



Bozeman Public Schools
2022-2023
Mega Issues

Background

Bozeman School District uses a Long-Range Strategic Plan (LRSP) to guide and focus the District. The LRSP process was launched in the fall of 2007 to bring more rigor to the process of setting goals; to ensure the wants, preferences, and needs of the community are well understood; and to strategically focus District resources. Bozeman Public Schools' Board, staff, and leadership team view the process of strategic planning as an ongoing process within Bozeman Public Schools. The LRSP is not a "strategic planning project" that was completed, but rather is a living document that continually evolves as the needs of the District change.

The LRSP has undergone significant revisions via a community consensus process about every 5-6 years. It was anticipated that the 2022-2023 school year would be the year to engage the community in a LRSP revision process. However, there are two pressing areas where significant discussion, community engagement, and problem solving are needed. The District identifies those types of discussions as *Mega Issues* and has a history of using a consensus process to work through the challenges. The District anticipates pushing the LRSP revision process to the 2023-2024 school year so focused attention can be given to the following *Mega Issues* during the 2022-2023 school year:

***Mega Issue #1* K-12 Budget Consensus**

For details and background information related to **K-12 Budget Consensus** [CLICK HERE](#)

***Mega Issue #2* High School MTSS/PLC Consensus**

For details and background related to **High School MTSS/PLC Consensus** [CLICK HERE](#)

For more information about the **Long Range Strategic Plan (LRSP)** [CLICK HERE](#)

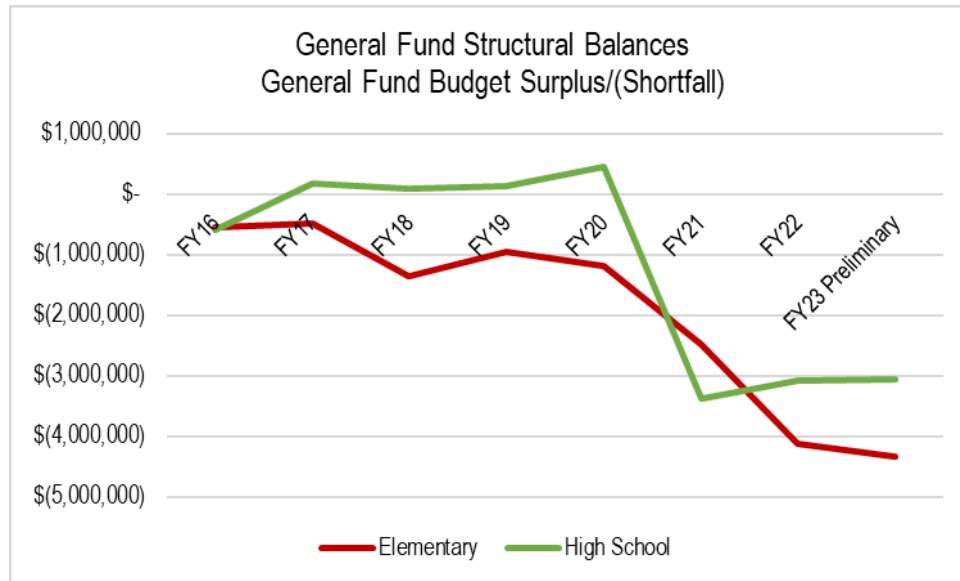
This document was put together to clearly articulate the key details related to each of the identified *Mega Issues* above. The document is also intended to connect the dots between the *Mega Issues* and other district goals and processes. It is also important to note that the two issues above are inextricably linked together. The recommendations from the K-12 Budget Consensus process will help guide and inform the work that will be accomplished in the High School MTSS/PLC consensus process. There is no doubt that the work ahead in both of these areas will be challenging, however, the District has a strong track record of bringing diverse groups of community members, staff, students, administration, and Trustees together to discuss tough issues and find solutions that move the District forward.

Thank you for your continued support of Bozeman Public Schools.

Casey Bertram, Superintendent

What is the problem or opportunity?

Significant budget challenges are looming for both the Elementary and High School District budgets. Both the K-8 elementary and 9-12 high school General Fund budgets are upside down—meaning our planned expenditures exceed our available budget authority:



The graph above shows the General Fund structural balance for the Elementary and High School Districts. The zero line indicates that planned expenditures match available budget authority—a balanced budget. As you can see, both the Elementary and High School budgets have multi-million dollar deficits, and neither appears to be recovering quickly. Both budgets are pulling from limited one-time funds to make ends meet—a temporary solution, but one that is not sustainable.

