

Community Advisory Committee For Investing In Educational Excellence

FINAL REPORT . FEBRUARY 10, 2006



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I. INTRODUCTION

WHAT WE BELIEVE

We believe strong schools are at the core of strong cities. As a group of 14 civic and business leaders, our interest is in having a school system that is a model for urban districts across the nation. We want to be known as the district that closes the achievement gap and delivers academic excellence for all.

We believe with the local talent, wealth, and civic commitment to education at our disposal, we should accept nothing less than a system in which all students are above standard in all subjects and are prepared to achieve in college or the workforce. If high expectations are set, children will rise to meet them.

We believe any sustainable fiscal strategy begins with investments in academic excellence rather than mere cost-cutting.

We believe decisive, unified leadership is fundamental to achieving this vision.

We believe it takes a village to achieve these goals, and that if, as a community, we collectively summon the will to restructure this system, the vision we will arrive at will far exceed today's reality.

We believe this is possible and necessary. However, there are serious challenges to overcome and we must be bold enough to tackle them.

THE CASE FOR CHANGE

Seattle Public Schools has pockets of excellence and many outstanding principals, teachers and programs. WASL scores have improved consistently over the last five years and SAT scores surpass state and national averages. However, we cannot accept a system with a 59% graduation rate and a 22% dropout rate. We cannot accept the lack of proficiency demonstrated in core subjects, particularly in math. We cannot accept a system with uneven school quality. And we cannot accept the glaring, persistent achievement gap among student groups.

We cannot accept a system facing years of multi-million dollar structural deficits. Nor can we accept the burdensome, complex and inadequate state-funding model to which the District is subjected.

We cannot accept these conditions and results. Instead, we must view this as an opportunity for decision makers to demonstrate true leadership and respond to this call to action.

WHAT IT WILL TAKE

It begins with leadership, including:

- More forceful direction from the Superintendent and greater unity and cohesion on the part of the School Board;
- Greater mission clarity and a more focused and concise strategic plan;
- An organizational culture-shift that values creativity, fosters adaptability, demands accountability and rewards innovation, teamwork and risk-taking.

It will take resourcefulness to increase investment in academic outcomes. This will entail a financial strategy truly driven by student achievement goals and aimed at improved outcomes for all.

It will take a resolute approach to establishing long-term fiscal viability. This must include an honest assessment of demographic realities and opportunities for improved operational and program efficiencies across the board. Business-as-usual cannot continue.

It will take immediate action and a comprehensive approach. The District must approach this challenge holistically and demonstrate significant progress, beginning now. It will then be in a position to prove to community groups, non-profits, the City, the County, the business and philanthropic communities and the citizenry at large that Seattle Public Schools is worthy of increased investment. In parallel, the State of Washington must act immediately to fulfill the "paramount duty" set forth in the state constitution, namely, "to make ample provision for the education of all children residing within its borders."

We call on all decision makers and stakeholders to act boldly and embrace this opportunity to realize a brighter future.

The Community Advisory Committee for Investing in Educational Excellence

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II. EXECUTIVE SUMMARY

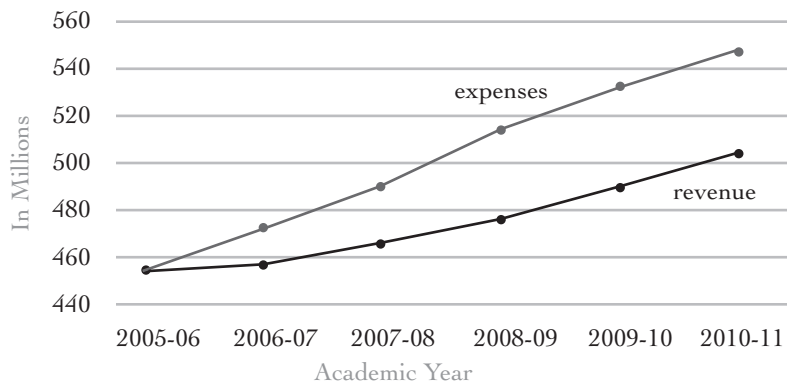
COMMITTEE CHARTER

Superintendent Raj Manhas chartered the Community Advisory Committee on Investing in Educational Excellence in July, 2005 to develop recommendations on establishing short- and long-term fiscal stability in support of academic achievement for Seattle Public Schools.

CURRENT FISCAL SITUATION

The Committee's work began with an assessment of the District's current and long-term fiscal condition. The Committee found that on a carry-forward basis, the District is projected to have cumulative deficits of \$15M, \$25M, \$41M, \$42M, and \$44M annually over the next five years.

SPS Status Quo Expenses and Revenues: Current Carry Forward Budget



Key Drivers:

The District faces structural deficits due to:

1. District policy choices, particularly in the areas of transportation, facilities, special education and bilingual services.
2. The salary escalation clause contained in the 2004 teacher contract.*
3. Limitations of the state-funding model.

RECOMMENDATIONS

Fundamental to our approach was the view that investment needs (i.e., academic achievement goals) must form the foundation of any sustainable fiscal strategy. This Committee undertook more than a budget-cutting exercise. Rather, our efforts centered on establishing a forward-looking vision of what a top-tier educational system would look like, and on constructing a sustainable financial strategy to achieve that vision.

During the course of our analysis and deliberations, we came to see that the District's financial challenges could not be viewed in isolation, but rather were symptoms of broader systemic and organizational issues. That understanding led us to develop a restructuring package with recommendations organized into three categories, in order of priority: leadership and management, academic investments, and fiscal viability.

Leadership & Management

1. Strengthen leadership by improving **governance** and **leadership capacity** throughout the system.
2. Ensure academic priorities drive dollars spent through the development of a rigorous, system-wide **strategic planning** and **budgeting** process.
3. Establish clear lines of **accountability** throughout the system, based on the concept of earned autonomy.
4. Regain **public confidence** through expanded and enhanced District communication, community outreach and marketing.
5. Expand **data-based decision making** that informs instructional practices.

* The Committee wishes to be clear that it supports competitive pay for Seattle teachers. The teacher contract signed in 2004 moved Seattle teacher salaries from 12th out of 12 among neighboring school districts to 5th out of 12 over five years. In this section the Committee presents the factual view that the salary escalation clause is in excess of the projected rate of revenue growth over the period of the contract.

Academic Investments

1. Place a major focus on **teacher hiring, development and retention**.
2. Establish system-wide **curriculum consistency and rigor**, focused on math, science, reading and writing, with added emphasis on music and language.
3. Invest in targeted **class size reductions/improved student-teacher ratios**.
4. Build **strong high schools** by funding six periods per day and boosting graduation requirements.
5. Provide adequate **remedial assistance** to students not meeting academic standards.
6. Partner with **Pre-K** providers and fund **full-day Kindergarten**.
7. Better leverage the power of **family and community involvement**.

Fiscal Viability

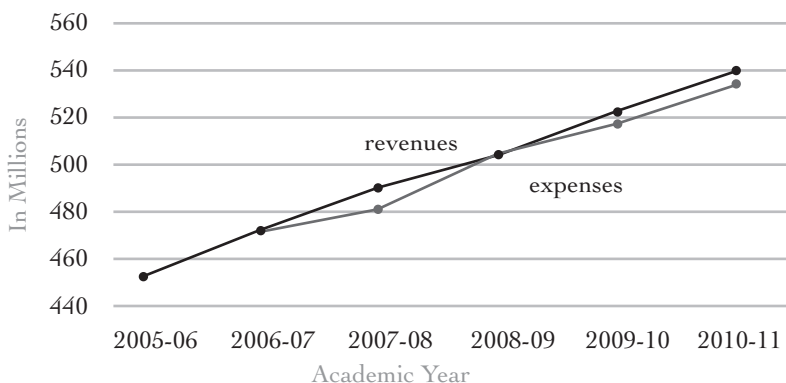
1. **Close schools** to eliminate wasteful spending on buildings that are not full due to huge enrollment declines over the last 30 years through a process guided by consideration for demographic trends, academic outcomes, and building conditions.
2. Maximize the revenue potential of the District's **surplus real estate**.
3. Reduce the gap between **transportation** services provided by the District and transportation funding allocated by the state by charging reasonable fees for some options.
4. Reduce expenses on **infrastructure** through smart process improvements.
5. Re-allocate **teacher development** resources to align with curriculum priorities.
6. Maintain **special education** services while improving operational efficiencies.
7. Improve services for **bilingual students** while achieving program efficiencies.
8. Support **alternative school programs** while bringing costs into balance.
9. Call upon **the state** to meet its constitutional duty to fully fund basic education.

EXPECTED RESULTS

If the Committee's recommendations are fully implemented, we expect to see the District return to financial stability and demonstrate major academic gains. Anticipated outcomes include:

- Significantly improved academic outcomes across all student groups, e.g., demonstrable year-to-year reductions in the achievement gap, dramatically higher WASL passage rates for all student groups, higher numbers and a greater diversity of students completing AP and Honors classes, and higher graduation rates.
- Unified leadership and timely, decisive action on the part of the Superintendent and School Board to move ahead aggressively on comprehensive reform.
- Increased enrollment, indicating widespread public confidence in the system.

SPS Expenses and Revenues with Committee Recommendations



Key Assumptions:

1. Implementation actions for significant cost reductions are taken immediately.
2. Action steps for targeted new investments begin immediately.
3. State funding increases take effect in '07-08.
4. Total staff compensation escalates only at the rate of inflation after current contract expires ('08-09).
5. Use of reserves is minimized and recommended by Committee only in the context of a demonstrated commitment to significant cost reductions.

Note: Please see appendix for full documentation of assumptions.

PUBLIC PROCESS

The Committee undertook a unique and extensive public engagement process to inform its work. In addition to more standard methods of community engagement, including community meetings and input collected via email and postal mail, we conducted professional, objective market research including focus groups and a statistically valid telephone survey. We also created a new event called Neighborhood Meet-Up Day, organizing more than 35 discussion groups across the city to take part in a “Day of Conversation” about the future of public education in Seattle.

At each event, the feedback was overwhelmingly positive and constructive. As a result, our survey results show that two-thirds or more of Seattle residents support every component of the Committee’s proposed plan.

A VILLAGE OF PARTNERS

To achieve the desired results, action will be required by a broad coalition. Clearly, the District must lead the effort and act immediately to implement these restructurings as a package. The Committee calls upon the state to parallel this undertaking with significant reforms aimed at fulfilling the “paramount duty” set forth in the state constitution, “to make ample provision for the education of all children residing within its borders.” Then, the City of Seattle, King County, parents, non-profit groups, other educational institutions, the business and philanthropic communities and the citizenry at large all have roles to play in the success of our school system.

IMPLEMENTATION

We urge the Superintendent to move quickly on implementing this comprehensive reform package and ask for a response outlining the District’s plan of action within 30 days, introduction of a multi-year action package to the Board within 45 days, and a progress report to the community within six months. Members of the Committee stand ready to serve as implementation partners to assist in this restructuring effort.

NOTE

The Committee’s recommendations assume no change to the existing open choice student enrollment model.

The Committee’s recommendations also assume the District’s current hybrid centralized/decentralized management model. However, on this point, the Committee urges District leadership to more clearly define the management model it intends and to establish a clear link to overall objectives.

III. ACKNOWLEDGMENTS

The Committee would first like to acknowledge Superintendent Raj Manhas. It takes courage to subject one's organization to a review of this kind, and he had the fortitude to do so in the name of improved opportunities for all children in Seattle Public Schools. We commend him for his genuine and heartfelt commitment to public education in Seattle.

We also express our sincere appreciation to Staff Director Sara Morris. Sara has ably led us on a challenging journey, exhibiting great professionalism, grace and good humor. She has consistently pushed us to do our best work – always with the well being of Seattle's children at the forefront.

Additionally, the Committee wishes to acknowledge the efforts of Mary Sullivan, Glen Lee, David Hennes and Jessica deBarros. Their tireless and thorough financial and research analysis in support of the Committee's recommendations propelled this report to conclusion.

John Finke, Jeanette Henderson, Gerry Johnson, Quentin Kuhrau, M.A. Leonard, Dale Sperling and Jonas Sylvester are thanked for their invaluable real estate expertise.

Kelsey Mertes and the staff at GMMB contributed terrific pro bono communications work.

Hundreds of dedicated citizens participated in our community engagement process, attending community meetings, volunteering to host "Neighborhood Meet-Up Day" discussion groups, and emailing and writing in with thoughtful comments and valuable perspectives. We have been tremendously encouraged by the level of commitment to public education demonstrated by Seattleites across the city, and we thank each and every one for his or her time.

Finally, the Committee thanks District staff. This dedicated group of people is working hard to provide educational opportunities for our city's children. In particular, we thank Steve Nielsen for his commitment to openness and transparency with regard to District financial matters, and Stephanie Roche for critical assistance with committee and community meetings.

IV. COMMUNITY ENGAGEMENT & RESEARCH FINDINGS

Throughout its public process, the Committee has received tremendously positive and constructive feedback from community members, indicating a deep reservoir of support for Seattle Public Schools and a yearning to see the District succeed. We are deeply appreciative of the time and energy so many have dedicated to participating in this process.

Results of the Committee's extensive qualitative and quantitative research and community engagement initiatives should give the District confidence that these proposals are aligned with the community's priorities and expectations.

COMMUNITY ENGAGEMENT OVERVIEW

As representatives of the community, the Committee dedicated itself to extensive community input and an open public process. At its inception, the Committee developed a comprehensive community outreach and engagement plan with the goal of generating objective, representative data that could inform the Committee's recommendations.

These initiatives fell into two phases:

Phase I: Input (September - November 2005)

- 3 city-wide community meetings
- 8 focus groups (with parents, teachers, students, and taxpayers)
- Input received online, by email and by postal mail

Phase II: Field Testing (January 2006)

- Large sample telephone survey (n=800)
- Neighborhood Meet-Up Day
- 1 additional city-wide community meeting

To maximize participation in the process, these activities were publicized through multiple channels, including print, radio, direct mail, email and the Committee's website. Additionally, committee meetings were open to the public.

KEY FINDINGS

In addition to multiple, qualitative research initiatives, the Committee conducted a survey of 800 registered voters residing in Seattle from January 13-18, 2006. Full results can be found in the appendix, and detailed summaries of all our initiatives can be found on the Committee's website at www.seattleschools.org

Key learnings from the poll included:

- Seattle residents provide the District with a higher favorable-to-unfavorable ratio than is typically seen for public institutions (62%/27% among the general population and 68%/24% among SPS parents);
- Every component of the Committee's proposed plan is supported by two-thirds or more of those sampled;
- More than two-thirds of respondents believe the overall plan is "innovative," "responsible," would "help ensure adequate and stable funding," and would "raise academic achievement" in the District.

V. RECOMMENDATIONS

The Committee presents the following recommendations in prioritized order:

LEADERSHIP AND MANAGEMENT

Academic excellence and long-term fiscal stability can only be achieved with a cohesive Board and executive team that can articulate a clear vision for the District and focus the organization's activities around academic achievement. Investments in this area (of both time and money) are some of the highest-yield investments the District can make.

ACADEMIC INVESTMENTS

From the beginning, the Committee has taken seriously its role in developing investment recommendations, not merely cost-cutting options. The only way to build a truly superior system that produces results and drives increases in market share is to first assess what it will take to provide students the future they deserve, and then to construct a financial strategy around those investment needs.

FISCAL VIABILITY

We must change business-as-usual. The system in its current state is not financially healthy. The recommendations in this section represent a break from the past. We ask readers to be open to these proposals and to view them holistically as a means of achieving the stronger, more robust public education system we all want and know we should have.

Just as the District has made choices, we, too as a community must now make a choice – to either band together to effect change or stand idly by and live with the consequences. Inaction will have a dual result: a large percentage of our city's kids getting a substandard education, and those with means abandoning Seattle Public Schools in increasing numbers. By contrast, concerted action will positively impact thousands of students as early as next year and turn Seattle into a model for urban districts across the nation. It seems painfully obvious we cannot accept the former, and must unite to achieve the latter.

