
Budget Work Session

April 26, 2017



Budget Work Session 4/26/2017 Presented
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***Slides Updated as Marked**

Agenda

1. Review work to date
2. 2018-19 Budget Outlook
3. Legislative Session update
4. Two Tier Transportation update
5. K-5 ELA Adoption
6. Outcome

Outcome for Meeting

- Consensus on K-5 ELA adoption

Review of \$74m Worst Case

		as of Nov 22
Consensus	Total projected deficit	(\$74,200,000)
	Levy amount is not reduced (levy cliff goes away, levy authority stays at current level)	\$0
✓	Change board policy 6022 and use 50% of economic reserve fund	\$11,500,000
✓	Shift bond interest back to Capital	\$1,801,375
✓	Implement indirect policy on all grants and Capital	\$1,000,000
✓	Utilize all unrestricted fund balance amounts	\$5,000,000
✓	2015-16 Year End savings	\$3,365,634
✓	Potential 2016-17 salary savings	\$7,000,000
		\$29,667,009
	Remainder to solve	(\$44,532,991)

Review of \$74m Worst Case

Consensus



Reduced ALE audit recovery amount	\$410,000
Reduce 24 credit enhancements (Balance =	\$6,600,000
Central Office reductions	\$4,000,000
Eliminate District contingency reserve	\$2,000,000
Eliminate Fall enrollment reserve	\$2,000,000
Eliminate funding to reduce school splits	\$1,800,000
Curriculum(K-5 ELA, Middle school math and 17-18 curriculum)	\$11,300,000
WSS Reductions	\$16,631,000

Total \$44,741,000

Add amount of other cuts \$29,667,009

Total of \$74m \$74,408,009

These WSS Cuts are Restored as of March 22nd

WSS Items	Recommendation (with 17-18 costs)	Current proposal
Roll back K-3 class sizes (26:1 Contract)	\$10,797,073	All non high poverty classes to 26 students, high poverty at K-22, 1st -23, 2nd 24
Reduce F/R discretionary funding	\$69,800	Technical adjustment to non-traditional schools
Reduce F/R discretionary funding	\$0	
Grades 9-12 class size back to 30:1 (Max 32 per contract)	\$1,760,144	All classes to 30:1
Revert back to Gr 4-5 class size of 28:1 (28:1 Contract)	\$1,282,776	All non high poverty classes to 28 students, high poverty at 27 students
Reduce elementary school counselors	\$412,648	Eliminate counselors for schools under 60% poverty
Reduce School Office Staff	\$744,599	Reduce school office staff
Reduce school assistant principals	\$1,500,693	Eliminating the additional elementary assistant principal allocations for schools with less than 27 teachers
Eliminate discretionary "core" staffing for all schools	\$1,955,023	Eliminating all discretionary "core" staff (Large Elementary, K-8 & MS)
Reduce nurses (maintain 1:1000)	\$210,900	Reduce high school nurses to .80 FTE per school
Reduce librarians	\$297,550	Reduce librarians for some elementary and K-8 schools from 1.0 FTE to .5 FTE
Reserve for high need school protection from some reductions	(\$2,000,000)	
Reserve for potential class size overage compensation	(\$400,000)	
Total of WSS Items	\$16,631,206	
Net Impact:		
120 teaching positions		
19 Asst. principal positions (9.5 FTE of these are from K-5 class size changes)		
2.5 librarian positions		
2.0 nurse positions		
4.0 counselor positions		
18 other certificated core positions		
12.5 classified positions (office staff)		



WSS – How Much Staff is restored?

Full restoration (178 positions):

- Teachers
- Counselors
- Nurses
- Assistant Principals
- School Office Staff
- Other Cert Core Staff
- Librarians

*Does not include any mitigation staffing, fall enrollment/splits staffing.

Restoration Plan 2.0

\$24.4m from levy cliff bill	\$ 24,400,000
WSS Restoration (consensus on March 22)	\$ (16,600,000)
Amount remaining	\$ 7,800,000

Current Cuts	Amount Cut	Recommendation
Economic Reserve Fund	\$ 11,500,000	--
Equity Funding for High Need Schools	\$ -	\$ 2,800,000
District contingency reserve	\$ 2,000,000	--
Fall enrollment reserve	\$ 2,000,000	--
Funding to reduce school splits	\$ 1,800,000	--
24 Credits	\$ 2,000,000	--
Central Office reductions	\$ 4,000,000	\$ 500,000
K-5 ELA Adoption	\$ 4,800,000	\$ 2,000,000
Middle School Math	\$ 1,800,000	--
2017-18 Funding for curriculum	\$ 5,000,000	--
Title II/STAR, etc.	\$ 1,000,000	\$ 500,000
SMART Goals (EOG/MTSS)	\$ -	\$ 1,500,000
Other Needs (HCC, district goals, IB, PSAT/SAT testing, My Brother's Keeper, etc.)	\$ -	\$ 500,000
Total		\$ 7,800,000
Restoration Plan 3.0 will address use of PPI and other unknown at this time.		

Central Office Reductions

- \$3.5m in total reductions, including
 - 16 FTEs
 - Contracts
 - Goods/services/supplies
- HR/Finance/Operations/Facilities/DoTS - \$2,313,000
- Superintendent/Communications/Strategy and Partnerships - \$631,000
- Learning and Teaching* - \$557,000

Central Office Reductions

- Central Office reductions were 5.3%, now 4.7% with Restoration 2.0 of \$500k.
- Schools are now at 1.5% in reductions (i.e. fall enrollment/splits/other mitigations not restored).

