



FINANCIAL UPDATE AND
2025-26 BUDGET DEVELOPMENT

TACOMA SCHOOL BOARD

FEBRUARY 27, 2025

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

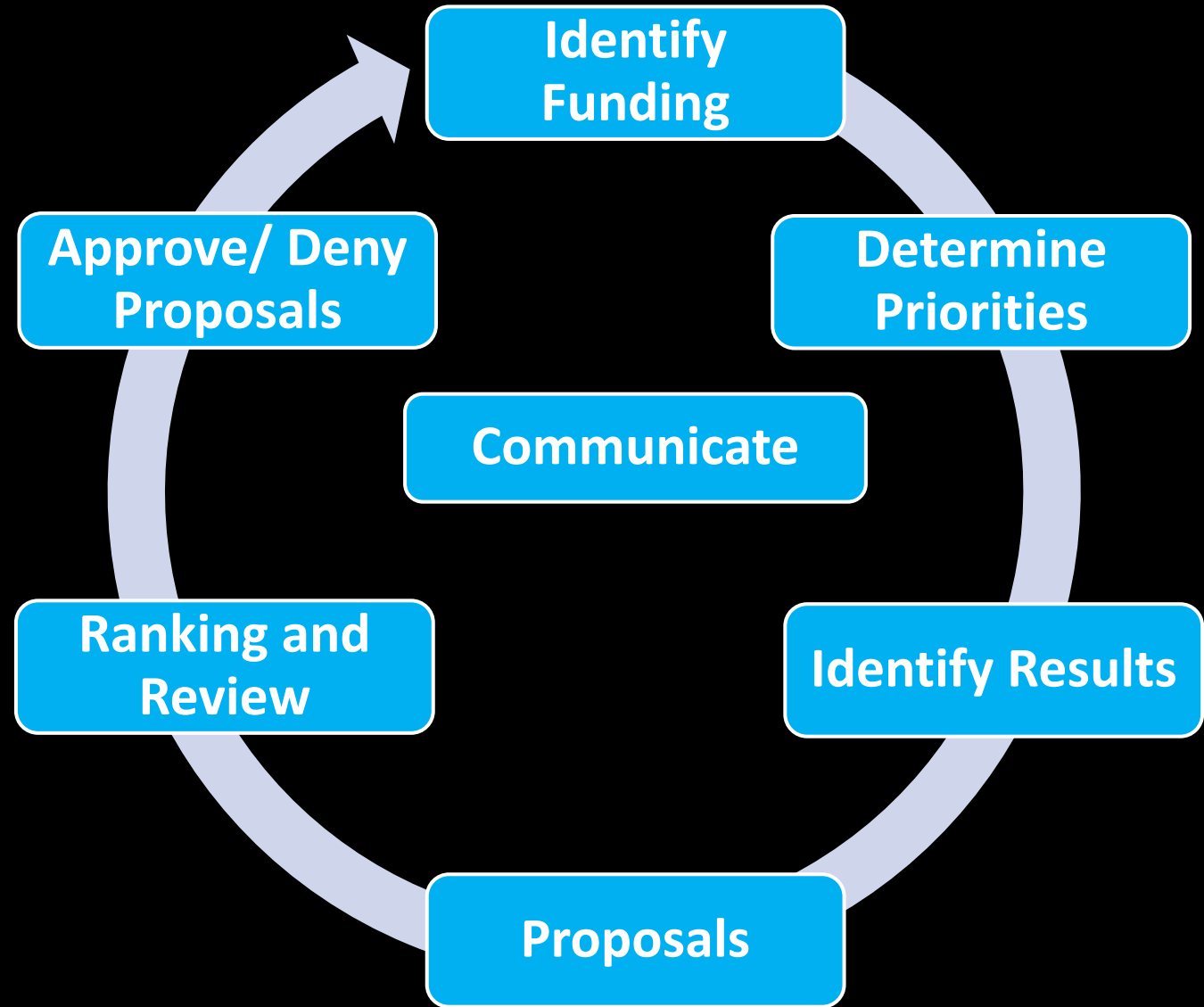
1. We will put the safety of our students, as well as staff, partners, and the community, at the forefront of all decisions.
2. We will consider the essential needs for maintenance of our physical facilities when making decisions.
3. We will be mindful of long-term financial impacts regarding both program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



