

Budget Development for 2009-2010 School Year



as of May 11, 2009

Agenda

- Describe funding challenge
- Review context for budget development
- Present reduction options
- Seek input



Funding Challenge for K-12 Education

- The state legislature is not meeting the constitutional obligation to provide ample funding for public schools
- School districts and education organizations have filed lawsuits against the state to fully fund required and basic education programs
- School districts are dependent upon state funding - about 70 percent of district revenues
- While the state legislature just adopted a new definition of basic education, funding was not improved - instead, state funding was reduced for K-12 education
- State legislature cut funding for teachers and smaller class size, requiring teacher layoffs across state
- Spokane Public Schools has been forced to reduce its budgets since 2002 due to underfunding by the state and student enrollment decline
- Despite the current economy, Spokane citizens overwhelmingly approved the levy and bond



Budget Development for 2009-2010

Impact of State Budget Cuts

In millions

	Governor	Senate	House	Final
State Funding	\$- 7.01	\$- 14.41	\$- 6.61	\$- 14.21
Federal Stimulus		+ 8.75	+ 1.75	+ 5.80
Local Effect	- 1.53	- 0.49	- 0.45	- 0.39
Budget Gap	\$- 8.54	\$- 6.15	\$- 5.31	\$- 8.80
Percent of Budget	- 2.8%	- 2.0%	- 1.7%	- 2.9%



Budget Development for 2009-2010

Budget Preparation Schedule

November 19	Board Work Session on Budget and School Finance
January 28	Draft Budget Preparation Schedule Presented to Board
March 4	Board Work Session on Staffing and Budget
March 10	Levy and Bond Election Day
March 17	Administrator Preview of 2009-2010 Budget Forecast
March 18	Education Association Preview of 2009-2010 Budget Forecast Board Work Session on 2009-2010 Budget Forecast
March 23-27	Elementary Staffing
April 13	Citizens Advisory Committee (CAC) Preview of 2009-2010 Budget Forecast
April 14-16	Departmental Budget Review Hearings
April 20-24	Secondary Staffing
April 22	Public Hearing on Preliminary Plan for Student Achievement Fund
April 26	End of Regular State Legislative Session – 105th Day
May 6	School Board Work Session on 2009-2010 Preliminary Budget Issues and Possible Solutions
<i>May 12</i>	<i>Staff Budget Forum – 4 p.m. - Chase Middle School Community Budget Forum – 7 p.m. - Chase Middle School</i>
<i>May 14</i>	<i>Staff Budget Forum – 4 p.m. - Glover Middle School Community Budget Forum – 7 p.m. - Glover Middle School</i>
May 20	Board Work Session on Preliminary 2009-2010 Budget
June 10	Superintendent's Preliminary Recommended 2009-2010 Budget Presented to the School Board
July 10	Recommended Budget Available to the Public
August 12	School Board Adoption of 2009-2010 Budget



