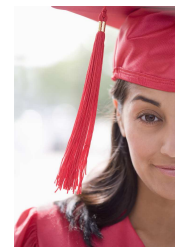


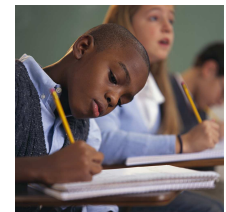
Superintendent's Recommended 2009-2010 Budget

Public Hearing #1
June 8, 2009



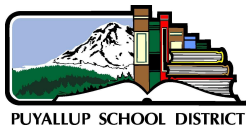
Public Hearing #1

- ❑ RCW 28A.505.050
- ❑ Opportunity to present Superintendent's recommended budget.
- ❑ Opportunity to hear comments from School Board and community
- ❑ Hearing #2 scheduled for August 10, 2009



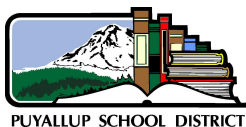
Five Funds

- ❑ General Fund (primary focus)
- ❑ Capital Projects Fund
- ❑ Debt Service Fund
- ❑ Transportation Vehicle Fund
- ❑ Associated Student Body Fund



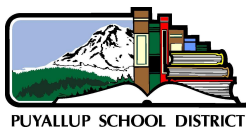
Documents

- ❑ Transmittal Letter
- ❑ Recommended Budget (General Fund)
- ❑ Supplementary Documents
- ❑ Enrollment Overview
- ❑ Overview of Other Funds



Agenda

- Budget Development Process
- The Basics
- Budget Highlights
- Observations
- Other Funds



Budget Development Process

- ❑ Study groups and analysis
- ❑ Cabinet deliberation
- ❑ Draft budget
- ❑ Feedback (14 budget forums)
- ❑ Superintendent recommendation to Board
- ❑ Public hearings; community feedback
- ❑ Adoption



2009 Legislative Background

Salary & Benefit COLAs

- ❑ One Learning Improvement Day eliminated
- ❑ Assessment changes
- ❑ Equalization efforts discontinued
- ❑ I-732 suspended
- ❑ COLA salary 0%
 - Health Benefits +1.8%
 - Retirement -2.3% (TRS)
 - Retiree carve-out -1.3%



2009 Legislative Background

Funding Changes

- I-728 student achievement fund cut 71%
- Elimination of grants for:
 - CTE equipment
 - Library media
 - Teachers assistance program
 - Science instructional coach
 - Math/science professional development
 - Transportation enhancement



