

**INDEPENDENT SCHOOL DISTRICT NO. 625  
Saint Paul, Minnesota  
COMMITTEE OF THE BOARD MEETING  
Administration Building  
360 Colborne Street**

**May 31, 2016  
4:00 PM**

**A G E N D A**

**I. CALL TO ORDER**

A. Introductions

**II. AGENDA**

A. FY 17 Budget

1. Introduction
2. Presentation
3. Discussion
4. Action (TBD)

**III. ADJOURNMENT**



# FY17 General Fund Budget Update

Committee of the Board  
May 31, 2016

Marie Schrul, Chief Financial Officer

# Purpose

- Provide update on the FY 2016-2017 General Fund budget
- Present options to restore funding to schools

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# *Strong Schools, Strong Communities 2.0*



**Goal 1: Achievement** for all students



**Goal 2: Alignment** of school programs

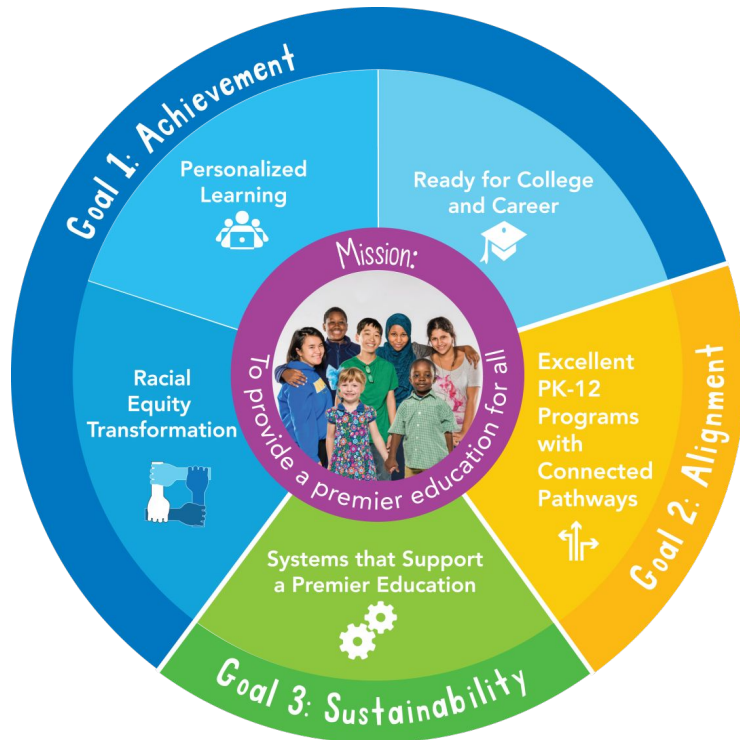


**Goal 3: Sustainability** to optimize classroom resources and academics

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# SSSC 2.0 Focus Areas



## Focus Areas

- Racial Equity Transformation
- Personalized Learning
- Ready for College and Career
- Excellent PK-12 Programs with Connected Pathways
- Systems that Support a Premier Education

# FY 2016-17 Budget Guidelines

- SSSC 2.0 Plan is first consideration in funding.
- Class size ranges will determine teacher FTEs.
- Budget built on current laws.
- Blended Site-Based and Centralized funding method will be used for schools.
- A table detailing the average salary and benefits will be provided for budget preparations.
- **The budget should maintain an unassigned fund balance of at least five percent (5%) of the general fund expenditures in accordance with the BOE policy.**
- Non-School programs will be reported into three (3) categories: Central Administration, District-wide Support, and School Service Support.
- Fully Financed budgets with anticipated revenues and expenditures over \$500,000 for the 2016-2017 school year will be included in the Adopted budget.
- The FY 2016-17 budget must be approved by the Board of Education by June 30, 2016.

The Adopted budget will be published on the Business Office website ([businessoffice.spps.org/2016-17](http://businessoffice.spps.org/2016-17)).

