

# Tacoma Public Schools Financial Update

2024-2025 Fiscal Year – YTD December

**Presenter: Cary Campen, Director of SFO**

**January 23, 2025**

# District Funds



**General  
Fund**



**Debt Service  
Fund**



**Associated Student  
Body Fund**



**Transportation  
Vehicle Fund**



**Trust  
Fund**



**Capital &  
Technology Levy**

Funds are like separate checking accounts. They **can't** be used outside of their intended uses. Budgets are not submitted for Trust Funds – those dollars are held on behalf of others.

# 2024-25 Adopted Budget

## General Fund Four-Year Budget

(rounded in millions)	2024-25 Budget	2025-26 Budget	2026-27 Budget	2027-28 Budget
<b>Revenues:</b>				
Local Taxes	\$ 79.59	\$ 81.29	\$ 82.00	\$ 82.00
State - Basic Education	\$ 292.68	\$ 301.00	\$ 308.02	\$ 313.95
State - Categorical	\$ 127.44	\$ 130.38	\$ 133.05	\$ 135.02
Other	\$ 78.18	\$ 78.18	\$ 78.18	\$ 78.18
<b>Total Revenues</b>	<b>\$ 577.89</b>	<b>\$ 590.85</b>	<b>\$ 601.25</b>	<b>\$ 609.15</b>
<b>Expenditures:</b>				
Salaries and Benefits	\$ 493.35	\$ 503.83	\$ 517.76	\$ 524.68
Supplies Materials and Other Oper. Costs	\$ 79.05	\$ 80.73	\$ 82.97	\$ 84.07
<b>Total Expenditures</b>	<b>\$ 572.41</b>	<b>\$ 584.57</b>	<b>\$ 600.73</b>	<b>\$ 608.76</b>
<b>Fund Balance Impact</b>	<b>\$ 5.48</b>	<b>\$ 6.29</b>	<b>\$ 0.52</b>	<b>\$ 0.40</b>

*A positive Fund Balance Impact is necessary from year to year to maintain the 5% of revenues Board Policy 6015.1R*

# 2024-25 Budget vs. YTD Dec

## General Fund Current Fiscal Year

(rounded in millions)	2024-25 Budget	2024-25 YTD Dec	2024-25 Balance
<b>Revenues:</b>			
Local Taxes	\$ 79.59	\$ 34.53	\$ 45.06
State - Basic Education	\$ 292.68	\$ 90.73	\$ 201.95
State - Categorical	\$ 127.44	\$ 34.37	\$ 93.07
Other	\$ 78.18	\$ 12.78	\$ 65.40
<b>Total Revenues</b>	<b>\$ 577.89</b>	<b>\$ 174.03</b>	<b>\$ 403.86</b>
<b>Expenditures:</b>			
Salaries and Benefits	\$ 493.35	\$ 163.28	\$ 330.07
Supplies Materials and Other Oper. Costs	\$ 79.05	\$ 25.81	\$ 53.24
<b>Total Expenditures</b>	<b>\$ 572.41</b>	<b>\$ 189.09</b>	<b>\$ 383.32</b>
<b>Fund Balance Impact</b>	<b>\$ 5.48</b>		

# Ongoing Challenges

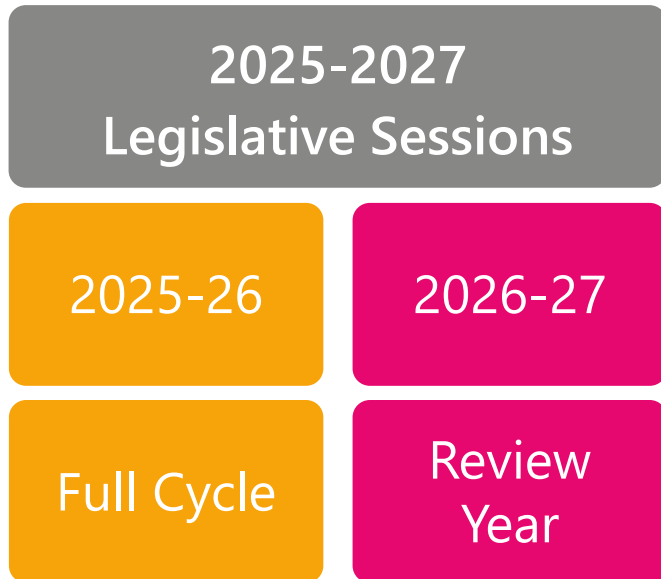
- Timing of funding models used by the state
- Inflation and escalated costs continue
  - Competitive market driven salary requirements drive higher wages
  - Employee benefit costs continue to increase
  - Nutrition - increase cost of food items, reimbursement rates not able to keep up with costs
- Legislative agenda is critical for Tacoma and other districts
  - 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 on local levy collections

