 Estimated**
Salaries	$ 330,419,945	$ 356,459,938	$ 360,327,814	$ 373,051,808	$ 386,883,803	$ 401,378,355
Benefits	196,608,594	219,353,292	214,914,683	223,585,377	225,950,450	232,954,343
All Other	59,701,684	65,272,446	71,401,027	76,328,246	80,267,455	84,505,433
Total	**$ 586,730,222**	**$ 641,085,676**	**$ 646,643,524**	**$ 672,965,430**	**$ 693,101,709**	**$ 718,838,131**
Surplus/(Deficit)	(1,080,331)	(19,934,159)	(17,295,792)	(42,125,088)	(46,269,291)	(60,058,502)
Ending Fund Balance	**$ 163,355,696**	**$ 143,421,537**	**$ 126,125,745**	**$ 84,000,657**	**$ 37,731,366**	**$ (22,327,136)**
Financial Reserve (PERS)	32,913,084	42,027,396	42,527,396	43,027,396	43,527,396	44,027,396
Total Reserves	**$ 196,268,780**	**$ 185,448,933**	**$ 168,653,141**	**$ 127,028,053**	**$ 81,258,762**	**$ 21,700,260**

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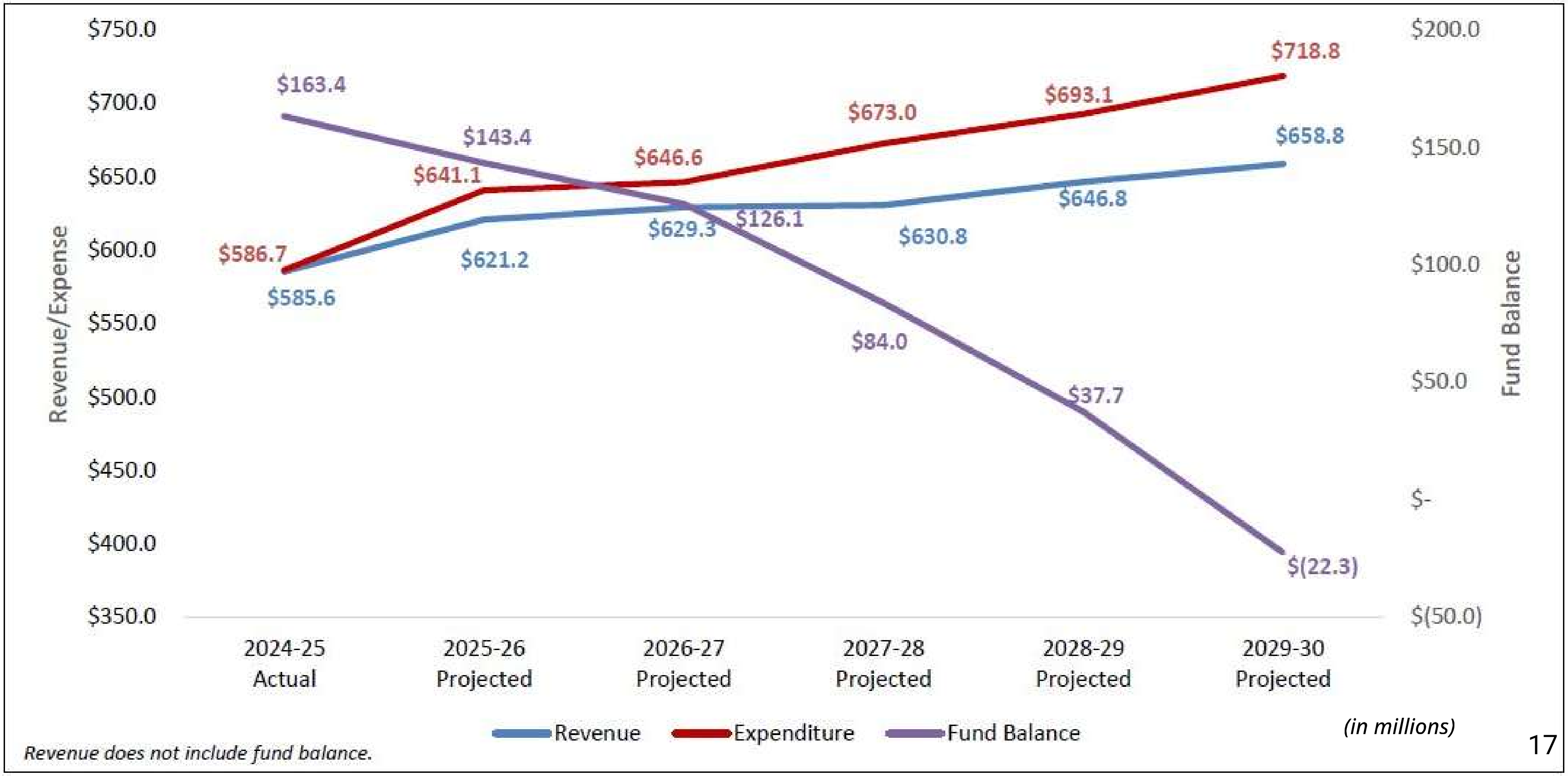
The Numbers: General Fund Revenue & Expenditure