GOVERNANCE & LEADERSHIP CAPACITY

Recommendation	<p>Build leadership capacity throughout the system:</p> <p>The Superintendent: Superintendent Manhas inherited a district in crisis. The current challenges present a leadership opportunity that the Superintendent must seize. What is needed is strong, decisive leadership to move the District forward on an aggressive reform agenda. True reform includes organizational culture change and will require clear direction, strategic decision-making, and a no-excuses approach. It is the Superintendent's responsibility to act boldly and lead the charge to align the agendas of the District, the School Board and outside groups with a laser-like focus on academic achievement.</p> <p>The School Board: We recommend the School Board more clearly define its roles and responsibilities relative to District staff through the review and adoption of a governance model such as the Carver Policy Governance model or a comparable board governance model designed to:</p> <ul style="list-style-type: none"> • Focus their energies on policy setting and strategy rather than on operational details; • Ensure budgeting is linked to a concise strategic plan; • Delegate with clarity; • Rigorously evaluate the accomplishments of the organization. <p>The Committee wishes to be clear that in order for the desired results to be achieved, the Board and Superintendent must demonstrate a level of leadership greater than what has been exhibited in the past. The importance of decisive, unified, bold leadership cannot be understated. This moment represents a tremendous opportunity for the Superintendent and Board to find their leadership voice and leave as their legacy a vastly improved school district.</p> <p>Senior District Leadership: We recommend a capacity build-out within the Superintendent's Senior Leadership team. This could include:</p> <ul style="list-style-type: none"> • Creating a new, 3-year executive team position charged with implementing the full package of restructuring actions recommended in this Committee's final report and serving as an integrating function across all District departments; • Creating a new, permanent executive team position with responsibilities for marketing, communications and community outreach and responsiveness; • Establishing an executive search process aimed at recruiting outstanding talent to the District (including principals), which, among other activities, would consider retaining executive search firms for senior level positions; • Establishing an ongoing commitment to leadership training for senior and mid-level managers (including principals); • Clarifying roles and responsibilities at the senior management level, especially with regard to principals and Education Directors. <p>Principals: We recommend the creation of a new, permanent position exclusively responsible for developing the highest quality Principal Corps in the country, including coordinating hiring, training, growing and retaining these critical leaders.</p>
Case for Change	All effective organizations, both public and private, make continuous, significant investments in leadership development. These are some of the highest-yield investments the District can make.
Financial Impact	Annual cost of \$500K. We have assumed some funds to cover these costs can be sought from foundations and through partnerships with the business community.

STRATEGIC PLANNING

Recommendation	<p>Develop and implement a rigorous, system-wide, annualized strategic planning process driven by academic priorities (vs. funding) and projected out at least five years at a time. This process would be owned by the Superintendent and would include:</p> <ul style="list-style-type: none"> • Development of a sharper mission statement; • A thorough review of future demographics and financial realities; • A concise overview of the District’s priorities and the strategies to achieve the goals; • Data to support the priorities (including past results, long-term forecasting, stakeholder input, and education research); • Stakeholder outreach and buy-in; • Measurable, year-to-year targets to assess progress against goals; • Ownership for each priority at the executive level; • Changes to normal operating procedure that will support the long-term success of the plan; • An on-going feedback loop with regular updates to the plan.
Case for Change	<p>Currently, the District has an annual budgeting process, but no unified academic planning process to precede it. The District’s five-year-plan includes many good ideas and was an earnest effort at a strategic plan. But without explicit priorities, it fails as a tool for decision making across the organization. It also lacks an ongoing feedback loop to continually test and hone the strategy. SPS is still an organization reactively veering from one crisis to the next. Rigorous strategic planning will keep the organization focused on its mission and core goals.</p>
Financial Impact	<p>Annual cost of \$100K. This expense is intended to cover the incremental cost of hiring a process manager to coordinate, guide and manage the overall strategic planning process. No incremental administration costs are assumed, as the Committee recommends the core function of strategic planning be embedded within the job responsibilities of the Superintendent and his/her direct reports.</p>

BUDGETING

<p>Recommendation</p>	<p>Implement a priorities-based budgeting process that clearly aligns financial decisions with academic priorities in which:</p> <ul style="list-style-type: none"> • Activities and programs are ranked by the District’s senior leadership team according to their importance to the core priorities of the District; • Activities and programs are required to have clearly articulated goals and success metrics; • The costs to produce any given activity are re-estimated and justified anew annually; • Programs that are deemed not to align with District priorities, or are deemed ineffective relative to established success metrics, are eliminated and those resources are redirected; • Reviews of spending against budget are conducted on a quarterly basis; • Weighted Student Formula is carefully evaluated to determine if it is indeed meeting its strategic objectives and is benchmarked against other districts to determine where opportunities exist to significantly simplify the administration process and reduce costs.
<p>Case for Change</p>	<p>A budgeting process that requires programs to be justified relative to the District’s core mission and goals, and from the ground up (as opposed to merely using prior funding levels with an inflation factor as the basis for further adjustments) will more effectively ensure that academic priorities drive spending. Additionally, these modifications will establish a process for comparing the merits of new programs with existing programs and for assessing the long-term financial consequences of policy and program decisions.</p>
<p>Financial Impact</p>	<p>One-time costs of \$100K in ‘06-’07; \$200K in ‘07-’08 for implementation and adoption. Note: there is a wide range of potential solutions in this area the District could and should explore. Longer-term costs and savings may vary. We have assumed funds to cover this expense can be sought from foundations and through partnerships with the business community.</p>

ACCOUNTABILITY

Recommendation	<p>Ensure consistent quality across the system by implementing a rigorous accountability plan that:</p> <ul style="list-style-type: none"> • Establishes clear lines of accountability for every District employee; • Is rooted in the concept of earned autonomy; • Puts in place common success metrics for schools, including an annual assessment process that carries consequences, both positive and negative; • Focuses central office functions on continuous quality improvement and the elimination of inefficiencies.
Case for Change	<p>Over the last ten years the District decentralized extensively without building in a strong quality control function. That function must now be built and accountability strengthened, particularly between the Superintendent, District staff and all principals. Schools that meet or exceed expectations can – and should be encouraged to – operate with a high degree of autonomy, having earned that right. However, low performing schools need to follow more prescriptive improvement protocols to ensure that every school is indeed a quality school and that every student has access to a quality education. The only way to continue the march toward improvement is to have a cycle of accountability and continuous improvement, and to avoid being swayed by the inevitable difficulties when trying something new.</p>
Financial Impact	<p>One-time cost of \$500K to build assessment model. Note that no incremental administration costs are assumed, as the Committee recommends this function be absorbed into the day-to-day operations of the District’s academic office.</p>
Action Steps Required to Implement	<ul style="list-style-type: none"> • Leadership should finalize the Accountability Plan developed in October 2005. The plan should: <ul style="list-style-type: none"> - Show clear lines of accountability from each District employee up to the Superintendent; - Clearly state a regular personnel review process, corrective actions for underperforming personnel, and meaningful acknowledgement of high performing personnel; - Include a comprehensive communications strategy to inform all District personnel of progress. • Staff should update all District job descriptions to identify the role the position plays in student and school success. • Leadership should develop a clear set of criteria and an assessment process that will determine each schools’ level of autonomy. This process will include a school improvement process with clear goals, methods of reaching the goals, assessment of progress, and communication of progress. Each school would then be assessed, beginning with the lowest performing schools.

MARKETING

Recommendation	<p>Expand and enhance District communication and marketing capability by:</p> <ul style="list-style-type: none"> • Creating a new, permanent executive team position with responsibilities for marketing, communications and community outreach and responsiveness; • Enhancing public engagement through professional and objective research and the use of statistically valid marketing surveys, including regular parent satisfaction surveys. Such an enhanced effort should extend particularly to communities of color, immigrants, refugees, those with special needs, and the poor; • Providing support to local school marketing committees, parents and community groups to help attract students through the powerful tool of parent-to-parent marketing and to encourage parental involvement; • Enhancing and improving the media outreach capability of the District with expanded staff and updated systems, including regular direct communication with parents and all stakeholders; • Hiring a professional communications/marketing firm with expertise in public education; • Investing in limited yearly budget for paid media to communicate the accomplishments and attractions of Seattle Public Schools.
Case for Change	<p>Negative perceptions hamper the District's ability to build public support and increase market share. While much progress has been made over the last five years with WASL score increases, SAT scores surpassing the national average and numerous accomplishments throughout the District, ongoing financial problems, various controversies and generally negative press coverage has created an image problem for the District. It should be noted that in spite of critical press, the district has enjoyed broad public support for every school levy. But with a positive story to tell and a need to attract more eligible students, an enhanced and expanded communications/marketing effort is called for.</p> <p>It should be noted that at the elementary level, many schools have developed very sophisticated marketing campaigns to attract students. We would see this marketing effort as a way to build on successful campaigns and a way to involve parents and schools in outreach and communications efforts.</p>
Financial Impact	<p>Annual cost of \$250K - \$1.5M. This wide range is due to options around usage of paid vs. free media. In our financial projections, we have assumed the midpoint within this range. Note: Once the District demonstrates a commitment to this package of reforms, the Committee thinks it reasonable to assume that these actions will draw more students and families back into Seattle Public Schools. In our financial projections we have assumed a modest 5% increase in market share over 4 years, and an additional 1% increase in the fifth year, resulting in a net increase of 2,760 students over that period of time.</p>

DATA-BASED DECISION MAKING

Recommendation	<p>Prioritize the use of student data to aide District-wide and school-based decision making, inform instructional practices and foster greater parental involvement. Specifically:</p> <ul style="list-style-type: none"> • Implement periodic student assessments in core subjects. Use data to improve instruction and to gauge student progress; • More accurately disaggregate student data for bilingual, immigrant and refugee students; • Complete full implementation of The Source, an excellent on-line information system whereby parents and teachers can obtain information about students’ coursework, attendance, grades and other assessments; • Perform a uniform kindergarten readiness assessment to all incoming students. Communicate data to Seattle-area early learning providers.
Case for Change	<p>At all levels, leaders should make data-driven decisions about academic achievement. The District needs to develop and foster a culture of collecting and analyzing data on how students are doing academically. This data should drive the decisions of teachers, principals and central office staff. Currently, the District does not have a common practice of making financial or instructional decisions based on student data. Results of this situation include:</p> <ul style="list-style-type: none"> • Summer School funding based on the amount of reserves left half way through the school year, rather than the number of students who are struggling. • Students who are bilingual, immigrants and/or refugees are categorized similarly to students of color who are native-born. For example, African refugee students and African American students are considered part of the same ethnic group. Without information on how students with different needs are performing, it is difficult to develop policies to improve achievement. <p>Disaggregated data will help the District identify students who need help and provide them with needed instructional support.</p>
Financial Impact	<p>Annual cost of \$250K, rising with inflation.</p>

TEACHING & HIRING DEVELOPMENT

Recommendation

Aggressively recruit, develop and retain quality teachers by:

- Providing competitive compensation, including pay and benefits (i.e., funding the current negotiated contract);
- Placing special emphasis on potential teachers with particular expertise and content knowledge¹ in the areas students are struggling most (i.e., math and science), teachers of color and bilingual teachers;
- Increasing stability by reducing turnover at high-need/low-performing schools by providing incentives to teach in these schools, including strong and ample support to staff, small class size, quality leadership, and active and productive professional learning communities;
- Funding the Flight One incentive pay provision included in the current negotiated agreement.² The Committee recommends a thorough, regular analysis of all policy changes - such as this one - to ensure they have the desired result;
- Retooling recruitment and hiring procedures to enable the District to hire teachers earlier in the process and making it easier for candidates to apply;
- Targeting professional development to training that supports teachers' ongoing learning in a way that is aligned with the District's top instructional priorities (e.g., training on the new math curriculum, AP courses, college readiness assessments, grade level coordination, etc.). This could also include targeted use of subject specialists (e.g., math and science coaches) to work with teachers to improve instruction;
- Providing incentives and support for teachers who earn a National Board for Professional Teaching Standards (NBPTS) certificate.
- Developing and implement a rigorous teacher evaluation program to assess performance, encourage and support professional growth, create and recognize excellence and remove poor performers at all levels.

Case for Change

- Teacher quality is one of the strongest predictors of student achievement. The selection of teachers who will best contribute to their students' academic achievement should focus on peer and supervisor evaluation of interns, student teachers, substitute teachers and teachers during their probationary period.³
- Seattle Public Schools hires approximately 500 new teachers each year but is historically slower to hire than neighboring districts. Streamlining current recruiting and hiring procedures will make the process more efficient and productive, will reduce substitute costs and save staff time at the building level.
- High-quality teachers and lower turnover rates are needed in all schools, especially those that are currently high-need/low-performing. A 2005 study found that for the period 1998-99 through 2002-03, teacher retention rates varied from 11% to 94% in different schools across Seattle.⁴ Since then, the District and Seattle Education Association (the teachers' union) have worked together to address this need and have agreed to provisions in the current contract designed to reduce turnover at high-need/low-performing schools.
- Prior to the 2004-05 school year, maximum pay for a Seattle teacher ranked 12th out of 12 surrounding districts. In September 2004 the District committed to a 5-year plan to move teacher pay to a rank of 5th highest among these 12 districts. The 2005-06 school year is year 2 of the plan. Current data show that Seattle now ranks 11th among these 12 districts.⁵
- A 2002 review of research on professional development concluded that there is a significant relationship between the content of staff development, the quality of the staff development, and student achievement, so long as staff development adheres to certain principles that emphasize school-level control, focus on student learning and instruction, a commitment of time and resources to implement development over an

¹ This includes placing proportionally greater focus on recruiting and hiring teachers with a strong educational background (major or minor) in their respective fields.

² This is an example of a policy SPS and SEA created together to reduce teacher turnover in low-performing schools. The current negotiated contract specifies the District's General Fund cannot fund this incentive program.

³ Glass, Gene V., *Teacher Characteristics (Chapter 8), School Reform Proposals: The Research Evidence* (Edited by Alex Molnar, Educational Policy Research Institute, Arizona State University, January 2002.)

⁴ *Teacher Retention – A Problem in Your District? A Guide to Analyzing Teacher Retention* (Center for Strengthening the Teaching Profession, University of Washington, 2005).

⁵ *Collective Bargaining Agreement Between Seattle School District No. 1 and Seattle Education Association Non-Supervisory Employees, September 1, 2004 – August 31, 2009, pages 119-120.*

extended period of time, and the development of professional development styles that engage teachers collaboratively rather than focusing on them as individuals. Effective professional development requires that continuous inquiry be embedded in the daily life of the school.⁶

- Middle and high school teachers often teach out of their fields of expertise, resulting in a mismatch between student needs and teacher knowledge.⁷
- Students who are taught by National Board Certified Teachers (NBCTs) are more likely to make higher gains in reading and math than students with teachers who pursued but failed the certification).
- There is strong private support available to Seattle teachers to attain NBPTS certification. Washington Mutual has generously provided \$200,000 for public school teachers seeking certification during the 2005-06 school year.⁸ Similarly, OSPI, the Washington Education Association and the Center for Strengthening the Teaching Profession recently received a grant to encourage more Seattle teachers in high-need schools to earn the certification.

Financial Impact

Annual cost of \$250K, rising with inflation. Please note the core intent of this recommendation is to fully fund the existing teacher contract.

⁶ Reitzug, Ulrich C., Professional Developments (Chapter 12), School Reform Proposals: The Research Evidence (Edited by Alex Molnar, Educational Policy Research Institute, Arizona State University, January 2002.)

⁷ Craig D. Jerald and Richard M. Ingersoll, All Talk, No Action: Putting an End to Out-of-Field Teaching, 2002. Teaching out-of-field is defined as lacking at least a minor in the field.

⁸ Scholarship applicants must teach in schools where over 50% of the student population receive free or reduced lunch. Additional information can be accessed at <http://www.nbpts.org/candidates/availscholar.cfm>.

