

Board Special Meeting

Work Session: Budget; ~~Executive Session: To Evaluate the Performance of a Public Employee~~

Tuesday, March 27, 2018, 4:30 – ~~6:00pm~~7:30pm

Board Auditorium, John Stanford Center

2445 – 3rd Avenue South, Seattle WA 98134



Agenda

Call to Order

4:30pm

Work Session and Oversight Work Session: Budget

4:30pm

~~Executive Session: To Evaluate the Performance of a Public Employee~~

~~6:30pm~~

Adjourn

~~6:00~~7:30pm*

*Special meetings of the Board, including work sessions and retreats, may contain discussion and/or action related to the items listed on the agenda. Executive sessions are closed to the public per RCW 42.30. *Times given are estimated.*

Budget

March 27, 2018

School Board Work Session Cover Memo

Lead Staff: JoLynn Berge, 206.252.0087; jdberge@seattleschools.org



Purpose

1. *Review of 2018-19 Projections and Timeline and consensus to date*
2. *Program Summary Update*
 - *Next steps, presented by Dr. Eric Anderson*
3. *IB Update*
4. *Four Year Projection*
5. *Capital Budget – first look for 2018-19*
6. *Outcomes*

Outcomes

- *Program Summary update and next steps*
- *IB update and next steps*
- *Four Year Projection update*
- *Capital Budget – first look for 2018-19*

Next Steps

Next work session will be held on May 29, 2018

- *Operations levy amount preliminary discussion*

Budget Work Session

March 27, 2018



Agenda

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 - Next steps, presented by Dr. Eric Anderson
3. IB Update
4. Four Year Projection
5. Capital Budget – first look for 2018-19
6. Outcomes

Outcomes

- Program Summary update and next steps
- IB update and next steps
- Four Year Projection update
- Capital Budget – first look for 2018-19

Review of 2018-19 Projections and Timeline

FY 2018-19 Budget Development Calendar

- **October 25, 2017** - Budget Work Session
- ~~**November 29, 2017** - Budget Work Session~~
 - ~~Review 2016-17 final numbers (cancelled)~~
- **December 13, 2017** - Budget Work Session
- **January 10, 2018** - Budget Work Session to review recommendations
 - Review WSS Changes
 - Review Overall major budget changes
- **January 8 to March 8???** - State Legislative Session
- **January 24, 2018** - Budget Work Session
 - Consensus on budget
- **January 15 to February 16** - Central budgets developed
- **February 28, 2018** - Budget Allocations to Schools/ Budget Work Session
- **March 28, 2018** - Budget Work Session
- **May 2018** - Final General Fund Balancing, Budget Book development
- **May 2, 2018** - Budget Work Session
- **June 11, 2018** - Board Action Report and Budget Resolution to A&F
- **June 27, 2018** - Introduce Budget to Board
- **July 2018** – Required Public Hearing
- **July 11, 2018** - Board Action to adopt school year 2018-19 budget

FY18-19 Projected Budget

FY18-19 Major Budget Changes (Dollars in Millions)	Surplus/(GAP)
Items Required or Previously Decided	
Materials, Supplies, Operating Costs (MSOC)	\$1.20
State Salary Allocations	\$86.70
Operations Levy	\$21.70
Operations Levy \$2,500/fte vs status quo	(\$60.50)
Grades K-3 Student:Teacher ratio	(\$14.40)
Grades K-3 Assistant Principals	(\$1.20)
24 Credit Graduation	(\$9.00)
Labor cost increases	(\$15.10)
City of Seattle two-tier busing grant expires	(\$2.30)
Onetime Funds to balance FY17-18	(\$29.90)
Items funded for FY17-18 only	\$6.00
Ongoing Legislative funding not planned for expenditures in 2017-18	\$11.20
Items < \$1.0M	(\$4.50)
FY18-19 Current Budget GAP	(\$10.10)

FY18-19 Projected Budget

FY18-19 Major Budget Changes (Dollars in Millions)	Surplus/(GAP)
Items for which consensus has been reached	
WSS	(\$4.00)
Instructional Materials adoptions	(\$7.00)
IB Funding	(\$0.50)
SMART GOALS/Formula for Success	(\$3.00)
Fall enrollment/Equity Funds	(\$2.00)
Increase Economic Stabilization Fund above minimum 3%	(\$2.00)
Non-Capital infrastructure - Systems	(\$4.00)
Total of consensus items	(\$22.50)
Total from previous slide	(\$10.10)
Total Projected Deficit	(\$32.60)

Light green was approved last work session, Feb. 28

FY18-19 Solutions

FY18-19 Current Budget Gap (Dollars in Millions)		\$(32.60)
Onetime use of FY17-18 Legislative resources carried forward	\$	11.2
Onetime use of FY16-17 Assigned Fund Balance (\$10m split over 2 years)	\$	5.0
Onetime use of FY16-17 Unassigned Fund Balance	\$	4.0
FY17-18 Projected underspend	\$	12.4
FY18-19 Budget GAP balance after solutions		\$ -

Program Summary Update

Dr. Eric Anderson

Program Summaries: Data Analysis

Data Analysis Summaries limited to programs and services with clear links to student outcomes

Category	Examples	Description
Student services	Special Education English Language Learners Highly Capable	Services and supports that follow all students regardless of the school attended
Educational programs	International Baccalaureate Summer School Skills Center Read 180	Educational programs offered in some schools but not others
Option schools	K-8 schools International Schools STEM schools	Schools families can request during Open Enrollment and students apply to attend
Non-traditional schools	Nova Middle College Interagency Cascade Parent Partnership	Alternative Learning Experience (ALE) schools and other non-traditional schools

IB Update

International Baccalaureate (IB) Funding

- Currently three high schools in Seattle offer IB programs – Chief Sealth, Ingraham and Rainier Beach.
- Programs vary by school and costs vary by student participation.
- All schools offer IB Diploma Program (DP). Chief Sealth also offers Career-Related IB (CP).
- \$500,000 approved by the School Board on January 24th.