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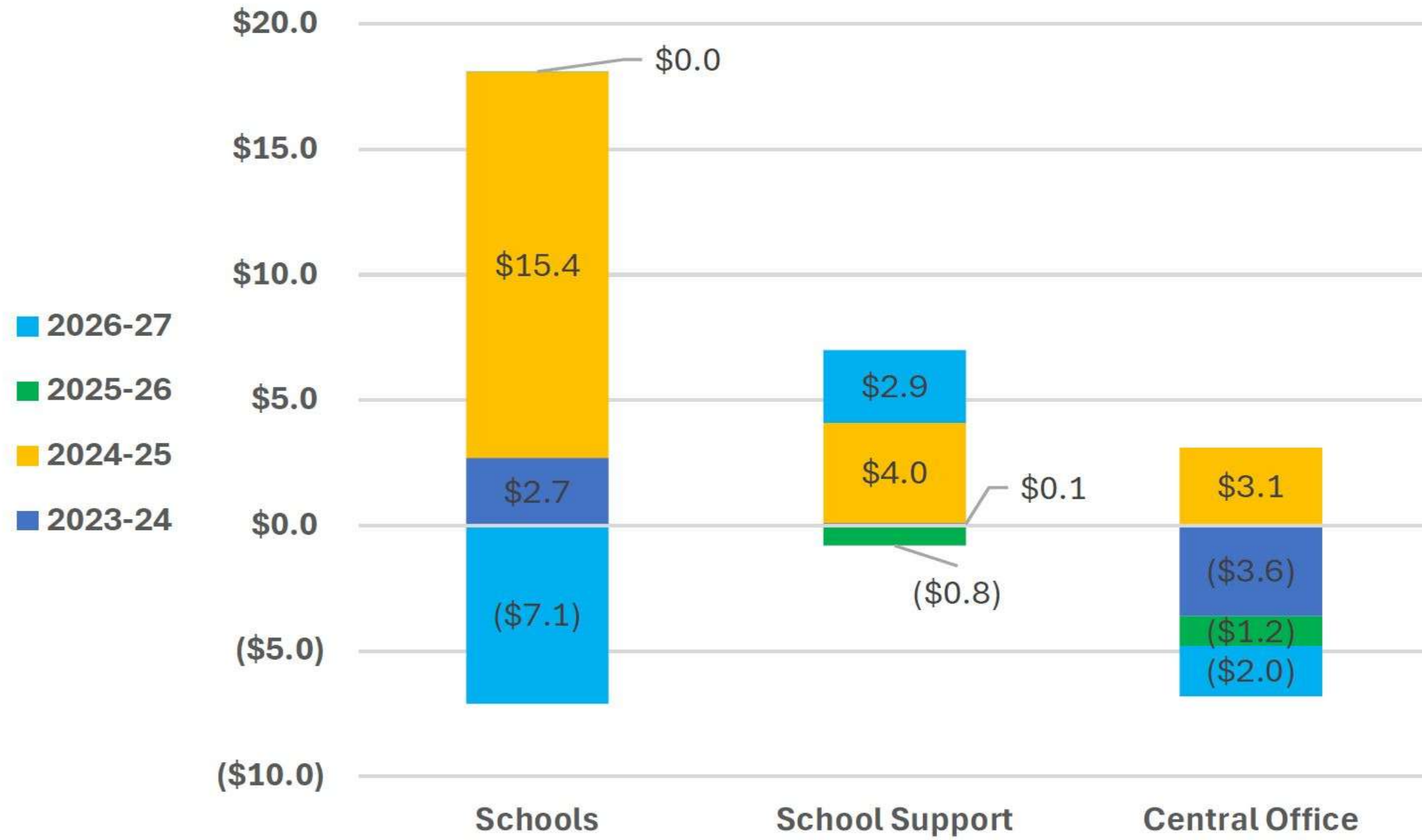
General Fund Changes – Last Four Years



