

## **Summary of Tacoma School Board Retreat: Budget crisis hits Tacoma Public Schools**

January 15, 2011

The economic crisis facing many private sector industries and public sector agencies in Washington State has finally hit Tacoma Public Schools. During the Tacoma School Board retreat Jan. 15, Superintendent Art Jarvis and Chief Financial Officer Ron Hack described the district's budget savings over the last three years, outlined the dramatic budget cuts Tacoma faces next school year due to the cuts to K-12 education proposed by Gov. Gregoire and presented a three-year plan to deal with those cuts without dramatically decreasing services and options for Tacoma students.

### **Background**

Based on demographic trends, enrollment through all grades in Tacoma will continue on a 10-year low of approximately 28,500 students for the next three years before slowly growing again. Enrollment peaked in 2001 at approximately 32,500 students.

Enrollment in grades K-5 will begin a steep increase next school year through 2016. Over that period the district will add 1,600 students in grades K-5. Currently, the district has capacity in its 37 elementary schools for roughly 3,000 more students.

Enrollment in all high schools has dropped by 800 students in the last five years and will drop another 500 students by 2016 – the equivalent of one comprehensive high school. Enrollment in high school won't grow again until after 2020, according to demographic projections.

Through reorganizing and reducing the administration, not filling some vacancies, delaying hiring for other positions, renegotiating service contracts and other operational efficiencies, the district has cut expenses over the last three years by nearly \$26 million and increased the district's reserve funds to \$45 million.

Due to the economic recession, the State of Washington cut the district's current budget in December – the middle of the school year – by \$9.9 million. The district will use reserve funds and cuts via operational efficiencies to get through the current school year without layoffs or program cuts.

The State of Washington provides most of the funding for Tacoma Public Schools. The projected funding from the State of Washington for Tacoma in the 2011-2012 will drop by an estimated \$6.2 million.

## **The Future**

Superintendent Jarvis presented a three-year plan to operate Tacoma Public Schools with the least impact on the education of students.

According to the Superintendent's proposal, to absorb the State of Washington's budget cuts for K-12 education, Tacoma Public Schools could:

- Draw down its reserve funds by \$10 million each year over the next three years for a total of \$30 million. (That would leave approximately \$9.15 million in reserve funds, which equals the approximate minimum amount allowed by board policy to meet acceptable government accounting principles.)
- Cut the district budget by \$5 million in the 2011-2012 school year, \$7.5 million the following school year and \$6 million in the third school year.

## **What will the district cut?**

No decisions have been made; however, Superintendent Jarvis provided board members with a concept of the big blocks of funding that would need to be cut to account for a budget shortfall beginning with the 2011-2012 school year:

- A \$1 million savings in administrative cuts.
- A \$2 million savings by increasing class size in grades K-5 by one (1) student per classroom. (This equates to the loss of about 20-25 teachers.)
- A \$2 million savings through temporary closure of low enrollment schools.

The district would need to make additional cuts for the following two school years.

## **What schools would close?**

The School Board has made no decision yet to close schools. A leading criteria for selecting schools for temporary closure could be low enrollment, although ultimately other criteria may apply.

At the elementary school level, the following schools have enrollment below 300 students: Franklin, Lyon, Roosevelt, Stanley, McKinley, Wainwright and Geiger. (Because Geiger has

grown and recently reorganized as a K-5 Montessori school, the district would not consider Geiger for temporary closure.)

Due to the temporary closure of Hunt Middle School at the beginning of the current school year, Tacoma's middle schools do not have the capacity to easily absorb the closure of another middle school.

At the high school level, as of January 2011, Foss High School has the lowest enrollment of all comprehensive high schools at 1,040 students. With minimal impact, the district has the capacity available at Stadium, Wilson, Mount Tahoma and Lincoln high schools to absorb more than 1,000 students. All four other comprehensive high schools currently operate far below their all-time high enrollments.

### **Comments by Superintendent Jarvis**

The dramatic cuts by the State of Washington for K-12 education is by far the worst budget situation that I have witnessed in my 46-year career.

I don't have a good way to nickel-and-dime the system anymore. That's what we have done the last three years to cut \$26 million. One of things I think we've done well is shepherd and manage the resources as good stewards for the school system. Now, I have got to look for fairly large blocks of dollars.

I don't want to cut programs and services for students. I don't want to pit remedial programs versus athletics versus gifted programs versus PE (physical education) versus music versus basic education.

I'm not proposing we choose between the orchestra program and middle school athletics.

Rather than cut those programs and services, I can retain those programs for students by a modest increase in class sizes and consolidating schools temporarily.

By increasing the enrollment at our high schools, we don't have to lose programs. In fact, with more students we can offer more options for them in larger schools.

### **School Board Reaction**

School board members generally responded with somber recognition of the severity of the state's budget cuts and the effects the shortfall will have for Tacoma schools.

Board members provided a long list of questions that administrators would need to answer for board members to understand the full impact the reductions would have on the district.

Board members and the Superintendent agreed on the need for an ongoing conversation about the budget options available to the district, and they outlined the needs for a series of meetings regarding the options.