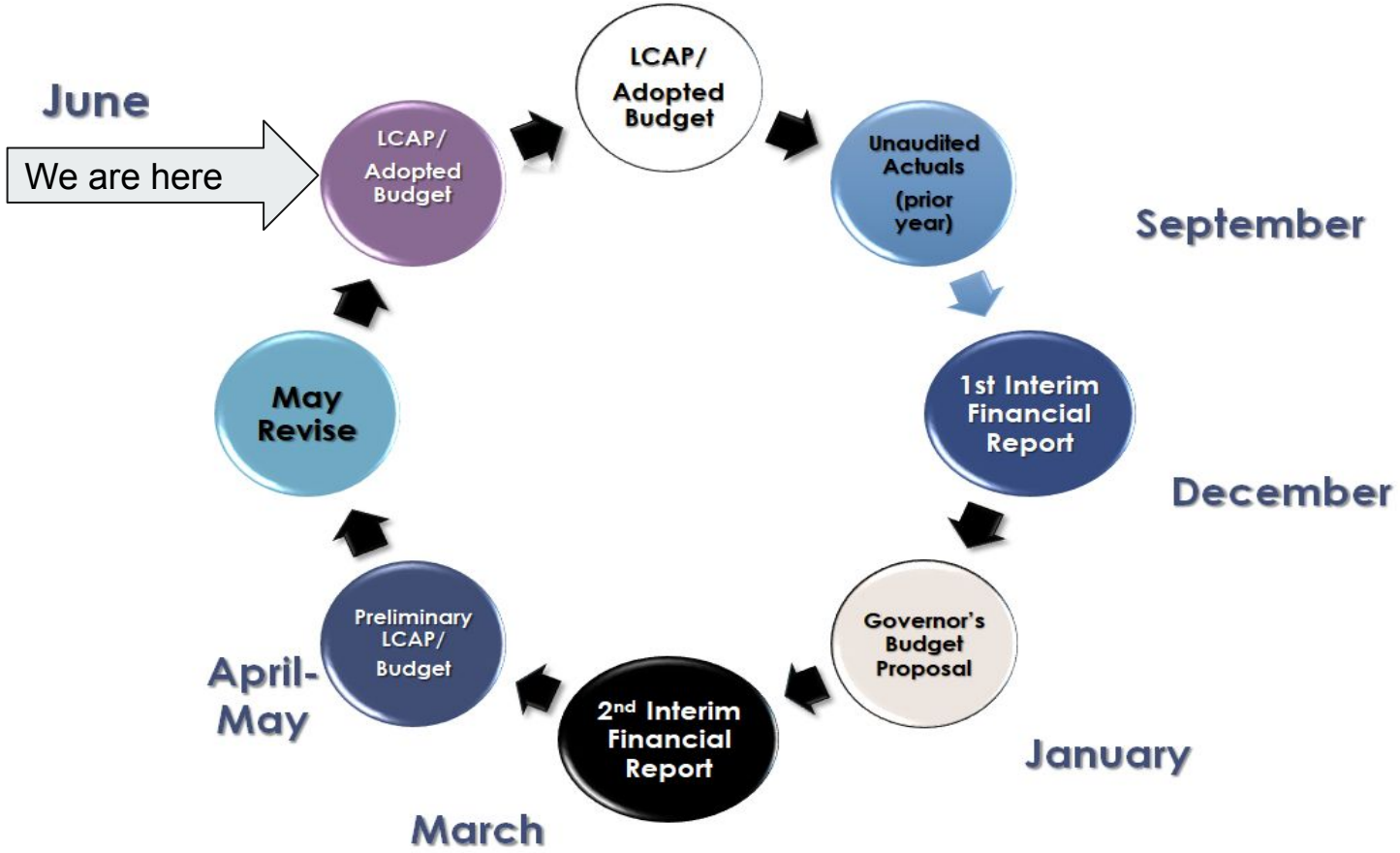
TAMALPAIS UNION HIGH
SCHOOL DISTRICT

2026-27 Budget Proposal

June 16, 2026

Budget Reporting Cycle

State Annual Budget Cycle

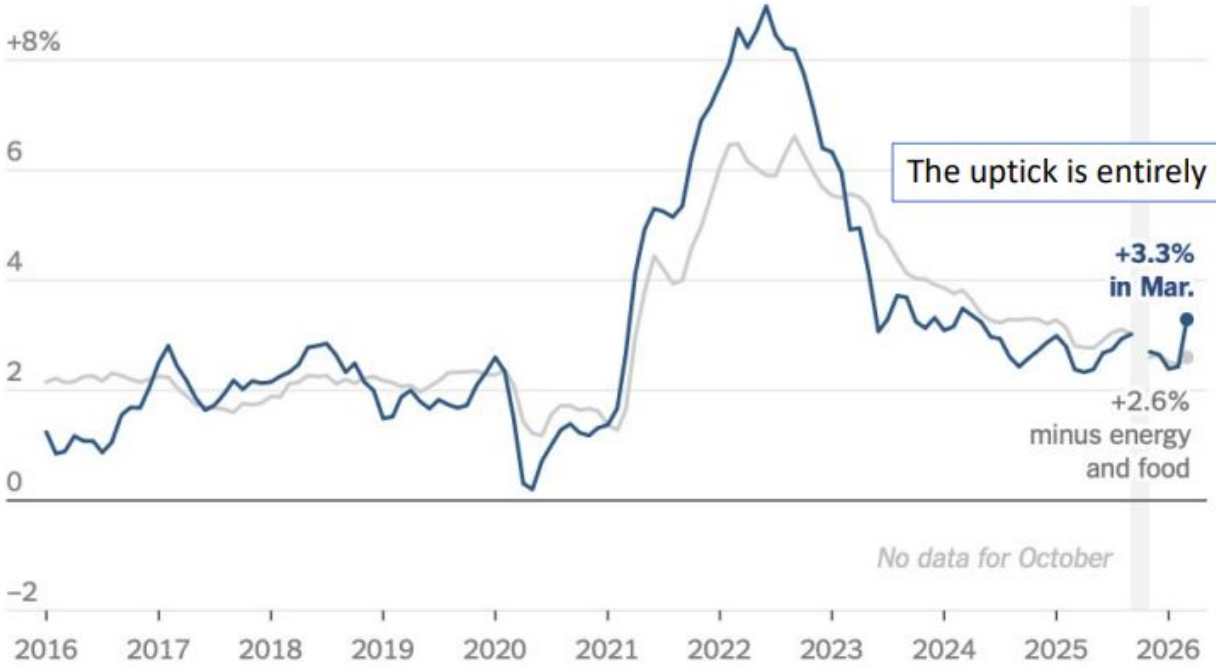


National, State & Local Economic Context

In a word… *Uncertainty*

Sources: New York Times; Dr. Jon Haveman, National Economic Education Delegation, Marin Schools Property Tax Forum, May 5, 2026

