



**TAMALPAIS UNION HIGH
SCHOOL DISTRICT**

2024-25 Budget Proposal

June 11, 2024

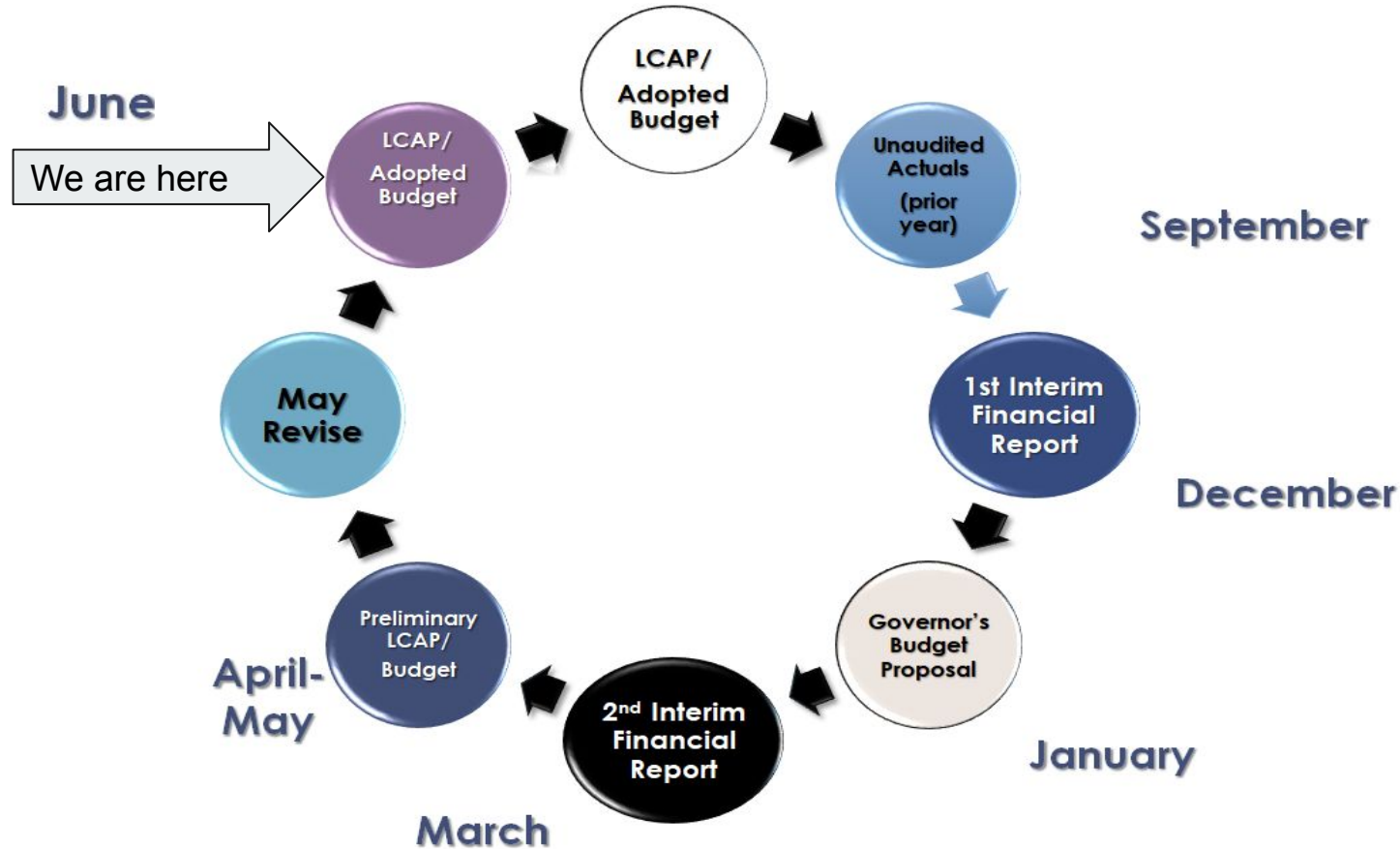
Agenda




- Budget Reporting Cycle & Calendar
- National, State & Local economic context
- Governor's 'May Revise' State Budget proposal for 2024-25
- TUHSD
 - *2023-24 Estimated Actuals*
 - *2024-25 Budget & Multi-Year Projection*
- Uncertainties & Prudence
- Next Steps & Questions

Budget Reporting Cycle


State Annual Budget Cycle



2024-25 Budget Calendar & Key Dates



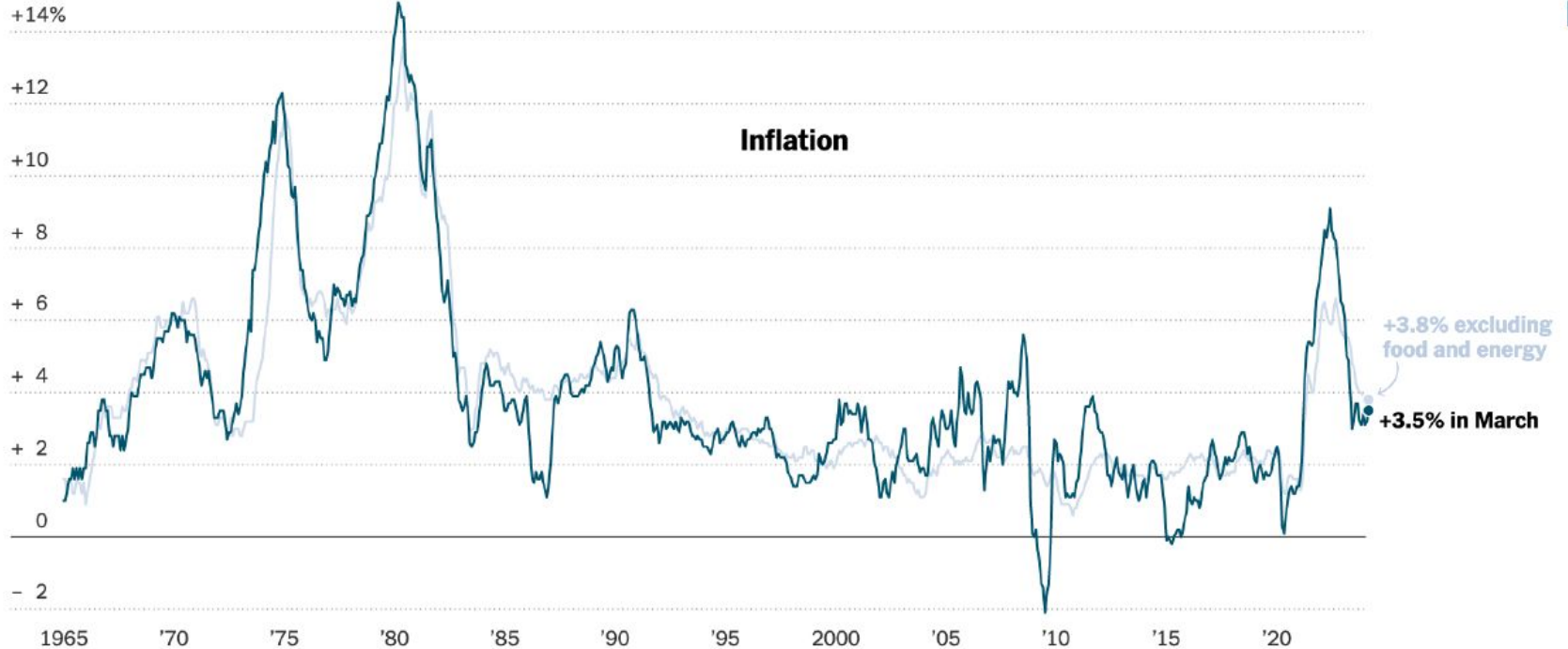
May 2024	Governor's May Revise Budget Proposal for 2024-25
June 2024	CA State Legislature must propose budget plan by June 15th TUHSD Board must adopt a budget by June 30th
August 2024	<u>Possible</u> TUHSD 45-day budget revision for 2024-25, pending State Enacted Budget Act
September 2024	Unaudited Actuals Budget Report for 2023-24
December 2024	1st Interim Budget Report for 2024-25



