



Olympia School District

Developing the 2019-20 School Year Budget

House and Senate Budget Proposals, Budget
Background for Upcoming Budget Decisions

Outlook Summary

- 2018-19 School Year budget is solvent and will end consistent with expectations.
 - Olympia School District is not in debt.
- 2019-20 School Year: We project an \$8.5 million deficit.
 - Last official projection was November 1, 2018.
 - Adjusted projection in development.
- Confident that Legislative action will positively impact the deficit, but amount is not yet known.
 - Must begin planning for reduction of expenses in order to be prepared to solve the deficit and avoid debt.
- 2019-20 SY Budget Development is well underway.



House and Senate Budget Proposals

How much do these proposals close the budget deficit and repair the finance system?



Budget Overview

House Overview (HB 1109), Passed House

1. Increases levy collection options, funds more Levy Equalization.
2. Increases multiplier which drives Special Education revenue from .9609 to .9925. (\$323,274)
3. Hold Harmless provision, subject to HB 2163 being enacted. (\$2.4 M total for 2019-20 and 2020-21.)
4. Delays K-3 compliance. (\$848,370)
5. Does not fund payments to districts for state forest revenues.

Senate Overview (Senate Striker to HB 1109), Passed Senate

1. Increases levy collection options, funds more Levy Equalization.
2. Increase multiplier which drives Special Education revenue from .9606 to 1.0. (\$400,000)
3. Removes federal funding from the safety net (permits reduction of threshold to qualify for grant). (unknown, but valuable)
4. Funds payments to districts for state forest revenues. (\$300,000)
5. Lower cost assumptions for SEBB.



Levy Detail: If the District were to collect more of our Voter Approved Levy

House Overview (HB 2140)

1. Permits collection under 3 options:
 - a. Up to 20% of levy base; or
 - b. \$1.50/\$1,000 AV or \$3,000 which ever is lower;
2. Funds Levy Equalization for up to a 10% levy regardless of collection option.

Senate Overview (SB 5313)

1. Permits collection of the lesser of \$2.50/\$1,000 AV or \$2,500 per student.
2. Redefines inflation of the per pupil factor to be based on the Implicit Price Deflator instead of Consumer Price Index.
3. Funds levy equalization up to \$1,500 per student.

Legislation	\$2.50/ \$1,000 AV	\$2,500 / Student	\$1.50 / \$1,000 AV	\$3,000 / Student	20% of Levy Base	Levy Equalization	Impact on 2019-20 SY
House 2140	---	---	\$14,935,441	\$28,617,000	\$22,946,384	\$164,000	\$4,260,219
Senate 5313	\$24,899,069	\$23,847,500	---	---	---	\$64,000	\$4,739,433



House vs. Senate vs. Deficit Projection

Data Projection Versions	House-Proposed Budget	Senate-Proposed Budget**
November 1 Deficit Projection	\$8.5 Million	\$8.5 Million
New Revenue Above November 1 Projection (if increase tax collections)	\$5.1 Million	\$5.1 Million
Potential Revised Deficit* (About a 3% Reduction)	\$3.4 Million	\$3.4 Million

*This calculation is a best guess estimate given our current data set. \$8.5 million deficit is being re-calculated. It is too early to know the full impact of House and Senate budgets. Last minute Senate SEBB changes are not included. Many other updates have not been incorporated.

**This assumes that the Senate WILL enact a levy proposal. This is not an assured outcome.



Budget Survey and Background for Upcoming Budget Decisions

For each category in the Budget Survey, how much does the district spend, what is the history of enhancements and reductions and what are reduction options?



Budget Background for Discussion

Capital Budget Items	Items Not Surveyed	Item in Forced-Choice Survey
<p>Indirect Assistance to General Fund Deficit:</p> <ul style="list-style-type: none"> • Technology Investments (1:1 Chromebooks) • Modernizations at OHS, CHS, and Elementary Schools • New Performing Arts Center at CHS* • Construction at 111 Bethel and Move* • Construction at Avanti 	<ul style="list-style-type: none"> • Salary Increases • Professional Development • Administration <ul style="list-style-type: none"> • Central Office • School • Categorical Programs • Transportation • Maintenance (April 15) 	<ul style="list-style-type: none"> • Teachers and Class Size • Para-educator Support • Counselors and Mental Health • School Nurses • Libraries and Teacher Librarians • Reading and Math Interventions (April 15) • Athletics and Activities (April 15) • Grounds and Fields Maintenance • Custodial Services (April 15) • School Office Support (April 15) • Music and/or Art (April 15) • New Curriculum Resources (April 15)



Salary and Prof. Development

Salary Increases

- Negotiated per state law.
- Must negotiate in good faith.

Professional Development

- Largest cost drivers are PD for teachers and para-educators.
- These are also negotiated, and considered a component of salaries.