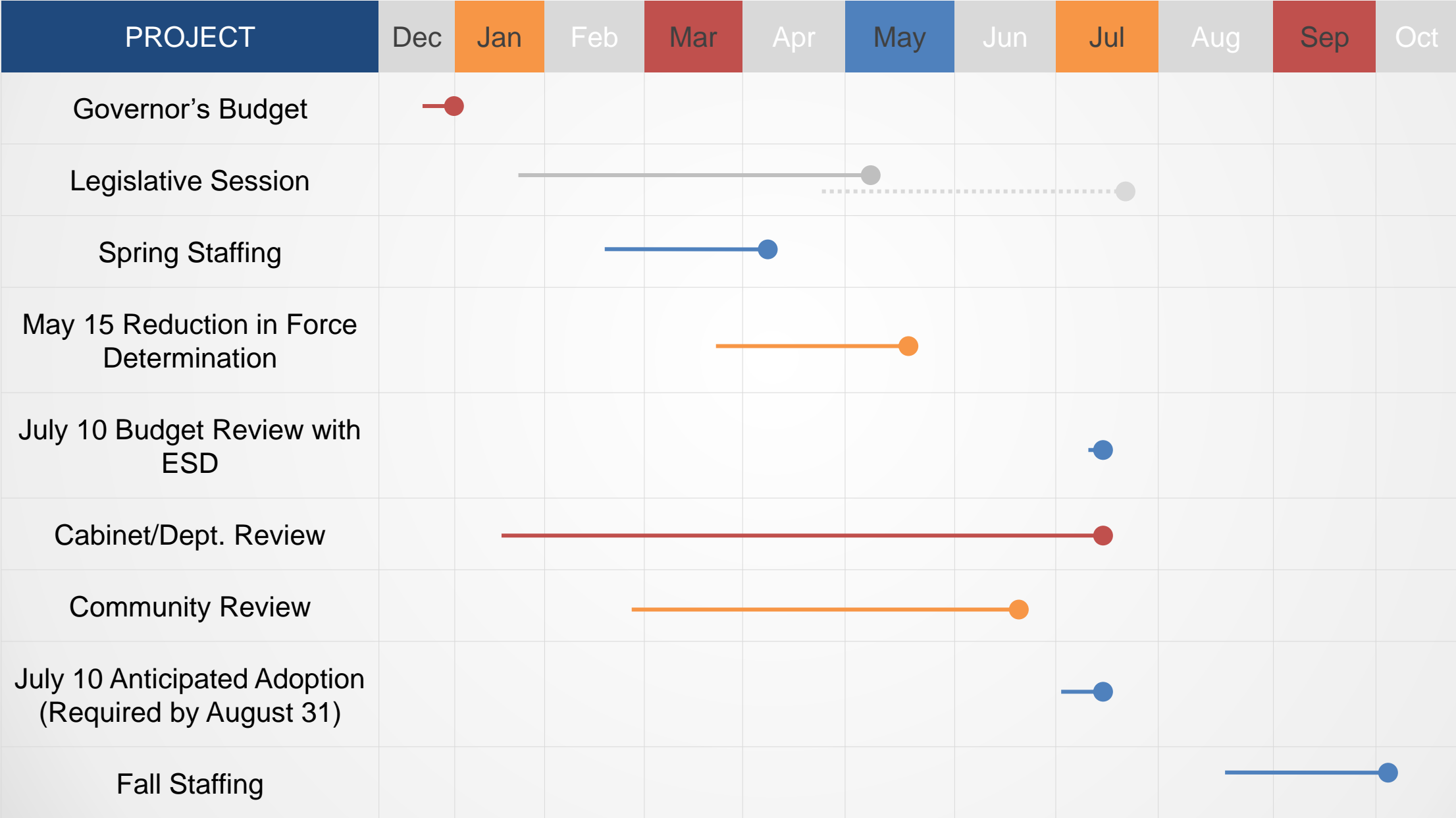
Budget Process

Budgeting by Priorities Annual Process

2025-27 Legislative Session	
2025-26 • Full Cycle	2026-27 • Review and Adjust Year



General Budget Timeline and Highlights for a July Adoption



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.



