


Date: July 27, 2020  
To: Board of Directors  
From: Rosalind Medina, Chief Financial Officer   
Subject: June 2020 Unaudited Financial Report

This report provides a brief summary of the general fund financial operations through June 30, 2020. Enrollment information also includes the official state count through the month of March 2020 and the projected annual average full-time equivalent (FTE) students for the year.

**Table 1** displays a comparison of summary financial data through the period ending June 30 for fiscal years 2018-19 and 2019-20.

**Table 1**

| General Fund Comparison<br>for the fiscal period ended | June 30, 2019      | June 30, 2020      | Variance<br>Higher/(lower) |
|--|--------------------|--------------------|----------------------------|
| Beginning Fund Balance                                 | \$ 32,969,307      | \$ 39,945,306      | \$ 6,975,999               |
| Revenue  | 376,077,759        | 365,401,637        | (10,676,122)               |
| Other Financing Sources                                | 89,405             | 156,512            | 67,107                     |
| <b>Total Resources Available</b>                       | <b>409,136,471</b> | <b>405,503,455</b> | <b>(3,633,016)</b>         |
| Expenditures   | 382,686,138        | 393,653,835        | 10,967,697                 |
| Other Financing Uses                                   | -                  | -                  | -                          |
| <b>Total Use of Resources</b>                          | <b>382,686,138</b> | <b>393,653,835</b> | <b>10,967,697</b>          |
| Ending Fund Balance                                    | \$ 26,450,333      | \$ 11,849,620      | \$ (14,600,714)            |

## **REVENUES**

- General fund revenues and other financing sources as of June 30, 2020 were \$365,558,149. This was \$10,609,015 (-2.8%) less than this time last year.

### **Highlights:**

- **Local tax** revenues consist of tax receipts from the educational programs and operations levies. In February 2018, Tacoma voters approved a levy that would allow the district to collect \$72 million a year. Due to legislative changes in the state's allocation formula, the district will only be allowed to collect a portion of that for the first half of the 2019-2020 school year. That amount increased starting in January 2020, when Tacoma Public Schools was able to begin collecting the full voter approved amount. Due to the legislative change, local tax revenues decreased \$4,662,094 (-7.6%) compared to this time last year.
- **Local non-tax** revenue consists of student lunch receipts, sales from vocational programs, tuition for summer school, interest earned from the investment of available cash, and several other small sources.

Revenue in this category decreased \$1,952,450 (-29.4%) compared to this time last year. This variance is the result of the following:

- \$637,889 decrease in investment earnings
- \$400,482 decrease in nutrition service sales
- \$299,304 decrease in tuition collected from foreign exchange students and tuition-based preschool
- \$205,263 decrease in proceeds from the sale of supplies & services from fundraising
- \$235,042 decrease in revenue from unassigned local support
- The remaining difference is due to smaller variances in several other programs

- **State general purpose** revenue comes from two sources – Apportionment and Local Effort Assistance (LEA). Apportionment is the revenue received through a state funding formula that is based on the average number of students enrolled which drives the number of staff allocated to the district. Starting in the 2018-19 school year, the formula also includes a supplemental regionalization factor which is based on local housing cost factors. LEA is revenue provided by the state to equalize local levy rates for districts with a proportionally lower assessed valuation tax base. The state calculates a statewide average levy rate and if, when compared with the statewide rate, the local district's levy rate is higher, the state provides LEA funds to the district to help reduce the local tax burden on taxpayers. In addition to these two sources, the Legislature has included a hold-harmless provision budgeted at \$7.1 million to the Tacoma district for the 2019-20 school year. Tacoma qualified for this provision because local tax revenue, under the new funding structure for the calendar year 2019, is less than what the district would have received under prior formulas. In calendar year 2020, the district will no longer be eligible for this due to changes in the allocation calculation which allows the district to collect at the higher tax amount.

Revenue in this category decreased \$6,170,958 (-2.9%) compared to this time last year. This variance was the result of the following:

- Total apportionment revenue decreased \$3,681,250 from last year at this time. The district received a one-time hold-harmless provision of \$12 million paid in full in September of last year. Although the district is budgeted to receive \$7.1 million in hold-harmless funding in the 2019-20 school year, it will be distributed in monthly installments throughout the year.
  - LEA revenue decreased \$2,489,442 due to an increase in the assessed values in Tacoma, which no longer qualifies the district to receive LEA funding
  - The remaining difference is due to smaller variances in several other programs
- **State special purpose** revenue consists of funding for the following programs: Special Education, Learning Assistance Program (LAP), Remann Hall, Transitional Bilingual, Child Nutrition Services, Student Transportation, Special & Pilot Programs, as well as various other small instructional programs.

