
Budget Work Session

February 8, 2017



Agenda

1. Review outcomes
2. Review timeline
3. Overview of House and Senate Education plans
4. Overview of \$2 million
5. Restoration plan
6. Outcomes for meeting

Outcome for Meeting

- Framework for \$2 million
- Framework for Restoration Plan

Timeline



FY 2017-18 Current Budget Development Calendar

- **January 23 thru 31st** – Central Budget Development Staffing process
- **February 9th & 14th** – Principal Budget Development Training
- **February 28** - Budget Allocations to Schools
- **March 6 thru 28th** – School Budget Development Staffing process
- **April 15** – Reduction in Force (if needed) work begins
- **July 3- 12** – Legislative Budget analysis and restoration of resources based on prioritized list
- **June 28 to July 26** – Board Action Report and Budget Resolution
- **June 28 to August 1** - Required Public Hearing
- **July 5 to August 2** - Board Action to adopt school year 2017-18 budget

House and Senate Education Plans – HB 1843 and SB 5607

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Seattle Public Schools 2018-19 vs 2017-18 Revenue Estimates

No Levy Cliff With Levy Cliff Governor House D Plan HB1843 Senate R Plan SB5607

	No Levy Cliff	With Levy Cliff	Governor	House D Plan HB1843	Senate R Plan SB5607
State	\$10,534,778	\$10,534,778	\$89,229,749	\$65,811,845	(\$179,924,920)
Levy or Local Effort Levy	\$0	(\$20,766,451)	(\$65,643,210)	(\$28,687,898)	\$136,168,149
Total	\$10,534,778	(\$10,231,673)	\$23,586,539	\$37,123,948	(\$43,756,771)
Per Pupil	\$200	(\$195)	\$449	\$706	(\$832)

Estimates exclude potential expenditure impacts from compensation increases.

No increase shown for levy base increase.



52,578

2016-17 adopted K-12 enrollment

House and Senate Education Plans – HB 1843 and SB 5607

See attached table

Overview of \$2 million

Overview of \$2 million

- Purpose was to provide some relief from worst case scenario cuts to a limited number of schools

Overview of \$2 million

- Analysis currently underway, factors include:
 - Equity Tiering
 - Total percentage of reductions before current year mitigations (i.e. from just the WSS cuts)
 - Total percentage of reductions after current year mitigations
 - Title I, LAP, FEL and other grant funding available
 - Carryover analysis from last 3 years

Overview of \$2 million

- Framework will be the five data points, not necessarily weighted equally.
- \$2 million in worst case budget “relief” will be part of the February 28th allocations.

Restoration Plan



Restoration Values

SPS Strategic Plan

- First and foremost: Equity lens
- Students come first: Educational Excellence and Equity for Every Student
- Safe and Orderly Learning Environment
- Effective Organizational systems

Restoration Plan - Areas to be considered for Restoration (total of \$55.7m)

- WSS cuts
- K-5 ELA adoption
- Central Office cuts
- Economic Reserve fund
- 24 credit enhancements
- Fall enrollment reserve
- District contingency reserve
- Funding to reduce school splits
- Middle School math
- \$5m for curriculum adoption in 2017-18, as yet undesignated

Restoration Plan - Framework

- Should all of the WSS funding be restored first?
 - Mitigation funding?
 - K-5 ELA adoption?
 - Central Office?
- Should some areas be brought back phased in?
- Should some areas be eliminated or reduced?