Types of District Funds

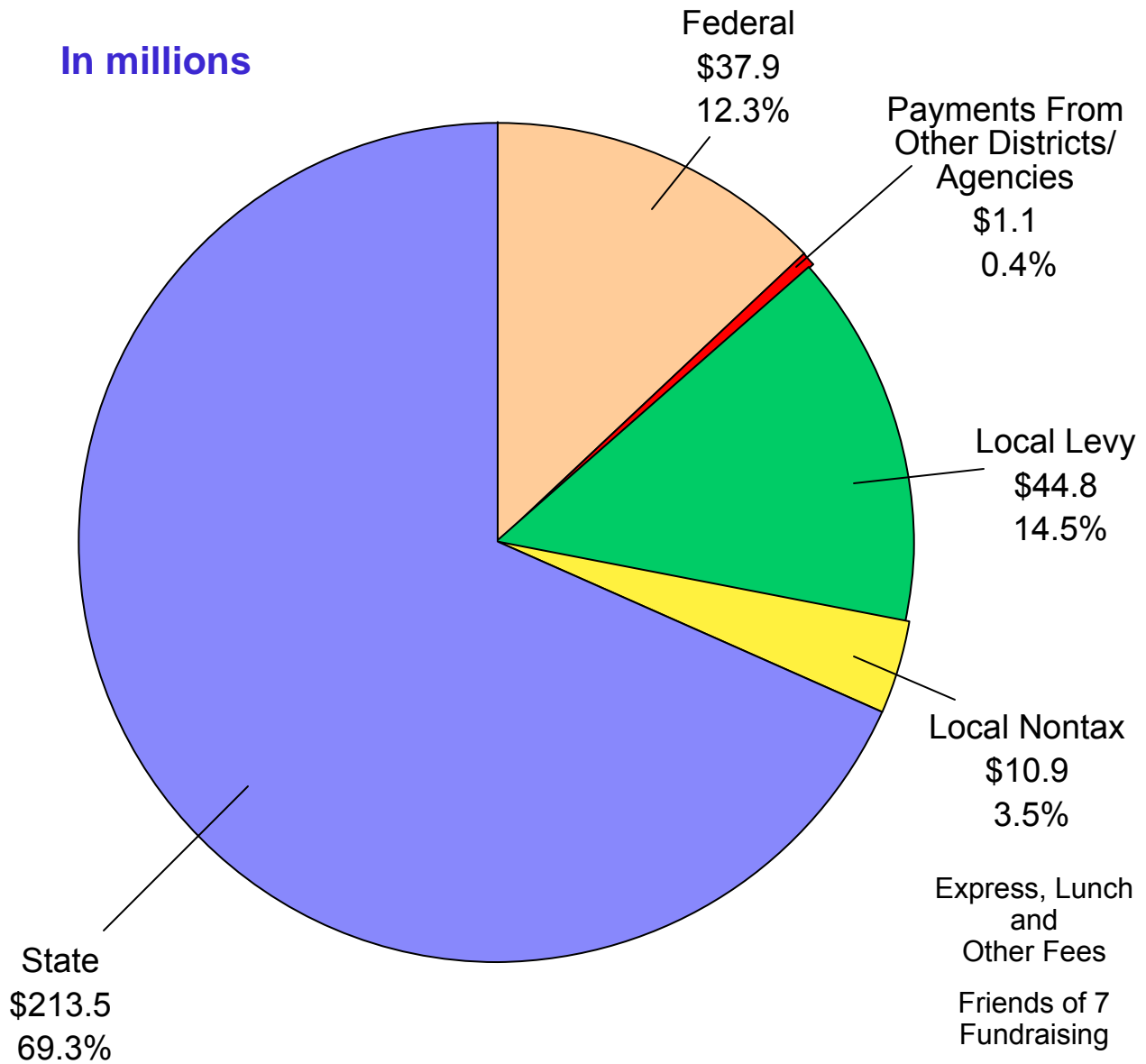
- **General Fund** – to operate schools each year
- **Capital Projects Fund** – to improve facilities and technology (restricted to projects in the 2003 and 2009 bond issues)
- **Associated Student Body Fund** – for student government activities



