

FINANCIAL UPDATE AND  
2026-27 BUDGET DEVELOPMENT

TACOMA SCHOOL BOARD

JANUARY 22, 2026

# 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.

# 2026-27 Budget Process

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

Review year

- Only minor modifications

Modify

- Apply shortfall impacts
- Apply Legislation impacts
- Program adjustments needed

Adopt

- June 25 adoption

Execute the budget plan

Monitor the budget

- Expenditure oversight
- Revenue monitoring

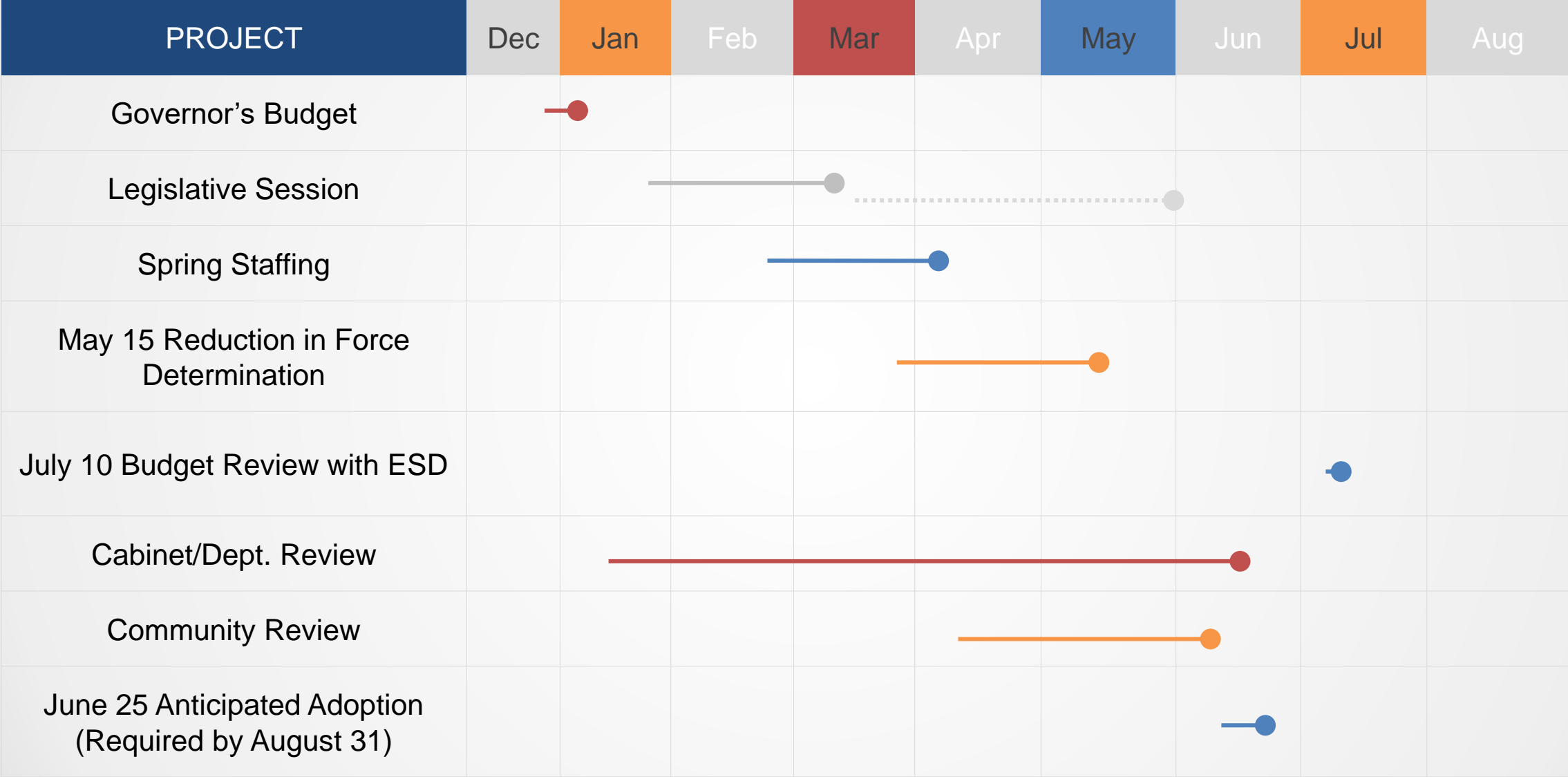
Modify

- Adjust and address for the unexpected

Report

- Monthly department reviews
- Cabinet reports
- Monthly Board reports

# General Budget Timeline and Highlights for a June 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.

## 2024-25 YEAR END UPDATE GENERAL FUND

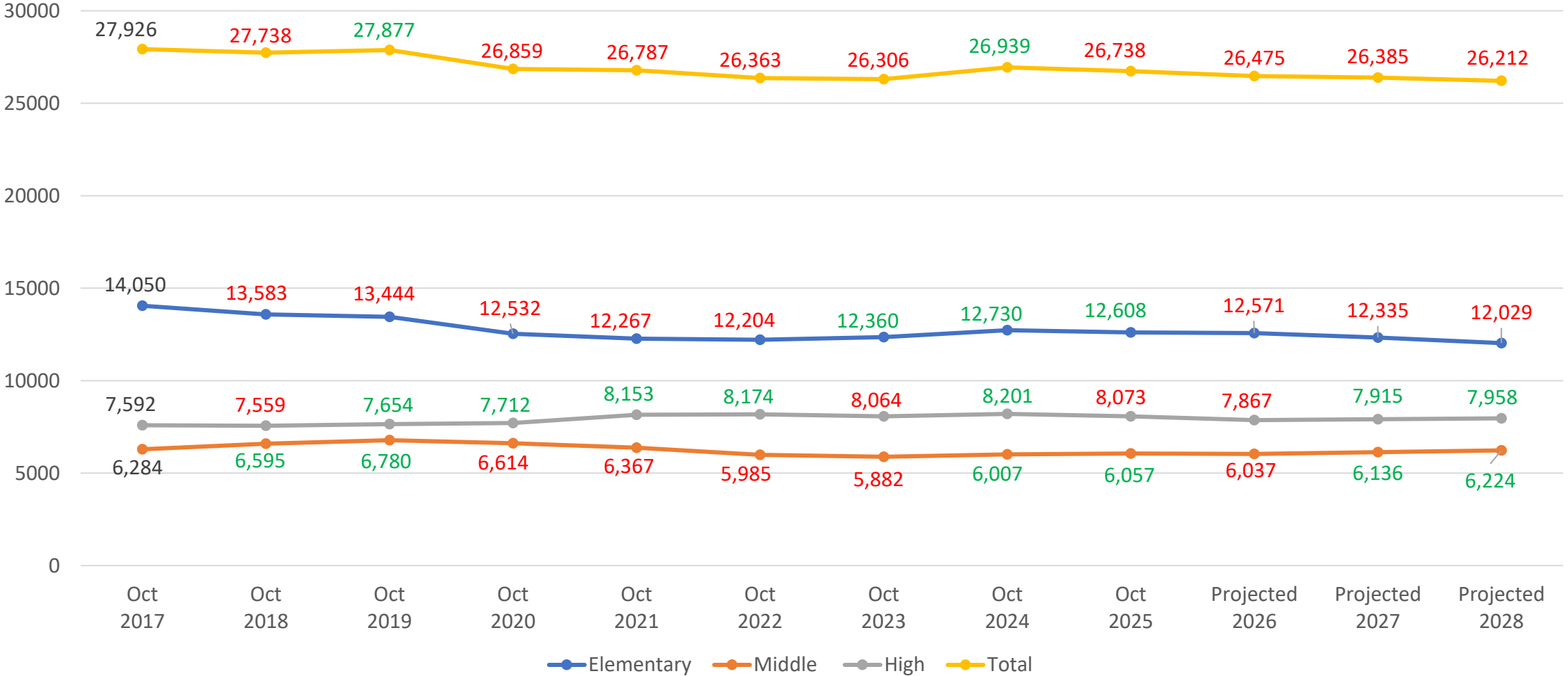
- Revenues – 98.9% of budget
- Expenditures – 1.01% of budget
- Required Reserves – 5% or  
\$28,137,376

