

STRATEGIC PLAN YEAR-1 GOALS
FINANCE QUARTERLY UPDATE (3)
April 14, 2015

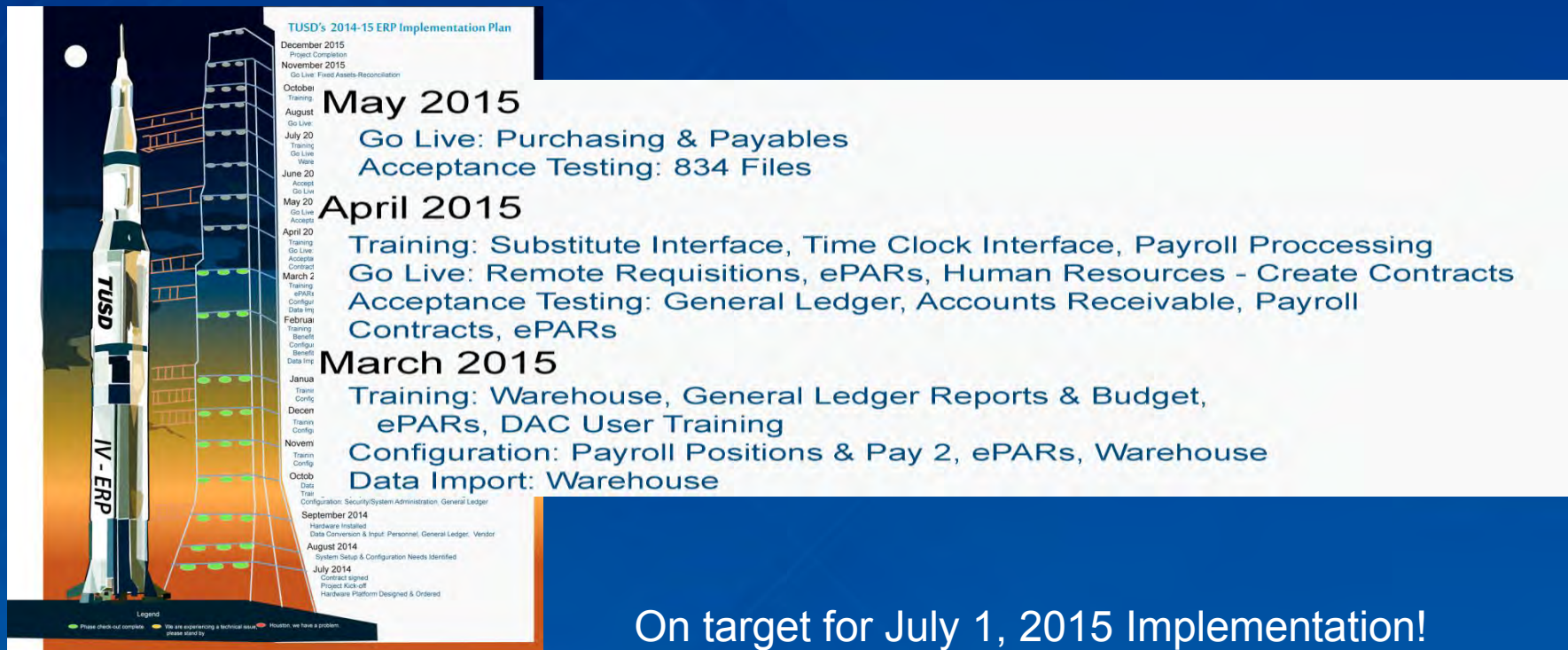
TUSD

Strategic Priority 1: System and Process Creation and/or Refinement

TUSD will streamline systems and processes so that dollars/resources are maximized.

Strategic Priority 1: System and Process Creation and/or Refinement

Year-1 Goal: Implement a Phased System Installation for a TUSD district-wide Enterprise Resource Planning System



On target for July 1, 2015 Implementation!

