
Budget Work Session

March 29, 2017



Budget Work Session 3/29/2017
Presented by JoLynn Berge

Agenda

1. Review \$74m worst case plan
2. Review WSS restoration
3. Overview of staff recommendation for remaining funds
4. Outcome

Outcome for Meeting

- Consensus on remaining \$7.8m of the \$24.4m currently available for restoration

2017-18 SEATTLE PUBLIC SCHOOLS BUDGET SHORTFALL



The state's paramount duty is to fully fund education



The state's failure has resulted in a \$74M budget shortfall for school year 2017-18

\$41M in compensation + **\$30M** in reduced levy authority + **\$3M** in SPS increased expenses
= \$74M budget shortfall

\$41M of the projected budget shortfall is related to salaries and compensation.

SPS pays for 1/3 of all educators' compensation, a state responsibility.



● Seattle Public Schools ● State of Washington

\$30M is because the state has reduced how much we can collect from already approved levies.



This is known as the "Levy Cliff." **The "Levy Cliff" will happen unless state takes action by April 2017.**



\$3M is to support the opening of new schools and transportation.

What is the equivalent of \$74 Million Dollars?



All central office supports
(e.g., payroll, transportation,
curriculum, communications)



3 staff per school



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\$30m for levy??

- \$24.4m was restored in the levy cliff bill. The remaining \$6m (to total the \$30m for levy) is per pupil inflator. The state budget will determine whether this part is restored or not.

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	
Revert back to 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)		
178		



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.

Guiding Questions/Framework for Restoration

1. Are people more essential than other non-staff items in eliminating opportunity gaps?
2. How can we continue our goal to address opportunity gaps?
3. Should we identify schools that need the most help/funding?
4. How do we ensure “bang for the buck” with fewer resources?

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.		

Rationale

- Equity Funding for High Needs Schools
 - \$2,800,000
 - These funds provide additional staffing based upon equity and supports to our highest needs

Rationale

- Central Office Reductions
 - \$500,000
 - Central office supports school operations. These funds will allow some staffing reductions to be restored in operations and supports provided to schools. This reduces the central office reduction of 5.3% to about 4.7%

Rationale

- K-5 ELA Adoptions
 - \$2,000,000
 - K-5 ELA adoption is one of the Board's top priorities and supports equity needs. These dollars, along with capital dollars and PPI would be used to implement this adoption. A partial implementation in grades K-3 would cost \$3.2m.

Rationale

- Title II/STAR mentors
 - \$500,000
 - STAR mentors provide support to our new teachers. Our highest need schools generally have the most new teachers. For this reason, we must ensure that our newest teachers are well supported towards meeting the needs of our students.

Rationale

- SMART Goals (EOG/MTSS)
 - \$1,500,000
 - Our SMART Goals center around School District-wide implementation of the key components of Multitier System of Supports (MTSS) and Eliminating Opportunity Gaps (EOG) strategies.

Rationale

- Other Needs (HCC, district goals, IB, PSAT/SAT testing, My Brother's Keeper, etc.)
 - \$500,000
 - There are numerous other funding needs to be addressed within the limitations of the budget. A prioritization process with clear criteria will be used for Restoration 3.0. Beyond the revenue we know today, the Per Pupil Inflation will add to current levy cliff restoration.

Rationale – Items not Recommended

- Economic Reserve Fund - While restoring the fund this year adds resources for future years, current revenue shortfalls favor doing our best to support student learning needs while expected the legislature to fully fund education this session
- District contingency reserve - Included as part of the \$2.8m for Equity High Needs Schools
- Fall enrollment reserve - Hiring as many teachers now proves higher assurance that classes will be staffed in the fall
- Funding to reduce school splits - WSS restoration will lessen cost of splits
- 24 Credits - We have budgeted \$500K for 17-18; full implementation delayed to 18-19
- Middle School Math – Considered later if additional funds are restored
- 2017-18 Funding for curriculum – Considered later if additional funds are restored

Other Items to Consider

- Title I is estimated to be cut by \$500k
- Title II is estimated to be cut by \$1m
- IDEA may be cut, should know more in early May
- Other legislative changes
- 2018-19 could be worse than 2017-18

Outcomes

Outcome for Meeting

- Consensus on remaining \$7.8m out of the \$24.4m?