



Funding Our Priorities



2013-2014 DRAFT BUDGET

Presentation to the Board of Education

Dr. Bolgen Vargas, Superintendent of Schools

March 25, 2013

Today's Topics



Budget Process

Budget Challenge

Funding Our Priorities

- What we're increasing
- Efficiencies and reductions
- Staffing impact
- Closing the gap
- What our budget achieves

2013-14 Process: A New Approach to Budgeting

NOVEMBER
2012

- Monitor and project revenue (*ongoing*)
- Review all department and school budgets (*Cabinet team*)
 - Take a fresh look at how services are delivered
- Seek public input
- Review Board priorities
- Develop spending plan
 - Fund essential priorities
 - Find efficiencies
 - Reduce spending in non-essential areas
- Present to Board of Education
- Seek public comment at Community Conversation events
- Adopt budget (*Board of Education*)
- Present to City Council
- Adopt budget (*City Council*)

JUNE 2013

2013 Process Results

Stability

- An on-time, balanced budget
- Staff placements set in June
- Families will know fall courses and schedules at the end of this school year

Transparency

- Cross-functional budget team
- Four public meetings to date
- More than 200 comments and suggestions

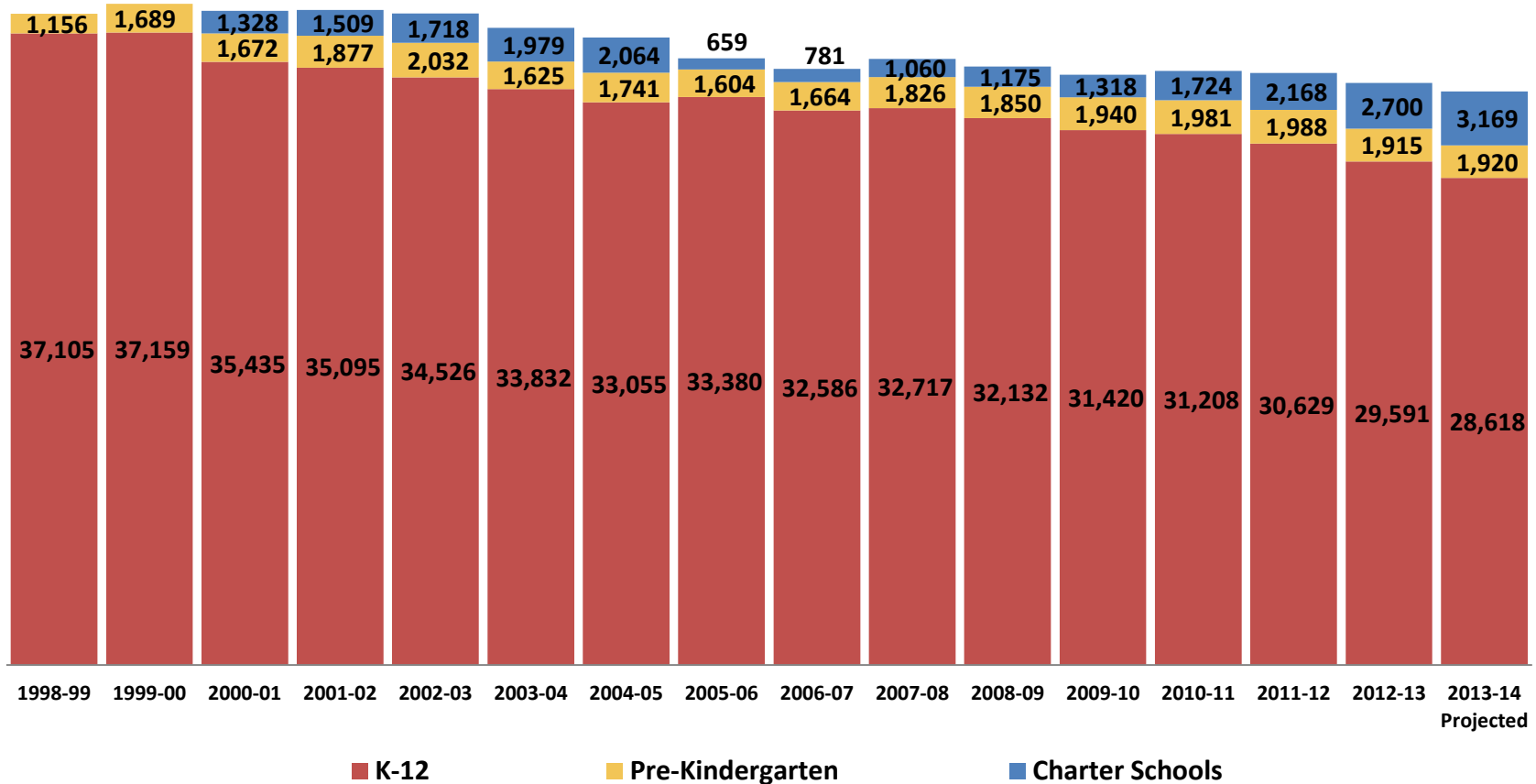
Parent and Community Input

- Student achievement is priority one
- Support for neighborhood schools is strong
- We need to improve customer service and accountability
- Many ideas for improving efficiency

Challenge - Declining Student Enrollment

Combined Enrollment:

38,261 38,848 38,435 38,481 38,276 37,436 36,860 35,643 35,031 35,603 35,157 34,678 34,913 34,785 34,206 33,707



We project a 3.3 percent decline in K-12 enrollment from the current school year.

Source: District Budget Book

Our Budget Challenge for 2013-14

(Developed in December 2012)

General Fund: **(\$39.0M)**

Retirement: \$13.2M

Salaries: \$ 8.3M

Health/dental \$ 3.7M

Charter school tuition \$ 7.3M

Budget contingency \$ 4.5M

Net of other: \$ 2.0M

Special Aid: **(\$10.8M)**

Projected budget impact of grant funding reductions

Lunch Fund: **(\$0.4M)**

Our projected budget gap is \$50.2 million

Budget Priorities



Student Achievement and Growth