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Budget Options

- Continue spending at the current service level (no reductions)
- Eliminate the deficit completely in 2027-28
- Annual reductions on a smaller scale - monitor and adjust annually

Budget Recommendation

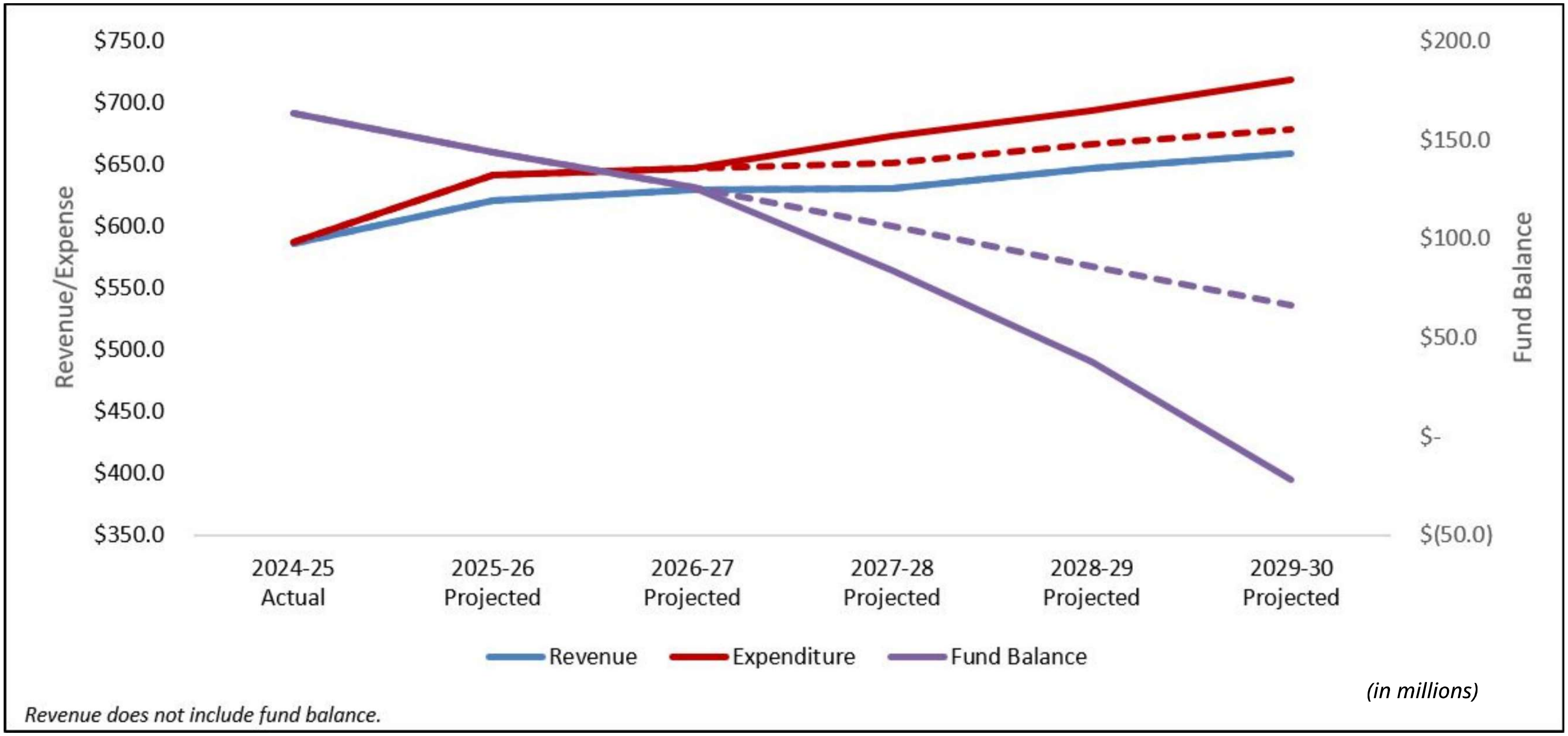
- Review the current Staffing Allocation Methodology (SAM) used for schools to identify priorities for potential reduction
- Make budget reductions to spend down reserves by maintaining an approximately $20M deficit for the next three years
- Monitor and adjust the amount annually based on updated forecasts and the 2027-2029 biennial funding appropriation

