

# Washoe County School District

## Presentation on Tentative Fiscal Year 2010-11 Budget

Prepared by Gary Kraemer  
May 19, 2010 Tentative Budget Hearing

# WCSD Fiscal Year 2010-11 Budget Overview

- Background Information
- Remaining Budget Process
- Additional Information
- Recommendations
- Spend Down of Fund Balances & Contingency
- Alignment of Strategic Plan with Budget
- Subsequent Year's Budget
- Conclusion

# Background Information

- Budget Process
  - December 15, 2009 Budget Process Adopted
  - Numerous Town Hall and Employee Meetings
    - Discussed Budget Shortfall and Special Session
    - Received input and developed Strategic Plan
  - March 23, 2010 Tentative FY 11 Budget Approved
  - May 1, 2010 Board Work Session on Aligning Strategic Plan to Budget

# Budget Hearing and Adoption of Final FY 11 Budget

- Remaining Budget Process
  - May 19, 2010 Hearing on Tentative Budget
  - May 25, 2010 Adoption of Final Budget

# Additional Information

- Budget Shortfall
  - \$17 Million Base Shortfall Before Special Session Reductions
    - Bargained Step Increases and no salary reductions
      - State didn't fund most step increases and cut salary funding by 4%
    - Enrollment decline
    - Pre-Funded Retiree Health Fund Transfer reduced \$4.3 million
    - Decline in Investment Earnings and Government Services Tax
  - Special Session Reduced State Funding for K-12 by 6.9%
    - FY 10 Funding Reduced by \$4 million
    - FY 11 Funding Reduced by \$12 million

# Recommendations

Recommendations to resolve FY 2010-11 shortfall are as follows:

|   |                       |
|---|-----------------------|
| • Salary/furlough agreements                          | \$10.7 million        |
| • Spend Down of Fund balance                          | \$3.5 million         |
| • Spend Down Contingency for Budget Uncertainties     | \$5.2 million         |
| • Central Services reductions                         | \$2.5 million         |
| • Utilities savings (reduced rates/budgeted savings)  | \$2.0 million         |
| • Textbooks/supplementary materials (AB5)*            | \$2.0 million         |
| • Increase class size by 2 students grades 1-3 (AB4)* | \$5.8 million         |
| • Miscellaneous reductions                            | <u>\$1.0 million</u>  |
| Total   | <u>\$32.7 million</u> |

\*Due to legislation passed during the 26th Special Session of the Legislature.

## Spend Down of Fund Balances & Contingency for Budget Uncertainties

- Board Policy on 2% Ending Fund Balance in General Fund (WCSD Admin Reg. 3120)
  - Budgeted Ending Balance at June 30, 2011:
    - Per Tentative FY 11 Budget \$14.9 million (before balancing)
    - Per Proposed Final FY 11 Budget \$11.4 million (2.7%)
- Contingency for Budget Uncertainties:
  - Set Up in Anticipation of Probable Budget Reductions
    - \$11.8 million balance available
    - Spend Down by \$4 million to Balance FY 10 Budget leaving remaining balance of \$7.8 million
    - Spend Down in FY 11 to Cover Late Net DSA Reduction of \$5.2 million, leaving a balance of \$2.7 million to reserve for further cuts in FY 11 or to carry forward to FY 12

Spend Down of Fund Balances & Contingency for Budget  
Uncertainties (continued)

- Spend Down of Insurance Funds
  - Health Insurance Fund-\$3.6 million spend down (includes 1 premium holiday)
  - Workers' Comp Fund-\$1.7 million
- Pre-Funded Retiree Health Benefits Fund Fully Depleted at end of FY 2010-11
- ARRA Special Ed Funding Ends in FY 2010-11 (ARRA Title Funding Also Ends)

# Strategic Plan/Budget Process

- Goal-Alignment of FY 11 Budget with Updated Strategic Plan
  - 11 Committees Commenced Work in January 2010
    - Started with principals, then included all other groups
  - One-on-one meetings with Trustees in January and February
  - Board Workshop on Strategic Plan & SWOT
  - Committee Work then taken for public input commencing in mid-February
  - Strategic Plan Completed by May 2010

| District Initiative  | Funding Source  | Timeline  |
|--|---|---|
| <p><b><u>Leadership</u></b><br/>Four performance zones with differentiated supports; creation of autonomous schools</p>  | <p><i>Reallocation of funds (Savings of 400k)</i></p>   | <p><i>Four area superintendents<br/>Effective: July 1, 2010</i></p> |
| <p>Performance management system: schools and departments have academic, community engagement, and operational targets</p>   | <p><i>Initial costs embedded in Office of Accountability Budget</i></p>                                 | <p><i>Effective: July 1, 2010</i></p>                               |
| <p><b><u>Student Learning</u></b><br/>Interim adaptive assessments (NWEA)<br/>Assessments are aligned with annual State assessments, measure student growth, and provide data to target teacher supports &amp; student interventions</p> | <p><i>\$500 K (FY 2011)<br/>Source of Funding:<br/>MERS Grant</i></p>                                   | <p><i>Implementation:<br/>SY 2010 – 2011 &amp; SY 2011-2012</i></p> |
| <p>Content coaches and performance managers in every region</p>  | <p><i>\$2 million<br/>Source of funding: Title I, Title I(g) and reallocation of existing funds</i></p> | <p><i>Effective: July 1, 2010</i></p>                               |
| <p>Credit recovery labs in high schools &amp; Sophisticated student tracking system and interventions with performance measures</p>  | <p><i>Reallocation of existing funds</i></p>  | <p><i>Effective: July 1, 2010</i></p>                               |
| <p>Adoption of National Core Standards<br/>Provide supports to ensure that curriculum (lesson plans, pacing guides) are aligned State Standards and begin to scaffold to National Core</p>   | <p><i>Embedded in Professional Development Budget</i></p>   | <p><i>Effective July 1, 2010</i></p>                                |
| <p>Expansion of pre-school programs<br/>Expansion of 5 new pre-school programs every subsequent school year</p>  | <p><i>\$864,000<br/>Source of funding:<br/>Increase in Title I Grant, Title I(g)</i></p>                | <p><i>Effective: SY 2010 – 2011<br/>From 12 to 17</i></p>           |