# Mitigation Efforts Continue

- Budget team meets weekly/monthly with:
  - Program managers
  - Department managers
- Lean efficiency practices – find ways to work smarter not harder
- Review policies related to financial oversight
- Evaluate programming needs
- Seek Legislative assistance for full-funding of necessary programming
- Expenditure reduction strategies for the 2025-26 budget and beyond

# 2025-26 Budget Development

- This is a Full Cycle budgeting year
  - Budgeting by Priorities
  - Include expanded budget contributors
- Application of Budget Development Guiding Principles
- Right sizing of expenditures to match anticipated funding resources



## Budgeting by Priorities



# Budget Contributors

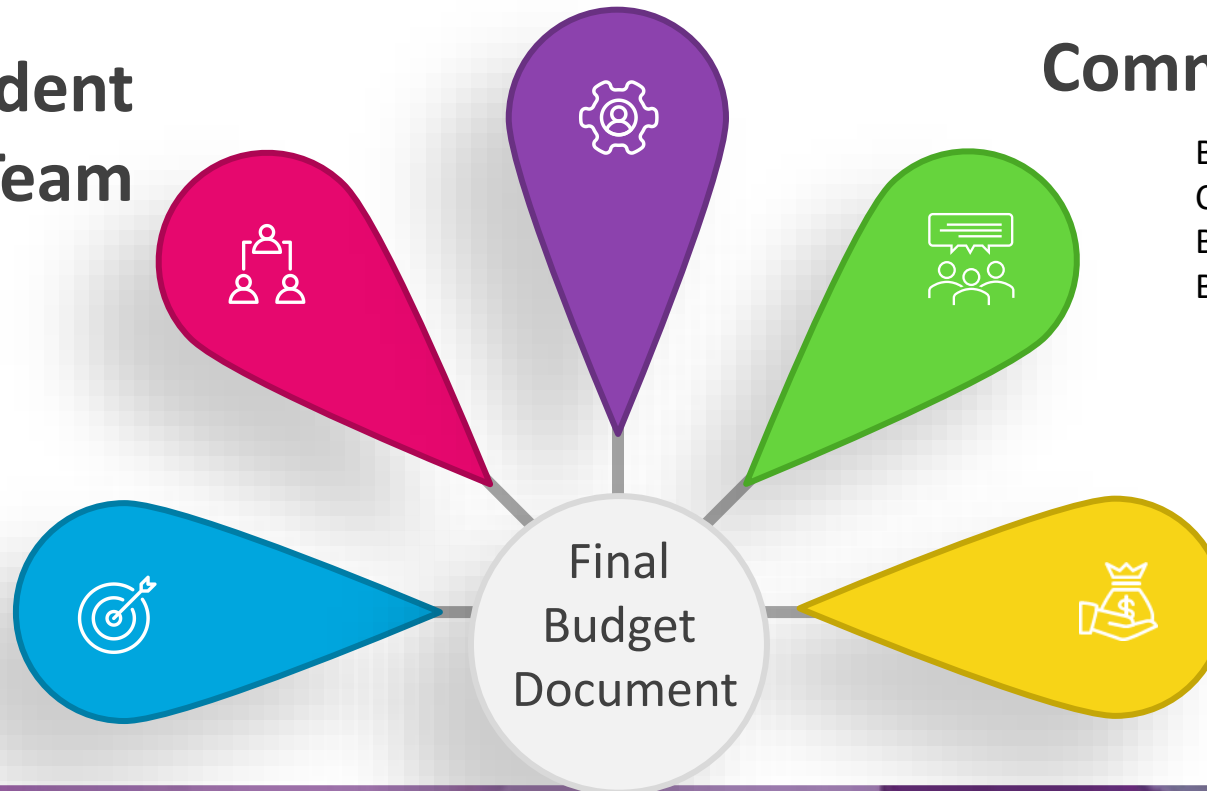
Department and  
Program Managers

Superintendent  
and Cabinet Team

Community Outreach

Budget Advisory Committee  
Community Budget Committee  
Budget Calculator  
Budget Hearing