This information is sure to create questions—and with them, many emotions. The purpose of this section of the document is to anticipate some of those questions and chart a path forward.

The first question we expect is ‘how did we get into this unsustainable position?’ In consensus circles, participants learn to identify their worst-case outcomes first. The idea is to acknowledge these natural fears and negative reactions—and then set them aside to focus on positive outcomes and solutions.

With that process in mind, this document will discuss three things that did *not* cause this situation: poor planning, lack of community support, and wasteful spending.

The challenges are **NOT** the result of **Poor planning**:

The District knew changes were coming and we were as well prepared as possible for them. The transition to two high schools was known and expected, a plan to fund the transition was developed, and that plan was executed with integrity.

The COVID pandemic admittedly caught us all off guard, but the District was still as well prepared for it as we could have been. From a financial perspective the pandemic was a double-edged sword: on one hand, it caused a significant drop in elementary enrollment which resulted in an unforeseen stressor on our budgets; on the other hand, the federal COVID relief (“ESSER”) funds provided one-time funding sources that allowed us to maintain operations during that time.

In April, Moody’s Investment Services reaffirmed our Aa2 bond rating—the best bond rating of any public school in the state. This rating is an independent testament to our strong financial condition and confirmation that our

planning was effective. Steps must be taken to preserve our historically strong financial condition.

The challenges are **NOT** the result of a **Lack of Community Support:**

The Bozeman School District benefits from the most supportive voters in Montana. Our District's track record of levy approval is second to none—in fact, the last time voters rejected an annual operating levy was almost 40 years ago. Thanks to our voters, both the Elementary and High School Districts are at their legal budget caps—in other words, state law will not allow local voters to contribute more tax funding to operate our District, even if they wanted to.

In addition to maximizing our General Fund resources, local voters have also generously approved Building Reserve and Technology Fund levies. Similarly, while many Districts around the state subsidize their School Foods program with General Fund dollars, the Bozeman School District requires that program to be self-sustaining. These dedicated funding streams keep those costs from competing for scarce General Fund dollars.

The bottom line is that our District has tremendous community support, and we have the maximum amount of resources available to us. Unfortunately, no additional funding is available. The District must live within its current means, and the only way to do so is by reducing costs.

The challenges are **NOT** the result of **Wasteful Spending:**

The Bozeman School District prides itself on high student achievement, and we have dedicated educators who aggressively pursue that goal from every angle. Over time and as the District has grown, structures and costs have been added to the budget—but all of those costs either target some aspect of improving student achievement or providing a support that was deemed essential to our operation. Balancing the budget would be simple if General Fund budgets were full of “fluff” or perceived waste. To the contrary, this will be a challenging process as the District will face decisions related to prioritizing and choosing between good things within the budget as there simply isn't waste.

In short, **the current situation is no one's fault and no one did anything wrong. what happened, then?**

- Challenges with maintaining the High School master schedule at two buildings. A projected high school budget deficit was the key reason the 2016 High School Programming Committee debated one even larger high school or splitting into two buildings. The committee and community ultimately chose the two high school model—and the budget challenges that accompany it.

Those challenges are now playing out. Significant FTE increases were expected and granted when GHS opened, and voters approved a transition levy to temporarily support that FTE increase. After the initial increase, the plan was that no new FTE would be needed while the high school enrollment “grew into” the capacity at each building. This spring, however, it became apparent that both high schools needed additional staff to run their master schedules—a fundamental change to our plan. The increase was approved out of necessity to meet the needs of the current scheduling system but, as noted above, it is not sustainable.

- A significant COVID-related reduction in elementary enrollment. Although it has partially recovered, the reduced elementary enrollment tempers expectations for future high school enrollment—and as a result, budget growth.
- Recruitment and retention have emerged as significant District issues—seemingly overnight. Bozeman is an attractive place to live, and the District is a high performing public school system. As a result, our District has historically been a destination for many professional educators. However, cost of living increases here have caused our applicant pools to dwindle significantly. To address those changing conditions, the District provided mid-contract wage increases to all hourly staff and bonuses to all other employee groups. District leadership knows we will need to take a holistic look at employee compensation—including salaries and benefits—and invest strategically in it to help with recruitment and retention issues. In order to do so, however, the District will need to create capacity in our budget.