Outcomes



Outcome for Meeting

- Framework for \$2 million
- Framework for Restoration Plan

Comparison of 2017 K-12 Education Funding Proposals

February 6, 2017

	House Bill 1843	Senate Bill 5607
Prototypical School Funding Model	Continues current prototypical school funding model. Beginning in 2019-20 and phased in over two years, increases allocations for elementary school parent involvement coordinators by 1.0 FTE, and increases allocations for middle and high school guidance counselors by 1.0 FTE each. Beginning with SY 2019-20, and phased in over two years, CTE class sizes are reduced to 19 students and Skills class sizes are reduced to 16 students.	Eliminates the prototypical school model and replaces it with a new basic per pupil guarantee allocation of \$10,000 per pupil. An additional funding adjustment is made so that the minimum allocation from the state that is in addition to the new state Local Effort Levy is at least 40% each year or \$4,000 in 2018-19. The basic per pupil guarantee will exceed \$10,000 if the state Local Effort Levy per pupil is greater than 60% of the guaranteed allocation, not including the categorical program funding described below. The \$10,000 basic per pupil guarantee replaces general apportionment, pupil transportation including bus depreciation, local levies, and LEA.
Categorical Programs	Beginning with SY 2019-20, and phased in over two years: Learning Assistance instructional hours are increased to 3.4 hours. Highly Capable instructional hours are increased to 3.2 hours Bilingual instructional hours are increased to 6.778 hours for middle and high school.	Transportation is eliminated as a categorical program and included in the new basic per pupil guarantee. New per pupil allocations replace existing program allocations, as follows: Special Education: \$7,500/pupil Bilingual Instruction: \$1,000/pupil Highly Capable: \$1,000/pupil Learning Assistance: \$2,000 - \$5,000 per pupil depending on poverty level. Free and Reduced Price Lunch poverty measurement replaced with Census Bureau poverty estimate Homeless Student: \$1,500/unsheltered homeless student CTE & Skills: \$500/pupil
Compensation	Specifies minimum statewide average salary allocations for each of the three staff types. Maintains I-732 and makes the cost of living adjustment part of the program of basic education. Specifies a phase-in schedule for implementing the new salary allocations. Eliminates the current salary allocation grid for CIS and replaces it with a statewide average CIS allocation of \$70,824 adjusted by Seattle CPI in SY 2018-19. Beginning	Beginning in the 2018-19 school year, the salary allocation schedule for CIS is eliminated and a minimum salary of \$45,000 for beginning CIS is required. Additional pay based on an advanced degree is prohibited unless the degree is in the subject area taught by the staff person.

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	<p>with the 2019-20 school year, sets minimum pay for beginning CIS and early career CIS. Districts must pay minimum of \$45,500 for first year CIS and \$50,500 for a CIS with three years' experience. Minimum pay values are also adjusted by Seattle CPI each year after 2019-20.</p> <p>Specifies statewide average salary allocation for CAS and CLS, and includes the values as part of the state's program of basic education.</p> <p>Note - values specified for each of the three staff types include the 4 days of professional learning required by the bill (see below).</p> <p>Requires rebasing to market rate every 6 years.</p>	<p>District expenditures on compensation (salaries plus benefits) is limited to 80% of total general operating expenditures. This 80% limitation excludes the housing allowance and the teacher recruitment and retention bonus.</p> <p>State funding for the national board bonus is eliminated, but districts are permitted to pay the bonus as part of the locally designed compensation plan. Payment of the bonus is outside the state's program of basic education.</p> <p>Permits state-funded extended school year contracts outside the state's program of basic education, for up to an additional 90 days outside the 180-day school year and based on the staff person's prior year hourly rate.</p> <p>A recruitment and retention bonus is provided for districts with at least 25% poverty (based on census data for poverty measure) and at least 25,000 students. The bonus is \$12,500 for each CIS and CAS staff in a qualifying school district and is not part of basic education.</p> <p>A teacher recognition grant is provided for the top 5% and 2% of teachers in each ESD, subject to appropriation. The bonus for the top 5% teachers is \$25,000 and the bonus for the top 2% of teachers is \$50,000.</p>
Regionalization	Must be identified in the budget	Provides a housing allowance for districts with higher than average residential home values, up to \$10,000 per each staff person, to address regional cost differences.
Health Benefits	Maintains current bargaining structure and classified benefit factor	Requires districts to offer health benefit plans that incorporate a plan design with employee premiums that ensure the ratio of premiums for single to family is no more than 1:3.

