

Budget Study Session Update

Nov. 7, 2019
Board of Education



Tonight's purpose, and next steps

Nov. 7: Deeper dive into impacts of ideas generated by stakeholder groups, and preview of Nov. 21 recommendations

Nov. 21: Board adopts formal recommendations for budget reductions

Guiding Principles (developed from 2018-19 study sessions):

- Reduce expenditures
- Minimize potential layoffs
- Minimize impact to students
- Review programs



What's at stake: If ongoing reductions are not made

SCOE rejection of budget

Reductions must be ongoing; one-time, short-term solutions alone will not help us in meeting SCOE's directive and will trigger layoffs

“...a budget plan, to be submitted with the First Period Interim Report, addressing the \$5.4 million shortfall in meeting the unrestricted reserve requirements for 2021-2022. The plan must be viable and reverse the deficit spending trend. It should include supporting on-going expenditures from ongoing revenue sources. Any delay in resolving the budget shortfall for 2021-2022 could compromise the options available to the district to maintain fiscal solvency.”



Implications of Qualified or Negative Certification

- Requires additional interim reporting
- SCOE required plan for addressing the fiscal condition of the District
- SCOE may disapprove budget
- Will affect credit ratings for current bonds
- Will affect interest rates for future bonds
 - Increases debt service to taxpayers
 - Decreases bond proceeds
- SCOE can stay or rescind any action that is determined to be inconsistent with the district meet its obligations
- SCOE can appoint a fiscal advisor to perform any or all duties to meet obligations and FCMAT to review policies and practices of hiring



Why is there still a budget deficit?

Our big cost drivers:

- Increased STRS/PERS employer contribution (projected 4.28% for 20/21)
- Cost of step & column (average 2% annually)
- Ongoing operating increases (utilities, insurance) (average 1% annually)
- Increasing special education contribution (10% - 15% annually)
- Increasing transportation contribution (10% - 12% annually)
- Increased workers' compensation (9% for 19/20)

Why state's budget isn't enough:

- District costs are rising faster than state funding
- Increased funding will be based on COLA only moving forward
- 85% of budget is salaries and benefits
- Per pupil funding has increased dramatically but remains below the national average
- California schools have relatively low levels of funding, especially for a state with a high cost of living
- While LCFF addressed many of the issues with the prior funding system, it does not address either special education funding or pension debt
- Preschool-age kids are entitled to services without state funding to cover



Our revised budget projections:

Description	2019/20	2020/21*	2021/22*
Beg Balance, July 1 (estimated)	\$ 28,794,798	\$ 21,103,424	\$ 8,337,846
Revenues/Other Financing Sources	\$ 223,927,119	\$ 230,297,307	\$ 235,537,769
Expenditures/Other Financing Uses	<u>\$ 231,618,493</u>	<u>\$ 243,062,885</u>	<u>\$ 242,513,166</u>
Ending Balance, June 30	\$ 21,103,424	\$ 8,337,846	\$ 1,362,449
Designated for Economic Uncertainties (required 3%)	\$ 7,100,000	\$ 7,200,000	\$ 7,300,000
Legally Restricted	\$ 5,850,703	\$ 3,226,567	\$ 3,541,987
Assigned/Committed	<u>\$ 8,270,157</u>	<u>\$ 1,166,119</u>	<u>\$ 1,166,119</u>
Unassigned/Unappropriated	\$ (117,435)	\$ (3,254,840)	\$ (10,645,657)

*Does not include salary increases for 2020/21 and 2021/22

**Cost of 1% = \$1,595,668 for all groups

2019/2020

*Reductions:

PARS: (\$969,359)

Reduced travel: (\$300,000)

Fund 71 (\$350,000)

Eliminated administrator positions:

- Family and Community Engagement Director
- Assistant Principal
- Child Welfare Coordinator

Collapsed vacant positions:

- Lead Teacher
- Administrative Assistants

Eliminated one-time expenditures:

(\$1,992,246)

Eliminated elementary summer school/Boost:

(\$275,000)

2020/2021

3,500,000.00

Proposed Reductions:

**

PARS:
\$778,409.00

\$778,409.00

- \$3,500,000.00

2021/2022

3,500,000.00

5,500,000.00

Proposed Reductions:

- \$

2022/2023

3,500,000.00

5,500,000.00

9,000,000.00

Proposed Reductions:

Cost of 1%:

- FCEA \$1,016,329
- CSEA \$ 436,387
- FCLA \$ 142,951

* Reductions made in the 2019/2020 school year already accounted for in the following years.