National, State & Local Economic Context

Source: Dr. Jon Haveman, National Economic Education Delegation, May 2024

Inflation: Latest Figures



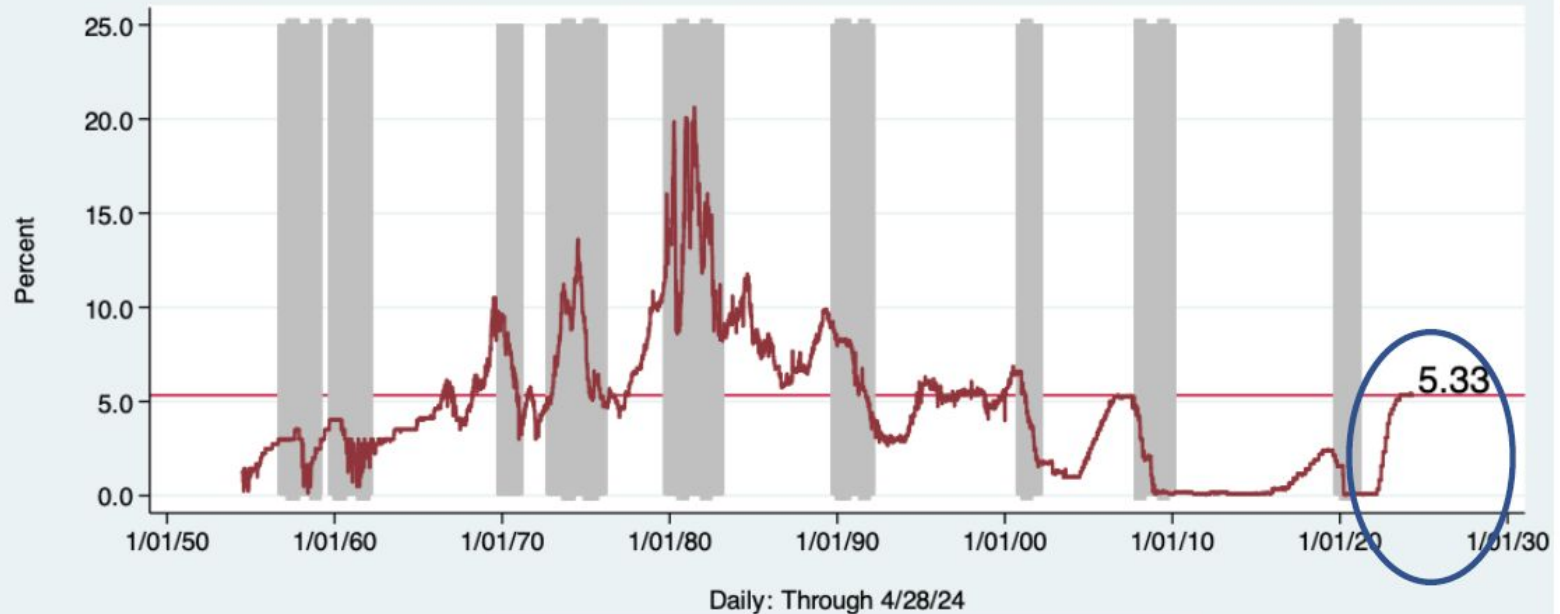
Year-over-year change in the Consumer Price Index • Source: Bureau of Labor Statistics • By Karl Russell



**NATIONAL ECONOMIC
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Source: NYTimes.com

Raising the Federal Funds Rate



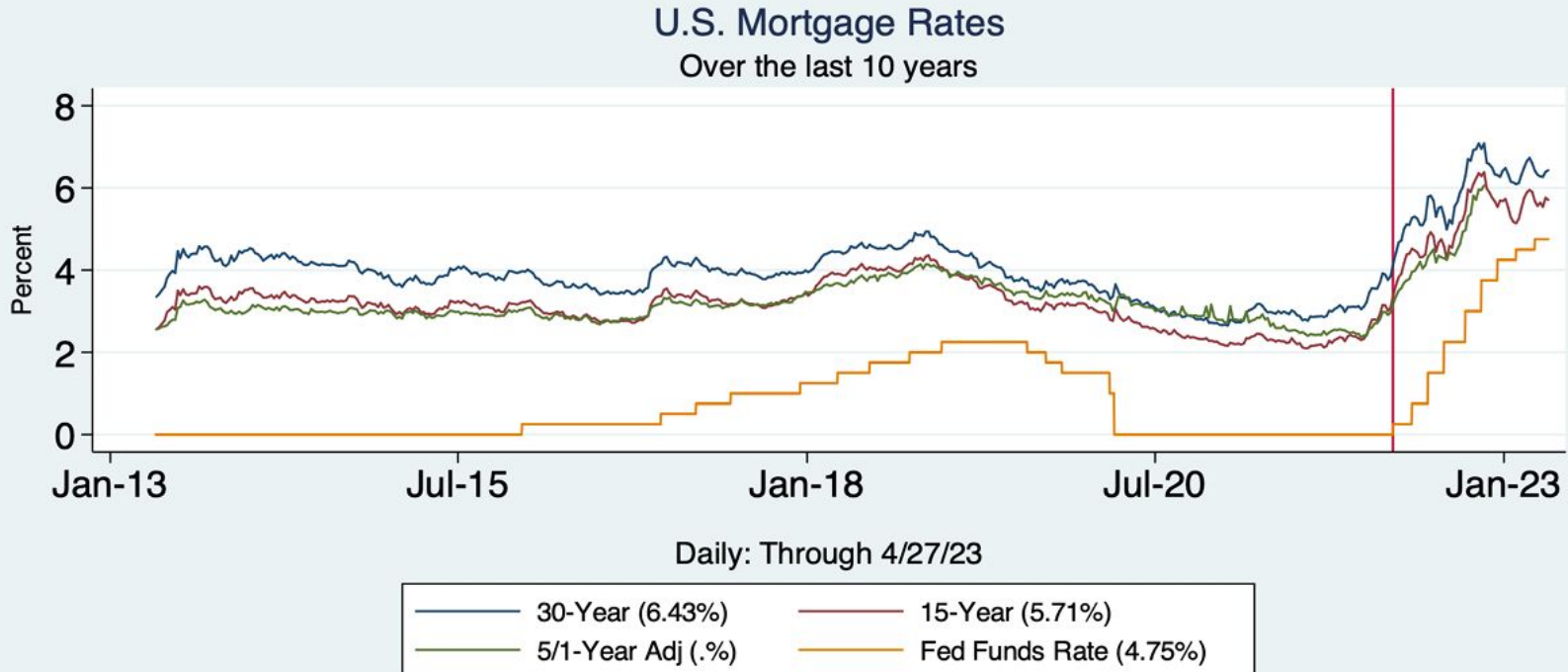
— Fed Funds Rate - Effective Rate (5.33%)

Source: NBER and Board of Governors. Gray shading indicates recession.
Graph by: National Economic Education Delegation (www.NEEDEcon.org)



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Interest Rates are Rising!