CURRICULUM ENHANCEMENTS

Recommendation	<p>Establish system-wide consistency and rigor within the curriculum that first emphasizes mastery of reading, writing, mathematics and science as foundational skills and then extends beyond to expand dual language opportunities and system-wide K-12 music offerings. This could include:</p> <ul style="list-style-type: none"> • Aligning all actions, policies and investments with strategies aimed at ensuring all students meet or exceed grade level standards set for reading, writing, math and science. • Developing aligned curriculum for all core subjects for all schools. The curriculum must align with state learning standards for each grade level. • Implementing the planned math curriculum adoption and ensuring adequate funding of implementation and early evaluation. • Stating in clear terms that science is considered a core part of K-12 offerings. This would include moving rapidly to complete the implementation of a high-quality science program K-12 – with special focus on middle school and high school science. • Developing a comprehensive approach to implementing and evaluating professional development. All investments should be aimed at successful implementation of the laser-like focus on mastery of the basics and the new curriculum adoptions. • Providing access for all elementary and middle school students to the District’s award-winning instrumental music program as well as other arts offerings.
Case for Change	<p>Mastery of the basics is fundamental to the District’s core mission and should be considered its primary responsibility. In that vein, establishing school-to-school consistency in curricula for the basics is of paramount importance in the effort to establish even school quality throughout the system. Additionally, regarding a high-quality K-12 science program, while many good programs currently exist, they are funded largely through federal and private grants and implementation is uneven throughout the District. A commitment to rigorous science education needs to be institutionalized within the District. Finally, much educational research points to the correlation between music, math and language acquisition; these opportunities should be fostered.</p>
Financial Impact	<p>Annual cost of \$2.5M, rising with inflation.</p>

TARGETED CLASS SIZE REDUCTIONS/IMPROVED STUDENT-TEACHER RATIOS

Recommendation	<p>Reduce student-teacher ratios for core subjects in the early grades and for struggling students to:</p> <ul style="list-style-type: none"> • 20:1 in grades K-3; and • 15:1 for very low-income and/or academically challenged K-3 classrooms; <p>Please see section on remedial assistance for an additional class size reduction recommendation specifically related to remediation.</p>
Case for Change	<p>Although the research is mixed, in many cases low class size has dramatically impacted future academic achievement for students. Additionally, smaller class size is consistently requested by citizens as a factor that would draw them to Seattle Public Schools and targeted reductions will better allow teachers to personalize instruction based on each individual student’s characteristics and needs. Note: clearly it is critical for any class size reduction initiative to ensure high-quality teachers in every classroom.</p>
Financial Impact	<p>Annual cost of \$3.6M, beginning in ‘07-’08, rising over time to \$7.4M in ‘10-’11. Please note this recommendation is compatible with facilities consolidation, as the focus is on improving student-teacher ratios as opposed to adding new classrooms.</p>

HIGH SCHOOL RIGOR

Recommendation	<p>Strengthen high schools and better prepare students for college and work through:</p> <ul style="list-style-type: none"> • A series of curriculum reforms aimed to setting appropriately high expectations and ensuring all Seattle Public School students have access to a college-prep curriculum including a) funding six periods per day of relevant coursework for all high school students; b) enacting a higher course-load requirement for graduation; and c) expanding offerings of and access to Advanced Placement, honors and International Baccalaureate classes; • Increased graduation requirements to include, at a minimum, four years of English, three years of math, and two years of foreign language; • Examining and adequately funding the “foundation” needed for high school administration at the school level.
Case for Change	<p>All high school students deserve access to six periods of rigorous coursework per day in order to graduate from high school fully prepared for college and the workforce. As a result of the District’s current funding approach, many high schools do not have sufficient funds to provide all students with six periods per day in subjects that will prepare them for college. Additionally, while meeting state requirements, Seattle Public Schools’ graduation requirements are lower than the basic, minimum requirements at the University of Washington and many other four-year institutions.</p> <p>Also as a result of the District’s current funding approach, high schools are not receiving proportionately adequate “foundation” funding to cover the basic costs of administering a high school. This has forced some schools with higher numbers of students to use instructional funds on administration in order to keep the schools running.</p>
Financial Impact	<p>Annual cost of \$2.5M, rising with inflation over five years.</p>

REMEDIAL ASSISTANCE

Recommendation	<p>Provide adequate remedial assistance to students in need through:</p> <ul style="list-style-type: none"> • Partnerships with community colleges, four-year institutions and OSPI to establish a Summer College program for high school students who do not meet the WASL standard. • Beginning in the 2006-07 school year, increase learning opportunities for the classes of 2008 and 2009, such as providing double doses of math and literacy/reading for students struggling in these areas. • Shift toward a preventative strategy of identifying incoming middle and high school students who are at-risk of not meeting standards, and providing extra learning opportunities (i.e., more time on task) to keep those students on track with college- and workforce-preparatory requirements. • Carry out OSPI’s Project Graduation 9th Grade Transitions and Extra Help Program:¹⁰ • Place the most highly-qualified high school teachers in 9th grade. Criteria for high-quality teachers should include past student performance and the teacher’s area of study.¹¹ • Lower teacher-student ratios to 20:1 in 6th and 9th grades, on a targeted as-needed basis.¹²
Case for Change	<p>By state law, meeting the reading, math and writing WASL is a requirement for graduation beginning with students who are in 10th grade this year (the class of 2008). Passing the science WASL will be required beginning with the class of 2010. Only 35.3% of 10th graders in 2004-05 passed all three sections of the WASL.</p> <p>District staff estimates there are at least 2,500 students who are at risk of not meeting the WASL standard in the classes of 2008 and 2009, and it is critical to provide intervention with remedial assistance for students who are at-risk of not graduating due to this requirement. We must expect all students to meet these standards and prepare all students for success in college and the workforce.</p>
Financial Impact	<p>Annual cost of \$3.1 - \$3.5M, gradually declining after Year 3 as new academic enhancements take effect and fewer students require remediation.</p>

¹⁰ Available on-line: <http://www.k12.wa.us/SecondaryEducation/projectGraduation.aspx#transition>

¹¹ Ibid. This report finds high-impact schools make teacher assignment decisions based on student needs rather than teacher needs, and recommends these specific teacher performance criteria be used in making assignments.

¹² Ibid. Adjusting class sizes for struggling students is also a “high-impact” strategy found in “Gaining Traction, Gaining Ground.”

PRE-KINDERGARTEN & FULL-DAY KINDERGARTEN

Pre-K Recommendation	<p>Serve as a partner (rather than an administrator) of early learning programs, and establish procedures to better coordinate existing early learning programs:</p> <ul style="list-style-type: none"> • Work with pre-K providers to ensure curricula are aligned with the skills students need to enter kindergarten; • Place pre-K programs in elementary schools, especially in areas with high-need populations, to ensure smooth kindergarten transitions and reduce the “preparedness” gap that often contributes to the achievement gap; • Perform a school readiness assessment for all incoming kindergarten students. This will provide feedback to pre-K administrators on the impacts of their programs; • Assign one point-person to oversee and coordinate the District’s partnership in early learning; • Work with other early learning partners to coordinate and streamline the multiple early learning programs in Seattle to create a true system that will prepare all children for kindergarten.
Case for Change	<p>It is critical that all children be ready to succeed when they begin kindergarten. Currently, only 64% of all students arrive at school ready to succeed, and only 47% of low-income students are ready for kindergarten.¹⁵ The numbers are lower for children of color. If students start school behind due to a “preparation gap,” they will likely stay behind, contributing to the achievement gap in the later grades. The District has a strong interest in supporting a streamlined, coordinated early learning system in Seattle. In addition, the proposed approach is consistent with the Governor’s statewide early learning strategy.</p> <p>Although there is high interest in and support for early learning in Seattle, existing early learning programs are uncoordinated. These programs must be streamlined into a comprehensive early childhood system. Please see appendix for a review of existing programs.</p>
Financial Impact	<p>Savings of \$400K annually, beginning in '07-08, from relieving the District of the responsibility to administer pre-K programs.</p>
Full-Day Kindergarten Recommendation	<p>Pursue state legislative approval of funding for full-day Kindergarten in order to ensure all students have access.</p>
Case for Change	<p>It is critical for all students in Seattle Public Schools to have access to full-day K. This should not be an optional service. The state funds only half-day K, and although all Seattle schools provide some full-day K classes using extra funds, more than half of all kindergarten students do not have full-day K. The number of full-day classrooms varies by school and by the amount funding available. Schools receiving additional weighted student formula dollars from the District for hard-to-serve students tend to use part of those extra funds to provide full-day K. Schools not receiving additional weighted student formula dollars tend to charge tuition to parents and/or receive contributions from their school PTAs to fund full-day K.</p>
Financial Impact	<p>Annual cost of \$3.0M, rising with inflation. The Committee assumes new revenue of \$9.8 - \$11.1M from the state beginning in '07-08 to cover the full cost of full-day K for all kindergarten students. We show in this section the incremental cost of providing full-day K to students who are currently in half-day K.</p>

¹⁵ School readiness rates are proxied using scores from the 2004 first grade Developmental Reading Assessment. The School District does not currently measure school readiness in kindergarten.

FAMILY INVOLVEMENT & COMMUNITY PARTNERSHIPS

Recommendation	<p>Better leverage the time, skills and decision-making power of parents, community organizations and community volunteers to help students, especially at-risk students, to achieve. Specifically:</p> <ul style="list-style-type: none"> • Create additional Family Resource Centers to be located in strategic geographic areas (this may be best accomplished by partnering with the City’s existing Family Support Centers program); • Better coordinate communication between staff teams within the district who are points of contact for parents and community; • Develop community partnerships with nonprofit groups to maximize District resources and finances.
Case for Change	<p>Research shows that family involvement plays a significant role in student success. It is estimated that the hours Seattle parents devote on an annual basis to volunteering can be valued at more than \$5M. This tremendous resource can and should be better leveraged.</p>
Financial Impact	<p>Annual cost of \$500K, beginning in '07-08, offset by estimated \$675K increase due to restored Title I/LAP funding as a function of improved FRL data collection.</p>
Action Steps Required to Implement	<p>Create a cross-functional team that includes District staff, non-profit agencies and community leaders to create and coordinate the work as described above.</p>

FACILITIES

Recommendation	<p>Re-size the District’s physical capacity to accurately fit current student and enrollment and projected future enrollment by:</p> <ul style="list-style-type: none"> • Closing a number of active schools to eliminate underutilized space by 1.0 to 1.5 M square feet; • Developing sensible school closure criteria and a decision-making process that supports academic goals; • Implementing an immediate moratorium on committing new capital expenditures aimed at improving existing school facilities (i.e., water quality improvements or building remodels) or building new school facilities until this activity is completed.
Case for Change	<p>Seattle has significant excess capacity within its existing, operational facilities. This drains resources from every school in the District. Dollars expended on facilities come at the expense of dollars invested in curriculum and teaching. Closing excess facilities would enable the District to re-direct valuable resources towards investments in academic improvements that could ensure a quality school in every neighborhood. Even if the District were not struggling financially, it would still be sound strategy to align capacity with enrollment.</p>
Financial Impact	<p>Annual savings of approximately \$8.0M, beginning in ‘07-’08, rising with inflation. This figure does not take into account the additional potential real estate revenue from closed schools (see next recommendation).</p>
Overall Implementation Approach	<p>A Planning Committee would be created that is comprised of a blend of community experts (volunteers) and District academic and operations staff. The objective of the team would be to develop the proposal for school consolidations that would perpetuate the academic successes that exist today and position every remaining school for success. The team would operate under the following guiding principles:</p> <ul style="list-style-type: none"> • The outcome would provide students with better academic opportunities than are currently available, and would position the District for strength over the long term. • The imperative would be to ensure a quality school in every building. Academic outcomes and the success of every school program must be evaluated, and would be the primary consideration in the final decision. The best programs must survive. • School buildings would be considered separate from school programs and the people who run those programs. Successful schools must be moved intact if the building were cited for closure, and less successful programs would be absorbed into successful programs; thereby enhancing opportunities for all students. • The approach to decision making would be innovative and not constrained by current practices or past decisions. Breakthrough thinking will be required, such as creating an incentive system to grow community support for building closures. Tactics such as offering attractive program placement in a community or incentives for schools to voluntarily merge could be considered. • ‘What is best for the students?’ would be the paradigm through which all alternatives are reviewed. • It would be expected that the School Board and the District leadership stand together as a unified team to support these efforts. <p>Decision Process</p> <p>The Planning Committee would propose the specific criteria for consideration using their expertise and professional judgment with the guiding principles in mind. Criteria would be offered first to the community for input and refinement, then to the District and School Board for concurrence. The team should benchmark the closure criteria and processes used by other school districts through the United States where their results were successful. In addition to benchmarking, the following proposed criteria must be considered:</p> <p>Demographic Realities – The excess capacity must be reviewed by region to ensure access to excellent schools in all neighborhoods. Basic and fundamental to solving the facilities puzzle would be the following elements:</p> <ol style="list-style-type: none"> 1. Current and projected enrollment in each region. Capacity must be aligned with the number of students in that region.

2. Geographic dispersion of schools. Reasonable walk zone and commute times must be available to students. Breakthrough thinking must be applied to determine the optimal solution.
3. Percentage of private school and out-of-district students. A large private school or out-of-district population provides an excellent opportunity for increased market share for the Seattle Public Schools.

Program Excellence - Every region of the city must offer outstanding academic programs and instructional excellence to ensure success for every student. The following elements must be considered:

1. The program and staff team have a record of providing success for students. Measures such as Value-Added, Annual Yearly Progress, and WASL would be considered as evidence that year over year progress towards the goal of 'success for every student' is being achieved.
2. The program is popular with families. Measures such as percentage of 'first choice' selections relative to number of available seats and evidence of wait lists at each school would be considered as evidence that parents selecting Seattle Public Schools have given the program a vote of confidence.
3. The program offered is unique or award winning. Measures such as alternative teaching methods or approaches and positive recognition by outside academic or philanthropic entities would be considered as evidence of this.
4. A strong leadership and staff team is in place to provide the program. Measures such as evaluation by District executive leadership would be considered as evidence of this.
5. The program benefits from strong community partnerships, including parent involvement and support from non-profit organizations, local businesses and other community organizations. Measures such as parent and community volunteer hours and active advocacy would be considered as evidence of this.

Building Excellence – The condition and location of every building must be evaluated for its ability to provide a facility conducive to educational excellence, and to position the District to serve the students and the community for the next 25 to 50 years. The following elements must be considered:

1. Condition of the physical structure and grounds at the site, and proximity to community resources (public libraries, parks, pools, etc.)
2. Current student capacity or potential for increasing capacity through capital investment. Appropriate accommodation must be made to ensure the capacity to deliver Special Education and Bilingual Education services across the District.
3. Operating cost of building and ability to minimize student transportation costs (either through use of Metro or through more efficient use of transportation).
4. Building safety and security.
5. Historical significance of the building.
6. Uses of building would be in alignment with the core mission of the District.

Judgment – The analysis and decision process facing the Planning Team is highly complex in terms of the number of variables and potential solutions for consideration. In the end, some judgment will be necessary in addition to data-based criteria and weighted mathematical formulas. We have a city of unique neighborhoods and demographic groups, and what works in one region of the city may not work well in another. If team members are selected with their professional expertise and personal credibility in mind, they should be empowered with the latitude to use their judgment. In the end, they are accountable to the entire community, and will be expected to explain their judgments satisfactorily.

Structure of Planning Team – This process should ensure a non-political, objective, independent view.

1. Appointing Authority – by Superintendent (no later than March 1, 2006)
2. Charge –
 - i. Develop a proposal for school consolidations that perpetuates the academic successes that exist today and positions every remaining school for success.
 - ii. Conduct the community engagement process as required by School Board policy.
 - iii. Execute the restructuring plan in time for savings to be realized for the 2007-08 school year.
3. Committee Structure – The core committee would consist of 5 District experts and 5 community leaders, for a total committee size of 10. Expertise in facilities management, real estate, enrollment

planning, community engagement, operations, finance, and transportation are required. The committee would be co-led by two leaders, one District staff person with executive leadership experience and one community leader. This core team would be supplemented on an as-needed basis with an additional layer of District staff with expertise in various areas. Elected officials would not sit on the committee.

4. Selection of Committee Members – The highest criteria for selection would be the team member’s ability to demonstrate commitment to the ‘guiding principles’. Further emphasis should be placed on their personal integrity and professional credibility. From a technical skill perspective, selection of District staff would be completed in a manner that ensures balance between the skill areas within the academic and administrative staff. Community members would be selected in a manner that balances the necessary skills in the areas of facilities management, finance, real estate management, community engagement, and transportation. It would be desirable that these community members be parents of Seattle Public School students.
5. Term – work would begin on April 1, 2006 and be completed by August 1, 2006.
6. Committee Support Structure – The following would be required in order to ensure the success of this team:
 - i. The committee should be provided with the financial resources necessary to hire outside specialists in the areas of communications, community engagement, real estate management or consulting, and business/financial analysis.
 - ii. The business and philanthropic community should be looked to for financial contributions to finance this important endeavor.

Community Engagement & Implementation

This portion of the work would be the domain of the Planning Committee. The Superintendent’s Community Advisory Committee recommends the following guidelines:

1. Community engagement designed for the purpose of collecting input to refine and shape the criteria should be conducted in a manner that is statistically valid and represents the demographics of Seattle Public School students. Any results that are based on input from a self-selected group of respondents should be used with that filter in mind.
2. Demographic data used to identify the current and future enrollment should take advantage of the work of the demographers from the City of Seattle (Seattle Housing Authority and Seattle City Light), King County, The Puget Sound Regional Council, and Sound Transit Authority. Forecast data. Information developed by these skilled professionals could be very useful in shaping the future enrollment forecast by region as they have information regarding planned projects that will influence where families live.

