



Tacoma Public Schools

BOARD FINANCIAL UPDATE

AUGUST 28, 2025



2024-25 Financial Requests

Resolution 2162 – General Fund Budget Extension

- Requesting resources to increase expenditures to our full capacity of revenue plus fund balance
- Revenues are anticipated at 98% of budget
- Provided revenues are as anticipated, any dollar less than the authority granted will be saved as fund balance
- Should expenditures exceed that, we will be in binding conditions

Resolution 2167 – Capital Transfer Interfund Increase

- Software and Licensing expenses are required to be expended in the General Fund but can be paid for with technology levy. Initially budgeted \$5.5M – Increasing to \$8.5M
- That includes a small maintenance transfer of \$300,000 for allowable general fund costs to be paid with capital bond funds
- Is not related to the Capital Interfund Loan of \$38M that was approved last October and will be repaid this October

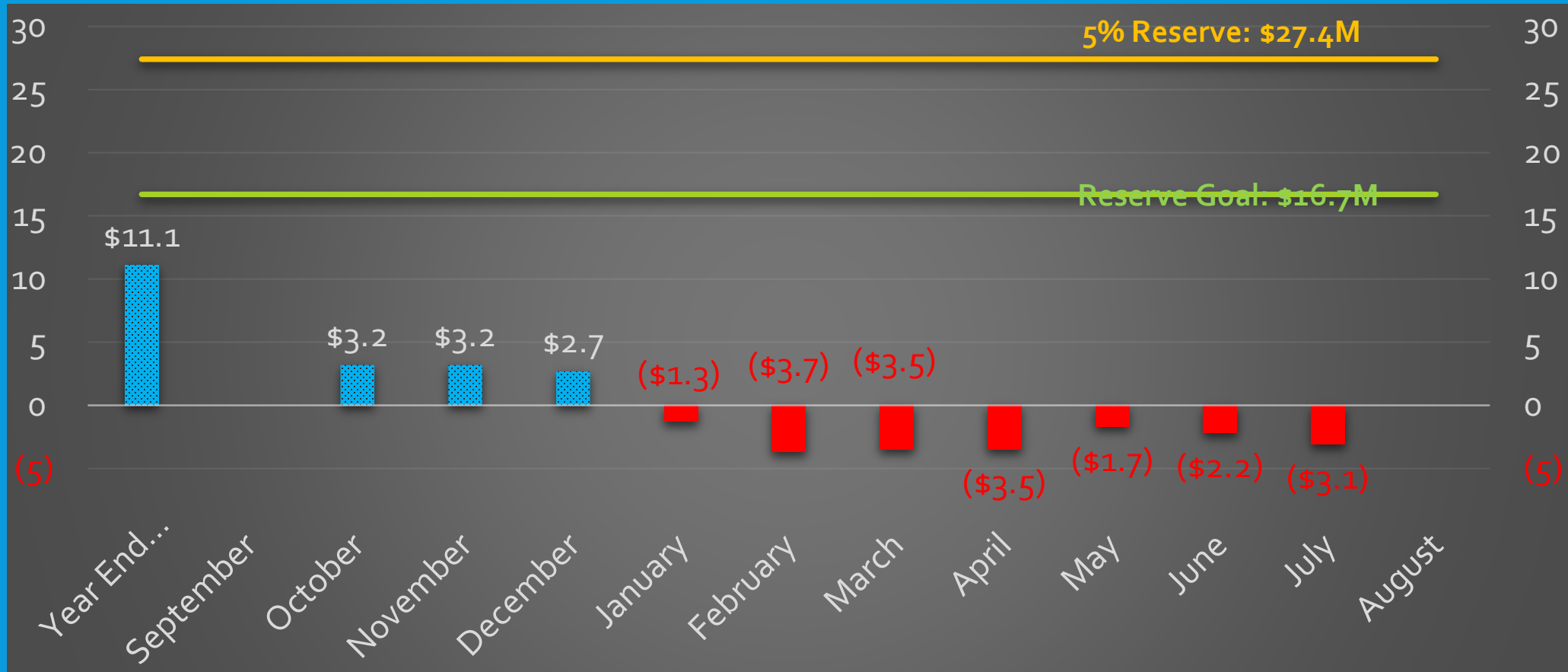
APPENDIX

2024-25 YEAR END FINANCIAL
PROJECTION AS OF JULY 2025

- Projected Revenues – 97.4% of budget
- Projected Expenditures –
 - 100.9% of budget
 - 3.5% 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	\$ 562,769,459	\$ (15,118,985)
