

Emily J. Parks  
Executive Director

Dan Shovak  
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Zachary Abrams  
Director of Student Services

Daniel Mayer  
Director of Professional  
Learning & Leadership

To: TEC Member Districts

From: Emily Parks, Executive Director

Date: March 23, 2026

Re: Q3 updates

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*FY27 Proposed Budget*

At the TEC Board of Directors meeting on March 20, 2026, the Board reviewed and discussed the proposed FY27 budget. The budget proposal had previously been discussed by the Budget Subcommittee, which voted to recommend the budget to the full Board. At its next meeting on May 8, 2026, there will be a vote by the full Board to approve the budget.

As per the TEC Collaborative Agreement, I am providing notice to member districts of the scheduled budget vote. I am also providing a copy of the [FY27 proposed budget document](#) and am happy to address any questions or concerns prior to the Board's vote.

*Q2 Financial Report*

At the February meeting of the TEC Board of Directors, Treasurer Brad Jackson presented the Q2 financial report. Net income through December 31, 2025 was \$1,940,286, which represents an increase of \$1,071,456 from the prior year. This increase is driven largely by enrollment growth, tuition rate increases, the recognition of a settlement payment in October from TECCA, and SDPA program growth. The growth in staffing and operating expenses is consistent with planned increases to support TEC's instructional programs and to support the Student Data Privacy program.

At the end of Q2, TEC is poised to complete FY26 within the approved budget. However, Dr. Jackson reminded the Board that the loss of ongoing sponsorship and sublease revenue from TECCA on the horizon, upcoming salary increases for staff, and anticipated increases in health insurance costs will present a challenging financial picture in upcoming budget cycles. TEC will need to continue to ensure expenses align with enrollments and revenue trends going forward.

*Expanded Career Exploration Opportunities*

TEC Academy - Phoenix recently partnered with Peterson's Trade School to provide hands-on opportunities for students to engage in career exploration. During the initial 5 week program, a cohort of high school students will spend one day per week at Peterson's learning about the electrical trade, plumbing, and HVAC as well as earning their OSHA construction safety certification. This initiative reflects one of TEC's strategic priorities to engage community partners to provide additional learning opportunities for students.