

# The Budget Crisis Facing Tacoma Public Schools

## Background

- 73 cents of every \$1 Tacoma Public Schools receives comes from the state and federal governments.
- Over the last three years, Tacoma Public Schools has lost nearly \$20 million in revenue. Despite the lost revenue during that span, the district added \$21 million to its reserve funds through administrative and operational efficiencies, deferred hiring, leaving positions vacant and reallocating resources.
- Due to natural demographic trends, enrollment in all grades has dropped by 4,000 students since 2001.
- Enrollment in elementary schools has dropped by about 1,600 since 2001, leaving Tacoma's 37 elementary schools with current capacity to handle 3,000 more students.
- Enrollment in middle schools has dropped by about 1,600 since 2001 and is estimated to continue a decline through at least 2016.
- Enrollment in high schools has dropped by about 800 since 2001, is expected to decline by another 800 students by 2016 and is expected to continue declining at least through 2020.

## The Problem

- Due to the recession, the Governor has proposed cuts of \$2.2 billion to K-12 education statewide over the next two years.
- Due to the state's proposed cuts and the loss of federal economic stimulus funding, Tacoma Public Schools faces more than \$25 million in estimated budget cuts over the next three years:
  - \$13.1 million in 2011-2012
  - \$7.51 million in 2012-2013
  - \$6 million in 2013-2014

## The Proposed Approach

The magnitude of the cuts by the state and federal governments outstrips the ability of Tacoma Public Schools to solve the entire budget crisis simply by continuing many of the similar, small cuts the district has made over the last three years.

The Superintendent has proposed consideration of the following, multiple strategies to balance the budget over the next three years:

- Continue the practice of pursuing administrative and operational efficiencies, deferred hiring, leaving positions vacant and reallocating resources.
- Increase class sizes in grades K-5 (Equates to the loss of 20 to 25 teachers)
- Temporary closures of low-enrollment schools:
  - At the high school level, Foss High School (Projected 2011-2012 enrollment: 1,088)
  - At the elementary school level, some of the following elementary schools with enrollment below 300: Franklin, Lyon, Roosevelt, Stanley, McKinley, Wainwright
- Elimination of 75-100 positions throughout the district due to loss of federal stimulus funds

- Drawing down the district's reserve funds by approximately \$10 million each year for the next three years to avoid additional budget cuts