

Centralia School District

2020-21 Budget Reduction Summary Document

Overview Summary

2020-21 Financial Situation

PROJECTED EXPENDITURES	PROJECTED REVENUE
Assumes no changes to staffing & normal movement of staff on salary schedules.	Assumes loss of levy revenue, local effort assistance, and a 10% reduction in student enrollment.
Salaries and benefits: \$45 million	Enrollment reduction: \$2 million
Non-personnel costs: \$11 million	Loss of levy/LEA: \$3.4 million
Total: \$56 million	Projected revenue: \$46 million
<p>Policy 6022 requires a minimum ending fund balance of 5% of the previous year's budget. We project this will be \$2.7 million for 2020-21.</p> <p>Our ending fund balance for 2019-20 will be about \$1.6 million. We must make up \$1.1 in our ending fund balance for next year.</p> <p>In addition, our fund balance includes \$0.8 million in non-spendable funds and inventory.</p>	

Projected Expenditures vs Revenue - Expenditures exceed revenue by \$10.0 million
Projected Fund Balance Requirement - need to make up: \$ 1.9 million

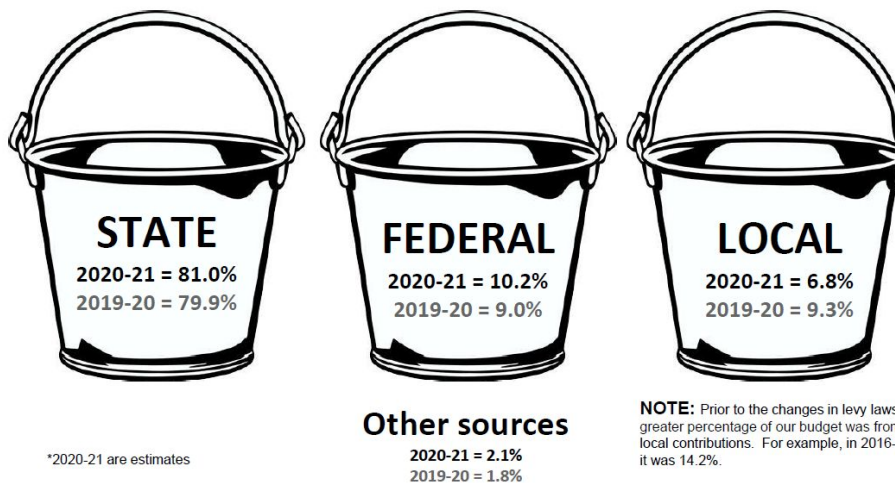
Total projected reductions for 2020-21: \$11.9 million

Due to an \$11.9 million budget shortfall for 2020-21, reductions are necessary to create a fiscally responsible budget. Reductions are being made in programs, personnel, by reducing operating budgets, and through additional cost-saving measures. The 2020 - 2021 budget will be finalized in August after a public hearing.

School financing is complicated with many factors impacting how much revenue districts receive and what those revenues are allowed to be used for. Legislative changes over the past several years have created further complications. This resource has been assembled to share a summary of the reductions, identify cost saving measures, and explain the impacts across the district.

NOTE: *These projections are based upon the best information and data we have at this time. The timing requires us to plan as if we have a double levy failure. In the event the levy passes in August, or conditions end up better than the projected figures (i.e. - cost savings implemented to allow for an ending fund balance higher than currently projected such as not filling some positions, not purchasing curriculum, etc., if we don't experience an enrollment decrease, etc. it is possible some programming will be able to be brought back as the 2020-21 school year begins).*

Three Main Sources of Revenue include state, federal, and local:



Legislation & Levy Changes

Washington state legislative changes in 2018 increased basic education funding while local levy funding was reduced significantly. This legislation still left gaps in funding for special education, school counselors, nurses, and other essential services. It has caused inequities among school districts (even neighboring school districts) across the state. The legislation put a \$1.50 cap on local levy rates which was then later raised to \$2.50 in 2019.

