

**Blaine School District
2011-12 Budget Planning Process
Program Reduction Recommendations (Preliminary)
(Updated 4-14-11)**

The Blaine School District has experienced an accumulative total of \$2.7M of budget adjustments, including combined expenditure reductions and incremental revenue increases (e.g. lunch prices and pay-to participate) over the past three school years. These adjustments have been necessitated by declines in State and Federal revenue, as well as some incremental declines in student enrollment (key revenue source).

In January of 2011, the Blaine School District was forced to take steps to account for an additional funding gap of \$390,000. The challenge was initiated by an abrupt adjustment (retroactively) to State revenue for the current school year, as well as continued lag in property tax revenue locally.

The projections for State and Federal funding to schools for the 2011-12 school-year are quite dire. The State of Washington now has a revenue gap of \$5B+ to account for over the next two years, and as such the prognosis for stability of funding for K-12 programs is not an optimistic one. It is quite likely that 2011-12 will represent the steepest single year decline ever in overall revenue to program.

While we remain cautiously optimistic that there will ultimately be some relief to “worst case scenario” with respect to State funding, employment notification deadlines require that we take into consideration all possible revenue loss, as well as all possible expenditure obligations. Many of the “unknowns” will not be resolved until much later in the budget development process. As such, it is quite likely that we will have to go deeper in staffing reductions in the initial pass, than will ultimately be necessary.

At this time, we are accounting for \$1.685M of necessary adjustment (expenditure decline or revenue increase) to budget for the 2011-12 school year. **(It should be noted that the Senate released a budget proposal on April 12, 2011 that could involve the need for Districts to look at extending reduction totals even deeper. Preliminary information specific to the Senate budget is included under separate heading on pgs 5-6.)**

The variables currently impacting the \$1.685M target number include:

\$230,000	Loss of K-4 Staffing Enhancement/State	Assumed Certain
\$17,000	Readiness to Learn/State	Governor’s Budget
\$18,000	Highly Capable/State	Governor’s Budget
\$40,000	Professional Development Funding	All Existing PD Sources Exhausted
\$287,000	Increased Retirement System Contributions/State	This Number Could Ultimately Be Lower
\$308,000	Federal Stimulus Funding/Federal	Funding Sunsets
\$170,000	Local Property Tax Annual Payment Gap	3 Year Trend/Could See Relief in Future
\$250,000	2010-11 Budget Leverage Against Reserve	Reserve Now At Minimum 5% Limit
\$65,000	Contracted Step Increases	House Budget Directs Freeze on State Schedule/This Number Reflects Local Obligation
\$300,000	Contingency For Unknowns	Food (10%) and Fuel Increases (\$5.00) Enrollment Fluctuations (\$110,000) Election Cost Adjustments (\$35,000) Collective Bargaining Capacity (TBD)
\$1,685,000	Preliminary Total	Believed to be “worst case scenario” (separate from Senate budget proposal)

Preliminary Program Adjustment Recommendations (Expenditure Reductions/Revenue Increases)

The following items are listed in priority order, with programs sustained in ascending order should additional funding capacity be realized. The most likely funding capacity gains will be realized from:

1. Retroactive Payment of Overdue Property Tax (Could Be Substantial)
2. Highly Capable and RTL Funding Not Being Cut By State (Not in House Budget)
3. Retirement Contribution Obligations Not Running As Deep (Likely Variable)
4. Passage of Bond Initiative Providing Some Level of General Fund Relief/Flexibility

Program Area	Funding Impact	Context or Rationale	Running Total
Beginning Target Level			\$1,685,000
Incremental Increase in 4 th Year of Levy	\$200,000	Assumes that payment gap does not get larger	\$1,485,000
Special Ed Enrollment Funding and Safety Net Revenue	\$120,000	Additional students beyond 2010-11 budget level/State revenue	\$1,365,000
LGO Payment Obligation Reduction	\$36,000	General Fund impact reduced as LGO obligations are met	\$1,329,000
Increase Transportation Revenue/State	\$107,000	Change in State funding formula	\$1,222,000
ARRA Supported NERCs and Professional Development	\$51,000	Cut short term (non-employee related) expenditures that were associated with this program	\$1,171,000
Title II Carryover (Pro D \$)	\$42,000	Funds not used in 2010-11	\$1,129,000
10% Reduction to NERCs Overall (Consistent w/Mid Year Reduction)	\$90,600	Limits to supplies and material, for all departments, as well as contracted services and professional development	\$1,038,400
Additional NERC Reduction At District Office	\$9300	Further reduces discretionary expenditures for Board/Supt./Business Office	\$1,029,100
Personnel Department Contingency Budget	\$30,000	Hiring budget capacity as well as WESPAC transition funding	\$999,100
ASB Support to Events Coordinator Position	\$10,000	Requires ASB Approval	\$989,100
ASB Support to Coaches/Teams HS	\$10,000	Requires ASB approval	\$979,100
ASB Support to Coaches/Teams MS	\$3000	Requires ASB approval	\$976,100
Increase Pay to Participate HS/MS	\$10,000	HS 70/45/25 FR 15 MS 70 FR 15	\$966,100
1.0 FTE Reduction @ Elem	\$82,000	Enrollment Driven	\$884,100
Maint./Grounds Reduction (4 hrs.)	\$20,000	Workload reassigned to existing staff	\$864,100
No Interim Curr. Dir.	\$80,000	Duties may have to be assumed by other admin staff short term	\$784,100
Custodial Reduction (8 hrs.)	\$40,000	Classrooms cleaned less frequent	\$744,100
2.2. FTE Cert Reduction @ HS	\$180,400	Driven by Enrollment and Staff Attrition Opportunities	\$563,700