Strategic Priority 1: System and Process Creation and/or Refinement

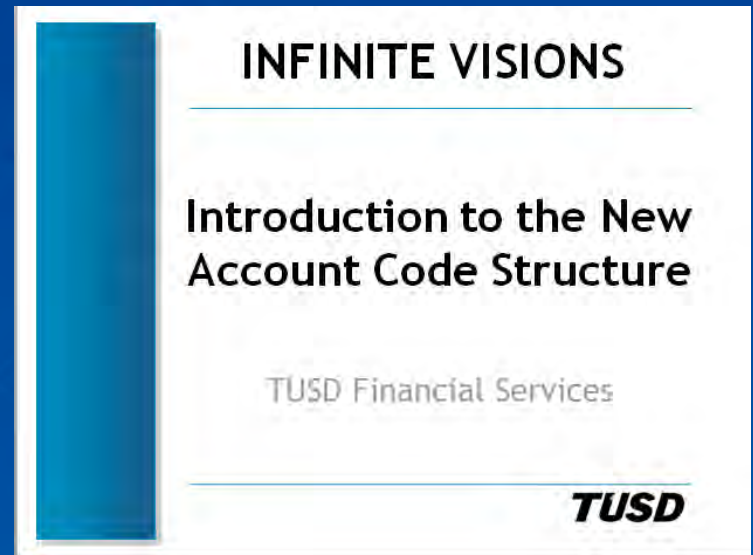
Year-1 Goal: Implement a Phased System Installation for a TUSD district-wide Enterprise Resource Planning System

Provide ongoing training and support

Example:

Account Code Changes

As we move from two separate account Code structures (one in PeopleSoft and one in Lawson) Finance is presenting at all DAC training sessions to introduce the new unified string.



Strategic Priority 2: Maximize Existing Revenue and Resources

TUSD will develop a plan to leverage district resources to support the district's Five-Year Strategic Plan.

Strategic Priority 2: Maximize Existing Revenue and Resources

Year-1 Goal: Align the Strategic Plan to allow for effective and efficient funding and resource allocations based on priorities

Major Initiatives:

- Energy Performance Contracts – Alignment of Finance and Facilities Strategic Plan
- Expansion of P-Card Program

Strategic Priority 2: Maximize Existing Revenue and Resources

TUSD ENERGY PERFORMANCE CONTRACTS

Status Report - April 14, 2015

Total Contract	\$29,237,321.00
Paid-to-Date	\$15,829,382.21
Remaining Work	\$13,407,938.79
% Complete	54.14%
Expected Savings	\$34,478,512.00

TUSD pCard Program Stats

Status Report – April 14, 2015

Year	Vendors Transitioned to PCard	pCard Transactions	Total Payments Transitioned to pCard	Total Estimated Cost Savings
2013	1107	10,116	\$34,329,231	\$505,800
2014	1650	17,409	\$45,549,432	\$870,450
2015 to date	1790	5280	\$12,014,656	\$264,000

Strategic Priority 3: School Finance Education and Transparency

TUSD will effectively communicate to and educate all stakeholders on the finances of the district.

Strategic Priority 3: School Finance Education and Transparency

Year-1 Goal: TUSD will provide accurate and timely reports with the new ERP system.

ERP system will be fully implemented July 1, 2015.

- Provide monthly reports for all funds
- Use ERP data to forecast with reliability
- Maximize efficiency by utilizing a variety of reports
- Maximize efficiency and improve communications by sharing of data
- Immediate Posting of data / Access real time data
- Increase ability to utilize budgets more effectively
- Improve hiring process
- Electronic approvals will maximize efficiency

Strategic Priority 3: School Finance Education and Transparency

Presentations

March 10, 2015	Legislative Update
February 10, 2015	Budget Update
January 20, 2015	Comprehensive Annual Financial Report /2014 Audit Results
January 20, 2015	Budget Update
December 9, 2014	Proposed FY15-16 School Staffing & Funding Plan
December 9, 2014	Revision of FY14-15 TUSD Expenditure Budget
October 28, 2014	Arizona School Finance
October 28, 2014	FY2014-2015 Budget Update
October 28, 2014	Finance Update on FY14-15 Superintendent's Goals

Strategic Priority 4: Legislative Advocacy

TUSD will collaborate with legislature to develop strong relationships that promote advocacy for education

Strategic Priority 4: Legislative Advocacy

Year 1 Goal: TUSD will increase awareness in public education funding and issues

What is TUSD doing?

- Issued a RFP and hired lobbyist firm
- Identify and address proposed legislation impacting public education, particularly affecting TUSD
 - over 100 bills this Legislative session
- Contact legislators and address concerns
- Communicate concerns with TUSD community – literature, communications, presentations
- Work collaboratively with other school districts

Strategic Priority 4: Legislative Advocacy

What's at Stake? House Amendment to SB 1120

\$6 MILLION Additional Cost

District Additional Assistance Funding is being cut by \$135 million. This equals a 10% reduction in Capital Funding.

Inflation increase to MEO Funds: **\$3.5M** → **\$4.6M** = **+\$1.1M** (CONTRACTOR INCREASE - CONTRACTORS REQUESTED INCREASE = NET INCREASE)

What's at Stake? House Amendment to SB 1076

\$18.3 MILLION Funding Cut

This would be a 7.5% reduction in the budget.