- A change in General Fund calculation methodology. Specifically, the 2021 legislature suspended schools' ability to base their General Fund budgets on projected enrollment. Historical enrollment must now be used instead—a change that will reduce Bozeman High School's 2022-23 General Fund budget authority by almost \$730,000.
- The possibility that the District will not be able to fully fund the transition levy. The transition levy ballot *created the opportunity* for the District to obtain up to \$6 million dollars in transition funding over six years, the maximum amount allowed under state law. To do so, however, the transition levy ballot stated the District must “*completely offset the tax impact of the annual Transition Levy with other reductions.*” The transition levy election took place at the height of the pandemic in 2020, and the Board placed this condition on the levy to help secure its approval during very uncertain times.

Some of those required offsets were known and available when the levy was proposed, but the rest was completely speculative—that is, the District left room to levy for the transition *if* future circumstances changed and new offsets became available. Little has changed, however, and our available taxpayer offsets are very limited. As a result, it is likely that the District will not be able to access the full amount of the transition levy—which compresses the window to balance the budget.

- Additional cost increases to the budget. These additions include FTE increases and a reinstatement of a K-12 curriculum budget. Make no mistake, all of these things are good for student achievement and advance our District goals, but they all come with a budget impact and create additional competition for our limited funds..

School budgets are complex, and questions will certainly emerge. A few of them are addressed below in the FAQ.

In summary, the District is discussing this issue now because we have a window of time to be intentional and develop thoughtful, student-centered solutions to our budget issues.

What is the Consensus Plan?

The District uses a Board Budget Committee to work through significant budget issues. The timeline and plan for the committee consensus work is as follows:

- Board of Trustees will solidify Board Budget Committee assignments at the June 13 meeting. The Board Budget Committee will include three trustees and an alternate.
- The Board Budget Committee will also include representatives from the following stakeholder groups: staff, building administration, central office administration, community members, and students.
- Committee work is anticipated to beginning late June, 2022, and will include a monthly scheduled public meeting, with more meetings scheduled as needed. It is anticipated that the Board Budget Committee would wrap up their work in December 2022.
- Board Budget Committee updates will be provided periodically to the Board of Trustees and the community via Board meetings and the Superintendent's weekly updates.

Connecting the Dots

9-12 MTSS/PLC Consensus

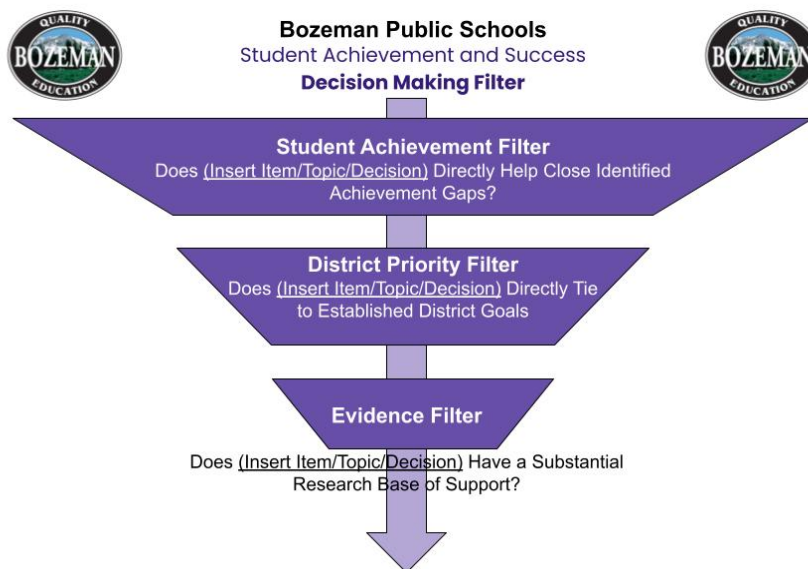
The Board Budget Committee will be making recommendations that will likely impact and inform the 9-12 MTSS/PLC Consensus process, described in the next section. Because the General Fund budget is approximately 90% personnel, it is likely that personnel will be included in potential budget cuts. The 9-12 MTSS/PLC consensus will not “launch” until the Board Budget Committee has provided some direction on what areas will be impacted.