- Expanded learning
- Reading by third grade
- Implementing Common Core curriculum
- Art, music, P.E. and extra-curricular activities in every school
- AP and sports in every secondary school

Parent and Family Involvement

- Improved attendance
- Strengthening neighborhood schools
- RocRead – increased reading at home and library cards for every family

Effective and Efficient Allocation of Resources

- Facilities Modernization Plan
- Fresh look at service delivery

Funding Our Priorities: What We Will Increase



Maximize instructional time

- 280 minutes of English math, science, social studies at K-6 level daily—43 minutes more than today
- Expanded day in up to 10 schools

Reading by third grade

- Average K-3 class size is 22 students or less
- Ten reading teachers added
- One new Pre-K program
- Seeking funds for full-day Pre-K District-wide

Art, music and P.E.

- Schedule supports more art/music/P.E. at K-6 level
- Expanded electives in higher grades

Funding Our Priorities: What We Will Increase



Athletics

- Current year: 252 programs / 4,055 athletes
- Next year: 325 sports programs / 5,150 athletes

Parent Engagement

- Eight new parent liaisons
- Every school will have one

Funding Our Priorities: Efficiencies and Reductions

Realignment of Teaching Staff

- Reduction in non-classroom assignments
- Place 14 more teachers in classrooms
- Reduced use of substitutes

Program Closures and Consolidations

- School 30 program will close
 - School 54 will move into 36 Otis St. facility
- Edison Business School will phase out
- Eighth grade at Freddie Thomas will phase out
- Young Adult evening program, I'm Ready will merge into All City High

Reduction in Vendor Contracts and Leased Space

- More staff-delivered services (tutoring, in-school suspension)

Funding Our Priorities: Efficiencies and Reductions

Special Education

- Directors for elementary and secondary level instead of zones
- 8 more administrators serving school clusters, 24 fewer teaching coordinators

Central Office

- \$875,000 in savings through staff realignment within Teaching and Learning, Finance, Administration and Operations
- School chiefs for elementary and secondary instead of zones

