



LWSD Budget Reduction Update
2009-2010

May 4, 2009

Heartfelt Thanks!!

- ▶ DART Team
- ▶ Budget Office – Barbara, Lynne
- ▶ Communications Office – Kathryn and Team
- ▶ HR Team – Pat, Darryl and Team
- ▶ Tech – Randall and Carmen
- ▶ Programs – Forrest and Team, Paul and Team, Cindy, Brad
- ▶ Cabinet - Janene, Traci, Dan, Kathryn, John



The State Funding Picture

- ▶ Schools are funded by
 - ▶ Per Pupil allocation funded by Sales Tax and Property Taxes
 - ▶ Local School Revenue funded by Property Taxes (24.89% cap)
 - ▶ Grants
 - ▶ Federal Programs
 - ▶ Fees
- ▶ K-12 Currently receives 41% of the state budget
- ▶ Primary Budget issue – Plummeting Sales Tax Revenue
- ▶ Secondary Issue – Inadequate definition of Basic Education and associated funding



LWSD Funding

- ▶ Same per pupil funding as other districts BUT
- ▶ Less in categorical (restricted) money
- ▶ Less in Local Levy money (24.89% cap)
- ▶ Less in salary allocations
- ▶ Less in Federal money
- ▶ **Ranked 263 of 295 districts in total per pupil revenue**



The Importance of I-728 and I-732

- ▶ Vote of the people in 2000
- ▶ 72% approval rating statewide
- ▶ Class size, professional development, early learning, safety net
- ▶ Cost of living adjustments (COLA)
- ▶ Legislative direction, but NOT part of basic education
- ▶ There is no legislative obligation/requirement to fund
- ▶ **As a result, bulk of K-12 cuts are in I-728 and I-732**



Other Important Facts

- ▶ Local Levy Funds (M&O) – limited by statute (24.89%)
- ▶ Capital/Technology Funds – can only be used for capital/technology by statute
- ▶ Building Modernization Funds – can only be used for modernizing building by statute
- ▶ Salaries are not regionally adjusted by the state, and must be done locally when possible



The State Budget Picture

- ▶ Projected \$9 Billion Deficit
 - ▶ Approximately \$2 Billion in unfunded planned expenditures (COLA, new programs)
 - ▶ Approximately \$3 Billion in federal stimulus (expires Summer 2011)
 - ▶ Total reduction - \$4 Billion
- ▶ **K-12 Reduction including Stimulus is \$800 Million or 5.9% of the total K-12 budget**
 - ▶ Problem – 85% of our costs are in people



LWSD Revenue Loss (Cuts)

- ▶ \$7,422,000 – I-728 Student Achievement Year 1
- ▶ \$722,000 – Additional I-728 Reductions (Year 2)
- ▶ \$200,000 – Transportation
- ▶ \$442,000 – One teacher LID day
- ▶ \$463,000 – Math and science/TAP Prof. Dev. Grants
- ▶ \$ 70,000 – Misc Grants
- ▶ (\$384,000) – Savings (pension/health changes)
- ▶ ***\$8,935,000 Total State Cuts**

* Federal Stimulus stabilization fund built in



New Revenue

- ▶ *\$1,000,000 – Federal stimulus IDEA offset
 - ▶ Ability to use offset will be determined by OSPI
- ▶ *\$1,300,000 – Federal stimulus IDEA - Special Education
 - ▶ New expenditures only (restricted)
- ▶ *\$500,000 – Federal stimulus Title I
 - ▶ Restricted to Title I eligible expenditures

* Federal Stimulus dollars end in two years (2011)



Total Budget Targets

\$ 8,936,000 Total state cuts

\$ 1,000,000 Federal stimulus IDEA offset

\$ 7,936,000 Net cut required



Budgeting Process

- ▶ Community and staff survey – Budget priorities
 - ▶ 1100 staff, 2000 parents and community
- ▶ Possible cuts generated by staff
- ▶ Restore state cut strategy developed with specific cut alternatives
- ▶ Seven meetings for staff and public plus virtual meeting
 - ▶ 1500 input forms submitted total



Budgeting Process, continued

- ▶ Decision Advisory Representative Team (superintendent's advisory) develops recommendations for superintendent consideration
- ▶ Superintendent develops recommendations for board consideration (using all input including board)
- ▶ Board hearing (June) and approval (August)



Restore Cut Strategy

▶ State Cuts

▶ Initiative 728 reduction

- ▶ K-1 Class Size
- ▶ Safety Net
- ▶ Professional Development
- ▶ Preschool

▶ Program Reductions from State Cuts

- ▶ Teacher LID Day (salary reduction, one less day for Prof. Development)
- ▶ New Teacher Institute (TAP fund)
- ▶ Career and Technical Education Equipment Replacement