	2024-25 Budget	2024-25 Year End Actuals	Variance
Beginning Fund Balance	\$ 17,500,000	\$ 11,139,188	\$ (6,360,812)
Plus Revenues	\$ 577,888,444	\$ 571,675,876	\$ (6,212,568)
Less Expenditures <sup>^</sup>	\$ 572,408,012	\$ 579,575,652	\$ 7,167,640
Equals Ending Fund Balance	\$ 22,980,432	\$ 3,239,412	\$ (19,741,020)
Fund Balance Reserve Target		\$ 28,137,376	
* Fund Balance Reserve %	5.0%	0.6%	

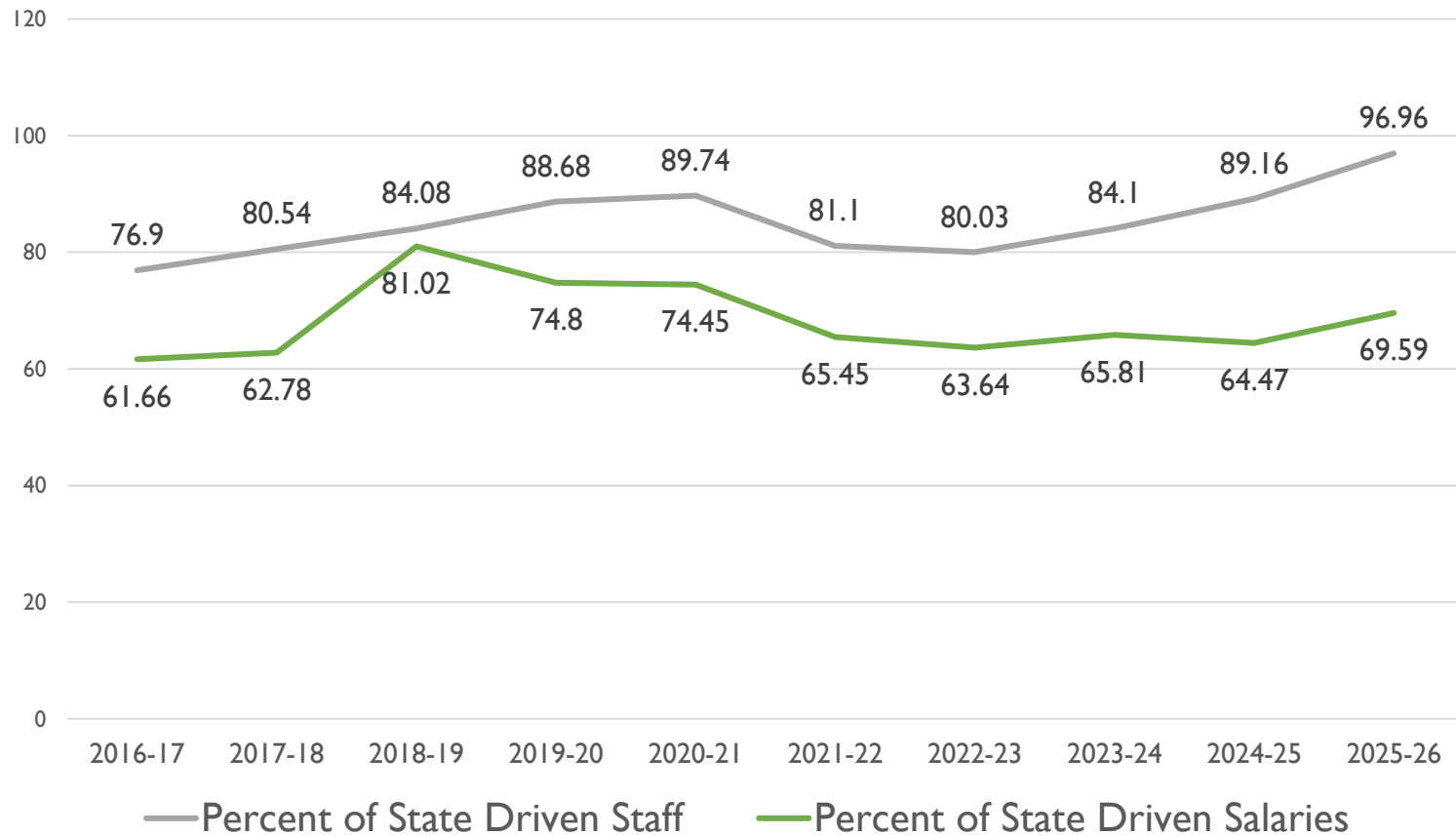
\* Fund Balance Reserve percent calculated from Ending Fund Balance vs. adjusted Revenues (Revenues minus Other Financing Sources).