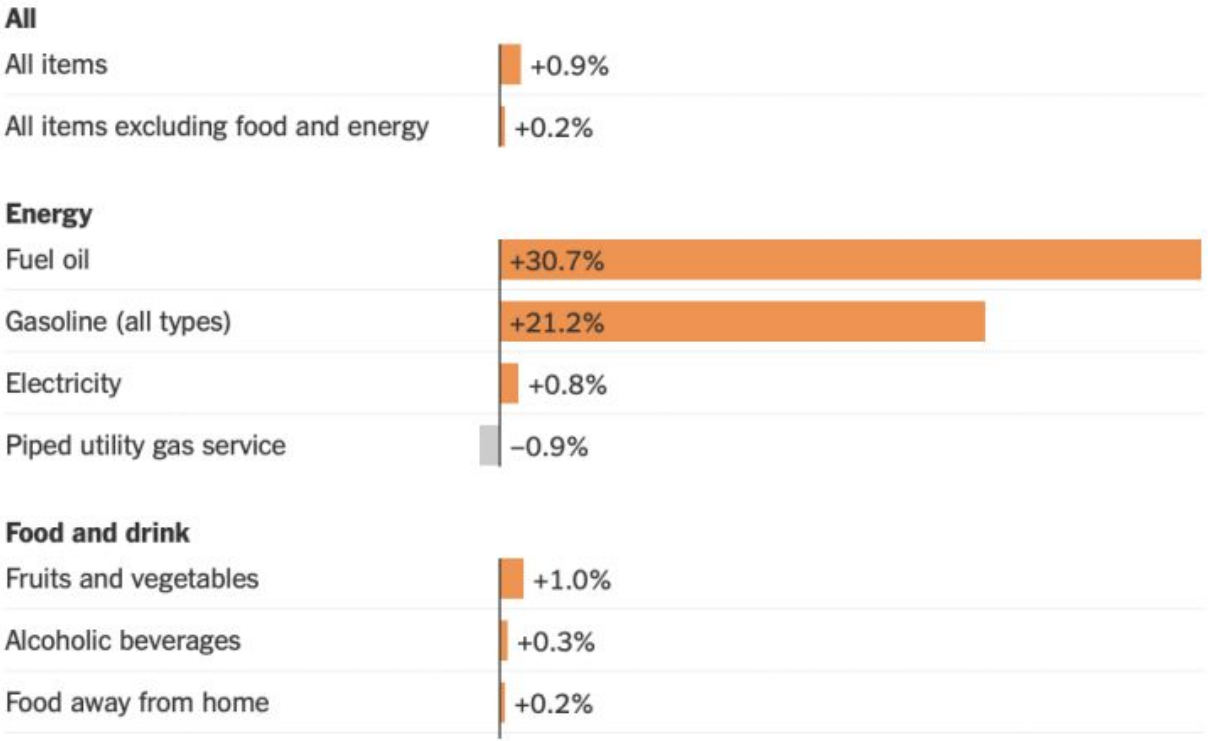
Inflation: Latest Figures



Note: Data is seasonally adjusted year-over-year change in the Consumer Price Index. October 2025 is missing because of the government shutdown. Source: Bureau of Labor Statistics. By The New York Times