** Reduction identified in 19/20 for 20/21 qualified budget status.

Thoughts & Ideas from Budget Study Sessions

2018-19



Administrative Staff Reductions

Adult Ed Funding/Fee-Based services

Alternative High Schools Consolidation

Budget Guidelines Formula Review

Centralized Services

- Centralize enrollment/attendance; reduce clerks in schools
- Centralize interventions
- Centralize immunizations

Core K-12 Focus

Four Day School/Work Week, Longer Day

- Kids in daycare on 5th day (Student Care)

Furlough Days (all groups)

Grant Writer

In-house Counsel (Special Education, Labor, General)

Kindergarten/Transitional Kindergarten Schedules

Legislation for EPSDT MediCal

Non-rostered Teachers (i.e. intervention teachers)

Parcel Tax

Print Shop

Review of High-Cost Programs

Retiree Benefits Contribution

Secondary School Schedules - 7 period days

- 4x4 Schedule
- IB Program
- 7 period vs 6 period

Special Ed Contribution

- Audit of expenditures
- County Mental Health funding for Special Education
- Use SIG DIS set aside to cover other line items (e.g. Mental Health, GATE)

Textbook Adoptions

- Instructional materials

Travel and Conferences

Vacant Positions Review

Critical budget and staffing timelines

Oct. 24-Nov. 7
Budget Study Session #5
Continued engagement with stakeholders

Dec. 13
SCOE deadline for First Interim Report



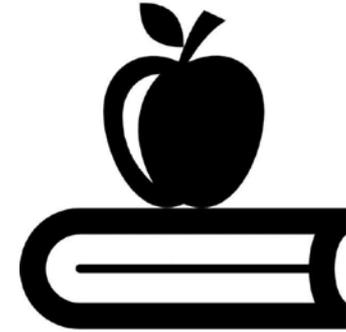
Sept-Oct. 2019
Engagement with bargaining units, management, and Student Advisory Board

Nov. 21
Board of Education approves budget reductions

January 2020
Staffing projections due for 2020-21 school year



Collaborative process with bargaining units:



2018-19 study session dates

Nov. 1-Board Budget Study Session #1

Jan. 17-Board Budget Study Session #2

Feb. 28-Board Budget Study Session #3

April 11 -Board Budget Study Session #4

2019-20 stakeholder meeting dates

Sept. 11 - Principals and Department Heads

Sept. 16- Full Management Team

Oct. 7- Full Management Team



2019-20 stakeholder meeting dates (cont.)

Oct. 8- FCEA Executive Board

Oct. 8- Student Advisory Board

Oct. 9– CSEA Executive Board

Oct. 10– Board meeting – Budget Visioning Update

Oct. 18– CSEA Bargaining Unit

Oct. 21 – FCEA Bargaining Unit

Oct. 22 – FCEA Rep Council

Oct. 24 – Board Budget Study Session #5

Nov. 4-6 – Meetings with Lead Teachers, Folsom Lake High staff

Nov. 7– Board meeting –Discussion/Proposal of budget reductions

Nov. 12– Leadership Team – Full group

Nov. 21 Board meeting–Approve Budget reductions

Dec. 13 SCOE deadline for submitting First Interim Report

Dec. 19– Board meeting – Approve First Interim Budget Report



Feedback: Broad support

List of common high priorities

- *Chromebook replacement from Retiree Benefit Fund Reserve balance - \$1,021,500*
- *Reduce 1% contribution to Retiree Benefit Fund- \$1,379,064*
- *Early Retirement Incentive for Classified & Confidential- \$120,710*
- *Review software programs*
 - *Eliminate Naviance & Safari Montage - \$155,141*
 - *Eliminate iReady (final year of licensing)*
 - *Review iLit (year 3 of 8)*
 - *Review StudySync*
- *Review future textbooks adoptions and supplemental materials*
- *Reduce travel and conference - \$350,000*

*Budget Impacts:
(\$3,026,415)*



Feedback: No support

Common themes: Avoid reductions in these areas

- *Custodial services*
- *Department chairs - \$104,285*
- *Intervention teachers (Rancho Title I sites, SIG grant funded) - \$1,530,087*
- *Parent Coordinators - \$252,961*
- *CHS Partnership Academy match - \$334,977*
- *Software - Apex, Edgenuity and Illuminate - \$231,796*

