

2024-25 Budget Update

BOARD MEETING

MAY 23, 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.

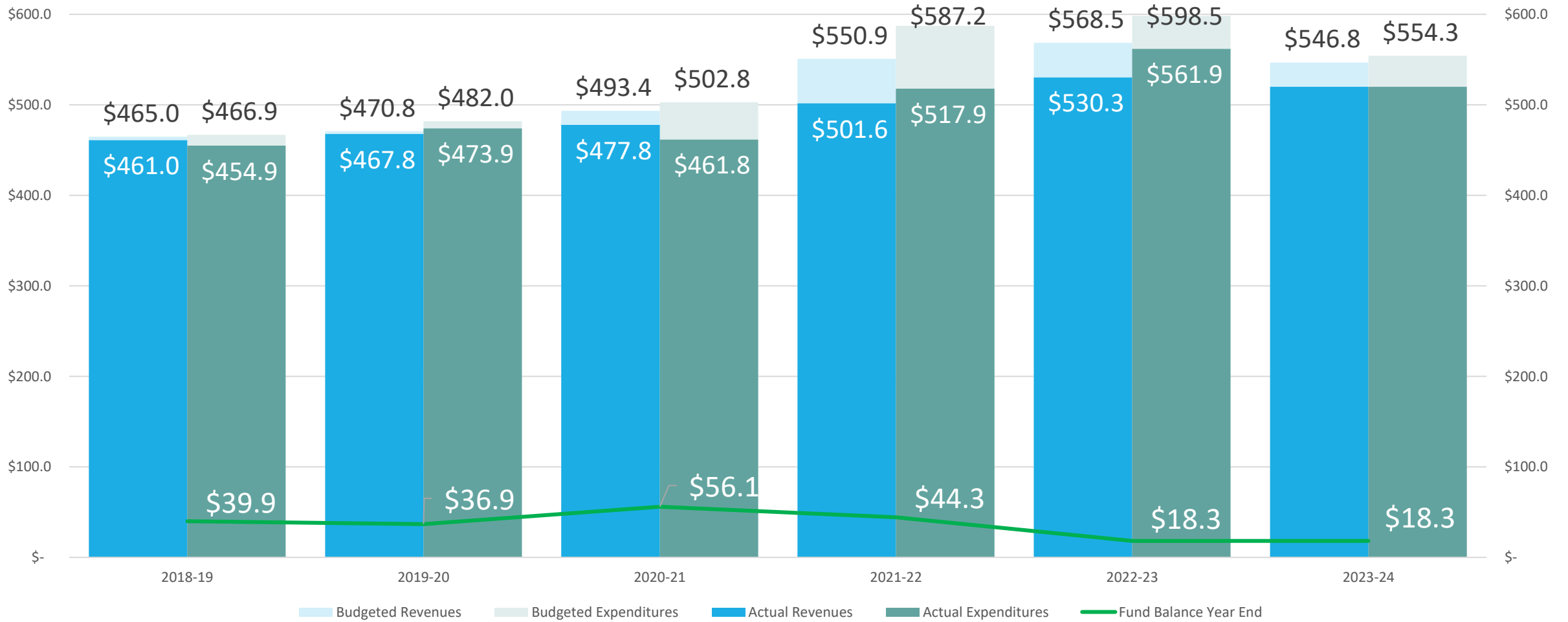
What Drives Funding Issues for Washington Schools?

- 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 Washington Schools?