Program Requirements

IB Diploma Requirements (DP):

1. Completion of six IB courses and exams by May of senior year
2. Theory of Knowledge class for one year
3. Completion of extended essay (4k word research paper in any subject)
4. 150 creativity, activity and service hours

IB Career Certificate (CP):

1. Complete a minimum of two IB courses and exams by May of senior year
2. Personal and Professional Skills class
3. Reflective Project (ethical dilemma in business report)
4. Completion of a second language portfolio
5. Minimum of 50 hours community service

IB Course: - Completion of any IB course and exam by May of senior year

International Baccalaureate (IB) Funding

2018-19 International Baccalaureate Basic Program Costs				
	Chief Sealth	Ingraham	Rainier Beach	Total
Authorized School annual fee	\$ 11,650	\$ 11,650	\$ 11,650	\$ 34,950
NW IB Diploma program annual fee	\$ 250	\$ 250	\$ 250	\$ 750
NW IB Career path annual fee	\$ 150	\$ -	\$ -	\$ 150
IB administrator	\$ 100,629	\$ 111,810	\$ 67,086	\$ 279,525
	.9 FTE	1.0 FTE	.6 FTE	
IB new teacher training (5 teachers per yr)	\$ 12,500	\$ 12,500	\$ 12,500	\$ 37,500
Theory of Knowledge teacher	\$ 22,362	\$ 89,448	\$ 44,724	\$ 156,534
	.2 FTE	.8 FTE	.6 FTE	
NIBA October IB teacher workshops	\$ 500	\$ 1,000	\$ 500	\$ 2,000
Substitute teachers to conduct orals	\$ 4,640	\$ 4,640	\$ 4,640	\$ 13,920
Online system - ManageBac	\$ 750	\$ 2,300	\$ 750	\$ 3,800
Curriculum - evaluated every seven years	Varies	Varies	Varies	
Student fees	Paid by student/grant	Paid by student/grant	Paid by grant	
Totals	\$ 153,431	\$ 233,598	\$ 142,100	\$ 529,129
Funding sources				
Board allocation - (1 FTE provided)	\$ (111,810)	\$ (111,810)	\$ (111,810)	\$ (335,430)
WSS or other school identified resources	\$ (41,621)	\$ (121,788)	\$ (30,290)	\$ (193,699)

IB Students and Courses

	Chief Sealth	Ingraham	Rainier Beach	Total
Students				
Total school population	1,069	1,350	700	3,119
Taking at least one course	348	400	275	1,023
Working toward full diploma	41	111	76	228
Working toward career path	33	N/O	N/O	33
Number of students testing	89	225	111	425

IB Specific Courses	Chief Sealth		Ingraham		Rainier Beach	
	Classes	# of Students	Classes	# of Students	Classes	# of Students
1. Studies in language & literature	15	364	11	273	9	275
2. Language acquisition	4	61	10	232	4	108
3. Individuals & societies	9	216	11	283	7	167
4. Sciences	5	85	12	280	6	143
5. Mathematics	6	133	5	131	9	193
6. The arts	2	31	4	71	5	137
7. Theory of Knowledge	1	28	3	78	3	83
N/O - Not Offered						