Revenue in this category increased \$2,117,869 (+3.5%) compared to this time last year. This variance was the result of the following:

- \$1,269,709 increase in Special Education revenue due to a projected increase in resident student FTE as well as an increase in the Special Education Basic Education Allocation (BEA) rate
- \$509,265 increase in Transportation Operations due to an increase in rider revenue
- \$317,731 increase in Transitional Bilingual revenue

- \$96,165 increase in Learning Assistance funding
  - The remaining difference is due to smaller variances in several other programs
- **Federal special purpose** revenue consists of funding for the following programs: Special Education Federal Flow Through, Perkins Vocational Education, Title 1 – Disadvantaged, School Improvement, Head Start, Limited English Proficiency, Indian Education, federal reimbursement for student meals, as well as several other instructional programs. Revenues in this category are on a reimbursement basis. Therefore, the fluctuation in this category is often due to the timing of reporting expenditures and the processing of reimbursements by the funding agency. Program managers are given expenditure authority only for the approved amount of the grant awards; so variances should not have a negative impact on the district’s basic education budget.

Revenue in this category decreased \$260,771 (-0.9%) compared to this time last year. This variance was the result of the following:

- \$2,183,734 decrease in free & reduced meal reimbursement due to the regular school meal service stopping as a result of the COVID-19 pandemic shutdown
  - \$1,490,909 increase in Nutrition Services funding for COVID-19 related meal services
  - \$395,076 increase in USDA commodities
  - \$333,493 increase in funding for the Head Start program
  - \$321,340 decrease in Title II and Title IV (school improvement) revenues
  - \$223,910 increase in Title I, Part A revenue which provides financial assistance to local schools with high numbers of children from low-income families
  - \$131,966 decrease in supplemental Special Education funding
  - The remaining variance is due to smaller variances in several other programs
- **Revenue – Other Districts** are reimbursements for services rendered to students from other school districts.

Revenues in this category decreased \$206,733 (-15.1%) compared to this time last year. This variance was the result of the following:

- \$206,733 decrease in revenue from other districts for Special Education services for non-resident FTE due to a decrease in non-resident enrollment.
- **Revenue – Other Agencies** consists of funding from education service districts, other governmental entities and private foundations.

Revenue in this category increased \$464,907 (+56.0%) compared to this time last year. This variance was the result of the following:

- \$263,054 increase in grants funded by the City of Tacoma
- \$243,550 increase in revenue for the Early Childhood Education and Assistance Program (ECEAP)
- The remaining variance is due to smaller variances in several other programs

Revenue from various sources and the increases or decreases from this time last year are shown in **Table 2**.

**Table 2**

| <b>Revenue and Other Financing Sources Comparison by Year</b> |                       |                             |                       |                             |                                    |
|---|-----------------------|-----------------------------|-----------------------|-----------------------------|------------------------------------|
| <b>Revenue Source</b>   | <b>Through</b>        |                             | <b>Through</b>        |                             | <b>Variance<br/>higher/(lower)</b> |
|   | <b>June<br/>2019</b>  | <b>Percent<br/>of Total</b> | <b>June<br/>2020</b>  | <b>Percent<br/>of Total</b> |                                    |
| Local Taxes   | \$ 61,167,732         | 16.26%                      | \$ 56,505,638         | 15.46%                      | \$ (4,662,094)                     |
| Local Non-Tax   | 6,646,653             | 1.77%                       | 4,694,203             | 1.28%                       | (1,952,450)                        |
| State, General Purpose  | 215,830,339           | 57.38%                      | 209,659,381           | 57.35%                      | (6,170,958)                        |
| State, Special Purpose  | 61,399,055            | 16.32%                      | 63,516,924            | 17.38%                      | 2,117,869                          |
| Federal, General Purpose                                      | 281,189               | 0.07%                       | 275,298               | 0.08%                       | (5,891)                            |
| Federal, Special Purpose                                      | 28,549,392            | 7.59%                       | 28,288,621            | 7.74%                       | (260,771)                          |
| Revenue - Other Districts                                     | 1,372,954             | 0.36%                       | 1,166,221             | 0.32%                       | (206,733)                          |
| Revenue - Other Agencies                                      | 830,445               | 0.22%                       | 1,295,352             | 0.35%                       | 464,907                            |
| Revenue - Other Financing                                     | 89,405                | 0.02%                       | 156,512               | 0.04%                       | 67,107                             |
| <b>Total Revenue</b>  | <b>\$ 376,167,164</b> | <b>100.00%</b>              | <b>\$ 365,558,149</b> | <b>100.00%</b>              | <b>\$ (10,609,015)</b>             |

**EXPENDITURES**

- General fund expenditures through June 30, 2020 were \$393,653,835; this was \$10,967,697 (+2.9%) more than this time last year.