Budget Development for 2009-2010

Revenues - 2008-2009 Budget

In millions



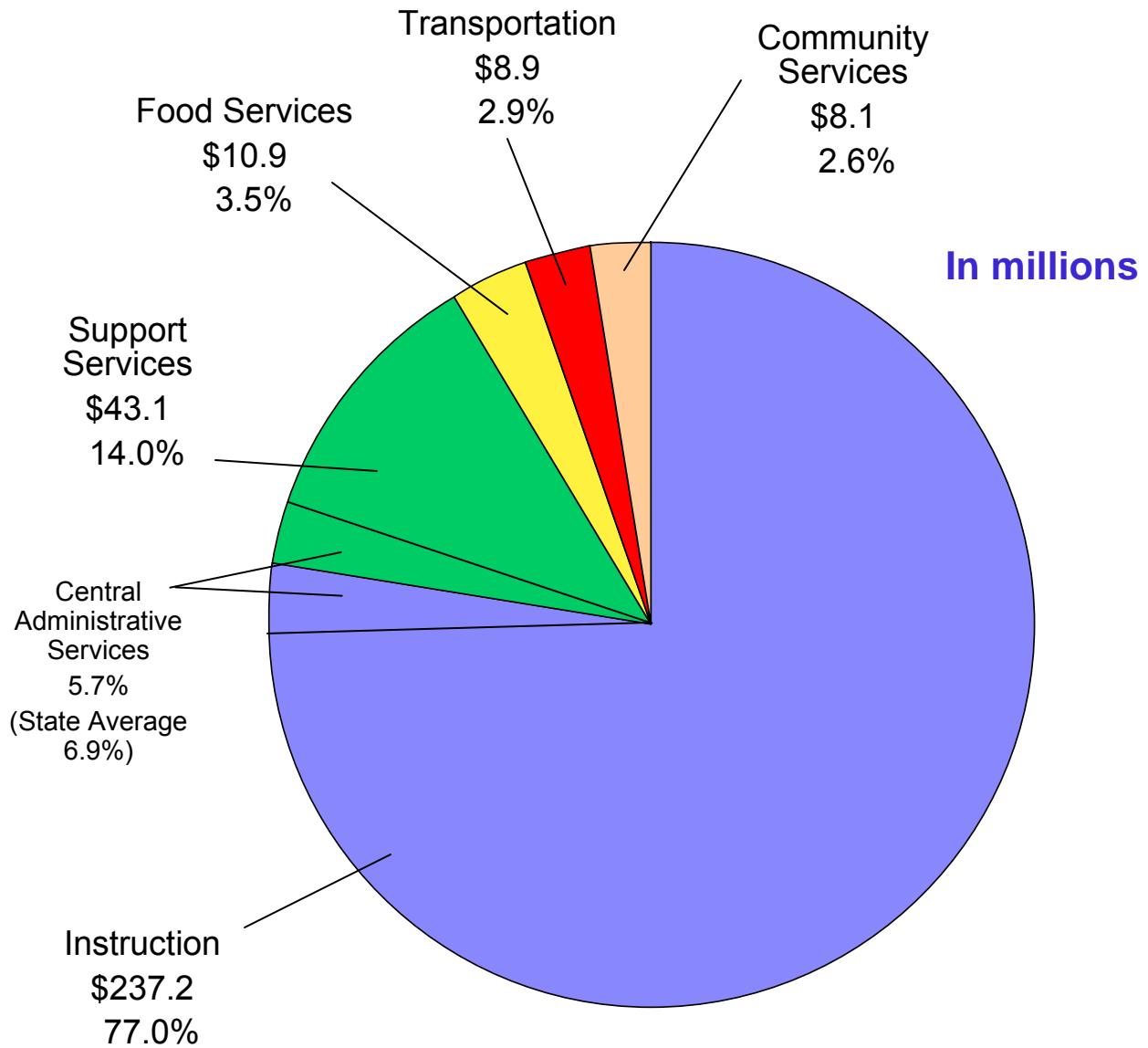
Total Revenues of \$308.2



Budget Development for 2009-2010

Expenditures by Program

2008-2009 Budget



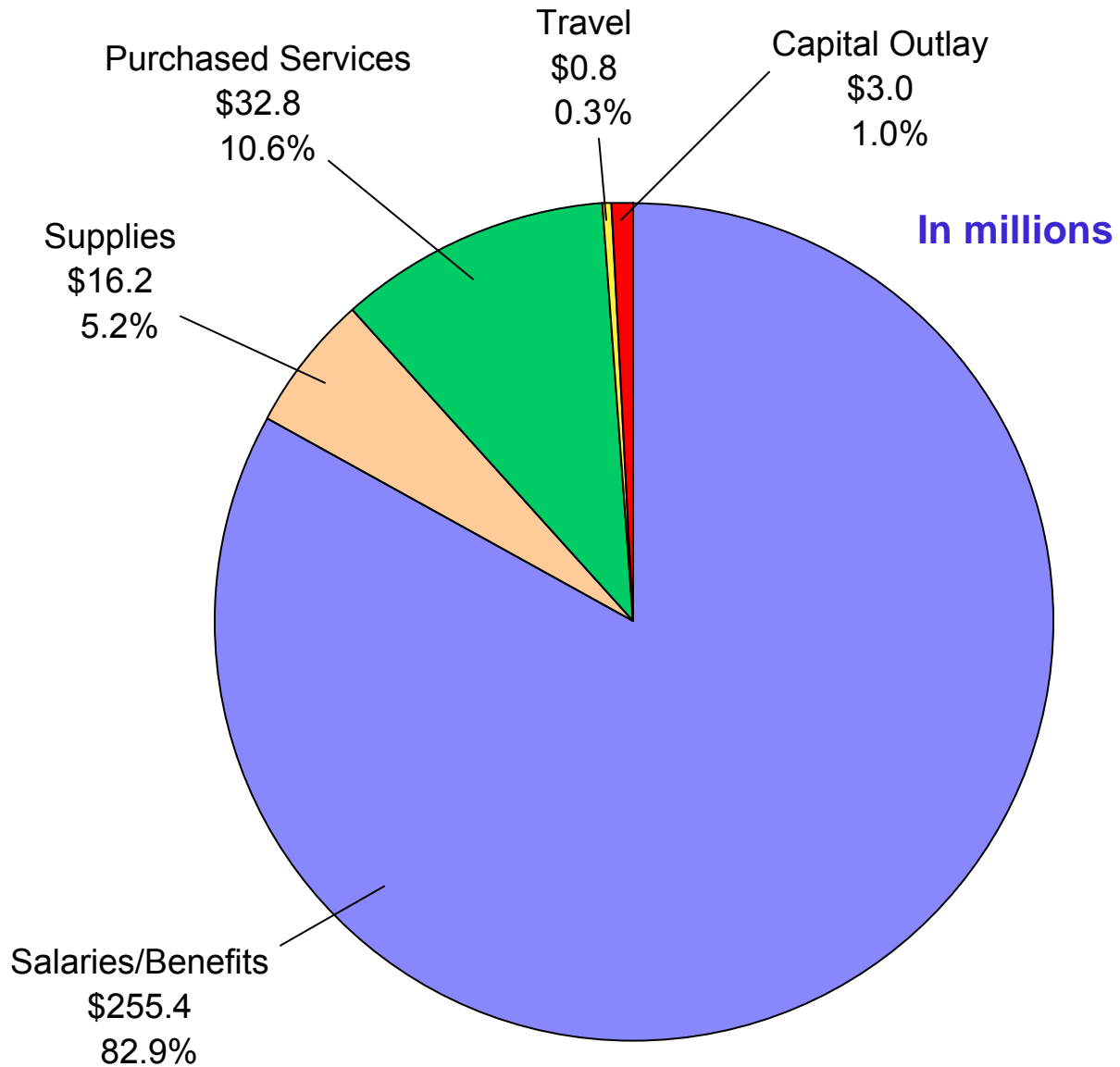
Total Expenditures of \$308.2



Budget Development for 2009-2010

Expenditures by Object

2008-2009 Budget



Total Expenditures of \$308.2



Spokane Public Schools
excellence for everyone



Budget Development for 2009-2010

Budget Reduction History

SCHOOL YEAR	Millions
2002 – 2003	\$ - 6.0
2003 – 2004	- 9.1
2004 – 2005	- 5.7
2005 – 2006	- 2.9
2006 – 2007	- 6.8
2007 – 2008	- 10.8
2008 – 2009	- 4.1
Seven Year Total	\$ - 45.4