Source: Freddie Mac and the Federal Reserve
Graph by: National Economic Education Delegation (www.NEEDelegation.org)

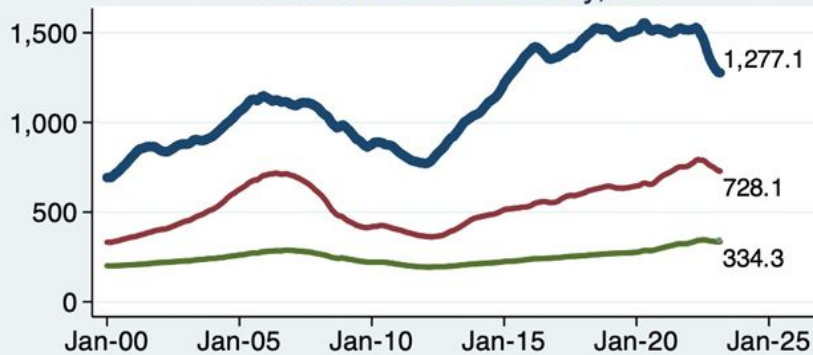


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RE Experiences ... Similar And Not Good

Thousands of 2023 Dollars

Estimated Median Home Value
in San Francisco County, CA



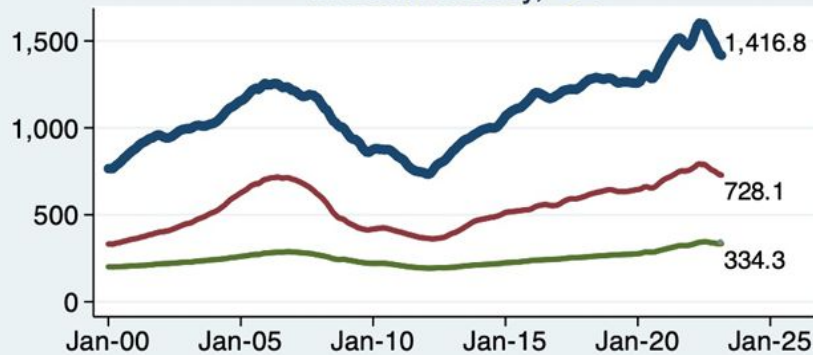
Monthly: Through Mar-23



Source: Zillow Housing Data, <https://www.zillow.com/research/data/>
Produced by: National Economic Education Delegation (www.NEEDelegation.org)

Thousands of 2023 Dollars

Estimated Median Home Value
in Marin County, CA



Monthly: Through Mar-23

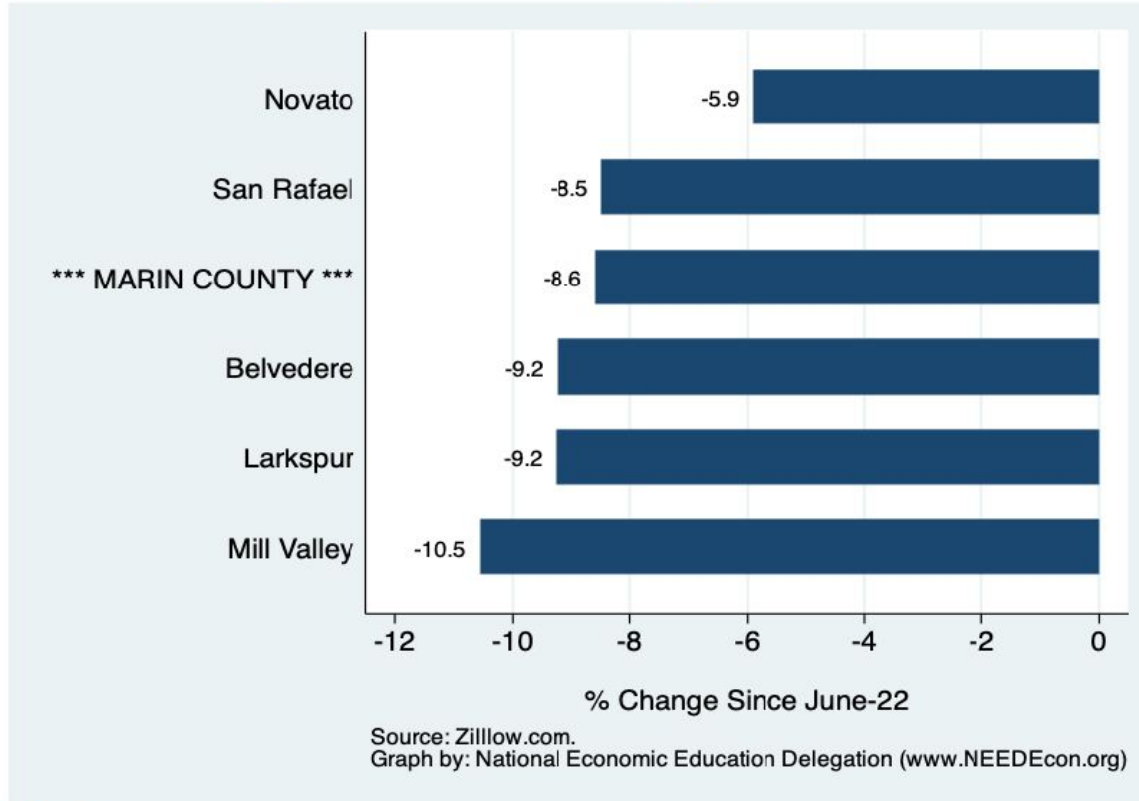


Source: Zillow Housing Data, <https://www.zillow.com/research/data/>
Produced by: National Economic Education Delegation (www.NEEDelegation.org)



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Home Price DEpreciation w/in Marin



Governor's '*May Revision*' State Budget Proposal

California Budget

- **In the red: \$38B or \$73B – depends on who you ask.**
 - \$38B – Newsom (CY revenues are running \$6B behind estimates)
 - \$73B – LAO
- **Why?**
 - Lower than expected revenues when budgets were made.
 - 7-month tax deferral.
 - High interest rates reduced investment and startups.
- **Will know more once 2023 tax revenues are in and May revise is out.**
- **Prop 98 Funding:**



What's Being Done?

- **So far – budgeting gimmicks**

- Move payroll by one day to next fiscal year.
- Other borrowing from Peter to pay Paul.

- **What could be done?**

- Borrow from reserves.
- Cuts to some new programs.
 - Public defenders, foster kids, climate.
- Raise tax rates.
- Address tax expenditures.



Takeaways

- **Is a recession on the horizon?**
 - No.
 - Many indicators are still in the black.
 - Recent growth has been pretty good!
- **Threats to continued growth:**
 - If inflation starts to rise again, which seems unlikely.
 - Ukraine and Middle East
- **State Budget in trouble for several years to come.**



Highlights of Governor's May Revision State Budget Proposal



- Projections indicate that California will experience slight operating deficits over several years, starting with a small deficit in 2025-2026 and growing larger in subsequent years.
- The Governor's May Revision policies aim to substantially reduce projected deficits, from around \$30 billion to an average of under \$10 billion, by cutting back on temporary spending and implementing ongoing reductions.
- While both the LAO and the administration predict operating deficits, actual revenue outcomes may vary significantly, with the state budget expected to remain balanced in the short term but facing a higher risk of budget problems in later years.
- For LCFF-funded school districts, funded COLA of 1.07% for revenue growth
- None of Governor's May Revision Budget Proposal are expected to impact TUHSD given our 'basic aid' status in 2024-25, but could have negative impacts in 2025-26 & beyond

Source: Ball/Frost Group LLC & CASBO - May Revision Update - May 2024

Back to TUHSD...

2023-24 Estimated Actuals

—

What is included in the budget adoption process?



- The 2023-24 'Estimated Actuals' reports:
 - Actual financial activity through April & projects financial activity through June 30th
 - Estimated Actuals will be compared to the Unaudited Actuals in September
 - Similar to a '3rd Interim' Budget report for 2023-24
- 2024-25 Proposed Budget aligns resources to the LCAP goals & action steps
 - Inclusive of stakeholder feedback: Public Hearing, LCAP Committee, etc.
- Provides an opportunity to:
 - Adopt a budget based on any significant changes since 2nd Interim in March
 - Recalculate Multi Year Projections
 - Discuss any needed changes or actions

2023-24 School Year: Changes in Revenues & Expenditures



More resources of....

- Facilities rental revenue increase
- Interest revenue increase
- Home-to-School State revenue increase
- Special Education State revenue increase

Savings in....