**Highlights:**

- **Certificated salaries** consist of compensation including, but not limited to, regular salaries, substitutes, extended contracts, extra work for extra pay and training for employees holding an educational certificate, (e.g., teachers, principals, librarians, etc.).

Expenditures in this category increased \$2,857,464 (+1.6%) from this time last year. This variance was the result of the following:

- \$3,859,341 increase in regular salaries due to negotiated salary increases, including +3.0% increase for teachers

- \$1,474,328 increase in optional days (extra work activities, outside of the normal work day)
- \$1,230,572 decrease in extra work for extra pay
- \$821,976 increase in certificated substitute salaries
- The remaining difference is due to smaller variances in several other programs

- **Classified salaries** consist of compensation costs for employees who do not hold an educational certificate (e.g., secretarial, technical, custodial, etc.) including but not limited to regular salaries, staff development, training and extra work for extra pay.

Expenditures in this category decreased \$742,033 (-1.2%) from this time last year. This variance was the result of the following:

- \$1,156,724 decrease in extra work for extra pay
- \$965,821 increase in regular salaries
- \$260,240 decrease in classified substitute salaries
- \$172,166 decrease in classified overtime
- The remaining difference is due to smaller variances in several other programs

- **Employee Benefits** consist of expenditures for the district's portion of employee benefits (e.g., retirement, social security, health insurance, etc.). This category increases or decreases in proportion to the number of staff, salaries and changes in benefit rates.

Expenditures in this category increased \$6,395,239 (+7.1%) compared to this time last year. This variance is a result of an increase in health care and retirement rates for the 2019-20 school year as well as the implementation of the Washington State School Employees Benefits Board that occurred in January.

- **Supplies and materials** consist of expenditures for supplies, instructional materials, and equipment costing less than \$5,000.

Expenditures in this category increased \$621,578 (+4.8%) compared to this time last year. This variance was the result of the following:

- \$1,709,789 increase in textbooks and materials purchased for the newly adopted math program
- \$1,177,735 increase in supplies and resources purchased in response to the COVID-19 pandemic, including cleaning equipment and food for the free sack breakfast & lunch program
- \$807,468 decrease in regular district-wide food costs
- \$718,222 decrease in supplies and resources purchased last year for new district-wide science and health curriculum

- \$607,371 increase in software purchases, including a software component of the recent math curriculum adoption
- \$408,215 decrease in district-wide fuel costs
- \$332,330 decrease in supplies purchased for the facilities department
- \$164,978 decrease in provisions purchased through Title I/LAP
- \$161,100 decrease in supplies and resources purchased through the Career & Technical Education (CTE) program
- The remaining variance is due to smaller variances in several other programs

- **Contractual services** consist of expenditures for services rendered to the district under expressed or implied contracts, with the exception of travel.

Expenditures in this category increased \$4,037,739 (+10.8%) compared to this time last year. This variance was the result of the following:

- \$2,975,275 increase in total district-wide utilities
- \$1,207,161 increase in the transportation base rate paid to First Student
- \$382,056 increase in general liability insurance
- \$370,805 increase in district-wide software purchases
- \$248,142 decrease in district-wide freight costs
- \$218,848 decrease in contracted transportation including services provided for McKinney-Vento
- \$212,192 increase in election costs used to cover the 2020 bond measure
- The remaining variance is due to smaller variances in several other programs

- **Local Mileage & Travel** consists of expenditures for local mileage and extended travel for both district staff and students.

Expenditures in this category decreased \$119,954 (-21.9%) compared to this time last year due to a decrease in both local mileage and overnight travel.

- **Capital Outlay** expenditures consist of payments for items costing more than \$5,000 each and are not consumable by nature.

Expenditures in this category decreased \$82,335 (-13.0%) compared to this time last year due to a decline in spending on equipment.

- **Other Financing Uses** expenditures consists of operating transfers between funds.

Expenditures in this category decreased \$2,000,000 compared to this time last year due to a transfer to the Transportation Vehicle Fund in 2018-19 for the purchase of new school buses.

The levels of expenditures within various object categories and the increases or decreases from this time last year are shown in **Table 3**.