Less Expenditures	\$ 572,408,012	\$ 577,416,934	\$ (5,008,922)
Equals Ending Fund Balance	\$ 22,980,432	\$ (3,508,287)	\$ (26,488,719)
Fund Balance Reserve Target		\$ 27,863,473	\$ (31,371,760)
* Fund Balance Reserve %	5.0%	0%	

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
- New
 - P-card freeze
 - Further contract limitations
 - Extra work and overtime freeze
- Continuing
 - 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

BINDING CONDITIONS REVIEW

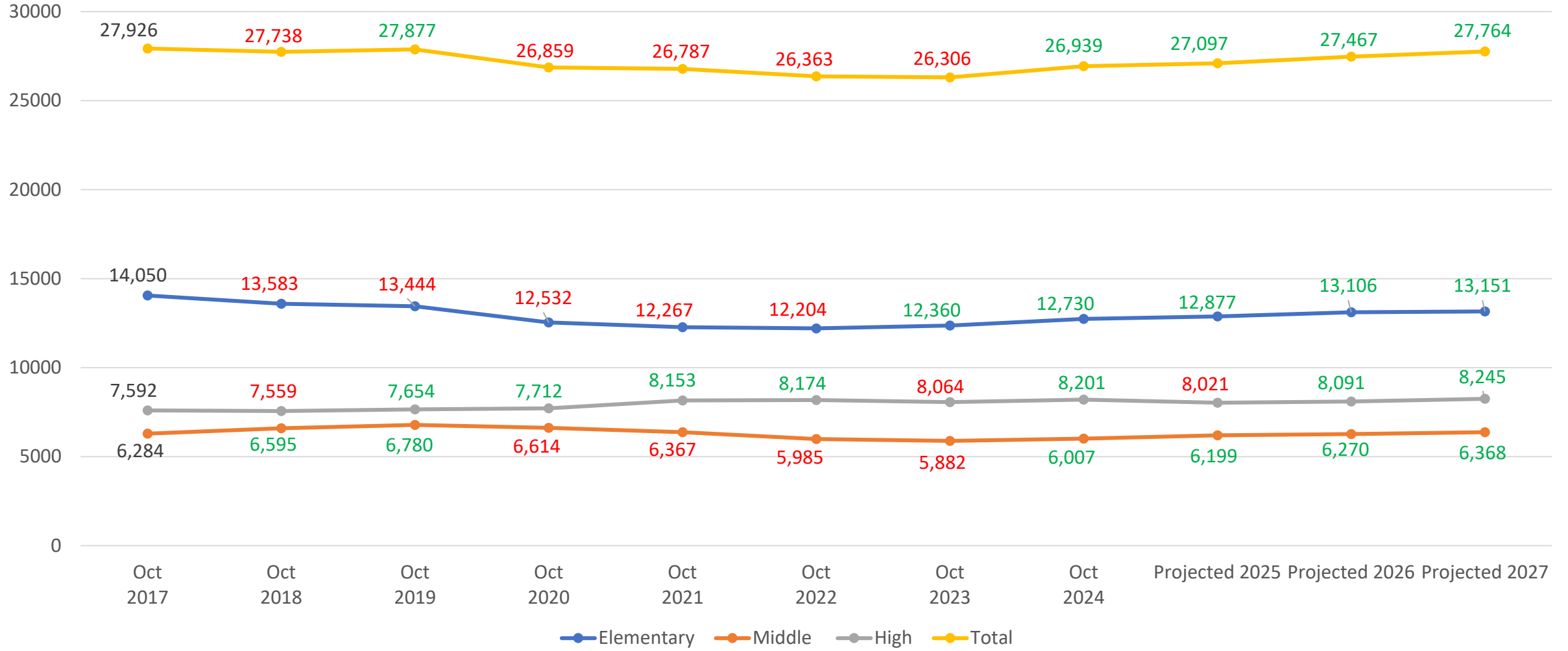
- Financial insolvency (binding conditions) is a situation where a school district is unable to meet its financial obligations, leading to a deficit general fund balance within three years or less.
- Financial Oversight Committee:
 - To address the financial insolvency of school districts, the Financial Oversight Committee has been created. This committee is composed of two representatives from OSPI and two representatives from the ESDs.
- Financial Oversight Committee will help the district evaluate contract reductions both in bargaining and letting of external purchasing contracts in addition to suggesting other programming recommendations.
- **DISTRICTS GOAL IS TO AVOID BINDING CONDITIONS**



