

FINANCIAL UPDATE
TACOMA SCHOOL
DISTRICT BOARD MEETING
FEBRUARY 22, 2024

2024-25 BUDGET DEVELOPMENT KICKOFF

BUDGET DEVELOPMENT GUIDING PRINCIPLES

Principles

1. We will be sensitive to our diverse needs and continue to focus on eliminating disparities among all groups.
2. We will prioritize coursework necessary for on-time graduation.
3. We will focus on maintaining and enhancing social emotional well-being and mental health services for all students.
4. We will focus on maintaining and enhancing the quality of learning and the learning environment for all students.
5. We will protect our institutional or program accreditations or compliance with laws and regulations.
6. We will rely on data and benchmarks, when available, to assess the educational impact of programs and initiatives considered for enhancement, reduction or elimination.
7. We will ensure transparency and communicate adjustments to district staff, partner organizations, parents and the community.
8. If position eliminations are necessary, we will make every effort, to reassign displaced employees to vacant positions for which they qualify.

Criteria

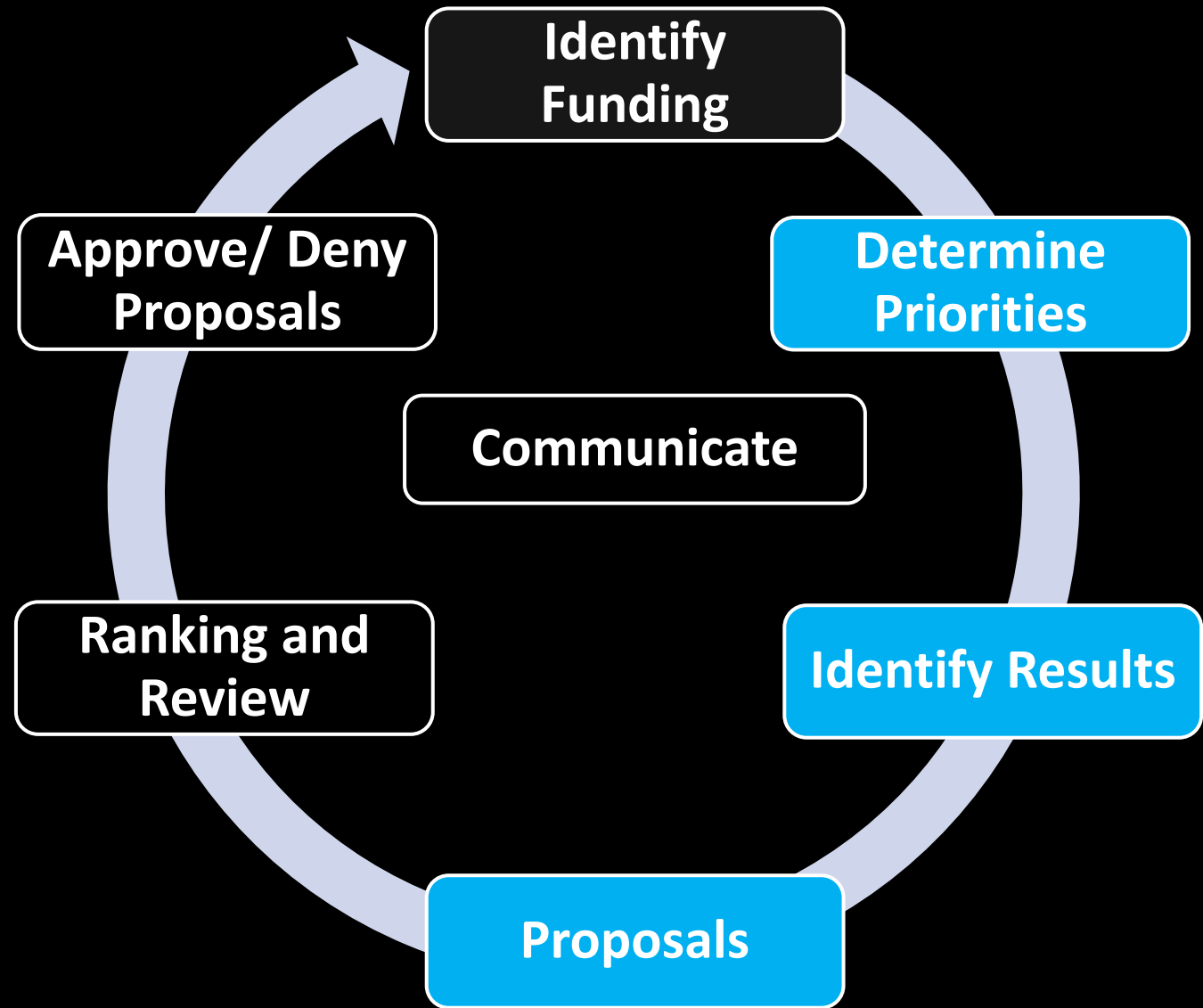
1. We will put the safety of our students, as well as staff, partners, and the community, at the forefront of all decisions.
2. We will consider the essential needs for maintenance of our physical facilities when making decisions.
3. We will be mindful of long-term financial impacts regarding both program enhancements and reductions.
4. We will prioritize the affordability and access to athletics, activities and school meals.