Policy #3610

Bozeman Public Schools has current and historical achievement gaps. Those gaps have been compounded by the impacts of COVID-19. Student success policy #3610 boldly puts the District on the hook to address the long-standing achievement gaps and ensure the success of all students. The key commitments established in student success policy #3610, and associated decision making filter #3610P, are below and will serve as a framework for discussion during the Board Budget Committee process:

- Providing all students with access to resources, opportunities, supports and interventions to maximize the success of each student.
- Assuring that all BSD7 staff members, with deliberate effort, continue to examine and eliminate beliefs, policies, practices, and teaching that may perpetuate disparities in achievement.
- Raising the achievement of each student while eliminating any identified or perceived opportunity or achievement gaps.
- Filtering programs, initiatives, and budget supports to maximize student success.

Associated procedure #3610p has been established as a decision making filter and will be used during the Board Budget Committee process to ensure that budget recommendations that are made by the committee are in alignment with closing the achievement gap, District goals, and evidence-based practices:



CORE Purpose - Bozeman Public Schools exist to provide an outstanding education that inspires and ensures high achievement so every student can succeed and make a difference in a rapidly changing world community.

Budget FAQs

Question: Why are we just hearing about this now?

Answer: Central office and the Board monitor the budget situation closely each year. The deficit has existed—and been growing, as explained above—for a number of years. We’ve made a point to highlight and document the deficit every year during the budget cycle, but we’ve allowed it to perpetuate because we’ve had one time funds to cover it. Administration expects that those one time funds will be exhausted in the next couple of years, and our deficits must be corrected before that happens.

Question: Where can I read more about the District’s budgets?

Answer: Each year, the District creates a thorough document that chronicles all aspects of the annual budget. The most recent document (FY2021-22) is available [here](#) and previous years’ documents are found toward the bottom of [this page](#).

Question: Building budget and FTE budget ... Do they work together? Will our building (department) budgets decrease in the future due to the current deficit?

Answer: Building budgets and FTE both live within the General Fund. The K-12 Board Budget committee will be looking at all items within the K-8 and 9-12 General Fund Budgets. Because personnel is roughly 90% of the General Fund Budget, it is not likely that decreases in building budgets will significantly impact the deficit.

Question: High School student numbers are growing. Shouldn't this constitute an FTE increase?

Answer: The significant addition of FTE in anticipation of the split to two high schools was intended to provide the FTE needed to run two high schools and allow time for enrollment to “grow into” the two high school model. The 9+ FTE needed to run the master schedule for 2022-2023 was not anticipated, nor planned for, and thus increased the K-12 General Fund deficit that is being balanced by one-time funds. This has accelerated the timeline on balancing the budget and aligning expenditures with available revenues.

Question: We live in an affluent community with a large tax base. Does this help our FTE or budget situation?

Answer: Yes and No. The recently passed High School Technology fund levy, based upon mills, allows that levy to grow over time in concert with the growing tax base. The District also has an existing technology levy based upon mills in the elementary district. The District’s Technology Fund levies are the only funding sources we have that are allowed to be based on the value of our tax base.

The remainder of our funding sources—including the state’s General Fund budget formula—are not determined by the size of a District’s local tax base. The General Fund formula in Bozeman is the same formula in all other communities in Montana. This year, voters passed a \$325,000 General Fund Levy which allows the high school to operate at the maximum funding cap. There is no mechanism to move beyond that cap. The growing tax base will decrease the mill needed to fund our levy requests, but it doesn’t allow the maximum budget cap to grow.

