



To: Board of Education

From: Maurice Ghysels, Superintendent
Erik Burmeister, Assistant Superintendent
Ahmad Sheikholeslami, Chief Business and Operations Officer

Date: 4/18/2017

Re: Proposed 2017/18 Budgetary Revisions

Executive Summary

This report outlines key budgetary revisions planned in 2017/18 Budget. Included in the budget will be key reductions that were outlined during the fall and winter of 2016/17 as well additional needed revisions to meet the educational needs of the students and maintain the District's financial stability. The outlined plan with the modifications meets the goal of reducing expenditures by \$1.2 million over a two year period. The \$1.2 million is a true net reduction even with recommendations for reallocations of expenditures, which include additional ongoing expenditures. This document describes general information about each category, and more detailed line item information is available on the attached spreadsheet.

Planned Reductions for 2017/18 and 2018/19

The reductions in this category include the reductions that were identified during the fall and winter of 2016/17. The reductions and the additional funds from Measure X will provide the District with the needed financial stability through 2020/21. These reductions include restructuring the Curriculum and Instruction Department, restructuring the District and Business Office, slight increases in classes sizes, and reduction of non-personnel expenditures. See attached spreadsheet for specific details.

One-time Needs/Changes 2017/18

Staff is recommending one-time adjustment for the 2017/18 fiscal year. To meet the needs of the special-general education preschool, the District needs to develop general education preschool which can be accomplished by increasing 0.4 FTE teaching for the 2017/18. This is a one-time cost as the District develops a long term plan for general education preschool.

The multi-year budget includes cost for full implementation of world language starting in 2017/18. The manner by which World Language is being phased into a full implementation of a K-5 program does not occur until 2018/19, and therefore the District can take the savings in 2017/18 budget.

In addition, as planned 1.5 FTE of Technology Coaches are being phased out in 2016/17. As a transitional phase, staff is recommending a 1.0 FTE of Technology TOSA. This position would be funded by one-time Curriculum and Instruction Department savings from anticipated carryover from the 2016/17 budget.

Additional Ongoing Staffing Revision Starting 2017/18

Staff has an interest to increase service in some critical need areas. First, a large group of special need students are moving from the elementary school to Hillview Middle School that will necessitate for the next few years an additional 1.0 FTE for a special education teacher at Hillview. Fewer moderate/severe students at Encinal School will provide opportunity to provide service to students outside of MPCSD, allowing the program to charge for the services. Potential revenues have not been identified to offset the increased cost at this time.

After operating Laurel School Lower and Upper Campus in 2016/17, the District has determined the current school office configuration inadequate in parity of service with other MPCSD elementary schools. The proposed reconfiguration will eliminate the three hour-per-day clerical support for the two campuses, along with a part time nursing support currently provided by a contract employee with part time 0.5 FTE LVN/Clerical support for each campus. This change should not result in increased cost.

Additional service includes a part time 0.5 FTE Public Information Officer to manage public records requests, facilitate community outreach, serve as the District's spokesperson, and manage media relationships including social and print media.

Transportation Reorganization

Over the years the District transportation services has grown to include special education, resident students (fee based), Tinsley program, field trips (fee based), homework club and outside services (fee based). The District operates three full sizes buses, a special education bus, and a van. The transportation team includes three full time bus drivers and two bus drivers that are shared with grounds and custodial services. The Lead Bus driver handles all the day-to-day operations, bus maintenance requirements, inspections and CHPS requirements while also having the challenge of being a full time bus driver. Additionally, two bus drivers are shared with grounds and custodial services which impacts the needs of those positions and duties.

The reorganization would eliminate the Lead Bus driver position, create a new Supervisor of Transportation, and 1.0 FTE split-schedule bus driver position. This new organization would solve multiple issues including proper supervision and oversight, as well as reducing impacts to grounds and custodial services. It would also reduce overtime costs as a result of the new split- schedule bus driver position. The cost impact would be negated by shifting costs of two garden positions from 50% routine restricted funding to 100% restricted funding . There would be no impact to the unrestricted general funds.

Other New Expenditure Reductions and Revenue Sources

Staff has also identified an additional savings of \$100,000 from planned costs in the budget that will be ongoing as well as potential revenue increases of \$25,000. Details of these additional adjustments are identified in the attached spreadsheet.

Next Steps

Based on the above reductions and additional expenditures, the District will be able to achieve the minimum reductions of \$1.2M over two years with most of the reductions occurring in the 2017/18. In addition, the District is exploring other revenue sources and reductions including evaluating the Special Education budget. Staff will report any proposed modifications to the proposed budget revisions at the May Board meeting. This will be the final Board meeting before the 2017/18 Budget is presented in its entirety In June 2017.