Budget Process

Budgeting by Priorities Annual Process

2023-2025 Legislative Session	
2023-24 • Full Cycle	2024-25 • Review and Adjust Year



BOARD ROLE IN BUDGET DEVELOPMENT

Define

- Define the guiding principles that will be followed in the budget development process

Monitor

- Small group previews by board members as a feedback loop for budgetary changes with district leadership

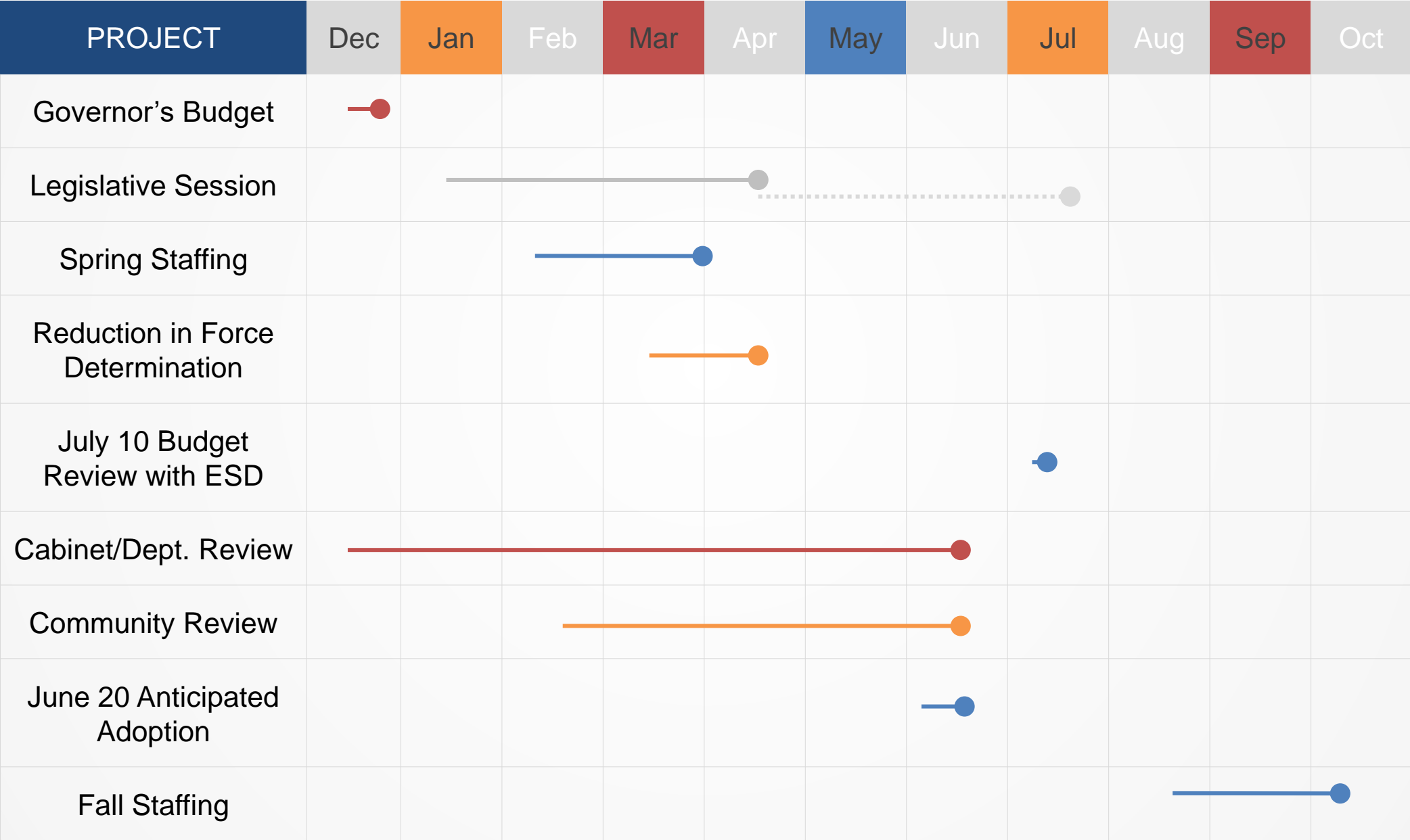
Engage

- Engage in community outreach related to investments and changes to the budget

Approve

- Formal adoption of the budget is required by August 31.