WHAT DRIVES FUNDING ISSUES FOR SCHOOLS

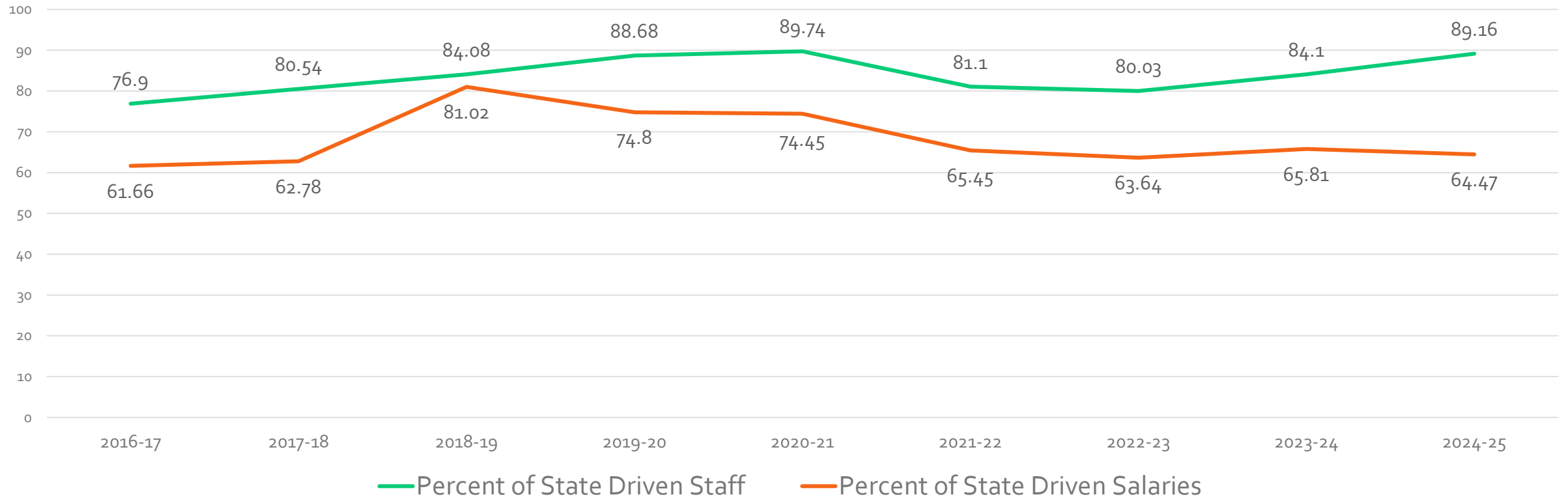
- Enrollment fluctuations
- Inflation and escalated costs continue
 - CPI and inflation have flattened but shifts in Federal administration may be disruptive.
 - Benefits are more costly
 - Competitive market driven salary requirements drive higher wages
 - Lack of adequate funding from the state