Program Area	Funding Impact	Contest or Rationale	Running Total
Zero Period Weights	\$10,000	Loss would result in fewer students receiving P.E. Credit @ HS/HS will consider realignment of schedule	\$553,700
Administrative Assistant Time Reduction (4 hrs.)	\$40,000	Other District clerical staff assigned to cover front desk resulting in 4 hrs. per day of dedicated support to Board and Supt.	\$513,700
Reduce Curr. Director to .5 FTE (.3 FTE Reduction)	\$30,000	Addition duties assigned to building administrative and building clerical staff	\$483,700
Reduce Campus Behavior Support/Supervision 2 hrs. X 4	\$40,000	Need to further evaluate the impact on direct supervision before determining positions	\$443,700
Reduce Library Techs. 2 hrs. x 4	\$40,000	Could impact student access to libraries	\$403,700
Food Service (8 hrs.)	\$40,000	Presents the potential for having to combine food preparation work and transport of food	\$363,700
Reduce Campus Behavior Support/Supervision <u>additional</u> 2 hrs. X 4	\$40,000	Need to further evaluate the impact on direct supervision before determining positions	\$223,700
Reduce Categorical Associates by 12 hrs.	\$60,000	Could be SPED/Title/ELL and will impact service to students with highest needs	\$263,700
Split Counselor Primary and Elementary	\$82,000	Second back in as a result of high impact family needs at this level	\$181,700
Split Library Cert Primary and Elementary	\$82,000	First back in as a result of need to support block scheduling	\$99,700
Kindergarten Section (.5 FTE)	\$41,000	Enrollment Dependent Position	\$58,700
Assessment Budget	\$17,000	Dux Data/CBAs/(\$14,000 Left in Assessment Budget)	\$41,700
Recover HC or RTL Cut	\$35,000 (Contingent on Final Leg. Action)	Cut Not in House Budget/Senate Pending	\$6,700
Transition (2012-13) to Electronic Calendar	TBD	More Efficient/Flexible to Make Changes	TBD

Priority (Proposed) Order of Items Restored (Pending Revenue Flexibility) and Supporting Rationale

Kindergarten Section .5 FTE	\$41,000	(Restored when enrollment reaches 156 students)
Library Cert Primary/Elementary	\$82,000	Support to technology instruction and block scheduling (academic intervention critical)
Counselor Primary/Elementary	\$82,000	High impact family needs and preference for early intervention with highest needs students

Categorical Associates (12 hrs.)	\$60,000	Academic intervention and support for students with greatest level of need
2hrs. x 4 Campus Behavior/Supervision Time	\$40,000	Supervision and safety of students a high priority concern
Food Service (8hrs.)	\$40,000	Concerns exist specific to keeping each program (primary and elementary) on site with regards to both preparation and serving of lunch to students
Library Techs. 2hrs. x 4	\$40,000	Consistent student access to library resources
2hrs. x 4 Campus Behavior/Supervision Time	\$40,000	Supervision and safety of students a high priority concern
Curriculum Director Maintained at .8 FTE	\$30,000	Support for district-wide curriculum, assessment and instructional support needs, including an increasing number of compliance related issues, inc. AYP
Administrative Assistant Time Reduction (4 hrs.)	\$40,000	Assures for consistent (daily) support to Supt. and Board. Alleviates the need to have existing clerical staff from another department cover the front desk.
Zero Period Weights	\$10,000	Reinstatement would allow for 40+ students to continue to receive P.E. credit and meet other graduation/college entrance requirements

Additional Concerns/Considerations/Implications

1. We have an enrollment issue at Grade 1, with a higher number of students coming into the grade level than we have exiting the grade level. We will hold at 6 sections for now, which if enrollment remains stable means that we could have as many as 27 students per section in September, at which time some additional staffing adjustments may need to be made.
2. With the uncertainty of final Legislative action to remain unresolved for some time yet, it is likely that the initial delivery of Reduction in Force (RIF) notices will go deeper than is ultimately necessary to address the revenue/expenditure gap. The contractual and statutory timelines do not allow for initiating additional RIF after the May 15 deadline.

Our initial projection is that ten (10) certificated instructional staff may be issued RIF notices, on or before the May 15 deadline. Recipients of these notices will include the ten (10) least senior employees on the BEA seniority list. Those continuing contract employees holding specialized credentials (counselor and special education staff) could concurrently be issued notice of employment retention/continuation. While every effort will be made to rescind RIF notices as soon as feasible, the ultimate scope of need specific to certificated staff retention may not be determined until final budget completion.