- Certificated and classified salaries
- Materials and supplies (primarily sites)
- Other Services & Operations (primarily departments)
- Reduced Special Education contribution

Increased spending in....

- Benefits (very small)

Comparison of 2nd Interim vs. Estimated Actuals




<i>Description</i>	<i>Unrestricted Projected Operating Surplus (Deficit)</i>
2023-24 2nd Interim Projection (March)	\$ (1,137,113)
<i>Changes</i> (See Next Slide)	\$ 1,831,817
2023-24 Estimated Actuals Projection (June)	\$ 694,704

Changes from 2nd Interim vs. Estimated Actuals

<i>Description of Changes (Unrestricted)</i>	<i>Amount</i>
Increase in Home-to-School State revenue, Interest revenue, and facilities rental revenue	\$755k
Decrease in certificated & classified salaries (unfilled positions, reduced subs, hourly PD)	\$363k
Decrease in budgeted site & department expenditures for materials and services	\$547k
Increase in benefits	\$(3k)
Decrease in contribution to Restricted (i.e. increase in Special Education State revenue)	\$163k
Net other (capital outlay, indirect cost)	\$(6k)
Total Changes	\$1.8M

Comparison of 2nd Interim vs. Estimated Actuals - Impact on Reserves



<i>Description</i>	<i>Unrestricted Projected Operating Surplus (Deficit)</i>	<i>Ending Fund Balance (Reserve)</i>
2023-24 2nd Interim Projection (March)	\$ (1,137,113)	\$22,672,496 (18.5%)
<i>Changes</i>	<i>\$ 1,831,817</i>	<i>\$ 1,831,817</i>
2023-24 Estimated Actuals Projection (June)	\$ 694,704	\$24,209,544 (20.0%)

2024-25 Budget Proposal

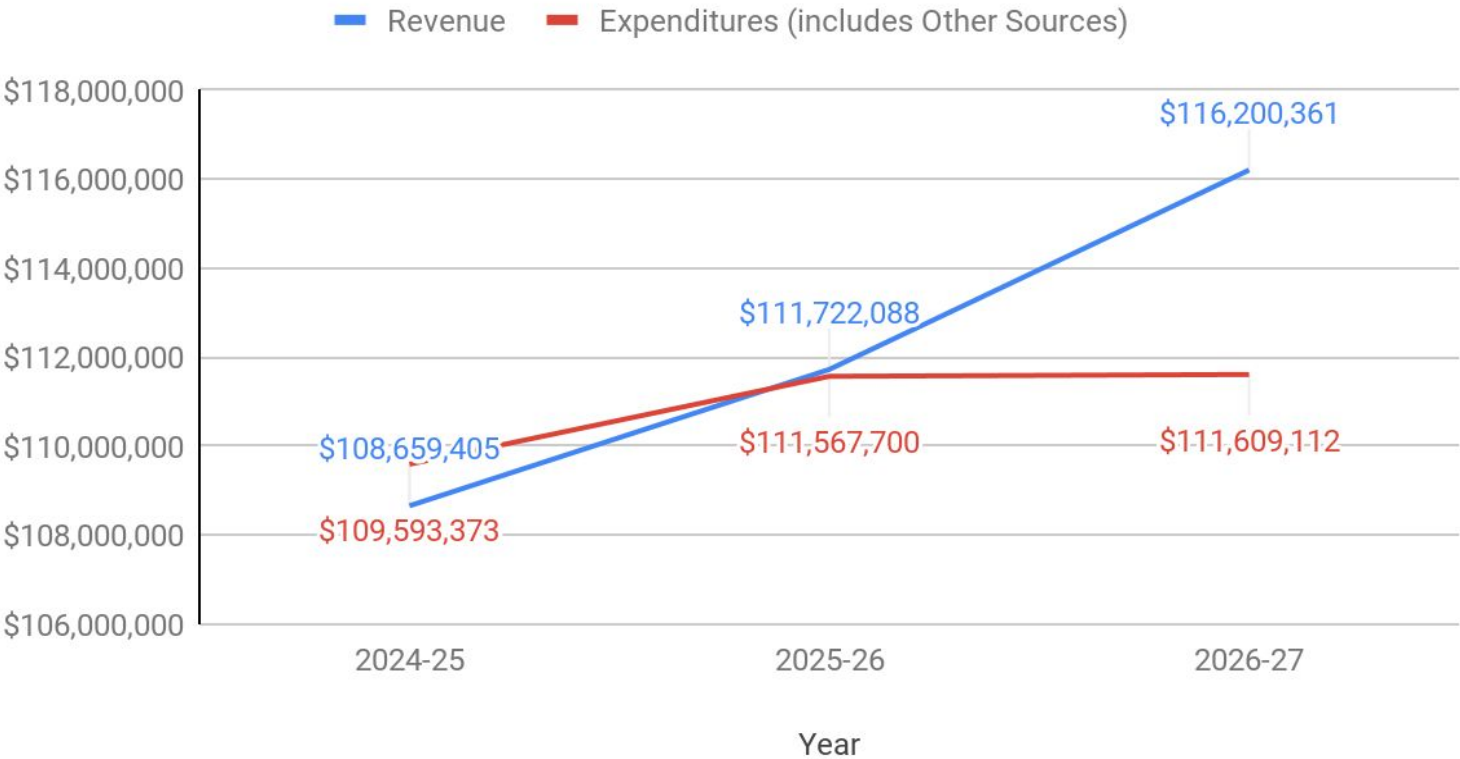
Multi-Year Projection

- 2025-26 & 2026-27



Summary of Multi-Year Projections

TUHSD Revenue and Expenditures (Unrestricted)



TUHSD Summary of Multi-Year Projections

	2023-24	2024-25	2025-26*	2026-27*
Operating Surplus (Deficit) (March 2024)	\$(1.1M)	\$(4k)	\$654k*	--
Ending Fund Balance/Reserve (March 2024)	\$22.7M (18.5%)	\$22.7M (18.9%)	\$23.3M (19.2%)*	--
Operating Surplus (Deficit) (June 2024)	\$694k	\$(934k)	\$154k*	\$4.6M*
Ending Fund Balance/Reserve (June 2024)	\$24.2M (20.0%)	\$23.4M (18.9%)	\$23.4M (19.0%)*	\$28.3M (22.7%)*

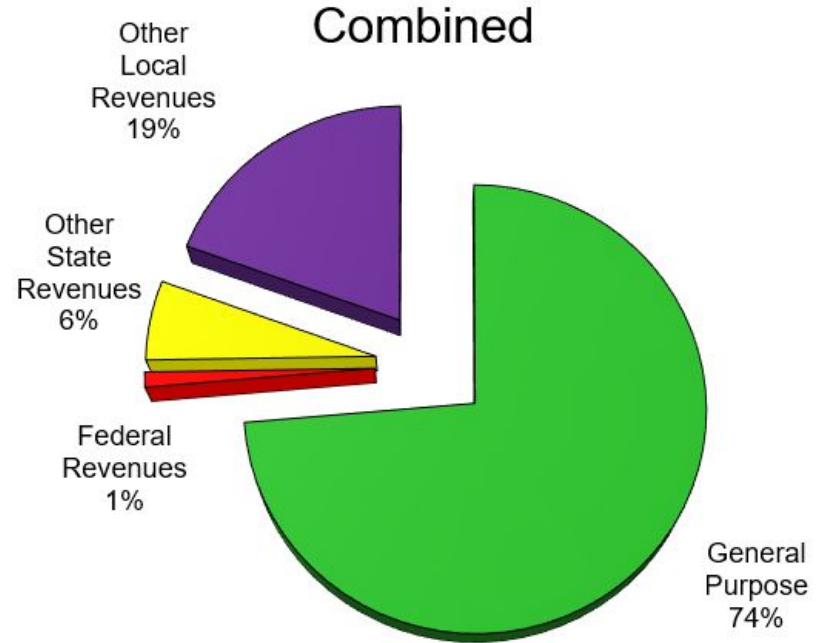
Key Assumptions: * Figures do not include any potential increase in staff compensation (cost of 1% raise = \$687k)

Revenues

Revenue Sources for 2024-25 (combined)

- General Purpose \$ 87,053,778
 - Property taxes, EPA, minimum State Aid, etc.
- State Funding \$ 6,849,825
 - AMIM, Lottery, Special Education, ROP, etc.
- Federal Funding \$ 1,298,495
 - Title I, Title II, IDEA, etc.
- Local Revenue \$ 23,017,054
 - Parcel tax, Foundations, facilities fees, interest

TOTAL: \$ 118,219,152



Basic Aid

vs.

