

Emily J. Parks
Executive Director

Dan Shovak
Director of Finance & Operations



Zachary Abrams
Director of Student Services

Daniel Mayer
Director of Professional
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To: TEC Member Districts

From: Emily Parks, Executive Director

Date: June 1, 2026

Re: Q4 Quarterly Update

FY27 Budget

At the TEC Board of Directors meeting on May 8, 2026, the Board approved the FY27 budget as proposed.

Q3 Financial Report

In May, Treasurer Brad Jackson presented the Q3 financial report and stated that TEC is anticipating a successful close to the FY2026 fiscal year. TEC's stable financial position, reporting a net income of \$3,664,984 through the third quarter of FY2026 is driven primarily by tuition rate adjustments, increased student enrollments, growth in the student data privacy program, and the recognition in October of a settlement payment from TECCA. While this settlement significantly bolsters the current year's finances and makes the planned use of \$322,093 from the fund balance for the FY2026 budget unnecessary, it is a non-recurring revenue source; no further payments will be received in FY2026, and the final payment at the start of FY2027 will mark the end of this income.

Consequently, the organization is preparing for future financial shifts. While current total salary expenses remain below budget, the "big picture" necessitates a proactive approach to address upcoming challenges, including rising health insurance premiums (which saw a 19.92% rate increase this year and an anticipated 11.32% increase next year), salary scale adjustments, and the impending loss of the TECCA sponsorship as a revenue source.

FY26 Budget Amendment

The Board approved the FY26 budget amendment. The amended FY26 budget accounts for higher than expected costs, primarily due to enrollment growth necessitating increased spending on staffing, equipment and instructional materials and unforeseen operational costs, such as snow and ice removal, that exceed the original budget. The amended budget also incorporates a significant boost in revenue from student data privacy and receipt of the TECCA settlement. Due to this increased revenue, the amended budget no longer utilizes the fund balance (reserves) that was originally allocated to balance the budget.

TEC Celebrates Teaching

In March, TEC's inaugural *TEC Celebrates Teaching* event brought together educators from across our member districts to celebrate the dedication, creativity, and impact of teachers in our schools. The event was designed to recognize the important work educators do every day while also creating opportunities for colleagues from different districts to connect, share experiences, and build a stronger professional community. By bringing educators together in a spirit of appreciation and collaboration, TEC's member districts reinforced their commitment to supporting teachers, strengthening partnerships among districts, and fostering learning communities that benefit all students.