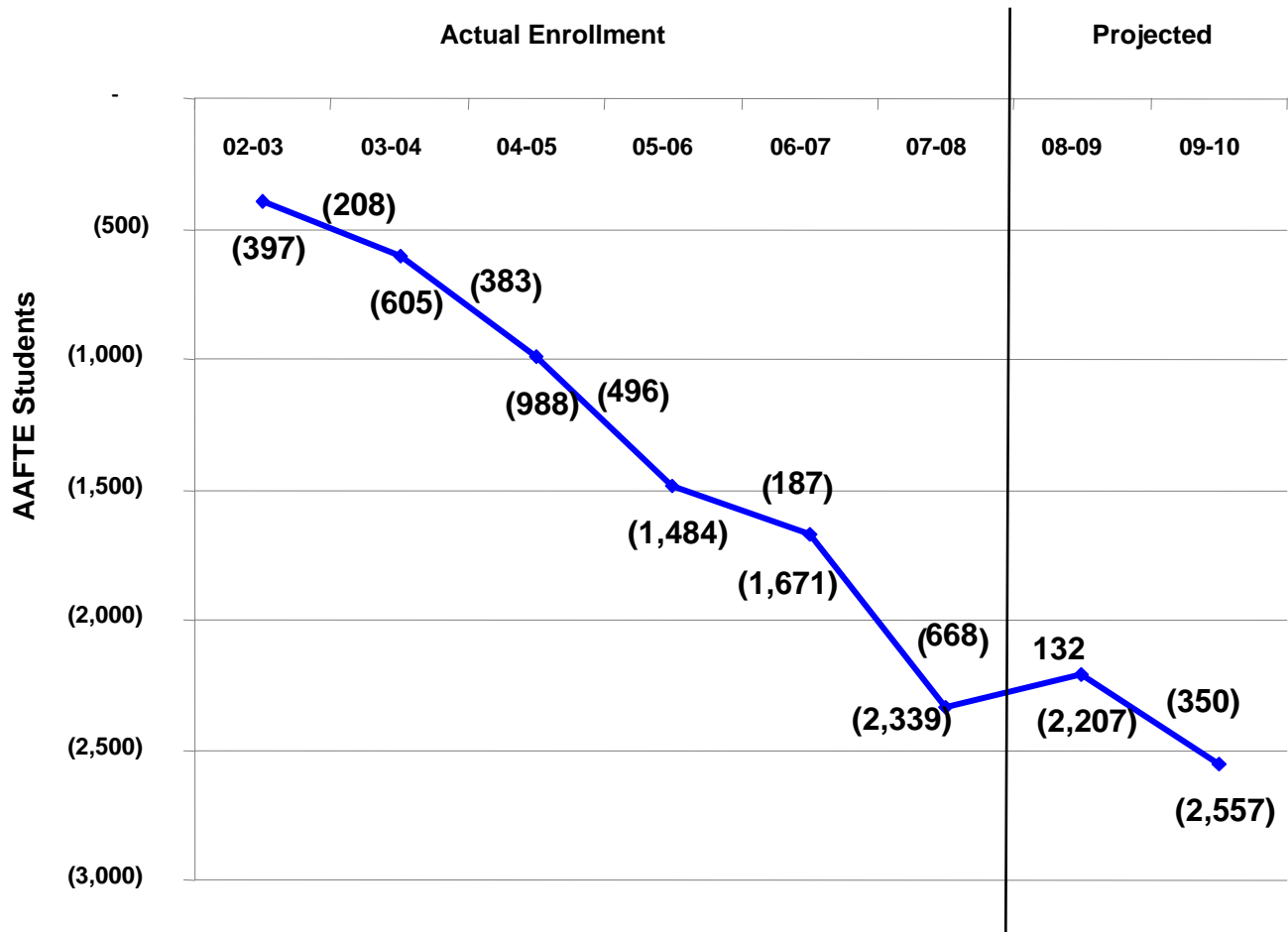
By Major Category – 2002 through 2009

Central Administration Reduced	\$ 3.8
Reduce Teachers to Match Lower Enrollment	12.6
Reduce Support Positions	7.3
Other District Program Reductions	8.3
Revenue Strategies	1.2
Utilization of Fund Balance (Savings Account)	12.2
Grand Total	\$45.4