Specific to classified staff, our initial projection will be the delivery of RIF notices to least senior employees, by classification, equivalent to:

Custodial: 8 hrs. total

Food Service: 8 hrs. total

Instructional Associate (inc. behavior specialists): 36 hrs. total

The reduction of Administrative Assistant Staff at the District Office will necessitate the realignment of existing clerical time within the District to assure that the front desk is covered during the hours that the District Office is open for business.

3. The extent of necessary reduction could be significantly impacted by the ultimate status of salary step increases, which both the Governor's Budget and the House Budget have suspended. It would be the District's intent to review the viability of step increases for other employees, should the suspension come to fruition at the Legislative level. There is currently no funding in the budget to support what the legislature has proposed suspending at the State level.
4. The compliance related responsibilities in the area of Curriculum, Instruction and Assessment continue to expand. In 2011-12 we will have to address issues specific to AYP compliance, new state assessments, and expanding needs for teacher professional development and related system alignment. In addition, the District will be required to implement a new teacher and principal evaluation system that is dependent upon the presence of a consistent instructional framework K-12. There remains a tremendous amount of work to be completed in the CIA department. We need dedicated leadership to make this happen.
5. The level of feedback that we received from staff and community following the previous forum was quite extensive. A frequently referenced suggestion was that of whether the District could save funds by no longer conducting Learning Improvement Days, and having regular school days instead. Learning Improvement Days take place as the result of a waiver of three (3) student days by the State Board of Education. There is no reciprocal cost increase for conducting Learning Improvement Days associated with the waiver. In fact, we would incur additional costs (support staff salaries and benefits) if we were to cease conducting one or more of these three (3) Learning Improvement Days. The District pays teachers for two (2) additional Learning Improvement Days. These days were bargained into the contract. If we were to consider discontinuing these two Learning Improvement Days, and subsequently use the funds in another area, it would have to be bargained with the Association.
6. As a Remote and Necessary Program, Point Roberts Primary School enrollees generate twice the stipend level from the State that other students generate. This additional stipend assures that the existing program remains self-supporting.
7. Many perceive that the "Activity Code 28-Extra Curricular Activity Budget" is primarily athletics. **This is not true.** All extra program stipends are paid out of this budget area, "Math Champs" is processed through this budget area, ASB payments for applicable wages are ultimately processed through this budget area, and field trip expenditures are also included here. This budget area is a catch all for virtually all that does not take place during the regular school day.

Addendum 4-13-11: Senate Budget Proposal

The Senate released their budget on the evening of 4-12-11, and included a more extensive list of cuts to K-12 education than either the Governor's Budget, or the House Budget proposed.

School districts will be spending the next few days accounting for the specific revenue implications of the proposed Senate Budget. Much of the Senate's proposed savings is predicated on the intent to reduce K-12 employee salaries by 3% in each of the next two program years. If this were ultimately occur (i.e. find its way to the final budget) the implications for the District, if we were to attempt to backfill this amount for our employees would be huge, likely in the range of \$250,000-300,000 each year. This issue, coupled with the Senate proposal to reduce apportionment through only paying for student enrollment on the days that students are present, would clearly necessitate more dramatic program cuts, likely to staffing levels.

Should the need for deeper cuts come to fruition, we would go back to the original consideration list and process through those areas that did not find their way onto the list of preliminary recommendations for reduction. Additional staffing reductions in the areas of secretarial time, counseling time, librarian time, administrative/supervisory time, specialist time and associate time could all be under consideration. We will not know if expanding the reduction list will be necessary until the Legislature has completed their work, but remain cautiously optimistic that their "Conference (final) Budget" will not necessitate the Blaine School District cutting deeper.

Specific to potential "Certificated Reduction in Force" notification (May 15 deadline), it is believed that the parameters defined in Item 2 (p. 4) above will be sufficient to cover any eventual needs.

Specific to potential "Classified Reduction in Force" notification, statutory and contractual guidelines provide for adjustments to occur up to June 1, and perhaps even later. We hope that it will not be necessary to expand the classified RIF list beyond the level referenced in Item 2 (p. 5).

April 18 Staff and Community Forum

The purpose of the April 18 Forum is to provide an opportunity for staff and patrons to offer comment on preliminary recommendations for 2011-12 program year reductions.

Participants will be assigned to each table in a manner that assures for balanced representation. Facilitated discussion is intended to surface priority concerns and any recommendations that participants feel need to be heard by the Superintendent and Board.

The protocol for this (2nd) Forum:

1. Summary of Parameters Driving This Need
2. Overview of Preliminary Recommendations
3. Reference to Order of Program Retention/Reinstatement (inc. rationale)
4. Table Discussion Time
5. Sharing Out By Table
 - a. Three Questions/Concerns
 - b. Three Recommendations for Initial/or Additional Consideration
6. Overview of Next Steps in Process