The local funding limits have created a situation where **less undesignated funding** is available for general operating expenses. Undesignated funding allows districts the flexibility to fund programs and services that are not covered through state or federal funding. For example, there are no state allocated funds for athletics or arts programs (after school athletics, music programs outside of the school day, theatre, etc.). In Centralia, the counseling program is another example where levy funding is used. Our elementary schools are staffed with a full-time counselor at each school though we receive funding for about a ½ time counselor at each elementary.

Local levy money is used to fund CSD programs and service. Centralia School District's ten-year local levy rate average before the legislative changes in 2018 was approximately \$2.63/\$1,000 assessed home value (from 2007-2017) while our current rate is approximately \$1.34/\$1,000 assessed value.

Local Effort Assistance (LEA) is additional funding from the state for school districts to help equalize the lower property values in the Centralia School District. Even with the LEA and local levy, Centralia has less local undesignated funding than prior years and levy dollars make up a smaller percentage of our total revenue than it used to. For example, in 2016-17 levy and LEA made up about 14.2% of the entire budget, in the 2019-20 school year, it made up about 9.3%.

If the levy is not approved in August (double levy failure), levy and LEA is projected to make up 6.8% of the budget for the 2020-21 school year (current levy expires at the end of 2020 w/ an anticipated \$1.9 million still to be collected this fall). In the event of a double levy failure in August, the amount of levy and LEA funding available for the fiscal year 2021 will be \$0. Over time the undesignated funds that are allowed to fund local needs and priorities have decreased.

Staffing Reductions and Layoffs: An extensive budget review process has occurred in the last several months. We considered input from all stakeholder groups. CSD's leadership (principals, directors, and district office administrators) worked through each budget to analyze and determine areas for potential reductions. The following **guiding principles** were used as collaborative decisions were made:

1. Minimize to the extent possible, the impact on student learning
2. Meet state, federal, and local policy requirements
3. Keep an equity lens – consider impacts on our most vulnerable students, no one program or location is exempt, everyone will be impacted at some level.
4. Thorough – We will leave no rock unturned and we will think creatively about solutions

We were able to make some immediate reductions and spending freezes this year to lessen the impact on staffing for 2020-21. A total of 90 employees were notified that their employment with our district will end in August 2020.

Summary of Reductions in force and layoff notifications given:

- 90 employees received a lay off notice for the 2020-21 school year
- There will be about 118 fewer employees in the 2020-21 school year (taking into account the resignations and retirements where positions will not be filled)
- There will be about 138 positions affected overall (layoffs, transfer to a new location, new role, resignations, retirements, etc.)

Administration – 4 Employees Affected

*which includes Executive Directors,
Principals, Assistant Principals, Directors*

2 RIF – Directors

1 RIF – Assistant Principal

1 Assistant Principal Displaced

PSE – 11 Employees Affected

*which includes Bus Drivers, Food Service Staff,
Mechanic, Bus Monitors, Dispatchers, Utility
Person, Parts Serviceperson*

1 Retired Not Replaced

10 RIF Bus Drivers

CEA – 39 Employees Affected *which includes Teachers and other Certificated non-administrative staff*

4 Retired/Resigned Not Replaced

3 Temporary Positions Not Replaced

8 Non-Renewal Positions Not Replaced

5 Resigned/Retired Positions for Displaced Teachers

6 Non-Renewal Positions for Displaced Teachers

9 Teachers Displaced

4 Teachers Coded to Categorical Funds for Interventions

Part-Time Teamsters – 60 Employees Affected *includes Paraeducators*

2 Retired Not Replaced

4 Retired Positions for Displaced

Paraeducators

46 Temporary Positions Not Being Rehired

1 RIF – Paraeducator

7 Displaced Paraeducators

Full-Time Teamsters – 19 Employees Affected *which includes Secondary Secretaries, Maintenance, Computer*

Technicians, and Custodians)