*Budget Impacts:
(\$2,454,106)*



Feedback: Mixed support (2020/21)

List of Common themes with mixed support for 2020/21:

- *Consolidation of Alt Ed: Closure of Folsom Lake High School; redirection to other Alt Ed options - \$500,000*
- *Reducing site/department carryovers - \$1,400,000*
- *Special Friends (PIP Program)- \$257,264*
- *ESC Administrator/Director reduction - \$149,000*
- *ESC Classified reduction - \$100,000*
- *GATE stipend/conferences - \$19,492*
- *Standardize Kindergarten schedules to AM/PM - \$350,000*
- *Lead Teachers - \$500,000*
- *National Board Certified Teachers (NBCT) stipends/renewals - \$50,154*
- *PLTW- lab replacements/consumables/licensing - \$379,300*
- *Prep periods at Mills - \$386,390*
- *Prep periods at Mitchell - \$442,403*
- *Site technology coordinator stipends - \$112,837*
- *Summer School (Secondary)- \$200,000*
- *Transportation (staggered start times)*

***Budget Impacts:
(\$4,846,840)***



Feedback: Mixed support (2021/22)

List of Common themes with mixed support for 2021/22

- *Elementary Prep reduction - \$1,000,000*
- *IB Coordinators/operating/licensing - \$462,211*
- *Prep periods at CHS- \$1,048,000*
- *Prep periods at VDL - \$776,000*
- *Print Shop - \$494,877*

*Budget Impacts
(\$3,781,088)*



Staffing Reductions at Education Services Center (ESC)

Factors being considered	What we sacrifice	What we gain
<p>Began eliminating vacant administrator and ESC positions in 2018/19, including:</p> <ul style="list-style-type: none">• Family and Community Engagement Director (\$135,842)• Child Welfare Coordinator (\$136,660)• Lead Teacher (\$108,262)• Administrative Assistants (\$161,580) <p>Continuous evaluation of opportunities for restructuring operations to support evolving school/District needs</p> <p>Reduction of administrator and classified position at ESC</p>	<p>Decreased support for sites</p> <p>Manageable workload</p> <p>Reductions: 1 Director (\$149,000), 2 Classified (\$100,000)</p>	<p>Ongoing savings of approximately \$250,000 - in addition to previous reductions</p>



Restructure Lead Teachers

Factors being considered	What we sacrifice	What we gain
<p>Currently 7 Lead Teachers</p> <p>ELA and Math adoption complete</p> <p>Opportunity to shift from content area focus to Curriculum and Instruction K-12 Specialists</p> <p>Currently 40 PLC Implementation Coaches across 20 sites</p>	<p>Targeted professional development, over 22,000 hours provided since 2015</p> <p>Continued support for GVC at the level currently staffed</p> <p>Support of PLC implementation designated at each site</p>	<p>Restructuring to 4 K-12 Curriculum and Instruction Specialists, including PLC implementation</p> <p>K-12 Curriculum and Instruction Specialists would have specialty training to support varied needs at sites</p> <p>Opportunity for site-based leadership and collaboration</p> <p>Ongoing savings of \$500,000</p>



Consolidation of Alt Ed: Closure of Folsom Lake High School redirection to other Alt Ed options

Factors being considered	What we sacrifice	What we gain
<p>55 students enrolled; 24 graduating in 2020</p> <p>Approx. cost per student: \$18,218</p> <p>Student-teacher ratio: 13:1</p> <p>Multiple Alt Ed options exist for students in District</p> <p>ILS program could relocate to Walnutwood</p> <p><i>*CSEA Article 8 and FCEA Article 11 Voluntary/ involuntary transfer language & Possible surplus/layoff language</i></p>	<p>Additional option for students who require an alternative learning environment</p> <p>Potential loss of some students to out-of-District programs</p> <p>11 employees will be impacted, with potential to absorb possible FTE reductions through attrition</p>	<p>Ongoing savings of \$500,000</p> <p>Opportunity to obtain credits through a hybridized Independent Study Model</p> <p>Classes offered online, with face-to-face teacher assistance; lab support two days per week</p> <p>Opportunity to enroll in electives at FHS</p> <p>Opportunity to access mental health support services</p> <p>Opportunity to participate in CTE pathways</p> <p>Credit recovery options for students currently enrolled at FHS</p>