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

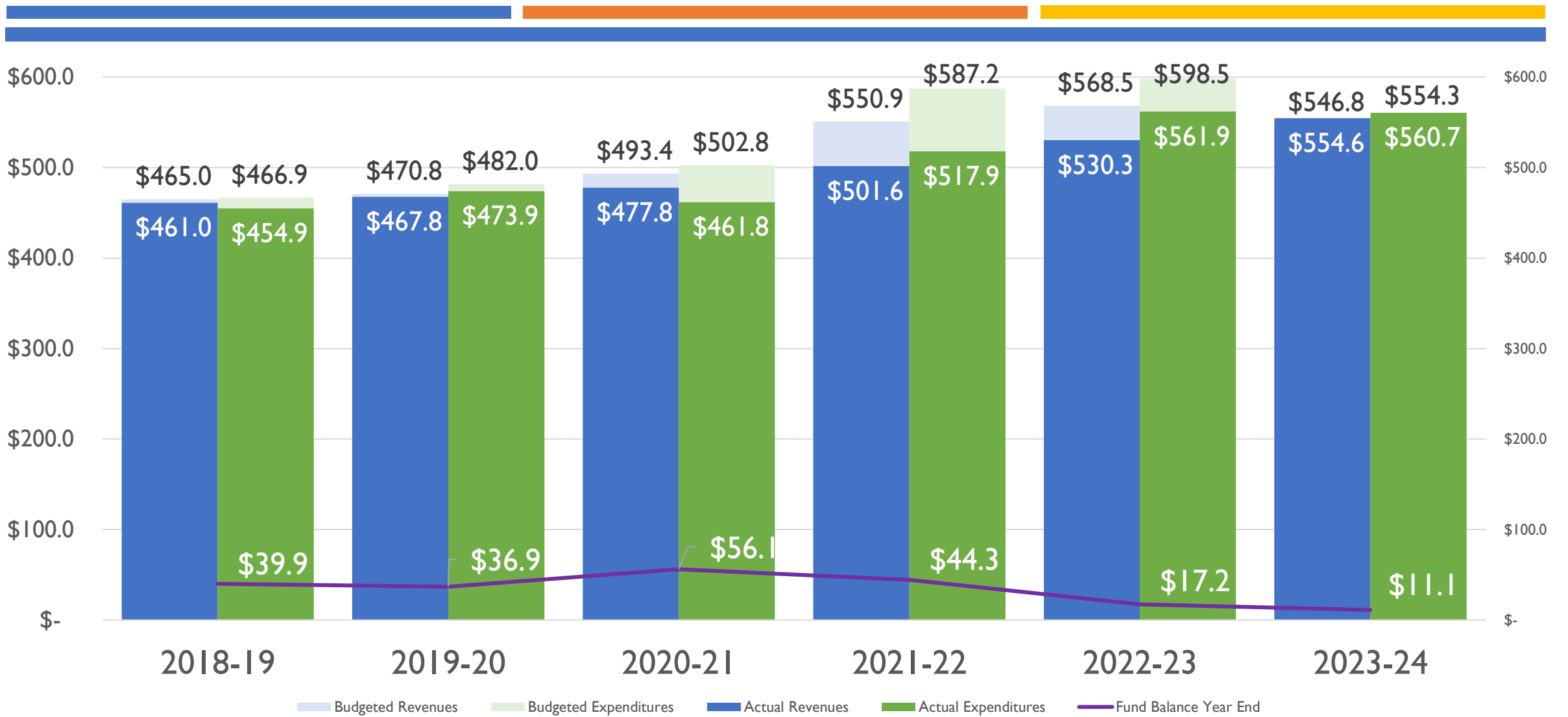
2023-24 YEAR END UPDATE GENERAL FUND

- Revenues –100.5% of budget
- Expenditures –101.2% of budget
- Fund Balance Reserves –2%
- Required Reserves – 5% or \$27,445,588
- Reserve Variance –3% or \$16,306,400

	2023-24 Budget	2023-24 Year End Actuals	Variance
Beginning Fund Balance	\$29,298,928	\$ 17,243,053	\$ (12,055,875)
Plus Revenues	\$552,327,748	\$555,093,933	\$ 2,766,185
Less Expenditures ^	\$554,285,289	\$561,197,798	\$ (6,912,509)
Equals Ending Fund Balance	\$27,341,387	\$11,139,188	\$ (16,202,199)
Fund Balance Reserve Target		\$27,445,588	
Fund Balance Reserve % *	5.0%	2.0%	

*Fund Balance Reserve percent calculated from Ending Fund Balance vs. adjusted Revenues (Revenues minus Other Financing Sources).

^Budget Extension was completed to bring total expenditure authority to \$561,720,648 in July 2024.