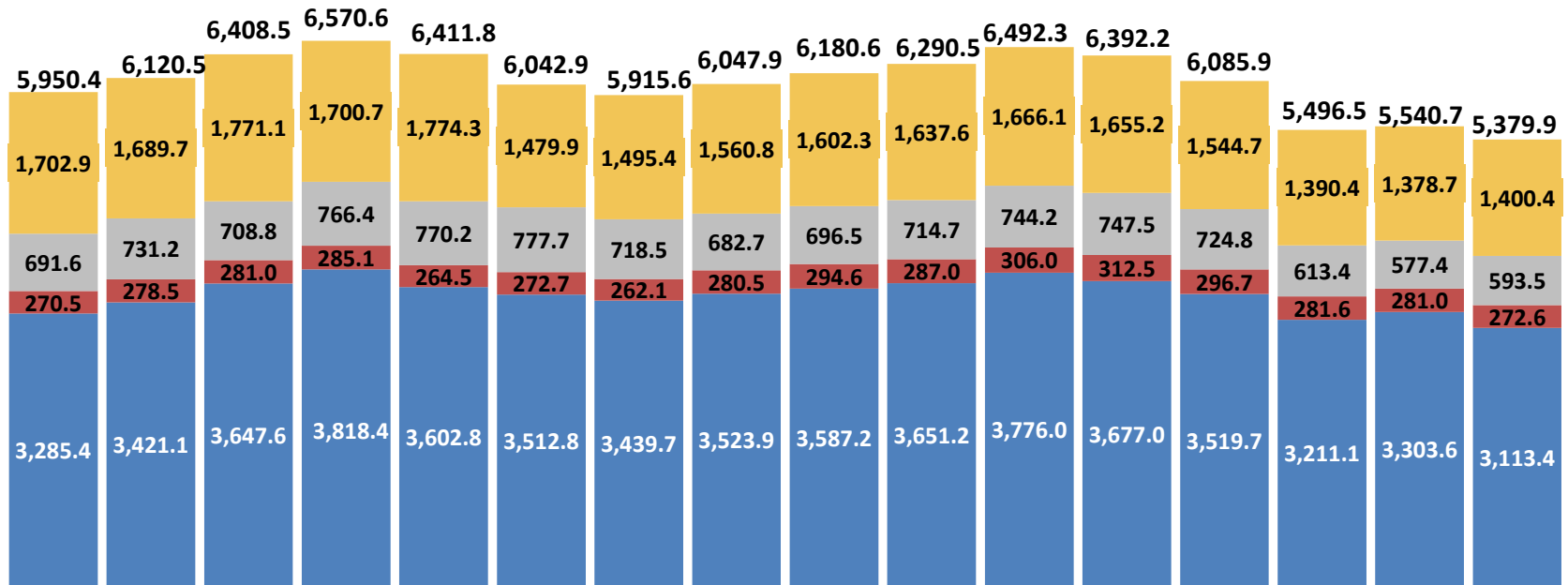
In-school suspension

- Staffed by teaching assistants, increasing staff diversity
- Available in every school

District Staff: Full-Time Equivalents (FTE)

161 fewer FTEs Compared to 2012-13 (reduction of 2.9%)

- Layoffs will be minimal, because our normal annual attrition is about 300
- 190.2 fewer teaching positions (-6%)
 - More than 100 teaching positions are currently vacant
- 21.7 more civil service positions (+2%)
- 16.1 more paraprofessionals and teaching assistants (+3%)
- 8.4 fewer administrative staff (-3%)