Budget Development for 2009-2010

Student Enrollment Cumulative Decline 2002-2010



350 fewer students in 2009-2010
\$1.77 million less revenue



Non-Mandatory Expenditures

Examples:

- Extracurricular Activities (sports, clubs, intramurals, etc.)
- Number of Schools
- Alternative Programs (Virtual Learning, Home School, Contract Based Education, etc.)
- Gifted and Talented Program
- Elementary Art Program
- Library Positions
- Elementary Band and Strings Program
- Principal Assistant Positions
- Support Specialist Positions (counselors, career specialists, etc.)
- Class Size (below bargained class size limits)
- Secondary Elective Classes
- Support Staff (custodial, maintenance, clerical, etc.)
- Number of Central Administrative Positions
- Student Transportation (support from local funds)
- General Program Travel
- Student Services
- Security Staff



Budget Development for 2009-2010

Budget Planning Standards with School Board Priorities

- Focus financial resources on programs that directly support the District's Strategic Plan and student achievement, *with an emphasis on:*
 - *improving graduation rates*
 - *supporting high-achieving students at all grade levels*
 - *ensuring content-rich offerings for all students of all academic abilities*
 - *maintaining a strong K-4 foundation (e.g., all-day kindergarten and lower class size)*
- Maintain a safe learning and working environment for students and staff
- Sustain staff, parent and community support
- Maintain the District's:
 - financial integrity
 - investment in facilities, technology, and other physical assets
- Retain an essential level of support services for District operations
- Assure revenue generating programs break even
- Budget decisions should be:
 - practical
 - sustainable
 - timely
 - cost effective
 - legal
 - commensurate with adjustments in student enrollment
 - evaluated on an ongoing basis, based on the standards



Budget Development for 2009-2010

Summary of Budget Challenge and Preliminary Budget Balancing Solutions

	In Millions
Budget challenge	\$ 9.70
Teacher reduction/enrollment decline	- 0.90
Subtotal	\$ 8.80
Teacher reduction/class size increase	- 1.60
General district reductions	- 2.22
General school reductions	- 1.69
Use of managed savings	- 2.10
Strategic use of federal stimulus	- 1.19
Challenge Preliminarily Solved	\$ 0.00



Teacher Reductions Due to State Funding Cuts

		Estimated Cost Reduction In Millions
Elementary teacher reductions	-17.0 fte	\$ 1.00
Middle school teacher reductions	-12.7 fte	0.80
High school teacher reductions	-12.4 fte	0.70
Total Teacher Reductions	- 42.1 fte	\$ 2.50*

*Includes -\$0.9 for enrollment decline and -\$1.6 for increased class size

Changes to Class Size

Elementary	from 23.4	to 24.5
Middle school	from 26.9	to 29.2
High school	from 27.7	to 28.1



Budget Development for 2009-2010

General District Reductions

	Estimated Cost Reduction In Millions
Reduce 2 days pay for administrators*	\$.10
Reduce central administrator positions	.16
Reduce central clerical support	.21
Reduce security services	.05
Reduce technology staff	.27
Reduce maintenance	.02
Reduce travel, catering, cell phone costs	.26
Reduce district publications/mailings	.05
Eliminate leased office space (Sp. Ed. Ctr.)	.10
Reduce utility costs due to efficiencies	.10
Reduced fuel costs for transportation	.40
Reduce curriculum adoptions	.20
Transfer staff to capital fund	.40
Increase capital equipment purchases	- .10
Total General District Reductions	\$ 2.22