Data provided by school IB Coordinators based on January 2018 data

Four Year Projection

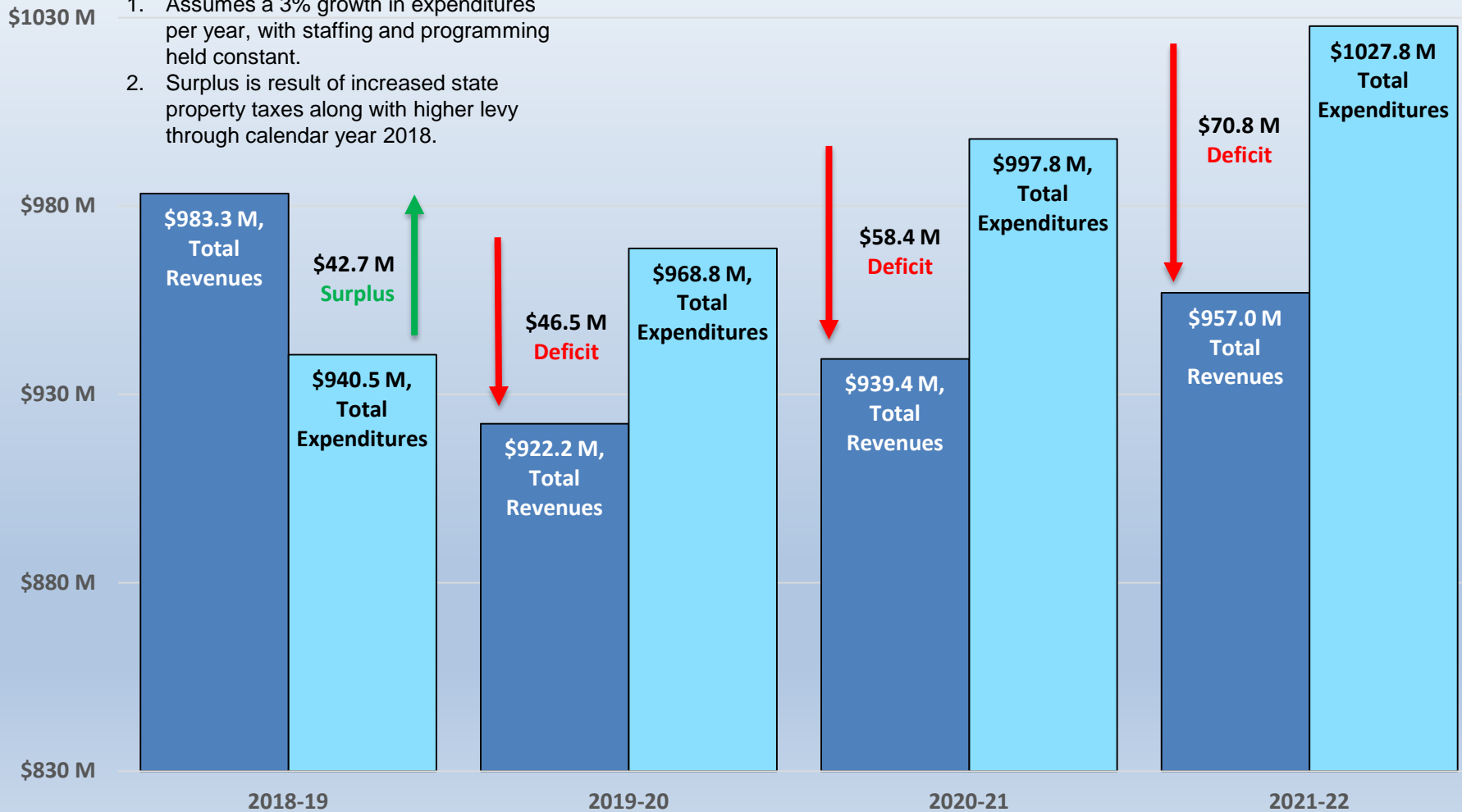
Updated for 2018 final State budget

Budget Outlook Summary For School Years 2018-19 through 2021-22

All numbers are estimates as of March 2018

Notes

1. Assumes a 3% growth in expenditures per year, with staffing and programming held constant.
2. Surplus is result of increased state property taxes along with higher levy through calendar year 2018.



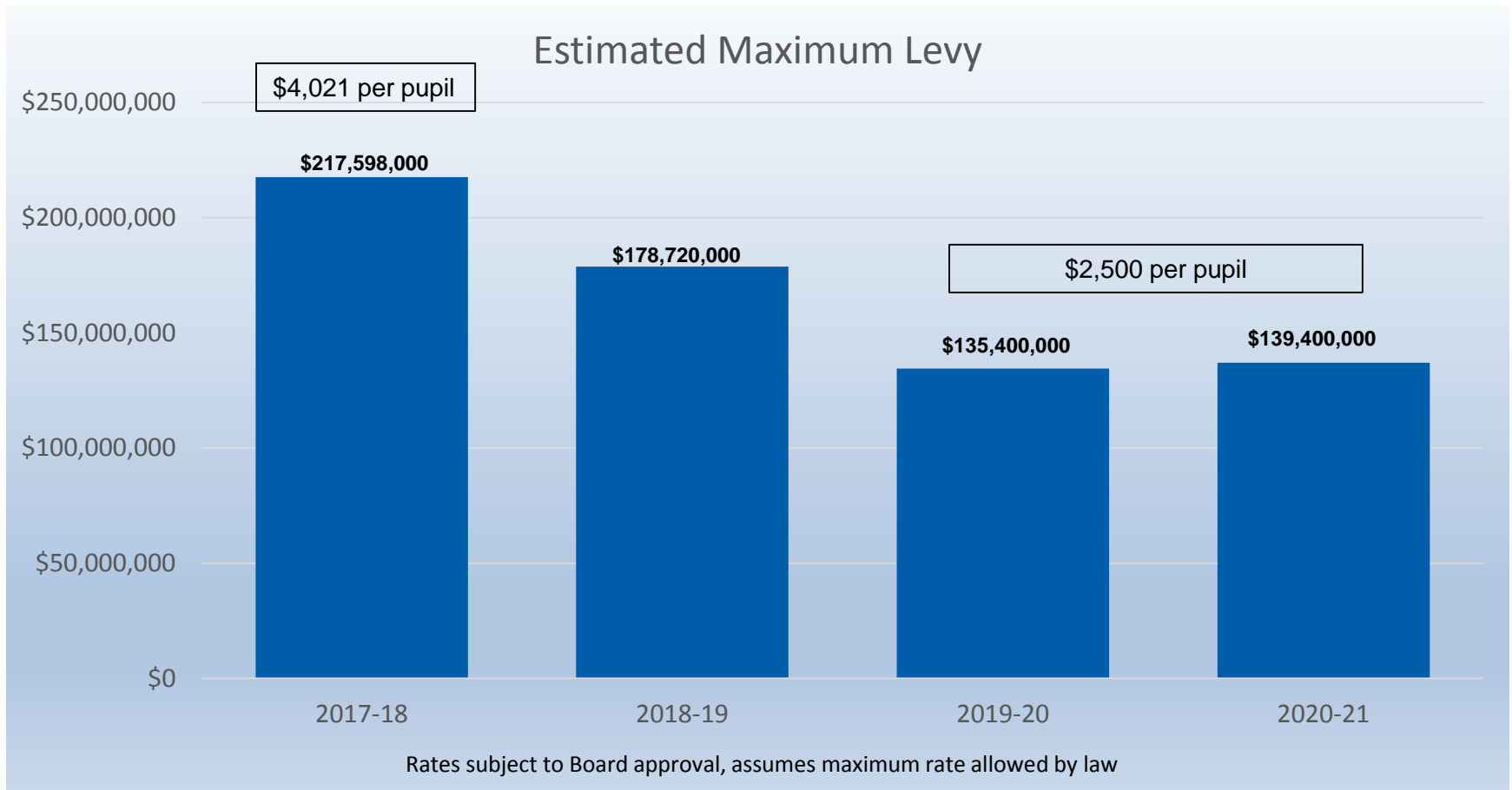
Seattle School District and City of Seattle Education Levies

Education Levys	2018	2019	2020	2021
SPS Maintenance and Operations Levy		★		
	Basic education services not supported by state funding Levy voting cycle: Every 3 Years. \$217m in 2017-18		Now called Enrichment Levy. Still pays for same basic education services. Every 3 years	
SPS Building Excellence Levy (BEX)		★		
	Capital Levy for construction and renovation of schools Levy voting cycle: Every 6 Years. \$115m in 2017-18		Capital Levy for construction and renovation of schools. Every 6 Years	
SPS Building, Technology and Academics (BTA)				
	Capital Levy for major maintenance and technology improvements at schools Levy voting cycle: Every 6 Years (last passed in Feb. 2016). \$78m in 2017-18		Capital Levy for major maintenance and tech	
City's Family and Education Levy (FEL) and Preschool Levy	★			
		Provides preschool and other educational services Levy voting cycle: 7 Years Total levy of \$231m, of that \$20m+ in 2017-18 granted to SPS		