Up to 100 positions and numerous district programs and services at risk of being cut mid-year.

Deeseg-Funded Jobs LOST

- 600 Magnet Teachers and Staff**
- 133 English Language Learner Teachers and Techs**
- 70 Dual-Language Teachers and Assistants**
- 84 Learning Support Coordinators
- 84 Student Services**
- 30 GATE Teachers**
- 30 Transportation Staff**
- 28 Alternative Programs**
- 17 Professional Development Training Staff**
- 16 Fine Arts & Multi-Cultural Curriculum**
- 16 College and Career Counselors
- 11 Early Childhood Education Services

\$91 MILLION Potential Cuts to TUSD Funding

2016-17

\$100 Million Cut from Capital Funding in the past 7 years.

2012

2008: 226.5, 2009: 206.5, 2010: 186.5, 2011: 154.5, 2012: 103.5, 2013: 122.5, 2014: 142.5, 2015: 162.5, 2016: 182.5

That's right! **\$8.9 million in funds, cut to 2.9 million in just 7 years.**

90% REDUCTION IN FUNDING

TUSD BY THE NUMBERS

49,000 Students
(24,000 African American and Latino Students)

3,486 English Language Learner Students (active)
3,000 Teachers
89 Schools
20 Magnet Schools
230 Square Miles

Career and Technical Education

2016-17 budget cut support for CTE and JTEED initiatives. For every child who takes a CTE/JTEED class, the district loses 7.8 percent of its funding. That amounts to \$364 per student taking CTE/JTEED classes.

Loss of Funding IMPACTS 7,400 Students puts 33 Programs at risk and leaves 78 Instructors with no job security.

\$13 MILLION

Only two districts are targeted, Tucson Unified and Phoenix Union High School.

We are Transparent • We Collaborate • We Report • We are Audited

Who has a voice in how Desegregation/910(G) Funds are used?

In developing the budget for the Uniform Status Plan, the school district is required to collaborate with the Parents in the desegregation lawsuit, the Department of Justice, the Special Master appointed to oversee USP implementation and a School Budget Operations Expert. The USP Budget must then be approved by the Governing Board and, if necessary, must ultimately be approved by a federal judge.

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89 Schools
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230 Square Miles

Deseg-Funded Jobs

- 168 Magnet Teachers and Staff**
- 133 English Language Learner Teachers and Techs**
- 70 Dual-Language Teachers and Assistants**
- 84 Learning Support Coordinators
- 84 Student Services**
- 30 GATE Teachers**
- 30 Transportation Staff**
- 28 Alternative Programs**
- 17 Professional Development Training Staff**
- 16 Fine Arts & Multi-Cultural Curriculum**
- 16 College and Career Counselors

**TE - Full-time equivalent, allocated amount

House Amendment to SB 1076

Repeals existing Additional Assistance Funding that is currently stipulated in Arizona's State Constitution for homeowners tax limitation. The State will no longer make up the difference in funding from the local level. Instead, legislators are capping \$451 million dollars. The proposed change could cost TUSD \$8 to \$18 million. But to top off TUSD, they could affect other school districts that currently exceed the property tax cap.

INDEPENDENT AUDIT

Confirming TUSD Administrative costs are well below those of comparable districts.

House Amendment to SB 1120

The bill would require a federal audit for any district that budgeted more than \$10 million in desegregation dollars.

This bill could force **\$24M** in desegregation funds in the same year TUSD is scheduled to pay persons to be removed from federal oversight.

TUSD is already under an active desegregation order and already subject to an intensive monitoring, auditing, and reporting process.

TUSD would be unable to fund hundreds of positions and programs set out in the Uniform Status Plan. More than 400 jobs are mandated under the USP including Magnet teachers and staff, transportation workers, student services, college and career counselors.

Projected Timeline 2016-17

- JUNE 30: End of fiscal Year
- AUGUST 31: Close of Fiscal Year - Finalize Records
- SEPTEMBER 1: Auditor General begins (can take 3-4 months)
- JANUARY-FEBRUARY: All Financial audit and submits results
- MARCH-APRIL: Appropriations Committee review
- MAY: Appropriations Committee recommendations

Potentially nearly a year can pass and more of the \$94 million budget can be spent because it's frozen.

