Budget Study Session
September 19, 2017
RENEE WEATHERLESS
EXECUTIVE DIRECTOR, FINANCE
Agenda

- Budget Timeline
- Terminology
- Budget Process at School Level
- Staffing Formulas
- Budget Scenarios
- Potential Reductions
- Next Steps
# Budget Timeline

<table>
<thead>
<tr>
<th>Month</th>
<th>Event</th>
</tr>
</thead>
<tbody>
<tr>
<td>September</td>
<td>• Budget Study Session #1</td>
</tr>
<tr>
<td>October</td>
<td>• Proposed Budget Session #2</td>
</tr>
<tr>
<td>November</td>
<td>• Final Staffing Formulas due to Special Master</td>
</tr>
<tr>
<td></td>
<td>• USP Conference</td>
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<tr>
<td>January</td>
<td>• Deseg Narrative #1</td>
</tr>
<tr>
<td></td>
<td>• Projected Enrollments</td>
</tr>
<tr>
<td></td>
<td>• Staffing Allocations to Schools</td>
</tr>
<tr>
<td>February</td>
<td>• Proposed Budget Study Session #3</td>
</tr>
<tr>
<td>March</td>
<td>• Synergy Scheduling /Finalize Staffing</td>
</tr>
<tr>
<td></td>
<td>• School Plans – Title I, Magnet, Transition</td>
</tr>
<tr>
<td></td>
<td>• Deseg Budget #2</td>
</tr>
<tr>
<td></td>
<td>• USP Conference</td>
</tr>
<tr>
<td>April</td>
<td>• Issue Certified Contracts</td>
</tr>
<tr>
<td>May</td>
<td>• Proposed Budget Study Session #4</td>
</tr>
<tr>
<td>June</td>
<td>• Proposed Budget</td>
</tr>
<tr>
<td>July</td>
<td>• Adopted Budget</td>
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Budget Terminology

- **Allocations** – Money budgeted for a specific site/dept/purpose
- **Classroom Dollar** – Annual report produced by the Auditor General's Office that reports amount of eligible funds spent in the classroom (Instructional) versus in other categories such as Student Support, Instructional Support, Admin, Transportation, Food Service, Operations, etc.
- **Compression** – Result of salary schedules not being evenly spread between steps and/or grade levels
- **Consensus Ratios** – Student to Teacher ratios included in the Consensus agreement for certified employees
- **FTE** – Full-Time Equivalent. Used for staffing
- **Funding Sources** – Different funds that can potentially be used for specific purposes
- **Staffing Formulas** – Ratios used to allocate positions/supplies for M&O, Deseg, Title I and Ex. Ed.
Budget Process

Schools are able to view Positions they have in the current fiscal year to use as a guide.

<table>
<thead>
<tr>
<th>Description</th>
<th>Name</th>
<th>Position Status</th>
<th>Vacancy Status</th>
<th>FTE</th>
<th>Budget</th>
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<tbody>
<tr>
<td>1 Coord-Program</td>
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<td>Open</td>
<td>Vacant</td>
<td>1.0000</td>
<td>$68,213.95</td>
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<tr>
<td>2 Teacher</td>
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<td>Open</td>
<td>Vacant</td>
<td>0.2000</td>
<td>$8,000.00</td>
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<tr>
<td>3 Teacher GATE Itinerant</td>
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<td>Open</td>
<td>Vacant</td>
<td>1.0000</td>
<td>$43,600.00</td>
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<td>4 Student Success Specialist</td>
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<td>Open</td>
<td>Vacant</td>
<td>1.0000</td>
<td>$22,746.16</td>
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Budget Process

Schools are also provided Current Year Expenditures as a guide to build their Budgets