General Budget Timeline and Highlights for a June Adoption





Education into current budget situation



Review and approve proposals for reduction ideas and savings options



Regular meetings and check-ins



Participation in public meetings

CABINET BUDGET ACTIVITIES AND ROLE



BUDGET
CALCULATOR



ONLINE
PRESENTATIONS



FORMAL PUBLIC
HEARINGS OF
PROPOSED BUDGET

COMMUNITY
BUDGET
ACTIVITIES

OTHER COMMUNICATION TOUCHPOINTS



PRINCIPAL
COMMUNICATIONS AND
FEEDBACK



DEPARTMENT
COMMUNICATIONS



LABOR
COMMUNICATIONS



PARTNER
COMMUNICATIONS

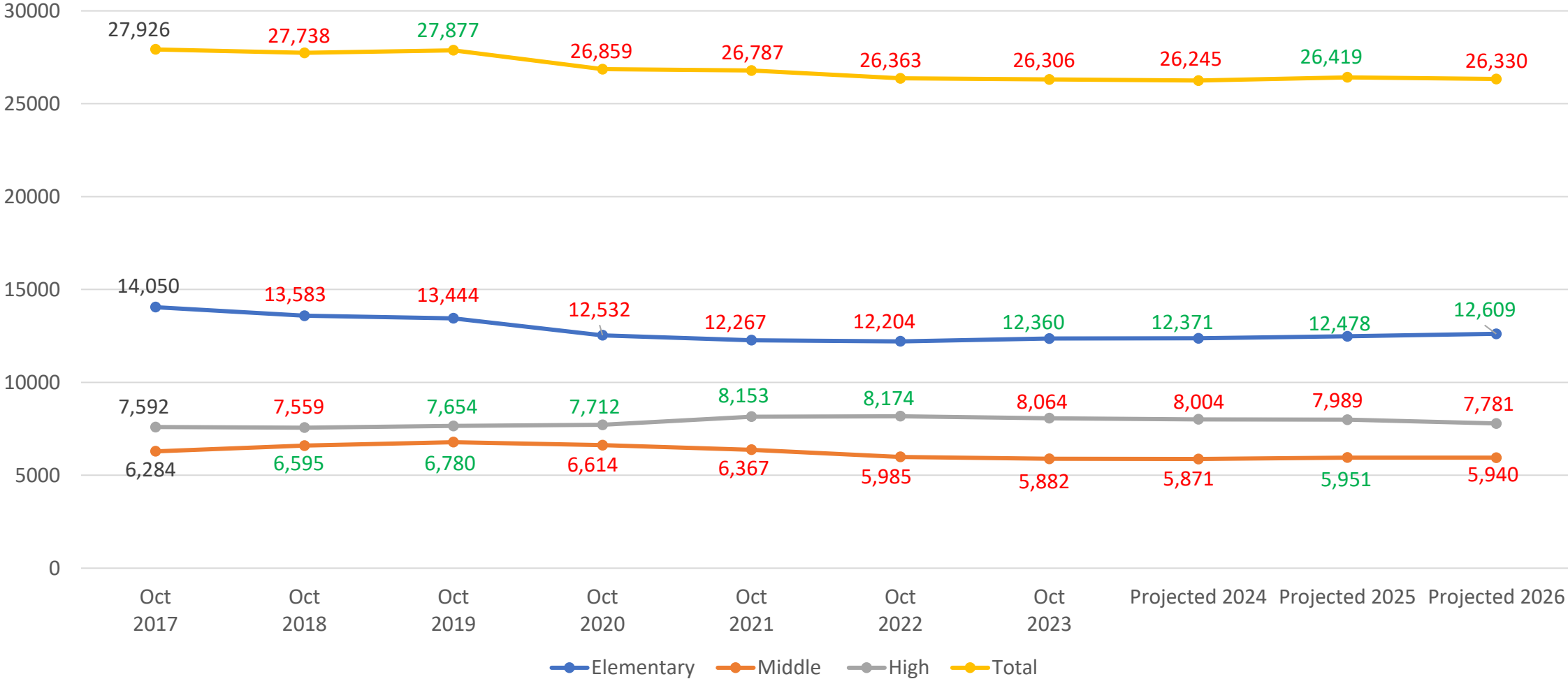
WHAT DRIVES FUNDING ISSUES FOR SCHOOLS

- Enrollment decline trend has continued
- Inflation and escalated costs continue
 - Nutrition - increase cost of food items, reimbursement rates not able to keep up with costs
 - Benefits are more costly
 - Competitive market driven salary requirements drive higher wages
 - ESSER- escalating cost of programs planned to be paid for with ESSER results in less resources available to meet all planned commitments

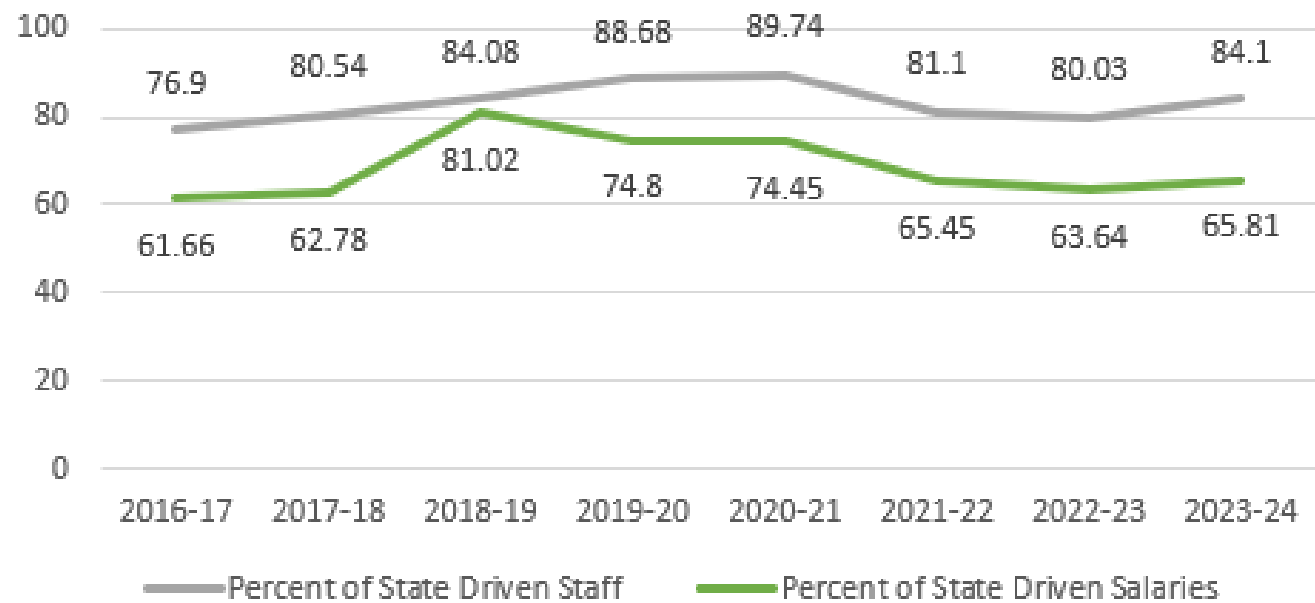
WHAT DRIVES FUNDING ISSUES FOR SCHOOLS - CONTINUED