Enrollment Trending



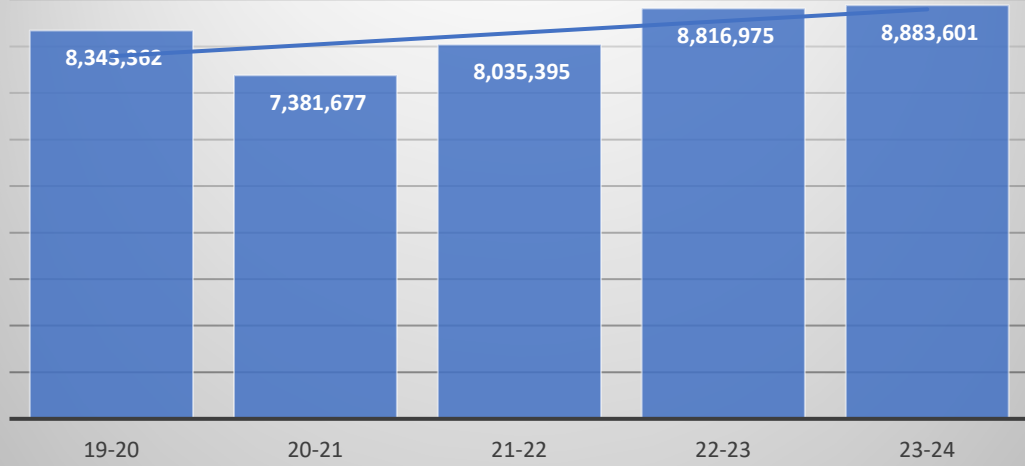


Percent of State Driven Staff and Salaries Compared to Total BE and LEVY Funded Staff