Prep periods at Mills and Mitchell Middle

Factors being considered	What we sacrifice	What we gain
<p>7-period schedule vs. 6-period schedule</p> <p>Cost of two prep periods per teacher</p> <p>Inconsistent and inequitable amount of instructional minutes per period between middle school sites</p>	<p>Unique schedule option for students</p> <p>Surplus of teachers: 5.2 Mitchell; 4.5 Mills</p> <p>Three schedule changes in three years for Mills Middle School</p> <p>Uncertain impact on IB/MYP “whole school” designation</p>	<p>Ongoing savings of \$828,793</p> <p>Fewer student transitions in a 6-period day</p> <p>Opportunity to create consistent “learning time” across the District</p> <p>Opportunity to allocate funding -per-student based on standardized funding formula</p>

**FCEA voluntary/involuntary transfer language & Possible surplus/layoff language*



Standardize Kindergarten Schedules to AM/PM

Factors being considered	What we sacrifice	What we gain
<p>Physical Education minutes are not mandated for kindergarten</p> <p>Currently 6 schools utilize the AM/PM schedule</p> <p>The current slip sessions, utilized by 9 sites, mirror the same minutes as the AM/PM models</p> <p>7 sites utilize the Extended Day schedule</p> <p>Teachers in an AM/PM model have the ability to take their prep during their non student-rostered time</p>	<p>School site's ability to choose the kindergarten schedule that works best for their site</p> <p>Physical Education being taught to kindergarten students by a specialist</p> <p>Extended time for students enrolled in the Extended Day schedules</p>	<p>The alignment of kinder schedules across the district</p> <p>A savings in 3.5 FTE in the form of PE specialists</p> <p>Gained facilities space for future programs or growth</p>



Restructure Funding of Special Friends/PIP

Factors being considered	What we sacrifice	What we gain
<p>Possible increase in site contribution. On average, nearly 60% is paid from District funds, and the remaining 40% is from Title I, First Five and school site budgets.</p> <p>When program was implemented we did not have other programs available to address social emotional needs.</p> <p>In recent years added:</p> <ul style="list-style-type: none"> a) PBIS b) Second Step Curriculum c) SEL Guiding Principles d) Mental Health Specialists and Social Workers <p>Special Friends is a pullout Program</p> <p>Duplication of services as Second Step curriculum is delivered in the classroom and in Special Friends</p>	<p>Special Friends is a long standing program that has been historically successful</p> <p>1:1 Support for students at risk for school adjustment</p> <p>Possible Staff Reduction (depending on school site participation) including 4.2 Classified Staff Range 13 and .2 School Psychologist</p>	<p>Opportunity for students to access other interventions offered through Multi-Tiered System of supports:</p> <ul style="list-style-type: none"> a) PBIS b) Second Step Curriculum with classroom peers c) SEL Guiding Principles <p>Supports provided in classroom.</p> <p>Mental Health Specialist and Social Worker supports increased</p>



Restructure Summer School at Comprehensive High School Sites (does not include ESY)

Factors being considered	What we sacrifice	What we gain
<p>More effective and rigorous credit recovery models exist that better serve students' learning needs than current four-week, half-day structure</p> <p>Online credit recovery options at CHS and FHS using Edgenuity and/or APEX</p> <p>Added expense with no revenue received from ADA</p>	<p>Traditional model</p> <p>Short-term solution for learning gaps</p>	<p>Increased focus on school-year-embedded interventions</p> <p>Increased rigor and instruction targeted to individual student needs</p> <p>Flexible options for students depending on academic needs</p> <p>Ongoing savings of approx. \$200,000</p> <p>More localized control</p> <p>Reduce the need for additional administrator for summer school</p>



Early Retirement Incentive (Classified & Confidential)

Factors being considered	What we sacrifice	What we gain
<p>FCEA Incentive was offered last year for current 19/20 school year</p> <p>An early retirement incentive could be a way to reduce positions across the District and eliminate layoffs by not backfilling vacancies</p>	<p>FTE reduction in classified and confidential to be determined</p>	<p>Savings of \$120,710 over 5 years</p> <p>Reduction in positions and minimizing the potential for layoffs</p> <p>Provide an incentive to long term staff</p>



Next Steps by Nov. 21

- Board provides feedback on information shared tonight
- District staff continues to dialogue with impacted staff, families, and students
- Board approves \$5.5 million in ongoing reductions



Questions from Board & Audience