- Legislative agenda is critical for Tacoma
 - Transportation Costs – McKinney Vento students, route efficiency, antiquated funding model
 - Special Education – Per student costs far exceed state’s allocation, more students are funded but at the same low rate and costs aren’t fully covered
 - Basic Education Prototypical Model – the state’s allocation model only covers 66% of the costs of staff that they allocate to districts
 - Limits local levy collections

Enrollment Trending

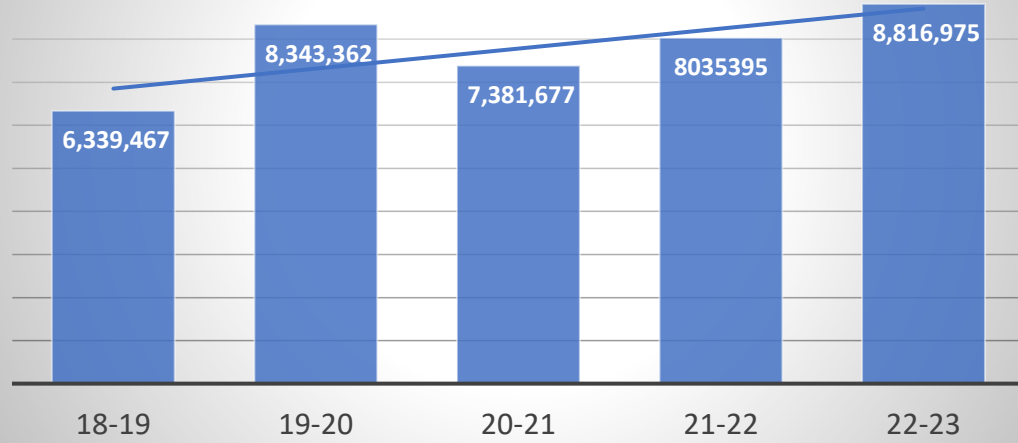


Percent of State Driven Staff and Salaries
Compared to Total BE and LEVY Funded Staff