▶ Strategy – to restore any of the State Cuts, other cuts must be identified



LWSD 2009-2010 Budget Strategy

▶ **Budgeting commitments**

- ▶ Budget by priority
- ▶ Fiscally responsible – 5% fund balance, projected revenues and losses, ongoing vs. one time expenditures
- ▶ Investments must support core Mission/Vision
- ▶ Seek efficiencies whenever possible
- ▶ Cuts should not favor or disadvantage particular populations whenever possible
- ▶ All input will be considered

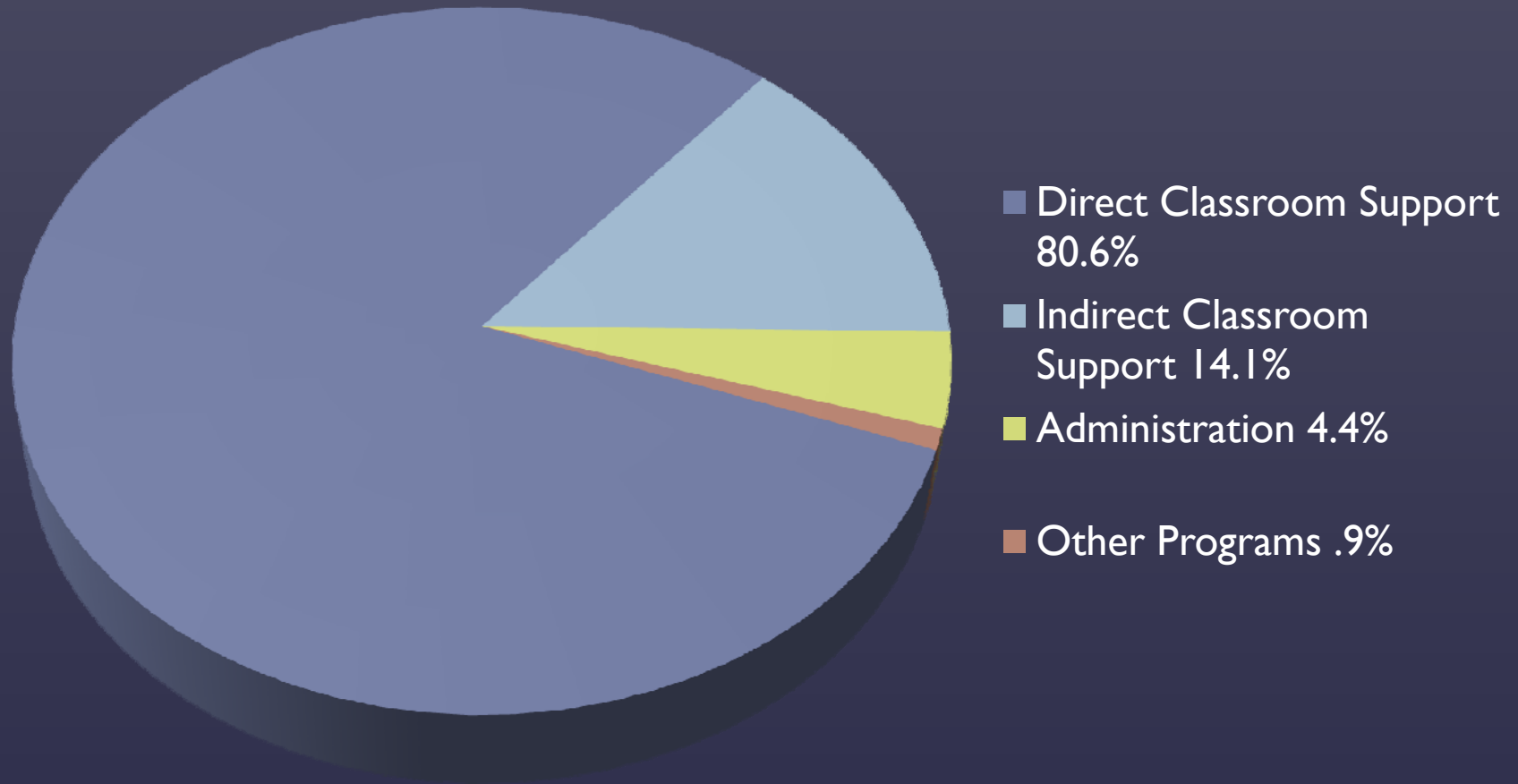


Other Budget Considerations

- ▶ Administration should receive proportional cuts
- ▶ Determine what how to “cut to the bone” but not “cut through the bone”
- ▶ Consider the “cost” of layoffs based upon the investment in LWSD employees
- ▶ How can we rethink how we do things?



Where Does the Money Go?