- PD for central office staff is embedded in unit budgets. This will be considered for reduction as part of the administrative reductions.



Central Administration

- Every effort will be made to minimize cuts to the classroom.
- Improbable that Central Office can absorb the full cuts.
- Identify options to implement reductions.
 - General fund (option packages vs. % across the board reduction).
 - Develop proposal for state and federal programs to be charged an indirect, and plan reductions accordingly to afford the indirect rate.
 - Indirect rate funding contributes to administrative reductions as categorical programs now “buy” services.



Central Administration

Full Time Equivalent Staff	General Fund*	CTE	LAP/Title I	Highly Capable	Special Services	Technology
FTEs Allocated by State	32.41	Not Specific	Not Specific	Not Specific	Not Specific	5.29
Total FTEs	*29.20	3.23	2.68	1.2	8.03	7.23

*Superintendent's office, payroll, budget, accounting, human resources, communications, school supervision, learning and teaching that are not categorical (e.g., not CTE, LAP, Title I, Special Education, McKenny-Vento).

Does include 0.9 FTE TOSA's; remaining TOSA's are paid on federal funds/state grants.

Does not include .75 FTE funded through facilities rental fees to manage facilities and field rental.



Following Data

- Enhancements listed on upcoming slides show total cost of deploying a staff person:
 - Salary
 - Pension
 - SSI and Medicare
 - FLA
 - Worker's Comp
 - Health Benefits



Central Administration

Recent Enhancements

'13-14

- Digital records installment
\$12,000
- Added 1.0 Payroll Technician
(\$97,000) (current value)
- Added Sp Ed Office Professional
hours (\$15,000)

'14-15

- HR Staffing (\$32,000)
(Ultimately a .5 FTE)
- Added 1.0 Safety and Risk
Manager (\$99,000) (cv)

Recent Enhancements

'15-16

- Added 1.0 FTE HR Staff
(\$99,000) (cv)
- Added 0.5 Communications
Staff (\$35,000)
- Added 1.0 FTE Business Systems
Trainer (\$99,000) (Ultimately
divided among HR, Payroll, and
Accounting)
- Added 0.3 FTE Public Records
Officer to prior staffing level of
0.2 FTE (\$28,000) (cv)



Central Administration

Recent Enhancements

'17-18

- Added 1.0 FTE OCR Website Compliance (\$90,000)(Tech Levy)
- Added 0.25 FTE Digital Records Manager (Adds to prior resources) (\$21,000) (Tech Levy)
- Added 1.0 FTE Accounting Manager (\$112,000) (Tech Levy)

Possible Areas of Savings

- Additional staff reductions (balancing reductions and overtime costs).
- Reduction to supplies, travel, and professional development
- Apply indirects.
- Seek grants.
- May 15 deadlines apply in some cases.



School Administration

Recent Enhancements

'13-14

Convert Deans to Assistant Principals (\$36,500) (cv)

Added 1.0 FTE Administrators Ratio Catch-up (\$174,000) (cv)

'14-15

Added 1.0 FTE AP at Hansen & Centennial (\$174,000) (cv)

Other Enhancements

Dean positions, Para-educator support, Behavior Technicians, Athletic Directors, Graduation Specialists and many other allocation improvements contribute to administrative time.

Reduction Basics

Assistant Principals, and any non-tenured Principals must be notified by May 15 if they will be returning to the classroom as of July 1; note, position must be a current open position.

OEA contract recommends that the district consider retaining the same administrator/teacher ratio in 2019-20 as the start of 2018-19 school year.



“Reductions” to Categorical Programs via Indirect

- Categorical programs include CTE, LAP, Title I, ORLA, Special Education, Highly Capable, Institutions, ELL.
- Indirects are generally the percentage of support for administrative functions: Superintendent, business, payroll, human resources, communications, legal, and contracts administration.
- Indirect resources simply add to the General Fund; do not specifically fund central administration.
 - Example: Transportation program is charged 10% indirect. This money indirectly pays for nurses in schools b/c the \$320,000 is not earmarked for administration.
 - Categorical programs do not take “cuts” to contribute to a GF target, but indirects contribute to the revenue of the rest of the system.
 - This mechanism turns categorical money into general fund.
 - This mechanism shares the reductions that general fund is experiencing.
- Evaluating: For 18-19 carryover and for 19-20 new year, consistently apply the fair and allowable indirect on the program. Do not double charge for direct costs.
 - All program administration and direct service take a smaller cut than if special programs do not pay indirect.
 - Less differential between have/have-nots.
 - General fund losses do not subsidize other programs.