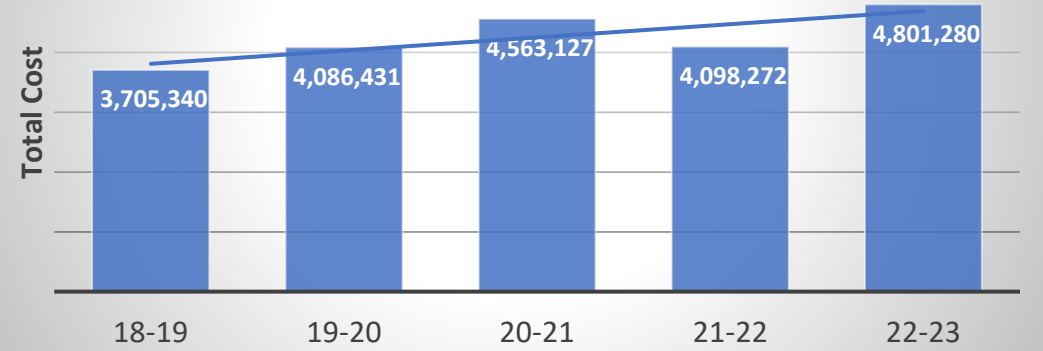


FUNDING
GAP FROM
THE STATE

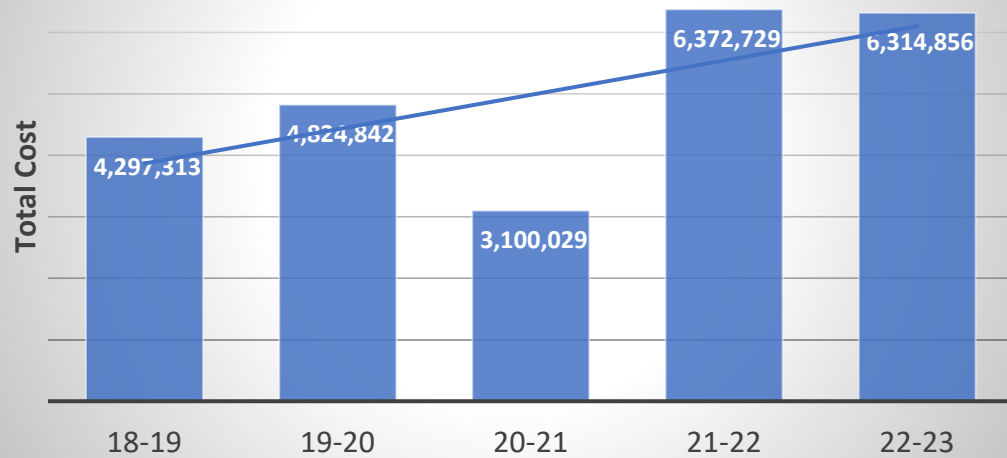
Utilities Cost Comparison



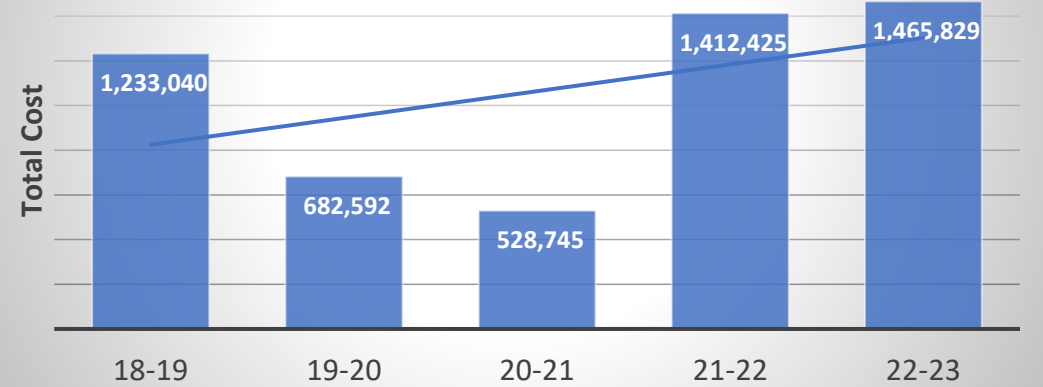
Insurance Cost Comparison (other than employee benefits)