**Table 3**

| <b><u>Expenditure and Other Financing Uses Comparison by Year</u></b> |                                  |                             |                                  |                             |                                    |
|---|----------------------------------|-----------------------------|----------------------------------|-----------------------------|------------------------------------|
| <b>Expenditure Objects</b>  | <b>Through<br/>June<br/>2019</b> | <b>Percent<br/>of Total</b> | <b>Through<br/>June<br/>2020</b> | <b>Percent<br/>of Total</b> | <b>Variance<br/>higher/(lower)</b> |
| Certificated Salaries   | \$ 175,253,401                   | 45.80%                      | \$ 178,110,865                   | 45.25%                      | \$ 2,857,464                       |
| Classified Salaries   | 63,791,488                       | 16.67%                      | 63,049,455                       | 16.02%                      | (742,033)                          |
| Employee Benefits   | 89,930,287                       | 23.50%                      | 96,325,526                       | 24.47%                      | 6,395,239                          |
| Supplies and Materials  | 13,044,252                       | 3.41%                       | 13,665,830                       | 3.47%                       | 621,578                            |
| Contractual Services  | 37,485,560                       | 9.80%                       | 41,523,299                       | 10.55%                      | 4,037,739                          |
| Local Mileage & Travel  | 547,700                          | 0.14%                       | 427,746                          | 0.11%                       | (119,954)                          |
| Capital Outlay  | 633,450                          | 0.17%                       | 551,115                          | 0.14%                       | (82,335)                           |
| Other Financing Uses  | 2,000,000                        | 0.52%                       | -                                | 0.00%                       | (2,000,000)                        |
| <b>Total Expenditures</b>   | <b>\$ 382,686,138</b>            | <b>100.00%</b>              | <b>\$ 393,653,835</b>            | <b>100.00%</b>              | <b>\$ 10,967,697</b>               |

**FUND BALANCE**

Fund balance is the excess of assets of a governmental unit over its liabilities (i.e., beginning fund balance plus revenues, less expenditures and transfers, equals ending fund balance). In accordance with Government Accounting Standards Board (GASB) Statement 54, *Fund Balance Reporting and Governmental Fund Type Definition* are as follows: Nonspendable, Restricted, Committed, Assigned or Unassigned. Funds that are designated for a specific purpose are placed in fund balance accounts per the Board's Debt and Fiscal Management Policy 6015 and generally accepted accounting principles (GAAP). The Debt and Fiscal Management Regulation targets the fund balance at year-end to be 5% of budgeted general fund revenues less other financing sources, and for the month of June the district is at 2.52%. These fund balance accounts are structured to facilitate the prudent fiscal operation of the district. These accounts should remain at the designated levels unless there is substantial change in the district's operational requirements. The accounts are frequently reviewed in relation to board policies and GAAP requirements.

**Table 4** shows a comparison of fund balance as of June 30, 2019 and June 30, 2020. The fund balance fluctuates with both the receipt of revenues and the flow of expenditures. This yearly cycle of revenues and expenditures is considered when developing both projections for the current year and the budget for the upcoming year. The district has earmarked all available funds, not otherwise restricted, committed or



assigned to be placed in the assigned to future operations category as a onetime source to help balance future operating budgets.