Central Office Reductions – after Restoration 2.0

Central Budget Reductions for 2017-18			
			FTE
1.0 Audit Resolution FTE			1.00
1.0 Contract Specialist			1.00
HR Reorg of business partners			-
1.0 HR Assistant - Compensation			1.00
1.0 PG&E Director			1.00
0.75 Dir of Curriculum Assessment, (0.25 funded on Title I)			0.75
1.0 Communications Spec - Media			1.00
1.0 Health Ed Specialist in Coordinated School Health			1.00
0.5 Admin Asst- Chief of Schools/Ed Directors			0.50
1.0 intervention associate			1.00
1.0 Orca Coordinator			1.00
1.0 At-Risk Tactical Specialists			1.00
1.0 Violence Prevention Specialist			1.00
1.0 Manager of School Security			1.00
Add 1.0 Asst Mgr and update Mgr of Safety and Emerg to Manager of Safety and Security			(1.00)
1.0 technical analyst - Nutrition Services			1.00
1.0 secretary II - Nutrition Services			1.00
add 1.0 business manager - Nutrition Services			(1.00)
Reduce Technical Media Specialist by 0.2			0.20
1.0, Coord, Syst Transform			1.00
Reduce 0.5 Equity and Race Relations Specialist			0.50
1.0 Reduce Coordinator Sch/Family Part (part of reorg)			1.00
1.0 JSCEE cleaning staff			1.00
	TOTAL		15.95

2018-19 Budget

- Initial projections show a deficit of (\$53m)
 - This means staff added/restored could be cut
- Assumptions
 - Levy percentage remains at 36.97% rather than any decrease
 - No change to compensation amounts received by the state other than COLA
 - No increase in costs from bargaining (current contract expires after 2017-18 school year)

Legislative Session Update

- 1st Special Session started on Monday, April 24
- Still expecting final budget at the end of June
- Revenue/tax increase to fund education is still a major hurdle
- Predicting that McCleary is not solved in 2017 session

Legislative Session Update

- Based on preliminary House and Senate budgets we anticipate at least \$6m in additional funding available for Restoration 3.0

Transportation update - 20 minutes additional time engagement results

- Surveying (based upon an anticipated 3 Tier system)
 - Current Tier 1 families (early start schools) wanted to add the 20 minutes at the end of the day.
 - Current Tier 2 and 3 families (late start schools) wanted to add the time to the beginning of the day.
 - We need 50-60 mins. between start times to address bussing and congestion in the city. Splitting the difference (10/10) was the second preferred choice by all stakeholders.
- In November we communicated with families, staff, and partners that 10 minutes would be added to the morning schedule and 10 minutes to the afternoon schedule for the 3 Tier system

Transportation update:

2-Tier vs. 3-Tier School Start Times

	2016-17		2017-18 (3 tier) (10/10) *		2017-18 (2 tier) (20 mins end of day)	
	Start	End	Start	End	Start	End
Tier 1						
Elem	7:55 a.m.	2:05 p.m.	7:45 a.m.	2:15 p.m.	8 a.m.	2:30 p.m.
Secondary		2:25 p.m.		2:35 p.m.		2:50 p.m.
Tier 2						
Elem	8:45 a.m.	2:55 p.m.	8:35 a.m.	3:05 p.m.	9 a.m.	3:30 p.m.
Secondary		3:15 p.m.		3:25 p.m.		3:50 p.m.
Tier 3						
Elem	9:35 a.m.	3:45 p.m.	9:25 a.m.	3:55 p.m.		
Secondary		4:05 p.m.				

Transportation update: Budget and Next Steps

- The draft two-tier schedule was approved as part of January transportation service standards if external funding identified
- 2 Tier estimates were based upon 60 minutes between tiers
- Mayor is proposing one-time \$2.3M allocation to move from 3 to 2 tiers for 2017-18
- **City Support likely still requires:**
 - ✓ Ordinance presented to Levy Oversight Committee
 - ✓ City Council Approval
 - School Board approval

K-5 ELA Adoption

- Materials must be determined by May 1 to enable implementation in 2017-18
- \$2m was part of Restoration 2.0 (out of \$24.4m from levy cliff bill restoration)

K-5 ELA Adoption

Option 1: K-5 Full Adoption	
K-5 Full Implementation, with 16 hrs of PD	\$ 6,183,000
Restoration amount	\$ (2,000,000)
Capital funding	\$ (756,000)
Net amount remaining	\$ 3,427,000
Option 2: K-2 Full Adoption	
K-2 Full Implementation, with 16 hrs of PD	\$ 3,466,000
Restoration amount	\$ (2,000,000)
Capital funding	\$ (435,000)
Net amount remaining	\$ 1,031,000

K-5 ELA Adoption – Staff Recommendation

- Staff recommends full K-5 adoption
- Professional development/training would be split in buildings (no vertical alignment) if K-2 only
- Highly capable schools would need to purchase full K-5 materials

K-5 ELA Adoption – Recap

- First \$3.4m (or lesser amount if not full K-5) of additional funding received from the legislature
- This means it would be prioritized over fall enrollment adjustments/splits/other mitigation requests
- If additional funding is not received, it means our fund balance would be used, if no other funds can be identified to backfill

Outcome

Outcome for Meeting

- Consensus on K-5 ELA adoption?