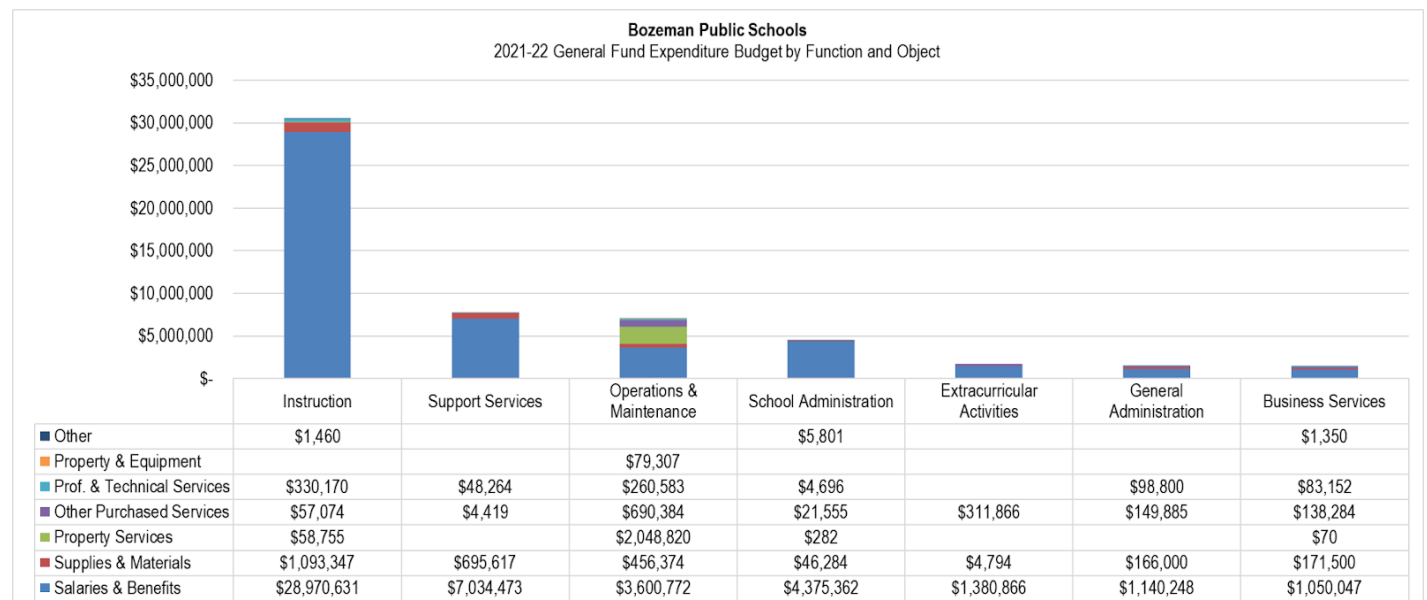
Question: Is the need to reduce FTE/revise budget a K-12 discussion?

Answer: Yes, both the K-8 and 9-12 General Fund Budgets are upside down and dependent upon one-time funds. Both budgets will be looked at by the K-12 Board Budget Committee. One-time funds are available to both the Elementary and High School Districts.

Question: What is the relationship between per-pupil funding and our FTE budget?

Answer: Per pupil funding is one component of Montana’s General Fund formula. That per-pupil funding is combined with a list of other components to determine a district’s maximum General Fund budget. Voter approval is required to reach the cap, and Bozeman is extremely fortunate to have a community that consistently supports our levies and allows us to do so.

Districts can spend their General Fund budgets as they wish—there are no statutory requirements on what schools do with that money. The graph below shows the breakdown of the 2021-22 K-12 General Fund budget. The Bozeman School District focuses about 90% of our General Fund budget on personnel (i.e., FTE, shown in blue on the graph), a ratio that is comparable to our peer school districts across the state. The remainder of the General Fund budget is spent on things like utilities, property and liability insurance, supplies, etc.:



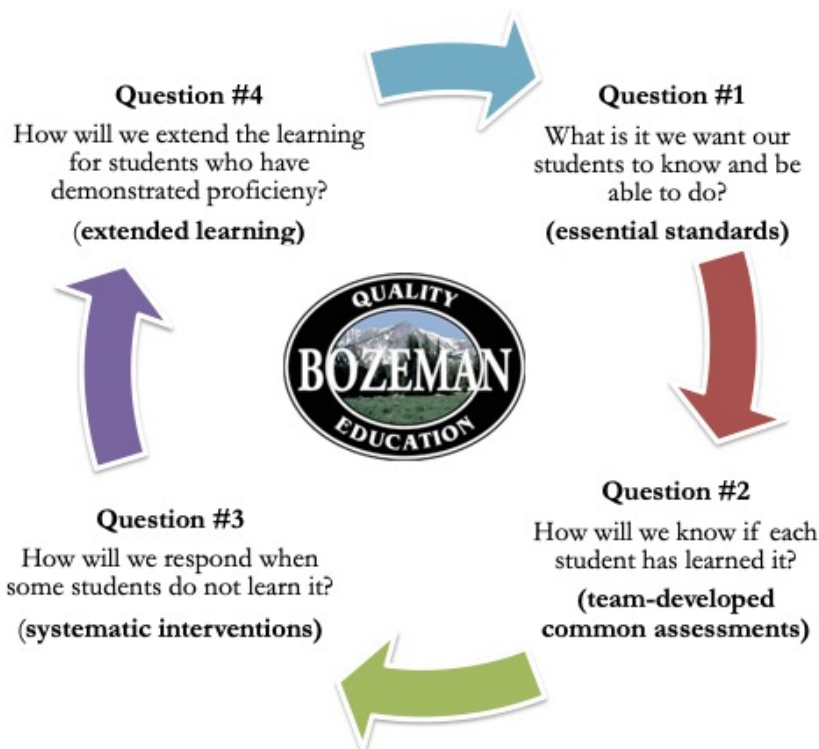
What is the problem or opportunity?