2 Retired/Resigned Not Replaced

1 Temporary Position Not Replaced

8 RIF Custodial/MTN Positions Not Replaced

5 RIF Secretarial Positions Not Replaced

3 Displaced Members

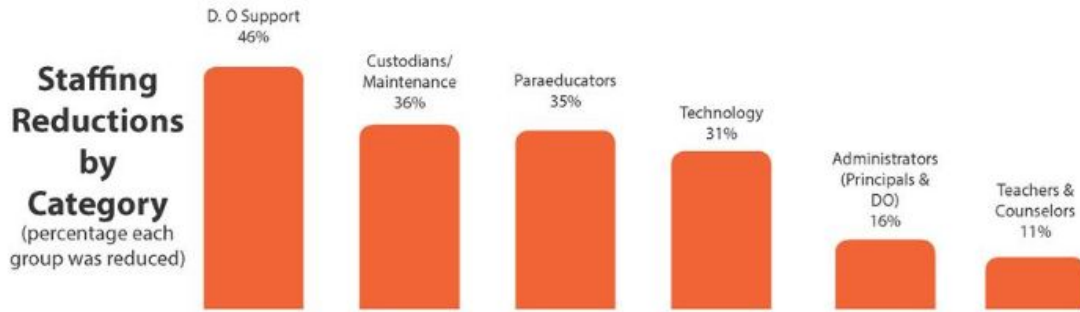
Non-Rep – 5 Employees Affected

*Which includes District Office Support Staff,
Nurses, Elementary Secretaries, and
Transportation Shop Supervisor)*

2 RIF Positions

3 Positions Reduced

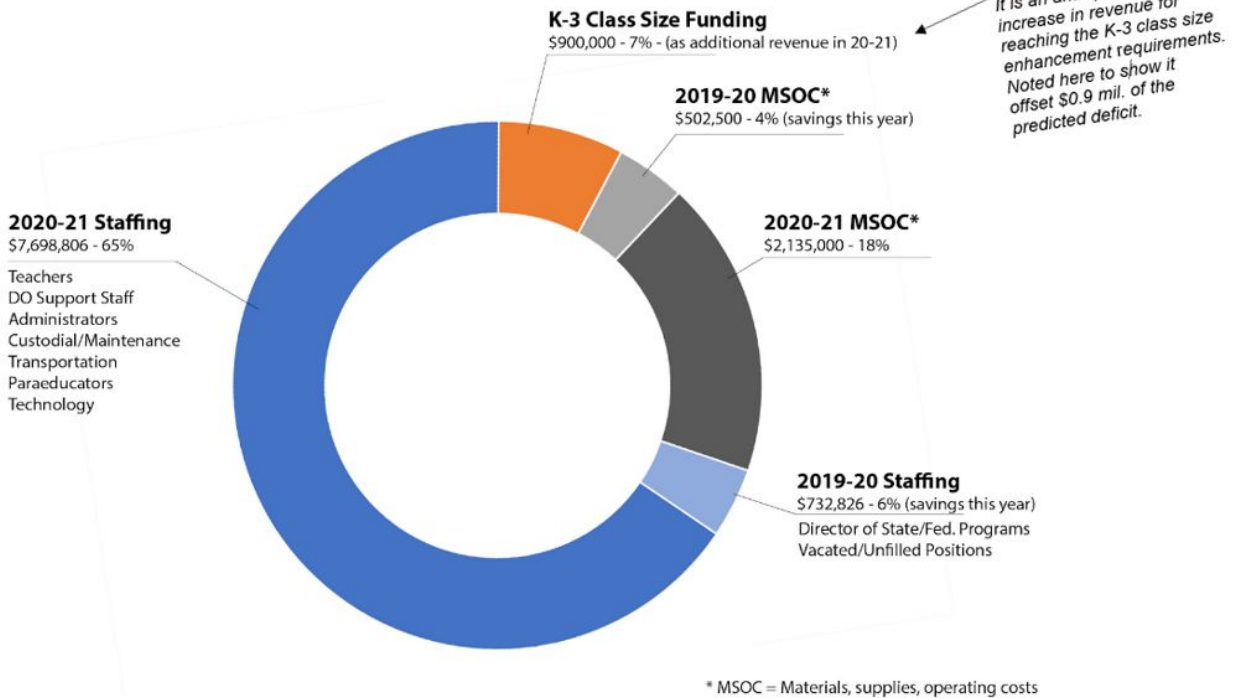
Percentages on bar graph below show how much expenditures have been reduced in each large employee group