**Table 4**

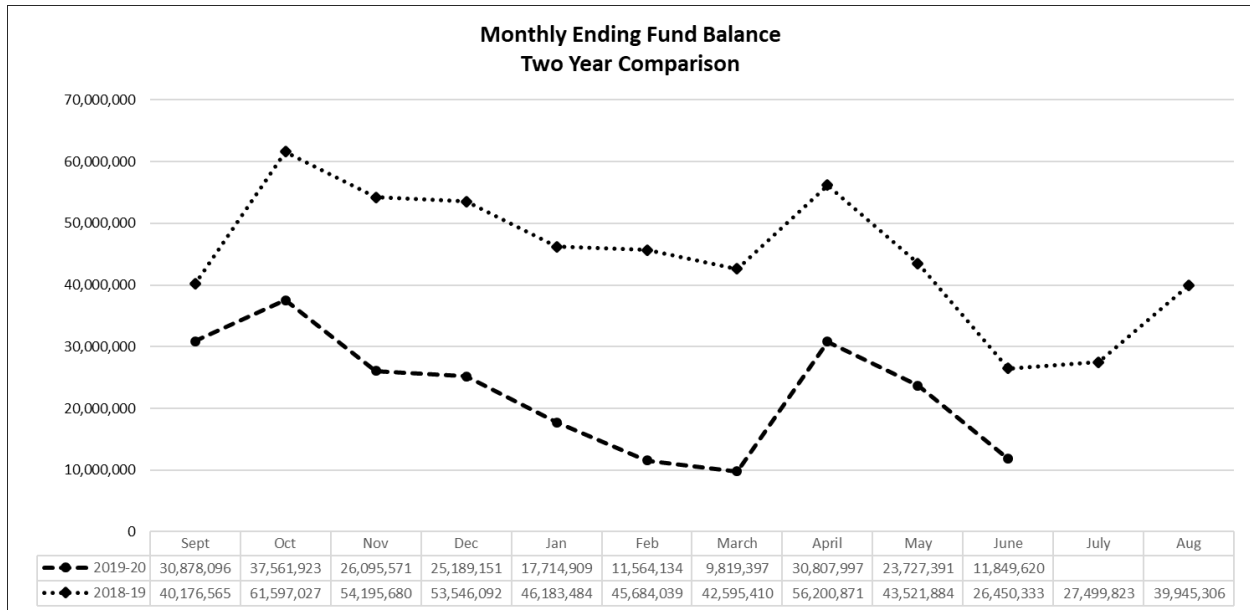
| <b>Fund Balance Comparison by Year</b>   |                         |                               |                          |                               |                                    |
|--|-------------------------|-------------------------------|--------------------------|-------------------------------|------------------------------------|
| <b>Fund Balance Descriptions<br/>for the fiscal period ended</b>               | <b>June<br/>2019</b>    | <b>Percent of<br/>Revenue</b> | <b>June<br/>2020</b>     | <b>Percent of<br/>Revenue</b> | <b>Variance<br/>higher/(lower)</b> |
| Nonspendable - Inventory & Prepaid Items                                       | \$ 4,294,404            | 0.93%                         | \$ 4,333,231             | 0.92%                         | \$ 38,827                          |
| Committed to Debt and Fiscal Management  | -                       | 0.00%                         | -                        | 0.00%                         | -                                  |
| Committed to Encumbrances  | 213,631                 | 0.05%                         | 207,939                  | 0.04%                         | (5,692)                            |
| Committed to Contingencies   | 1,000,000               | 0.22%                         | 1,000,000                | 0.21%                         | -                                  |
| <b>Total Debt &amp; Fiscal Management Fund Balance</b>                         | <b>\$ 5,508,035</b>     | <b>1.19%</b>                  | <b>\$ 5,541,170</b>      | <b>1.18%</b>                  | <b>\$ 33,134</b>                   |
| Restricted for Carryover   | \$ 1,060,151            | 0.23%                         | \$ 2,084,993             | 0.44%                         | \$ 1,024,842                       |
| Restricted for Debt Service  | 425,906                 | 0.09%                         | 218,832                  | 0.05%                         | (207,074)                          |
| Assigned to Carryover  | 1,050,624               | 0.23%                         | 2,218,341                | 0.47%                         | 1,167,717                          |
| Assigned to Curriculum & Instruction   | 2,083,677               | 0.45%                         | 3,157,779                | 0.67%                         | 1,074,102                          |
| Assigned to Future Operations  | 7,600,551               | 1.65%                         | 4,393,592                | 0.93%                         | (3,206,959)                        |
| <b>Restricted or Assigned Fund Balance</b>                                     | <b>\$ 12,220,909</b>    | <b>2.65%</b>                  | <b>\$ 12,073,537</b>     | <b>2.56%</b>                  | <b>\$ (147,372)</b>                |
| <b>Total Nonspendable, Restricted, Committed<br/>and Assigned Fund Balance</b> | <b>\$ 17,728,944</b>    | <b>3.85%</b>                  | <b>\$ 17,614,707</b>     | <b>3.74%</b>                  | <b>\$ (114,238)</b>                |
| Unassigned Fund Balance  | \$ 10,005,646           | 2.17%                         | \$ (23,763,496)          | -5.05%                        | (33,769,142)                       |
| Unassigned for Minimum FB Policy   | \$ 15,787,294           | 3.42%                         | \$ 17,998,409            | 3.82%                         | 2,211,115                          |
| <b>Total Unassigned Fund Balance</b>   | <b>\$ 25,792,940</b>    | <b>5.59%</b>                  | <b>\$ (5,765,087)</b>    | <b>-1.22%</b>                 | <b>\$ (33,769,142)</b>             |
| <b>Total Fund Balance</b>  | <b>\$ 43,521,884</b>    | <b>9.44%</b>                  | <b>\$ 11,849,620</b>     | <b>2.52%</b>                  | <b>\$ (31,672,264)</b>             |
| <b>Revenue less other financing</b>  | <b>\$ 461,049,431 *</b> |                               | <b>\$ 470,791,586 **</b> |                               |                                    |

\*2018-19 total actual revenue less other financing sources as of August 31, 2019

\*\*2019-20 budgeted revenue less other financing sources

**Table 5** shows a two-year history of the monthly ending fund balance. The ending fund balance will appropriately fluctuate based upon when certain revenues are received and expenses accrued. The fund balance typically increases in October and April when the district receives property tax revenue.

**Table 5**



**Cash Management**

In addition to the fund balance, another key performance indicator used to monitor the financial health of the district is cash on hand. The district uses cash to meet payroll and pay bills as they arise. Because revenue is not received on a regular schedule over the course of the year, the cash on hand balance will fluctuate as those expenditures occur. For the month of June, total cash on hand was \$38,082,685 and daily expenditures amounted to \$1,312,695 per day which when used in the formula [cash on hand / daily expenditures] equates to 29.01 days of cash on hand.