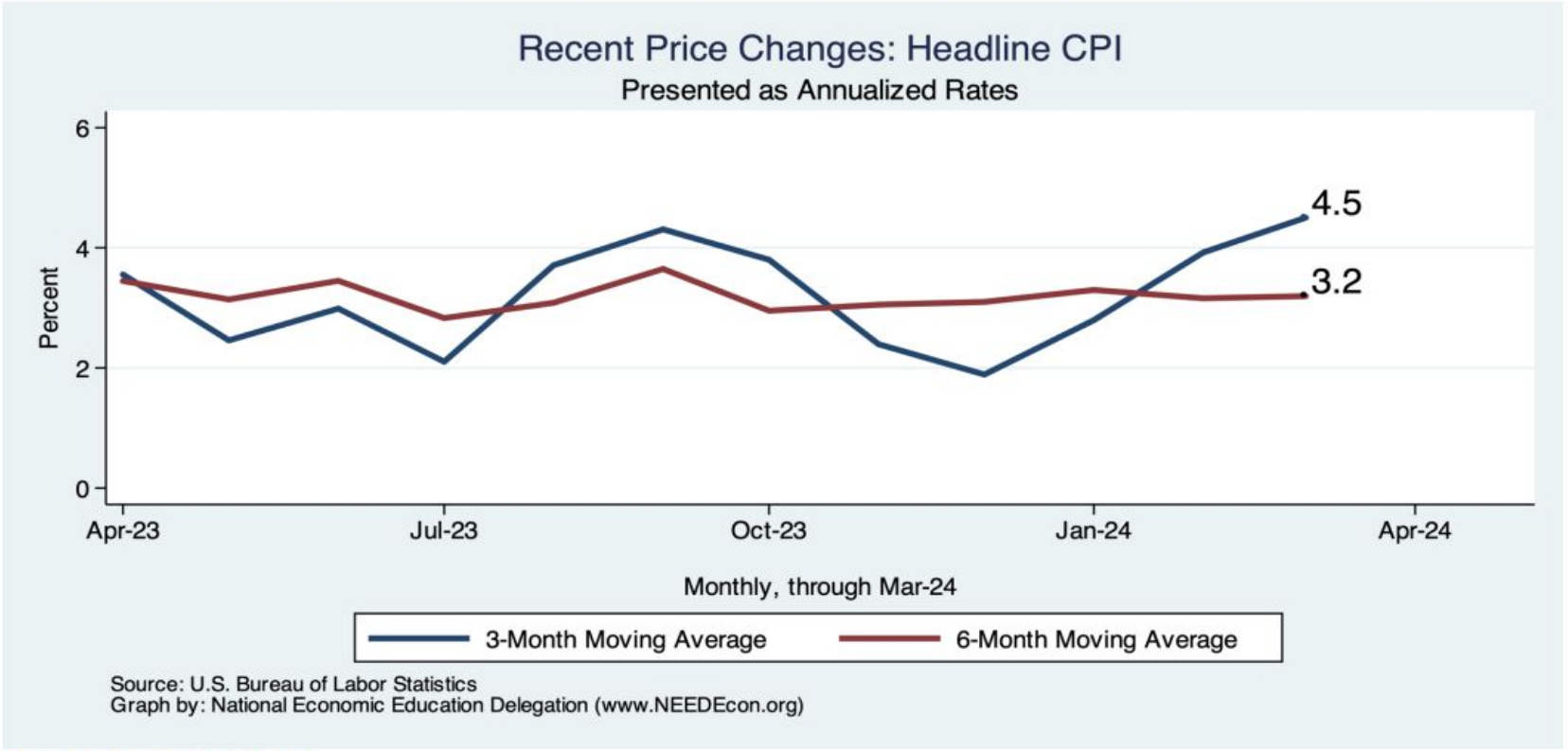
Source: NYTimes.com

Inflation: Latest Monthly Figures

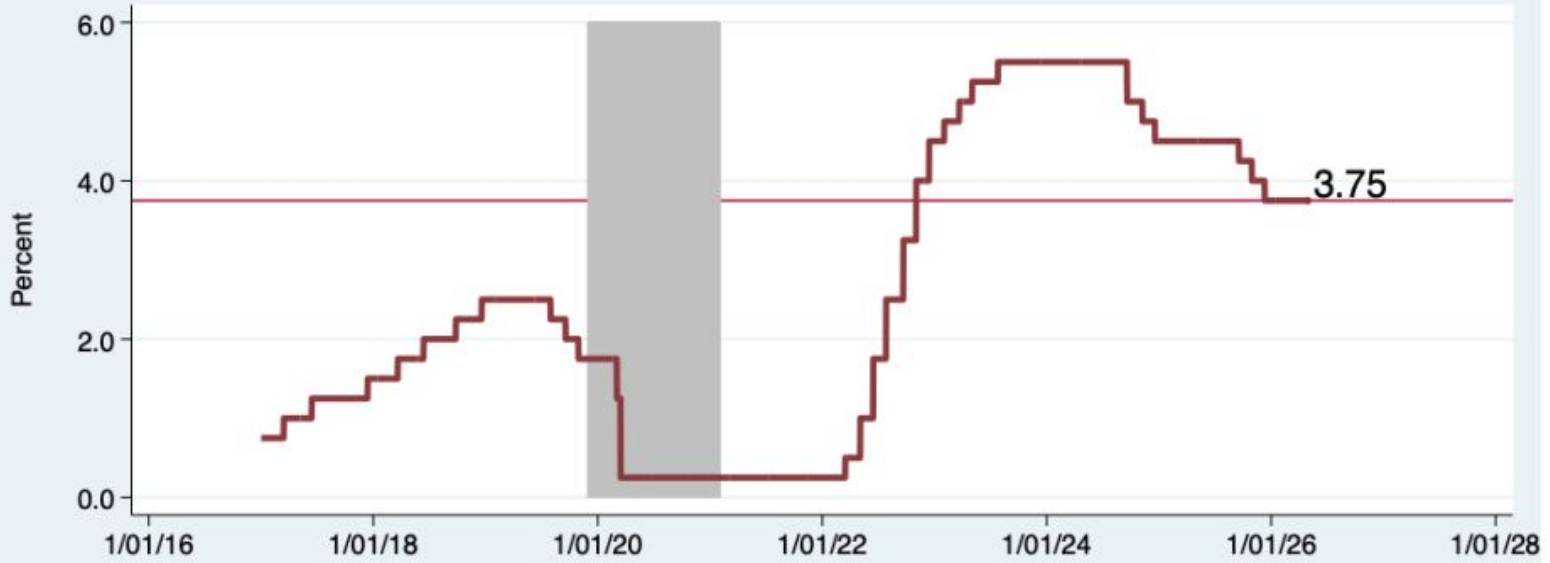


Source: NYTimes.com

Inflation in the Last 6 Months

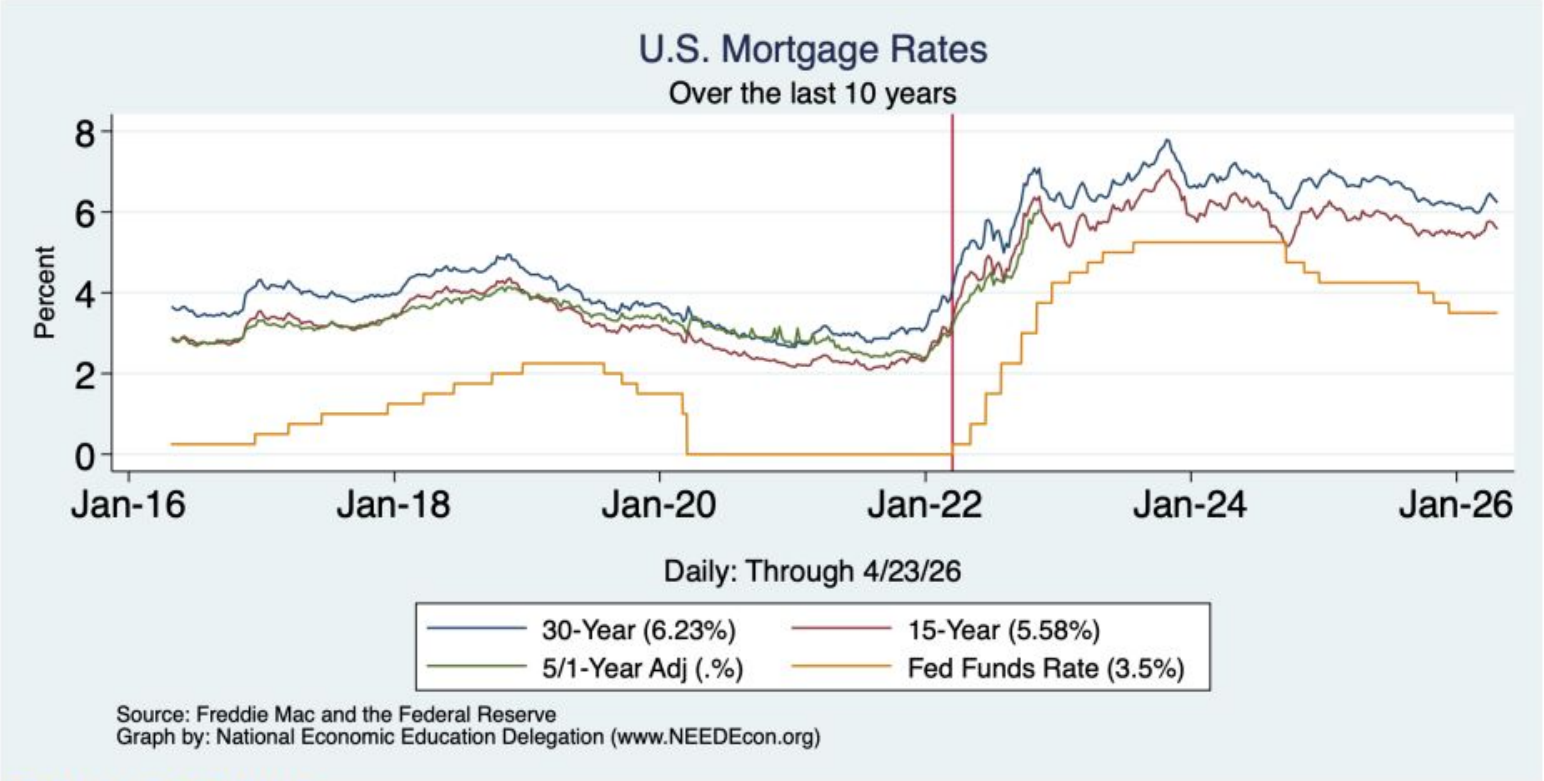


Federal Funds Rate

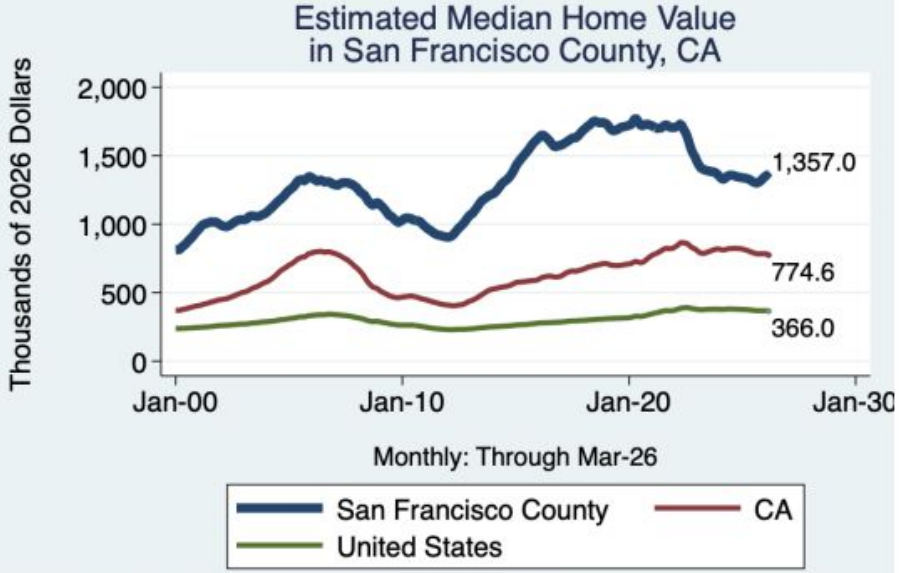


Source: NBER and Board of Governors. Gray shading indicates recession.
Graph by: National Economic Education Delegation (www.NEEDEcon.org)