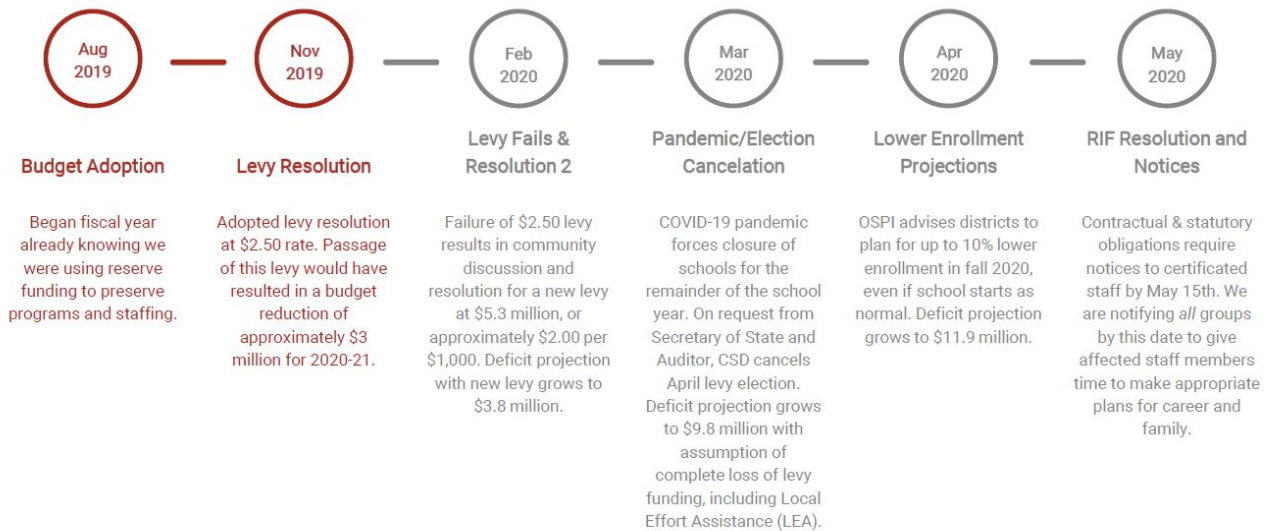
**Not all staffing groups are represented in this graph (major groups included). Reductions include lay off, resignation / retirement w/ out replacing the position, admin furlough days, etc.*

	DO Support	Custodial/Maintenance	Para-educators	Tech	Admin (prin./DO)	Teachers & Counselors
Amt. Cut. \$	\$460,333	\$641,005	\$2,160,210	\$126,993	\$461,205	\$2,769,364
Remaining \$ (20-21)	\$550,057	\$1,139,221	\$5,912,608	\$284,554	\$2,432,352	\$21,529,809

How \$11.9 million in reductions were made



Timeline Summary



Summary: K-6 Budget Reduction & Restructuring for 2020-21

Centralia School District has five K-6 elementary schools that serve approximately 1925 students. Some significant impacts and changes due to budget reductions include (***see NOTE at the bottom of this page regarding planning for impacted areas and programs**):

- Office support hours will be reduced.
- Custodial support will be reduced.
- Teachers have been reduced across the five schools.
- There are 4 classrooms that will potentially require grade level splits (a class with 3rd and 4th-grade students for example).
- Relocation of some teachers will occur to balance buildings that were overstaffed or to provide a place for a displaced teacher.
- Reduction of all of the temporary paraprofessional hours will impact intervention systems and additional supports within all schools.
- Building supply budgets will be reduced by approximately 55%.
- Band and strings will no longer be available for 6th-grade students.
- Elementary will gain 1 general music teacher because of the restructuring (will have 4 teachers instead of 3 between the 5 schools). While band and strings will be reduced this will allow for more general music sections in the elementary schools. This shift also helps the District qualify for the additional K-3 class size enhancement funding available. Stipends for elementary music teachers and music budgets may also be impacted.
- Instructional Facilitators and the District Educational Specialists will have part of their funding source shifted. Their duties will include more time directly serving intervention needs at the K-3 level. This shift is part of the plan to provide student support and will help the district to gain approximately \$900,000 in revenue for the K-3 class size enhancement.
- As described above, there is additional revenue available from the state if we meet K-3 class size criteria district-wide. By re-organizing some funding, roles, and categorical funding we expect to gain approximately \$900,000 in revenue.
 - The plan is for K-3 students to receive 3 PE sections and 2 music sections for their elective time. This allows us to “capture” more certificated time (with a PE or music teacher) within the formula that is used to calculate the K-3 enhancement.
 - Shifting the focus of the Instructional Facilitators and the District Instructional Specialist differently allows us to continue to meet some significant intervention needs we expect this fall as well as being part of the formula that allows us to gain the additional revenue.
 - To qualify for this additional class size enhancement the staff working with students must be certificated teachers and funded through basic education or levy revenue (not allowed to be funded through Federal Title I funds for example).