# General Budget Information

- FY 2016-17 General Fund revenue is projected to decrease by 4.6m (Comp Ed, Enrollment)
- The budget meets required contractual obligations
- All schools do not receive the same amount of money per pupil because:
  - Some school funding is categorical (it has specific criteria on its spending)
  - Funding for Comp Ed and Title I follow the students on a one year delay (previous year's Oct 1 count)
  - Higher poverty schools have greater access to categorical dollars than lower poverty sites
- School enrollment affects the dollars allocated

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# FY 2016-17 General Fund Preliminary Big Picture

	FY16 Adopted (in millions)	FY17 Preliminary (in millions)	Difference	% Change
∞ Revenue	\$522.8	\$518.2	\$ (4.6)	(0.88%)
Use of Fund Balance	2.5	0	(2.5)	(100.0%)
Expenditures	525.3	533.3	(8.0)	(1.50%)
Balance	\$0	(\$15.1)		





# FY 2016-17 General Fund Factors Impacting Shortfall

Item	Amount \$M
Projected Shortfall (as of 1/19/16)	(\$9.3)
Contractual commitments	(3.5)
Compensatory Revenue decrease	(1.1)
Gen Ed Revenue decrease (2/29 Projected enrollment)	(1.2)
<b>Total Shortfall</b>	<b>(\$15.1)</b>

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# FY17 Proposed General Fund Big Picture – Expenditures

Area	FY16 Adopted	FY17 Proposed	Change	Percent Change
Schools	\$253,330,183	\$247,561,456	(\$5,768,727)	(2.3%)
⇒ School Service Support	175,987,186	178,085,557	2,098,371	1.2%
District-wide Support	91,793,916	88,841,120	(2,952,796)	(3.2%)
Central Administration	4,154,590	3,692,306	(462,284)	(11.1%)
<b>Total</b>	<b>\$525,265,875</b>	<b>\$518,180,439</b>		



# FY17 Proposed General Fund Budget Reductions of Central Administration Programs

Program Category	FY16 Adopted	FY17 Proposed	Reduction Amount	Reduction %	Inflation Amt Not Allocated	% Total Reduction
Central Administration	\$4,154,590	\$3,692,306	(\$462,284)	(11.1%)	(\$73,742)	(12.9%)

- Board of Education
- Superintendent's Office
- Chief Executive Officer

- Chief Academics Officer
- Chief of Operations
- General Counsel

- Office of Elementary and Secondary Education
- Chief of Engagement

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## Departments with a 20% or more reduction:

- Chief Executive Officer (25%)
- Chief of Operations (100%)
- Office of Elementary and Secondary Education (21%)

## Departments with an increase:

- Board of Education 18%



# FY17 Proposed General Fund Budget

## Reductions of District-wide Support Programs

Program Category	FY16 Adopted	FY17 Proposed	Difference Amount	% Change	Inflation Amt Not Allocated	% Total Change
District-wide Support	\$91,793,916	\$88,841,120	(\$2,952,796)	(3.2%)	(\$1,311,404)	(4.7%)

- Finance
- Enterprise Resource Planning
- Office of Equity
- Out for Equity
- Multicultural Resource Center
- Family & Community Engagement

- Communications
- MIS
- Human Resources
- Research & Evaluation
- Referendum Technology
- Technology Infrastructure

- Grounds
- Custodial
- Safety & Security
- Facility Planning/Leases/Health & Safety
- Employee Benefits
- Insurance
- Utilities
- Operations & Maintenance

### Departments with a 9% or more reduction:

- Family & Community Engagement
- Communications
- Research & Evaluation

No departments received an increase

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# FY17 Proposed General Fund Budget Reductions of School Service Support Programs

Program Category	FY16 Adopted	FY17 Proposed	Amount of Increase	Increase %	Inflation Amt Not Allocated	% Total Reduction
School Svc Support	\$175,987,186	\$178,085,557	\$2,098,371	1.2%	(\$2,678,066)	(0.01%)

- Student Placement
- Indian Education
- Valley Branch
- Am Indian Studies
- TDAS
- MLL
- Substitutes

- Referendum Family Ed
- School to Work
- Special Education
- Third Party Reimb.
- Instructional Services
- Staff Development
- Leadership Development

- Counseling/Guidance
- OCCR
- Student Wellness
- Alt to Suspension
- Transportation\***
- Referendum – PLTT
- Peer Assistance/Review

- Career in Education
- Pre-K Support
- Achievement Plus
- Athletics

## Departments with an increase:

- Transportation 8%
- Indian Education/American Indian Studies 9%

All other departments were **reduced between 1.3%-18.6%**



# FY17 General Fund Recommendations to Address Projected Shortfall of **\$15.1 million**

Description	Amount (\$M)
Eliminating the proposed 2017 contribution to the Other Post Employment Benefits (OPEB) trust	1.0
No annual inflationary increases for central administration & departments	4.1
Targeted reductions for central administration & departments	3.9
Eliminating job-embedded PD at <b>non-Priority elementary, K-8 and 6-8 sites</b> (restored \$3.0 m to sites on 4/25/16 to address funding challenges with specialized programs and class size)	4.5
Use of Fall Adjustment funding	1.8
Offering an early retirement incentive (not offering as of 4/25/16)	0
<b>Total</b>	<b>\$15.3</b>