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Collective Bargaining	Collective bargaining is maintained. New minimums specified. See compensation above.	<p>Collective bargaining is maintained. New minimums specified. See compensation above. Collective bargaining agreements must conform to the requirements of the act.</p> <p>Teacher strikes are expressly prohibited. Housing allowances and the Top Teacher Recognition Grant are not subject to collective bargaining</p> <p>Allows school districts to dismiss a teacher who, following in-service training and mentorship, fails to show improvement to the extent that it is detrimental to student academic performance.</p> <p>Allows individuals without a teaching certificate to teach students so long as it is under the general supervision of a certificated employee and the individual passes a record check.</p> <p>Permits districts that have been identified as being granted additional flexibility to exempt schools buildings within the district from district policies and district collective bargaining agreements. (See flexibility below).</p>
Professional Learning Time	Increases allocations for all staff types to support 1 day in 2017-18, 2 days in 2018-19, 4 days in 2019-20, 6 days in 2020-21 and 10 days by 2022-23.	Does not specify allocations or requirements for professional learning.
Mentoring	Declares legislative intent to support full funding of enacted recruitment and retention policies and increasing investments in the BEST program.	Maintains the existing mentorship and in service training. See collective bargaining section.
M&O Levies and Local Effort Assistance	Revises the levy cliff to phase down the lid and LEA over four years. Phases down grandfathered levy lids to have all districts at 24% by 2019. Eliminates ghost money in 2018.	Delays the levy cliff one year. Eliminates local levies for CY 2019. Eliminates LEA permanently. Permits districts to collect up to 10% of a newly defined levy base beginning in CY 2020.

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Accountability, Transparency, and Reporting	<p>Establishes a technical working group to provide recommendations for revising school district accounting practices.</p> <p>Requires districts to report supplemental pay contracts to SPI and SPI to provide a report to the legislature.</p>	<p>Requires district fiscal health reports and additional auditing. Requires districts to prepare four-year outlooks as part of their budget process. Requires districts to provide separate accounting of state, federal and local revenues to expenditures and separate accounting of basic and nonbasic expenditures by fund sources.</p> <p>Districts are required to deposit local excess levies into a subfund and separately account for expenditures from the subfund.</p>
Revenue	Source not specified	<p>New state property levy referred to as the "Local Effort Levy" - Not subject to the 1% growth limit, \$0.45/\$1,000 in CY 2018 and \$1.80/\$1,000 in CY 2019.</p> <p>Prioritizes use of NGF-S revenue growth first for support of the new formulas and then for reduction of the state Local Effort Levy to \$1.25/\$1000.</p> <p>Provides a reimbursement mechanism for local taxing districts that are pro-rated under the 1% constitutional limit due to the state Local Effort Levy.</p>
Other	Declares legislative intent to consider recommendations of the education and capital budget committees to address recruitment and retention and to support classroom and facility needs to support all-day kindergarten and class size reductions.	<p><i>Initiatives:</i> I-732 and I-1351 are repealed.</p> <p><i>Measures of success:</i> Provides specific school district performance measures. Permits districts who have met standards to be granted additional flexibility and directs the state board to create a process for identifying innovation districts which may be exempt from some state laws.</p>

	<i>House Bill 1843</i>	<i>Senate Bill 5607</i>
		<p><i>Student Absenteeism:</i> Districts are required to create an attendance reserve to be used to reduce chronic student absenteeism. The superintendent must recover funds from the district's reserve equal to the amount of funds the district received for students that were chronically absent in excess of 20%.</p> <p><i>Paraeducators:</i> Establishes statewide minimum employment standards for paraeducators, and creates a paraeducator workgroup to administer rules for paraeducator preparation, certification, and training.</p> <p><i>Baldrige Performance Excellence Assessment:</i> Provides that large school districts, all educational service districts, and certain educational state agencies must implement the Baldrige Performance Excellence Assessment program, as phased in over a three-year period starting in the 2018-2019 school year.</p>
Hold Harmless	Specifies that no district will receive less funding as a result of the regionalization.	<p><i>District hold harmless/minimum funding:</i> If total school district funding from all state, federal, and local sources combined is less than \$12,500 per pupil, then an additional state allocation is provided to increase total funding to \$12,500 per pupil.</p>