State-Funded (LCFF)


- Also known as Community-funded
- District is entitled to a calculated revenue entitlement
- Comprised of both local property taxes revenue and state aid
- If property taxes exceed the calculated revenue entitlement, then the district keeps the overflow revenue and receives only basic (minimal) state aid
- Does not receive significant additional revenue for each new student in enrollment growth
- TUHSD is about \$26M over the LCFF entitlement

- Formerly referred to as 'Revenue Limit'
- District is entitled to a calculated revenue entitlement
- Comprised of both local property taxes and state aid
- When property taxes do not meet the calculated revenue entitlement, then the State makes up the shortfall with additional funding up to the calculated revenue entitlement



Key Budget Assumptions - Unrestricted Revenues

Property Tax Revenue growth projections: \$85,785,650 in 2024-25 property tax revenue



Year	2024-25	2025-26	2026-27
Growth Rate Projection (%)	4.37%	4.37%	4.87%

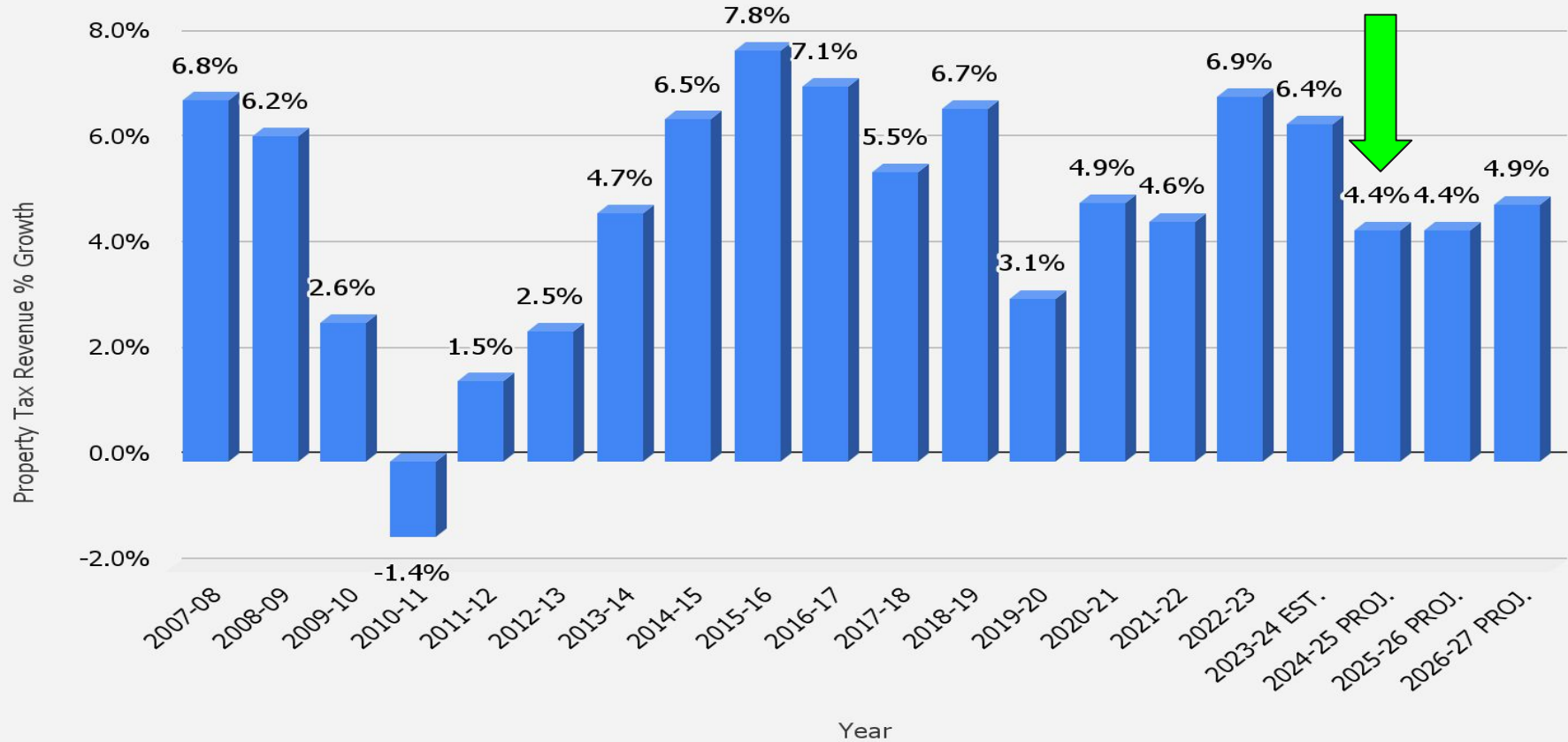
Notes:

- Projections inclusive of information provided at Marin County Property Tax Forum in May

Parcel Tax Revenue

- Increase of 3% with annual inflation adjustment
 - Actual amount depends on volume of Senior Exemptions
- 2024-25 Parcel Tax revenue projected to be \$17.8M, which is an increase of \$298k from 2023-24

TUHSD Historical Property Tax Revenue Growth



Source: County of Marin Dept of Finance & May 2024 Property Tax Forum

Key Budget Assumptions - Other Revenues



State revenue:

- Remaining one-time funding of \$1.8M in Arts, Music, & Instructional Materials Discretionary Block Grant
- Universal Meals for all students helps our TUHSD Nutrition program run at less of a deficit
- Prop 28 Arts Education estimated funding of \$566k not included in budget due to needed CDE clarification on allowable uses, per MCOE's direction
- All COVID relief funding was one-time funding and has been exhausted

Federal revenue: No significant changes to date

Other Local revenue: Facilities rental revenue is projected to increase by \$43k

Education Protection Account (EPA)

As specified in Proposition 30, EPA K-14 general purpose funds must be utilized for instructional purposes.

Education Protection Account (EPA) Budget <i>2024-25 Fiscal Year</i>	
Description	Amount
BEGINNING BALANCE	\$0
BUDGETED EPA REVENUES:	
<i>Estimated EPA Funds</i>	\$921,066
BUDGETED EPA EXPENDITURES:	
<i>Certificated Instructional Salaries</i>	\$653,494
<i>Certificated Instructional Benefits</i>	\$267,572
TOTAL	\$921,066
ENDING BALANCE	\$0

Expenditures

Primary Components:

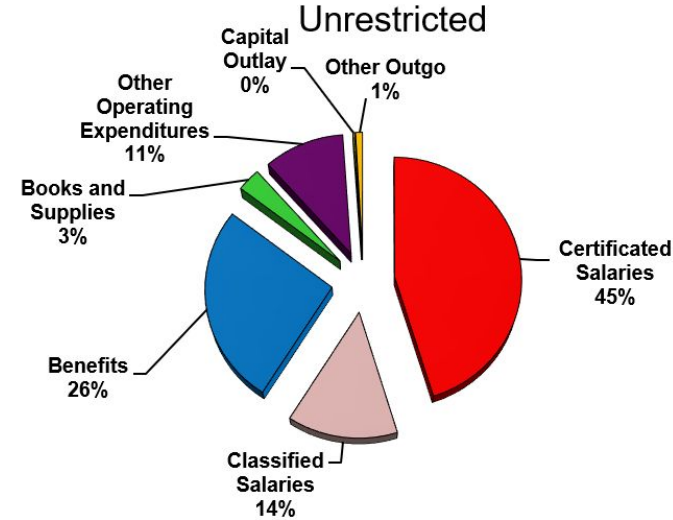
Enrollment

STRS & PERS pension rate increases

Special Education

General Fund Expenditures

Description	Unrestricted	Combined
Certificated Salaries	\$37,232,616	\$45,193,000
Classified Salaries	\$11,347,835	\$16,166,834
Benefits (Payroll Taxes and Health & Welfare Contributions)	\$21,681,252	\$31,796,999
Books and Supplies	\$2,524,384	\$3,400,584
Other Operating Expenditures	\$8,642,025	\$18,866,497
Capital Outlay	\$170,548	\$174,548
Other Outgo	\$737,462	\$2,109,439
TOTAL	\$82,336,122	\$117,707,901

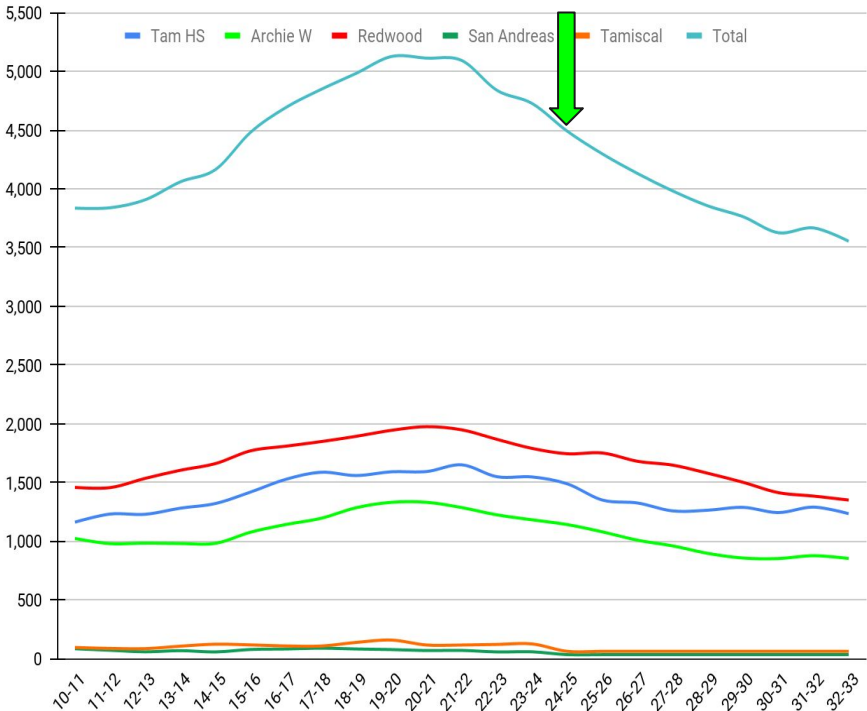


Salaries and benefits comprise approximately 85% of the District's unrestricted expenditures, and approximately 79% of the combined General Fund expenditures.

TUHSD Enrollment Projections (by site)

Date: May 2024

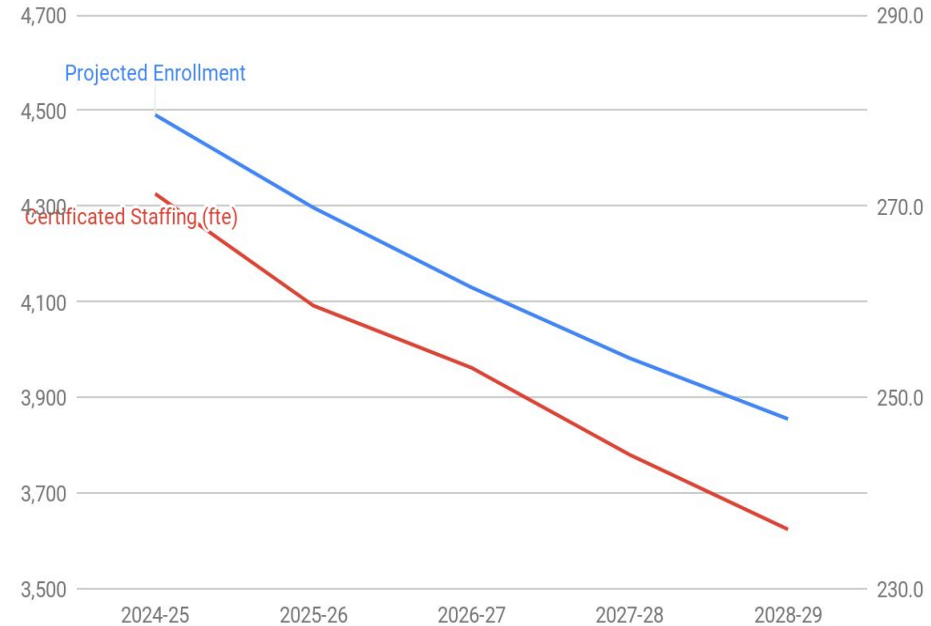
Cohort Survival Method									
School Year	Tam HS	Archie W	Redwood	San Andreas	Tamiscal	NPS	Total	Change in students	Percent Change
10-11	1,162	1,023	1,458	84	95	14	3,836		
11-12	1,231	979	1,456	71	87	15	3,839	3	0.1%
12-13	1,229	984	1,535	58	85	16	3,907	68	1.7%
13-14	1,281	980	1,604	68	106	21	4,060	153	3.8%
14-15	1,321	982	1,661	57	123	21	4,165	105	2.5%
15-16	1,419	1,077	1,770	78	117	22	4,483	318	7.6%
16-17	1,527	1,142	1,809	82	108	25	4,693	210	4.7%
17-18	1,587	1,195	1,848	89	107	21	4,847	154	3.2%
18-19	1,559	1,285	1,893	82	138	27	4,984	137	2.8%
19-20	1,591	1,331	1,944	77	158	26	5,127	143	2.9%
20-21	1,593	1,331	1,975	69	116	29	5,113	-14	-0.3%
21-22	1,650	1,286	1,948	70	116	23	5,093	-20	-0.4%
22-23	1,549	1,224	1,867	57	121	21	4,839	-254	-5.0%
23-24	1,547	1,182	1,790	58	125	25	4,727	-112	-2.3%
24-25	1,488	1,141	1,744	34	62	21	4,491	-236	-5.0%
25-26	1,350	1,079	1,751	34	62	21	4,297	-194	-4.3%
26-27	1,325	1,008	1,680	34	62	21	4,130	-167	-3.9%
27-28	1,258	960	1,647	34	62	21	3,982	-148	-3.6%
28-29	1,264	896	1,578	34	62	21	3,855	-127	-3.2%
29-30	1,288	856	1,501	34	62	21	3,763	-92	-2.4%
30-31	1,244	852	1,413	34	62	21	3,626	-136	-3.6%
31-32	1,290	876	1,384	34	62	21	3,668	41	1.1%
32-33	1,234	853	1,350	34	62	21	3,554	-114	-3.1%



Key Budget Assumptions - Expenditures

Enrollment & Certificated Staffing projections:

School Year	Projected Enrollment	Difference from Prior Year	Certificated Staffing (fte)	Difference from Prior Year
2024-25	4,491	-	271.3*	-
2025-26	4,297	-194	259.6	-11.7
2026-27	4,130	-167	253.1	-6.5
2027-28	3,982	-148	244.0	-9.1
2028-29	3,855	-127	236.2	-7.8



Notes:

* - Expiration of extended 'Class Size increase' MOU (assumes return to lower class size ratios)

Key Budget Assumptions - Expenditures (cont'd)