HISTORICAL FINANCES

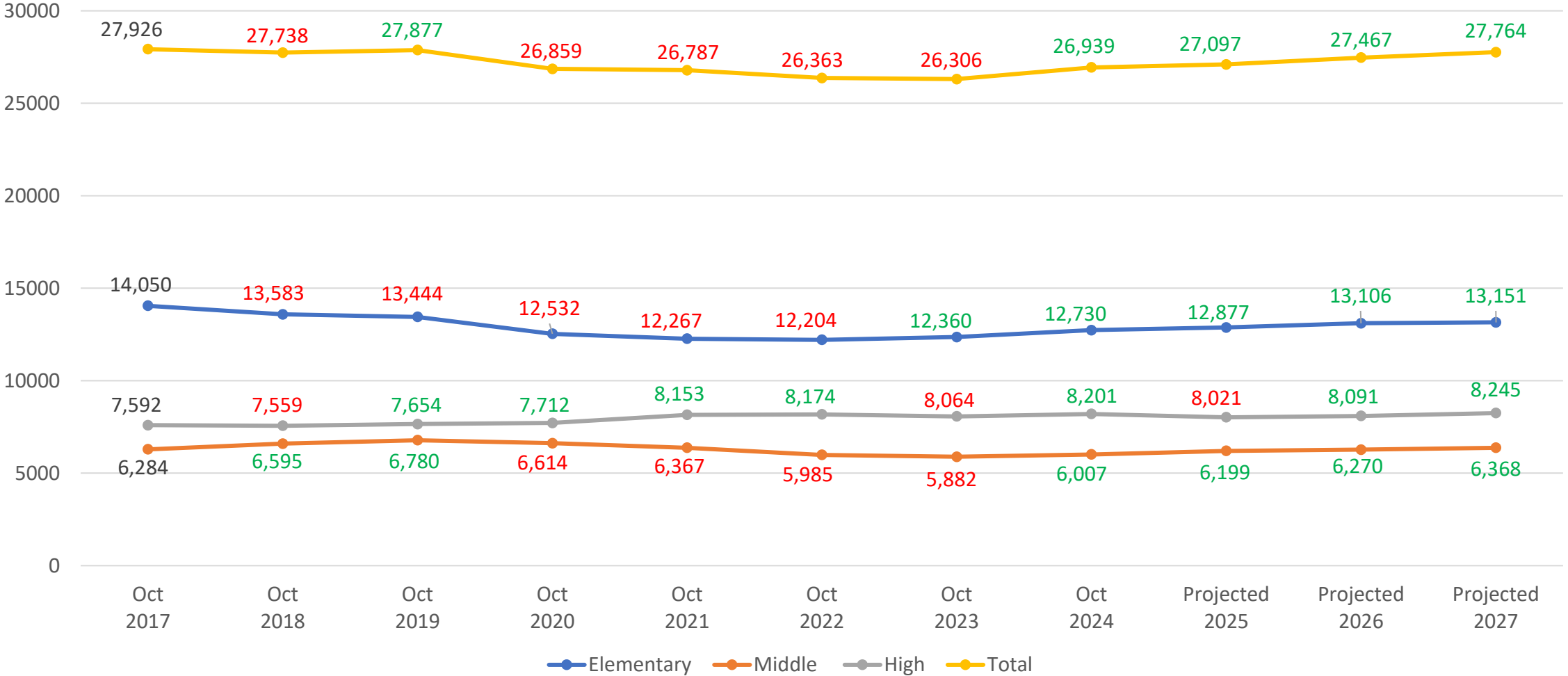
WHAT DRIVES FUNDING ISSUES FOR SCHOOLS

- Enrollment fluctuations
- Inflation and escalated costs continue
 - CPI and inflation have flattened but shifts in Federal administration may be disruptive.
 - Benefits are more costly
 - Competitive market driven salary requirements drive higher wages
 - Lack of adequate funding from the state