Continued

- 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



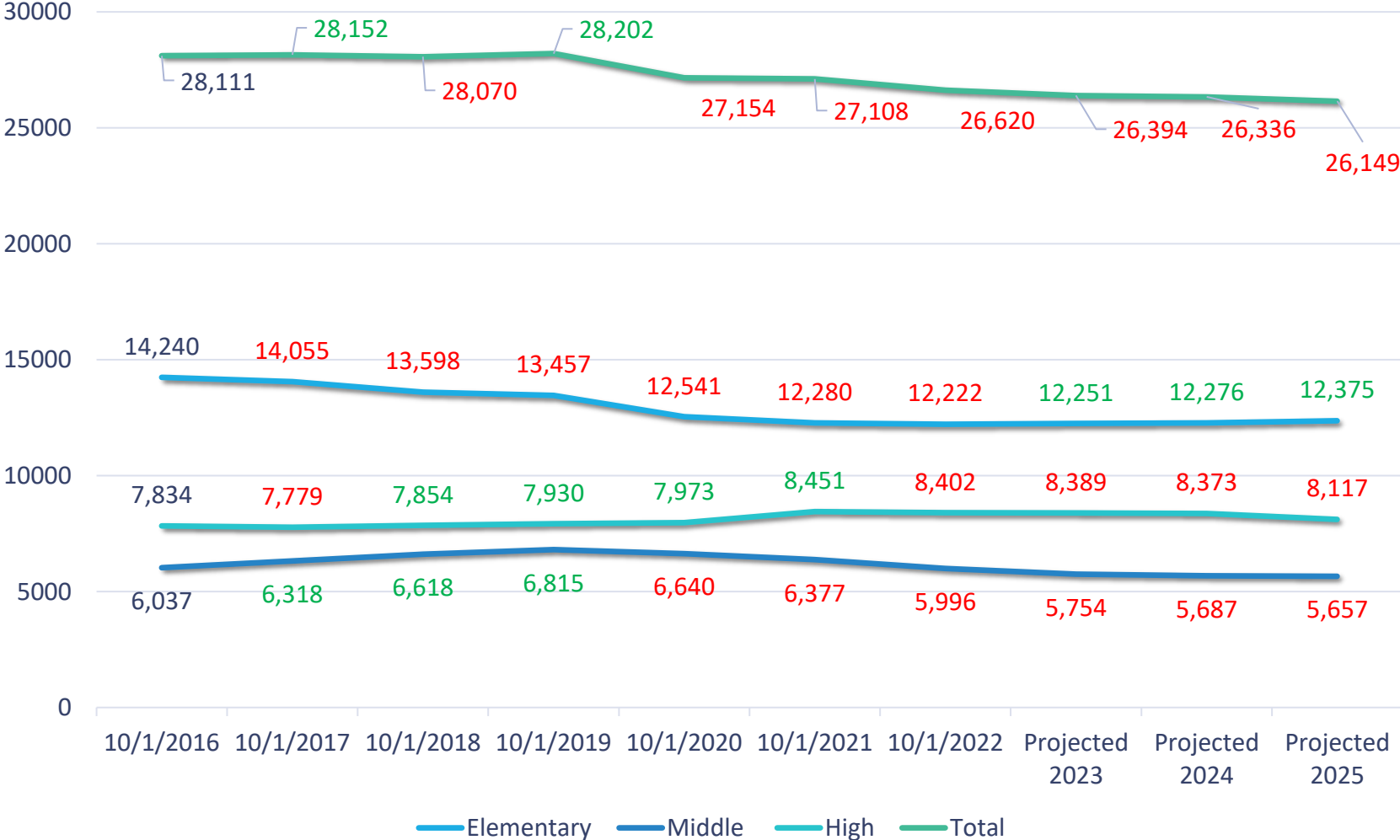
Historical Finances

2024-25 Budget Accomplishments

Mitigating Strategies Employed to Balance the Budget

- Position elimination and cost shifting of staff
- Discretionary reductions (contracts, supplies and materials)
 - Some contracts may need to be eliminated or reduced
- ESSER costs eliminated
- Exempt salary schedule frozen
- Surplus of property (utility and operating costs)