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# Funding the Schools

Funding for SSSC 2.0

# FY17 Proposed General Fund School Allocations

Area	FY16 Adopted	FY17 Proposed	Change	Percent Change
Schools	\$253,330,183	\$247,561,456	(\$5,768,727)	(2.3%)

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- An additional \$2.3 million in Title I funds are being allocated among 53 of our 56 Title I schools
- Of the \$5.8 million reduction, \$1.2 million is related to a projected enrollment decrease and \$1.1 of Compensatory Education revenue loss (categorical revenue directly allocated to sites based on free & reduced lunch counts)
- Since fiscal year 2011-2012, an additional \$32 million of funding has been added to schools





# SSSC 2.0 Class Size Ranges Higher Poverty Sites

Grade	FY17 Target Ranges
Pre-K	20
KG	20 – 24
1 – 3	22 – 25
4 – 5	25 – 28
6 – 8	29 – 33
9 - 12	30 - 35

Higher Poverty threshold is the top 30 schools per the teacher's contract

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# SSSC 2.0 Class Size Ranges Lower Poverty Sites

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Grade	FY17 Target Ranges
Pre-K	20
KG	22 - 26
1 - 3	22 - 27
4 - 5	25 - 29
6 - 8	29 - 35
9 - 12	30 - 37



# FY2016-17 Site Staffing Criteria

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Site Configurations	Staffing Categories	
PreK-5	Principal	Nurses
K-8	Assistant Principal	Social Workers
Dual Campus	Administrative Intern	Psychologists
6-8	Teachers	MLL Teachers
6-12	Clerks	Library Support (EA or TA)
9-12	Counselors	SSSC 2.0 Site Staff for Program Articulation
	Library Media Specialists	



# School Funding Priorities: Elementary



Elementary  
(PreK-5)

- **Every elementary school has:**
  - Contractual class sizes
  - At least .5 Music and/or Art specialist
  - Counselor, Social Worker and other social emotional learning supports
  - Part- or Full-Time Nurses
  - Access to physical education by license staff

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# School Funding Priorities: grades 6-8



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**Middle School  
(6-8)**

- **All middle grade students have:**
  - Contractual class sizes
  - MDE required courses:
    - Language Arts, Math, Science, Social Studies
  - Elective Options:
    - Physical Education, Health, Fine Arts, World Languages
  - Counselor, Social Worker and other social emotional learning supports
  - Full-Time Nurses

# School Funding Priorities



**High School  
(9-12)**

- **All high school grade students have:**
  - Contractual class sizes
  - MDE required courses:
    - Language Arts, Math, Science, Social Studies
  - Elective Options:
    - Physical Education, Health, Fine Arts, World Languages, etc.
  - Counselor, Social Worker and other social emotional learning supports
  - Full-Time Nurses
  -

# Funding to Schools

	Enrollment <sup>1</sup>	School Allocation Total <sup>2</sup>	Adopted Budget		
			Central Administration	Districtwide Support	School Service Support
23 2010-11	38,725	\$226,683,755	\$4,658,225	\$78,548,167	\$158,654,897
2011-12	38,641	\$231,073,609	\$4,565,217	\$79,954,854	\$156,404,691
2012-13	39,233	\$249,933,029	\$4,484,159	\$86,071,657	\$162,923,621
2013-14 <sup>3</sup>	39,615	\$257,853,931	\$4,436,817	\$89,318,197	\$179,770,029



# Funding to Schools

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	Adopted Budget				
	Enrollment <sup>1</sup>	School Allocation Total <sup>2</sup>	Central Administration	Districtwide Support	School Service Support
<b>2014-15</b>	39,697	\$259,652,401	\$4,071,021	\$102,018,439	\$184,977,526
<b>2015-16</b>	39,804	\$266,548,503	\$3,867,470	\$92,081,036	\$175,987,186
<b>2016-17</b>	N/A	\$263,171,833 <sup>4</sup>	\$3,692,306 <sup>4</sup>	\$88,841,120 <sup>4</sup>	\$178,085,557 <sup>4</sup>
<b>Change 2010-11 to current proposal</b>	+1,079	+36,488,078 (+16.1%)	-956,919 (-20.7%)	+10,292,953 (+13.1%)	+19,430,660 (+12.3%)