Comparisons of Teaching and Administrative Staff Percentages with Nine Large U.S. School Districts

Tucson Unified School District

District	State	Total FTE	Teaching % of FTE	Admin** % of FTE
Albuquerque Public Schools	NM	13,304	49.2	5.0
Austin Independent School District	TX	11,323	52.0	4.9
Denver County School District 1	CO	9,226	47.2	4.3
Jefferson County School District R-1	CO	10,778	46.0	3.8
Midvale School District	WI	10,861	47.5	3.7
Average		16,098	48.4%	4.4%

Tucson Unified School District No. 1 Audit Report Page 51

Comparisons of Teaching and Administrative Staff Percentages with Nine Large U.S. School Districts

Tucson Unified School District

District	State	Total FTE	Teaching % of FTE	Admin** % of FTE
Lee County School District	FL	9,469	51.2	3.2
Tucson Unified School District 1	AZ	8,141	45.1	2.5
Mesa Unified School District	AZ	7,660	49.4	2.9
Long Beach Unified School District	CA	8,466	47.4	1.9
Fremont Unified School District	CA	7,320	53.6	1.9

**TE administrative FTE data includes both District and School District administrative positions. Note: FTE is on a head count of employees. In NCEA data, it is "the amount of time required to perform an assignment stated as a percentage of a full-time position." FTE can be calculated by half-time position counted as a 0.5 FTE. Source: National Center for Educational Statistics, nces.ed.gov

Auditing done by International Curriculum Management Audit Center Curriculum Management Systems, Inc.

The Truth About The Budget

How the 2015-16 budget is impacting your kid's education.

SCHOOL BUDGETS HAVE 2 PRIMARY FUNDS

Capital Funds includes building & general improvement construction, buses, facilities, recreation, computers, software, textbooks, library books, and supplemental instructional aids.

MEO Funds include teacher and all staff salaries and BEN, classroom supplies, district-operated child care, support services, transportation, operations, vehicle fuel and maintenance, administration, facility maintenance, gymnasiums, utilities, insurance and more.

Continued Cuts to Capital Funding

\$6 MILLION Additional Cost

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\$100 Million Cut from Capital Funding in the past 7 years.

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That's right! **\$8.9 million in funds, cut to 2.9 million in just 7 years.**

90% REDUCTION IN FUNDING

Where will the cuts come from?

The \$6 million reduction must come from non-instructional sources.

Inflation increase to MEO Funds: **\$3.5M** → **\$4.6M** = **+\$1.1M** (CONTRACTOR INCREASE - CONTRACTORS REQUESTED INCREASE = NET INCREASE)

MORE CUTS

The Governor's budget takes \$902,000 from Desegregation of Education. Because Funding only rewards districts for student achievement and growth, the Arizona Department of Education is prioritizing achievement.

The year's TUSD \$115,000 allotment per teacher pay increase.

TUSD

Our goal will be to:

- Maintain Small Class Sizes
- Maintain Services to Kids
- Continue CTE/JTEED Services
- Recruit & Retain Highly Qualified Teachers

Career and Technical Education

2016-17 budget cuts support for CTE and JTEED instruction. For every child who takes a CTE/JTEED class, the district loses 7.8 percent of its funding. That amounts to \$364 per student taking CTE/JTEED classes.

Loss of Funding IMPACTS 7,400 Students puts 33 Programs at risk and leaves 78 Instructors with no job security.

\$27 MILLION

The Bottom Line

It's your kid's education, your kid's future. What can you do?

If you don't agree with the our State's Education Budget Plan that's in all time to make changes to earn more at TUSD.org, then make yourself heard at AZVoice.org. You can also contact your legislators today at www.azleg.gov/allinfo/DataPages/NewToContactMember.asp

TUSD

Strategic Priority 5: External Funding to Support Strategic Priorities

TUSD will actively seek and identify external funding to leverage resources which enhance student achievement.

Strategic Priority 5: External Funding to Support Strategic Priorities

Year 1 Goal: TUSD will create a multi-tiered financial needs assessment that identifies external funds and resources to support student achievement.

Strategies

Identify individual site needs

Identify external funds and resources

Apply for funds

Evaluate and maximize use of existing funds and resources

- Tax Credit Funds – use schools who are successfully targeting and securing tax credit funds as models
- Donors – gifts from the community

Strategic Priority 5: External Funding to Support Strategic Priorities

Current Tools-

Funding Template – one page template to facilitate the discussion of creating a fundable project

Grants & Federal Programs website – key tool for assisting schools and departments with competitive grants

Next Steps –

Fund Development Took Kit to sustain & maintain funding

Develop Fund Campaign Booklet

Provide Professional Development Opportunities