Benchmark Data

- An analysis was completed comparing Seattle to other districts in the state of Washington. On a per student basis the results were as follows:
 - Elementary schools average 163 sq ft/student, versus an overall average of 115 sq ft/student in the selected districts.
 - Middle school level, the comparison is 154 to 140
 - High school level, the comparison is 189 to 128

This data suggests that Seattle Public Schools is spending a much larger portion of its dollars on facilities that the other districts included in the comparison.
- A review of internal District data comparing October, 2005 enrollment with building capacity on a by-school basis yielded the following results:
 - Elementaries have 24% excess capacity
 - Middle schools have 16% excess capacity
 - High schools have 22% excess capacity

Note: Excess capacity is greater in some regions of the city than others. A 25% ‘set-aside’ was allowed to protect for Special Ed and other requirements.
- Between the late 1960’s and today, a 53% decline in enrollment was followed by only a 20% reduction in facilities capacity. While teacher-to-student ratios at that time would not meet present-day academic needs or expectations, the comparison suggests that the facilities footprint must be reviewed and right-sized for current and projected student enrollment.

REAL ESTATE MANAGEMENT

Recommendation	Generate a new, ongoing revenue stream to support academic strategies through improved stewardship of Seattle Public Schools’ vast real estate holdings, including under-utilized and non-school based real estate assets.
Key Assumptions	<ol style="list-style-type: none"> 1. The properties analyzed to generate this revenue enhancement estimate represent only a portion of the total universe of properties potentially available for master leasing and/or redevelopment. As such, the financial value estimate stated above is conservative. The buildings included in the analysis are: <ul style="list-style-type: none"> • Sitting vacant with no near-term plans to occupy for educational purposes and/or • Currently occupied by non-school sponsored entities and are encumbered by leases that are quickly cancelable (approx. one year). 2. The properties included in this analysis were considered purely from an economic perspective; no consideration was given to the political feasibility of each project. 3. Properties were analyzed as to the highest and best use potential of the site, not merely improvements to the site. 4. With the intent of preserving district properties under SPS ownership, leasing, not selling, is the assumed preferred option. Ground lease scenarios were assumed whenever possible, with leases commencing at construction start and containing inflationary adjustment provisions including negotiated upside participation in future sales and/or residual receipts.
Case for Change	<p>The District owns numerous properties that have been deemed unnecessary for school use. Additionally, some school properties are larger than are needed for school uses and offer redevelopment opportunities. Many of these properties appear to have significant real estate revenue potential. The District’s policies to date have not focused on generating a return on its surplus assets; in fact, its policies are generally to offer below market rent for nonprofit use.</p> <p>Other school districts in competitive real estate markets have begun similar efforts to maximize return on assets to support the educational mission. Enhanced management of these assets represents a tremendous long-term revenue opportunity for Seattle Public Schools, and lease income can be used on the operating side of the budget (while sale income can not).</p>
Financial Impact	Start-up administration costs of \$500K annually for three years, declining to \$200K annually for the following two years, offset by new annual revenues of \$3.8M or higher, beginning in 2008-09 (assuming planning begins immediately).
Action Steps Required to Implement	<p>Moratorium: Impose an immediate, 3-month moratorium on lease executions, lease extensions, purchase and sale negotiations for all Seattle Public Schools surplus real estate, including interim, closed, leased facilities, emergency sites, and pending sales.</p> <p>Establish new policy: Clarify district policy to state that the primary objective regarding management of non-school properties is generation of revenues based on the highest and best use for the site.</p> <p>Asset Inventory: Hire a qualified real estate consultant to perform a comprehensive and rigorous inventory and assessment of real estate assets currently owned by Seattle Public Schools, including but not limited to site analysis, market study, zoning and development potential for each site, including some school sites with excess land. This inventory shall be completed within the three-month moratorium as noted above.</p> <p>Management: The District should appropriate the necessary funds for a new high-visibility effort called the Seattle Schools Property Initiative (SSPI), modeled on the University of Washington’s very successful real estate function.</p> <ul style="list-style-type: none"> • A new business unit would be created to implement the SSPI, to be headed by a highly skilled real estate professional. This work could be housed in another public agency or contracted to a private firm with a

successful real estate management track record. It is critical that SSPI have the requisite capacity and skills (either in-house or on contract) to effectively complete complex real estate transactions.

- An advisory group should be formed to provide ongoing advice and guidance to the new function, which would report to and be overseen by the District's Chief Operating Officer. Results should be evaluated semiannually and appropriate reports then made to the Board.
- In the first phase of the initiative, the SSPI would be charged with marketing the currently available properties (subject to the School Board's approval of specific sites to be included). Long-term lease arrangements would be negotiated and whenever possible the District would seek to obtain an additional return from resulting redevelopment. The Board would retain approval authority for all final transactions.
- Additional phases of the initiative could be authorized by the District if the results from the first phase are positive. Subsequent phases could focus on marketing additional properties that might be surplus due to school closures, as well as properties that could remain as active school sites but which have development potential which could successfully co-exist with a school site.

TRANSPORTATION

Recommendation	<p>Reduce the gap between transportation services provided by Seattle Public Schools and transportation funding allocated by the state. Options are not mutually exclusive and include:</p> <ol style="list-style-type: none"> 1. “Fee-for-T”: The following three options represent a continuum of options, based on number of students impacted and magnitude of cost savings. In all cases, FRL-eligible (Free-and-Reduced Lunch), homeless students, and certain Special Ed students and would be exempt. <ol style="list-style-type: none"> a. Charge for transportation to alternative schools/special programs/all-city draws. <i>Estimated annual savings of \$0.5M - \$1.5M.</i> b. Provide transportation to each student’s reference (neighborhood) school. Transportation to a school other than the student’s reference school would be provided as long as the student’s family paid the difference in cost. <i>Estimated annual savings of \$1.5M - \$2.5M.</i> c. Convert all transportation to a fee-based model. <i>Estimated annual savings of \$2.2 - \$4.2M, depending on whether a flat fee or the full excess cost above the state allocation is charged.</i> 2. Migrate to Metro: Continue the current system of busing elementary and middle school students on yellow school buses, but migrate high school students to Metro.* This would involve an SPS/Metro partnership to develop new routes to ensure student safety and convenience. <i>Estimated annual savings of \$2.5M - \$5.0M. Expanding to include middle schools students would increase the potential cost savings.</i>
Key Assumptions	<ul style="list-style-type: none"> • The current school choice model remains in place.** • The impact of the Committee’s facilities reduction proposal, which could influence ridership, is not incorporated. • Transportation costs attributed to Special Education programs are not included.
Case for Change	<ul style="list-style-type: none"> • In 2004-2005, the District spent \$25.1M, or 6.0% of its total operating budget, on transportation. For the same period, the District received a transportation reimbursement of \$13.4M from the state, thereby incurring a shortfall of \$11.7M. This shortfall was covered, as it has been in years past, by diverting local levy dollars that could otherwise be used for instructional programs. • On a per student basis, the levy subsidy currently being diverted from instructional support to cover transportation costs ranges on average from \$150-\$1,200 per student, per year. In a few extreme cases, per student transportation costs are as high as \$9,000 per year. • Aligning transportation costs with the state-funded allowance will enable Seattle Public Schools to direct a significant amount of levy dollars now spent on transportation into the classroom. • Seattle’s current transportation policy amounts to an internally-imposed, unfunded mandate that varies considerably with what other districts are spending on transportation. • “Bell times” (i.e., start- and end-times for the school day) are currently driven entirely by transportation policy. Making smart changes in this area will enable the District to disaggregate these two items and establish reasonable bell times that correlate with optimal student learning potential at each stage.
Financial Impact	<p>Savings of \$1.5M in '06-'07 realized by transferring some high school students to Metro, followed by savings ranging from \$4.7-\$5.1M per year over the next four years through more comprehensive changes.</p>
Benchmark Data	<p>See appendix.</p>

* The Board is currently considering a pilot Metro program involving two high schools. The Committee recommends immediate implementation of an expanded program serving all high schools.

** Modifying the current student enrollment policy to focus more heavily on neighborhood schools could significantly reduce transportation costs throughout the system, over and above the cost savings estimated here.

CENTRALLY-RUN FUNCTIONS (NON-ACADEMIC)

Recommendation	<p>Reduce central office infrastructure expenses through aggressive changes in processes and systems. This would include:</p> <ul style="list-style-type: none"> • Thorough examination in each area for the most cost effective way to deliver the given service; • An approach that prioritizes the elimination of unnecessary work and inefficiency and a culture of continuous improvement with direct employee involvement. Some examples include: <ul style="list-style-type: none"> - Reducing the considerable staff time spent on analysis and recommendations for the Board and senior management by making such work more efficient, strategic and actionable. We recommend engaging the staff to solicit their suggestions on how to streamline this process. - Breaking down barriers between different functions to reduce the incidence of organizational silos, which often lead to duplicative or uncoordinated work. • Consideration in many areas for alternative ways of delivering a given service than by the District itself, including school security, facilities and grounds maintenance, payroll administration, warehousing and purchasing. In some cases this may entail outsourcing; in others it may entail seeking other entities to provide the service. • Benchmarking against other districts' methods for delivering services as a means of identifying possibilities.
Key Assumption	<p>In order to achieve these savings in the next year and following years, a strong commitment to an overhaul of how central office functions are delivered is essential. Leadership at all levels must be committed, and all employees engaged in this undertaking. Fundamental to this action is the establishment of a culture that emphasizes continuous improvement in processes and systems. Examples from the private sector show that continuous improvement cultures can create annual 5% savings for a fairly long period of time for an unchanging work statement. Additional savings are possible if some of the work currently being done is taken on by other entities, thus reducing the work statement.</p>
Case for Change	<p>Though there have been significant budget cuts in recent years in many of these areas, the process improvements (vs. headcount reductions) that can have a lasting impact on efficiencies should receive much greater emphasis. Because this category of expense competes directly against funds available for academic achievement, it should have an aggressive target.</p>
Financial Impact	<p>Annual savings increasing from \$3.2 - \$5.4M over five years. Estimates in the early years are conservative, allowing time for the necessary culture change(s) to take root. The Committee estimates that significant reductions can be realized by '08-'09. Please note this estimate does not double-count savings accrued from school closures and consolidations.</p>

CENTRALLY-RUN PROGRAMS (ACADEMIC)

Recommendation	<p>Analyze all central office academic expenditures and reprioritize for the '06-07 budget based on the District's top academic priorities to realize savings and eliminate inefficiencies wherever possible.</p> <p>We urge the District to construct its centrally administered academic program budget (including all spending on professional development) around a more refined, focused list of objectives (i.e., closing the achievement gap for some subsets of students and addressing the chronically low performance of certain schools). Each centrally run academic program should outline which schools are targeted and its program leaders should be held accountable for a clear set of outcomes as outlined in advance of investment. All costs should be delineated per school and per type of student so that these investments can be clearly considered in light of their opportunity costs of using these funds to augment direct school investments.</p>
Case for Change	<p>There is currently no comprehensive approach or well articulated plan for centrally-run academic investments. For example, it has been difficult for the Committee to even accurately estimate funds devoted to professional development, as it is scattered throughout the system and not rigorously tracked.</p>
Financial Impact	<p>Annual redeployment of \$2.7M, rising with inflation to activities outlined in the sections on investing in teacher quality and curriculum enhancement.</p>

SPECIAL EDUCATION
Recommendation

Close the gap between special education funding and expenditures. For a definition of Special Education levels, please see appendix.

Improved operational efficiency of existing programs

1. Increase capacity utilization of Levels 3-4 classrooms by consolidating classrooms (\$4M).
2. Improve Pre-School Special Education forecasting in order to align capacity planned with actual enrollment (\$7M).
3. Align annual budget 'under-spends' to roll back into Special Education services rather than the General Fund (\$8M).
4. Align basic education allocation dollars for students receiving Special Education self contained Levels 3-4 services and reduce Special Education allocation commensurately. Currently, no mechanism exists to ensure those dollars serve the Special Education students' needs (\$2-4M).
5. Eliminate the Special Education Level 3 designation and dollar premium allocated to high schools to reflect the fact that both Levels 2 and 3 students receive services following the same staffing model (\$5M).
6. Establish more clear criteria and rigor around entrance process to ensure Special Education services are the most appropriate way of serving the students, particularly at levels 2 and 3 'resource room' support (\$6-1.0). This could involve:
 - a. Providing more time and training for teachers to be successful meeting the needs of students in regular education programs, i.e. dual certifications and mandated training.
 - b. Increasing the cultural competency of all regular education teachers to ensure student success in the regular education classrooms.
 - c. Requiring a Central Administration signature in the process to confirm a student requires special education services.
7. Establish an 'exit criteria' evaluation process to assess students for readiness to exit special education services (\$4-.8), particularly with Levels 2 and 3.

Review of service levels

1. Renegotiate SEA (Seattle Education Association) contract to increase the special education student/teacher ratios to staff at levels commensurate with surrounding district benchmarks unless measurable results at the existing ratio levels can be demonstrated (\$1-5M).
2. Carefully review the impact of providing special education services to out-of-district students (\$9M).
3. Re-categorize specific programs to a lower level of funding (i.e. Level 4A Dyspraxic to Level 3) (\$5M).

Enhanced revenue through increased state funding

1. Seek solutions to every obstacle internal to the District to ensure successful applications to 'Safety Net' funds. These resources provide the best opportunity to cover excess costs driven by high needs students. (\$1.5M).

Process Changes

1. Develop an alternative financial reporting view that is transparent and understandable to the Board and all parents. The 'Bridges Budget Recommendation' offers an alternative approach for consideration (*no cost*).
2. Provide automated and centralized tracking of student IEPs (\$2 expenditure).
3. Shift from a highly decentralized service model to more centralized management of Special Education Services (*net savings reflected in items 1-8*).

Related areas that will enable improved operational efficiencies in Special Education

1. Facilities closures: Currently the District Central Special Education team is not empowered to make decisions that impact school buildings. This prevents consolidating programs from several schools to one.
2. Regular education revisions in student/teacher ratios: Reducing class size will provide teachers more time to focus on students who are at risk for Special Ed designation Level 2 and 3, and Behavior Disorders through over-referral.

Current Situation

Seattle Public Schools has the privilege to provide Special Education services to approximately 6,000 students in our city, ages 3-21. It is imperative that our commitment to quality education extends to include these students. Special Education is a highly complex, expensive and emotional specialty area, and this investigation only scratches the surface of the analysis that it deserves. While much work remains to be completed, the current situation can be characterized as follows:

- It is factual that Special Education expenses exceed revenues by a significant margin, and Seattle Public Schools spends more than benchmark districts on a per student basis. Currently \$26M of local levy funds are used to close the gap as identified in accordance with State accounting rules.
- Special Education reflects a microcosm of what the Committee has seen across the system: pockets of excellence that are driven by a strong building principal, yet significant opportunities for improvement exist.
- In this specialty area, the notion of centralized vs. decentralized decision making is more controversial than in basic education. While the District has hired a highly skilled and trained central staff to support these students and their families, most of the key decisions are made at the building level. The result has been service offerings that are often unstable for families, contributing to the overall frustration of parents with special needs students. It appears that more centralized decision making would result in higher quality and more stable program offerings. This must be balanced with ensuring that building staff and leaders can be innovative in providing greater opportunity for inclusion of these students in basic education settings to every extent possible.
- The data reviewed provided evidence that opportunities exist to run a more cost efficient program. Every program must be scrutinized for ways to reduce cost, but these reductions must not come at the expense of quality or service.
- A commonly held belief, fueled by complex State accounting requirements, is that Special Education expenses are draining basic education dollars from regular education students. Some evidence exists to counter this:
 - Local levy money is generated as a result of Special Education dollars received from the State (approximately \$11M), yet is not considered 'Special Education' revenue.
 - Basic education dollars for students in self contained Special Education classrooms also contribute toward the cost of Special Education services (approximately 8.5M), yet are not considered 'Special Education' revenue.
 - Special Ed Transportation contributes \$6M towards the remaining gap.

Even though a case can be made that Special Education is not draining resources from regular education students to the extent previously identified, there is still a significant funding shortfall of State Special Education 'excess cost' dollars to cover the cost of Special Education services. A more transparent view of Special Education finances that clearly aligns all the costs and revenues is needed.