# Administrative Cost

## 2014 General Fund Distribution by School District

	STATE AVG.	SPPS	MPLS	Anoka	Roseville	Robbinsdale	Bloomington	Rosemount	Osseo	Lakeville	Elk River	South Wash.
District Level Admin	4.55	3.92	5.37	3.05	3.91	3.77	4.75	3.26	3.02	3.15	3.48	2.4
School Level Admin	3.86	3.4	2.46	3.38	4.58	3.32	4.37	4.23	4.47	4.65	3.77	4.42
Reg Instruction	43.39	46.58	45.33	43.12	43.2	46.48	45.2	46.87	47.59	42.35	45.53	47.39
Career and Tech	1.21	0.86	0.7	2.08	1.52	1.24	1.24	1.26	1.3	0.69	0.73	1.12
Special Ed	17.95	19.86	21.02	19.19	19.95	16.36	19.38	19.99	19.32	21.46	20.13	15.87
Student Activities/ Athletics	2.56	1.48	0.69	2.08	2.53	1.79	1.83	2.57	1.37	2.21	3.09	1.97



# Administrative Cost

## 2014 General Fund Distribution by School District

	STATE AVG.	SPPS	MPLS	Anoka	Roseville	Robbinsdale	Bloomington	Rosemount	Osseo	Lakeville	Elk River	South Wash.
Instructional Support	4.75	6.58	6.13	6.43	6.29	4.67	5.51	4.88	4.87	4.68	4.91	3.87
Pupil Support Services	2.78	3.75	4	3.91	3.55	2.63	2.69	2.22	2.07	4.13	3.94	3.86
Operations Maint	7.88	7.03	6.42	6.65	7.28	8.9	6.88	6.34	6.07	7.8	7.73	7.81
Student Transportation	5.82	4.54	5.76	5.32	5.99	6.23	5.09	4.95	6.83	5.07	4.46	5.97
Sub	94.75	97.99	97.86	95.21	97.8	95.39	96.95	96.55	96.9	96.2	95.78	94.68
Capitol Operation	5.25	2.01	2.14	4.79	2.2	4.61	3.05	3.45	3.1	3.8	4.22	5.32





# Additional Program Budget Reductions

# Additional FY 17 Budget Reductions

## Budget Reduction: 1% districtwide budget reduction

Savings	Description	Impact
\$556,000	Further reduce or eliminate fees for service, membership fees, travel, office supplies and postage/mailings and other non salary expenses.	<p>Reduced internal capacity to efficiently handle projects</p> <p>Fewer opportunities for professional growth outside of contractual obligations</p> <p>Over reliance on digital versus print communications limiting our reach to families</p>
	Delay or suspend key project expansion or upgrades.	<p>Slower response time</p> <p>Reduced capacity for ad hoc requests or initiatives</p> <p>Reduced efficiency</p>
	Reduce or eliminate community supports (sponsorships, events, etc.)	Perception that SPPS does not support community events

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# Additional FY 17 Budget Reductions

## Budget Reduction: Target program reductions

- Greater than 1% reductions
- Staffing Reductions

Savings	Description	Impact
\$1,170,000	Eliminate 6.0 FTE positions <ul style="list-style-type: none"> <li>• Middle level administrative positions (Transportation, Facilities and HR)</li> <li>• TOSAs (SPED and Technology Services)</li> </ul>	Reduced technology support for buildings Longer response times in HR and Transportation Services
	Consolidation of Assistant Superintendent and Director level functions	Maintain 4 Assistant Superintendents and add program responsibilities in addition to school supervision
<b>TOTAL:</b>	<b>\$1,726,000</b>	

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# Net Impact of School Staffing Changes

## PreK-5, K-8, 6-8 Sites

- Net decrease of 32.8 licensed FTE
  - 3.8 FTE Art
  - 3.5 FTE Music
  - 12.5 FTE Science Specialists
- Net decrease of 41.6 non-licensed FTE
  - 6.28 EAs
  - 34.0 TAs

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# Funding Available to Restore to Schools

**+** \$1.73 million

Additional Reductions to Program Budgets

\$1 million

Estimated Legislative Revenue

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**\$2.73 million**

Available to Restore to Schools





# Options for Restoring Funding to Schools



# Options for Restoring Funding to Schools

## Option #1: Contingency Fund (Fall Adjustment)

Total Cost: \$1,500,000

- Use remaining amount for Fall adjustment after supplemental budget distribution \$300,000
- Use \$1.2 million from Additional 1% or targeted reductions to department/programs (\$1.7m)
- This funding level restores the fall adjustment contingency and leaves funding available for any other unforeseen needs at sites.

