



Tacoma Public Schools Financial Update

SCHOOL BOARD MEETING

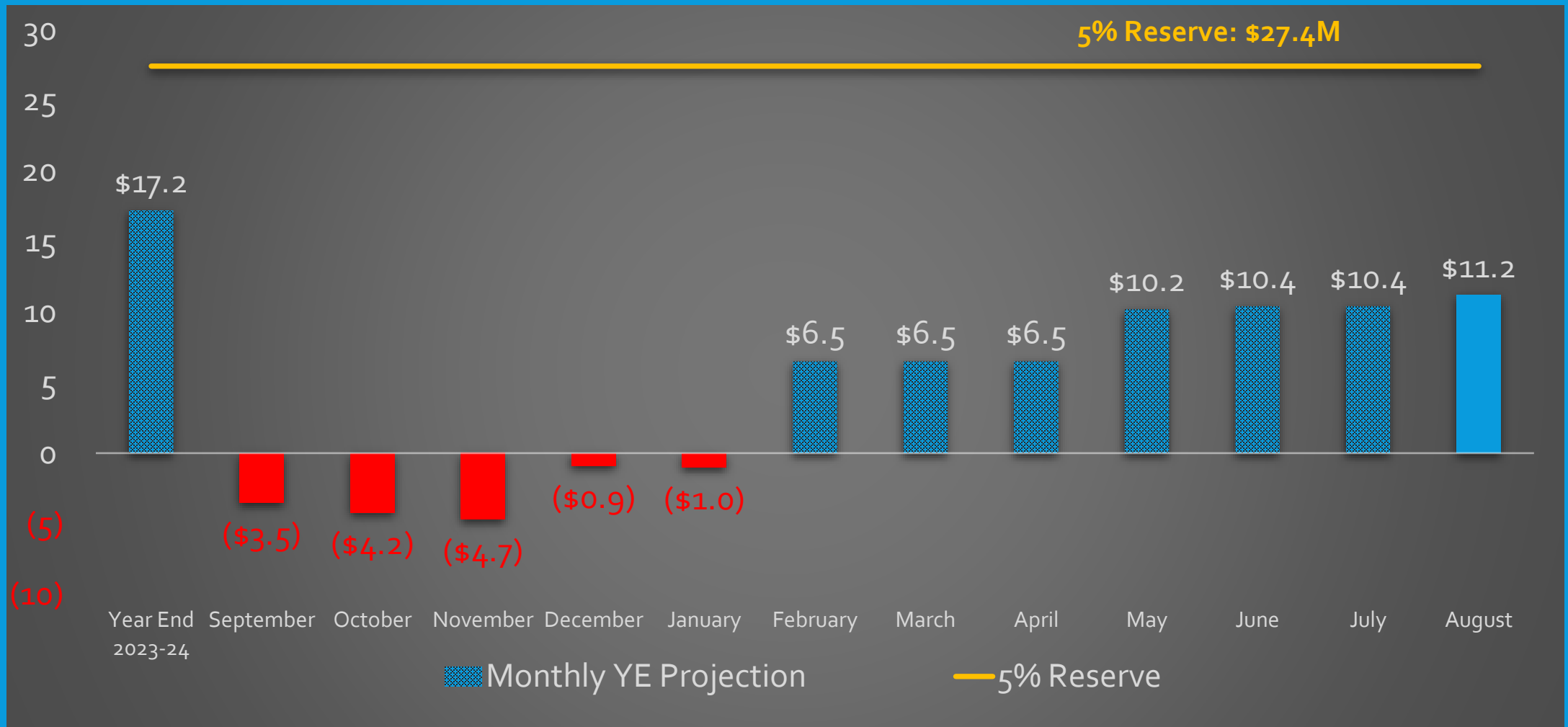
MARCH 13, 2025

2024-25 YEAR END FINANCIAL
PROJECTION AS OF JANUARY
 2025

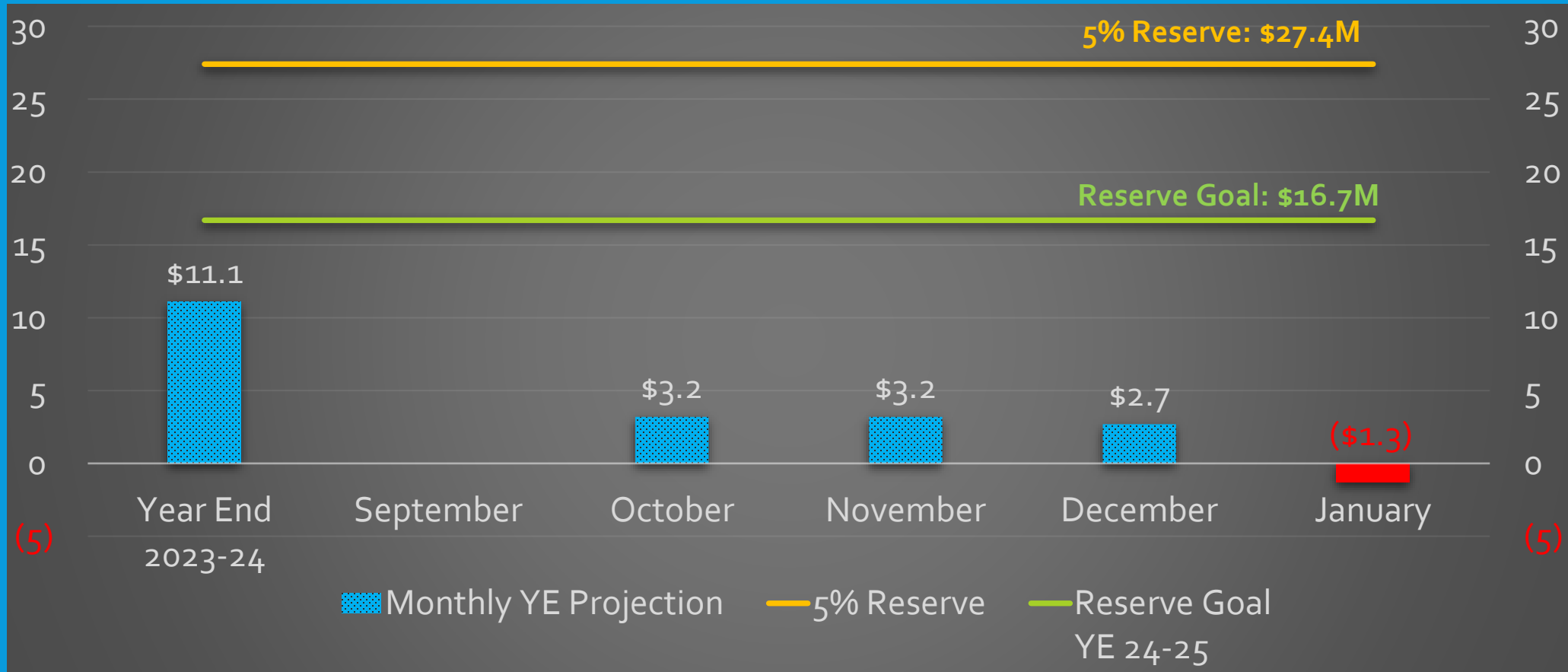
- Projected Revenues – 97.3% of budget
- Projected Expenditures –
 - 100.04% of budget
 - 2.74% more than revenues
- Fund Balance Reserves – **None**

	2024-25 Budget	2024-25 Projected Year End	Variance
Beginning Fund Balance	\$ 17,500,000	\$ 11,139,188	\$ (6,360,812)
Plus Revenues	\$ 577,888,444	\$ 562,253,646	\$ (15,634,798)
Less Expenditures	\$ 572,408,012	\$ 574,702,086	\$ (2,294,074)
Equals Ending Fund Balance	\$ 22,980,432	\$ (1,309,251)	\$ (24,289,683)
Fund Balance Reserve Target		\$ 27,837,682	\$ (29,146,933)
* Fund Balance Reserve %	5.0%	0%	

YEAR END PROJECTION HISTORY 2023-24



YEAR END PROJECTION 2024-25



Projections are estimates of a future data point based on current and historic spending trends and patterns.

CURRENT YEAR MITIGATION STRATEGIES

- Mitigation Strategies
 - Hiring freeze for non-critical positions
 - Reduce discretionary spending
 - Cancel or reduce contracts
 - Identify surplus properties to maximize efficiencies and support student engagement
 - Evaluating programming needs
 - Lean efficiency practices – find ways to work smarter not harder
- Future Mitigation Strategies
 - Seek Legislative assistance for full-funding of necessary programming
 - Improved forecasting techniques
 - Begin developing strategies for cost reductions in the 2025-26 budget and beyond

BINDING CONDITIONS

- Financial insolvency is a situation where a school district is unable to meet its financial obligations, leading to a deficit general fund balance within three years or less.