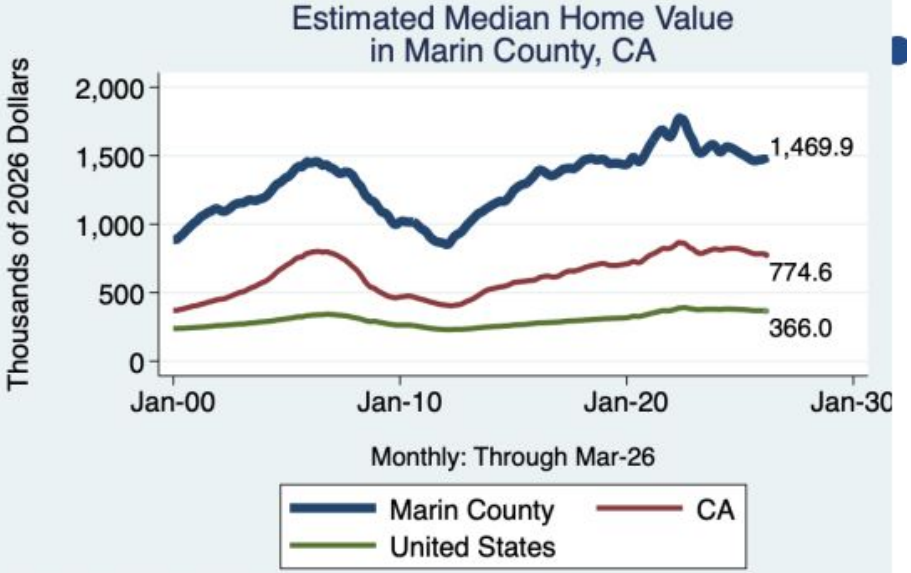
Mortgage Rates – Recent Experience



RE Experiences … Similar And Not Good



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



Source: Zillow Housing Data, https://www.zillow.com/research/data/
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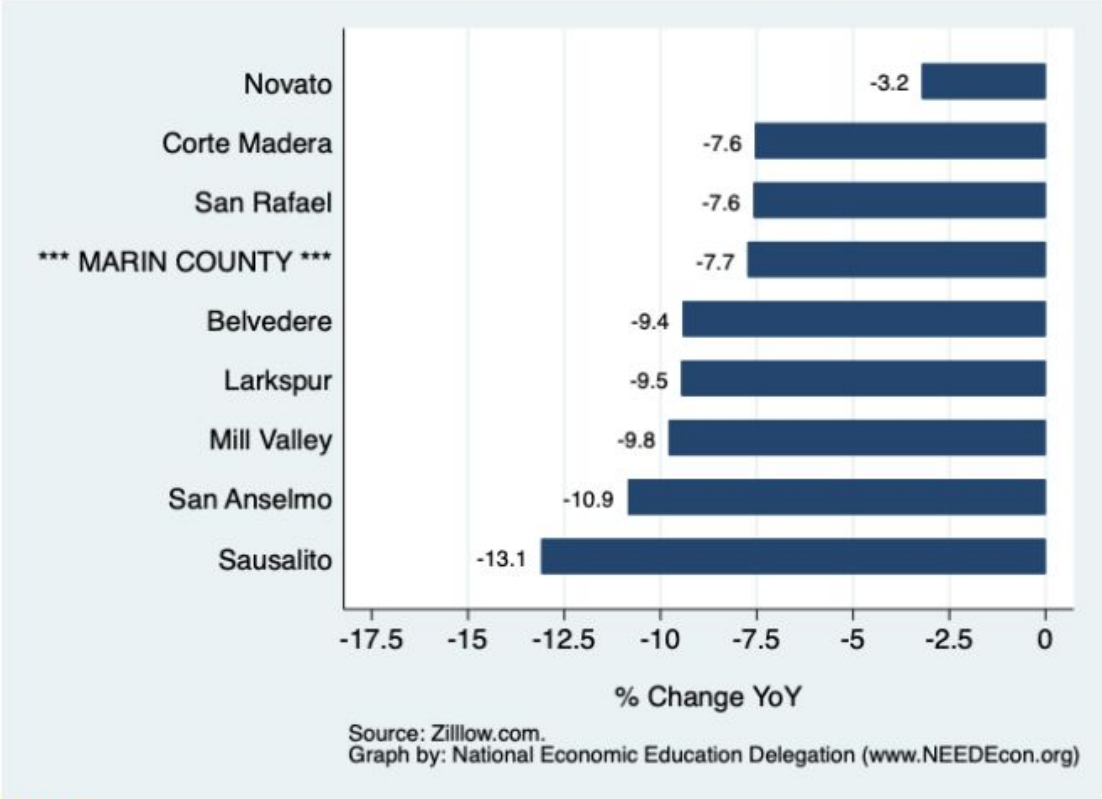
Home Price Changes w/in Marin

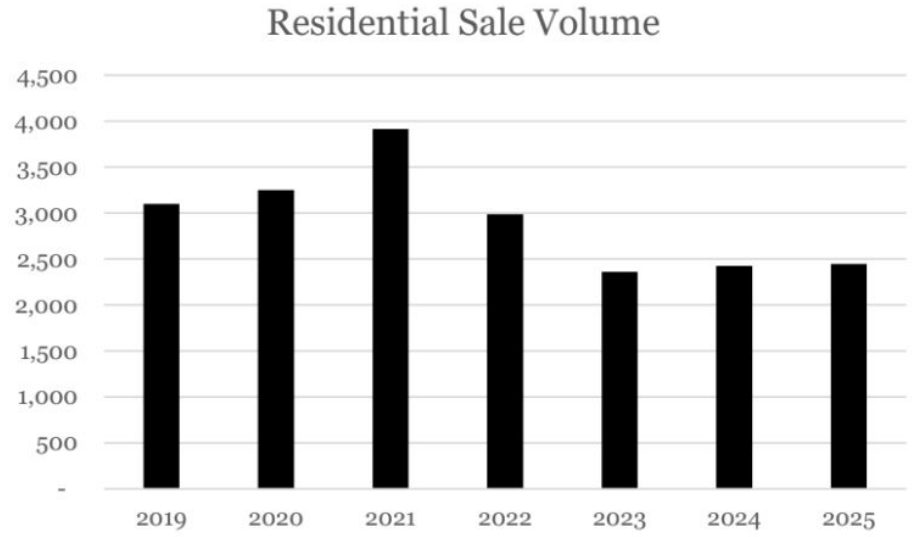


NATIONAL ECONOMIC EDUCATION DELEGATION

MARIN COUNTY REAL ESTATE SALES

REAL ESTATE MARKET CONDITIONS

Residential Sales



Assessor – Recorder – County Clerk
MCOE Property Tax Forum
May 5, 2026
ARCC.MarinCounty.gov

Slide 3

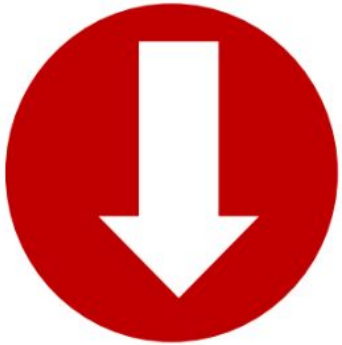
TAX REVENUE

INCREASES & DECREASES

Construction
Home Sales
Redevelopment Dissolution

Legislation

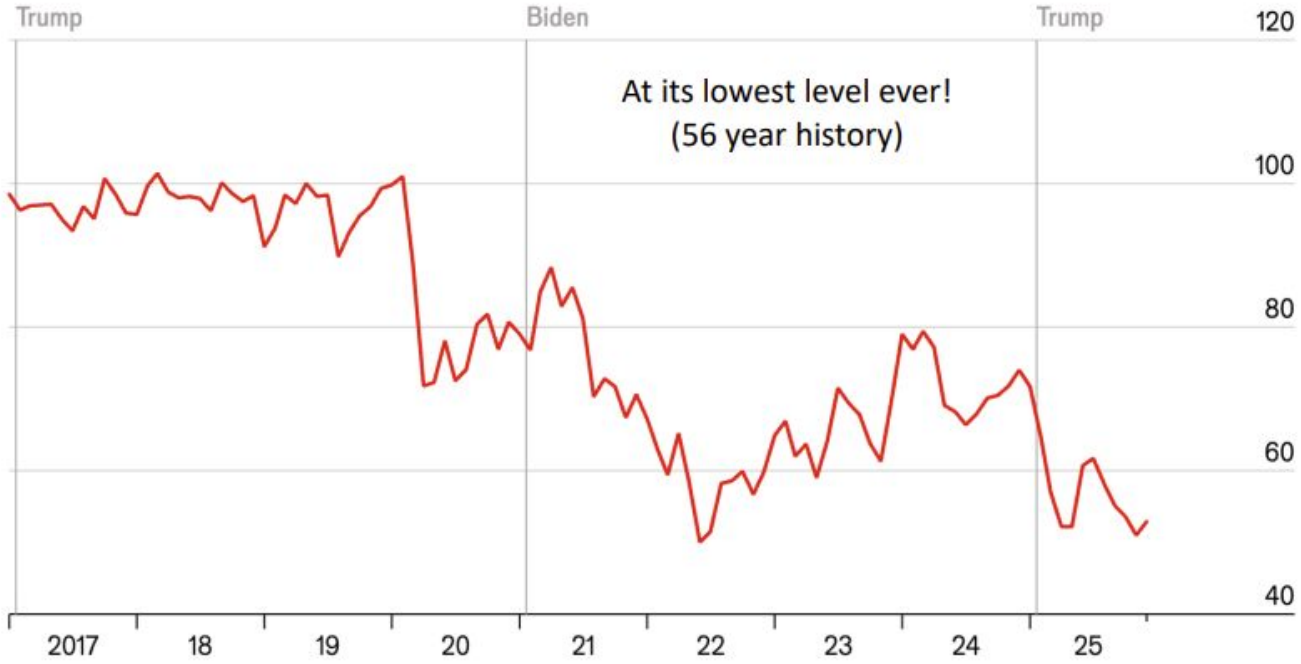
Assessment Appeals
Proposition 8 Reductions
Calamity
Proposition 19 Base Values



Slide 20

Consumer Confidence is Waning

University of Michigan Index, Q1 1966=100



Uncertainties

- **What effect will continued deportations have?**
- **Will AI continue to drive growth?**
- **Will tariffs continue to drive inflation?**
  - Fed says that ALL of the inflation above 2% is from tariffs, until…
- **Will the war drive inflation beyond fuel prices?**
  - It is clear in fuel prices, but every other sector of the economy depends on fuel. Higher fuel prices drive prices in the rest of the economy up.
- **Will consumers continue to hold up?**
  - Evidence that spending is in decline.
- **What happens to Fed policy once Jerome Powell is gone?**

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

Highlights of Governor's May Revision State Budget Proposal

- Governor Newsom released the May Revision to the 2026-27 budget and reinforced recent news of downgraded economic and revenue forecasts and an estimated $14 billion shortfall that must be addressed in the budget year and includes $4 billion in borrowing from Proposition 98.

- The Proposition 98 minimum guarantee increases significantly under the May Revision compared with the January Governor's Budget proposal, growing by $6.4 billion over the budget window.

