

2024-25 Legislative and Budget Update

REPORT TO THE BOARD

MARCH 28, 2024

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.

2024-25 Legislative Highlights

Net Legislative
Gain \$3M

Major State allocation changes

- Special Education increases the 'multiplier' and cap on number of funded students

Prototypical allocation enhancement

- Teaching assistance and office support **allocation** enhancements (\$.940M increase)
- Materials, supplies and operating costs from \$1,483.44 to \$1,533.02 per student

Wage and benefit changes

- Implicit Price Deflator (cost of living) – 3.7%
- SEBB – from \$1,100 to \$1,178

2024-25 Budget Adjustments

Revenue Impacts

- Enrollment fluctuations (minimal impact)
- ESSER Relief funds are ending - \$17M loss
- Legislative enhancements - \$3M net gain
- Transition to Kindergarten- \$2.4M gain

Standard Cost Increases

- People move up the schedule – incrementing (exempt staff are frozen)
- Cost and inflation increases – utilities, gas, insurance, building repair and upkeep
- Negotiated salary changes

2024-25 Budget Accomplishments

Mitigating Strategies Employed to Balance the Budget

- Elimination and cost shifting of staff - (\$9.5M reductions)
 - Includes staff reductions made in 23-24
 - Reductions made furthest from the classroom first
- Discretionary reductions (contracts, supplies and materials) – (\$20M reductions)
 - Some contracts may need to be eliminated or reduced
- ESSER costs eliminated (\$14M reductions)
- Exempt salary schedule frozen (\$.150M reduction)
- Surplus of property (utility and operating costs) – (\$.280M reduction)

Budget Considerations

Balanced Budget is required

- For 24-25 Revenues must be greater than Expenditures
- Working toward rebuilding Fund Balance (savings) to 5% reserve requirement (Policy 6015.1R)
- Must be fiscally responsible by 'right-sizing' our budget for the future

Budget work has been ongoing

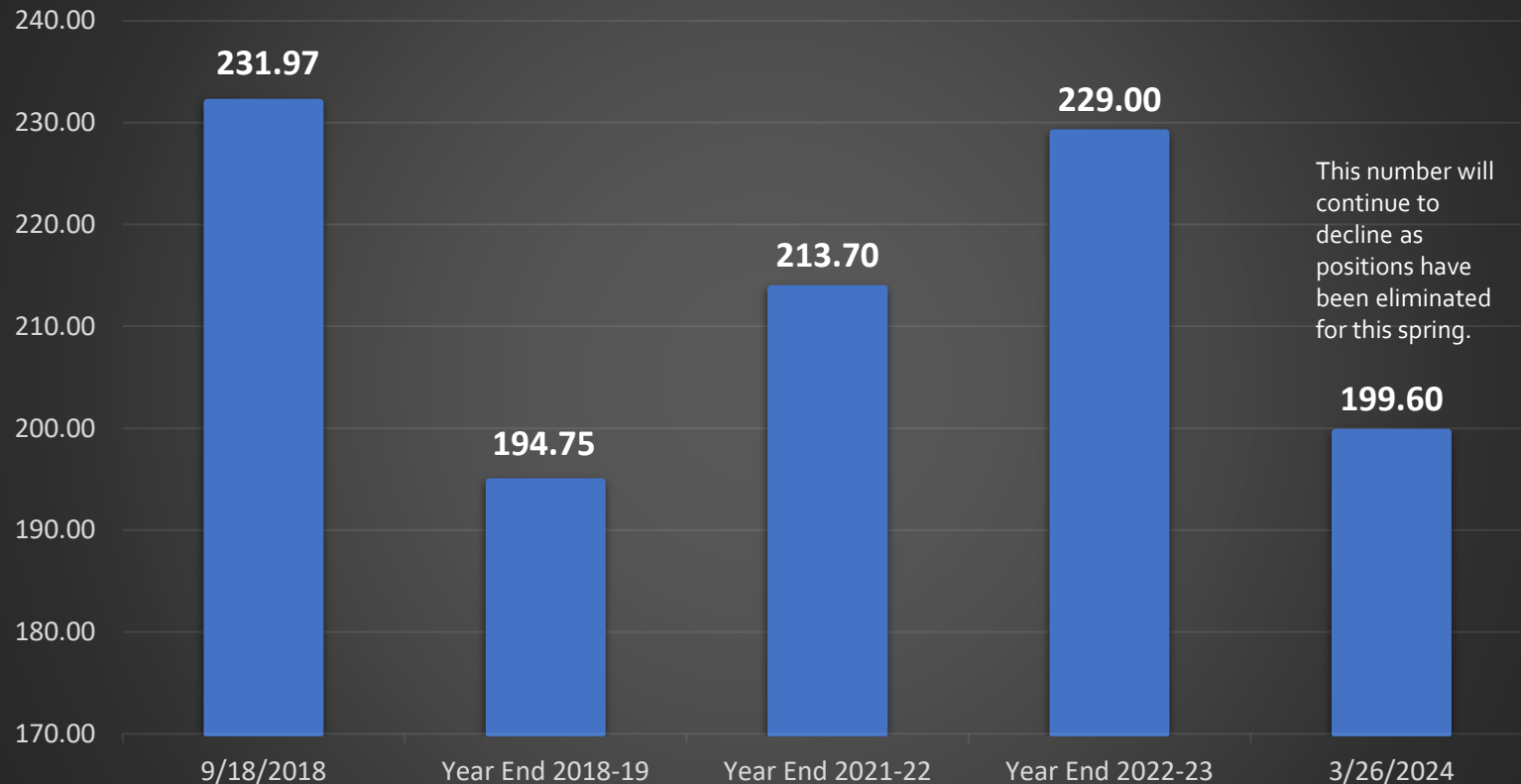
- 23-24 Mitigation strategies will carry forward to 24-25
- Preliminary Legislative impacts have been determined
- Considerable program and staffing changes have been determined
- Remaining budget adjustments are estimated at \$6M
 - Further recommendations will be brought to the board in the coming weeks
 - Guiding principles will be the standard used to make the recommendations