Special Education Students - Sources and Uses of Funds (2004-05 Actual)

SOURCE OF FUNDS	<i>State Accounting View (F-196)</i>	<i>Cost Mgmt View</i>
State	in millions	
Special Education Excess Cost Allocation	\$ 21.5	\$ 21.5
Special Education Safety Net Funding	\$ -	\$ -
Transportation Allocation - Special Education Students	\$ 3.0	\$ 3.0
Basic Education Allocation (BEA) - estimated	\$ -	\$ 8.5
Total Estimated State Funding	\$ 24.5	\$ 33.0
Federal	\$ 10.4	\$ 10.4
Local Levy (Estimated as 32.97% of State Funding)	\$ -	\$ 10.9
TOTAL	\$ 34.9	\$ 54.3
USE OF FUNDS		
Special Education - Centrally Administered	\$ -	\$ 23.4
Special Education - Spending In Schools	\$ -	\$ 34.1
Special Education - State Reporting	\$ 52.3	\$ -
Transportation - estimated	\$ 9.0	\$ 9.0
TOTAL	\$ 61.3	\$ 66.5
SURPLUS (DEFICIT) - absorbed by Local Levy and other sources	\$ (26.4)	\$ (12.2)
Deficit after proposed Committee recommendations (\$5M-12M)		\$ (0 to 7.0)
Remaining gap can be explained by Special Education Transportation		\$ (6.0)

Case for Change

Special Education funding revenue provided by the State of Washington does not pay the full cost to provide the legally mandated services required by these students. Special Education laws around the level of service very clearly break the link between affordability and level of service required to serve these students which increases the importance of appropriate funding from the State. However:

- Special Education funding is capped at 12.7% of the student population vs. 13.4% in Seattle;
- Special Education ‘excess cost’ funding is allocated at a rate of \$3,700 per student vs. an actual expenditure level of \$7,120 in Seattle;
- Some students require additional cost in order to deliver appropriate and legally mandated educational services, driving the cost of educating these students in excess of \$50,000 per year per student;
- The difference between the Special Education funding provided by the State and Federal governments and the actual cost is made up by the local levy dollars (see table above). Even after the Committee’s recommendations are fully implemented, the local levy is still funding a shortfall of \$11M per year (see line labeled Local Levy (estimated as 32.97% of Total State Funding)).

Measures of operational efficiency within the District demonstrate opportunity for streamlining:

- Through the cooperation and partnership of the Seattle Education Association (SEA), significant improvements have been made to align teacher/student ratios more closely with neighboring districts. Another round of negotiation will be required to achieve those levels unless measurable results can be demonstrated at the existing levels.
- A review of by building by program classroom operational models indicate that planned capacity remains unused, particularly at the Pre-School level (46% filled) and at the level 3 self contained (76% filled).
- The 2005-06 weighted student formula appropriately generates regular education dollars for special education students, but no mechanism exists to ensure that those dollars are expended in a way that follows these students. Current accountability models monitor special education dollars only, and exclude accountability for the regular education dollars attached to these students.
- The current decision making model in the District is highly decentralized. All decisions are made by building principals and not by the highly specialized Special Education staff. This has resulted in the existence of more capacity than is necessary, and a less efficient use of Special Education dollars. No other district in the region follows this model.
- Once students are in Special Education programming, the exit rate is currently very low. Law requires that support be provided from entry into program until graduation or age 21. No formal ‘exit evaluation’ exists to ensure that students continue to need or require services and suggests that the District could be spending money servicing students unnecessarily.

Financial Impact

Annual savings of \$4.5 - 10.4M, increasing annually over five years.

Benchmark Data

See appendix.

BILINGUAL SUPPORT

Recommendation

Restructure bilingual support services to better serve bilingual students while improving program efficiencies. Specifically:

1. Develop and Integrate a Quality Instructional Delivery Model – Align all resource allocation with a deliberate and strategic instructional model grounded in research. After a thorough review of the bilingual department’s service models, resource allocation and staffing patterns, the District should create an overall strategy and implementation plan for all bilingual education programs. Program decisions should be guided by and measured against the plan, and the plan should be benchmarked and evaluated annually for progress and modification. Until a program evaluation is completed, all new program development should be halted. *Estimated one-time cost of \$50K.*
2. Bilingual Orientation Center (BOC) Programs – Perform a professional evaluation of current Bilingual Orientation Center (BOC) programs. Examine future academic achievement levels of BOC students against their non-BOC bilingual peers and alternate service delivery models where staffing is reduced and service delivered in neighborhood schools. Also examine possible savings associated with closing or relocating underutilized BOC facilities. *No additional cost (included in #1).*
3. Grouping Language Services – Consider grouping language services within clusters at individual schools. This would allow more precise matching of language-specific Instructional Assistant (IA) staff with the predominant languages of students in each building, and reduce transportation costs. *Estimated annual savings of \$150K.*
4. Consolidate Program Management – Consolidate program management between Title I/Learning Assistance Program (LAP)/Migrant and TBE and fully integrate bilingual programs with Title I/LAP programs. Program planning should be conducted as part of the District’s academic plan and integrated with Title I and LAP planning. *Estimated annual savings of \$100K.*
5. Evaluate and Clarify IA Roles – The current IA staffing ratios should be evaluated to ensure that the costs associated with current and future funding requirements are aligned with increased academic achievement. The evaluation should also include professional development and cultural competence challenges and opportunities. *Estimated annual savings of \$1.5M, beginning in '09-'10.*
6. Bilingual Immersion – Considerable research supports bilingual immersion programs as a highly effective strategy for closing the achievement gap for bilingual students. Bilingual immersion programs are also wildly popular with parents who want their children to learn a second language. If bilingual immersion programs are indeed the best instructional model and may increase market share, restructure the bilingual program to support expansion and integration of this model. *Estimated annual cost of \$170K - \$190K.*

Case for Change

Seattle Public Schools serves approximately 6,000 English Language Learners (ELL) at a cost of \$2,475 per student, which is part of the \$11.8 million per year it spends on services for bilingual students. The District has allocated significant dollars to serve bilingual students. Unfortunately, the increase in expenditures has not resulted in an increase of academic excellence. Indeed, there remains a significant achievement gap between students who are bilingual and students who speak English fluently.

Although WASL scores are not the only measurement for academic success, they are a useful benchmark. In 2002, the percentages of bilingual students meeting the WASL standards in reading and math were 13.2% and 9.7%, compared to the percentages for all students, which were 53.6% and 38.7%.¹⁴ These differences are unacceptable and must be remedied.

¹⁴ The District does not regularly collect and report data on bilingual students; more recent data were not available at the time this report was written.

Every program must be rigorously scrutinized for gaps between investments and academic achievement and for opportunities to improve efficiencies in service delivery. Improved efficiencies must not come at the expense of service excellence to the struggling and aspiring bilingual students.

Financial Impact

Annual cost of \$50K in '06-07, \$170K in '07-08, rising annually with inflation. Offset by savings of \$250K in Years 1-3, rising to annual savings \$1.8 - \$1.9M in Years 4 and 5.

ALTERNATIVE SCHOOL CONFIGURATIONS

Recommendation	<p>Support alternative schools while managing operations to bring cost into par through:</p> <ul style="list-style-type: none"> • Eliminating free transportation to alternative school students (except for those eligible for FRL). Please see the Committee’s recommendation on transportation for details. • Co-locate compatible learning programs.
Case for Change	<p>Alternative schools have existed and evolved over the past 45 years and have a dedicated constituency within Seattle. Alternative schools generally exemplify many of the values articulated by the Committee – smaller schools and/or class sizes, quality and dedicated teachers, strong family involvement, coherent education philosophy, meeting the needs of diverse students, and enjoy a fairly broad base of support among Seattle Public Schools parents. Some of these schools consistently rank in the top tier among on-time first choice schools and have significant wait lists.</p> <p>Common perceptions that alternative schools cost more to operate are not justified. Among choice or magnet-type alternative programs, most are at capacity and show no significantly higher operating costs (outside of transportation) or square feet per student than regular schools. Referral or re-entry type alternative schools have higher per-student costs but also serve a higher-than-most proportion of students eligible for free or reduced lunches. At some alternative programs, the operating costs are unusually high because student enrollment and the facility square footage in which they are located are out of balance. These programs should be considered exactly that – programs – as opposed to places or buildings. As such, there can be more flexibility to preserve these strong programs while bringing their administration costs into balance.</p>
Financial Impact	<p>Cost-neutral (\$0).</p>
Action Steps Required to Implement	<ul style="list-style-type: none"> • Review and adopt recommendations in Final Report by Alternative Education Committee submitted to the Seattle School Board on June 30, 2005. Work with Alternative Education Coalition to seek solutions and buy-in on cost saving proposals • Pilot and implement K-8 model at alternative schools where appropriate • Explore co-location strategies with compatible learning programs where possible.
	<p>Concluding note: The Committee recommends District staff perform further analysis in the areas of fee-based non-academic activities, debt service, health care, pension reform and labor contracts.</p>

VI. THE ROLE OF THE STATE

Article IX of the Washington State Constitution states: “It is the paramount duty of the state to make ample provision for the education of all children residing within its borders...”

In 1978, our State Supreme Court held this mandate requires the State Legislature to provide ample funding for “basic education” as its highest priority.¹⁵ That 1978 case also set broad guidelines for the “basic education” that the Legislature must fund.

The world has changed dramatically since the 1970s. Education reforms and the implementation of the Essential Academic Learning Requirements (“EALRs”) and Washington Assessment of Student Learning (“WASL”) raised State standards and set ambitious goals for educating Washington’s children.

Despite these reforms, which aspire to give each child in our state the education he or she will need to succeed in today’s world, the state has not reformed the way it funds education.

The District’s ability to provide all students the education they deserve depends on the state fulfilling its obligation to provide ample and stable funding for public K-12 education.

The Committee calls upon the State to fully fund its Basic Education reforms and to give school districts the resources necessary to meet the State’s rigorous education standards and ambitious goals for students.

Long-Term

For the long-term, it is imperative that the state review, update and simplify the ways in which Washington’s K-12 public schools are funded. Specifically, we call upon the State to enact ample and stable funding for necessary programs and services such as:

- Enough classroom teachers to provide the small class sizes needed to provide all children the basic education required by the State Constitution.
- Current materials and adequate basic supplies for every student in every school.
- Personnel and resources for the interventions needed to help struggling students and struggling schools.
- Resources needed to address the academic needs of low-income students, communities and students of color, low-English proficiency students, and students with other special needs.
- Curriculum and materials sufficient for every child in every classroom, consistent with the State’s Essential Academic Learning Requirements (EALRs) and continually updated.
- Staff professional development to support up-to-date curricula, innovative ideas, and “best practices” teaching methods, including strategies for parent and community involvement in student learning.
- Up-to-date technology and infrastructure support throughout our schools.
- Resources, equipment, facilities, and training needed to ensure that every school is a safe place that fosters a positive learning environment.
- Professional pay and benefits needed to attract and retain good teachers, who are the single most important factor affecting our children’s education.

Immediate Action

The Committee calls upon the 2006 Legislature to make the following specific increases in state funding for Seattle Public Schools:

Increase state funding for remedial education so that students receive the help they need to meet the higher standards required in the 1993 education reform act.	\$ 2.1M
Adjust the levy lid inflator.	\$ 2.1M
Additionally, the Committee recommends the Legislature address the following agenda items:	
Increase access to special education safety net funds for high-cost special needs students.	\$ 1.5M
Increase state funding to the level necessary to provide all kindergarten students access to full-day kindergarten.	\$ 9.8M
Improve the state funding formula for high schools (grades 9 through 12) to provide ample funds so that all students have access to six periods of rigorous coursework per day.	\$ 9.0M

¹⁵ Seattle School District v. State.

Background

- In 1993, House Bill 1209 created education reform in Washington. The state devised student learning goals with performance expectations for all students set at internationally competitive, world-class levels. While the legislation captured the educational intent and higher expectations of the Governor’s Council on Education Reform and Funding, it did not address the resources and funding that would be necessary for successful implementation of these reforms.¹⁶
- Since 1993 the student body attending Seattle’s schools has grown more diverse: there have been increases in the proportion and number of children living in poverty and children with special education needs.
- The state budget for K-12 schools has not kept up with inflation at a time when expectations for students and schools are increasing. Schools are being asked to do more with less.
- The state withheld approximately \$10.1 million from the District when it suspended funding for voter-approved Initiatives 728 (the class size initiative) and 732 (providing COLAs for educator pay) for the 2003-05 biennium.
- Current state funding is well below the actual cost to transport students to and from schools in Seattle. The same is true for school districts throughout the state. A recent WASA study found that statewide, districts were receiving only 58.7% of the actual cost of pupil transportation.¹⁷
- Using a “Washington Quality Education Model”, Rainer Institute’s “What Will It Take?” report estimated a need for a 37% increase in state funding for elementary schools, a 39% increase for middle schools and a 31% increase in state funding for high schools. This model is in the process of being reviewed, updated and refined. New findings will be available in Fall 2006.

**Action Steps
Required to
Implement**

1. Lobby the Legislature to obtain funding for the items identified as requiring immediate state investment.
2. Closely monitor the progress of Washington Learns, the Governor’s initiative to study school funding needs.
3. Set and implement strategies in coalition with other school districts and stakeholder groups to advocate for ample and stable funding for K-12 public schools as required by our state constitution.

¹⁶ Rainier Institute, “What Will It Take? Defining a Quality Education in Washington and a New Vision of Adequacy for School Funding”, Forward, March 2005.

¹⁷ Washington Association of School Administrators (WASA) “Ample School Funding Project for Washington State, Report on Funding of the Pupil Transportation Program”, July 19, 2004. <http://www.wasa-oly.org/asfp/des-trans-071904.pdf>

VII. THE VILLAGE

The Committee feels strongly about the appropriate sequence for action in pursuit of achieving these restructurings. There is much within the District's control and these changes, while complex and challenging, should be tackled aggressively by District leadership and staff.

The Committee also feels strongly that the community as a whole must be involved in the District's success. We have outlined the key role the state must play in meeting its obligations. In this section we present challenges to a broader set of players, each of whom can bring distinct and necessary resources to bear in solving the challenges we face.

Parents & Families	<p>The role of parents cannot be understated. Clearly, a high degree of parental, family and community involvement in the education of children is a huge driver of academic success. We commend the thousands of parents across the district for their level of support and involvement, and encourage them to do even more. At the Committee's community meetings, participants were asked on different occasions, "What would you be willing to do to improve public education in Seattle?" Invariably, responses covered a wide range of activities, including participating more actively in PTA activities, volunteering in schools, lobbying elected officials, paying for transportation, organizing and educating other parents, and most powerfully, keeping their children in Seattle Public Schools and telling positive stories about our schools.</p>
The City of Seattle	<p>Seattle is the only city in the U.S. that has a levy supporting schools by paying for non-classroom services that help boost academic achievement and close the achievement gap. The 7-year, \$117M Families & Education Levy passed in 2004 was overwhelmingly approved by voters and pays for pre-K for 4-year-olds, before- and after-school programs, school health clinics, and family support workers in elementary schools. We commend Mayor Nickels and the City Council for their leadership on this vital initiative and for their leadership on education issues overall.</p> <p>The Committee believes that the City of Seattle is equipped to do even more to help the School District meet its academic achievement objectives. We respectfully request the City's consideration of the following actions:</p> <ul style="list-style-type: none">• Assist the District in putting together a high-caliber remedial summer "college" program in partnership with the UW, Seattle University and North Seattle Community College. The City may be able to help provide much needed administrative and logistical support. The City may also consider providing modest financial support for this effort and may be able to help raise additional private funds. By building a strong partnership it is the committee's hope that more students can get focused help to pass the WASL and can have a positive college campus experience.• The City may also be able to help the District reduce its utility costs. We recommend that Seattle City Light and Seattle Public Utilities provide in-depth energy and water conservation technical assistance to the District.• The committee requests that the City evaluate whether it can take over the management of the District's Head Start program and be part of implementing a more unified, results-oriented early learning system.• The committee also requests that the City provide technical expertise to assist the District in analyzing its various administrative and operating functions as it looks for more efficient, cost-effective ways to deliver services. That analysis may reveal areas where it could be appropriate and more cost effective for the City to take on additional functions for the District.
King County	<p>The County can have an impact just as the City can. We urge the County to look carefully at its resources to see where partnerships with Seattle schools could help the District focus on its core educational role.</p> <p>Specifically, we encourage Metro to address the need for bus service among high school students the same way it does for all citizens, perhaps with an even greater emphasis, considering how important children are to the future of our region. We call upon Metro to provide service where the need exists without assessing additional costs to the School District.</p>
The Business Community	<p>The business community has considerable resources and expertise at its disposal to help the District accomplish the changes needed. We urge business leaders to establish partnerships, to a degree greater than seen today, with the District in areas such as leadership development, strategic planning, budgeting, accountability, information technology, infrastructure management, and continuous improvement methods.</p>