- The Highly Capable program will become a school-based model instead of a district pullout model. **additional note: with the anticipated limitations as a result of the COVID-19 guidelines it is likely the program would not be allowed to continue in its current structure for the 2020-2021 school year.*
- The funding source for 4th - 6th teachers will shift to be partially funded with Title I funding (Federal resource). Teachers will be providing more intervention services because of the loss in para support. Title I funding is allowed to be used to support this important intervention work. This will allow basic education funding to be spread further, keep class sizes lower and maintain more teachers to better meet the needs of students.

NOTE: As shown in the timeline in the previous pages, the planning for the changes will happen between now and when school starts next fall. Most all areas within schools will require restructuring and prioritizing work due to the reduction of staff. Areas such as Highly Capable and the Intervention system shift will require more planning and collaborating with parents and other stakeholder groups, etc.

Middle School Budget Reduction & Restructuring for 2020 - 21

Centralia Middle School serves approximately 540 students. Some significant changes include (****see NOTE** at the bottom of this page regarding planning for impacted areas and programs*):

- Office support hours will be reduced.
- Custodial support will be reduced.
- The campus monitor position will be eliminated.
- Relocation of some teachers will occur to balance out buildings that were overstaffed or to provide a role for a displaced teacher.
- All of the temporary paraprofessional hours were cut for the 2020-21 school year.
- Building supply budgets will be reduced by as much as 60%.
- Most subject areas will be decreased by a teacher which will result in larger class sizes during the 2020-21 school year. Some course offerings may be impacted depending upon the capacity to maintain all courses due to staffing shifts.
 - If the Humanities course offered as a Highly Capable course offering is affected, the families of students in the Highly Capable program will be invited to join with the K-6 families to explore options that will best serve our students during this difficult time.
- The way Learning Assistance Program (LAP, a state-funded resource) funding is used at CMS might be modified. Additional planning will occur to determine what structures and systems will best serve the needs of students in need of extra assistance.
- After school activities, athletics, etc. will not be offered with district funding (levy funding is not available for these programs at this time).

NOTE: As shown in the timeline in the previous pages, the planning for the changes will happen between now and when school starts next fall. Most all areas within schools will require restructuring and prioritizing work due to the reduction of staff. Areas such as intervention supports, activities, athletics, and other programs will require more planning and collaborating with parents and other stakeholder groups, etc.

High School Budget Reduction & Restructuring for 2020 - 21

Centralia School District has one 9th - 12th grade High School and an Alternative High School. Combined the two schools serve about 945 students. Some significant changes include (***see NOTE at the bottom of this page regarding planning for impacted areas and programs**) :

- Office support hours will be reduced.
- Custodial support will be reduced.
- The campus monitor position will be eliminated.
- Reduction of paraprofessional support (all temporary paraprofessional hours and one permanent paraprofessional).
- Most subject areas will be decreased by a teacher which will result in larger class sizes during the 2020-21 school year.
- Building supply budgets will be reduced by approximately 35%.
- Other areas impacted include:
 - College in the High School - If grant funding continues to be available, the first five (5) college credits will be afforded to eligible students. All other CITHS credits will be paid for by students/families.
 - Library services may have reduced services available
 - Drama Performances
 - Music Performances
- After school activities, athletics, etc. will not be offered with district funding (levy funding is not available for these programs at this time).