Food Cost Comparison

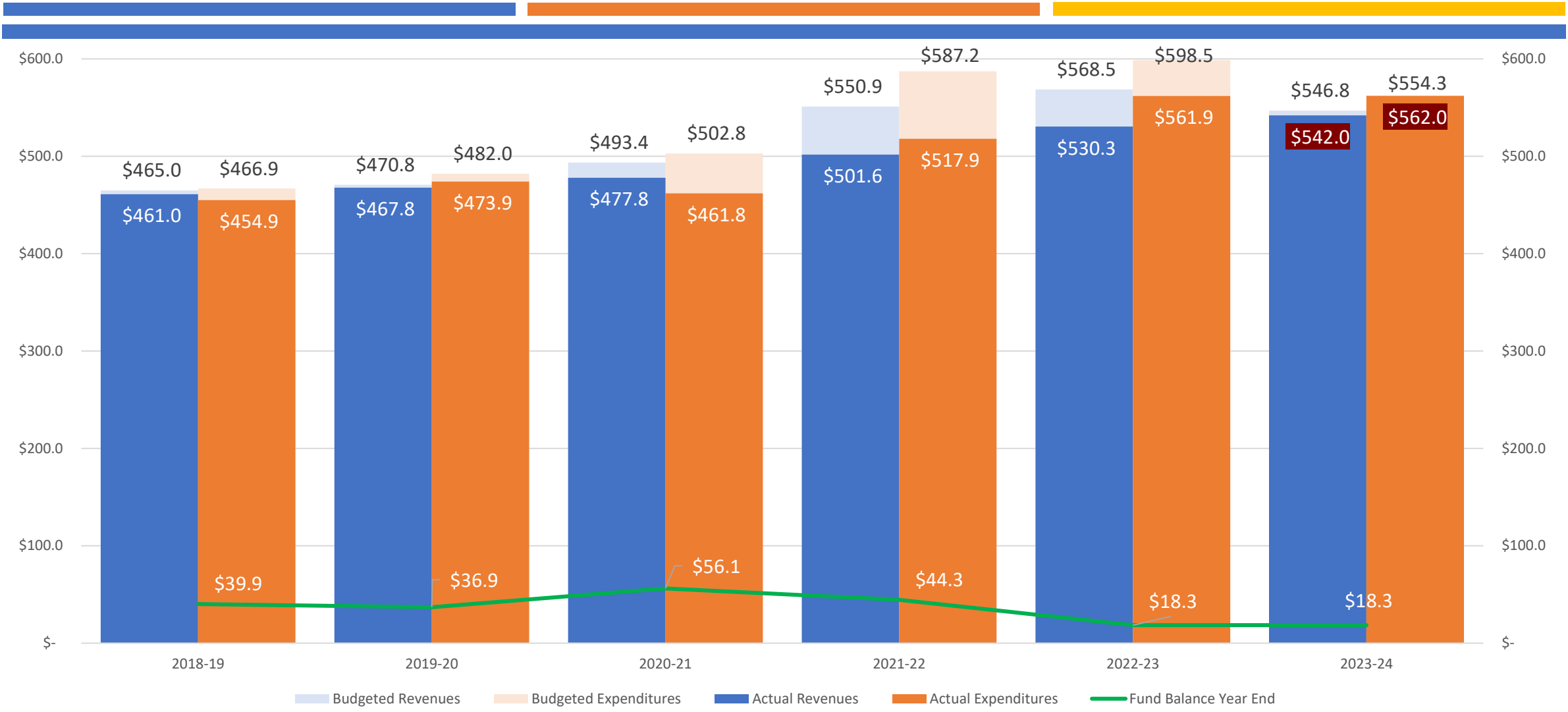


Motor Vehicle Fuel Cost Comparison



OTHER LEGISLATIVE FUNDING CONCERNS

- Special Education costs (\$5.4M more than funding last year)
- Transportation costs (\$3.8M more than funding last year)
- Substitute costs (\$5.8M more than funding last year)
- Nutrition costs (\$3.8M more than funding last year)
- Insurance and utilities costs (\$2.7M more than funding last year)