★ November 2018 Election for City Family and Education Levy; and City Preschool Levy
★ February 2019 Election for SPS Levies

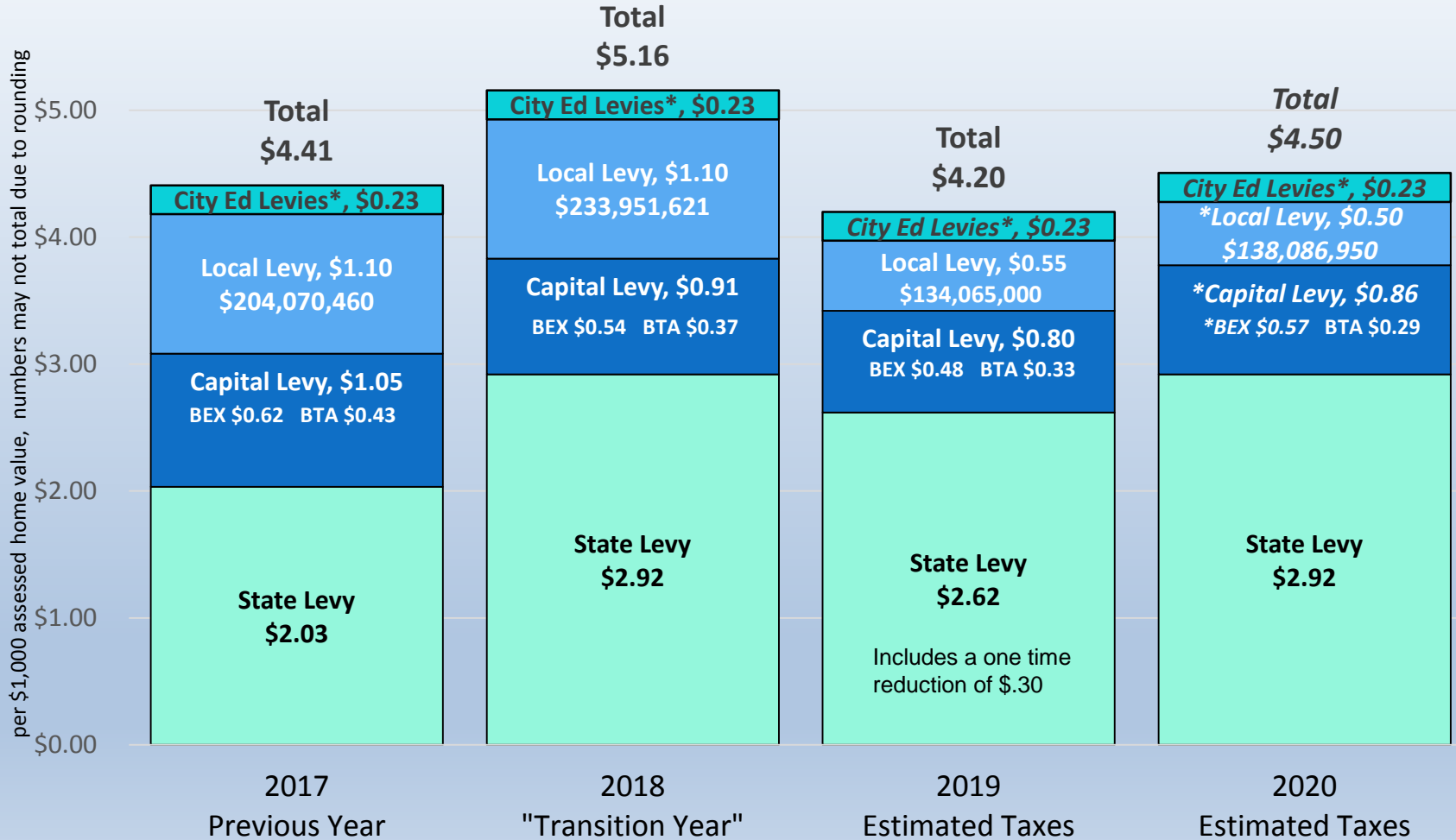
SPS Levy under HB2242

\$2,500 per pupil cap beginning in calendar year 2019



Seattle Public Schools District Tax Rates

Current Law and *Future Projections (italicized)*

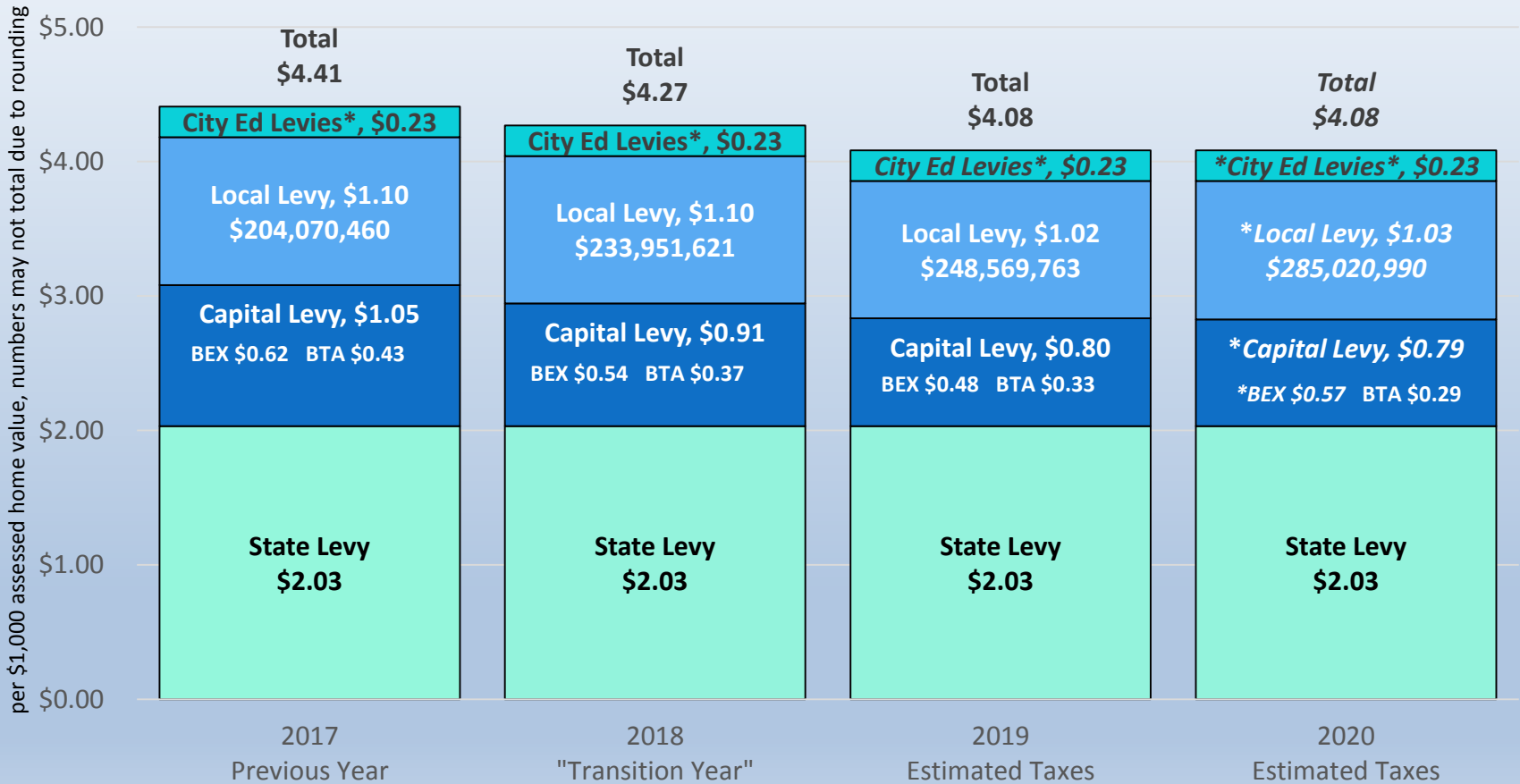