**Table 6** displays a comparison of cash on hand records through the period ending June 30 for fiscal years 2018-19 and 2019-20.

**Table 6**

| <b><u>Cash Balance Comparison by Year</u></b> |                      |                      |                                    |                     |
|---|----------------------|----------------------|------------------------------------|---------------------|
|   | <b>June<br/>2019</b> | <b>June<br/>2020</b> | <b>Variance<br/>higher/(lower)</b> |                     |
| 230 - Cash with Key Bank                      | \$ 448,170           | \$ (148,754)         | \$                                 | (596,924)           |
| 240 - Cash with Treasurer                     | 3,927,529            | 4,750,805            |                                    | 823,276             |
| 241 - Warrants Outstanding                    | (3,764,718)          | (204,754)            |                                    | 3,559,964           |
| 45x - Investments                             | 48,947,075           | 33,685,388           |                                    | (15,261,686)        |
| <b>Total Cash on Hand</b>                     | <b>\$ 49,558,056</b> | <b>\$ 38,082,685</b> | <b>\$</b>                          | <b>(11,475,372)</b> |
| <b>Avg Daily Balance</b>                      | <b>\$ 1,651,935</b>  | <b>\$ 1,269,423</b>  | <b>\$</b>                          | <b>(382,512)</b>    |
| <b>Days Cash on Hand</b>                      | <b>36.75</b>         | <b>29.01</b>         |                                    | <b>(7.74)</b>       |

**ENROLLMENT**

State funding for school districts is based on the annual average full-time equivalent (FTE) students enrolled in the district. FTE is calculated based on the number of classroom hours of instruction received.

The budgeted annual average FTE enrollment of 28,159 is based on the demographer's October projection including a 0.5% discount and a 3 year weighted average of October to year-end enrollment. Monthly budgeted enrollment is also based on a three year weighted average.

**Table 7** shows monthly budgeted and projected enrollment counts through June 2020. Actual enrollment counts are through March 2020 and due to changes to the learning model for the remainder of the school year because of COVID-19, the remainder of the year will use projected numbers based on criteria from OSPI. The projected annual adjusted average is currently 217 FTE more than the budgeted average.

**Table 7**

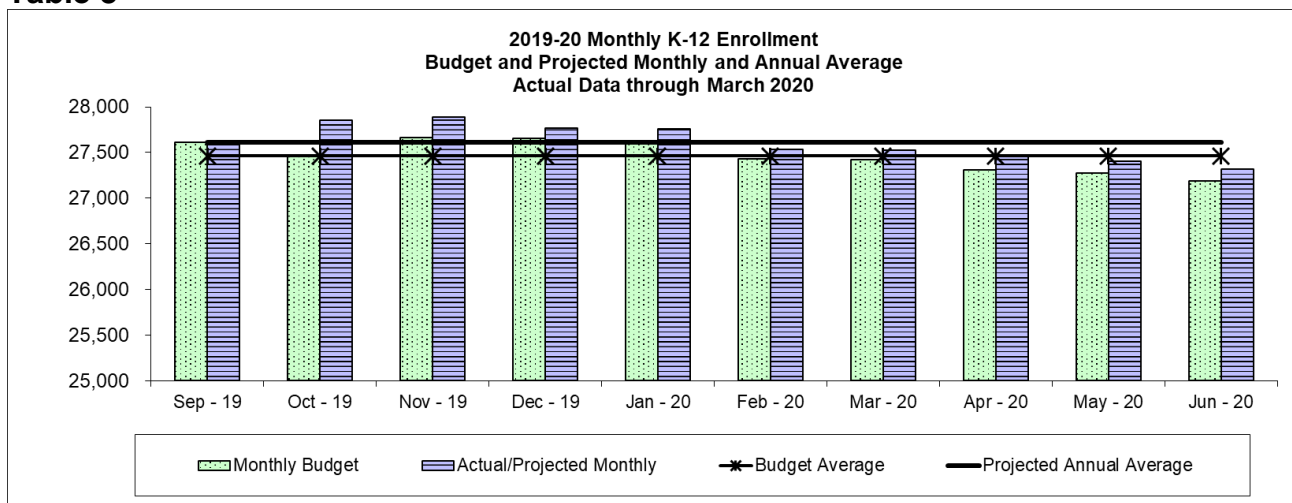
| <b>Budget vs. Projected Enrollment<br/>K-12 Full Time Equivalent (FTE) Enrollment</b> |            |                   |                      |          |
|---|------------|-------------------|----------------------|----------|
|   | Month      | Monthly<br>Budget | Monthly<br>Projected | Variance |
|   | * Sep - 19 | 27,616            | 27,625               | 9        |
|   | * Oct - 19 | 27,462            | 27,850               | 388      |
|   | * Nov - 19 | 27,665            | 27,892               | 227      |
|   | * Dec - 19 | 27,657            | 27,768               | 111      |
|   | * Jan - 20 | 27,595            | 27,756               | 161      |
|   | * Feb - 20 | 27,430            | 27,538               | 108      |
|   | * Mar - 20 | 27,418            | 27,525               | 107      |
|   | Apr - 20   | 27,307            | 27,468               | 161      |
|   | May - 20   | 27,279            | 27,403               | 124      |
|   | Jun - 20   | 27,189            | 27,316               | 127      |
| <b>Average</b>  |            | 27,462            | 27,614               | 152      |
| Running Start   |            | 293               | 333                  | 40       |
| TCC Fresh Start   |            | 183               | 149                  | (34)     |
| Reengagement  |            | 149               | 193                  | 44       |
| Goodwill  |            | 31                | 23                   | (8)      |
| Alternative Learning Experience   |            | 41                | 63                   | 22       |
| <b>Adjusted Average</b>   |            | 28,159            | 28,376               | 217      |
| <b>Actual data through March 2020</b>   |            |                   |                      |          |