2008 Legislative Background

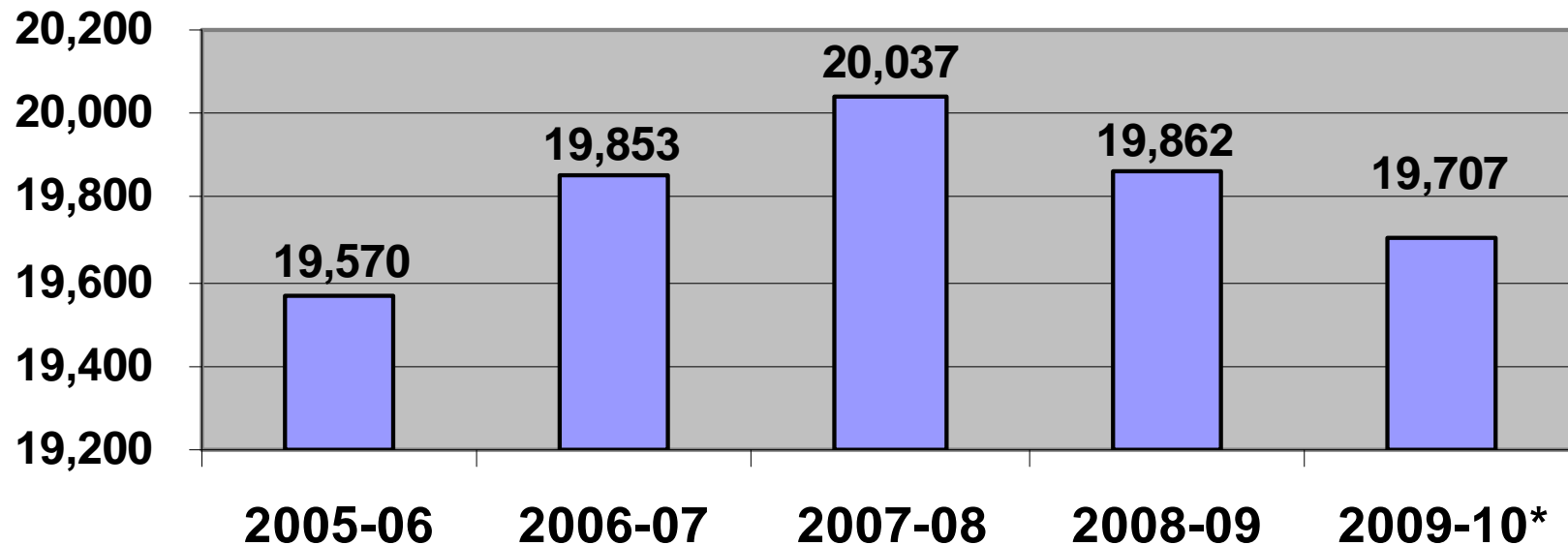
Policy Highlights

- HB 2261 new definition for basic education and future funding promised
- Assessment restructured
- Flexibility in K-4 compliance