- TFT- & CSEA-represented employee groups have settled on compensation through 2024-25, but not in 2025-26 & beyond
 - Future cost of a 1% raise in 2025-26 estimated to be approximately \$687k
- Step & Column increases are 1.77% for Certificated and 2.76% for Classified from 2023-24
- Health & Welfare employee benefit increases up 7.6% from 2023-24 and assumed 5% annually thereafter
- Insurance rates changes: property: +7%, liability: +16%, cyber: +10%, workers' compensation: +4%
dental: -10% vision: -6%
- Utilities expenses projected to increase 4% annually (i.e. MMWD, PG&E, sewer, etc)
- Continued historic trend of Special Education costs average annual increase of \$1.1M (*later slide*)

STRS & PERS Pension Employer Rates & Costs

- In 2013, pension rates were re-calculated based on the Public Employee Pension Reform Act that restructured retirement age and benefits
- Compared to 2013-14, increased pension employer rates & costs have more than doubled (i.e. about \$6M to \$13M per year)

CalPERS Rate Comparison

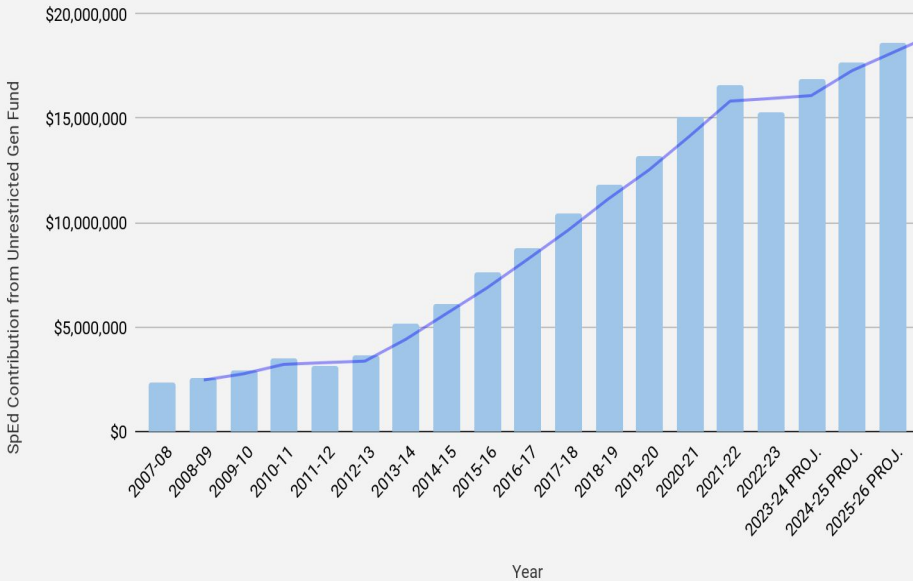
	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25	2025-26	2026-27
Employer Rates	11.85%	13.89%	15.53%	18.06%	19.72%	20.70%	22.91%	25.37%	26.68%	27.05%	27.60%	28.00%
Change		2.04%	1.64%	2.53%	1.66%	0.98%	2.21%	2.46%	1.31%	0.37%	0.55%	0%

CalSTRS Rate Comparison

Employer Rates	10.73%	12.58%	14.43%	16.28%	17.10%	16.15%	16.92%	19.10%	19.10%	19.10%	19.10%	19.10%
Change		1.85%	1.85%	1.85%	0.82%	-0.95%	0.77%	2.18%	0%	0%	0%	0%

Special Education Costs

Historic Contribution to Special Education from Unrestricted General Fund



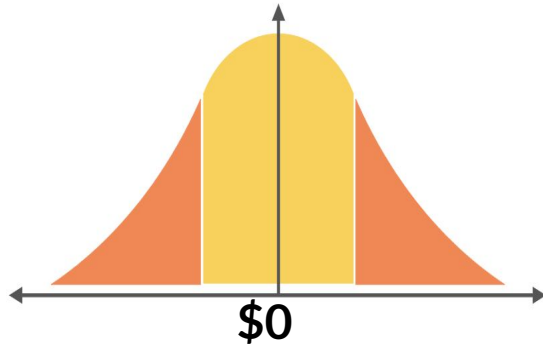
- In 2012, CA law changed increasing district responsibility for funding special education (NPS, mental health)
- TUHSD SpEd contributions have increased from \$2.4M to \$20.1M in 14 years
 - Avg. of \$1.3M increase annually
- TUHSD currently has 4 Counseling Enriched Classrooms (CEC) and opening 5th at San Andreas in the Fall
 - Estimated savings is \$560k annually per CEC
 - Total savings of about \$2.8M annually

Reminder from January 2021 Budget Workshop:

To increase budget accuracy, 'Expenditure Fall-Out' mechanism still in place with increased magnitude to \$2.25M.

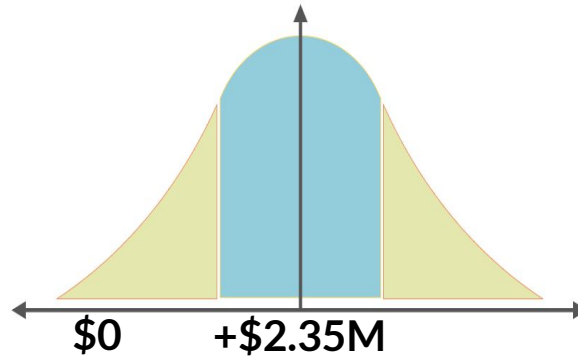
Hypothetical Case:

Aim for perfect accuracy, but 50% chance of negative fall-out



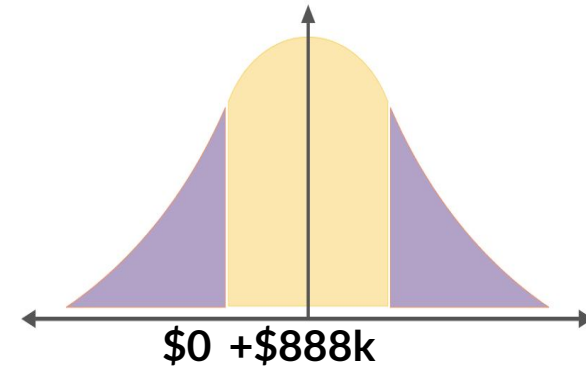
Historical TUHSD Trend:

Less accurate, but significantly little chance of negative fall-out



Options for 2021-22 TUHSD Budget:

More accurate with less chance of negative fall-out



Trade-Off: In exchange for greater budget accuracy, there will be a greater risk (albeit less than hypothetical case) of negative budget fall-out.

Reserves & Assignments

Reserves & Assignments



2023-24 Estimated Ending Fund Balance (Unrestricted) - \$23,275,576 (18.9% reserve level)

Non-Spendable - \$12,000

Restricted - \$5,272,666

Assigned - \$18,744,300

- Property Tax Uncertainty (1% of prop tax revenues) - \$750,000
- Special Education Uncertainty - \$750,000
- Additional 17% Reserve (less REU), per Board Policy - \$17,244,300

Unassigned - 3% minimum reserve for economic uncertainty (REU) - \$3,695,200

Unassigned (Other) - \$824,076

Reminder: TUHSD Board Policy (BP 3100) establishes a targeted minimum reserve level at 17% of annual expenditures.