* must be bargained with Principal Association



Budget Development for 2009-2010

General School Reductions

	Estimated Cost Reduction In Millions
Reduce school location budgets	\$.09
Move DI program from Libby to High schools	.39
Eliminate secondary intervention teachers	.71
Reduce grant costs	.02
Suspend mentor teacher program*	.48
Total of General School Reductions	\$ 1.69

* must be bargained with Education Association



Use of Managed Savings & Federal Stimulus Funds

In Millions

Used managed savings from 2008-09	\$ 2.10
Strategic use of federal stimulus funding	1.19
Total Assistance to General Fund Budget Challenge	\$ 3.29

Note: One-time only money - up to an additional \$5.8 million of federal stimulus dollars may be available but with restricted uses



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Unresolved Questions About Budget

- Federal stimulus funding - amount and appropriate uses
- Levy funding - amount and state levy equalization
- Bargaining costs
- Other variables



Budget Development for 2009-2010

Alternative Budget Reduction Options not Incorporated in Preliminary Budget Solutions

- General district alternative reduction options
- Elementary School alternative reduction options
- Middle School alternative reduction options
- High School alternative reduction options



General District Alternative Reduction Options

Estimated
Cost Reduction
In Millions

Eliminate late take home bus	\$.08
Eliminate Ferris/LC bussing for choice	.04
Reduce funding for KSPS-TV	.15
Reduce additional maintenance staff	.28
Defer painting schools (interior/exterior)	.18



Elementary School Alternative Reduction Options

Estimated
Cost Reduction
In Millions

Eliminate remaining extra-curricular program	\$.33
Eliminate principal assistants	.45
Reduce library staffing	.11
Reduce additional teachers/class size increase	.24



Middle School Alternative Reduction Options

Estimated
Cost Reduction
In Millions

Eliminate intramurals	\$.12
Eliminate competitive interschool sports*	.69
Eliminate principal assistants	.34
Reduce counselors from 2.0 to 1.5 per school	.18
Reduce librarians 1.0 to 0.6 per school	.12

* reconfigure sports program to intramurals - cost?



High School Alternative Reduction Options

Estimated
Cost Reduction
In Millions

Reduce intramural budget	\$.08
Eliminate career specialists	.23
Eliminate principal assistants/TOSA'S	.43
Reduce counselors from 4.5 to 4.0 per school	.15
Eliminate childcare at Havermale	.08
Limit course offerings to 6 periods	.30
Reconfigure security officers	.15



Possible Program Improvements

In Millions

Reinstate lower class size	\$ 1.60
Expand full-day kindergarten (22 more schools - \$215,000 per school)	4.70
Expand gifted program (Odyssey)	.80
Adopt and purchase new math curriculum K-5	2.10
6-10	1.75
Reinstate elementary sports	.65
Provide summer school - 4 week program Elementary - \$160,000 Middle - \$110,000 High - \$110,000	.38
Offer International Baccalaureate program	?
Improve other programs	?
Restore programs that have been cut/reduced	?



Budget Development for 2009-2010

Summary - Proposed Solutions, Alternative Reduction Options, Program Improvements

Proposed Solutions

In Millions

Teacher reductions/class size increase

\$ 2.50

General district reductions

2.22

General school reductions

1.69

Use of managed savings

2.10

Strategic use of federal stimulus funding

1.19

Total proposed solutions

\$ 9.70

Alternative Reduction Options - Total

\$ 4.43

**Total Proposed Solutions and
Alternative Reduction Options**

\$14.13

Program Improvements/Restoration

\$?



Next Steps

- Update preliminary budget to reflect:
 - Federal stimulus funding
 - Levy equalization funding
 - Other factors
- Review staff and community input
- Develop recommended budget in June



Input

Given funding uncertainties:

- What alternative reduction options would you recommend as budget cutting solutions, if funding is worse?
- If funding is better, what programs would you recommend be restored or improved?