Community/Staff Budget Input

▶ Areas to protect

- ▶ Class size, especially in lower grades
- ▶ Keep good teachers and investments in high quality staff
- ▶ Provide support for struggling students
- ▶ Protect time for teacher planning and collaboration
- ▶ Keep student learning as the top priority



Community/Staff Input

- ▶ **Areas to cut or charge to balance the budget**
 - ▶ Transportation
 - ▶ Extracurricular activities
 - ▶ Athletics
 - ▶ Administration staff and budgets
 - ▶ Fees where possible to avoid cuts
 - ▶ Building support other than teaching
 - ▶ Professional Development
 - ▶ Community Programs



General Strategy

- ▶ Protect learning -- class size, safety net, early learning
- ▶ Minimize programmatic impacts when possible
- ▶ Generate revenue when possible
- ▶ Understand service level impacts as a result of cuts
- ▶ Consistent with the intent of the stimulus package, protect jobs when possible



Preliminary Budget Highlights

- ▶ **No** Class Size Impacts
- ▶ **No** Teacher Lay-offs
 - ▶ Continuing Contracts – No RIF's
 - ▶ Non Continuing Contracts – Handled according to normal staffing processes based upon enrollment, leaves, retirements
- ▶ **Safety Net** restored
- ▶ **Preschool** restored
- ▶ **LID Day** restored
- ▶ Severe reductions in administration, support services, some programs, and building support



Stimulus IDEA/Title Funds

- ▶ \$ 875,000 - Restore preschool program to current level
 - ▶ Preschool team is charged with redesigning preschool program by 2011, when stimulus money is gone
- ▶ \$ 445,000 - Restore lost LID day for all teachers
 - ▶ Provide one day of training on Special Education for all teachers
- ▶ \$ 1,320,000 - Total use of federal stimulus funds in lieu of cuts to existing programs



Program Changes

▶ Revenue Increases

- ▶ \$700,000 All Day Kindergarten fee increase (\$330/month)
- ▶ \$ 45,000 Fee for Pull-out Quest Transportation (\$175/year)
- ▶ \$ 50,000 Additional procurement card revenue

▶ Funding Changes

- ▶ \$205,000 Summer Lit. Transfer to I-728 Carryover
- ▶ \$150,000 JHS Pool Contracted Out
 - ▶ If contract is not successfully negotiated, the pool will close

\$1,150,000 - Total revenue & program funding changes



Program Impacts/Opportunities

- ▶ **Financial impacts for families**, possible access issues for All-Day Kindergarten and Pull-out Quest
- ▶ **Summer literacy camp** will need funding after 2011
- ▶ **Juanita Pool**
 - ▶ Closed if no agreement reached that eliminates general fund impact
 - ▶ Capital improvements need to be addressed
 - ▶ Long-term plan for the aquatic needs of the community will be required, with multiple partners and commitments necessary
- ▶ **All-day LEAP time for teachers** will be more restricted; classroom strategies will be developed that support students with special needs
- ▶ Leadership will be charged with a design for long term so more students are adequately challenged in their school



Administrative Services Reductions

- ▶ **\$1,086,850 10.3 FTE Central office reduction**
 - ▶ 4 Administrators - Staff Develop., Safety Net, CTE, Student Serv. (2010)
 - ▶ 2 Professional Technical – Staff Development, Technology
 - ▶ 4.3 FTE Professional Development Staff
 - ▶ \$ 137,000 5% operating budget reduction across depts.
 - ▶ \$ 20,000 Wall calendar
 - ▶ \$ 150,000 Tech division staff reorganization
 - ▶ \$ 45,000 Professional development operating budget
 - ▶ \$ 100,000 Textbooks
 - ▶ \$ 63,000 CTE equipment allocation
 - ▶ \$ 463,000 Math & science/TAP Grant prof. development
 - ▶ **\$2,064,850 Total administrative & prof. dev. reductions**
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Administrative Reduction Impacts/Opportunities

- ▶ **Central office responsiveness and ability to support schools will be limited.**
- ▶ Community and school satisfaction levels may drop
- ▶ Substantial workload increases for administrators and staff
- ▶ Intellectual capital and experience loss
- ▶ Communication will be more challenging (calendar)



Administrative Reduction Impacts/Opportunities

- ▶ **Reduced professional development**
 - ▶ Reduced content expertise/development
 - ▶ Greater reliance on building leadership
- ▶ **Rethinking of how PD is delivered (PD 360)**
 - ▶ Moving towards a systemic coaching methodology
- ▶ **Greater reliance on technology levy**
- ▶ **Tighter coordination of activities and responsibilities**
- ▶ **Organizational efficiencies**
- ▶ **Focuses the organization on the most important priorities**



Support Services Reductions

- ▶ \$250,000 Custodial reorganization
- ▶ \$160,000 Transportation services/route changes
- ▶ \$200,000 Net from energy conservation measures
 - ▶ (Utility increases - \$250,000, total conservation savings - \$450,000)
- ▶ **\$610,000 Total Support Services Reductions**