HISTORICAL FINANCES

Estimated 23-24 Data

2023-24 ONGOING MITIGATION

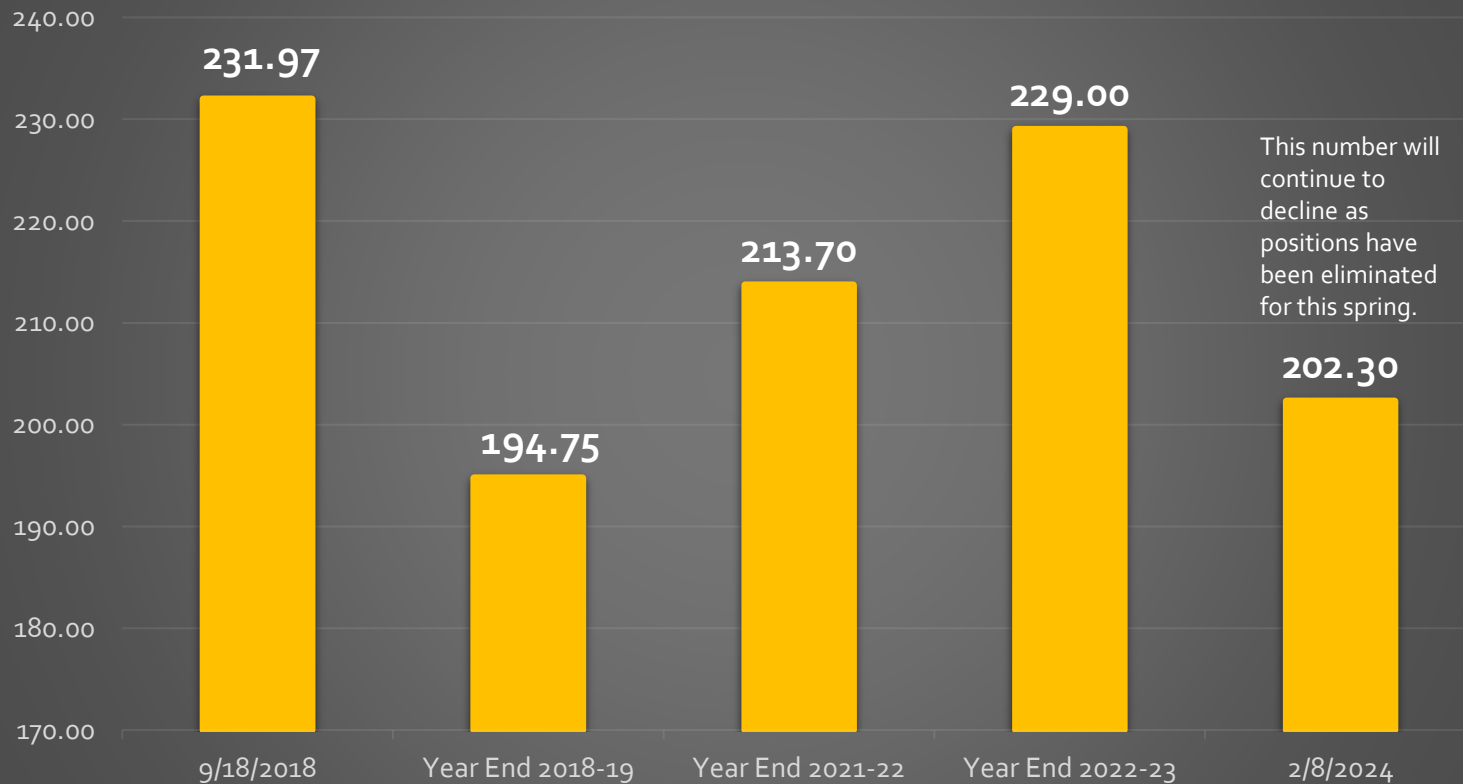
- Ongoing Mitigation Strategies
 - Make mid-year position eliminations and shifts
 - 14 Exempt staff
 - 8 Teachers reassigned
 - Future reductions and shifts pending
 - Hiring freeze for non-critical positions
 - Continued evaluation
 - Reduce discretionary spending
 - Removed capacity from budgets to limit ability to spend
 - Limited use of P-cards
 - Limit or reduce contracts and other purchases

2023-24 ONGOING MITIGATION -CONTINUED

- Ongoing Mitigation Strategies - continued
 - Identify surplus properties to maximize efficiencies and support student engagement
 - Madison
 - Willard
 - Lean efficiency practices – find ways to work smarter not harder
 - Reorganize bus routes to reduce number of routes
- Future Mitigation Strategies
 - Evaluate programming needs
 - Freeze exempt salary schedule
 - Position Eliminations
 - 23-24 costs carryforward
 - Seek Legislative assistance for full-funding of necessary programming
 - Begin developing strategies for cost reductions in the 2024-25 budget and beyond

PROGRESS MONITORING "ADMINISTRATIVE" GROUP

Combined Central and Administrative FTE



Includes all central administration* positions and spending in any union group in the following activities:

- Activity 11 - Board of Directors
- Activity 12 – Superintendent’s Office
- Activity 13 – Business Office
- Activity 14 – Human Resources
- Activity 15 – Public Relations
- Activity 21 – Instructional Supervision
- Activity 41 – Supervision – Nutrition
- Activity 51 – Supervision – Transportation
- Activity 61 – Supervision - Maintenance

Includes all non-represented staff (exempt)

"Administrative" positions currently represent 5.7% of all FTE positions

*Central Administration activities are defined in the OSPI F-195 instructions.