<sup>^</sup>Budget Extension was completed to bring total expenditure authority to \$583,000,836 in August 2025

# Enrollment Trending

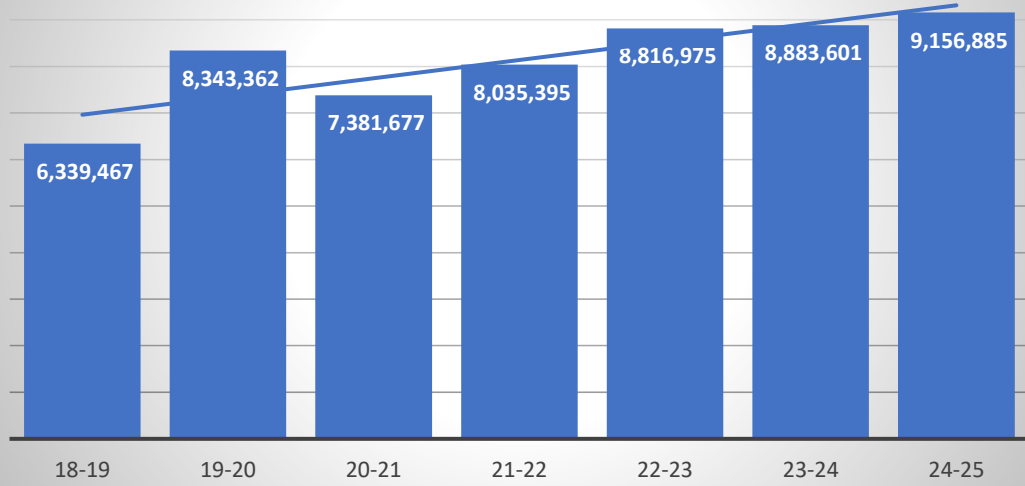


## Percent of State Driven Staff and Salaries Compared to Total BE and LEVY Funded Staff

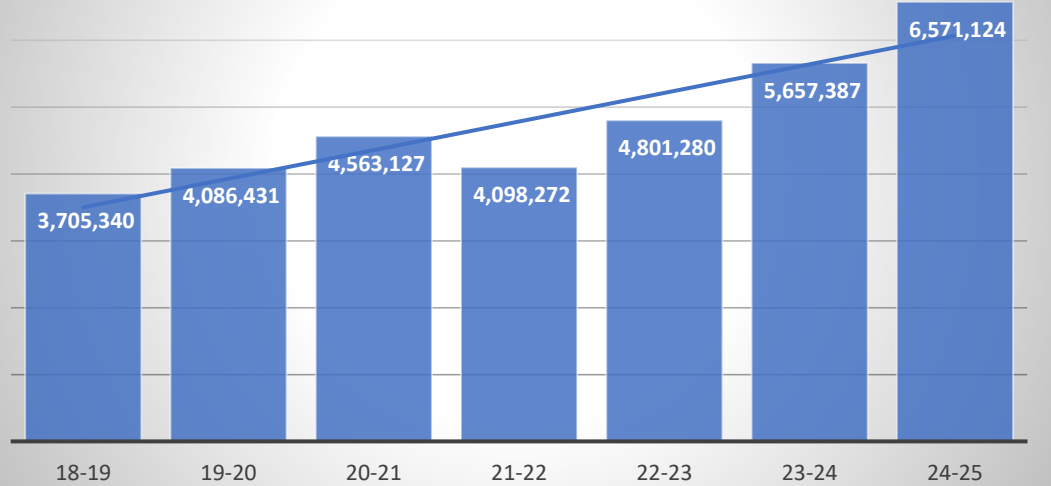


FUNDING  