## Option #2: Per Pupil Funding

Total Cost: \$1,415,100

- Each site will receive funding based on a per pupil amount. Sites will have discretion surrounding the use of this new fiscal allocation (e.g restoring positions, purchasing support, etc.)
- Provide a per pupil amount of \$60 for each student in our PreK-5, PreK-8 and 6-8 sites based upon their Fall 2016 Enrollment targets (not including PreK).
- The additional funding is based upon on projected enrollment which allows individual buildings to choose how to use the funding and equitably distributes the financial resource.

# Options for Restoring Funding to Schools

## Option #3: TA's and EA's

Total Cost: \$1,161,212

- The net difference of Educational Assistant positions will be restored in the specific buildings that reduced/eliminated the positions.
- The net difference of TA positions will also be restored and held in a pool to be allocated out to our PreK-5/K-8 sites in the Fall aligned with student needs.
- These positions will be flexible and may be moved across sites dependent upon enrollment shifts and/or student needs.

**Implications:** By just restoring the EA positions back to the specific buildings that eliminated the position doesn't acknowledge the decision making and budget prioritization that other sites went completed. Additionally, these supplemental FTEs would only impact a few sites and could be viewed as inequitable.

# Options for Restoring Funding to Schools

## Option #4: Science Specialists (Elementary)

Total Cost: \$1,195,225

- All of the Science Specialist and related positions will be restored in the PreK-5 and K-8 specific buildings that reduced/eliminated the positions to maintain existing staffing levels across the district.

## Option #5: Music and Visual Art Teachers (Elementary)

Total Cost: \$698,011

- All of the Music and Visual Art Teachers will be restored in the specific buildings that reduced/eliminated the positions to maintain existing staffing levels across the district.

**Implications:** Restoring the net difference of Science teachers/associated positions, Music and/or Art positions doesn't acknowledge the work that each site went through to prioritize building specialists. Additionally, by restoring only certain FTE in some buildings, we could be creating situations that could be grieved by SPFT re: workload clarification. Meaning, if the district restores these positions in certain sites, it could create opportunities for some staff to be able to participate in job embedded professional development, while staff in unaffected buildings won't have that same option.

# Options for Restoring Funding to Schools

## Option #6: Restoring Electives (6-8 Sites) - 6 Period Day

Total Cost: \$975,859

- Provide additional elective offerings for students to select from within a 6 period day schedule. This option will not increase time for elective courses, rather it will just provide more options to select from. (No Job-embedded PLCs)

### Implications:

- Students would have access to choose from additional elective offerings but would not have the choice to take additional classes within the 6 period day schedule.
- Students would have to redo their course registration process to allow an opportunity to consider the additional elective offerings within the last two weeks of school.
- In addition to the regular end of year duties the school-based scheduling team would increase their workload to gather and process the newly received course requests. Scheduling teams would be greatly impacted as they worked to revise the master schedule.
- Principals and hiring teams would need to work over the summer to fill the additional 9.4 FTEs.
- Scheduling teams would need to work at least three weeks in the summer, full-time, to re-do the scheduling process. Scheduling teams have been greatly taxed this spring with changes and would again bear the responsibility of making new changes.
- Scheduling and interview teams may or may not be available in the summer to complete the work.

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# Options for Restoring Funding to Schools

## Option #7: Restoring the 7 Period Day (6-8 Sites)

Total Cost: \$ \$2,226,857

- Restoration of the 7 period day without job-embedded PLC will allow students access to additional elective and support classes for our 6-8 buildings. (No Job-embedded PLCs)

### Implications:

- Students would have the opportunity to have increased time in elective and support classes. There may be increased offering of electives at schools.
- Teachers would have an additional period without students.
- Principals and hiring teams would need to work over the summer to fill the 23.25 FTE.
- District Scheduling team would be greatly impacted by the increased workload.
- School-based scheduling teams would also be greatly impacted by the increased workload during the last two weeks of school and into the summer. In addition to the regular end of year duties the school-based team would have to re-do the student registration process to gather course requests.
- School-based and District scheduling teams would need to work at least three weeks in the summer, full-time, to re-do the scheduling process. District and school-based scheduling teams have been greatly taxed this spring with master schedule changes and would again bear the responsibility of making new changes.
- Scheduling and interview teams may or may not be available in the summer to complete the work.

# Questions?