Bozeman Public Schools use a Long Range Strategic Plan (LRSP) and associated District Five Year Plan to focus the collective efforts of school sites and staff. The District Five Year Plan is inclusive of the following goals:

- **Early Literacy Goal:** By 2025, 85% of all children entering Kindergarten will have requisite literacy skills as measured by Acadience.
- **Grade Level Reading Goal:** By 2025, 90% of all BSD7 3rd Grade Students will demonstrate grade-level reading skills by achieving a proficient score on the Acadience reading assessment at the end of the school year.
- **PLC Goal:** By spring of 2025 all BSD7 schools PK-12 will have fully implemented PLC's in place that will support the closing of the achievement gap, thus qualifying BSD7 as a Solution Tree Model PLC District.
- **TBD Graduation Goal:** Tied to Graduation Rates - Developed During the 2021-2022 School Year - Launched Fall 2022

The K-12 PLC goal requires that the high school develop and launch a braided MTSS/PLC structure as the foundational approach for teaching and learning. It was agreed upon during BEA negotiations that the high school MTSS/PLC model would be built via a consensus process ensuring high school staff have a seat at the table in the building and implementation of the plan/s. Similar to the K-5 IMPACT schedule revisioning process, the changes must be as close to cost neutral as possible. The following topics will be addressed during the high school consensus process:

- Moving away from "MTSS via course," and moving toward a sustainable intervention model that is inclusive of the following components established in the research: research-based, directive, administered by trained professionals, targeted, and timely.
- Focused teacher collaboration time embedded within the teacher day for educators who share like standards to ask and answer the following essential questions:



Adapted From: DuFour, R. (2006). *Learning by doing: A handbook for professional learning communities at work*. Bloomington, Ind: Solution Tree.

What is the Consensus Plan ?

There are many key details left to flesh out with the 9-12 MTSS/PLC consensus process. Below are some of the known pieces of the plan:

- The 9-12 MTSS/PLC consensus will not launch until the K-12 budget committee has provided some initial recommendations regarding balancing the high school budget. This means that it is likely that MTSS/PLC discussion will begin in January 2023.
- With a start date of January 2023, it is anticipated that any significant master schedule changes would not occur until the 2024-2025 school year.
- The process will have ample staff representation from both high schools.
- Portions of the process will be full-blown consensus, while other portions of the process will be information sharing at PIR days or during staff meetings, as well as staff training.
- The District has set aside a limited budget of one-time funds to support the 9-12 MTSS/PLC consensus process during the 2022-2023 school year.
- The high school master schedule is a foundational piece of the puzzle that will be looked at and addressed during the MTSS/PLC consensus process.
- While the 9-12 MTSS/PLC process will not formally “open” the collective bargaining agreement for changes, there are a wide variety of past practice areas that will likely be discussed (study halls, duty periods, course caps, etc.)
- The process will be facilitated by BSD7 trained consensus facilitators and will likely include an outside consultant with expertise in high school scheduling, MTSS, and PLC's.

Connecting the Dots

K-12 Budget Consensus

The K-12 Budget consensus process will occur prior to the MTSS/PLC consensus process and will definitely set some boundaries and parameters for the discussion. For example, the following items will come up during the the high school portion of the K-12 budget discussions and may impact the problem solving and approaches taken by the high school MTSS/PLC consensus group:

- District-created course caps that set student enrollment course limits below state accreditation standards.
- Special education collaborative delivery model.
- Title One delivery model.
- The majority of students at GHS and BHS have a seven period schedule which requires FTE above and beyond what is allocated via the state funding formulas and current collective bargaining agreement language.