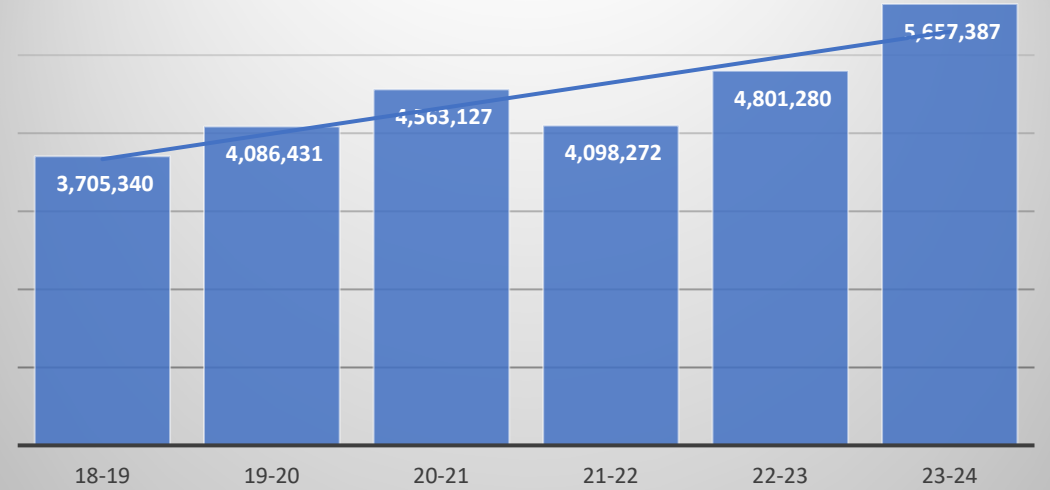


FUNDING GAP FROM THE STATE

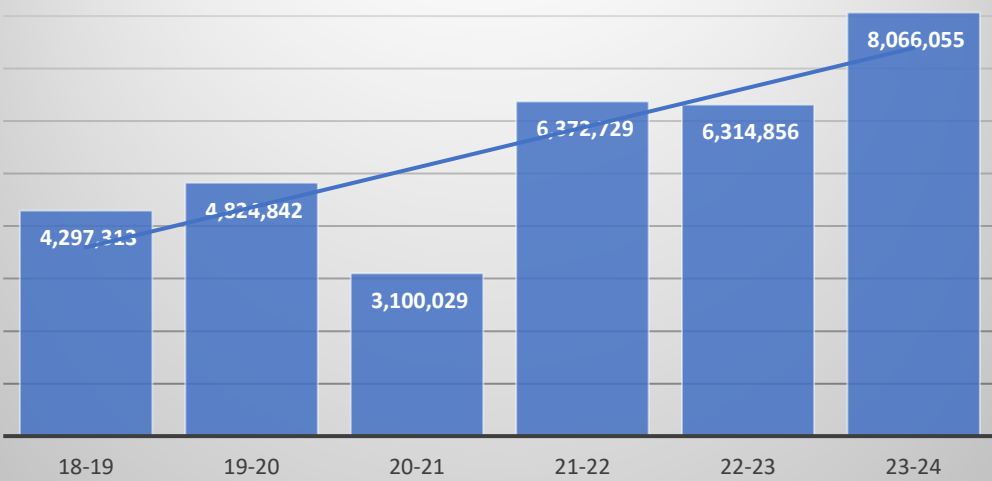
Utilities Cost Comparison



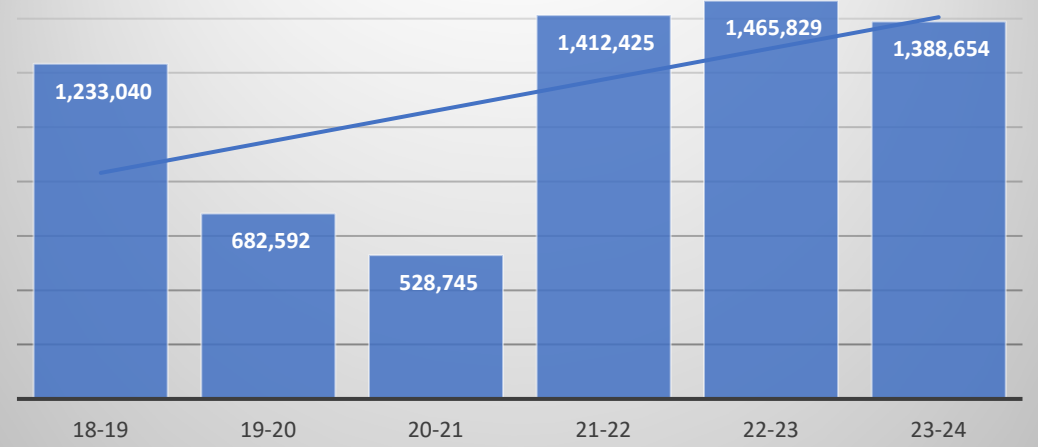
Insurance Cost Comparison