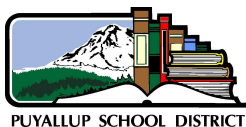


Assumption—Enrollment

Student Enrollment—September FTE

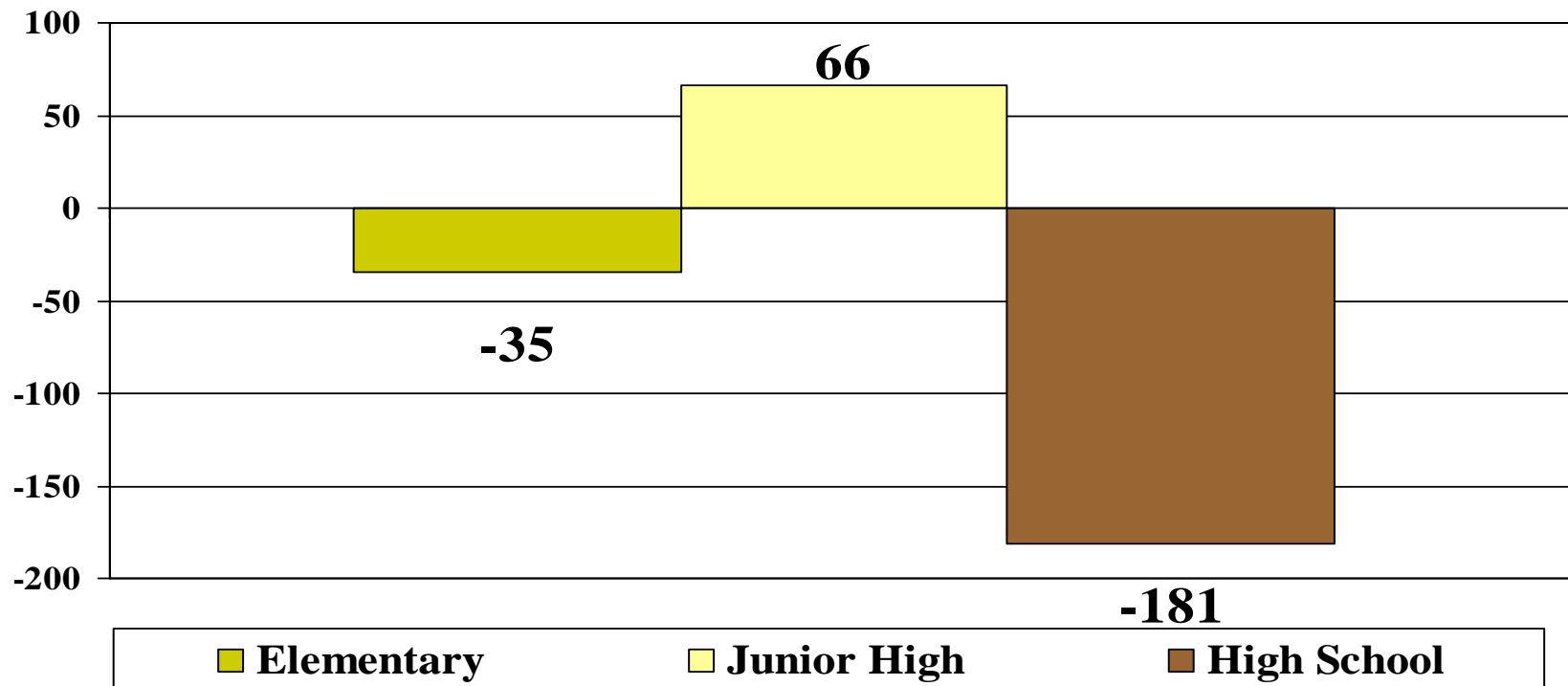


*Projected

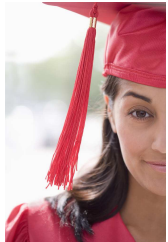
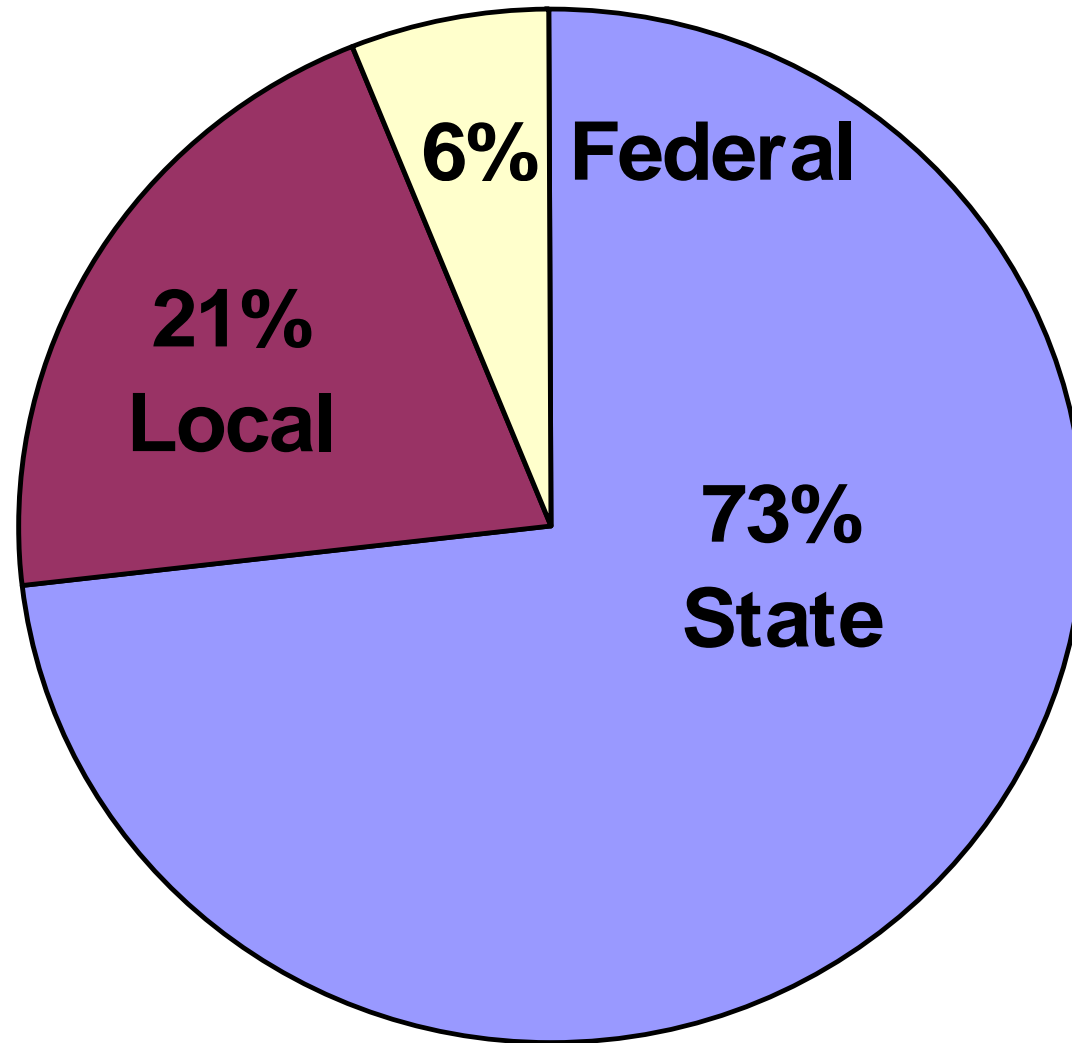