Transition to Two High Schools

The opening of a second high school has been an amazing success for our students and community! Expanded opportunities for students have been realized across athletics, activities, clubs, etc. There are, however, a list of unintended consequences that have come along with the transition to two high schools. The following areas will be discussed during the high school consensus process:

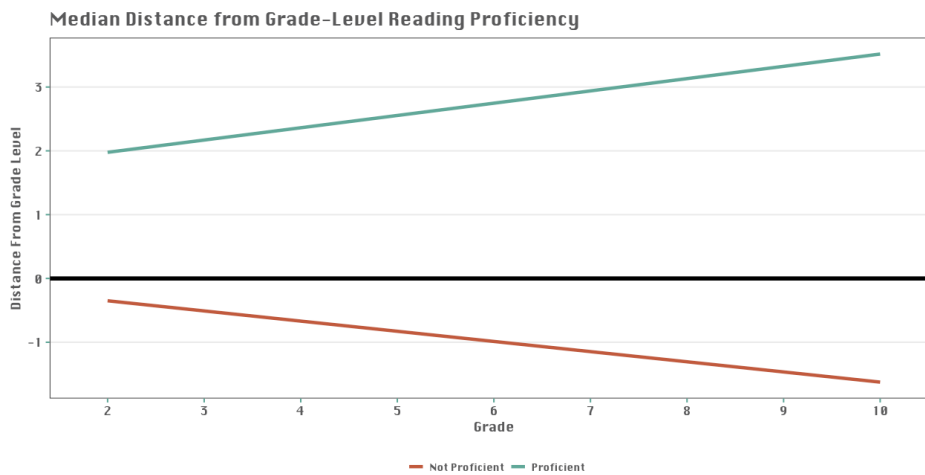
- Singletons constrain the master schedule and make it less flexible. Moving to two high schools doubled the number of singletons in the combined 9-12 master schedule (singletons = courses only offered one time in the master schedule).
- The number of study halls has increased across both schools, which has stressed the historical study hall coverage plan to a breaking point. One time funds were required to provide band-aids for the problem during the 2021-2022 school year.
- The number of separate courses that an individual teacher preps for has increased across both high schools adding to teaching stress and workload.
- New course proposals, typically looked upon as a positive, only add to the challenges above.

In short, operating a course catalog and course structure that was designed for a 2400 person high school in two 1500 person high schools is presenting challenges that were not fully anticipated during the transition process.

Policy #3610 - Achievement Gap

Bozeman Public Schools has current and historical achievement gaps. Those gaps have been compounded by the impacts of COVID-19. Student success policy #3610 boldly puts the District on the hook to address the long-standing

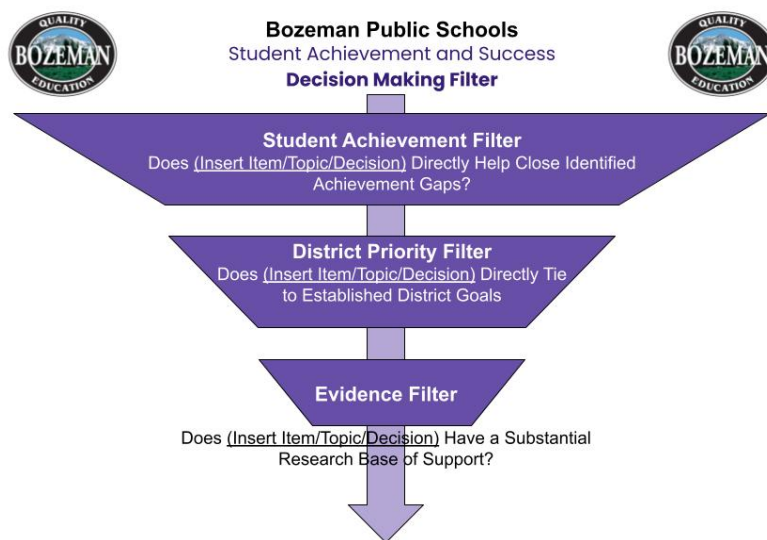
achievement gaps and ensure the success of all students. 2020-2021 high school ACT data shows that approximately 30% of Bozeman students are not proficient with ELA standards, and approximately 60% of students are not proficient with Math standards. District longitudinal data shows that students who are proficient early in their school careers continue to grow and excel, while students who struggle early continue to struggle throughout the K-12 system.