<p>The Philanthropic Community</p>	<p>Many in the business community have expertise in how to make dramatic cultural changes and improvements, and they should stand ready to assist the District with significant donation of time and talent.</p> <p>Philanthropy plays an important role in many school districts, and Seattle is no exception. Since 1995, the Alliance for Education has served as the District’s private fundraising partner, generating more than \$90 million in private donations to support student academic needs. Other non-profit organizations and individuals in the community have provided additional, significant funds for specific schools or school-based programs.</p> <p>We urge the District to dedicate resources to improving its relationship with the philanthropic community. Once the District a) recognizes that philanthropic resources represent an opportunity – not an entitlement; b) has established a culture that welcomes and encourages private giving where a good match between District needs and donor objectives exist, c) can clearly articulate a long-term vision, value proposition and expected results and d) demonstrate how donors fit into that vision, the philanthropic community should respond in kind.</p> <p>In the Committee’s view, the District should be able to fund from public sources all of its fundamental academic programs. Philanthropic resources should be used to supplement – not supplant – public tax support for basic education. Private resources can serve as “R & D” funds to try out new, innovative approaches, to enhance instructional programs, to support leadership development, and to enrich teacher and student learning through professional development or learning experiences outside the classroom.</p> <p>We encourage the philanthropic community to fund programs that are aligned with the District’s priorities. Potential donors should work with the district to advocate for programs, and the District should listen to their views. In the end, they need to be in partnership.</p>
<p>Other Educational Institutions</p>	<p>Noteworthy Seattle educational institutions, including the University of Washington and our city’s broad network of outstanding community colleges, can also play a pivotal role by lending their expertise. Specifically, the University of Washington College of Education is interested in partnering with Seattle Public Schools, particularly in the areas of leadership preparation, academic and financial planning, mentoring and teacher retention.</p>
<p>Community Groups and the Non-Profit Sector</p>	<p>Community groups and the non-profit sector can also help with activities that are supportive. One example is the administration of Pre-K programs, which also receive state and city resources. Successful pre-K programs help the District enormously to accomplish its mission by preparing children to enter kindergarten ready to learn. Other examples are the many after school programs that help create the motivation to learn and to assist students with extra learning needs. This community is vast and is part of our culture. These activities most benefit kids when they are well coordinated with the schools and the District.</p>
<p>The Citizenry</p>	<p>As we stated in the introduction, we believe strong schools are at the core of strong cities. As such, supporting strong schools is in the interest of all city residents, not just those with school-age children.</p> <p>The citizens of Seattle have a strong track record of providing generous tax support for Seattle schools. This generosity has manifested itself in repeated pro-levy votes and in the three-time passage of the Families and Education Levy.</p> <p>The Committee reviewed various potential avenues for generating additional tax dollars should the State fail to provide additional funds. The Committee’s conclusion is that gaining approval for any new tax would be politically difficult and would present legal challenges as well. Therefore, the best and only viable significant new revenue option has to come from the State. The State has the clear constitutional duty to fund basic education and must fulfill this responsibility. Increased State funding for the Seattle School District and the other Washington State school districts is the only new tax strategy that commands the backing of the citizens of Seattle.</p>

VIII. IMPLEMENTATION

DEFINITION OF SUCCESS

The Committee defines success in this endeavor in three parts:

1. Significantly improved academic outcomes across all student groups, e.g., demonstrable year-to-year reductions in the achievement gap, dramatically higher WASL passage rates for all student groups, higher numbers and a greater diversity of students taking and completing AP and Honors classes, higher graduation rates, and increased college entrance rates.
2. Unified leadership and timely, decisive action on the part of the Superintendent and School Board to move ahead on an aggressive, comprehensive district-wide academic quality and financial improvement strategy.
3. Widespread public support of these reforms, as evidenced over time by increasing market share.

TIMELINE

We urge the Superintendent to act expeditiously and recommend the following timetable:

- Superintendent issues response to Committee outlining plan of action within 30 days.
- Superintendent introduces multi-year action package to Board for immediate approval within 45 days.
- Superintendent and School Board present progress report to the community within six months.

It will be critical for the Superintendent to introduce these reforms as a package with clear linkages between investments and expense reductions and between action and outcomes.

SUPPORT

Members of the Committee, supplemented by a wide array of community members invested in the success of the District, offer to serve as implementation partners as the District tackles the significant restructurings outlined in this report. More specifically, a subset of committee members offers to convene as needed (quarterly, for example) to assess progress against established benchmarks and to evaluate how best to provide support moving into subsequent phases.

IX. CONCLUSION

We have been honored to have this opportunity to lend our collective voice and expertise to the discussion over how to improve public education in Seattle.

We call on the Superintendent and School Board to adopt these recommendations as a package without delay in order to positively impact the experiences of thousands of students beginning as soon as the 2006-2007 school year. We also call on the broader community to actively support these reforms in the interests of improved educational opportunities for all our children.

With this report, the Committee wishes to convey its deep sense of urgency in tackling these challenges. Acting now will achieve positive, lasting change benefiting Seattle's students and our city as a whole.

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FINANCIAL DETAIL

Superintendent's Committee Financial Summary Worksheet (\$ in millions)

	2006-07	2007-08	2008-09	2009-10	2010-11
Revenues	456.7	465.3	474.2	488.2	502.7
Expenses (Status Quo)	(471.4)	(490.2)	(515.1)	(530.5)	(546.4)
Deficit	(14.8)	(24.9)	(40.8)	(42.3)	(43.7)
Leadership & Management Investments					
Governance & Leadership Capacity	(0.5)	(0.6)	(0.7)	(0.5)	(0.5)
Strategic Planning	(0.1)	(0.1)	(0.1)	(0.1)	(0.1)
Budgeting	(0.1)	(0.2)	-	-	-
Accountability	(0.5)	-	-	-	-
Marketing	(0.8)	(0.8)	(0.8)	(0.8)	(0.8)
New Real Estate Business Unit	(0.5)	(0.5)	(0.5)	(0.2)	(0.2)
Academic Excellence Investments					
Teacher Quality & Curriculum Enhancements	(3.0)	(2.7)	(2.6)	(2.7)	(2.8)
Smaller Class Size/Student-Teacher ratio	-	(3.6)	(5.4)	(7.2)	(7.4)
High School Rigor	(2.5)	(2.6)	(2.8)	(2.9)	(3.0)
Remedial Assistance	(3.1)	(3.3)	(3.5)	(3.2)	(3.0)
Full Day Kindergarten	-	(3.0)	(3.2)	(3.3)	(3.4)
Community Partnerships/Family Involvement	-	(0.5)	(0.5)	(0.5)	(0.5)
Bilingual Education/Immersion	(0.05)	(0.17)	(0.18)	(0.19)	(0.19)
Special Ed IEP Tracking	-	(0.20)	-	-	-
IT/Data Management	(0.25)	(0.26)	(0.27)	(0.27)	(0.28)
Total Investments	(11.4)	(18.5)	(20.5)	(21.9)	(22.2)
Net Financial Requirement	(26.1)	(43.4)	(61.4)	(64.2)	(65.9)
Solutions Summary					
Proposed Reductions	12.1	27.0	30.7	34.3	35.0
Revenue Enhancements	5.2	25.3	28.6	33.4	35.9
Use of Reserves	8.8	-	2.1	-	-
Annual Result	0.0	8.9	0.0	3.6	5.1
Cumulative Effect Across Years	0.0	8.9	8.9	12.5	17.5
Solutions Detail					
Proposed Reductions					
Facilities	-	8.0	8.2	8.5	8.7
Transportation	1.5	4.7	4.8	5.0	5.1
Central Office - Administration	3.2	3.3	5.1	5.3	5.4
Central Office - Academic	2.7	2.8	2.9	3.0	3.0
Special education	4.5	7.6	9.0	10.4	10.4
Bilingual	0.2	0.3	0.3	1.8	1.9
Pre-K	-	0.4	0.4	0.4	0.5
Total	12.1	27.0	30.7	34.3	35.0
Revenue Enhancements					
New Real Estate Revenue	-	-	3.8	3.9	4.0
Increased State Funding	2.1	22.5	23.9	24.4	24.9
Levy Lid Inflator	2.1	1.7	-	-	-
Philanthropy/Business	0.3	0.4	0.2	1.0	2.0
Increased Market Share (net effect)	-	-	-	3.4	4.2
Increased Title I funding	0.7	0.7	0.7	0.7	0.8
Total	5.2	25.3	28.6	33.4	35.9
One-Time Resources (Reserves)					
Use of Reserves	8.8	-	2.1	-	-
Total	8.8	-	2.1	-	-
Projected Cumulative Fund Balance (Uncommitted)	4.9	13.8	11.7	15.3	20.3
District Fund Balance Policy Requirement at 3%	11.71	12.04	12.74	13.07	13.48

FINANCIAL ASSUMPTIONS

Accompanying Notes to the Financial Tracking Sheet

Overall

(1) All figures are in millions.

(2) Expense increases are shown as negative numbers.

(3) Cost savings are shown as positive numbers.

(4) Revenue enhancements are shown as positive numbers.

“(5) All expenditures increase with inflation unless otherwise noted.

There are two inflators used in this spreadsheet: personnel (classroom teachers) and non-personnel. The non-personnel inflator is 3.0%. The personnel inflator is different due to the clause in the current teacher salary contract which requires Seattle teachers' salaries to be the 5th-highest among Puget Sound area school districts by 2008-09. We have assumed the following inflation factors will meet the teachers contract requirement and have applied them to expenditures that include teacher salaries: 5.5% in '07-'08, 7.0% in '08-'09, 3.0% in '09-'10, and 3.0% in '10-'11. This assumes the next teachers contract, beginning in '09-'10, has an escalation provision that is no more than the inflation of the District's revenue sources beginning in that year. We have assumed only inflationary growth in certificated staff costs in '09-'10 and '10-'11.

(6) Revenues are comprised of State, Levy, Grants and Other categories as provided by the SPS. "State" revenues are inflated 1.9% through '08-09 and 3.1% in '09-10 and '10-11. "Levy" revenues are inflated 3.7% annually. "Grants" are not inflated until '09-10 and '10-11, when we used 2.5%. "Other" revenues were not inflated.

“(7) Reserves:

- It is the policy of the Seattle School Board (G06.00, adopted Sept. 2003) to maintain an unreserved, undesignated fund balance equal to between 2% and 4% of the District's budgeted non-grant General Fund expenditures.

- The Committee recommends and has assumed here that the District maintain 3% of the District's budgeted non-grant General Fund expenditures. The District's budgeted non-grant General Fund expenditures for each year, in millions, are \$373 in '05-'06, \$390 in '06-'07, \$401 in '07-'08, \$424 in '08-'09, \$435 in '09-'10, and \$449 in '10-'11. The 3% that should be set aside each year is equal, in millions, to \$11.8 in '05-'06, 11.7 in '06-'07, 12.04 in '07-'08, 12.73 in '08-'09, 13.06 in '09-'10, and 13.47 in '10-'11. The Committee calculated the non-grant expenditures for each year by subtracting assumed grant revenues and the net effect of Committee-recommended cost reductions and investments, from total estimated expenditures.

- The Committee's recommendations do call for some use of reserves in '06-'07 and '08-'09 in order to balance the District's budget. The Committee recommends using reserves in this manner only after the District has made clear decisions to significantly cut costs, even if the savings will not be realized until subsequent years.

Leadership & Management Investments

(1) The investment is comprised of the following:

- In '06-'07, \$200,000 for leadership capacity (including \$150,000 for a 3-year executive team position charged with restructuring, and \$50,000 for the other leadership investments called for in this section), and \$300,000 for principal leadership (including \$150,000 for a Director of Principal Development, \$50,000 for support, and \$100,000 for training (assuming \$3,000 per principal).

- In '07-'08, \$200,000 for leadership capacity as described above, and \$400,000 for principal leadership (including \$150,000 for a Director of Principal Development, \$50,000 for support, and \$200,000 for training).

- In '08-'09, \$200,000 for leadership capacity as described above, and \$500,000 for principal leadership (including \$150,000 for a Director of Principal Development, \$50,000 for support, and \$300,000 for training).

- In '09-'10 and '10-'11, \$500,000 for principal leadership as described above, increasing with non-personnel inflation.”

(2) \$100,000 annually is allocated for strategic planning, increasing annually with non-personnel inflation.

(3) \$500,000 in one-time funds are recommended to create a new accountability system.

(4) For marketing, \$800,000 per year is recommended, increasing annually with non-personnel inflation.

(5) The Real Estate Business Unit is \$500,000 in '06-'07, '07-'08 and '08-'09, and \$200,000 in '09-'10 and '10-'11.

Academic Excellence Investments

(1) Teacher hiring and development investments include \$200,000 to fund the Flight One schools initiative included in the negotiated agreement, and \$50,000 to help cover the costs of NBPTS application for teachers who successfully attain certification. These investments include annual personnel inflation.

“(2) Curriculum enhancements include:

-Building a more robust and aligned science curriculum (\$750,000 in '06-'07, including \$265,000 in one-time costs for materials and books, and \$485,000 for training teachers on using the curriculum, with ongoing training and curricular support investments of \$500,000 per year thereafter, all including annual non-personnel inflation)

-Implementing the District's new math curriculum (\$1.5 million in '06-'07 and \$200,000 in '07-'08)

-Providing instrumental music in all elementary schools (\$500,000 per year beginning in '06-'07, including annual personnel inflation), and

- Ensuring an aligned curriculum in reading and writing (\$1.2M per year beginning in '07-'08, including annual non-personnel inflation).
- (3) Class size reduction/lower student-teacher ratio investments are \$3.6M in '07-'08, \$5.4M in '08-'09, \$7.2M in '09-'10 and \$7.4M in '10-'11. = This assumes students are in core subjects for 60% of the time they are in school. Very low-income schools are assumed to have more than 50% of students qualifying for free/reduced-price lunch. It is assumed certificated teachers would be used to lower class sizes/student-teacher ratios. The Committee assumes the current average class size in K-3 classrooms is 24.
- (4) High School rigor \$2.5M per year, beginning in '06-'07, increasing annually with personnel inflation.
- (5) Any attempt to review high school funding should include an analysis of the foundation funding provided from the central district to high schools.
- (6) Remedial assistance includes \$3.0 million annually, increasing with personnel inflation, to offer a rigorous summer school program, and to identify academically challenged middle and high school students and accelerate them to grade level. It is assumed the District will receive \$2.1 million annually from the state for remedial assistance, increasing with inflation in '07-'08 and '08-'09, with the numbers of students needing remedial assistance remaining constant. It is assumed the numbers of students in need of remedial assistance will decrease by at least 10% per year in '09-'10 and '10-'11 (with a commensurate drop in state funding).
- (7) Full day K assumes the state will begin funding full-day K for all students beginning in the '07-'08 school year. This would mean the District would pay for full-day K out of its budget, after receiving state funds. Currently, the District funds full-day K for 1,900 students and half-day K for 2,000 students. The investment amount shown here (\$3.1M/year, increasing annually with personnel inflation) is the incremental cost of providing full-day K to students who are currently in half-day K.
- (8) Community Partnerships/Family Involvement investments will be paid for by the increase in Title I revenue gained through improved data collection. The recommended investment amount is \$453,000 per year, beginning in '07-'08, increasing annually with non-personnel inflation.
- (9) Bilingual investment is a one-time expense of \$50,000 in 2006-07 to perform a professional evaluation of the current Bilingual Orientation Center (BOC). The recommended budget for the Bilingual Immersion program is \$168,000, increasing annually with personnel inflation, and includes:
 - \$9,500 for a District consultant,
 - \$12,500 in Materials costs (including \$2,500 for proficiency tests, \$5,000 for ongoing assessment materials, \$3,500 for classroom materials, and \$1,500 for a bilingual library
 - \$146,000 in Personnel costs (including \$12,000 for extra time for 2 staff members to gather baseline data, plan the curriculum, schedule classes, and implement activities to include parents and community members, 2 full bilingual immersion instructor FTEs @ \$67,000 each)
- (10) Special ed recommendation to provide automated and centralized tracking of student Individual Education Plans is a one-time cost of \$250,000 in '07-'08.
- (11) IT/Data management investments are \$250K/year, increasing annually with non-personnel inflation, beginning in '06-'07.