Assumption—Enrollment

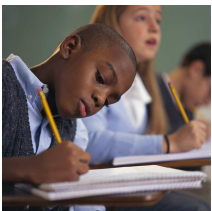
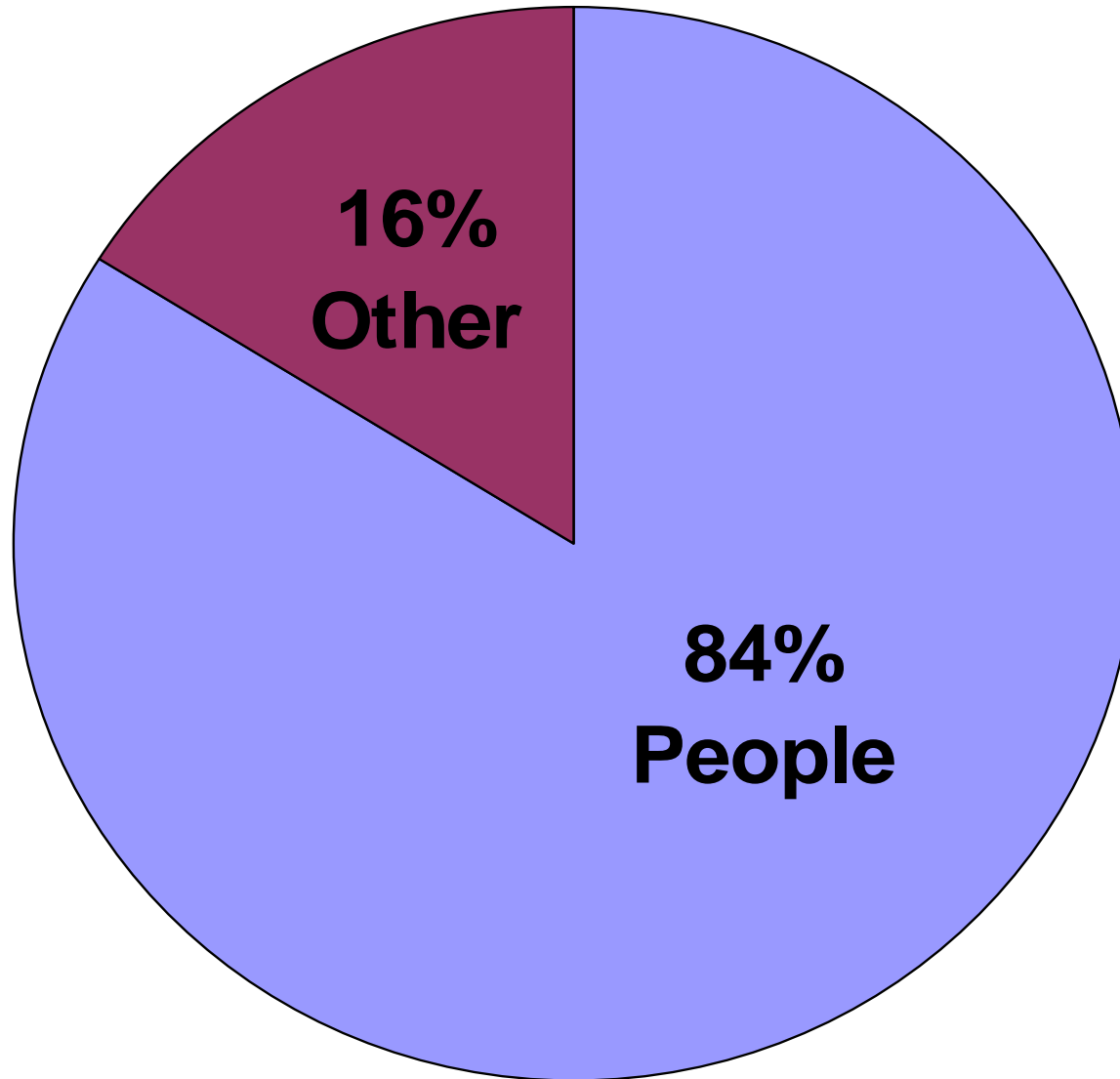
Projected Growth by Grade Span (FTE)



Revenue



Expenditures



People Are Our Business

We are a service industry

84 cents out of every dollar
is spent on people

Budgets are primarily about the people



The "People Equation"