Disclaimer

- Data fluctuates based on OSPI calculations (some tools aren't released until April 12)
- Current year financial changes will have impacts on the budget development until adoption

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 5.6% of all FTE positions

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

Community Budget Activities



Budget Calculator

Available now at
[Tacomaschools.org/departments/businessandfinance](https://tacomaschools.org/departments/businessandfinance)

Select budget and then budget calculator



Budget Webinar



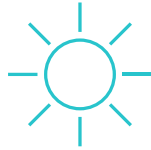
Formal public
hearings of proposed
budget

[Https://Tacoma Public Schools:
2024-25 Budget Development -
Balancing Act \(abalancingact.com\)](https://Tacoma Public Schools: 2024-25 Budget Development - Balancing Act (abalancingact.com))



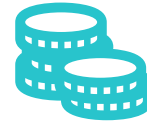
May 23

Preliminary Final Budget
Presentation to the Board



End of May

Budget Video Launched



June 6

Budget Hearing



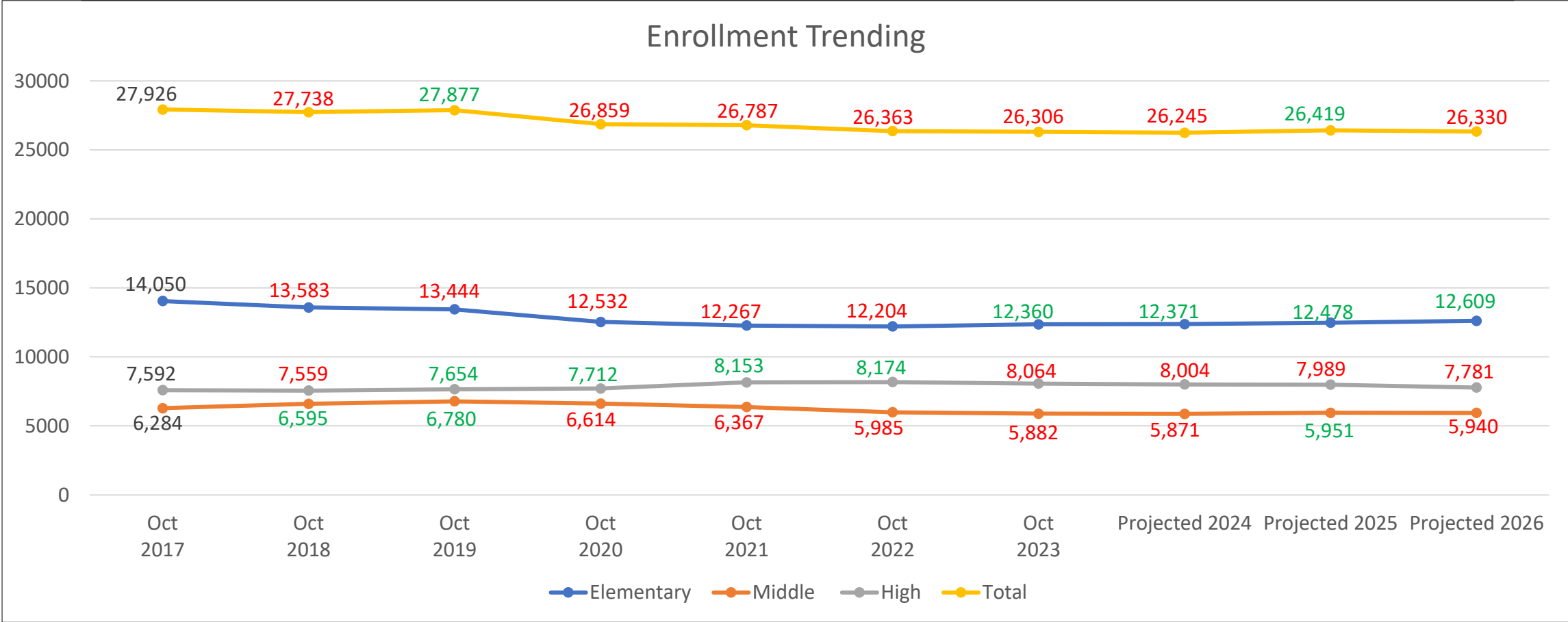
June 20

Budget Adoption

Upcoming Dates

Appendix

2024-24 ENROLLMENT WILL REMAIN FLAT



2023-24 Ongoing Mitigation

Current Year Revenue Impacts

- Actuals coming in higher than budgeted
- 2023-24 Legislative improvements

Ongoing Mitigation Strategies

- Mid-year position eliminations and shifts complete
- 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