Proposed Reductions

- (1) Facilities reductions would begin in 2007-08 and savings are assumed to increase annually with non-personnel inflation.
- (2) Transportation reductions assume the district would charge a fee for transportation of elementary and middle school students to schools outside of their reference areas (exempting low-income students from the fee), and migrate high school students to Metro. For '06-'07, it is assumed \$1.5M would be saved through the phasing in of migrating high school students to Metro. For '07-'08, it is assumed \$2.0M would be saved by charging a fee for transportation outside of reference areas, and \$2.7M would be saved by migrating high school students to Metro, for a total savings of \$4.7M. This figure is assumed to increase annually with non-personnel inflation to \$5.1M by '10-'11.
- (3) Central Office - Administration reductions assume reductions in buildings maintenance and operations and security, based on per-pupil benchmark data from Tacoma and Bellevue. Savings are assumed to be \$3.2M in '06-'07, \$3.3M in '07-'08, \$5.1M in '08-'09, and increasing annually with non-personnel inflation thereafter.
- (4) Central Office - Academic reductions assume reductions at the central level. Reductions should not be made in curricular priority areas outlined in the Committee's recommendations. Savings are estimated to be \$2.7M, increasing annually with non-personnel inflation.
- (5) Special education reductions include:
 - Increasing capacity utilization of Levels 3-4 classrooms (savings: 0.2M in '06-'07, 0.4M thereafter)
 - Improving pre-K special ed forecasting in order to align capacity planned with actual enrollment (savings: 0.35M in '06-'07, and 0.7M/year thereafter)
 - Aligning annual budget "underspends" to roll back into special ed services rather than the GF (0.4M in '06-'07, and 0.8M thereafter)
 - Decoupling the allocation of all funding for students receiving special ed levels 3-4 services with the Weighted Student Formula. Currently, no mechanism exists to ensure basic ed WSF dollars for special ed students serve the special ed student needs. For self-contained Level 3 and all Level 4, it is recommended all dollars (basic ed and special ed) be exclusively spent on these students' needs. (savings: 2.0M in '06-'07, 3.0M in '07-'08, and 4.0M thereafter)
 - Eliminating the special ed Level 3 designation and dollar premium allocated to high schools (savings: 0.25M in '06-'07, and 0.5M/year thereafter)

- Establishing more clear criteria and rigor around the entrance process to ensure special ed services are serving qualified students (savings: 0.3M in '06-'07, 0.6M in '07-'08, 0.75M in '08-'09, and 1.0M/year thereafter)
- Establishing an "exit criteria" evaluation process to assess students for readiness to exit special ed (savings: 0.2M in '06-'07, 0.4M in '07-'08, 0.6M in '08-'09, and 0.8M/year thereafter)
- Renegotiating the SEA contract to increase the special ed student-teacher ratios to staff at levels commensurate with surrounding district benchmarks (savings: \$1 million/year beginning in '09-'10).
- Limiting access of out of district students to special ed services (savings: 0.45M in '06-'07, and 0.9M/year thereafter)
- Re-categorize specific programs to a lower level of funding (savings: 0.3M/year beginning in '06-'07)"

"(6) Bilingual reductions include:

- Grouping language services within clusters at individual schools (savings: \$150,000/year, increasing annually with inflation, beginning in '06-'07)
- Consolidating program management between Title I/Learning Assistance Program (LAP) /Migrant and TBE and fully integrating bilingual programs with Title I/LAP programs (savings: \$96,000/year, increasing annually with inflation, beginning in '06-'07)
- Renegotiating the current contract language requiring a 28-1 Student to IA staff ratio within five years (savings: \$1.5 million, increasing annually with inflation, beginning in '09-'10)

Note: These investments use annual personnel inflation.

(7) Pre-K reductions assume the District would no longer administer Head Start preschool. The District currently spends approximately \$400,000 on Head Start; this amount is the estimated savings, increasing annually with personnel inflation.

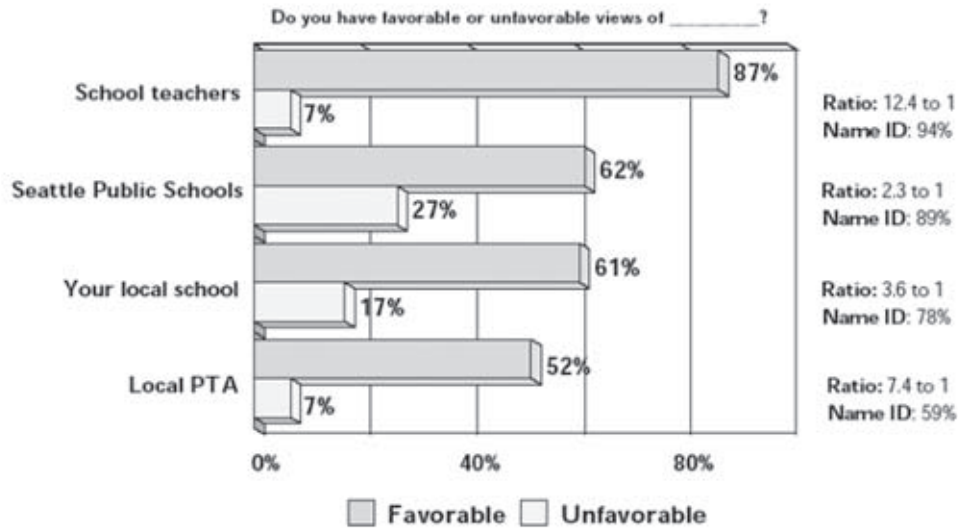
Revenue Enhancements

- (1) New real estate revenue assumes the District would create a new, ongoing revenue stream beginning in '08-'09. The new revenue is assumed to increase with non-personnel inflation.
- (2) Increased state funding assumes increases in the following areas:
 - Remedial education for 11th and 12th grade students at-risk of not meeting the WASL standard: \$2.1M in '06-'07, \$2.2M in '07-'08, \$2.2M in '08-'09, \$2.1M in '09-'10, and \$1.9M in '10-'11. It is assumed the amount of remedial assistance needed/provided from the state will increase annually with non-personnel inflation and decrease 10% per year in '09-'10 and '10-'11 due to improved student performance.
 - Special education: \$1.5 million annually, beginning in '07-'08, to cover 100% of the costs of special ed students requiring "excess" coverage. Amounts are assumed to increase annually with non-personnel inflation.
 - Full-day K: fund districts to provide full-day kindergarten. Currently, the state funds half-day kindergarten only. This would result in \$9.8M in '07-'08, \$10.5M in '08-'09, \$10.8M in '09-'10, and \$11.1M in '10-'11.
 - Fund 6 periods per day for middle and high school students. Currently, the state funds only 5 periods per day. This would result in \$9.0M in '07-'08, \$9.6M in '08-'09, \$9.9M in '09-'10, and \$10.2M in '10-'11 (these amounts assume annual non-personnel inflation)."
- (3) Levy Lid Inflation is the state Legislature's determination of the annual inflator applied to the district's levy base (most state and federal revenue) from the prior year. The Committee here assumes the Governor's budget proposal (increasing the inflator to 5.2%), currently under consideration by the state Legislature in Feb. 2006, is enacted. This would generate an additional \$2.1M in '06-'07 and \$1.7M in '07-'08 over the current base inflation assumption of 3.2%.
- (4) Market share assumes a net increase in the District's market share beginning in '09-'10, increasing its base '05-'06 market share by 5% in '09-'10 and an additional 1% in '10-'11. This would result in an additional 2,763 students attending Seattle Public Schools, and \$3.4M in '09-'10 and \$4.2M in '10-'11.
- (5) Increased Title I funding assumes the District and community partners will better track and report on students qualifying for Title I services, resulting in greater leverage of Title I funds. This would result in \$673,000 annually, increasing annually with non-personnel inflation.
- (6) Philanthropy/business line offsets costs accrued to leadership development and budgeting expenses in Years 1 through 3.

MARKET RESEARCH RESULTS

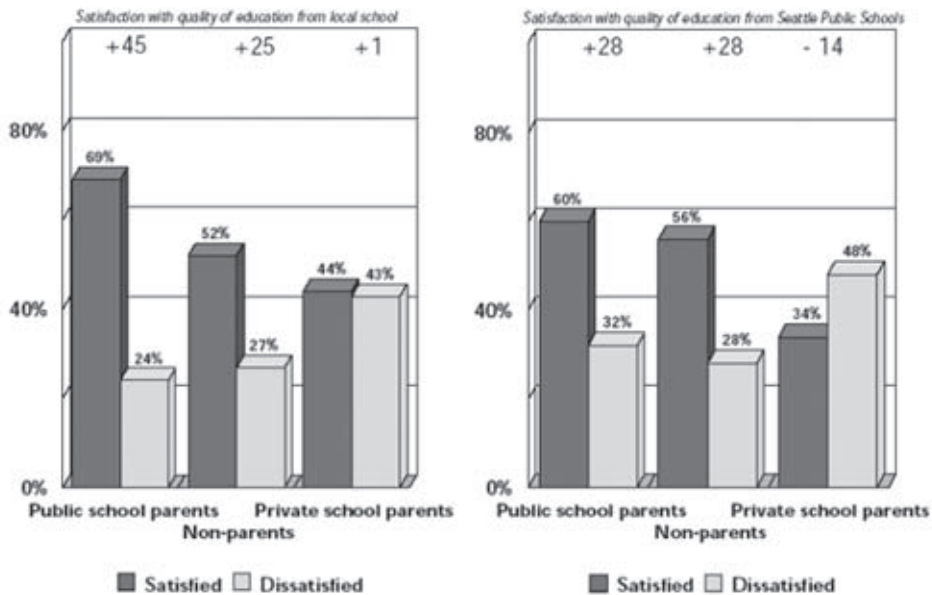
School Teachers Are the Most Beloved Members of the Education Community and the Seattle Public Schools Are Popular as Well

There Is Only a Slight Difference In Favor of Local Schools Over the Seattle Public Schools



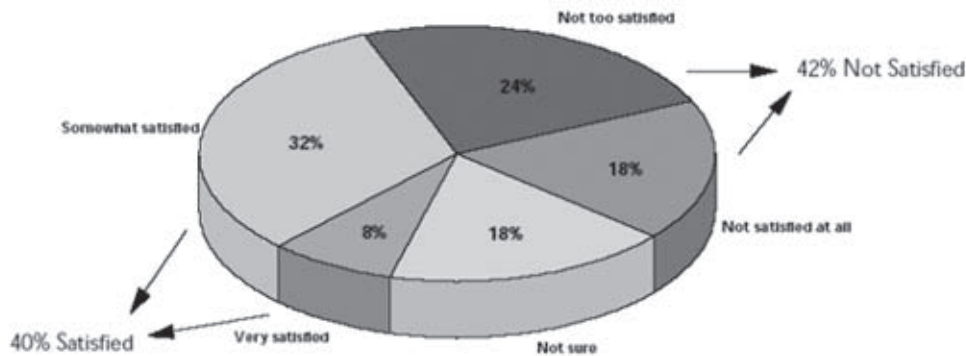
Public School Parents and Non-Parents Are More Likely to Be Satisfied With the Quality of Education Offered By Local Schools and the Seattle Public Schools Than Private School Parents

Not Surprisingly, Private School Parents Are the Least Enamored With Seattle Public Schools



Voters Are Torn Over How Well the School Districts Spends the Tax Dollars It Receives

Generally speaking, how satisfied are you with how Seattle Public Schools spends the tax dollars it receives?



Most likely to be satisfied with how the Seattle Public Schools are spending taxpayer dollars:

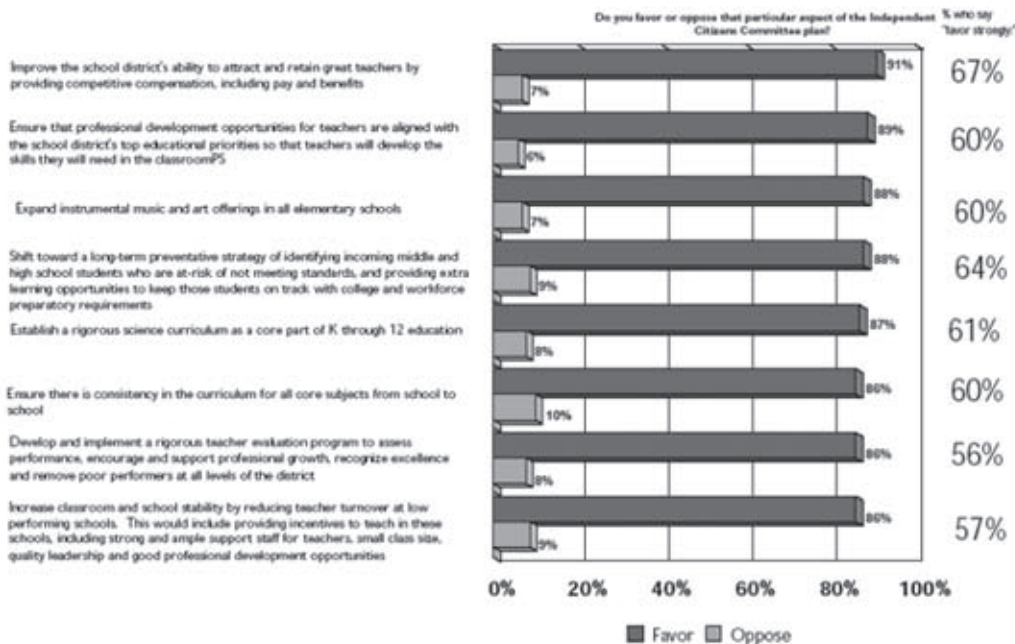
Public school parents, ages 50-59, Legislative District 43, Legislative District 46, northwest, older college-educated voters and union households.

Most likely to be dissatisfied with how the Seattle Public Schools are spending taxpayer dollars:

Private school parents, younger public school parents, non-college educated voters, other ethnicities, parents of children under 18, Legislative Districts 37 and divorced or widowed Seattle residents.

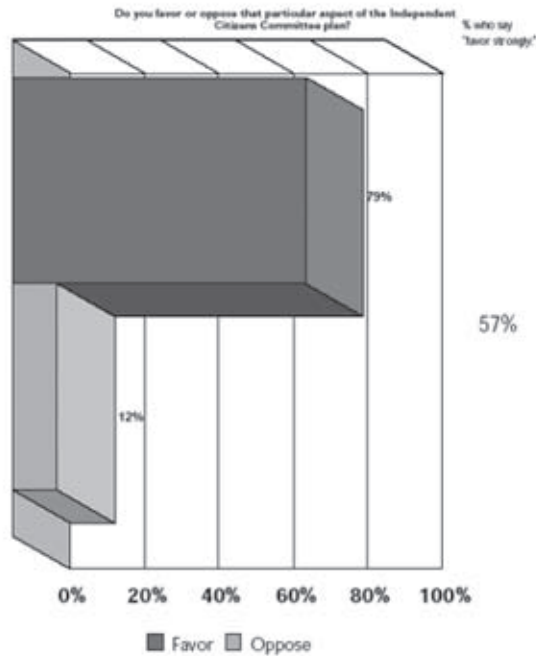
Improving the School District's Ability to Attract and Retain Great Teachers Is the Most Favored Aspect of the Plan to Improve Seattle Public Schools

Every Aspect of the Plan Garner Approval From More Than 70% of the Electorate

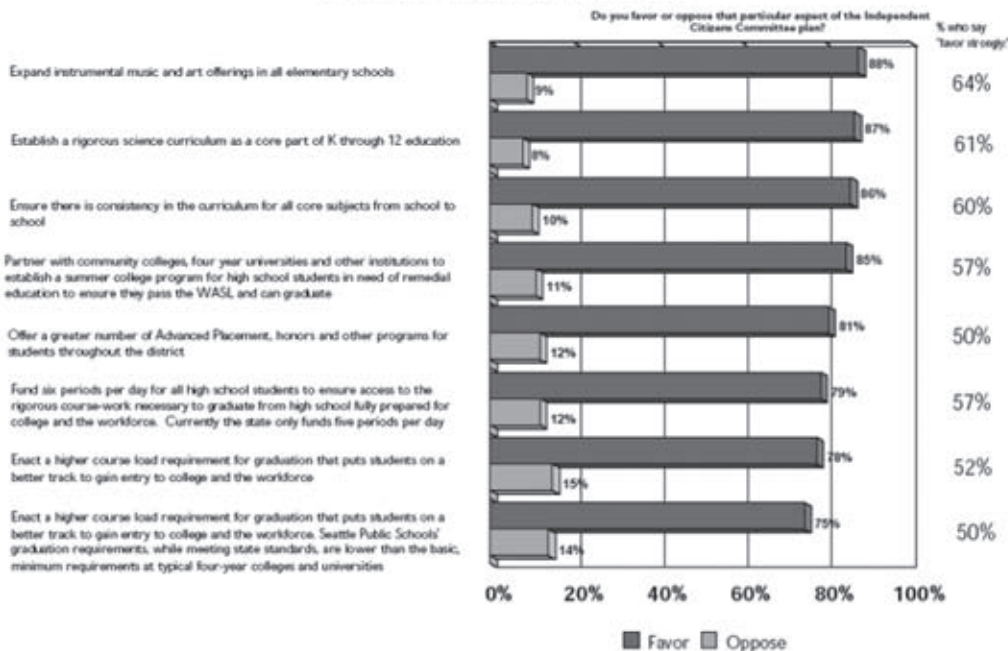


Funding Six Periods Per Day for All High School Students Is Supported By Slightly Under 80% of the Electorate