Food Cost Comparison



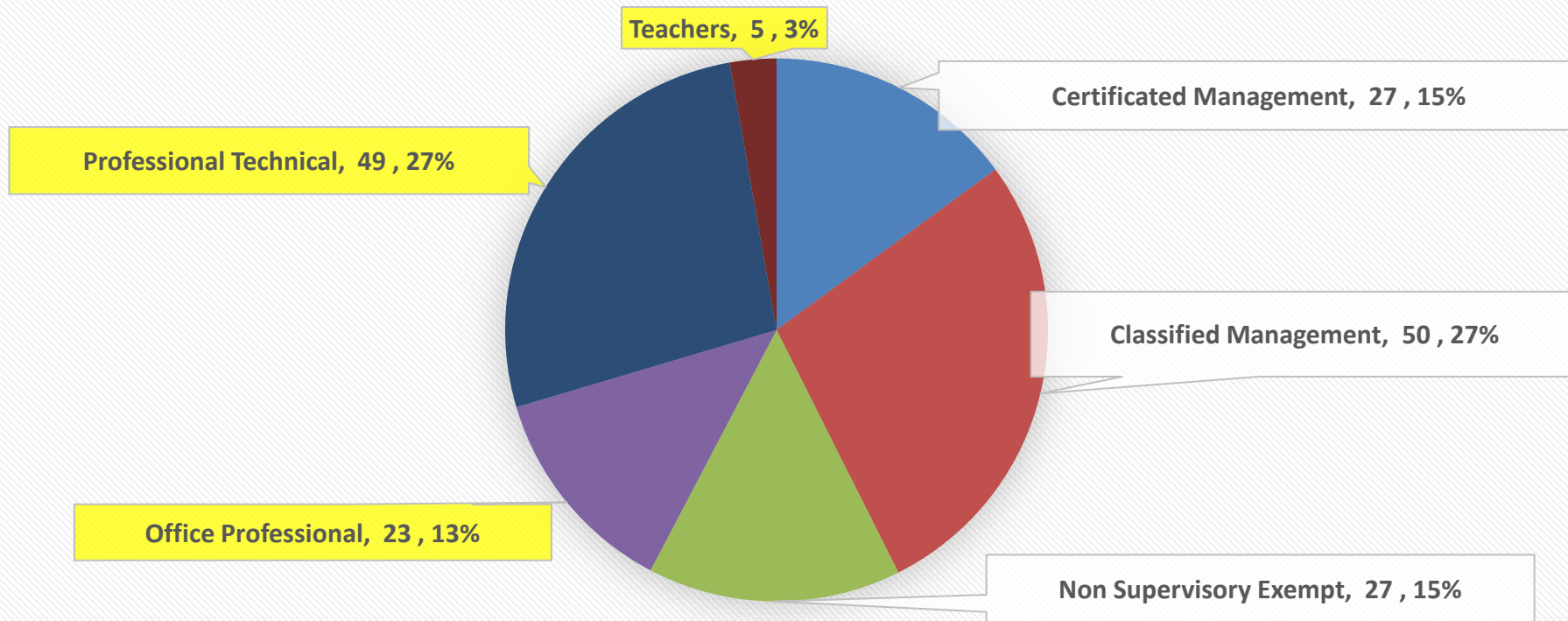
Motor Vehicle Fuel Cost Comparison



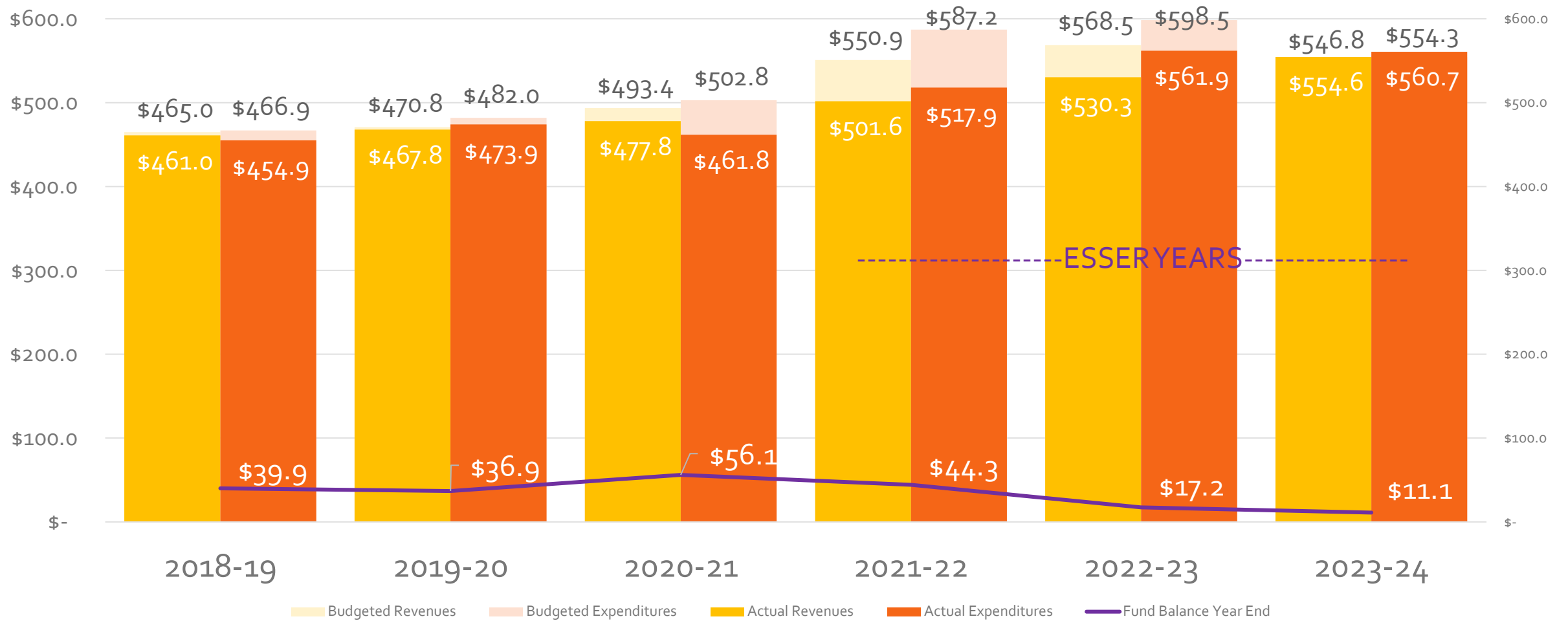
ADMINISTRATIVE GROUP EXEMPT – 57% REPRESENTED 43%