* Rates subject to School Board or City Council and voter approval; assumes current authorized rates continue

Seattle Public Schools District Tax Rates

without any levy changes/state property tax changes, if 2017 policy stayed in place

Italicized indicates assumption made; approval needed

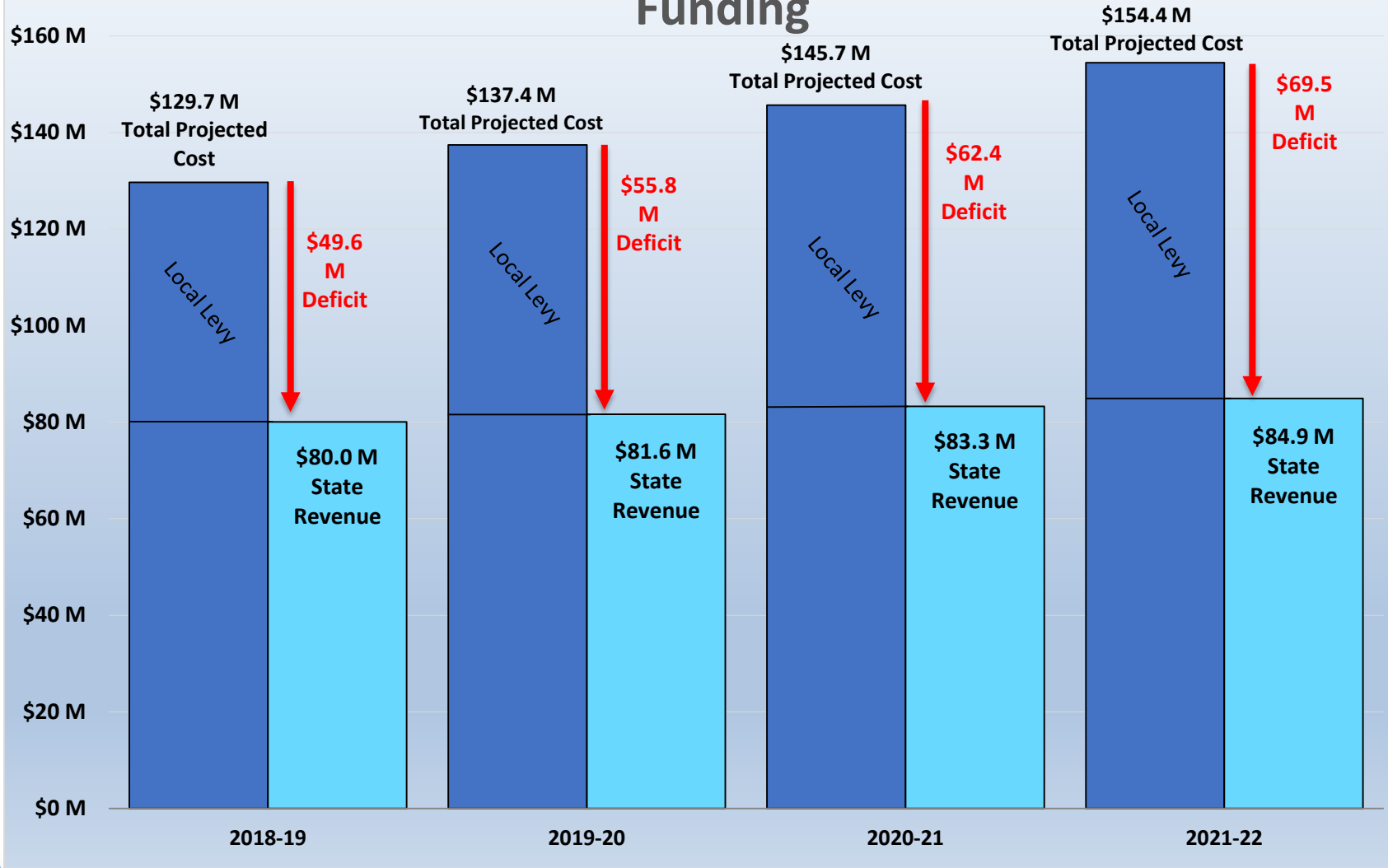


* Rates subject to School Board or City Council approval and voter approval; assumes current authorized rates continue

Is K-12 Fully Funded?