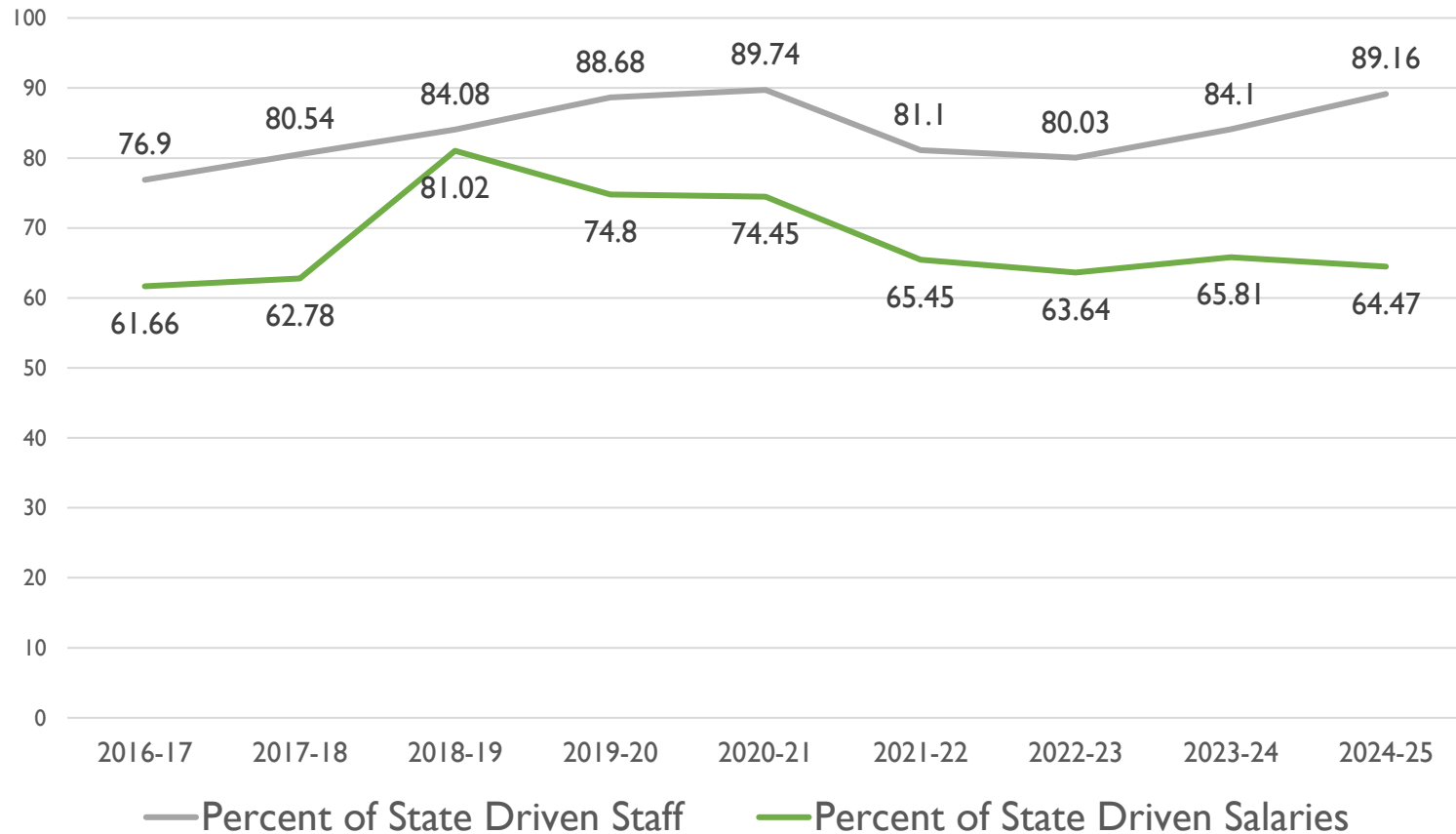
WHAT DRIVES FUNDING ISSUES FOR SCHOOLS - CONTINUED

- 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 (MSOC – is current bill request to address needs)
 - Limits on local levy collections

Enrollment Trending

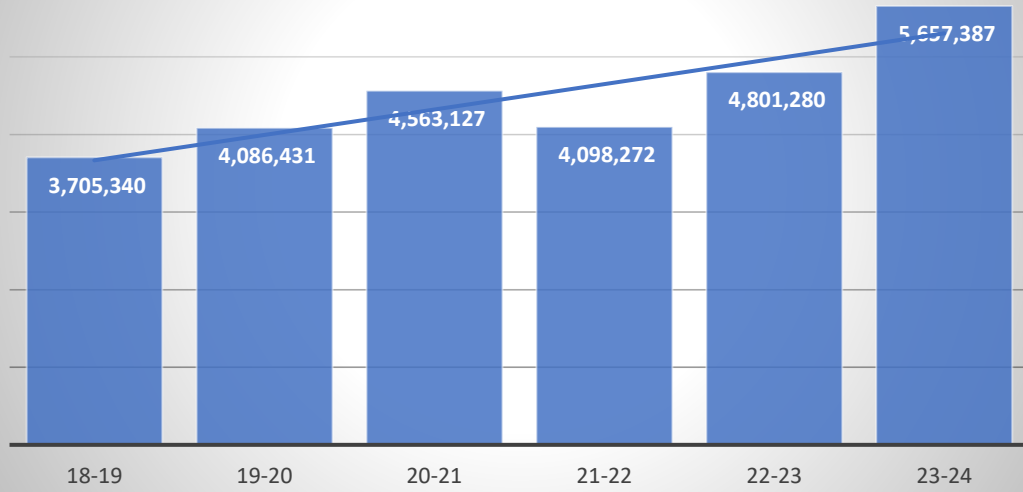


Percent of State Driven Staff and Salaries Compared to Total BE and LEVY Funded Staff