Every student enrolled is converted to a full-time equivalent (FTE) based on the number of instructional hours. A full-time equivalent student for grades 4-12 is 900 hours (i.e., 5 hours per day x 180 days) and grades 1-3 is 720 hours (i.e., 4 hours per day x 180 days), for .5 FTE (half day) kindergarten student is 360 hours (i.e., 2 hours per day x 180 days).

Students who participate for only part of the year or part of each day are calculated as a portion of an FTE. Any district may choose to serve students more hours per day or per year than the state definition of full-time equivalent. However, those students who attend classes more hours per day will not generate more than one FTE for funding purposes.

Student enrollment is typically highest in October, but for funding purposes, monthly enrollment is averaged for the year. The graph in **Table 8** shows the budget and actual monthly enrollment through June and the budgeted and projected average enrollment for the year. Although this graph only lists September through June, the figures include projected annual average counts through August 2020. This is done to include corrections to prior monthly reports and enrollment that falls outside of the traditional school year (e.g., Running Start, Summer School, etc.) in the annual average.

**Table 8**



**Table 9** displays the variances between actual and projected annual average FTE by individual grade level for 2018-19 and 2019-20, and the variance between projected and budgeted average FTE for 2019-20.

The projected average for 2019-20 enrollment varies from 2018-19 actual enrollment as follows (**Table 9, Column (D)**):

- Elementary schools (grades K-5) decreased by 153 FTE;
- Middle schools (grades 6-8) increased by 165 FTE;
- High schools (grades 9-12) increased by 42 FTE;
- Running Start (college level courses) increased by 43 FTE;
- TCC Fresh Start decreased by 20 FTE;
- Reengagement Center increased by 41 FTE;
- Goodwill decreased by 8 FTE;
- ALE (Alternative Learning Experience) increased by 31 FTE;

The combined variances results in an average increase of 143 student FTE from the previous year.

**Table 9**

| <b>K-12 Annual Average FTE Enrollment<br/>Two Year Comparison</b> |                          |                          |                             |                            |                            |
|---|--------------------------|--------------------------|-----------------------------|----------------------------|----------------------------|
|   | (A)<br>2018-19<br>Actual | (B)<br>2019-20<br>Budget | (C)<br>2019-20<br>Projected | (D)<br>Variance<br>(C)-(A) | (E)<br>Variance<br>(C)-(B) |
| Kindergarten  | 2,248                    | 2,272                    | 2,236                       | (12)                       | (36)                       |
| Grade 1   | 2,202                    | 2,178                    | 2,269                       | 67                         | 90                         |
| Grade 2   | 2,228                    | 2,108                    | 2,190                       | (38)                       | 81                         |
| Grade 3   | 2,256                    | 2,142                    | 2,226                       | (30)                       | 84                         |
| Grade 4   | 2,288                    | 2,152                    | 2,246                       | (42)                       | 94                         |
| Grade 5   | 2,380                    | 2,204                    | 2,282                       | (99)                       | 77                         |
| <b>Elementary</b>   | <b>13,602</b>            | <b>13,057</b>            | <b>13,449</b>               | <b>(153)</b>               | <b>391</b>                 |
| Grade 6   | 2,346                    | 2,257                    | 2,292                       | (54)                       | 35                         |
| Grade 7   | 2,188                    | 2,300                    | 2,304                       | 116                        | 4                          |
| Grade 8   | 2,049                    | 2,184                    | 2,151                       | 103                        | (32)                       |
| <b>Middle School</b>  | <b>6,582</b>             | <b>6,740</b>             | <b>6,747</b>                | <b>165</b>                 | <b>6</b>                   |
| Grade 9   | 2,187                    | 2,127                    | 2,099                       | (88)                       | (28)                       |
| Grade 10  | 1,925                    | 2,137                    | 2,129                       | 205                        | (8)                        |
| Grade 11  | 1,754                    | 1,744                    | 1,670                       | (84)                       | (74)                       |
| Grade 12  | 1,511                    | 1,655                    | 1,520                       | 9                          | (136)                      |
| <b>High School</b>  | <b>7,377</b>             | <b>7,664</b>             | <b>7,419</b>                | <b>42</b>                  | <b>(245)</b>               |
| Running Start   | 290                      | 293                      | 333                         | 43                         | 40                         |
| TCC Fresh Start **  | 168                      | 183                      | 149                         | (20)                       | (34)                       |
| Reengagement Center **  | 152                      | 149                      | 193                         | 41                         | 44                         |
| Goodwill **   | 29                       | 31                       | 23                          | (6)                        | (8)                        |
| Alternative Learning Experience                                   | 32                       | 41                       | 63                          | 31                         | 22                         |
| <b>Grand Total *</b>  | <b>28,233</b>            | <b>28,159</b>            | <b>28,376</b>               | <b>143</b>                 | <b>217</b>                 |
| Actual data through March 2020                                    |                          |                          |                             |                            |                            |