- With the increased resources available, the Governor proposes investing in the following main areas:
  - Fully funding the statutory 2.87% cost-of-living adjustment (COLA) for the LCFF and categorical programs
  - Providing $906 million to further increase the COLA to 4.31% (i.e. Super-COLA), indicating these funds must also pay for the new requirement to provide 14 weeks of paid pregnancy disability leave
  - Increasing the discretionary block grant proposal to $5 billion (Senate & Assembly propose different allocation methodologies)
  - Investing $2.4 billion in special education funding rates
  - Allocating an additional $485 million one time funding for community schools grants
  - Providing $440 million in one time funding for literacy coaches to support existing grant recipients through 2030-31

- The Legislative Analyst's Office (LAO) finds the Governor's proposal is balanced in 2026-27 and 2027-28 but warns out-year deficits persist as a result of a structural budget imbalance.

- For TUHSD, most of the Governor's May Revision Budget Proposal will have less impact given our 'basic aid' status, except for potential cost increase for paid pregnancy disability leave, potential increased State funding for Universal Meals, planned increased special education funding, and possible restricted discretionary block grant. The TUHSD budget includes the latter two funding components.

Source: Legislative Analyst's Office - May Revision Initial Comments - May 2025

Back to TUHSD…

2025-26 Estimated Actuals

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

Description	*Unrestricted Projected Operating Surplus (Deficit)*	*Ending Fund Balance (Reserve)*
2025-26 2nd Interim Projection (March)	**$ (1,317,796)**	**$22,293,801 (16.7%)**
Changes *(See Next Slide)*	*$ 662,286*	*$ 662,286*
2025-26 Estimated Actuals Projection (June)	**$ (655,510)**	**$22,956,087 (17.4%)**

Changes from 2nd Interim vs. Estimated Actuals

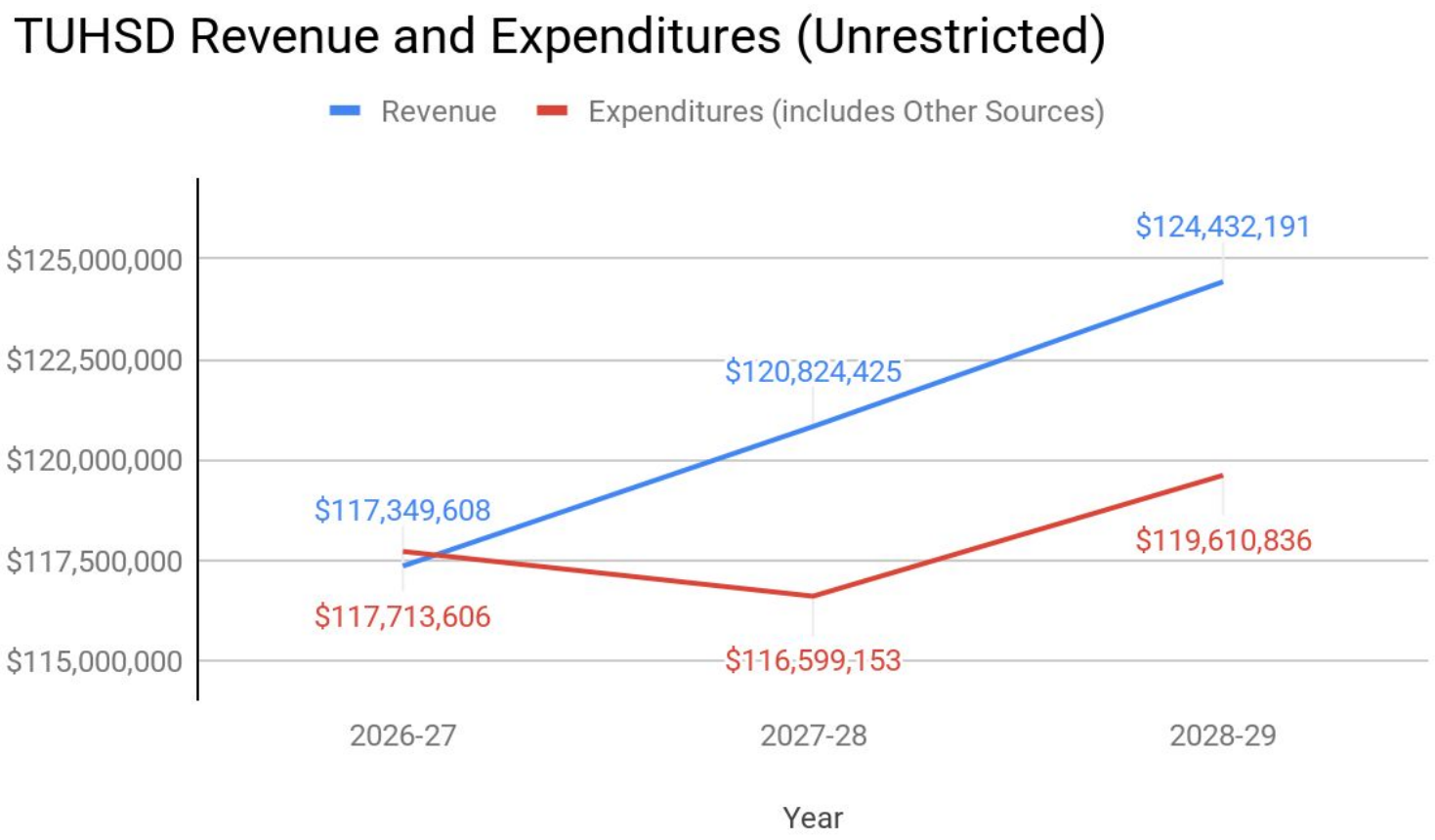
Description of Changes (Unrestricted)	*Amount*
Increase in total revenue (local facilities rental)	$15k
Decrease in staff expenditures (property tax share, unfilled positions, reduced subs, hourly PD, benefits)	$1.5M
Decrease in budgeted site & department expenditures for materials and services	$1.3M
Decrease in Transfer In to General Fund (from Fund 40)	$(2.3M)
Net other (capital outlay, indirect cost)	$57k
Total Changes	**$662k**

2026-27 Budget Proposal

Multi-Year Projection

- 2027-28 & 2028-29

Summary of Multi-Year Projections



TUHSD Summary of Multi-Year Projections

	2025-26	2026-27	2027-28	2028-29
Operating Surplus (Deficit) *(March 2026)*	$(1.3M)	$(325k)	$3.3M *	--
Ending Fund Balance/Reserve *(March 2026)*	$22.3M (16.7%)	$22.0M (16.9%)	$25.3M (19.3%) *	--
Operating Surplus (Deficit) *(June 2026)*	$(666k)	$(364k)	$4.2M*	$4.8M*
Ending Fund Balance/Reserve *(June 2026)*	$23.0M (17.4%)	$22.6M (17.0%)	$26.9M (20.4%)*	$31.6M (23.6%)*

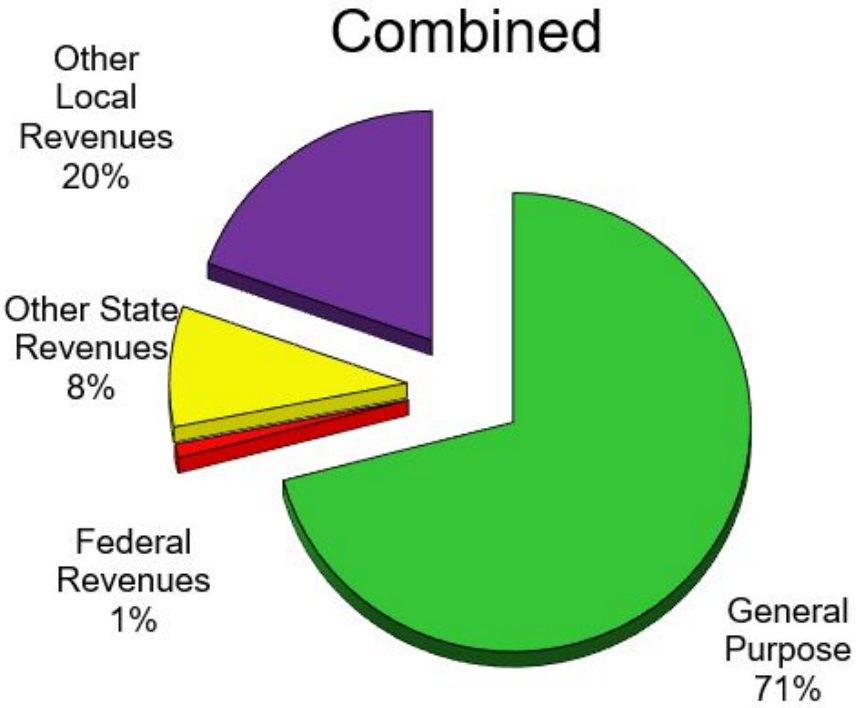
Key Assumptions: * Figures do not include any potential increase in staff compensation (cost of 1% raise = $770k)