Transportation

Background

\$3.9 Million plus 10% for indirect
2.87% of total budget

Recent Enhancements

0.5 FTE Office Secretary (\$35,000)
(cv)

Brain train buses (Tues/Thurs)
(\$20,000) (cv)

Reductions to Date

None

Possible Areas of Savings

- 3.0% reduction = \$120,000
- Reduction to supplies, travel and professional development.
- Staffing.
- Fewer bus routes, bus length of time.
- Enforcement of state standard 1-mile walk zone.
- May 15 deadline not required by contract.

Rough State Allocation vs. Levy Deployed

Categories of Spending	State Allocation	District Deployed	State Funds Cover:	M&O Levy Covers:
School Nurses	1.53	10.3	1.35	8.77
Teachers (Including CTE, and Music and Art)	543	523	478	45
Para-educator Support (Including All Programs)	195	285	172	113
Counselors and Mental Health	25	26	22	4
Teacher Librarians	11.73	16	10.3	5.7
Grounds and Maintenance	18	21	15	6
Custodial Services	34	49	30	19
School Office Support	48	45	42	3



Teacher Staffing and Class Size

Recent Enhancements

'13-14

Restore MS/HS staffing reductions
(\$150,000)

HOPE staffing Expanded (.6 FTE)
(\$75,000) (cv)

'14-15

Lowered elementary class size by 1.2
students at K-3 and 2.5 at grades 4-5

Added 0.5 FTE to Transition (\$65,000)
(cv)

Add 39 sections of course offerings at
MS/HS (\$960,000) (cv)

'15-16

Reduced class size at LP Brown

Added 0.7 FTE K-5 music to reduce
frequency of double sessions
(\$87,000) (cv)

One-time support for combination
classrooms (\$23,000)

Recent Contract Reductions

'18-19

Reduced overload payments
(elementary = 1st student in overload
can be compensation only; no option
for 1 hour of para time)

(Secondary = \$2 per reduction per
student)



Teacher Staffing Levels and Class Size

General Classroom

- Elementary, increase class size to CBA guideline, some overload.
- Secondary, increase class size above guidelines, more overload.
- Absorb reductions through attrition.
- Similar to historical approaches to staffing reductions.
- Underway, principals notified of Tier 3 allocations.

Special Education

Allocate staffing to schools assuming small numbers of overload; no under-enrolled classrooms.

Absorb reductions through attrition.

Similar to historical approaches to staffing reductions.

Underway in staffing assumptions.

May 15 deadline applies.



Para-Educator Support in Schools

Recent Enhancements

'13-14

'14-15

Restore 17 hours of general classroom para-educator reductions (\$106,000) (cv)

Restored part of reduction to preschool para-educator hours

'15-16

Added 4.5 FTE Behavior Technicians (\$177,000) (cv)

'16-17

Added 2.5 FTE Behavior Technicians (\$98,000) (cv)

'16-17 (cont)

Added 12 Hours of Security at Comprehensive High Schools (\$75,000) (cv)

Possible Areas of Savings

Staffing.

May 15 does not apply, other contractual obligations apply.



Counselor and Mental Health Support in Schools

Recent Enhancements

'13-14

Added 1.0 FTE Social Worker
(\$124,000) (cv)

Added 0.6 FTE Social Services
Coordinator (\$71,000)

Added 0.6 FTE Counselor at largest MS
(\$75,000) (cv)

Added 1.0 FTE RTI Coordinator
(\$124,000) (cv)

'14-15

Added 2.0 Graduation Specialists
(\$250,000) (cv)

Added \$10,000 in support of AVID at
OHS (cv)

'15-16

PBIS Expansion \$58,000 (training and
data system) (cv)

Added .8 Engagement Specialist at MS
(\$100,000) (cv)

'16-17

None

'17-18

None

Possible Area of Savings

Staffing

May 15 decision date applies.



School Nurses

Recent Enhancements

'13-14

'14-15

Added 2.0 Nurses (\$250,000) (cv,
assumes RN level)

'15-16

'16-17

'17-18

Added 0.4 Nurses for Complex
Needs (\$49,600) (cv)

Added 0.5 District Nurse
(\$62,000) (cv)

Possible Areas of Savings

Staffing.

May 15 decision date applies for
Registered Nurses.



Grounds, Custodial, Maintenance

State Allocates: 18.065

District Deploys: 21.56

Recent Enhancements

'13-14

Restore 1.0 Grounds (\$75,000) (cv)

'14-15

Restore 0.5 FTE Maintenance Secretary (\$45,000) (cv)

Restore 1.0 Grounds (\$75,000) (cv)

'15-16

Low Voltage Electrician (\$45,000) (cv)

Custodial / Maintenance Supplies, 5%

Recent Enhancements

'16-17

Increased 0.5 FTE Maintenance Secretary to 1.0 (\$45,000) (cv)

'17-18

Possible Areas of Savings

Staffing

Supplies

May 15 does not apply, other contractual obligations apply.