NOTE: As shown in the timeline in the previous pages, the planning for the changes will happen between now and when school starts next fall. Most all areas within schools will require restructuring and prioritizing work due to the reduction of staff. Areas such as intervention supports, activities, athletics, and other programs will require more planning and collaborating with parents and other stakeholder groups, etc.

Other CSD Departments / Areas - Budget Reduction & Restructuring for 2020 - 21

Administrative

- Three administrative positions were cut. These include the Director of State and Federal Programs, an assistant principal position at Centralia High School, and the Director of Technology.
- Twelve furlough days for all principals, assistant principals and District Office administrators

District Office

- The Director of State and Federal Programs position was laid off in March to capture some savings during the 2019-20 school year. This position will not be filled in the 2020-21 school year.
- Four non-administrative positions will be cut from the district office as well as other reductions in hours or stipend work.
- The district office will work collaboratively with the incoming superintendent to prioritize and restructure roles and responsibilities.

Technology

- The Director of Technology, an administrative position, will be eliminated for the 2020-21 school year. One of the district office staff members will join the technology team for part of her time with a portion of her time remaining for other district duties.
- The technology department will work collaboratively with leadership and the incoming superintendent to prioritize and restructure roles and responsibilities.

Facilities & Maintenance

- Three maintenance staff will be laid off.
- A total of 5.5 custodial staff will be laid off.
- The Facilities & Maintenance Department will work collaboratively with leadership and the incoming superintendent to prioritize and problem-solve to meet the most urgent needs of the district.

Transportation

- The transportation department will be shifting to a two-tiered transportation system in the 2020-21 school year. This system will transport elementary students separately from secondary students.
- Ten bus drivers will be laid off.
- Note- the funding for transportation works differently so the savings won't be fully realized until the 2021-22 school year.
- The Transportation Department will work collaboratively with leadership and the incoming superintendent to prioritize and problem-solve to meet the most urgent needs of the district.

Program Reduction & Restructuring for 2020 - 21

Athletics

Athletics are funded with levy and Associated Student Body (ASB) funding. That has included administration, secretarial support, coaches, travel, and event staff. Without renewal of our educational programs and operations levy in August, we will not be able to offer district funded athletics programs in 2020-21. The Athletic Director will collaborate with coaches and stakeholders to problem solve and look for solutions in order to offer some athletic opportunities.

Music & Arts

Sixth grade band and strings will not be offered for 2020-21, with little changes to music class offerings for grades 7-12. With the elimination of the 6th grade program and increasing music staffing in K-6, some staff may see a change of assignment. This increases the music time and provides additional music experiences for elementary students. This plan also helps to capture the K-3 class size enhancement funding. The priority will be for K-3 students to have 2 music sections / per week. The district music budget for instrument replacement will be cut. Additionally, before and after school activities could be reduced. There will be an opportunity for the teachers to collaborate and provide input on the best ways to serve students with these reductions in place. The drama program at CHS will also not be offered for the 2020-21 school year.

Highly Capable Program

The Highly Capable program has state funding that is specifically allocated for highly capable. Our current program costs more than what we receive from state funding so levy funds have been used to supplement the program. The program will be restructured to reduce expenses while continuing to serve students at the K-6 level. It is not yet known if the middle school program will be impacted due to the staffing reduction impacts. There will be an opportunity for families of Highly Capable students to collaborate and provide input regarding a school-based program funded with the grant money for the program (about \$90,000)..

Special Education

Overall, 2020-21 school year state and federal funding estimates for Special Education programming remain very similar to this school year. Special Education, however, is one of the programs that continues to be underfunded by the state. In Centralia, additional basic education funding and levy dollars help fund this required program. For example, approximately \$1.5 million in additional funds were used to support special education in the 2018-19 school year. With a levy failure, it will cause funding shifts for the 2020-21 school year. Special Education will have to utilize more basic education funding if the levy funding is not available to support some of these additional expenses.

Materials, Supplies, and other Operating Costs (MSOC)

Overall, we plan to reduce our budget in Materials, Supplies, and other Operating Costs (MSOC) for 2020-21 by 21%, which is about \$2.2 million. See the table on the following pages for an itemized list. ***NOTE:*** Additional MSOC reductions are occurring in the 2019-20 school year (cancellation of curriculum adoptions, restricted building budget spending, etc.). Any reduction in expenses will reduce the impact on the ending fund balance, ultimately resulting in fewer budget reductions.