- NO. While good progress was made, schools are not yet fully funded.
- Much of the funding for the increase came from reducing local levies and increasing state property taxes.
- Seattle taxpayers will see higher taxes beginning in 2018, with no program increase except limited staffing enhancements.

Special Ed - Remaining Gap in State Basic Ed Funding



Basic Education is NOT Fully Funded

Here are some (not all) areas that are not fully funded

- Special education, \$2,500 gap per pupil statewide
- Gap in classified and certificated admin (i.e. principal) compensation
- Nurses - state allocates 9
- Family Support Workers - state allocates 6.5
- Counselors – state allocates 39 for grades K-6
- Social workers – state allocates 3.7
- Psychologists – state allocates 1.5
- Lower class sizes for grades 4 thru12 - state allocates 27:1 for grades 4-6
- Principals/Asst. Principals – state allocates for 163

Capital Budget

For 2018-19

FY 2017-18 Adopted Capital Budget & Anticipated Spending Update (\$\$ in Millions)

Source	FY 2017-18 Adopted Capital Budget	FY 2017-18 Anticipated Expenditures ¹	FY 2018-19 Preliminary Capital Budget ²
BTA IV Levy	142.84	116.21	149.12
BEX IV Levy	91.77	86.70	76.44
BTA III Levy	15.82	9.72	3.89
BEX III Bond	3.63	1.85	0.00
BTA II Levy	0.00	0.00	0.00
BEX II Levy	0.65	0.30	0.00
CEP/ CS ³	1.38	1.26	0.50
Capital Capacity Reserve ⁴	23.50	0.00	20.99
Grand Total	279.59	216.04	250.94

¹ Includes Actuals and Projected Spending April 2018 through August 2018

² Includes \$209.9M in Direct Expenditures, \$20.0M in Transfers, and a \$21.0M Capacity Reserve

³ CEP (Capital Eligible Program) / CS (Community Schools)

⁴ At Budget Adoption, the Capital Capacity Reserve is Assumed to be 100% Spent

FY 2017-18 Capital Funded FTEs

Capital Funded FTEs and Salary & Benefits		
	FTEs	*Salary & Benefits
Direct Capital Department Staff	36.95	4.70
Indirect Capital Funded Staff	21.24	2.40
DoTS Capital Funded Staff	93.00	12.73
Total Capital Funded Staff	151.19	\$19.83

Note: Data is Based on FY 2017-18 Projections. Program Administration Costs are Not Included.

** Amounts are in Millions*

Preliminary List of FY 2018-19 Capital Fund Commitments

Major Construction Projects

Committed Projects	Opening Date	Funding Sources	Annual Budget
Daniel Bagley ES Modernization & Addition	Fall 2020	BEX IV/BTA IV	11,834,320
EC Hughes ES Modernization	Fall 2018	BTA IV	1,100,000
Ingraham HS Modernization & Addition	Fall 2019	BTA IV	19,283,796
Lincoln HS Modernization	Fall 2019	BEX IV/BTA IV	49,639,723
Loyal Heights ES Modernization & Addition	Fall 2018	BEX IV	3,170,000
Magnolia ES Modernization & Addition	Fall 2019	BTA IV	19,402,282
Queen Anne Addition	Fall 2019	BEX IV	8,043,548
Webster Building Modernization	Fall 2020	BTA IV	12,525,516
Wing Luke ES New Construction	Fall 2020	BEX IV	18,530,337
Grand Total			\$143,529,522

Preliminary List of FY 2018-19 Capital Fund Commitments

*Infrastructure and District Wide Projects

Infrastructure Commitments	Funding Sources	Annual Budget	District Wide Commitments	Funding Sources	Annual Budget
Adams Sprinkler	BTA III	625,806	Academics	BEX IV	500,000
Ballard Exterior Masonry	BTA IV	1,380,000	AED Defibrillators	BTA IV	90,000
Beacon Hill Seismic	BEX IV	100,457	Capacity Management & Planning	BTA IV	3,000,000
Blaine Seismic	BEX IV	1,149,957	Downtown Schools Study	BEX IV	1,000,000
Broadview Thomson Seismic	BEX IV	3,913,188	Election & Planning, BEX V	BTA IV	750,000
Carryforward FY 2017-18	Varies	5,000,000	Emergency Field Repairs	BTA III	200,000
Dearborn Park Doors & Window Alarms	BTA IV	116,247	Emergency Projects DW	CEP/CS	500,000
Garfield Track	BTA III	156,400	JSCEE Bond Payment	BTA IV	2,688,325
Laurelhurst Seismic	BEX IV	835,102	Maintenance Equipment	BTA IV	500,000
Maple Seismic	BEX IV	212,053	Major Preventative Maintenance	BEX/BTA IV	7,640,002
McClure Science Lab	BEX IV	1,000,000	Moving & Relocation	BEX IV	500,000
Muir Doors & Window Alarms	BTA IV	128,597	Nutritional Services Equipment	BTA III/IV	1,000,000
Muir Geothermal Wells	BTA III	2,377,815	PM Software, eBuilder	BEX IV	186,000
Sandpoint Seismic	BEX IV	785,919	Program Placement	BEX IV	500,000
Technology (Transfers & Staff Included)	BEX/BTA IV	38,778,311	Security Cameras	BEX/BTA IV	1,000,000
View Ridge Seismic	BEX IV	300,966	Special Education	BTA III/IV	500,000
Wedgewood Seismic	BEX IV	737,511	Staff & Department Administration	BEX/BTA IV	8,000,000
Whitworth-Orca Seismic	BEX IV	236,144	Volunteer Projects	BTA III	30,000
*Grand Total					\$86,418,800