| District Initiative   | Funding Source   | Timeline                         |
|---|--|----------------------------------|
| Expansion of full day kindergarten programs<br>From 6 to 10<br>Expansion of 3-5 new full day kindergarten programs every subsequent year  | <b>\$231,000.00</b><br><b>Source of funding:</b><br><b>Tuition and State Funding</b> | <b>Effective: SY 2010 – 2011</b> |
| Alternative Education Opportunities<br>Clear referral system<br>Aligned alternative education programs with an intake system that will assess student needs                             | <b>Embedded in existing</b><br><b>Alt Ed Budget</b>                                  | <b>Effective: SY 2010 – 2011</b> |
| <b><u>Building Human Capital</u></b><br>Screening tools for hiring Teachers<br>Screening tools using rigorous criteria (e.g. TFA) creating talent pool for principals to choose from    | <b>Embedded in</b><br><b>Human Resources Budget</b>                                  | <b>Effective: SY 2010 – 2011</b> |
| Improve Principal Selection Criteria<br>Selection criteria based the essential characteristics of effective instructional leaders   | <b>Embedded in</b><br><b>Human Resources Budget</b>                                  | <b>Effective: SY 2010 – 2011</b> |
| Improve Principal Selection Criteria<br>Training programs targeting academic content areas and strategic use of data  | <b>Embedded in Professional</b><br><b>Development Budget</b>                         | <b>Effective: SY 2010 – 2011</b> |
| Improve Evaluation Systems for Principals and Teachers<br>New evaluation systems which include student achievement growth, peer reviews, and updated evaluation systems                 | <b>Embedded in Professional</b><br><b>Development Budget</b>                         | <b>Effective: SY 2010 – 2011</b> |
| <b><u>Building Community Capital</u></b><br>Parent satisfaction index included in every school report card<br>New parent involvement department focused on parent supports and training | <b>TBD</b>   | <b>Effective: SY 2010 – 2011</b> |
| Work with Principals and parents to incorporate family engagement into the Principals’ evaluation aligned to the rubric and survey.   | <b>TBD</b>   | <b>Effective: SY 2010 – 2011</b> |

| District Initiative   | Funding Source                                | Timeline                                |
|---|---|---|
| <p>Increase professional development for administrators on family engagement on how to build positive relationships with families, especially diverse families, and what best practices look like at an “Exemplary School.”</p>   | <p><i>TBD</i></p>                             | <p><i>Effective: SY 2010 – 2011</i></p> |
| <p>Align District initiatives for full integration:</p> <ul style="list-style-type: none"> <li>○Family Friendly (committee) walk-thus aligned with District walk-thru’s</li> <li>○Assessment committee aligned with dashboard metrics</li> <li>○Professional Development committee aligned with overall District Professional Development Plan for teachers and administrators</li> </ul> | <p><i>TBD</i></p>                             | <p><i>Effective: SY 2010 – 2011</i></p> |
| <p><b><u>School Climate/Culture</u></b><br/>Positive Behavior Supports</p>  | <p><i>Embedded in existing PBS Budget</i></p> | <p><i>Effective: SY 2010 – 2011</i></p> |
| <p><b><u>Continuous Improvement of Operations/Support Services</u></b></p> <ul style="list-style-type: none"> <li>•IT initiatives</li> <li>•Microsoft Outlook Conversation</li> <li>•Remote Desktop</li> <li>•Microsoft and Cisco Certification Programs</li> <li>•Online class for credit</li> <li>•Help desk</li> <li>•Tech clubs at schools</li> </ul>                                 | <p><i>Embedded in existing IT Budget</i></p>  | <p><i>Effective: SY 2010 – 2011</i></p> |

# Subsequent Year's Budget

- The fiscal year 2010-11 budget has an impact on future years including decreases in programs and services provided.
- Any reductions utilizing “one-shot” sources of funds, such as reserves or contingency funds, do not recur in the subsequent year.
- Additional loss of District funding appears to be certain as the State is facing a \$3 billion budget shortfall for the 2011-2013 biennium. Significant reductions may be needed to meet this shortfall.
- In the interim, we will continue our fiscally conservative and responsible approach and continue to explore all budget saving opportunities while doing everything possible to improve student achievement.

# Conclusion

- Final FY 2010-11 Budget Scheduled for Further Discussion and Approval on May 25, 2010