

## **Proposed 2013-14 OSD Budget**

### **Our Goals:**

- Craft a responsive budget that ends the drastic cutting we've seen in recent years and meets the district's most pressing needs based on community, staff and student input.
- Craft a realistic budget that does not overspend and provides the board with varying levels of spending options.

### **Our Focus:**

- Additional supports for our students:
  - Increased intervention assistance
  - New resources to address and meet mental health needs
  - Reading intervention help at K-3
  - Language interpreters
- Helping our students prepare for their future:
  - Reduced class sizes
  - Expanded free Full-day Kindergarten
  - Purchasing and preparing for a new K-5 math curriculum
  - Restoration of 1.5 school days to the school calendar
- Supporting our teachers and other staff:
  - Restoration of recent teacher and principal salary reductions
  - Reducing furloughs for employees whose work calendars are dependent on the school calendar and ending furloughs for year-round employees
  - Additional support for implementation of Teacher and Principal Evaluation system and Common Core standards
  - Correction of an administrative imbalance at our largest school
- Providing administrative support for a world-class school district:
  - Address building maintenance needs
  - Increased administrative and payroll support to implement new federal and state reporting requirements, digital archiving needs and public record requests
  - Begin building back a healthy reserve/rainy day fund

**Our Challenges:** Several cost factors are coming into play as we develop the upcoming school year budget. These factors present some challenge to the district, and diminish our ability to make even more of the investments that many of us would like to include.

1. Pension rate increase. The amount that an employer must contribute for an employee's future pension has increased by over 29%. This rate increase will cost the district \$1.4 million more next year.
2. Health benefits eligibility. As the district's enrollment level has increased, and staff have added hours per day of work, more staff become eligible for health benefits. The benefits-eligibility of an extra 30

minutes of work can cost as much as \$4,750 for an employee that reaches this tipping point. While we have always operated to maximize employee access to health benefits, this practice will become more expensive in the upcoming year.

3. Worker's compensation costs and liability and property insurance. These costs are increasing by a combined \$74,155.
4. Federal sequester. The district is dependent on federal funds to provide intervention services at schools with high percentages of low-income families and to serve special needs students. The main fund sources, Title I and IDEA, are likely being reduced by about 5% next year.
5. Ending fund balance, or reserve. For the last two years, the districted has budgeted for a rather low reserve, 3%. This year, given the challenges listed above, but being mindful of the need to maintain a healthy balance, the proposed budget funds a 3.75% reserve. This makes a down-payment for an increased reserve over time.

#### **Our Proposed Enhancements:**

1. No Cuts! The district has cut millions of dollars in the last 5 years, and for the first year in recent memory, we are not reducing staffing allocations to schools.
2. Restoring 1.5 school days. The district was granted a waiver in 2011-12 to reduce the number of school days from 180 to 177. In the upcoming school year, the district could continue to offer only 177 school days under the waiver. Instead the Superintendent has proposed that we add back 1.5 days, for 178.5 days (under the state accounting method the district will be offering 179 days).
3. Lower elementary class sizes. The Superintendent's proposed budget funds elementary class size lower than the collective bargaining agreement and lower than current proposals in the Legislature. In other words, even if the Legislature votes to reduce K-3 class size, our district will have already lowered class size beyond their proposal.
4. Lower secondary class sizes, and more intervention assistance. The Superintendent's proposed budget restores staffing reductions absorbed by the secondary schools for the 2011-12 and 2012-13 school years. Schools will be funded at a ratio of 1:28.7 instead of a ratio of 1:29.
5. Teacher and principal salary reductions are restored. The state reduced teacher salaries by 1.9%; this reduction has been restored. The state reduced principal salaries by 3%; this reduction has been restored.
6. Furloughs are substantially restored. Employees with a schedule dependent on the school calendar will have an additional 2 work days: bus drivers, office professionals, food service employees, and paraeducators.

7. Furloughs are restored for year-round employees. These employees absorbed salary reductions of 1.2% to 3%. The workload of these employees was never reduced, and employees can now return to their normal 260-day work year.
8. New K-5 math curriculum. The district's instructional materials committee is beginning its work to select a new math curriculum for 2014-15. The decision will be made in time to train teachers in the summer of 2014, and implement the new curriculum in fall 2014. Therefore, \$450,000 is budgeted to purchase the curriculum in this budget year.
9. Focus on addressing mental health needs. The Superintendent's proposed budget adds an additional mental health counselor. This will create a team of two counselors that principals can access when students need advanced help during the school day and when he/she and/or their family needs to be connected to community resources. The proposed budget also includes an increase in staffing for the district's HOPE program (housed at Reeves Middle School), which serves a small number of students with behavior needs and will provide more one-on-one help in an effort to ensure that behavior does not interrupt learning (.6 full-time equivalent (FTE) staff increase).
10. Expanded free Full-day Kindergarten. The School Board of Directors will fund free full-day kindergarten at two high poverty schools: Garfield and Madison. The state may provide funding to cover free full-day kindergarten at Garfield once the budget is enacted. Regardless, the district will proceed.
11. Reading intervention help at K-3. The proposed budget includes 1.0 FTE reading specialist to improve reading achievement in high-need schools.
12. Language interpreters. Currently schools pay for interpreter costs out of building budgets; schools with large non-English populations are disadvantaged in terms of building resources. The proposed budget includes \$25,000 for schools to access interpreters and improve communication with non-English speaking families.
13. Implementation of federally-required Common Core and state-required Teacher and Principal evaluation systems. The Superintendent's proposed budget will fund one-half of a staff person to lead these initiatives and \$50,000 in teacher staff development time.
14. Corrects administrative imbalance for our largest school and corrects a counselor imbalance at our largest middle school. The Superintendent's proposed budget will make progress in correcting allocation imbalances, beginning with Olympia High School and counseling imbalances at Washington Middle School. The OHS administrative staff to student ratio will be improved to be closer to Capital High School by adding more hours of Assistant Principal and/or Dean time; the WMS counselor-to-student ratio will be improved to be closer to other middle schools

15. Increased Building Maintenance. The proposed budget adds 1.0 staff FTE building maintenance technician. The budget does reduce the hours of mail delivery, however, for a net addition of about .75 FTE.
16. Increased Payroll and Administrative Resources. The district's payroll function has recently been tasked with implementing the federal Affordable Care Act, the state's newly enacted health benefits requirements for reporting and minimum employee contributions, and the teachers' association benefits program has implemented a new web-based interface with stringent enrollment deadlines. One new staff person will lead the effort to implement these changes, attend to reporting deficits, and improve payroll processing for operations employees. Further, the district will invest in digital archiving, and improved responsiveness to public records requests.