<table>
<thead>
<tr>
<th>Resp Name</th>
<th>Fund Name</th>
<th>Description</th>
<th>Adjusted Budget</th>
<th>Paid YTD</th>
<th>Encumb, Pre-</th>
<th>Invs</th>
<th>Uncommitted Balance</th>
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<tr>
<td>5004</td>
<td>Comm &amp; Media Outreach</td>
<td>Maintenance &amp; Operation</td>
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<td></td>
<td></td>
<td></td>
<td></td>
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<tr>
<td>001.100.2230.6432.5004.00000.5004</td>
<td>Technology Related Repairs and</td>
<td>4,000</td>
<td>0</td>
<td>719</td>
<td></td>
<td>3,281</td>
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<td>001.100.2560.6150.5004.00000.5004</td>
<td>Classified Salary--M&amp;O</td>
<td>302,683</td>
<td>158,732</td>
<td>142,980</td>
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<td>971</td>
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<td>Overtime--M&amp;O</td>
<td>0</td>
<td>396</td>
<td>0</td>
<td></td>
<td>(396)</td>
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<tr>
<td>001.100.2560.6340.5004.00000.5004</td>
<td>Technical Services-General</td>
<td>4,000</td>
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<td>0</td>
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<td>4,000</td>
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<td>001.100.2560.6611.5004.00000.5004</td>
<td>Supplies--M&amp;O</td>
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<td>1,536</td>
<td>158</td>
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<td>2,305</td>
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<td>001.511.2560.6150.5004.80202.5004</td>
<td>Classified Salary--M&amp;O</td>
<td>22,511</td>
<td>11,993</td>
<td>10,517</td>
<td></td>
<td>1</td>
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<tr>
<td>001.511.2560.6150.5004.80204.5004</td>
<td>Classified Salary--M&amp;O</td>
<td>340,172</td>
<td>169,347</td>
<td>151,807</td>
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<td>19,018</td>
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<td>Overtime</td>
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<td>001.511.2560.6311.5004.80202.5004</td>
<td>Official/Administrative Contra--M&amp;O</td>
<td>35,000</td>
<td>21,597</td>
<td>13,403</td>
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Budget Process

Schools are able to compare Budgets to Prior Year

[Image of a budget comparison tool]
Budget Process

School Administrators have discretion over the following:

- Magnet Plans
- Transition Plans
- Title I Plans
- M&O Supplies Allocations
- Other Site Funds such as Civic, Gifts & Donations, Tax Credits, etc.
- **Principals are able to transfer money between accounts for these funds**

Schools Administrators work with Directors and Departments on the following:

- Ex Ed Teacher and Teaching Assistant staffing allocations
- Deseg Funded Positions (MTSS, RPPFs, ELD, Dual Lang, GATE, AVID)
- Additional positions above formula or other than discretionary funding

School Spending Plans are due in March
# Staffing Formula – Current FY17-18

<table>
<thead>
<tr>
<th>M&amp;O</th>
<th>Elementary</th>
<th>K-8</th>
<th>Middle School</th>
<th>High School</th>
<th>Total Cost</th>
<th>Total FTE</th>
</tr>
</thead>
<tbody>
<tr>
<td>Principal</td>
<td>1</td>
<td>1</td>
<td>1</td>
<td>1</td>
<td>$9M</td>
<td>85</td>
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<tr>
<td>Assistant Principal</td>
<td>1:600</td>
<td>1:600</td>
<td>1:600</td>
<td>1:600</td>
<td>$3M</td>
<td>35</td>
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<tr>
<td>Teachers K</td>
<td>1:26</td>
<td>1:26</td>
<td>-</td>
<td>-</td>
<td>164</td>
<td></td>
</tr>
<tr>
<td>Teacher 1st</td>
<td>1:29</td>
<td>1:29</td>
<td>-</td>
<td>-</td>
<td>409</td>
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<tr>
<td>Teachers 2nd-3rd</td>
<td>1:29</td>
<td>1:29</td>
<td>-</td>
<td>-</td>
<td>289</td>
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<tr>
<td>Teachers 4th-5th</td>
<td>1:30</td>
<td>1:30</td>
<td>-</td>
<td>-</td>
<td>399</td>
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<tr>
<td>Teachers 6th-8th</td>
<td>-</td>
<td>1:32</td>
<td>1:32</td>
<td>-</td>
<td>538</td>
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<tr>
<td>Teachers 9th-12th</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>1:33</td>
<td>$100M</td>
<td>164</td>
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<tr>
<td>Counselors</td>
<td>0.5 &lt;500</td>
<td>1:500</td>
<td>1:500</td>
<td>1:500</td>
<td>$4.3M</td>
<td>77.5</td>
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<tr>
<td></td>
<td>1.0 &gt;500</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Library Media Specialist</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>1</td>
<td>$440k</td>
<td>10</td>
</tr>
<tr>
<td>Library Assistant</td>
<td>0.5 &lt;500</td>
<td>1</td>
<td>1</td>
<td>-</td>
<td>$1M</td>
<td>52.75</td>
</tr>
<tr>
<td></td>
<td>1.0 &gt;500</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
# Staffing Formula – Current FY17-18