Description	2024-25 Proposed Budget			2025-26 Projected Budget			2026-27 Projected Budget		
	Unrestricted	Restricted	Combined	Unrestricted	Restricted	Combined	Unrestricted	Restricted	Combined
REVENUES									
General Purpose Revenue (A)	87,053,778	-	87,053,778	90,675,290	-	90,675,290	94,902,769	-	94,902,769
Federal Revenue (B)	-	1,298,495	1,298,495	-	1,298,495	1,298,495	-	1,298,495	1,298,495
State Revenue (B)	2,008,790	4,841,035	6,849,825	1,215,210	4,841,035	6,056,245	1,215,210	4,841,035	6,056,245
Local Revenue (C)	19,596,837	3,420,217	23,017,054	19,831,588	3,420,217	23,251,805	20,082,382	3,420,217	23,502,599
TOTAL REVENUES	108,659,405	9,559,747	118,219,152	111,722,088	9,559,747	121,281,835	116,200,361	9,559,747	125,760,108
EXPENDITURES									
Certificated Salaries (D)	37,232,616	7,960,384	45,193,000	37,820,180	6,726,757	44,546,937	37,598,970	6,816,896	44,415,866
Classified Salaries (D)	11,347,835	4,818,999	16,166,834	11,754,087	4,991,519	16,745,606	12,090,254	5,134,276	17,224,530
Benefits (E)	21,681,252	10,115,747	31,796,999	22,611,342	9,989,457	32,600,799	23,214,250	10,249,344	33,463,594
Books and Supplies (F)	2,524,384	876,200	3,400,584	2,524,384	876,200	3,400,584	2,524,384	876,200	3,400,584
Other Services & Oper. Exp (G)	8,642,025	10,224,472	18,866,497	8,607,025	11,133,472	19,740,497	8,856,025	12,133,472	20,989,497
Capital Outlay (H)	170,548	4,000	174,548	170,548	4,000	174,548	170,548	4,000	174,548
Other Outgo (I)	789,340	1,341,713	2,131,053	799,377	1,475,713	2,275,090	484,141	1,622,713	2,106,854
Transfer of Indirect Costs	(51,878)	30,264	(21,614)	(51,878)	30,264	(21,614)	(51,878)	30,264	(21,614)
TOTAL EXPENDITURES	82,336,122	35,371,779	117,707,901	84,235,065	35,227,382	119,462,447	84,886,694	36,867,165	121,753,859
EXCESS / (DEFICIENCY)	26,323,283	(25,812,032)	511,251	27,487,023	(25,667,635)	1,819,388	31,313,667	(27,307,418)	4,006,249
OTHER SOURCES/USES									
Transfers In	2,250,000	-	2,250,000	2,250,000	-	2,250,000	2,250,000	-	2,250,000
Transfers Out (J)	(5,465,000)	-	(5,465,000)	(3,915,000)	-	(3,915,000)	(1,665,000)	-	(1,665,000)
Net Other Sources (Uses)	-	-	-	-	-	-	-	-	-
Contributions to Restricted (K)	(24,042,251)	24,042,251	-	(25,667,635)	25,667,635	-	(27,307,418)	27,307,418	-
TOTAL OTHER SOURCES / USES	(27,257,251)	24,042,251	(3,215,000)	(27,332,635)	25,667,635	(1,665,000)	(26,722,418)	27,307,418	585,000
Net Increase (Decrease)	(933,968)	(1,769,781)	(2,703,749)	154,388	-	154,388	4,591,249	-	4,591,249
FUND BALANCE, RESERVES									
Estimated Beginning Balance	24,209,544	7,042,447	31,251,991	23,275,576	5,272,666	28,548,242	23,429,964	5,272,666	28,702,630
Estimated Ending Balance	23,275,576	5,272,666	28,548,242	23,429,964	5,272,666	28,702,630	28,021,213	5,272,666	33,293,879
Nonspendable	12,000	-	12,000	12,000	-	12,000	12,000	-	12,000
Restricted	-	5,272,666	5,272,666	-	5,272,666	5,272,666	-	5,272,666	5,272,666
Assigned	18,744,300	-	18,744,300	18,772,900	-	18,772,900	18,778,700	-	18,778,700
Unassigned - REU @ 3%	3,695,200	-	3,695,200	3,701,400	-	3,701,400	3,702,600	-	3,702,600
Unassigned - Other	824,076	(0)	824,076	943,664	(0)	943,664	5,527,913	(0)	5,527,913
Total - Est. Fund Balance	23,275,576	5,272,666	28,548,242	23,429,964	5,272,666	28,702,630	28,021,213	5,272,666	33,293,879
Fund Balance Reserve Percentage (Combined Assigned & Unassigned)			18.89%			18.98%			22.69%

TUHSD Summary of Multi-Year Projections

	2023-24	2024-25	2025-26*	2026-27*
Operating Surplus (Deficit) (March 2024)	\$(1.1M)	\$(4k)	\$654k*	--
Ending Fund Balance/Reserve (March 2024)	\$22.7M (18.5%)	\$22.7M (18.9%)	\$23.3M (19.2%)*	--
Operating Surplus (Deficit) (June 2024)	\$694k	\$(934k)	\$154k*	\$4.6M*
Ending Fund Balance/Reserve (June 2024)	\$24.2M (20.0%)	\$23.4M (18.9%)	\$23.4M (19.0%)*	\$28.3M (22.7%)*

Key Assumptions: * Figures do not include any potential increase in staff compensation (cost of 1% raise = \$687k)

Summary of All Funds

Summary of All Funds

Below is a summary of each Fund's ending fund balance (or reserve) and estimated changes.


FUND	2023-24	Est. Net Change	2024-25
GENERAL (UNRESTRICTED & RESTRICTED)	\$31,251,991	(\$2,703,749)	\$28,548,242
ASSOCIATED STUDENT BODY FUND	\$664,594	\$0	\$664,594
ADULT EDUCATION	\$897,913	(\$257,654)	\$640,259
CAFETERIA FUND	\$419,132	(\$291,236)	\$127,896
SPECIAL RESERVE - OTHER THAN CAPITAL OUTLAY	\$0	\$1,035,000	\$1,035,000
DEFERRED MAINTENANCE	\$4,116,752	\$10,000	\$4,126,752
FOUNDATION SPECIAL RESERVE FUND	\$50,001	\$0	\$50,001
CAPITAL FACILITIES FUND	\$673,077	\$25,708	\$698,785
CAPITAL OUTLAY	\$6,872,315	(\$6,824,246)	\$48,069
BOND INTEREST & REDEMPTION	\$12,303,421	(\$976,583)	\$11,326,838
TOTAL	\$57,249,195	(\$9,982,760)	\$47,266,435

Uncertainties & Prudence

Uncertainties & Prudence

- Inflation, Federal Reserve, Interest Rates & Economic Uncertainty
 - Reduced property tax revenue in 2024-25 anticipated due to local real estate market downturn
- Ongoing enrollment decline for at least the next 8 years has begun, **BUT ends in 2031-32**
 - Major 'lesson learned' from past financial challenges: Need to adjust staffing to enrollment accordingly
- 'Class Size ' MOU expired for the 2024-25 school year
- Concerns about future increases to STRS & PERS pension rates given statewide loss of enrollment & staff paying into pension systems
- No additional one-time State or federal funding anticipated moving forward
 - CDE clarification still pending for Prop 28 Art Education allowable uses
- Statewide trend of Special Education costs increases continue ('unfunded mandate')
- TFT- & CSEA-represented employee groups have settled on compensation through 2024-25, but not in 2025-26 & beyond
 - Future cost of a 1% raise in 2025-26 estimated to be approximately \$687k
- Major, imminent facilities needs (without dedicated funding) would divert funding from General Fund (students & staff)
- **Pending the above, TUHSD is projecting balanced budgets in the official 3-year MYP & minimum 17% reserve = Sustainable, BUT unfunded imminent facilities needs pose significant risk to general fund**

2024-25 Budget Calendar & Key Dates



May 2024	Governor's May Revise Budget Proposal for 2024-25
June 2024	CA State Legislature must propose budget plan by June 15th TUHSD Board must adopt a budget by June 30th
August 2024	<u>Possible</u> TUHSD 45-day budget revision for 2024-25, pending State Enacted Budget Act
September 2024	Unaudited Actuals Budget Report for 2023-24
December 2024	1st Interim Budget Report for 2024-25



TAMALPAIS UNION HIGH SCHOOL DISTRICT

Questions?

Comments?



*Special thanks to our Business Office staff for
their work to help prepare this report!*