\$ per Person

of People

Salary

Benefits

TRI

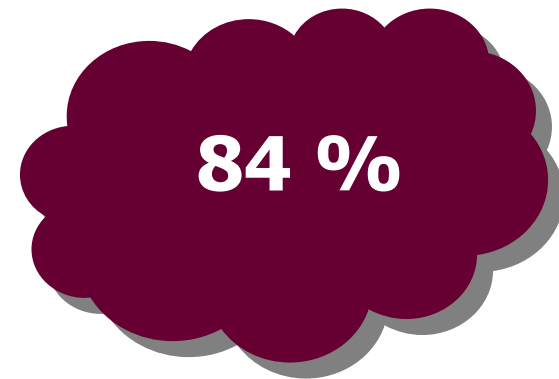
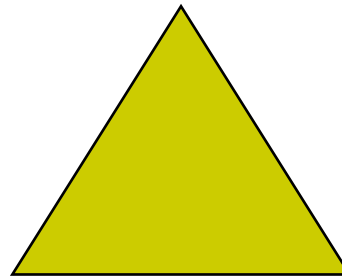
Supplemental Pay

Overtime

Stipends

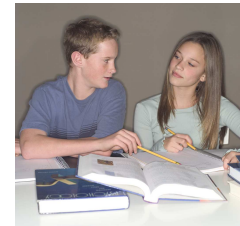
Extra Hourly

Substitutes

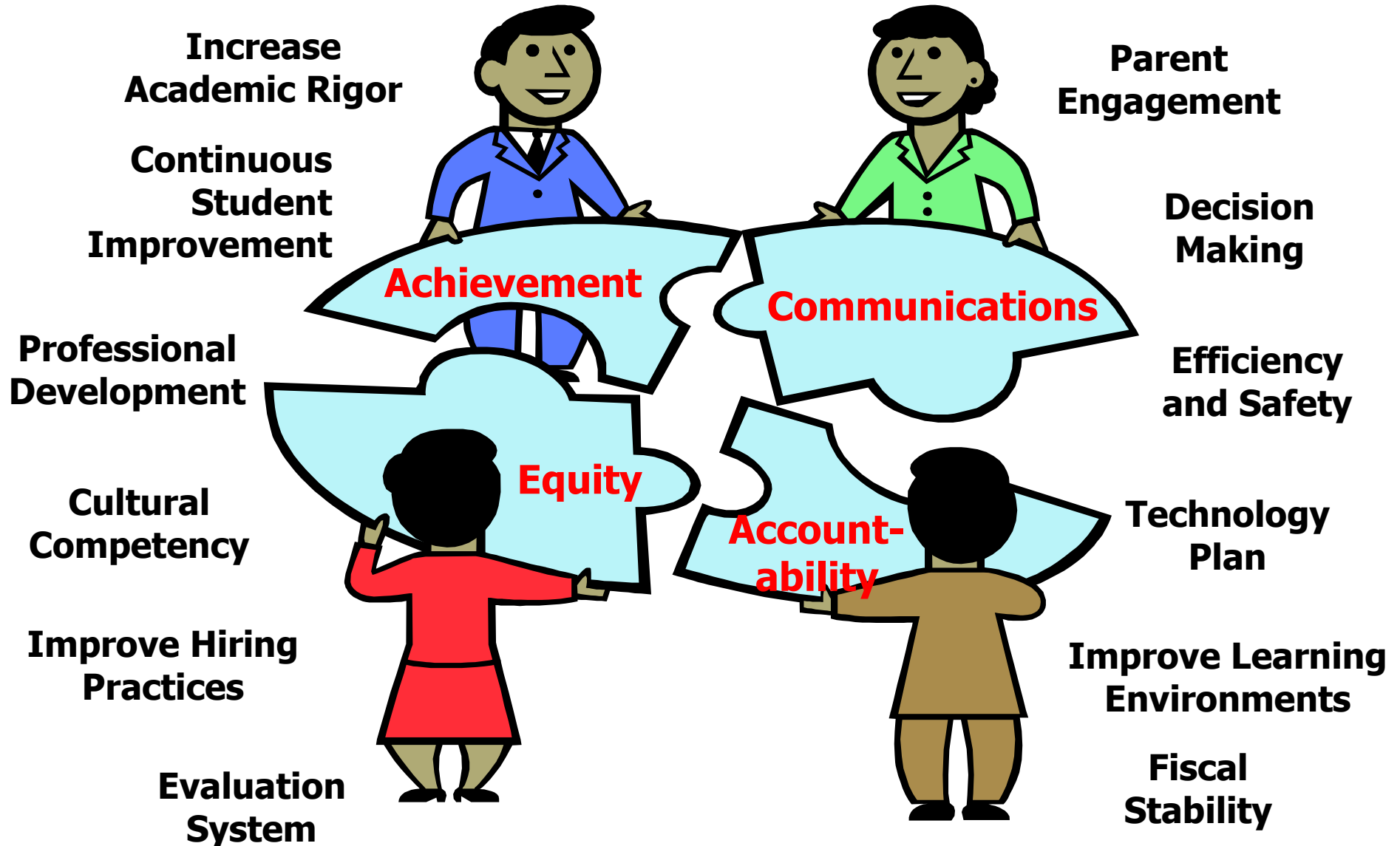


Challenges

- ❑ Increasing expectations
- ❑ Diverse student needs
- ❑ K-12 funding system at crisis point
- ❑ Economic crisis
- ❑ Short timelines
- ❑ Multiple unknowns
- ❑ Multiple constraints

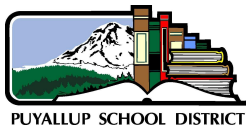


Board's Strategic Directions



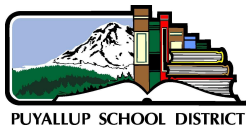
Superintendent's Priorities

- Build on foundations of past investments to increase achievement for all students.
 - Continue to invest in new classroom materials & equipment, curriculum, and professional development.
 - Recruit & retain skilled employees.
 - Complete 5-year plan for new student housing.



Superintendent's Priorities

- Manage costs through increased efficiency and strategic use of resources.
 - Preserve and protect classroom services by maintaining current teacher/student ratios.
 - Continue reduction of administrative costs.
 - Develop an integrated, district-wide approach to technology.
 - Redeploy resources to better serve students.



Budget Highlights



New Revenues

\$1,504,000

- ❑ State funding for 100 additional English language learner students
- ❑ State funding for 10 additional special education students
- ❑ Local funding through schools and operations program levy
- ❑ American Recovery and Reinvestment Act (ARRA) funding for special education and remediation indirects

Reduced Revenues

\$9,550,000

- ❑ Loss of revenue due to enrollment decline of 150 students
- ❑ 70% reduction in student achievement funds
- ❑ 50% reduction in learning improvement days