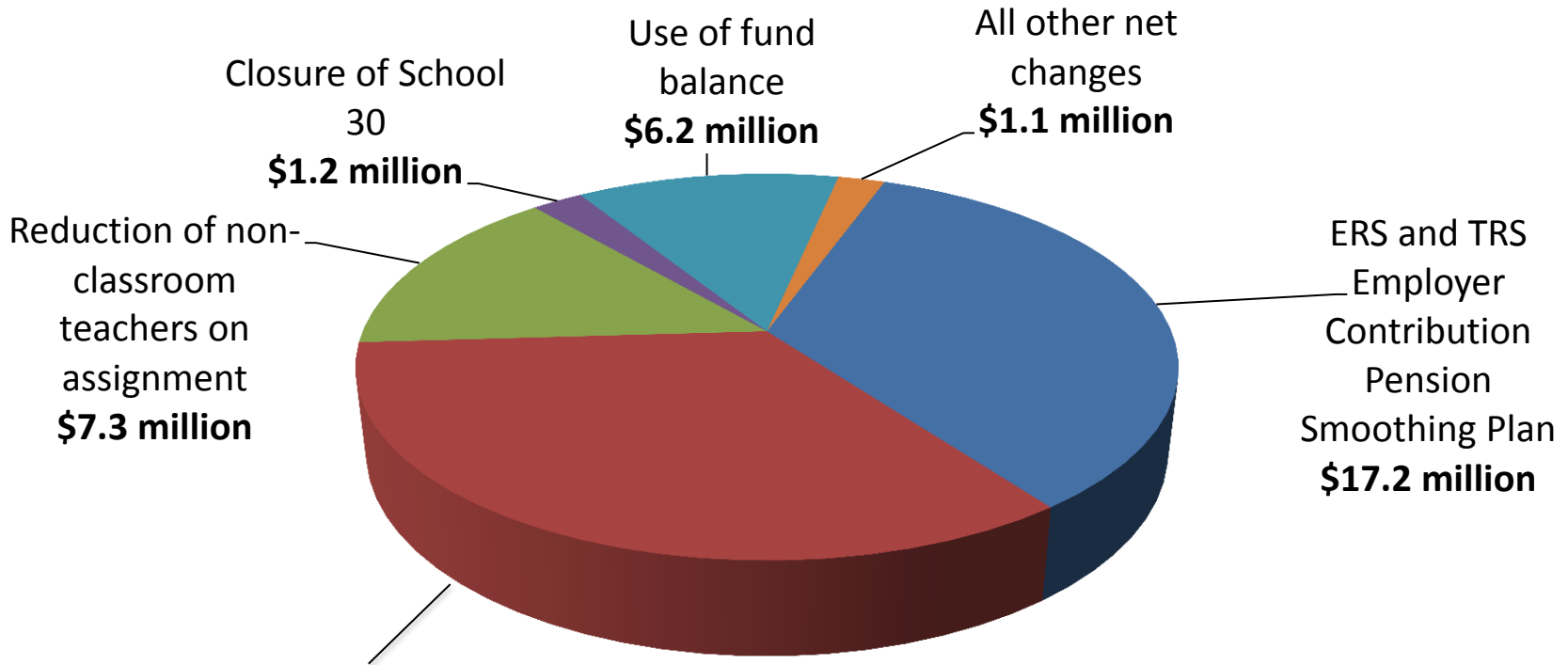


1998-99 1999-00 2000-01 2001-02 2002-03 2003-04 2004-05 2005-06 2006-07 2007-08 2008-09 2009-10 2010-11 2011-12 2012-13 2013-14

- Civil Service (All other staff)
- Paraprofessionals and Teaching Assistants
- Administration (Certificated principals, assistant principals, and directors)
- Teachers (Certificated teaching staff, including Librarians, Social Workers, Counselors and Psychologists)

Closing the Gap

Actions that Closed the \$50.2 million Gap



\$17.2 million in Efficiencies:

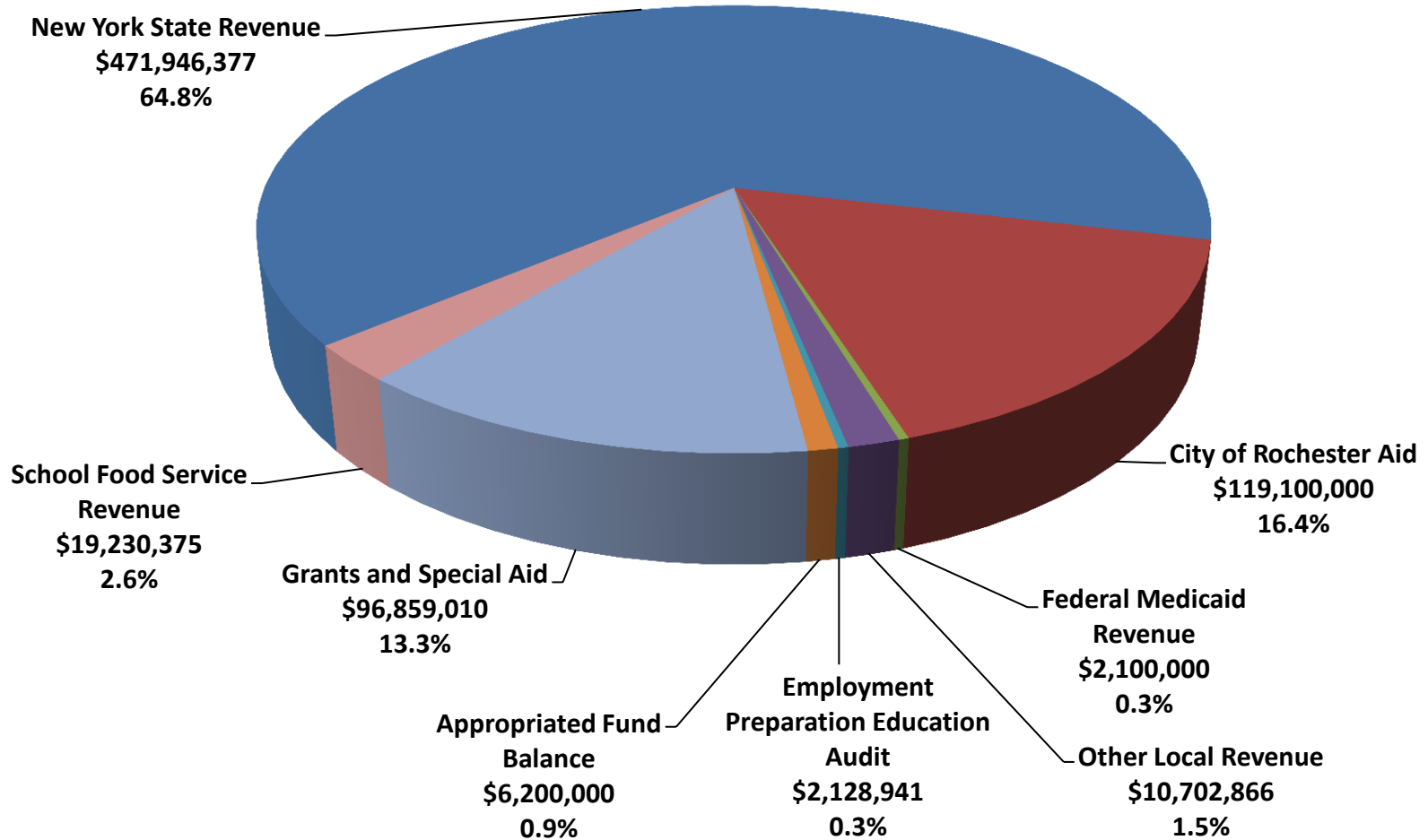
- **\$8.5 million** -- Four program consolidations
- **\$3.8 million** -- Reduction in teaching and clerical substitutes and cashing-out of vacation time
- **\$3.7 million** -- Redesign of the Special Education service delivery model
- **\$1.2 million** -- Redesign of the In School Suspension delivery model

Target Gap-Closure Plan vs. Draft Budget

- Pension smoothing plan is the major difference
 - \$17.2 million benefit to RCSD
 - Allows for fewer staff reductions than were anticipated
 - Enables us to fully fund the transportation plan required for the transition to neighborhood schools