\*\* Open Doors - 1418 Programs

### **COVID-19**

March 7, 2020: The Tacoma School District was alerted to a staff member at Lyon Elementary School that had tested presumptive positive for the novel coronavirus, also known as COVID-19. In response, the district temporarily closed Lyon in accordance to the recommendation by the Tacoma-Pierce County Health Department.

March 9: Three additional district schools also had individuals who received presumptive positive test results and these locations were also temporarily closed.

March 11: Washington State Governor Jay Inslee announced that events gathering more than 250 people in Pierce, King, and Snohomish counties were to be cancelled. He also advised the school districts in these counties to be prepared for a possible shutdown.

March 13: Governor Inslee ordered the closure of all schools in King, Pierce and Snohomish counties to begin on March 16 with the expected reopening date of April 27.

April 6: Governor Inslee and Superintendent of Public Instruction Chris Reykdal announce the extension of school closures for the remainder of the 2019-2020 school year.

As part of the coronavirus response, the Tacoma School District immediately began formalizing plans to support students and their families. On March 16, the first day of the closure, the Nutrition Services department began distributing two free meals (lunch for the day and breakfast for the following morning) to all district students, Monday thru Friday. The district also began utilizing the Transportation department to dispatch buses to various sites around the district to help with the distribution of these meals. In addition, on March 23, Tacoma Public Schools in partnership with multiple local community organizations, opened five free school-based day camps for the children of the community's healthcare workers and first responders. The district also created grade-level family resource packets available online and printed for distribution at the meal sites.

The district is closely monitoring the financial impacts that COVID-19 is having on revenues and expenditures. The Washington Office of Superintendent of Public Instruction (OSPI) has begun to lay framework for how the district will be reimbursed for certain COVID-19 related expenditures and has requested districts to develop a unique accounting identifier for tracking purposes. Additionally, OSPI has committed to continue paying state apportionment revenues which is typically based on current enrollment numbers. They have decided to use February 2020 enrollment for the remainder of the 2019–20 school year and apply an adjustment rate, which refers to the historical trend of enrollment changes in the last few months of the school year. In addition to state funding changes, several Federal relief acts have been established through the Department of Education, including the Coronavirus Aid, Relief, and Economic Security Act (CARES

Act) which was signed into law on March 27, 2020. OSPI has determined that the Title I allocation methodology will be used when dispersing funds allocated for Washington school districts.

**Table 10** shows the district's current expenses under the budget responsibility code (BRC) used to track COVID-19 related expenditures

**Table 10**

| <b>Expenditures by Object</b>            | <b>Amount of Expenditures</b> |
|--|-------------------------------|
| Debit - 0XXX                             | 130,940.12                    |
| Salaries - Certificated Employees - 2XXX | 468.62                        |
| Salaries - Classified Employees - 3XXX   | 106,267.21                    |
| Benefits and Payroll Taxes - 4XXX        | 25,857.29                     |
| Supplies, Instructional Resources - 5XXX | 1,177,579.49                  |
| Purchased Services - 7XXX                | 37,332.05                     |
| Travel - 8XXX                            | -                             |
| Capital Outlay - 9XXX                    | -                             |
| <b>Totals by Object</b>                  | <b>\$1,478,444.78</b>         |

*Expenses are from March - June 2020*

**CONCLUSION**

Fiscal operations and performance to budget are being closely monitored. The district administration continually reviews legislation and operations to make improvements for the benefit of the students, employees, and in stewardship of district assets.