NMCUSD TK-3 GRADE SPAN ADJUSTMENT AND LOTTERY BUDGETS

Presented to: NMCUSD Budget / Program Review Committee
A Superintendent's Advisory Committee
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TK-3 GRADE SPAN ADJUSTMENT

TK-3 Grade Span Adjustment

- Prior to the introduction of LCFF, the K-3 Class Size Reduction program was a State categorical program
- In 2012-13, the value of the revenue received from the State was ….

$870,723



TK-3 Grade Span Adjustment

- Under the LCFF, K-3 Class Size Reduction was re-branded as K-3 Grade Span Adjustment (K-3 GSA)
  - GSA now is 10.4% of the Base Grant and part of the overall LCFF "pot"
  - The District breaks out this value in to its own unrestricted resource code of 0920
- The calculated value of K-3 GSA in 2017-18 is

$987,091



TK-3 Grade Span Adjustment



- While the K-3 CSR program was mandated, it was never fully funded!
- Rolling forward to 2017-18, let's take a look at the revenue generated versus the estimated costs to run reduced class sizes for grades TK-3

How Much Does Staffing TK-3 Cost?

- The estimated cost for staffing <u>all</u> TK-3 is as follows:

1.	Total base salaries for all TK-3 teachers	$4,705,734
2.	Plus statutory costs @ 18.9326%	$ 890,918
3.	Plus average health & welfare	$ 983,859
	68 FTE Total Staff Costs:	$6,580,511

How Much Does Staffing TK-3 Cost?

- But wait, there's more! There are costs associated with running the facility aspect of each classroom .... lights, water, maintenance
- The total estimated Plant Maintenance and Operations costs are $1,067,600 for the classrooms housing TK-3 students



TK-3: How Much Does It Cost?

• The estimated cost for all staff is	$6,580,511
• The estimated cost for classroom facilities	$1,067,600
Total Costs, excluding materials*	$7,648,111
• 2017-18 revenue generated by TK-3 GSA	$ 987,091
Total District Cost:	**$6,661,020**

**These calculations do not take in to consideration the costs of classroom materials and supplies*

TK-3: What if District Returned to 31:1?

- IF the TK-3 grade span were returned to staffing levels at 31:1....
  - The result would be 15 less teaching positions at the elementary school level, resulting in $1,451,583 less salary expense.



How Much Does Staffing TK-3 Cost?

- But wait, there's more!
- "Shutting down" 15 classrooms would result in facility savings of an estimated $235,500



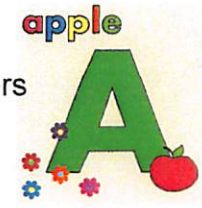
TK-3: What if District Returned to 31:1?

• The staffing expense savings for 15 pstns	$1,451,583
• The 15 classroom facility expense savings	$ 235,500
Total Expense Savings	$1,687,083
Offset by the loss of GSA Revenue	(987,081)
Equals net Savings of	$ 700,002



Instructional Value

- The District is committed to student achievement!
- Smaller class size at the primary level can boost academic achievement
- "Targeted" students show even greater gains when placed in small classes in primary grades
- Smaller classes still need well-qualified teachers



UNRESTRICTED & RESTRICTED LOTTERY

Lottery Background-Two Sources

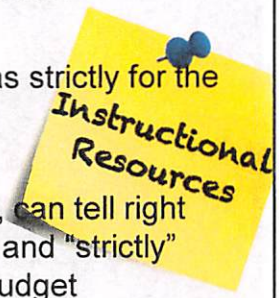
- Proposition 37: The California State Lottery Act was passed by California voters in 1984 as a means to provide supplemental funding to public education.
- Prop 37 is one of two sources of lottery funding, and is commonly referred to as "unrestricted Non-Prop 20" and is recorded in Resource 1100





Lottery Background-Two Sources

- Proposition 20 was created in 2000 and created **restrictions for a portion of the lottery funds.**
- It required that the purpose of the funds was strictly for the purchase of instructional materials.
- You, as savvy budget committee members, can tell right away by the use of the words "restrictions" and "strictly" that these funds are part of the restricted budget (Resource 6300)



Lottery Background-Two Sources

- Lottery resources 1100 and 6300 were NOT among the 50+ categoricals rolled in to the LCFF calculation
- Reason? Both were passed by the voters of California under separate and distinct Propositions, so they remained in tact



Lottery: What is It Used For?

- Since Resource 6300 is restricted, its use is pretty straight forward… instructional and technology based materials
- These are materials that are designed for use by pupils and their teachers and they may be printed or non-printed, and may include textbooks, technology-based materials, and other educational materials and tests
- Total estimated revenue for 2017-18 is $246,000 (Rate is $48 per Lottery ADA of 4,476)

*It's important to note that the average textbook costs $80 to $100 per student, so this source is truly **supplemental** when considering the over all cost of textbooks.*

Lottery: What is it NOT Used For?

- Lottery resources 1100, although unrestricted, can NOT be used for ***any*** purpose.
- The intent of the Lottery Act of 1984 is that all funds shall be used exclusively for the education of pupils. Items specifically prohibited include:
  1. Acquisition of real property
  2. Construction of facilities
  3. Financing of research
  4. Other non instructional purposes



Lottery: What is It Used For?

- Lottery resources 1100 are used at NMCUSD for supporting stipends, materials and supplies for:
  - Sports/Athletics stipends, supplies/equipment (70% of total)
  - Teacher materials/other instructional (16% of total)
  - Music/Band Program (7% of total)
  - High School graduation materials and supplies (5% of total)
  - Library Program (2% of total)



- The estimated revenue for 2017-18 is $673,000 (Rate is $146 per Lottery ADA of 4,476)

Any questions??