* Includes Administration Budgets

Outcomes

- Program Summary update and next steps
- IB update and next steps
- Four Year Projection update
- Capital Budget – first look for 2018-19

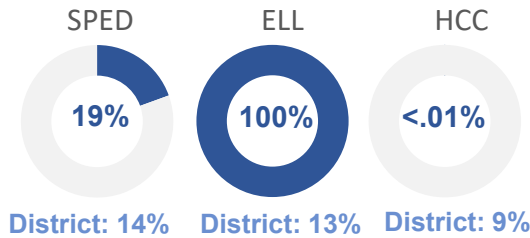
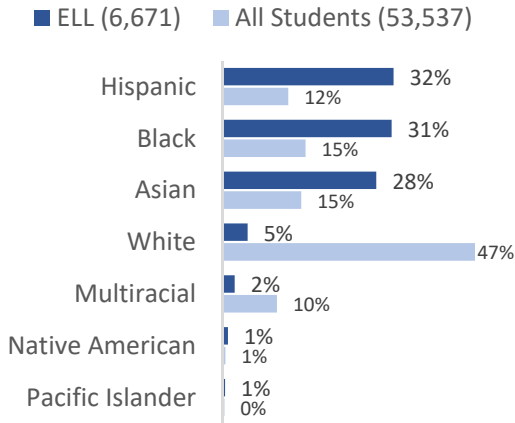
Attachments



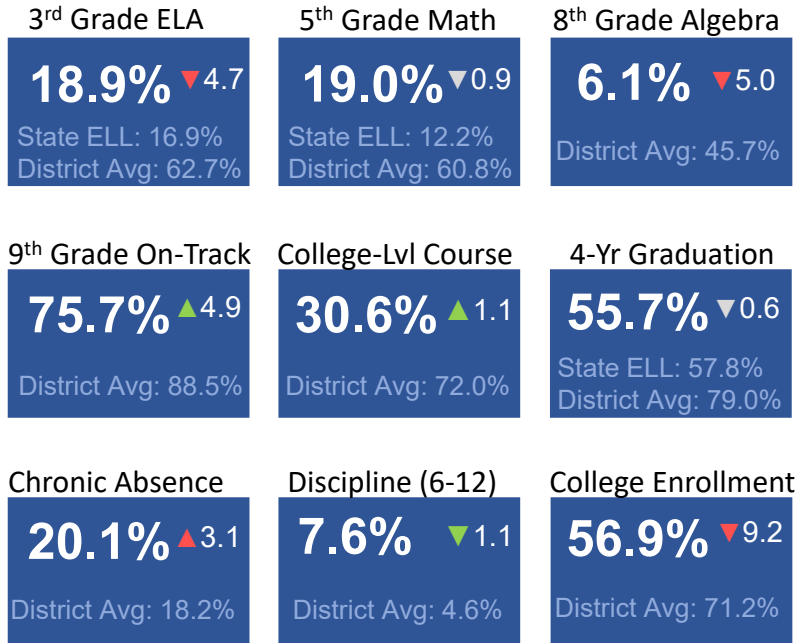
DRAFT – Please Do Not Distribute

English Language Learners (ELL) 2016-17 Program Summary

Student Enrollment

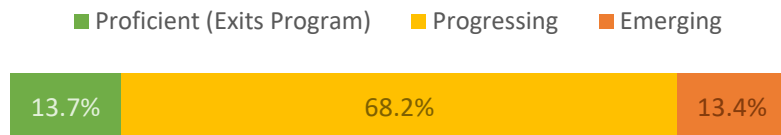


Formula for Success KPIs

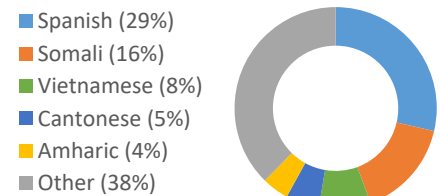


Program-Specific Data

2016-17 ELPA 21 Language Proficiency Assessment



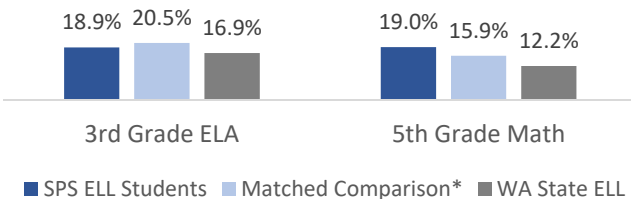
Top Languages Spoken at Home



Analysis

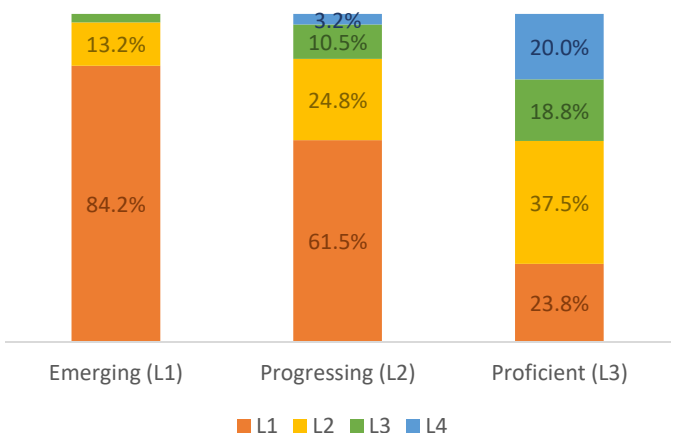
Smarter Balanced Matched Comparison

SPS ELL students scored slightly *below* a matched comparison group of ELL students across the state for 3rd grade ELA (1.6 percentage points) and slightly *above* their peers for 5th grade math (3.1 points). *These results are not statistically significant.*



*Comparison group of ELL students from WA State matched on race/ethnicity, gender, FRL and SPED status.