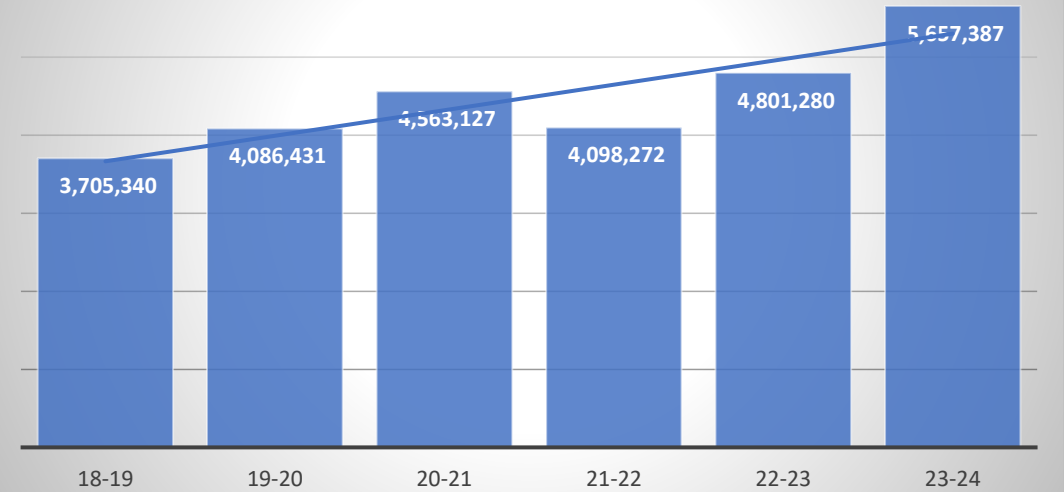


FUNDING
GAP FROM
THE STATE

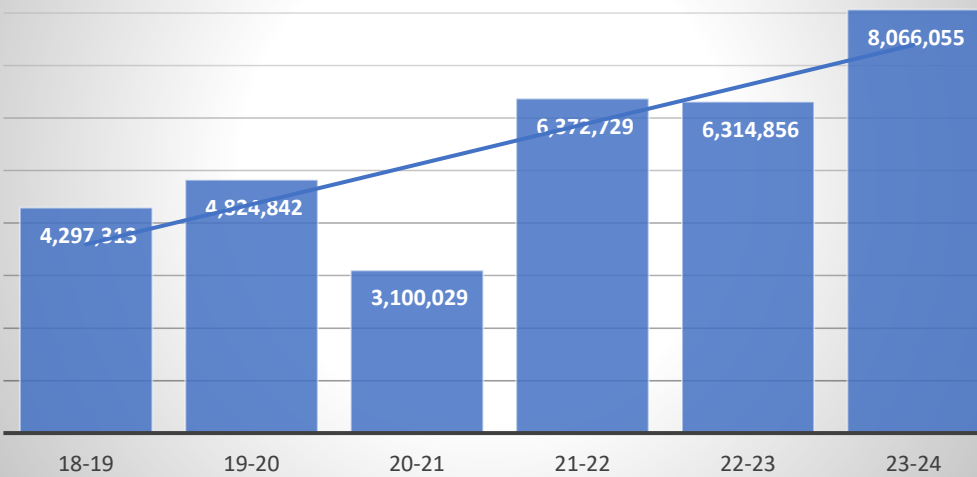
Utilities Cost Comparison



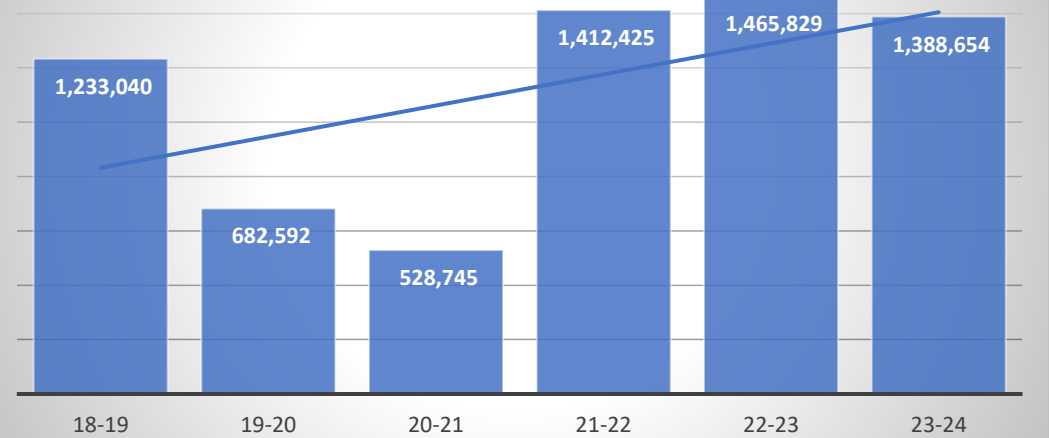