2024-25 Administrative Group

(All Central Administration and All Exempt Staff)



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



HISTORICAL FINANCES

2023-24 YEAR END UPDATE GENERAL FUND

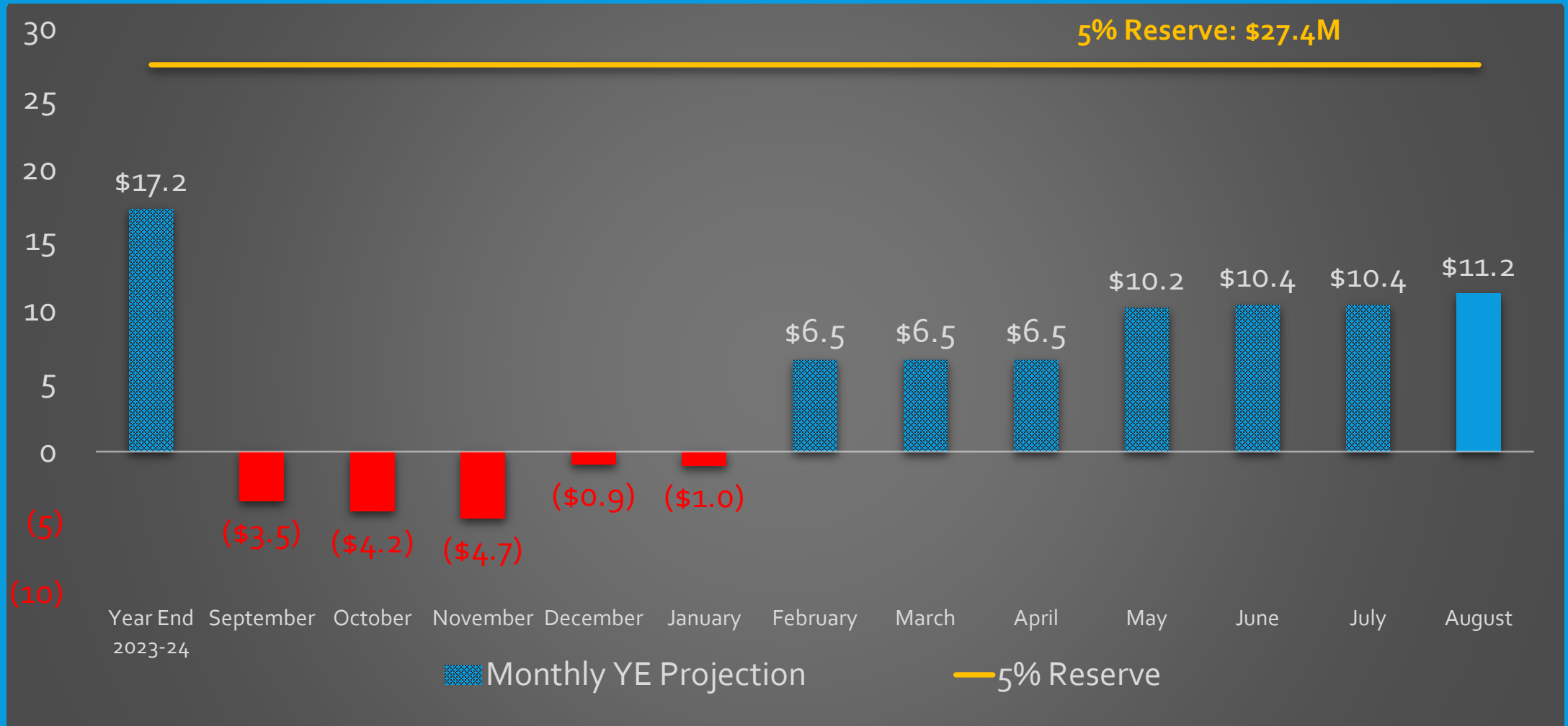
- Revenues –100.5% of budget
- Expenditures –101.2% of budget
- Fund Balance Reserves –2%
- Required Reserves – 5% or \$27,445,588
- Reserve Variance –3% or \$16,306,400