Board



Budget Team

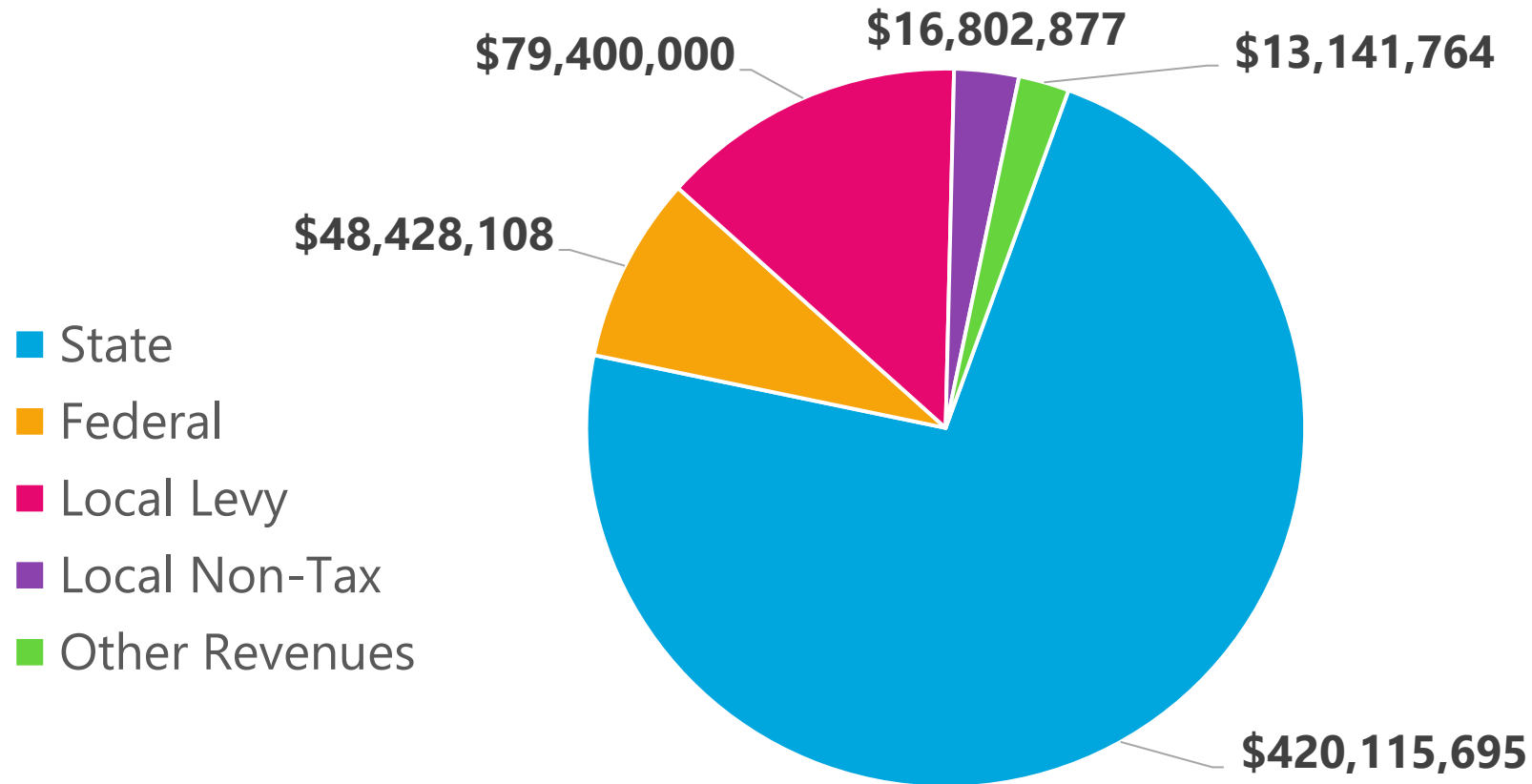


# Questions

# Appendix

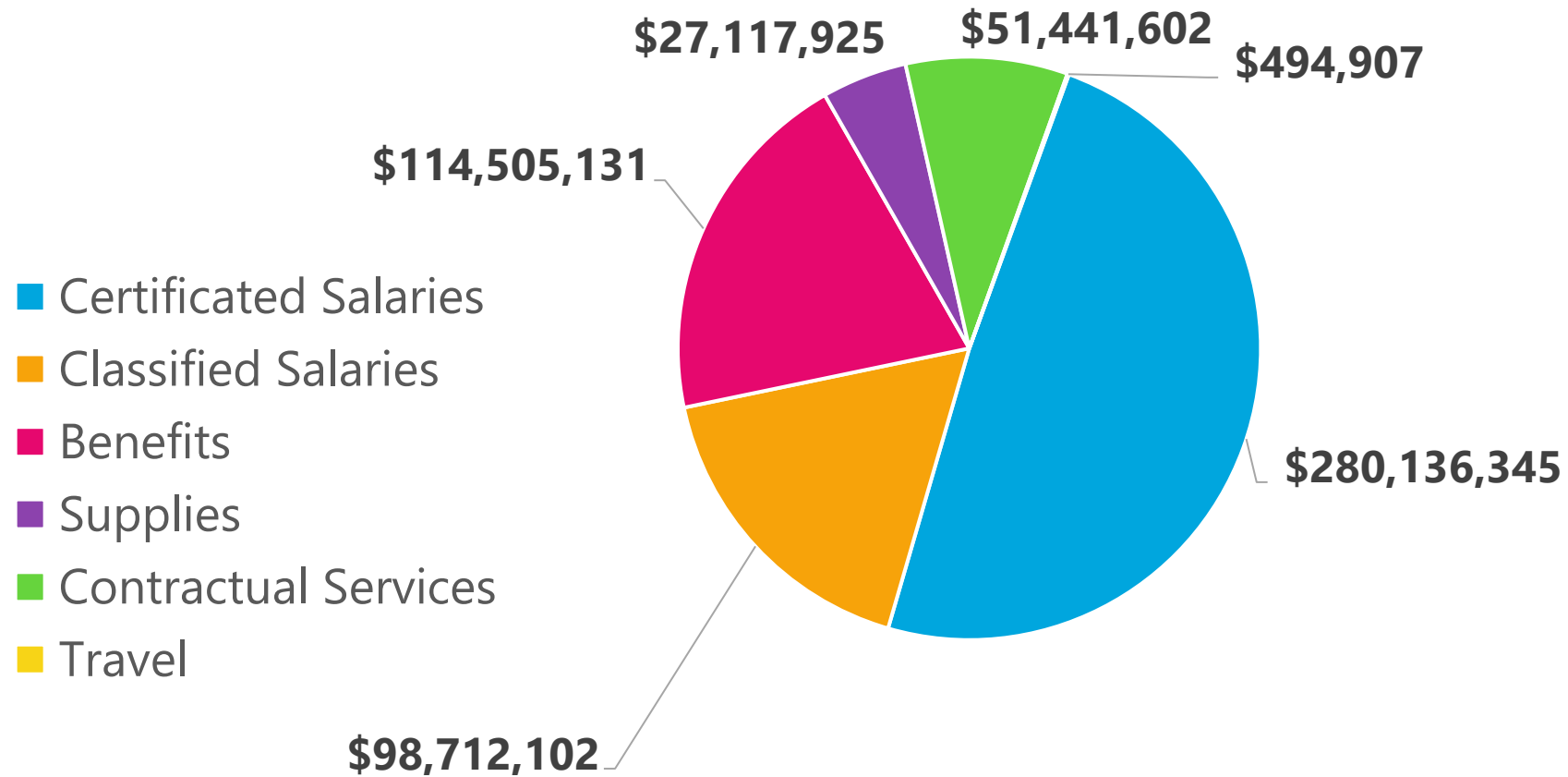
# 2024-25 Budget

General Fund: Revenue Sources \$577,888,444



# 2024-25 Budget

## General Fund: Expenditures by Object \$572,408,012



# Guiding Principals

## 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 Budget

## Fund Balance Plan

### Maintain 5% Reserve

- 5% of planned revenues (Policy 6015.1R)

### Use balance for:

- Typical program carryover and curriculum
- Limiting disruptions to current programs
- Smoothing the disruption from the current year
  - Enrollment changes
  - Program impacts

### What are reserves used for?

- Emergencies
- Bond ratings
- Extraordinary events
- Cash flow fluctuations
- Preventing the need to borrow