<table>
<thead>
<tr>
<th>M&amp;O</th>
<th>Elementary</th>
<th>K-8</th>
<th>Middle School</th>
<th>High School</th>
<th>Total Cost</th>
<th>Total FTE</th>
</tr>
</thead>
<tbody>
<tr>
<td>Office Manager</td>
<td>1</td>
<td>1</td>
<td>1</td>
<td>1</td>
<td>$3.5M</td>
<td>84</td>
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<tr>
<td>Attendance Clerk</td>
<td>1</td>
<td>1</td>
<td>1</td>
<td>1:750</td>
<td>$2.6M</td>
<td>88</td>
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<tr>
<td>Office Assistant</td>
<td>-</td>
<td>1&gt;750</td>
<td>1&gt;750</td>
<td>1</td>
<td>$440k</td>
<td>17</td>
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<tr>
<td>Registrar</td>
<td></td>
<td>1</td>
<td></td>
<td>1</td>
<td>$550k</td>
<td>12</td>
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<tr>
<td>Finance Manager</td>
<td></td>
<td>1</td>
<td></td>
<td></td>
<td>$440k</td>
<td>9</td>
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<tr>
<td>Finance Clerk</td>
<td>1</td>
<td>1&gt;2500</td>
<td></td>
<td></td>
<td>$60k</td>
<td>2</td>
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<tr>
<td>Admin. Secretary</td>
<td></td>
<td>1: 2 Asst. Principals</td>
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<td>$425k</td>
<td>12</td>
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<tr>
<td>Athletic Coordinator</td>
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<td>1 per comprehensive HS</td>
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<td></td>
<td>$600k</td>
<td>9</td>
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<tr>
<td>Engineer</td>
<td></td>
<td>1</td>
<td></td>
<td></td>
<td>$490k</td>
<td>10</td>
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<tr>
<td>Grounds Maintenance</td>
<td>-</td>
<td>0.5</td>
<td>0.5</td>
<td>2</td>
<td>$730k</td>
<td>30.5</td>
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<tr>
<td>Custodians</td>
<td>As per operations staffing formula</td>
<td></td>
<td></td>
<td></td>
<td>$6.9M</td>
<td>227.5</td>
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<tr>
<td>Campus Monitors</td>
<td>0.25 / 150 Student</td>
<td></td>
<td></td>
<td></td>
<td>$3.4M</td>
<td>164.95</td>
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</tbody>
</table>
# Staffing Formula – Current FY17-18

<table>
<thead>
<tr>
<th>M&amp;O</th>
<th>Elementary</th>
<th>K-8</th>
<th>Middle School</th>
<th>High School</th>
<th>Total Cost</th>
</tr>
</thead>
<tbody>
<tr>
<td>Substitute Teachers</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>$7M</td>
</tr>
<tr>
<td>Teaching Supplies</td>
<td></td>
<td>$25 / Student</td>
<td></td>
<td></td>
<td>$1.2M</td>
</tr>
<tr>
<td>Office Supplies</td>
<td></td>
<td>$2 / Student</td>
<td></td>
<td></td>
<td>$94k</td>
</tr>
<tr>
<td>Health Supplies</td>
<td></td>
<td>$2 / Student</td>
<td></td>
<td></td>
<td>$94k</td>
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<tr>
<td>Custodial Supplies</td>
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<td>$10 / Student</td>
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<td>$470k</td>
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<td>Extra Duty Clubs</td>
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<td>6</td>
<td>6</td>
<td>16</td>
<td>$318k</td>
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<tr>
<td>Extra Duty Sports</td>
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<td>9</td>
<td>9</td>
<td>38</td>
<td>$1.2M</td>
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<tr>
<td>Rentals</td>
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<td>Graduation Supplies</td>
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<td>$6/12th Grade Student $20k</td>
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<td>Newspaper</td>
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<td>-</td>
<td>-</td>
<td>-</td>
<td>$2000</td>
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**TOTAL STAFFING** $238M  
**TOTAL SUPPLIES/MISC** $2M  
**TOTAL STIPENDS** $1.5M
Budget Scenarios - Additions

- Staffing Formula
  - Reduction of Teacher Consensus Ratios
  - Reduction of Counselor Ratios
- Increased Staffing
  - Counselors
  - Librarians
  - Performing Arts Teacher
  - Social Workers
  - Teaching Assistants

- Work Calendar Extension
  - Counselors
  - Office Managers
- Teacher Raises
- Substitute In-House Estimate
- Minimum Wage Compression
- Hard to Fill Stipends
- Instructional Dollars +1%
- Bus Driver Wages
- Capital Leases
Reduce Teacher Consensus Ratio - $6.3M