- ❑ Elimination of career and technical education equipment allocation
- ❑ Elimination of transportation enrichment funding
- ❑ Elimination of library media grant

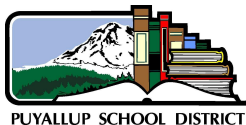
Reduced Revenues (continued)

- ❑ Elimination of teacher assistance program grant
- ❑ Elimination of science instructional coaching grant
- ❑ Elimination of math and science professional development grant
- ❑ Loss of investment earnings revenue
- ❑ Loss of food and nutrition services local revenue due to lower participation and higher costs
- ❑ Loss of funding for retirement contributions; companion reduction in expenditures; creation of unfunded future liability

New Expenditures

\$5,681,000

- ❑ Increase in cost for utilities, licenses, and other non-negotiable rates
- ❑ Increase in cost for unemployment compensation payments
- ❑ Add 1.0 FTE English Language Learner teacher
- ❑ Add one-time costs for transition support for laid off employees and retraining for reassigned employees
- ❑ Compensation pursuant to collective bargaining agreements



Program Expansions

\$120,000

- Expand Advancement Via Individual Determination (AVID) program to Puyallup and Rogers High Schools
- Expand Puyallup's Accelerated Gifted Education (PAGE) program to 9th grade at Kalles
- Add one-time costs for implementation of on-line education program



Use Fund Balance

\$2,650,000

- Draw down fund balance through use of I-728 carry over money

Reduce:

Administration

\$900,000

- ❑ Reduce 3.4 FTE central office administrators
- ❑ Reduce salary level for 1.0 FTE central management team administrator
- ❑ Reduce 2.0 FTE building level administrators
- ❑ Close Hilltop Elementary; eliminate overhead expenses including administration, clerical, custodial, and utilities