The key commitments established in student success policy #3610, and associated decision making filter #3610P, are below and will serve as a framework for discussion during the high school consensus process:

- *Providing all students with access to resources, opportunities, supports and interventions to maximize the success of each student.*
- *Assuring that all BSD7 staff members, with deliberate effort, continue to examine and eliminate beliefs, policies, practices, and teaching that may perpetuate disparities in achievement.*
- *Raising the achievement of each student while eliminating any identified or perceived opportunity or achievement gaps.*
- *Filtering programs, initiatives, and budget supports to maximize student success.*

Associated procedure #3610p has been established as a decision making filter:



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Student Inclusion and Resiliency Committee (SIRI)

Over the past two years the SIRI committee, which is a standing board committee, has dug deeply into graduation and achievement data within Bozeman Public Schools. Three major areas of focus for the SIRI committee include:

- The SIRI committee will be formally recommending a **graduation goal** to the superintendent and Board of Trustees to be added as part of the [District five year plan](#) beginning in 2022-2023.
- The SIRI committee identified current K-12 **math pathways** (tracking) as an area of concern to be studied by a subcommittee beginning in the spring of 2022.
- The SIRI committee identified seven goal areas for K-12 **MTSS implementation**, to be completed by June of 2025. See Below:

By June, 2025, MTSS in the Bozeman Public Schools shall include:

- A completed resource map for each school that includes personnel, facilities, curriculum and intervention, time allocation and requirements, additional resources, and schoolwide data
- A common understanding of MTSS that goes beyond pathways to single-student interventions or special education pre-referral
- A systemic, consistent MTSS process spanning K-12
- A commitment and process to regularly and continuously monitor for and respond to “implementation drift” with a philosophy of “core plus intervention” instead of “core replacement”
- Tier 1 core instruction is built with principles that provide an integrated structure of student support allowing every student access to high-quality resources and engaging curriculum, as well as the use of common assessments to discontinue the practice of tracking.
- An efficient and effective data system, including early warning system drop-out prevention indicators, that accesses and uses a wide variety of student data as well as matching resources to support individual student needs
- The use of evidence based progress monitoring tools, interventions, and curriculum

The work and goals of the SIRI Committee will be part of the high school consensus discussions during the 2022-203 school year.

Long Range Strategic Plan (LRSP) Overview

Key foundational pieces of the LRSP include the District's Core Purpose, Core Values, Goal Areas, and the Five-Year Plan which includes measurable District goals:

Core Purpose - *Bozeman Public Schools exist to provide an outstanding education that inspires and ensures high achievement so every student can succeed and make a difference in a rapidly changing world community.*

Core Values

- High Student Achievement: We are committed to ensuring that all students achieve at high levels
- Committed, Quality Staff: We employ and retain well qualified and talented staff members who demonstrate a commitment to the core purpose of the District.
- Community and Family Engagement: We believe that parents and the community are essential contributors in the achievement of our goals.
- Climate: We operate in a climate of respect, honesty and hard work, recognizing the need to be adaptable and open to change.
- Fiscal Responsibility: We are fiscally responsible in the management and expenditure of all District resources.
- Decision Making: We rely on best practices research to guide our decision-making.

Goal Areas

- Goal Area 1: Academic Performance - Each student meets or exceeds the high academic standards necessary for college and career readiness.
- Goal Area 2: Operations and Capacity Building: District operations, facilities and human resources promote an efficient and innovative educational system.
- Goal Area 3: Community Engagement and Partnerships: Bozeman Public Schools has created an environment in which all education stakeholders at the local, state and national level are supportive, engaged, and contribute to successfully educate our students.
- Goal Area 4: Student and Staff Safety/Health/Welfare: Bozeman Public Schools has effective systems in place for students and staff to learn and work in a safe and healthy environment.

Five Year Plan - Measurable District Goals

- **Early Literacy Goal:** By 2025, 85% of all children entering Kindergarten will have requisite literacy skills as measured by Acadience.
- **Grade Level Reading Goal:** By 2025, 90% of all BSD7 3rd Grade Students will demonstrate grade-level reading skills by achieving a proficient score on the Acadience reading assessment at the end of the school year.
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For more information on Bozeman Public Schools' LRSP plan navigate to our website [HERE](#).