GAP FROM  
THE STATE

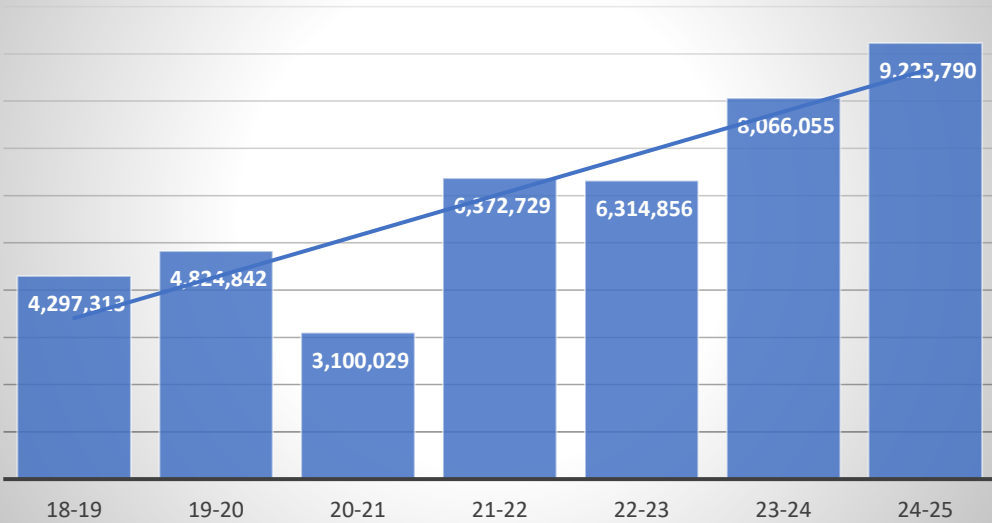
### Utilities Cost Comparison



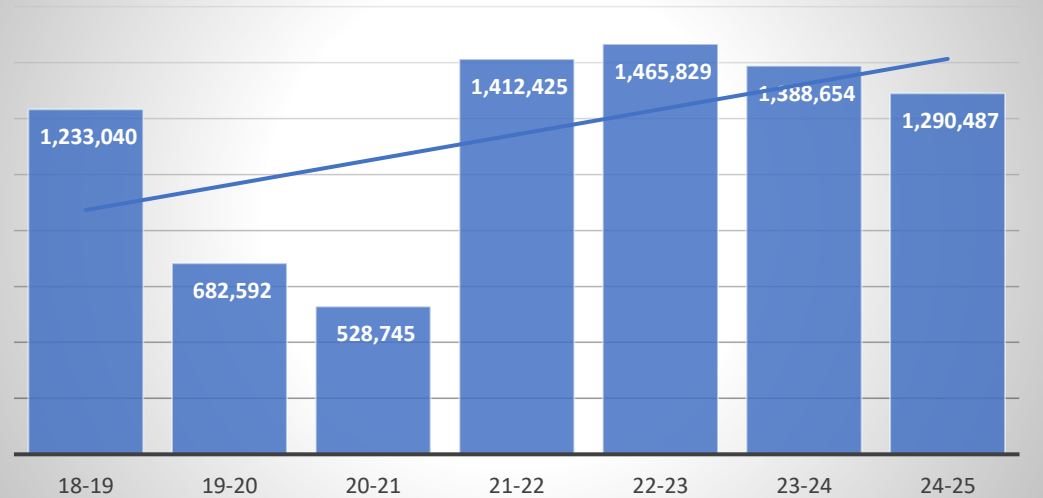
### Insurance Cost Comparison



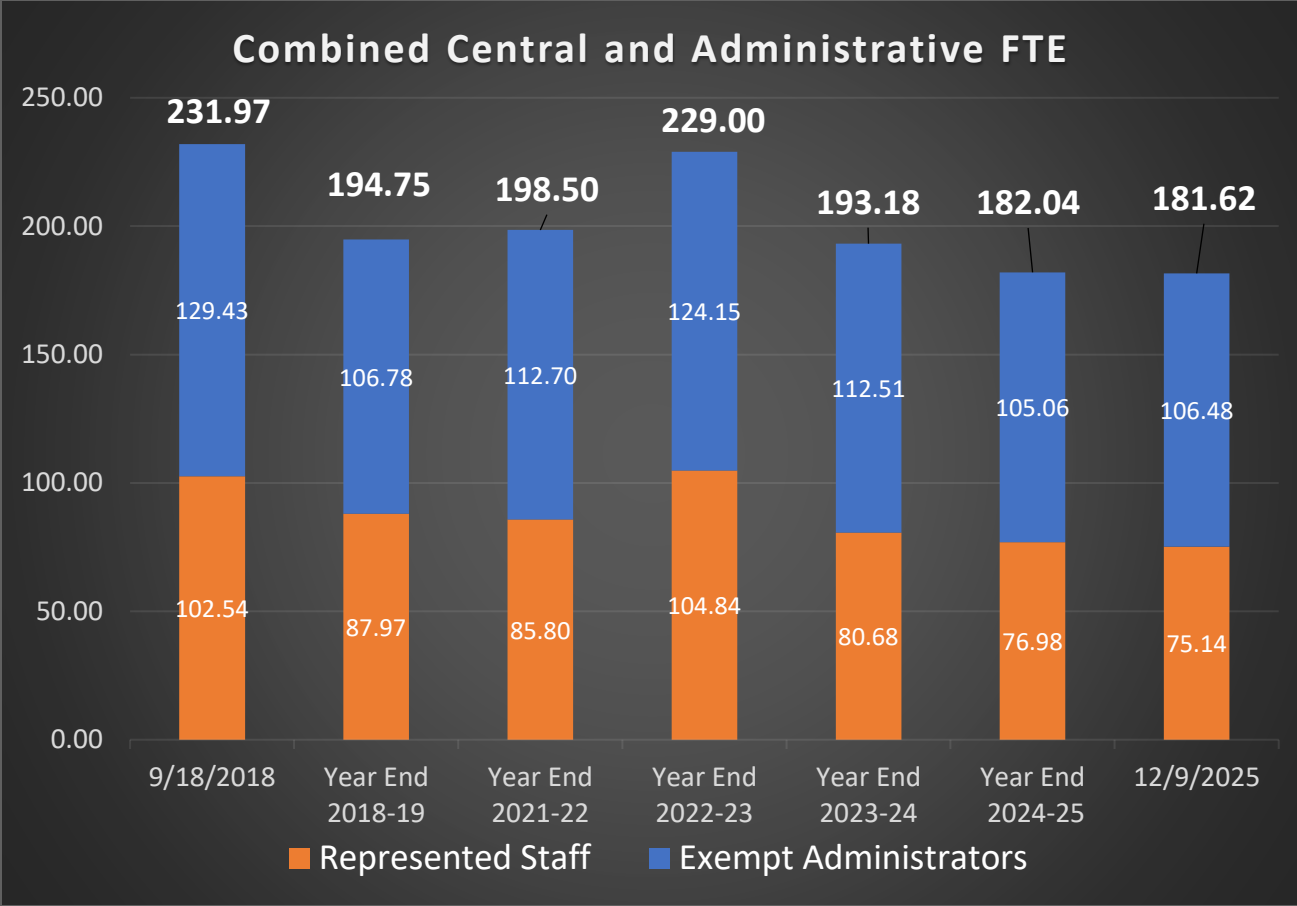
### Food Cost Comparison



### 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)

"Administrative" positions currently represent 5.4% of all FTE positions

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

# WHAT COMES NEXT

- Review Year
  - Budget meetings
  - Regular cadence of Cabinet Team conversations to identify areas to change, shift
- Operating under an aggressive timeline
  - Legislature Sine Die March 12
  - Adopt June 25th