Summary Table

2019-2020 budget reductions in staffing

Area	Basic Ed
Positions not filled after resignations or laid off in 2019-20 (Positive Behavior Educational Specialist, Director of State and Federal Programs, Maintenance Secretary, Special Education Teacher)	\$252,826
Modify funding of some positions or supplies (change PAF or JV purchases made earlier in the year that qualify). Examples - additional para time to remaining title / lap, a % of some salaries to capital projects for construction, etc.	\$150,000+
Savings captured no subs (during closure)	\$330,000 +/-
TOTAL Staffing reductions 2019-20	\$732,826 +/-
<p><i>*note - there are likely additional savings not captured in this table such as athletic coach stipends that were not used due to the school closure. Some areas may also have increased expenses during this time so we are unsure of the net gain or loss at this time. Any savings captured this school year will help keep our fund balance from going as low as predicted and hopefully ultimately resulting in a little better outlook for the 2020-21 school year.</i></p>	

2019-2020 budget reductions in MSOC

Area	Basic Ed
DO Storage building removal / end rental	\$2500
Curriculum adoption - cancelled (secondary math / science supports)	300,000
Budgets- restricted district wide (began in mid Feb)	\$150,000 +/-
Est. savings from transportation fuel	\$50,000
TOTAL MSOC reductions 2019-20	\$502,500 +/-

Expected Increase in Revenue for 2020-2021

Area	*Revenue Increase
K-3 Class Size enhancement (anticipated increase in funding for the K-3 class size enhancement which actually decreases the anticipated shortfall)	*\$900,000

2020-2021 budget reductions - staff

Area	Basic Ed
Administration (cuts include - Assistant Principal, Technology Director, State & Federal Program Director), 12 furlough days for District Office administrators, principals, and assistant principals.	\$588,198
Certificated (includes layoffs, resignations, retirements, positions not replaced)	\$2,769,364
DO Support Staff	\$319,322
Paraeducators and CMS / CHS Campus Monitors	\$2,256,322
Transportation (*does not include all bus drivers because of the way transportation funding works. We anticipate capturing more savings in transportation for the 2021-22 school year)	\$71,482
Maintenance & Custodial	\$641,005
Secretaries	\$294,344
Athletic Coaches / program	\$437,538
Advisors (music, clubs, etc.)	\$321,231
TOTAL anticipated staffing reductions 2020-21	\$7,698,806

2020-2021 Budget reductions MSOC

Area	Basic Ed
Building budgets	\$400,000
Maintenance	\$300,000
Curriculum	\$300,000
Technology	\$200,000

Extra-curricular supplies and services	\$100,000
eXtra Learning Time (XLT classes, K-8)	\$100,000
Transportation	\$100,000
College in the High School	\$60,000
District security	\$50,000
Employee assistance program	\$28,000
National Board Pool	\$25,000
Several incremental reductions (travel, professional development, etc.) and contingencies exceeding	\$500,000
TOTAL anticipated MSOC Reductions	\$2,135,000

SUMMARY

TOTAL ESTIMATED SHORTFALL: **\$11.9 million**

Anticipated Increased revenue staffing (K-3) **\$ 900,000**
**by reaching K-3 class size we capture additional funding*

***after accounting for the anticipated increase in K-3 class size funding** **\$11.0 million**

TOTAL ESTIMATED REDUCTIONS - STAFFING COSTS

**NOTE: reduction calculations include: resignation / retire and position not filled, layoffs, and revision of categorical plans (ex. Funding a position partly w/ Title I or LAP)*

Reduction of staffing costs 2019-20	\$ 732,826
Reduction of staffing costs from 2020-21	<u>\$7,698,806</u>
TOTAL Staffing Reductions	\$8,431,632

TOTAL ESTIMATED REDUCTIONS MSOC COSTS

MSOC cost reduction 2019-20	\$ 502,500
MSOC cost reduction 2020-21	<u>\$2,135,000</u>
TOTAL MSOC Reduction	\$2,637,500

COMBINED REDUCTIONS **\$11,069,132**