Budget Reduction Scenario

As of September 1, 2026

Resources	2024-25 Actual	2025-26 Estimated	2026-27 Estimated	2027-28 Estimated	2028-29 Estimated	2029-30 Estimated
Beginning Fund Balance	$ 164,436,027	$ 163,355,696	$ 143,421,537	$ 126,125,745	$ 106,000,657	$ 85,989,644
State Controlled	512,606,804	544,701,733	556,656,021	556,426,463	571,165,038	581,831,718
Locally Controlled	73,043,087	76,449,784	72,691,711	74,413,879	75,667,380	76,947,911
Total	**$ 750,085,918**	**$ 784,507,213**	**$ 772,769,269**	**$ 756,966,087**	**$ 752,833,075**	**$ 744,769,273**
Expenditures	**2024-25 Actual**	**2025-26 Estimated**	**2026-27 Estimated**	**2027-28 Estimated**	**2028-29 Estimated**	**2029-30 Estimated**
Salaries	$ 330,419,945	$ 356,459,938	$ 360,327,814	$ 373,051,808	$ 386,883,803	$ 401,378,355
Benefits	196,608,594	219,353,292	214,914,683	223,585,377	225,950,450	232,954,343
All Other	59,701,684	65,272,446	71,401,027	76,328,246	80,267,455	84,505,433
Reduction Year 1	-	-	-	(22,000,000)	(22,658,278)	(23,499,630)
Reduction Year 2	-	-	-	-	(3,600,000)	(3,733,676)
Reduction Year 3	-	-	-	-	-	(13,000,000)
Total	**$ 586,730,222**	**$ 641,085,676**	**$ 646,643,524**	**$ 650,965,430**	**$ 666,843,431**	**$ 678,604,825**
Surplus/(Deficit)	**(1,080,331)**	**(19,934,159)**	**(17,295,792)**	**(20,125,088)**	**(20,011,013)**	**(19,825,196)**
Ending Fund Balance	**$ 163,355,696**	**$ 143,421,537**	**$ 126,125,745**	**$ 106,000,657**	**$ 85,989,644**	**$ 66,164,448**
Financial Reserve (PERS)	32,913,084	42,027,396	42,527,396	43,027,396	43,527,396	44,027,396
Total Reserves	**$ 196,268,780**	**$ 185,448,933**	**$ 168,653,141**	**$ 149,028,053**	**$ 129,517,040**	**$ 110,191,844**

Budget Reduction Scenario
(dashed line represents recommendation)



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Budget Timeline

- Fall - Large SAM work
- December - SAM makes recommendation to Superintendent
- January - Share outcomes and recommendations for reductions with School Board
- February - Student, Staff and Community Engagement (Budget Listening & Learning)
- March - Budget 101
- May - Budget Proposal/Approval
- June - Budget Adoption

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Questions & Comments?

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