Revenues

Revenue Sources for 2026-27 (combined)

- General Purpose $ 94,591,293
  - Property taxes, EPA, minimum State Aid, etc.
- State Funding $ 11,344,245
  - Lottery, Special Education, Prop 28, ROP, etc.
- Federal Funding $ 1,324,849
  - Title I, Title II, IDEA, etc.
- Local Revenue $ 26,101,504
  - Parcel tax, Foundations, facilities fees, interest

TOTAL: $ 133,361,891



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 $34.2M 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: $93,438,236 in 2026-27 property tax revenue

Year	*2025-26*	*2026-27*	*2027-28*	*2028-29*
Old - Growth Rate Projections (%)	**4.40%**	**3.90%**	**4.15%**	**4.40%**
New - Growth Rate Projections (%)	**4.40%**	**3.84%**	**3.5%**	**3.5%**
Cumulative $ difference	**$0**	**$307k**	**$(279k)**	**$(1.1M)**

Notes:

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

Parcel Tax Revenue (Measure M expires at end of 2028-29 school year)

- Increase of 3% with annual inflation adjustment
  - Actual amount depends on volume of Senior Exemptions
- 2026-27 Parcel Tax revenue projected to be $19.1M, which is an increase of $534k from 2025-26

TUHSD Historical Property Tax Revenue Growth

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

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 *2026-27 Fiscal Year*	
Description	Amount
BEGINNING BALANCE	$0
BUDGETED EPA REVENUES:	
Estimated EPA Funds	$858,526
BUDGETED EPA EXPENDITURES:	
Certificated Instructional Salaries	$603,880
Certificated Instructional Benefits	$254,646
TOTAL	$858,526
ENDING BALANCE	$0

Expenditures

Primary Components:

Enrollment & Staffing

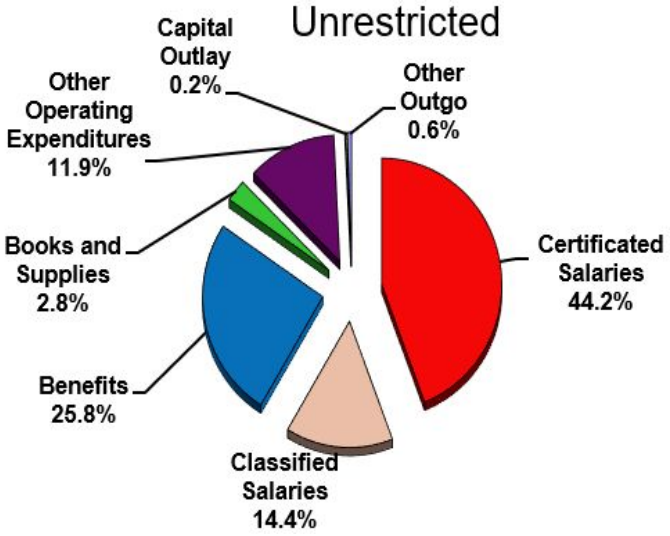
Utilities & Services

STRS & PERS pension rate increases

Special Education

General Fund Expenditures

Description	Unrestricted	Combined
Certificated Salaries	$37,840,723	$45,405,745
Classified Salaries	$12,354,389	$17,623,653
Benefits (Payroll Taxes and Health & Welfare Contributions)	$22,130,384	$33,067,509
Books and Supplies	$2,424,292	$4,979,377
Other Operating Expenditures	$10,228,707	$23,660,321
Capital Outlay	$187,296	$245,714
Other Outgo	$483,013	$2,112,704
TOTAL	**$85,648,804**	**$127,095,023**



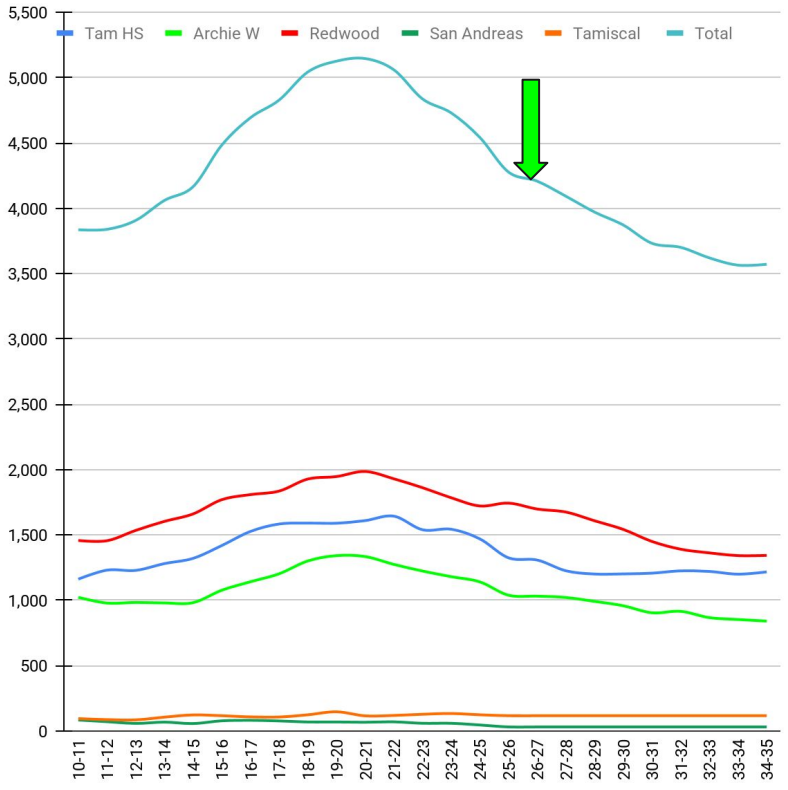
Salaries and benefits comprise approximately 84% of the District's unrestricted expenditures, and approximately 76% of the combined General Fund expenditures.

TUHSD Enrollment Projections (by Site)

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	1,584	1,203	1,836	77	107	21	4,828	135	3.2%
18-19	1,591	1,301	1,928	69	124	30	5,043	215	4.5%
19-20	1,590	1,342	1,947	69	147	31	5,126	83	1.6%
20-21	1,610	1,335	1,986	67	116	32	5,146	20	0.4%
21-22	1,644	1,275	1,930	70	119	22	5,060	-86	-1.7%
22-23	1,540	1,224	1,862	59	128	24	4,837	-223	-4.4%
23-24	1,544	1,181	1,785	59	134	27	4,730	-107	-2.2%
24-25	1,470	1,141	1,722	46	124	39	4,542	-188	-4.0%
25-26	1,325	1,039	1,744	31	117	21	4,277	-265	-5.8%
26-27	1,308	1,032	1,698	31	117	21	4,207	-70	-1.6%
27-28	1,226	1,022	1,675	31	117	21	4,092	-115	-2.7%
28-29	1,201	992	1,609	31	117	21	3,971	-122	-3.0%
29-30	1,202	958	1,543	31	117	21	3,872	-99	-2.5%
30-31	1,208	905	1,450	31	117	21	3,732	-140	-3.6%
31-32	1,225	916	1,391	31	117	21	3,701	-31	-0.8%
32-33	1,221	868	1,363	31	117	21	3,621	-81	-2.2%
33-34	1,200	853	1,342	31	117	21	3,565	-56	-1.5%
34-35	1,218	841	1,344	31	117	21	3,572	7	0.2%