Reduce:

Administration (continued)

- ❑ Freeze salaries for superintendent, principals, central management administrators, confidential employees, and professional technical employees
- ❑ Eliminate selected stipends for supplemental work
- ❑ Reduce non-salary allocations district wide for travel, meeting expenses, extra hourly, and consultants

Reduce:

Support Services \$2,320,000

- ❑ Reduce by 1.0 FTE communications staff
- ❑ Reduce by 6.4 FTE custodial staff
- ❑ Reduce by 2.0 FTE technology staff
- ❑ Reduce by 18.0 FTE transportation staff
- ❑ Reduce by .4 FTE laundry staff
- ❑ Reduce by 6.0 FTE food and nutrition services staff

Reduce:

Support Services (continued)

- Reduce non-salary allocations by:
 - Expanding energy conservation program and implementing a partial summer shut down
 - Relocating services from leased space to Riverside Elementary
 - Increasing recycling efforts to reduce disposal costs
 - Reducing allocation for recruiting

Reduce:

Program Support \$3,706,000

- ❑ Reduce by 7.25 FTE teachers and 1.7 FTE clerical due to enrollment decline
- ❑ Reduce professional development including elimination of 28.0 FTE instructional coaches and related administrative and clerical support
- ❑ Reduce by 1.5 FTE counselors
- ❑ Reduce by 1.0 FTE health assistants
- ❑ Reduce one Learning Improvement Day for teachers
- ❑ Reduce non-salary allocations by:
 - Reducing allocation for instructional materials

Eliminate:

Programs/Support \$1,900,000

- ❑ Career and technical education equipment allocation (grant)
- ❑ Library media support (grant)
- ❑ Teacher assistance support (grant)
- ❑ Science instructional coaching support (grant)
- ❑ Math and science professional development grant support (grant)
- ❑ No-tuition summer school (I-728)

Eliminate:

Programs/Supports (continued)

- ❑ All day kindergarten program (I-728)
- ❑ PAGE professional development
- ❑ Supplemental funding from basic education for learning assistance program
- ❑ Outdoor education program
- ❑ Supplemental funding from basic education for athletic transportation; cost to be borne entirely by associated student body fund

Restructure

Programs/Services \$2,371,000

- ❑ Elementary instrumental music: implement regional before school model
- ❑ Elementary Quest highly capable: expand self-contained model; eliminate pull-out model
- ❑ 7th and 8th grade athletics: replace interscholastic model with intramural model
- ❑ JROTC: move to career and technical education

Restructure:

Programs/Services (continued)

- ❑ Library services: librarians to oversee multiple schools; paraeducators to provide supplemental services; all libraries open during school hours
- ❑ Categorical program expenses: move all categorical program costs from basic education to categorical programs (career and technical education, learning assistance program, special education, remediation)
- ❑ Job shares: reduce number of job shares to avoid duplicate costs



Protecting Our Investments

- Many districts have eliminated some programs and services completely. Although many programs & services are now revamped, **this budget retains or expands programs and services.**
 - Expanded AVID *
 - Expanded PAGE **
 - Expanded on-line education
 - Elementary instrumental music
 - Elementary highly capable
 - Library services
 - Transportation services



*AVID: Advancement Via Individual Determination

**PAGE: Puyallup's Accelerated Gifted Education at junior high



Protecting Our Investments

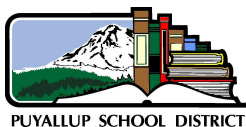
This proposed budget continues our progress toward improved student achievement despite the challenge of budget reductions.

Recommended Budget



*Summary**

Description	Resources	Uses
New revenue	1,504,000	
Reduced revenue	(9,550,000)	
Increased costs		5,681,000
Program expansion		120,000
<i>Subtotal</i>	<i>(8,046,000)</i>	<i>5,801,000</i>
Problem		\$13,847,000



** Exclusive of flow-through*

Continued on Next Slide →

Recommended Budget

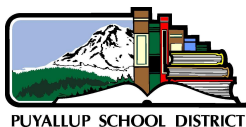


Summary

Description	Resources	Uses
Use of fund balance	2,650,000	
Administration reductions		(900,000)
Support services reductions		(2,320,000)
Program reductions		(3,706,000)
Program elimination		(1,900,000)
Program restructuring		(2,371,000)
<i>Subtotal</i>	<i>2,650,000</i>	<i>(11,197,000)</i>
Solution		(\$13,847,000)

Factors Considered

- ❑ State budget
- ❑ Board goals and directives
- ❑ Superintendent's focus
- ❑ Budget parameters
- ❑ Local and contractual constraints
- ❑ Reduction in prior years
- ❑ Actions by other districts





We Are Not Alone

*All Washington schools
face the same challenges*

*And still...
the decisions are very difficult and painful*

It is Important to Note ...