- Decrease M&O staffing ratio for Teachers at all levels by 2
  Increases +113 FTE
  Kinder 1:26 to 1:24  Gr 6-8 1:32 to 1:30
  Gr 1-3 1:29 to 1:27  Gr 9-12 1:33 to 1:31
  Gr 4-5 1:30 to 1:28

- Impact on Classroom Dollar = Increases Instructional by +1.3% and would decrease other categories by -1.3%

- Impact to funding sources:
  M&O – Significant reductions would need to be made in other areas in M&O and the Title I 27:1 District initiative would need to be adjusted
Reduce Counselor ratios - $890,000

- Decrease M&O staffing ratio for Counselors
  Increases +16 FTE  From 1:500 to 1:400

- Impact on Classroom Dollar = Could potentially reduce Instructional by -0.2% and increase Student Support by +0.2%

- Impact to funding sources:
  - M&O – Reductions would need to be made in other areas
Staffing Counselors - $4,555,000

- **Increase +1 Counselor at every school - 82**
  - Elementary Schools - 47  
    + $2,600,000
  - K-8 Schools - 15  
    + $835,000
  - Middle Schools - 10  
    + $560,000
  - High Schools - 10  
    + $560,000

- **Impact on Classroom Dollar** = Could potentially reduce Instructional by -1% and increase Student Support by +1%

- **Impact to funding sources:**
  - Primarily M&O with lesser impact on Deseg and Title I – Reductions would need to be made in other areas
Staffing Librarians - $3,640,000

- **Increase +1 Librarian at every school - 82**
  - Elementary Schools - 47 + $2,100,000
  - K-8 Schools - 15 + $660,000
  - Middle Schools - 10 + $440,000
  - High Schools - 10 + $440,000

- **Impact on Classroom Dollar** = Could potentially reduce Instructional by -0.8% and increase Instructional Support by +0.8%

- **Impact to funding sources:**
  - Primarily M&O with lesser impact on Deseg and Title I – Reductions would need to be made in other areas
Staffing Performing Arts - $3,995,000

- **Increase +1 Performing Arts Teacher at every ES/K8/MS**
  - Elementary Schools - 47  
    + $2,600,000
  - K-8 Schools – 15  
    + $835,000
  - Middle Schools - 10  
    + $560,000

**Impact on Classroom Dollar** = Increase Instructional by +0.8% and decrease other categories -0.8%

**Impact to funding sources:**
- M&O, Deseg, Classroom Site Fund (301) – Reductions would need to be made in other areas
Staffing Social Workers - $1,120,000

- **Increase +1 Social Worker at every MS/HS**
  - Middle Schools - 10  
    - +$560,000
  - High Schools - 10  
    - +$560,000

- **Impact on Classroom Dollar** = Could potentially reduce Instructional by -0.3% and increase Student Support by +0.3%

- **Impact to funding sources:**
  - Primarily M&O with lesser impact on Deseg and Grants – Reductions would need to be made in other areas
Staffing Teaching Assistants - $1,600,000

- **Increase +1 Teaching Assistant at every school - 82**
  - Elementary Schools - 47  
    - +$920,000
  - K-8 Schools - 15  
    - +$290,000
  - Middle Schools - 10  
    - +$195,000
  - High Schools - 10  
    - +$195,000

- **Impact on Classroom Dollar** = Could potentially increase Instructional by +0.3% and decrease other categories by -0.3%

- **Impact to funding sources:**
  - M&O, Deseg, Title I – Reductions would need to be made in other areas
Counselors + 10 days - $250,000

- Extend Counselor work calendar 5 days before & 5 days after school year with pay

  Increase from 207 days to 217 days for 93 FTE

- Impact on Classroom Dollar = +0.1% increase to Student Support category provided we transfer out of non-instructional budgets

- Impact to funding sources:
  - Primarily M&O with minimal impact to Deseg, SIG, and Title I
Office Managers + 5 days - $150,000

- **Extend Office Manager work calendar 3 days before & 2 days after school year**
  Impacts 73 FTE at Elementary, K-8 & Middle schools

- **Impact on Classroom Dollar** = +0.1% increase to Admin category provided we transfer out of non-instructional budgets

- **Impact to funding sources:**
  - Primarily M&O
Teacher Raises - $1,000,000

- **For every $315 increase** to Teacher pay (2650 FTE)

- **Impact on Classroom Dollar** = +0.2% increase to Instructional costs

- **Impact to funding sources:**
  - M&O, Deseg, Grants, Classroom Site Fund (301) – Reductions would need to be made in other areas
Bring all Substitutes in-house - $1,275,000