Insurance Cost Comparison



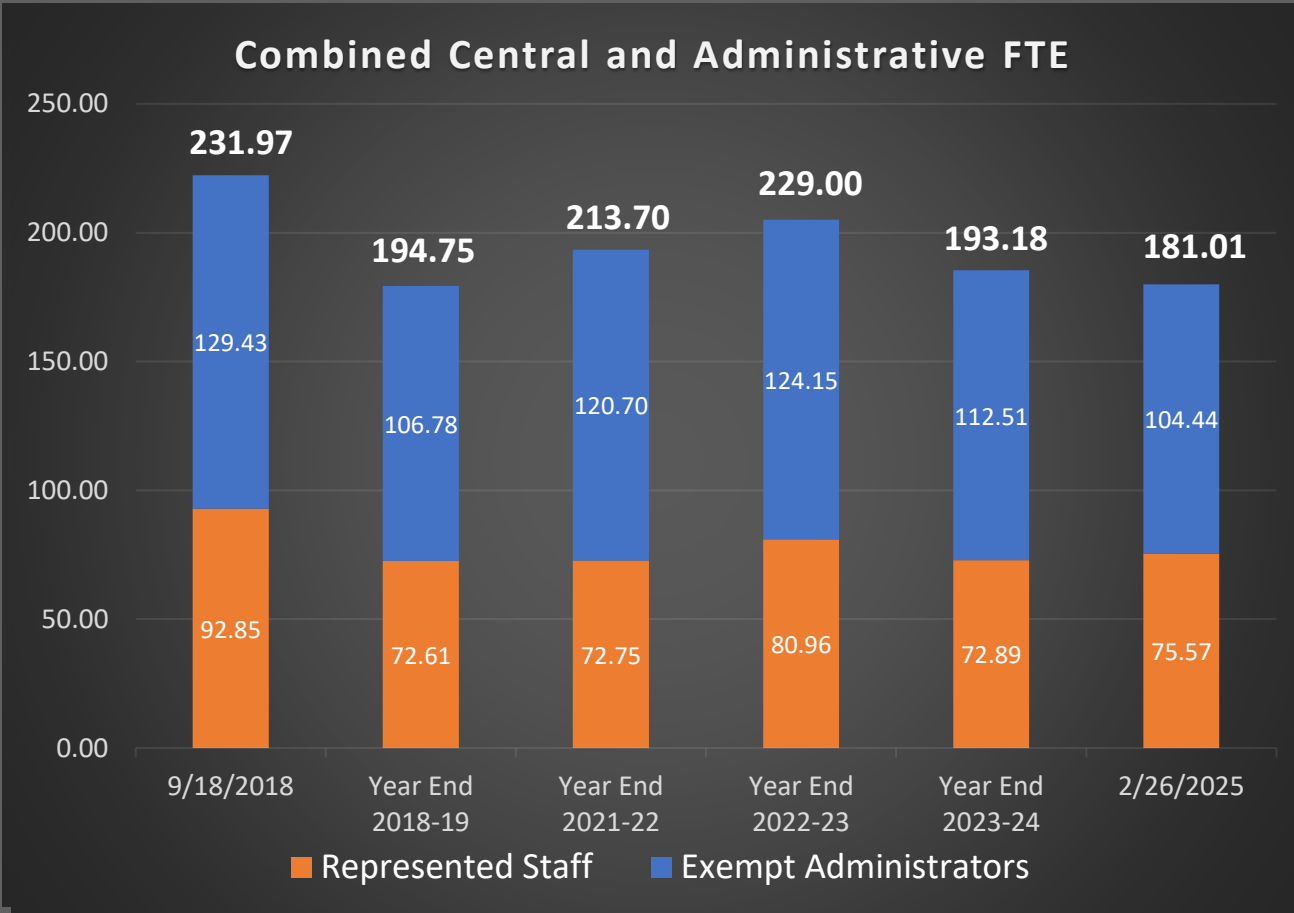
Food Cost Comparison



Motor Vehicle Fuel Cost Comparison



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)