Enrollment Trending



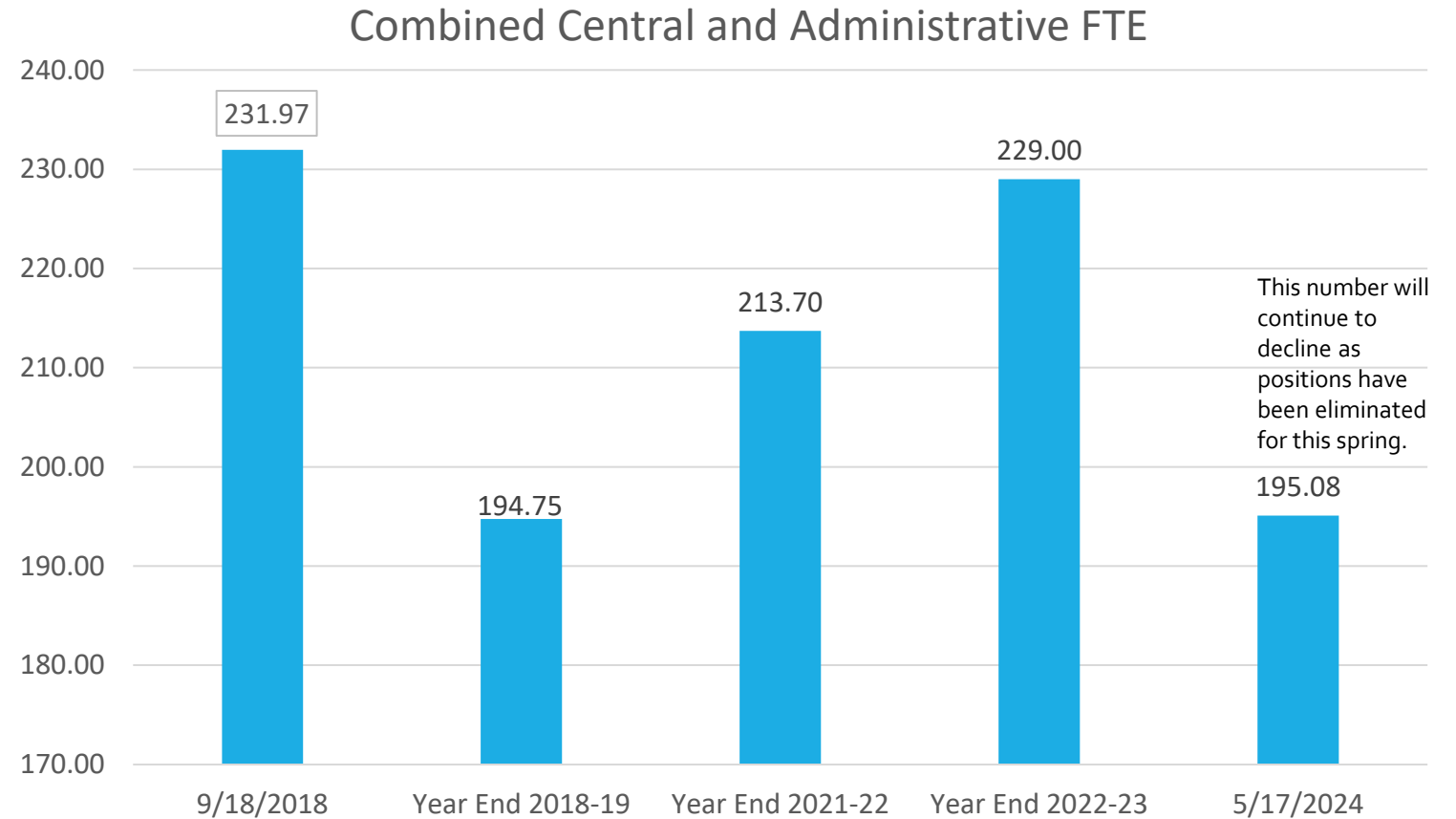
Progress Monitoring “Administrative” Group

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)

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



“Administrative” positions currently represent 5.5% of all FTE positions

Community Budget Activities



Budget Calculator

Available now at
[Tacomascschools.org/departments/businessandfinance](https://tacomascschools.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))

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
- Program and staffing changes have been in motion
- Remaining budget adjustments will be forthcoming to balance
 - Expenditures will be finalized in the next week

Disclaimer

- Current year financial changes will have impacts on the budget development until adoption

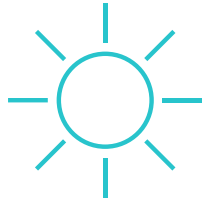
2024-25 Budget Development

Current Steps

- Balancing projecting revenues with projected expenditures

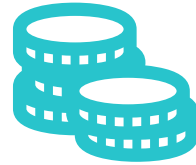
Includes:

- Elimination of ESSER
- Transition to Kindergarten
- Legislative Impacts
- Levy Balancing
- Special Education
- Transportation
- ...and a whole lot more



End of May

Budget Video Launched



June 6

Budget Hearing



June 20

Budget Adoption

Upcoming Dates



Questions?