- **Incremental costs & savings:**
  - Sub Office (4)/Payroll (1) Staff needed 5 FTE: +$300,000
  - ASRS Benefits (421 eligible; >60 days worked): +$425,000
  - Additional cost for Prop 206 (10% absenteeism): +$700,000
  - ACA medical insurance cost* (133 eligible; >140 days): +$800,000
  - Unemployment/Workers Comp Savings: -$250,000
  - Substitute 10% ESI Fee Savings: -$700,000

- **Impact on Classroom Dollar = +0.2% increase to Instructional. However admin costs will increase +0.1% from 10.1% to 10.2%**

- **Impact to funding sources:**
  - Primarily M&O – Reductions would need to be made in other areas

*If Substitutes are all hired back as full-time, then the cost of benefits would be higher.*
Minimum Wage Compression - $766k-1.2M

- **$766,000 increase** to decompress **steps** by 1%
  (Based on min. wage of $10.50)

- **$1,168,000 increase** to decompress **grades** from 1% to 2%

- **Impact on Classroom Dollar** = potentially no change if reductions are made in non-instructional areas

- **Impact to funding sources:**
  - M&O, Deseg, Grants, – Reductions would need to be made in other areas
Hard to Fill Stipends - $1,456,000

**Increase teacher recruitment stipends to $10,000**

<table>
<thead>
<tr>
<th>Category</th>
<th>Target</th>
<th>Impact</th>
</tr>
</thead>
<tbody>
<tr>
<td>Magnet</td>
<td>$3k to $10k</td>
<td>+$420,000</td>
</tr>
<tr>
<td>Dual Language</td>
<td>$5k to $10k</td>
<td>+$300,000</td>
</tr>
<tr>
<td>Teacher Diversity</td>
<td>$5k to $10k</td>
<td>+$300,000</td>
</tr>
<tr>
<td>Science/Math/Ex Ed</td>
<td>$3k to $10k</td>
<td>+$436,000</td>
</tr>
</tbody>
</table>

**Impact on Classroom Dollar** = +0.3% increase to Instruction provided we transfer out of non-instructional budgets

**Impact to funding sources:**

- **Deseg** – Reductions would need to be made in other areas of the USP budget
- **Medicaid** – Would likely need to find alternate funding
Increase Classroom Dollar - $4,800,000

- To increase Instructional Costs +1%
  - Impact on Classroom Dollar = +1% increase to 51.1%.
    A decrease of -1% would need to come from other non-instructional categories

- Impact to funding sources:
  - M&O, Deseg, Grants, Classroom Site Fund (301) – Expenses would be shifted within function codes
Bus Driver Wages - $500k-$2.4M

To increase the starting pay for Bus Driver w/ CDL
- Current starting pay $12.03
- Amphi starting pay $13.07 + $525,000
- Tucson average starting pay $16.80 + $2,400,000

Impact on Classroom Dollar = Potential decrease to Instructional and increase to Transportation of 0.1% to 0.5%

Impact to funding sources:
- M&O, Deseg – Reductions in other areas would be necessary
Capital Leases - $4M

The following leases will be maturing in FY17-18

Tech Equipment ($16M)  Annual Payment $3.4M
Buses ($1.2M)  Annual Payment $250k
Tech Equipment ($2.2M)  Annual Payment $425k

Impact on Classroom Dollar = No impact if maintained in capital leases.

Impact to funding sources:
- Capital
Budget Scenarios Recap - $32M-$35M

- Staffing Formula
  - Reduction of Teacher Consensus Ratios $6.3M
  - Reduction of Counselor Ratios $890k
- Increased Staffing
  - Counselors $4.6M
  - Librarians $3.6M
  - Performing Arts Teacher $4M
  - Social Workers $1.1M
  - Teaching Assistants $1.6M
- Work Calendar Extension
  - Counselors $250k
  - Office Managers $150k
- Teacher Raises $1M
- Substitute In-House Estimate $1.3M
- Minimum Wage Compression $800k - $1.2M
- Hard to Fill Stipends $1.5M
- Instructional Dollars +1% $1M
- Bus Driver Wages $500k-$2.4M
- Capital leases $4M
Budget Scenarios – Potential Reductions

- Reduce Administrative Costs
- Increase M&O Consensus Staffing Ratio for Teachers +2 at every level would save $6M or 107 FTE
- Reduce reinvestment of expiring leases
- Reduce future capital purchases
  - Bring Your Own Device
- Consolidate support roles
Next Steps

- Schedule future Budget Study Sessions
- Establish Timeline
- Develop Reporting Template, if needed
- Establish M&O Staffing Formulas
- Prioritize Initiatives