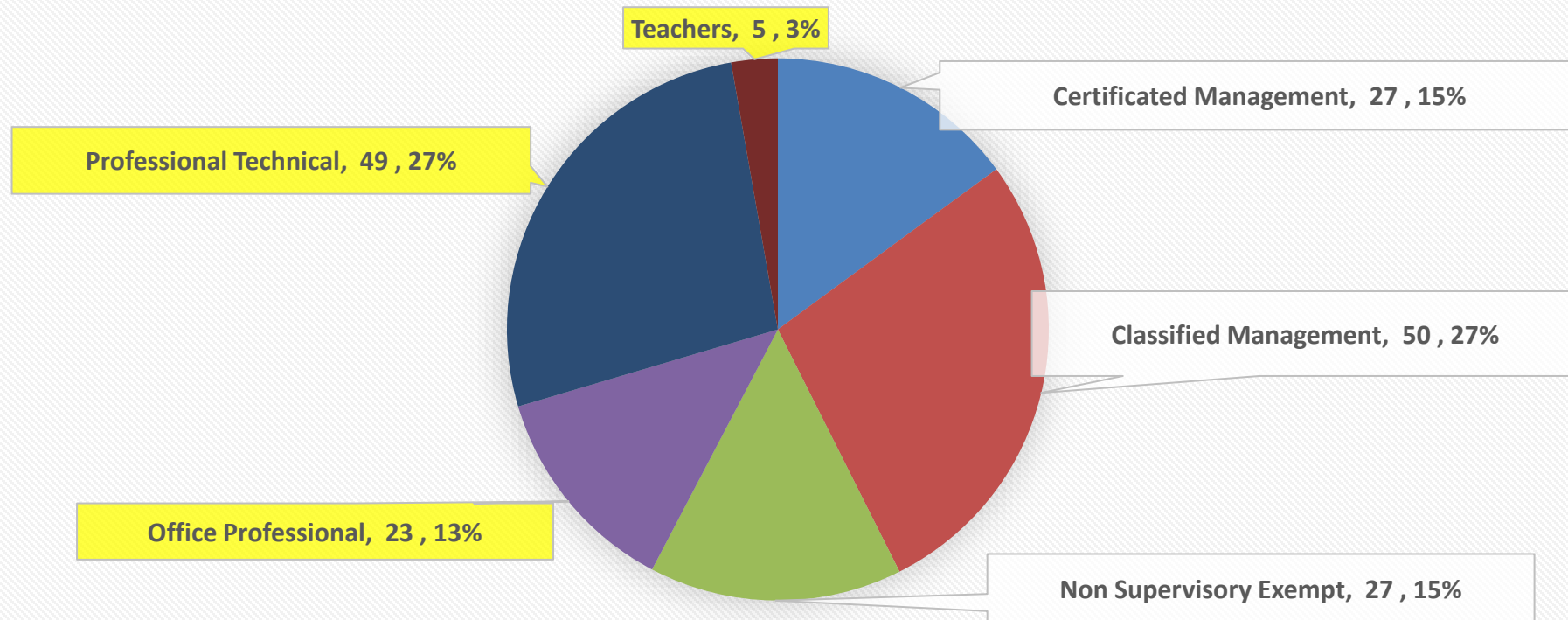
*Central Administration activities are defined in the OSPI F-195 instructions.

"Administrative" positions currently represent 5.3% of all FTE positions

ADMINISTRATIVE GROUP EXEMPT – 57% REPRESENTED 43%

2024-25 Administrative Group

(All Central Administration and All Exempt Staff)



■ Certificated Management ■ Classified Management ■ Non Supervisory Exempt ■ Office Professional ■ Professional Technical ■ Teachers

WHAT COMES NEXT

- Full BBP Year
 - BBP meetings are being added to our calendars
 - Regular cadence of Cabinet Team conversations to identify areas to change, shift, reduce
 - Legislative impacts to address - Unknown
 - Staffing implications - \$11M (basic education and levy only)
 - Current year implications - ~\$8M
- Operating under an aggressive timeline
 - Legislature Sine Die April 27 (7 weeks later than 24-25)
 - All staffing (certificated and classified) complete on April 12th
 - Adopt July 10th