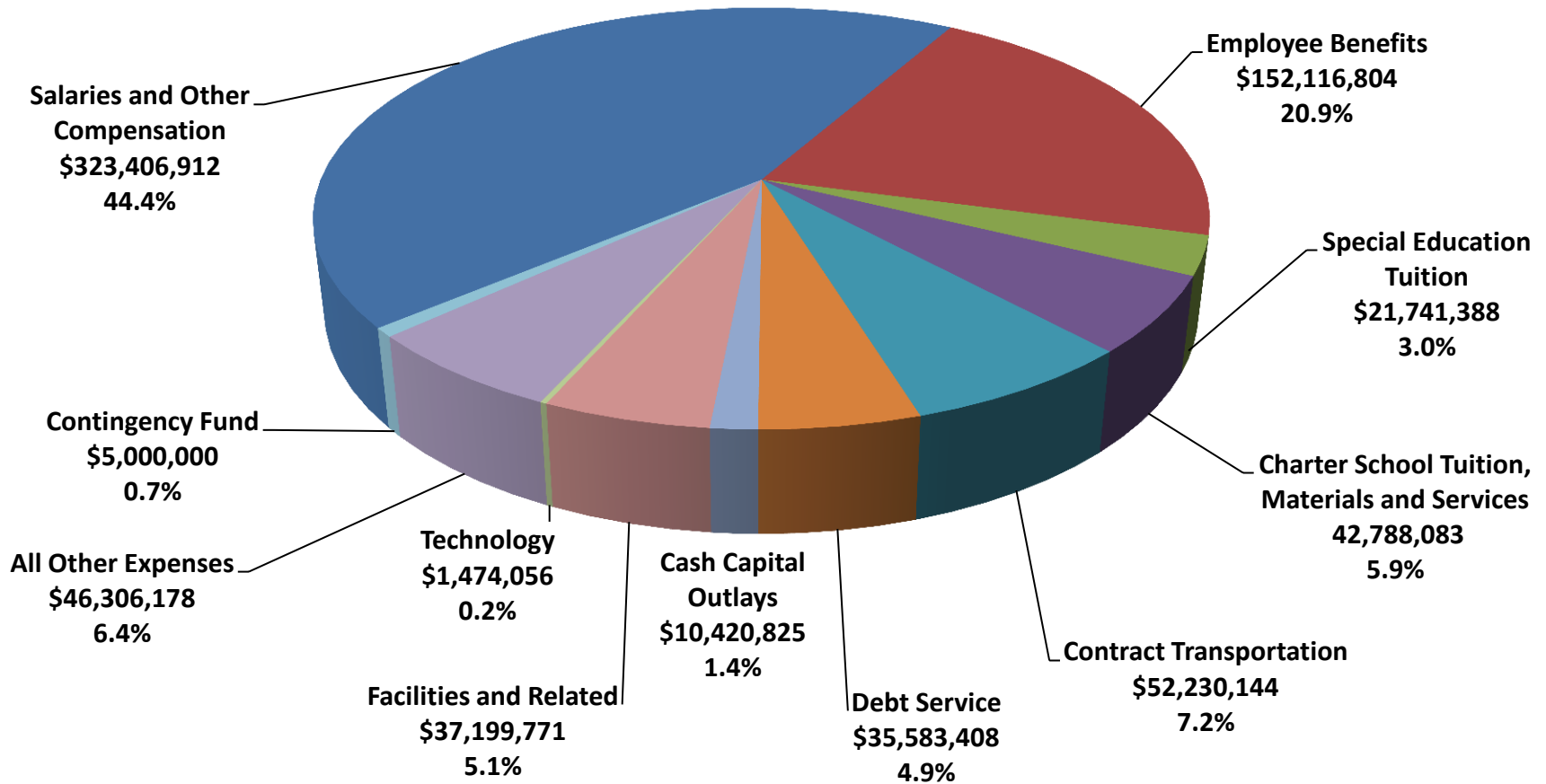
2013-14 Revenue

Total Revenue: \$728,267,569



2013-14 Expenditures

Total Expenditures: \$728,267,569



Charter School Tuition, Materials and Services includes a portion of the cost of transportation, hardware, software, and textbooks, which would otherwise be counted in other expenditure categories.

Remaining Uncertainty

Item	Issue	Possible Financial Impact
TRS Pension Cost Smoothing	Budget assumes 12.5% smoothing rate, 14% smoothed rate is possible	\$3.6 million additional cost
ERS Pension Cost Smoothing	Use of normal 20.5% rate versus smoothed 12% rate	\$6.3 million additional cost
Federal Sequestering	Budget assumes no reduction in Title funds	\$1.9 million less revenue
Additional State Aid and Competitive Grants	Still under negotiation between the Legislature and the Governor	Unknown additional revenue

Board of Education Priorities

- Strategies to address literacy and language skill development
- Expansion of early childhood development programming
- Extended day and year options
- Increased emphasis on parental outreach and involvement
- Commitment to reduced class size based on accountability designations
- Replication of locally proven educational approaches
- Addressing concentration of poverty
- Support for neighborhood community model schools with wrap-around supports
- ✓ **More reading teachers and instruction time**
- ✓ **1 new Pre-K, seeking funds for full day District-wide**
- ✓ **Up to 10 schools next year**
- ✓ **Eight new parent liaisons – every school will have one**
- ✓ **22 students in K-3 classes, 24 students in grades 4-6**
- ✓ **Common Core, priority school plan**
- ✓ **Promoting city schools to suburban families**
- ✓ **FMP, Home School Guarantee, transportation bill**

Board of Education Review

Tuesday, March 26
5:30-7:30 p.m.

Community Conversation with Commissioners
on the Proposed 2013-14 Budget

Tuesday, April 2
6:00 p.m.

First Public Hearing on Proposed 2013-14 Budget

Thursday, April 4
6:00 p.m.

First Budget Deliberation Session

Tuesday, April 9
6:00 p.m.

Second Public Hearing

Tuesday, April 16
6:00 p.m.

Second Budget Deliberation Session

Tuesday, April 30
6:00 p.m.

Third Budget Deliberation Session