Support Services Reduction Impacts/Opportunities

▶ **Transportation**

- ▶ Review all transportation inside of 1 mile
- ▶ Move stops outside 1 mile where safe
- ▶ Less frequent stops, more walking (like Metro)
- ▶ Possible bell time adjustments

▶ **Custodial**

- ▶ Change in control over custodial work assignments
- ▶ Fewer temporary vacancies filled with substitutes, more reassignments to cover absences
- ▶ Eliminate district-wide rover positions
- ▶ Custodial budget centralized, products standardized, less school autonomy on supplies



Support Services Reduction Impacts/Opportunities

▶ Energy

- ▶ Refocus capital funds to put energy savings first
- ▶ New behavior changes include lighting and energy sweeps, forced shutdowns on breaks/weekends, energy fees for use on breaks/weekends
- ▶ Consider small appliance policy and/or fees

▶ Maintenance

- ▶ Examine vacant positions and not fill when possible
 - ▶ Consider new work management systems to increase efficiencies
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Building Reductions

- ▶ \$122,000 5% Building budget allocations
 - ▶ \$285,750 Building I-728 prof. dev. 75% reduction
 - ▶ \$235,000 Teacher leader stipends
 - ▶ \$615,000 Eliminate secondary advisory
 - ▶ \$158,000 High school graduation support
 - ▶ \$ 80,000 High school TOSA support
 - ▶ \$200,000 Secretarial/IA staffing adjusted to enrollment (including Choice Schools)
 - ▶ \$130,000 1.5 FTE Large elementary vice principals
- \$1,825,750 Total Building Reductions**
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Building Reduction Impacts/Opportunities

- ▶ Pressure on already constrained resource base for building materials and supplies
- ▶ Greater reliance on donations and PTSA funding for enrichment activities and supplies
- ▶ Reduced professional development/meeting support in schools
- ▶ Culminating project and advisory activities will need to be built into regular classes or a senior seminar class



Building Reduction Impacts/Opportunities

- ▶ Schools will need to reinvent personalization strategies
- ▶ Teacher leader work will be reassigned and reassessed.
- ▶ Loss of income for some staff
- ▶ Some buildings will receive losses in secretarial/IA time



Activities / Athletics

- ▶ \$ 57,000 Reduce 1 optional stipend at elementary
 - ▶ Currently 2 stipends total or 3 if over 550 FTE
 - ▶ \$ 62,610 Reduce 4 optional stipends at junior high
 - ▶ Currently 19 total stipends
 - ▶ \$ 20,870 Reduce 2 optional stipends at senior high
 - ▶ Currently 29 total stipends
 - ▶ \$650,000 Athletic participation fee increase
(HS \$275/sport, JHS \$105/sport)
- \$790,480 Total Activity/Athletic**



Activities/Athletics Impacts/Opportunities

- ▶ Financial impacts for families resulting in possible access issues for athletics/activities
- ▶ Increased booster/PTSA/Foundation requests for financial assistance
- ▶ Possible reduced participation
- ▶ Loss of income for some staff



Summary of Reductions

- ▶ \$1,320,000 - Use of IDEA/Title I stimulus funds
- ▶ \$1,150,000 - Revenue increases and program changes
- ▶ \$2,064,850 - Administration & prof. develop.
- ▶ \$ 610,000 - Support services
- ▶ \$1,825,750 - Building reductions
- ▶ \$ 790,480 - Activities/athletics
- ▶ **\$7,761,080** **Total Budget Savings**



Summary of Reductions

- ▶ \$5.2 million (3.0%) - Direct classroom support
- ▶ \$1.3 million (4.2%) - Indirect classroom support
- ▶ \$1.1 million (11.6%) - Administration
- ▶ \$150,000 (7.2%) - Community services
- ▶ **Total \$7.7 million (3.6%)**



Other Budget Considerations

- ▶ Levy reduction 2010
- ▶ IDEA supplant restrictions
 - ▶ General fund
- ▶ Adoption implementation
- ▶ Vision 2020
 - ▶ I-728 Carryover
- ▶ COLA 2011
- ▶ IDEA and Stimulus Fund confusion
- ▶ The big question – what happens in 2011?



Budget Highlights Revisited

- ▶ **No** class size impacts
- ▶ **No** teacher lay-offs
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Mission/Vision Revisited

- ▶ **Mission:**
- ▶ Each student will graduate prepared to lead a rewarding, responsible life as a contributing member of our community and greater society.
- ▶ **Vision:**
- ▶ Every Student Future Ready
 - ▶ Prepared for College
 - ▶ Prepared for the Global Workplace
 - ▶ Prepared for Personal Success