	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%	

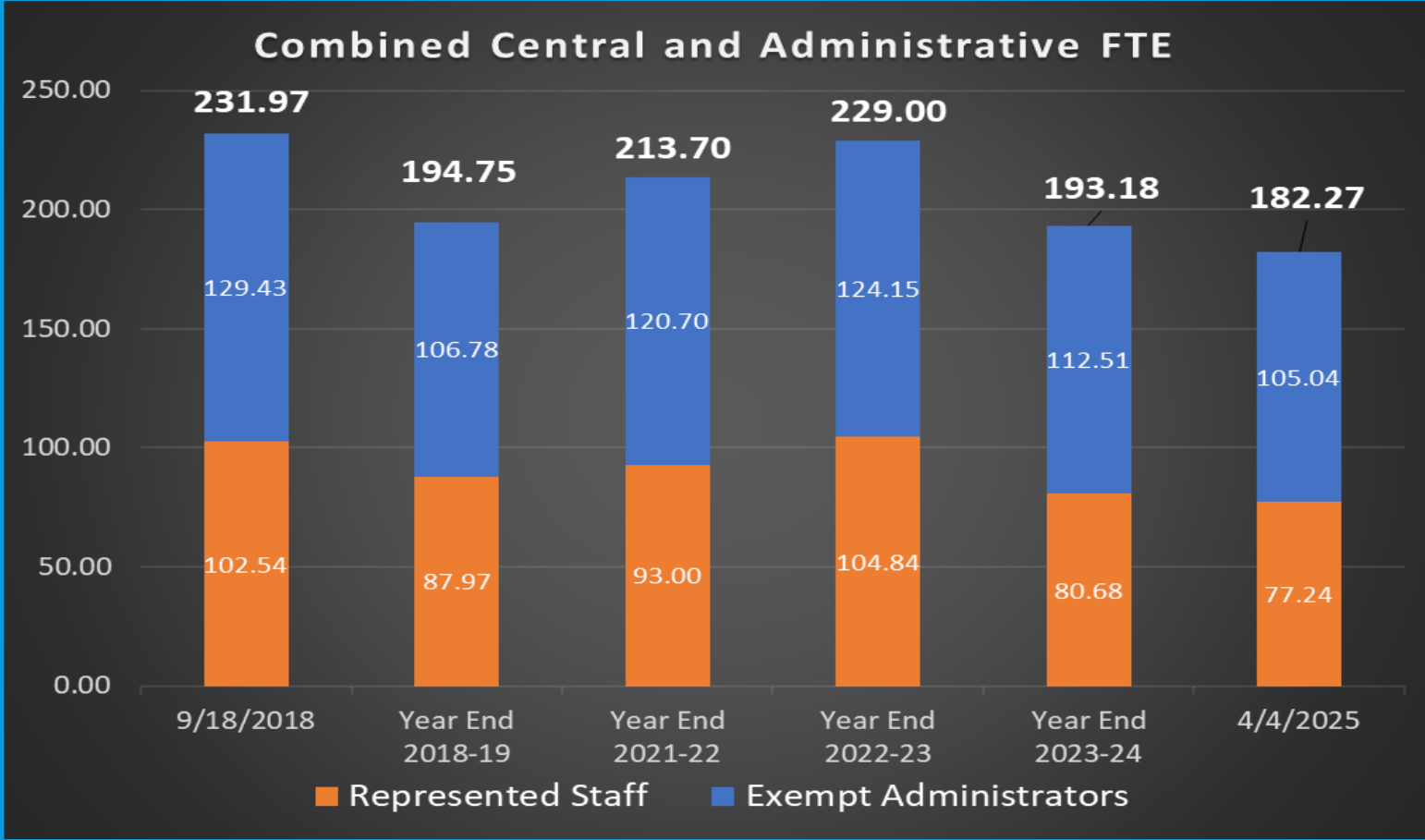
*Fund Balance Reserve percent calculated from Ending Fund Balance vs. adjusted Revenues (Revenues minus Other Financing Sources).

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

YEAR END PROJECTION HISTORY 2023-24



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 5.2% of all FTE positions