5th Grade Math SBA Level by ELPA21 Level



MeasureID	MeasureName	Level	Group	Year	MeasureValue	ChangeFromLastYear
1	Student Enrollment	District	ELL Students	2016-17	6671	
1	Student Enrollment	District	All Students	2016-17	53537	
1	Student Enrollment	District	ELL Hispanic	2016-17	32%	
1	Student Enrollment	District	Hispanic	2016-17	12%	
1	Student Enrollment	District	ELL Black	2016-17	31%	
1	Student Enrollment	District	Black	2016-17	15%	
1	Student Enrollment	District	ELL Asian	2016-17	28%	
1	Student Enrollment	District	Asian	2016-17	15%	
1	Student Enrollment	District	ELL White	2016-17	5%	
1	Student Enrollment	District	White	2016-17	47%	
1	Student Enrollment	District	ELL Multiracial	2016-17	2%	
1	Student Enrollment	District	Multiracial	2016-17	10%	
1	Student Enrollment	District	ELL Native American	2016-17	1%	
1	Student Enrollment	District	Native American	2016-17	1%	
1	Student Enrollment	District	ELL Pacific Islander	2016-17	1%	
1	Student Enrollment	District	Pacific Islander	2016-17	0%	
1	Student Enrollment	District	ELL SPED	2016-17	19%	
1	Student Enrollment	District	SPED	2016-17	14%	
1	Student Enrollment	District	ELL ELL	2016-17	100%	
1	Student Enrollment	District	ELL	2016-17	13%	
1	Student Enrollment	District	ELL HCC	2016-17	0%	
1	Student Enrollment	District	HCC	2016-17	9%	
2	3rd Grade ELA	District	ELL Students	2016-17	18.9%	-4.7
2	3rd Grade ELA	State	ELL Students	2016-17	16.9%	
2	3rd Grade ELA	District	All Students	2016-17	62.7%	
3	5th Grade Math	District	ELL Students	2016-17	19.0%	-0.9
3	5th Grade Math	State	ELL Students	2016-17	12.2%	
3	5th Grade Math	District	All Students	2016-17	60.8%	
4	8th Grade Algebra	District	ELL Students	2016-17	6.1%	-5.0
4	8th Grade Algebra	District	All Students	2016-17	45.7%	
5	9th Grade On-Track	District	ELL Students	2016-17	75.7%	4.9
5	9th Grade On-Track	District	All Students	2016-17	88.5%	
6	College-Level Course	District	ELL Students	2016-17	30.6%	1.1
6	College-Level Course	District	All Students	2016-17	72.0%	

7 4-Year Graduation	District	ELL Students	2016-17	55.7%	-0.6
7 4-Year Graduation	State	ELL Students	2016-17	57.8%	
7 4-Year Graduation	District	All Students	2016-17	79.0%	
8 Chronic Absence	District	ELL Students	2016-17	20.1%	-3.1
8 Chronic Absence	District	All Students	2016-17	18.2%	
9 Discipline (Grades 6-12)	District	ELL Students	2016-17	7.6%	1.1
9 Discipline (Grades 6-12)	District	All Students	2016-17	4.6%	
10 College Enrollment	District	ELL Students	2016-17	56.9%	-9.2
10 College Enrollment	District	All Students	2016-17	71.2%	
ELPA21 Language Proficiency Assessment - Proficient (Exits					
11 Program)	District	ELL Students	2016-17	13.7%	
11 ELPA21 Language Proficiency Assessment - Progressing	District	ELL Students	2016-17	68.2%	
11 ELPA21 Language Proficiency Assessment - Emerging	District	ELL Students	2016-17	13.4%	
12 Top Languages Spoken at Home - Spanish	District	ELL Students	2016-17	29.0%	
12 Top Languages Spoken at Home - Somali	District	ELL Students	2016-17	16.0%	
12 Top Languages Spoken at Home - Vietnamese	District	ELL Students	2016-17	8.0%	
12 Top Languages Spoken at Home - Cantonese	District	ELL Students	2016-17	5.0%	
12 Top Languages Spoken at Home - Amharic	District	ELL Students	2016-17	4.0%	
12 Top Languages Spoken at Home - Other	District	ELL Students	2016-17	38.0%	
13 3rd Grade ELA Matched Comparison Analysis	District	ELL Students	2016-17	18.9%	
13 3rd Grade ELA Matched Comparison Analysis	State	Matched Comparison	2016-17	20.5%	
13 3rd Grade ELA Matched Comparison Analysis	State	ELL Students	2016-17	16.9%	
14 5th Grade Math Matched Comparison Analysis	District	ELL Students	2016-17	19.0%	
14 5th Grade Math Matched Comparison Analysis	State	Matched Comparison	2016-17	15.9%	
14 5th Grade Math Matched Comparison Analysis	State	ELL Students	2016-17	12.2%	
15 5th Grade Math SBA Level by ELPA21 Level - Emerging and L1	District	ELL Students	2016-17	84.2%	
15 5th Grade Math SBA Level by ELPA21 Level - Emerging and L2	District	ELL Students	2016-17	13.2%	
15 5th Grade Math SBA Level by ELPA21 Level - Emerging and L3	District	ELL Students	2016-17	2.6%	
15 5th Grade Math SBA Level by ELPA21 Level - Emerging and L4	District	ELL Students	2016-17	0.0%	
15 5th Grade Math SBA Level by ELPA21 Level - Progressing and L1	District	ELL Students	2016-17	61.5%	
15 5th Grade Math SBA Level by ELPA21 Level - Progressing and L2	District	ELL Students	2016-17	24.8%	
15 5th Grade Math SBA Level by ELPA21 Level - Progressing and L3	District	ELL Students	2016-17	10.5%	

15 5th Grade Math SBA Level by ELPA21 Level - Progressing and L4	District	ELL Students	2016-17	3.2%
15 5th Grade Math SBA Level by ELPA21 Level - Proficient and L1	District	ELL Students	2016-17	23.8%
15 5th Grade Math SBA Level by ELPA21 Level - Proficient and L2	District	ELL Students	2016-17	37.5%
15 5th Grade Math SBA Level by ELPA21 Level - Proficient and L3	District	ELL Students	2016-17	18.8%
15 5th Grade Math SBA Level by ELPA21 Level - Proficient and L4	District	ELL Students	2016-17	20.0%