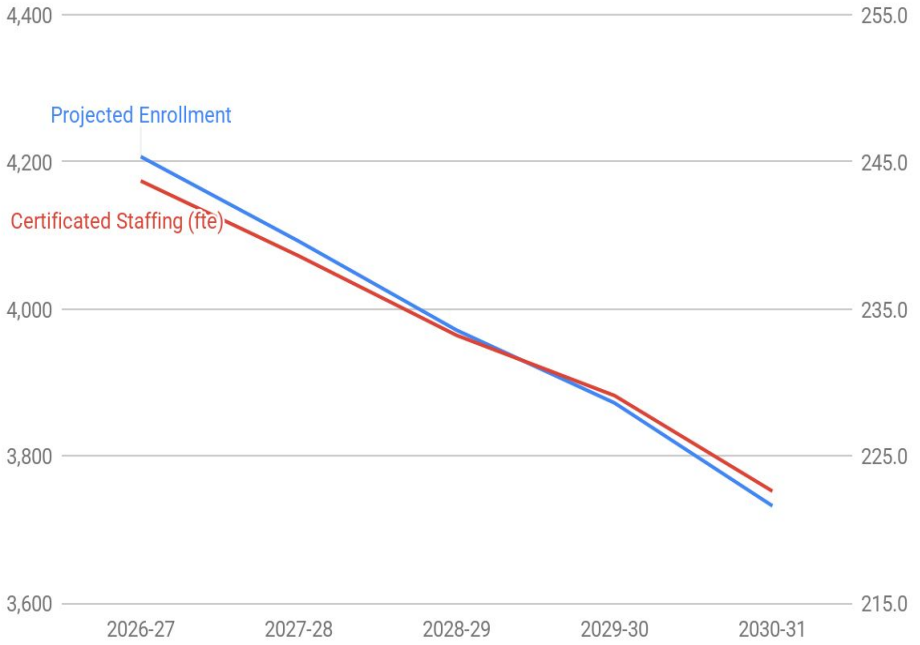
Date: June 2026



Key Budget Assumptions - Expenditures

Enrollment & Certificated Staffing projections:

School Year	Projected Enrollment	Difference from Prior Year	Certificated Staffing (fte)	Difference from Prior Year
2026-27	4,207	-	243.7	-
2027-28	4,092	-115	238.6	-5.1
2028-29	3,971	-121	233.2	-5.4
2029-30	3,872	-99	229.1	-4.1
2030-31	3,732	-140	222.6	-6.5



Key Budget Assumptions - Expenditures (cont'd)

- TFT- & CSEA-represented employee groups have settled on compensation through 2026-27, but not in 2027-28 & beyond
  - Future cost of a 1% raise in 2025-26 estimated to be approximately $770k
- Step & Column increases are 1.77% for Certificated and 2.76% for Classified from 2025-26
- Health & Welfare employee benefit increases up 8.2% from 2025-26 and assumed 6.5% annually thereafter
- Insurance rates changes: property: +7%, liability: +16%*, cyber: +10%, workers' compensation: +4%, dental: -10%, vision: -6%
- Utilities expenses projected to increase 7% annually (i.e. MMWD, PG&E, sewer, etc)
- Continued historic trend of Special Education costs average annual increase of $1.1M *(later slide)*

Utilities & Services - Historical Costs

Utility/Service type	2019-20 Actual Total Cost	2025-26 Estimated Total Cost	Cost Increase	% Increase
Electric	$527,955	$1,034,566	$506,611	96%
Water	$381,932	$672,205	$290,272	76%
Gas	$228,128	$500,955	$272,827	120%
Sewer	$161,512	$180,000	$18,488	11%
Garbage	$256,611	$429,221	$172,609	67%
Legal	$353,822	$536,080	$182,258	52%
MSIA	$2,543,713	$2,691,000	$147,287	6%
Totals	$4,453,674	$6,044,026	**$1,590,353**	**36%**

Summary of Driven Costs - ‘the cost of doing nothing’

Additional Revenue in 2026-27	
Property Tax (3.84% growth)	$3.6M
Parcel Tax (3% growth)	$534k
Total:	**$4.1M**

Note: Above items are not exhaustive and meant for illustrative purposes

Summary of Driven Costs - 'the cost of doing nothing'

Additional Revenue in 2026-27		**Additional Expenditures in 2026-27**	
Property Tax (3.84% growth)	$3.6M	3.5% Employee Compensation	$(3.2M)
Parcel Tax (3% growth)	$534k	8.2% SISC Healthcare	$(1.0M)
		Employee Step & Column	$(1.2M)
		Utilities & Insurance	$(326k)
		9% Special Education	$(1.6M)
Total:	**$4.1M**	**Total:**	**$(7.3M)**

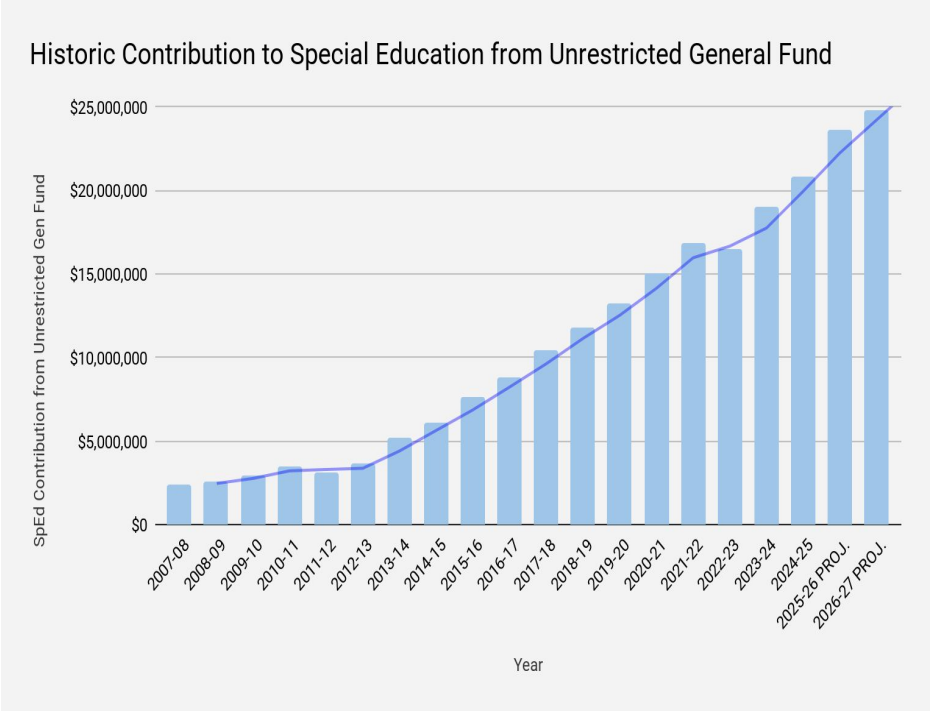
Note: Above items are not exhaustive and meant for illustrative purposes

Summary of Driven Costs - 'the cost of doing nothing'

Additional Revenue in 2026-27		Additional Expenditures in 2026-27	
Property Tax (3.84% growth)	$3.6M	3.5% Employee Compensation	$(3.2M)
Parcel Tax (3% growth)	$534k	8.2% SISC Healthcare	$(1.0M)
Reduced Certificated Staffing (enrollment decline)	$2.9M	Employee Step & Column	$(1.2M)
		Utilities & Insurance	$(326k)
		9% Special Education	$(1.6M)
Total:	~~**$4.1M**~~ **$7.0M**	**Total:**	**$(7.3M)**

Note: Above items are not exhaustive and meant for illustrative purposes

Special Education Costs



- 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, but annual increase expected to slightly decrease moving forward, but…
  - 2026-27: Increase of $660k over budgeted increase due to 10 additional NPS/NPA students
- TUHSD currently has 5 Counseling Enriched Classrooms (CEC)
  - Total savings of about $2.8M annually
- Estimated increase of State Special Education funding of $1.4M

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 $14M per year

CalPERS Rate Comparison												
	2015-16	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30
Employer Rates	11.85%	19.72%	20.70%	22.91%	25.37%	26.68%	27.05%	27.40%	27.50%	28.50%	28.20%	27.80%
Change			0.98%	2.21%	2.46%	1.31%	0.37%	0.35%	0.1%	1.0%	-0.3%	-0.4%
CalSTRS Rate Comparison												
Employer Rates	10.73%	17.10%	16.15%	16.92%	19.10%	19.10%	19.10%	19.10%	19.10%	19.10%	19.10%	19.10%
Change			-0.95%	0.77%	2.18%	0%	0%	0%	0%	0%	0%	0%

Reserves & Assignments

Reserves & Assignments

2026-27 Estimated Ending Fund Balance (Unrestricted) - $22,590,348 (17.0% reserve level)

Non-Spendable - $12,000

Restricted - $8,284,211

Assigned - $18,097,601

- Property Tax Uncertainty (1% of prop tax revenues) - $750,000
- Special Education Uncertainty - $750,000
- Additional 17% Reserve (less REU), per Board Policy - $16,597,601

Unassigned - Statutory 3% minimum reserve for economic uncertainty (REU) - $3,978,400