**Student achievement is our
top priority!**

**Despite challenges, we are
staying the course for long-term student
academic achievement
and financial stability.**

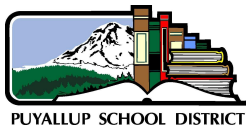


Federal Stimulus Money



ARRA*

- Stability Fund
 - Used by state to backfill basic education
 - No direct increase to us
 - Coding and process changes: 08-09 thru 10-11
- Special Education
 - \$4.4 million; July and October 2009
 - Carryover limits adjusted
- Title I
 - \$1.2 million over 2 years
 - Carryover limits adjusted



* American Recovery and Reinvestment Act

Student Achievement Fund



Student Achievement Fund Plan

Estimated Revenues \$5,141,300

□ \$2,689,800

State rate is \$131.16 per 08/09 FTE Student

□ Less: \$115,300

Indirect costs @ federal restricted rate of 4.48%

□ Less: \$83,200

Flow thru to serve PSD students at Chief Leschi Schools

□ Plus: \$2,650,000

08-09 fund balance carry over



Student Achievement Fund Plan

Planned Uses (amounts are estimated):

- **Class Size Reduction** **\$ 3,090,000**
 - Cost of teachers to maintain class size in the face of basic education reductions
 - Supplemental support for grade 5/6 split classrooms
 - Additional staffing in core subject areas to provide instructional support for struggling students



Student Achievement Fund Plan

Planned Uses (amounts are estimated):

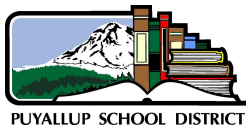
- Extended Learning Opportunities \$ 1,240,300
 - Academic intervention activities including but not limited to small group instructional support and tutoring
 - Credit retrieval programs



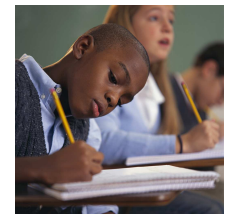
Student Achievement Fund Plan

Planned Uses (amounts are estimated):

- Professional Development \$ 810,000
 - Building based professional development
 - District wide professional development



Other Funds



Other Funds

- Five budgeted funds
 - General Fund (primary focus)
 - Capital Projects Fund
 - Debt Service Fund
 - Transportation Vehicle Fund
 - Associated Student Body Fund



Capital Projects Fund



Beginning Balance	\$ 34,579,000
Revenues	<u>+ 1,655,000</u>
Available Resources	\$ 36,234,000
Expenditures and Transfers out	<u>- 11,494,000</u>
Ending Balance	\$ 24,740,000

Debt Service Fund



Beginning Balance	\$ 8,725,000
Revenues and Transfers In	+ <u>22,276,000</u>
Available Resources	\$ 36,234,000
Expenditures	- <u>27,823,000</u>
Ending Balance	\$ 3,178,000

Transportation Vehicle Fund



Beginning Balance	\$ 191,000
Revenues	<u>+ 752,000</u>
Available Resources	\$ 943,000
Expenditures	<u>- 943,000</u>
Ending Balance	\$ 0

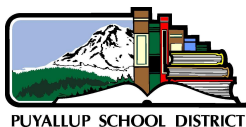
Associated Student Body Fund



Beginning Balance	\$ 898,697
Revenues	<u>+ 4,548,269</u>
Available Resources	\$ 5,446,966
Expenditures	<u>- 4,719,210</u>
Ending Balance	\$ 727,756

Next Steps

- ❑ Board Questions
- ❑ Public Comment
- ❑ Complete processing of detail
- ❑ Final public hearing/adoption: August 10
- ❑ Deadline for adoption: August 31, 2009
- ❑ Fiscal year starts: September 1



Questions & Discussion





Thank You !

For more information, contact:

Debra Aungst, Deputy Superintendent 841-8762

Kim Brodie, Budget Director 435-6777