- A school district is considered financially insolvent if it meets one of the following conditions:
 - It has been on binding conditions pursuant to RCW 28A.505.110 for two consecutive fiscal school years and is unable to prepare a satisfactory financial plan.
 - It has, or is reasonably foreseeable and likely to have, a deficit general fund balance within three years or less and is unable to prepare a satisfactory financial plan.
 - A satisfactory financial plan is a plan approved by OSPI and the ESD that demonstrates a school district will have an adequate fund balance at the end of the plan period relying on currently available revenue streams provided by federal, state, or local resources or future revenue streams determined reasonably reliable by the ESD s.

BINDING CONDITIONS CONTINUED

- Financial Oversight Committee:
 - To address the financial insolvency of school districts, the Financial Oversight Committee has been created. This committee is composed of two representatives from OSPI and two representatives from the ESDs. One of the ESD representatives will be from an ESD other than where the financially insolvent district is located, and the other will be from the ESD where the financially insolvent district is located but only serves in an advisory (non-decision-making) role.
- Financial Oversight Committee will help the district evaluate contract reductions both in bargaining and letting of external purchasing contracts.
- **DISTRICTS GOAL IS TO AVOID BINDING CONDITIONS**

BINDING CONDITIONS CONTINUED

- Other districts are struggling
 - Binding conditions are currently (November 2024) assessed in:
 - La Conner School District
 - Mount Baker School District
 - Prescott School District
 - Tukwila School District
 - Yelm School District
 - Marysville School District