Unassigned (Other) - $502,347

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

Description	2026-27 Proposed Budget			2027-28 Projected Budget			2028-29 Projected Budget		
	Unrestricted	Restricted	Combined	Unrestricted	Restricted	Combined	Unrestricted	Restricted	Combined
REVENUES									
General Purpose Revenue (A)	94,591,293	-	94,591,293	97,744,200	-	97,744,200	101,012,898	-	101,012,898
Federal Revenue (B)	-	1,324,849	1,324,849	-	1,324,849	1,324,849	-	1,324,849	1,324,849
State Revenue (B)	2,067,001	9,277,244	11,344,245	2,067,001	5,857,244	7,924,245	2,067,001	5,857,244	7,924,245
Local Revenue (C)	20,691,314	5,410,190	26,101,504	21,013,224	5,410,190	26,423,414	21,352,292	5,410,190	26,762,482
TOTAL REVENUES	**117,349,608**	**16,012,283**	**133,361,891**	**120,824,425**	**12,592,283**	**133,416,708**	**124,432,191**	**12,592,283**	**137,024,474**
EXPENDITURES									
Certificated Salaries (D)	37,840,723	7,565,022	45,405,745	37,921,580	7,657,165	45,578,745	37,864,288	7,685,257	45,549,545
Classified Salaries (D)	12,354,389	5,269,264	17,623,653	12,723,785	5,426,815	18,150,600	13,073,689	5,576,052	18,649,741
Benefits (E)	22,130,384	10,937,125	33,067,509	22,862,396	11,246,565	34,108,961	23,400,847	11,474,946	34,875,793
Books and Supplies (F)	2,424,292	2,555,085	4,979,377	2,424,292	2,405,085	4,829,377	2,424,292	2,255,085	4,679,377
Other Services & Oper. Exp (G)	10,228,707	13,431,614	23,660,321	10,334,794	14,268,614	24,603,408	10,811,794	15,194,614	26,006,408
Capital Outlay (H)	187,296	58,418	245,714	187,296	58,418	245,714	187,296	58,418	245,714
Other Outgo (I)	512,419	1,600,285	2,112,704	264,300	1,749,285	2,013,585	264,300	1,911,285	2,175,585
Transfer of Indirect Costs	(29,406)	29,406	-	(29,406)	29,406	-	(29,406)	29,406	-
TOTAL EXPENDITURES	**85,648,804**	**41,446,219**	**127,095,023**	**86,689,037**	**42,841,353**	**129,530,390**	**87,997,100**	**44,185,063**	**132,182,163**
EXCESS / (DEFICIENCY)	**31,700,804**	**(25,433,936)**	**6,266,868**	**34,135,388**	**(30,249,070)**	**3,886,318**	**36,435,091**	**(31,592,780)**	**4,842,311**
OTHER SOURCES/USES									
Transfers In	1,350,000	-	1,350,000	1,350,000	-	1,350,000	1,350,000	-	1,350,000
Transfers Out (J)	(5,515,000)	-	(5,515,000)	(1,665,000)	-	(1,665,000)	(1,665,000)	-	(1,665,000)
Net Other Sources (Uses)	-	-	-	-	-	-	-	-	-
Contributions to Restricted (K)	(27,899,802)	27,899,802	-	(29,595,116)	29,595,116	-	(31,298,736)	31,298,736	-
TOTAL OTHER SOURCES / USES	(32,064,802)	27,899,802	(4,165,000)	(29,910,116)	29,595,116	(315,000)	(31,613,736)	31,298,736	(315,000)
Net Increase (Decrease)	**(363,998)**	**2,465,866**	**2,101,868**	**4,225,272**	**(653,954)**	**3,571,318**	**4,821,355**	**(294,044)**	**4,527,311**
FUND BALANCE, RESERVES									
Estimated Beginning Balance	22,954,346	5,818,345	28,772,691	22,590,348	8,284,211	30,874,559	26,815,620	7,630,257	34,445,877
Estimated Ending Balance	**22,590,348**	**8,284,211**	**30,874,559**	**26,815,620**	**7,630,257**	**34,445,877**	**31,636,975**	**7,336,213**	**38,973,188**
Nonspendable	12,000	-	12,000	12,000	-	12,000	12,000	-	12,000
Restricted	-	8,284,211	8,284,211	-	7,630,257	7,630,257	-	7,336,213	7,336,213
Assigned	18,565,400	-	18,565,400	18,367,400	-	18,367,400	18,738,600	-	18,738,600
Unassigned - REU @ 3%	3,978,400	-	3,978,400	3,935,900	-	3,935,900	4,015,500	-	4,015,500
Unassigned - Other	34,548	-	34,548	4,500,320	-	4,500,320	8,870,875	-	8,870,875
Total - Est. Fund Balance	**22,590,348**	**8,284,211**	**30,874,559**	**26,815,620**	**7,630,257**	**34,445,877**	**31,636,975**	**7,336,213**	**38,973,188**
Fund Balance Reserve Percentage (Combined Assigned & Unassigned)			**17.03%**			**20.43%**			**23.63%**

TUHSD Summary of Multi-Year Projections

	2025-26	2026-27	2027-28	2028-29
Operating Surplus (Deficit) *(March 2026)*	$(1.3M)	$(325k)	$3.3M *	--
Ending Fund Balance/Reserve *(March 2026)*	$22.3M (16.7%)	$22.0M (16.9%)	$25.3M (19.3%) *	--
Operating Surplus (Deficit) *(June 2026)*	$(666k)	$(364k)	$4.2M*	$4.8M*
Ending Fund Balance/Reserve *(June 2026)*	$23.0M (17.4%)	$22.6M (17.0%)	$26.9M (20.4%)*	$31.6M (23.6%)*

Key Assumptions: * Figures do not include any potential increase in staff compensation (cost of 1% raise = $770k)

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	2025-26	Est. Net Change	2026-27
GENERAL (UNRESTRICTED & RESTRICTED)	$28,772,691	$2,101,868	$30,874,559
ASSOCIATED STUDENT BODY FUND	$696,177	$0	$696,177
ADULT EDUCATION	$828,809	($215,098)	$613,711
CAFETERIA FUND	$419,729	($380,698)	$39,031
DEFERRED MAINTENANCE	$2,422,596	$100,000	$2,522,596
SPECIAL RESERVE - OTHER THAN CAPITAL OUTLAY	$2,070,000	$1,035,000	$3,105,000
FOUNDATION SPECIAL RESERVE FUND	$50,710	$0	$50,710
BUILDING FUND	$138,666,233	($25,469,028)	$113,197,205
CAPITAL FACILITIES FUND	$409,709	($186,000)	$223,709
CAPITAL OUTLAY	$10,630,180	$2,281,358	$12,911,538
BOND INTEREST & REDEMPTION	$18,848,570		$18,848,570
TOTAL	**$203,815,404**	($20,732,598)	**$183,082,806**

Uncertainties & Prudence

Cautionary Budget Scenarios

Recent revenue gains reflected in the May Revision are encouraging; however, they do not resolve the state's outyear structural budget challenges. Several factors continue to pose downside risks to the state's economic performance and fiscal outlook, including geopolitical uncertainty, inflationary pressures related to energy and tariff costs, monetary policy decisions, labor market conditions, and broader structural challenges. Longer-term concerns include demographic shifts, declining domestic and international migration, persistently high housing and living costs, and continued exposure to financial market volatility.

Taken together, these conditions warrant a cautious fiscal approach. Districts should avoid assuming that recent revenue growth will continue indefinitely, align ongoing expenditures with sustainable funding levels and enrollment trends, rebuild reserve balances where possible, and prepare for potential future budget shortfalls.

Source: CA County Superintendents 'The Common Message', 2026-27 May Revision, page 7

Uncertainties & Prudence

- Global economic, political and policy volatility and uncertainty
  - Inflation
  - Impact on local real estate market and TUHSD property tax revenues (~3.5-4% annual growth)
  - Risk of federal funding loss
- Ongoing cost increases for utilities, services and driven costs (5.8% annually for TUHSD)
- Ongoing enrollment decline for next 8 years, but possibly not after that
  - Major 'lesson learned' from past financial challenges: Need to annually adjust staffing to enrollment accordingly
  - "*Don't kick the can down the road… the problems only compound.*"
- TFT- & CSEA-represented employee groups have settled on compensation through 2026-27, but not afterwards
  - Future cost of a 1% raise in 2027-28 for all staff estimated to be approximately $770k
- *Given the $2.2M of budget reductions for 2026-27,* TUHSD is projecting future balanced budgets in the official 3-year MYP & return to minimum 17% reserve = **Fiscally Sustainable, BUT uncertainty is pervasive**

TAMALPAIS UNION HIGH
SCHOOL DISTRICT

Questions?

Comments?

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