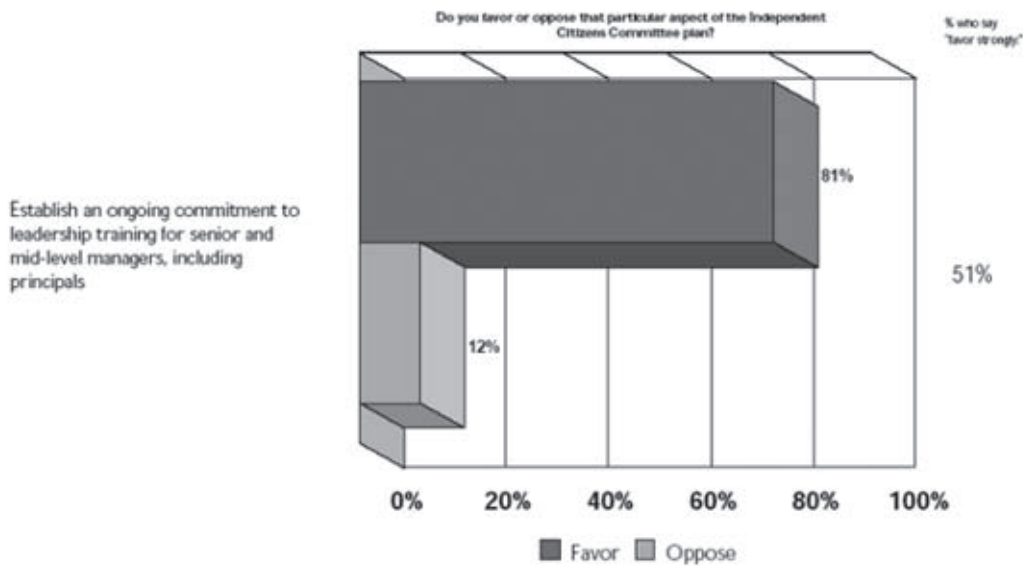
Fund six periods per day for all high school students to ensure access to the rigorous course-work necessary to graduate from high school fully prepared for college and the workforce. Currently the state only funds five periods per day



Expanding Instrumental Musical and Art Offerings in All Elementary Schools, Establishing a Rigorous Science Curriculum as a Core Part of K-12 Education and Ensuring Consistency in the Curriculum for All Core Subjects From School to School Are the Most Favored Curricular Improvements Offered By the Independent Citizens' Committee

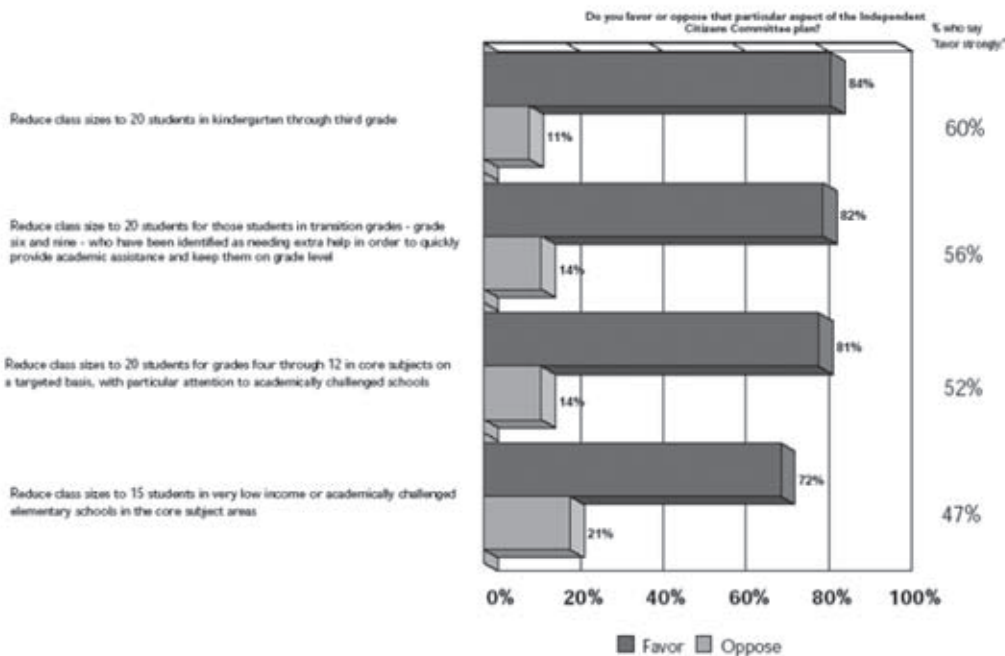


More Than 80% of Residents Support the Establishment of an Ongoing Commitment to Leadership Training for Senior and Mid-Level Managers, Including Principals



Reducing Class Sizes to 20 Students in Kindergarten Through Third Grade Is the Most Popular Targeted Class Size Reduction Tested

Though It Should Be Noted That All of the Recommendations Below Garner a Large Amount of Support from the Entire District



Calling Upon the State to Establish Clearer Criteria for Entry Into Special Education Programs, Requiring a Thorough Examination in Each Central Office Department to Find the Most Cost Effective Way to Deliver Back-Office Services and Considering Alternative Means to Provide District Services Like Payroll Are Popular Cost Savers Proposed By the Committee

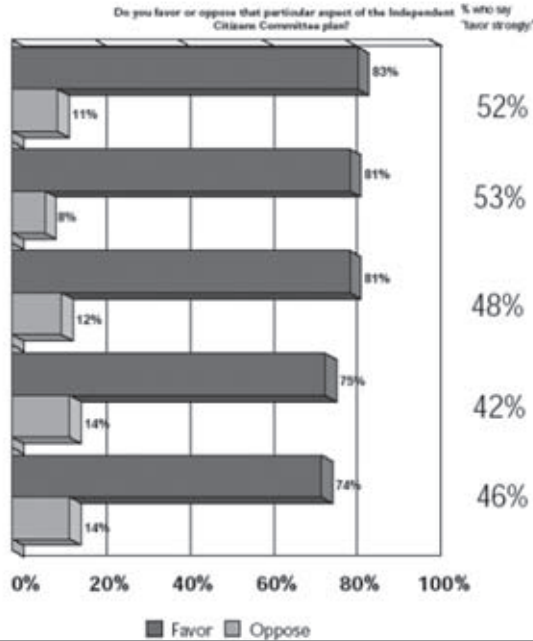
Improve operational efficiencies in special education, including calling upon the state to establish clearer criteria around who is entered into Special Education programs to ensure the right services are provided to the right students. This could save between \$2 million and \$4 million dollars per year

Require a thorough examination in each central office department to find the most cost effective way to deliver back-office services. This could save between \$3 million and \$5 million per year

Consider ways to deliver services other than through the district itself. For instance, the city of Seattle could potentially provide payroll services for our local schools more efficiently than the school district and Metro could provide some transportation services

Improve services for bilingual students while achieving much needed program efficiencies. This could save up to \$1-point-five million dollars per year within three years

Call upon the state to release the arbitrary cap it places on the percentage of special education students that can be funded in any given district. Seattle's special education population currently exceeds this arbitrary maximum and the district is therefore forced to siphon money from other programs to fund important special education services. This could result in as much as \$1 million to \$2 million dollars in additional revenue per year

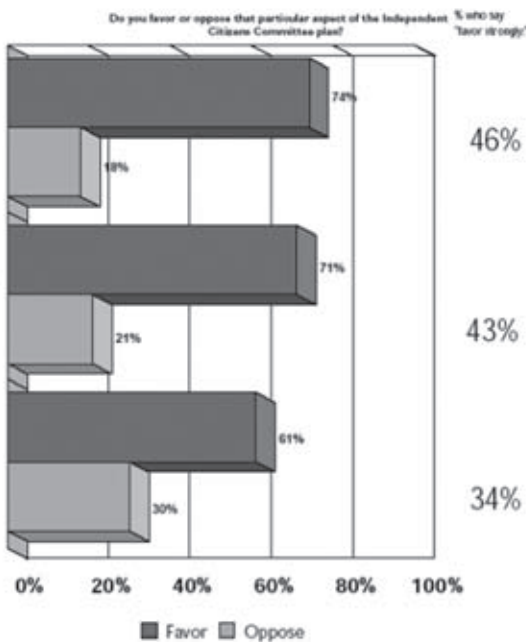


Moving High School Students Into the Metro System Is the Most Popular Alternative Transportation Plan Offered

Continue the current system of busing elementary and middle school students on yellow school buses, but move high school students onto Metro. This would involve a partnership between the school district and Metro to develop new routes to ensure student safety and convenience. This could save the school district up to three million dollars a year

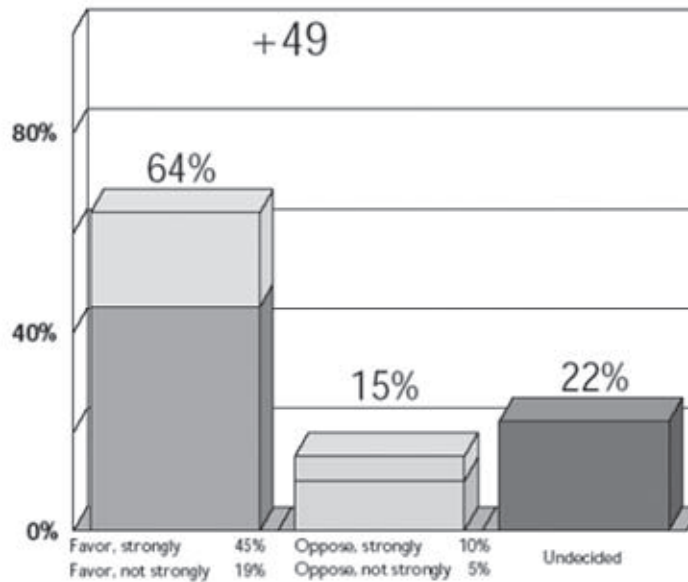
Provide transportation to each students' neighborhood school. Transportation to a school other than the student's neighborhood school would be provided as long as the students' family paid the difference in cost. This could save the school district up to two-point-three million dollars a year

Charging for transportation to alternative schools, special programs and all-city draws. This could save the school district up to one-point-five million dollars a year



Close to Two-Thirds of Respondents Favor the Committee's New School Consolidation Plan Nearly Half Favor the Plan "Strongly"

In the late 1960s, the Seattle Public Schools had 100,000 students. Today total enrollment is approximately 46,000, yet it still has almost as many buildings as it did in 1960. Another fiscal strategy that has been proposed by the independent citizen's committee includes better utilization of the physical buildings the district owns. Instead of paying for the heating and maintenance of underused buildings, the district would consolidate or close some schools and redirect valuable resources towards investments in academic improvements. This could redirect approximately \$8 million per year from building operations to classroom instruction. Having heard this, do you favor or oppose the plan to have the Seattle Public Schools implement a school consolidation plan, or are you undecided on this?



Respondents Are Much More Likely to Support the School Consolidation Plan Once They Learn of the Guidelines the Committee Would Like the District to Follow

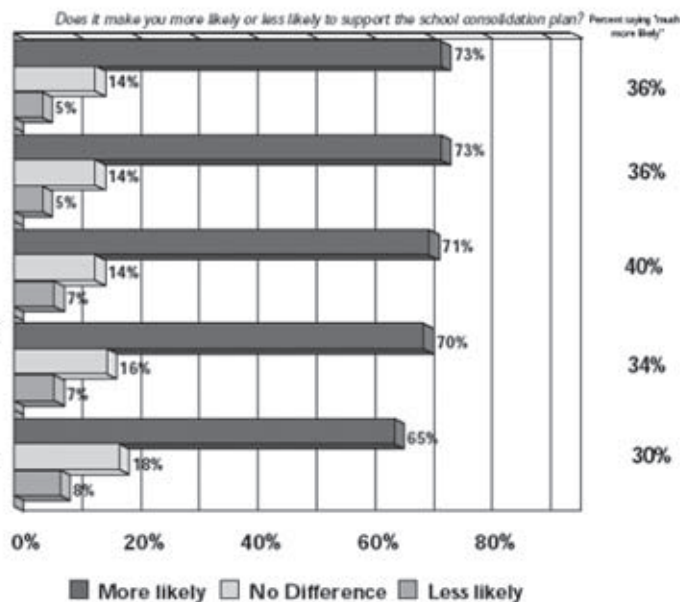
This proposal could redirect approximately \$8 million dollars per year from building operations to classroom instruction

To every extent possible, successful programs and the existing staff of schools that are closed would be moved intact into better physical spaces

Teacher to student ratios would not increase beyond established levels

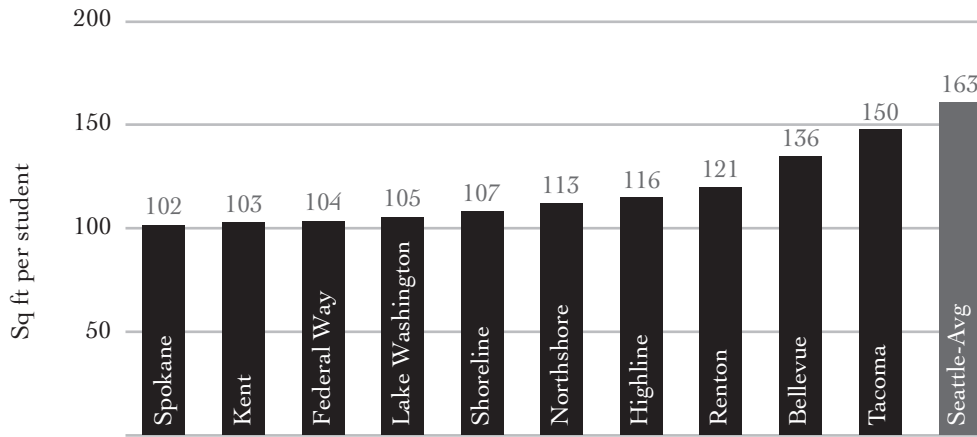
The guiding principles for this school consolidation process would be that academic outcomes and the success of every school should be the primary consideration in the final decision. Demographic projections would also be taken into account

Academic achievement, demographic projections and building quality would be the primary considerations in the decision process

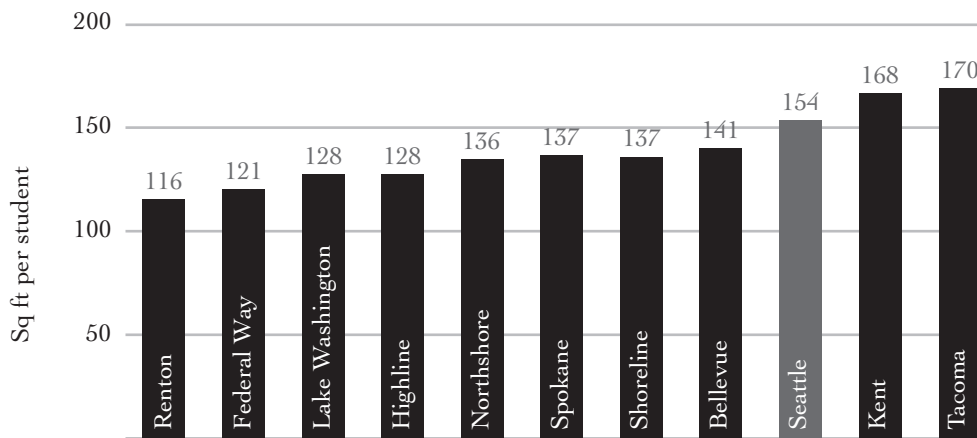


FACILITIES BENCHMARKING DATA

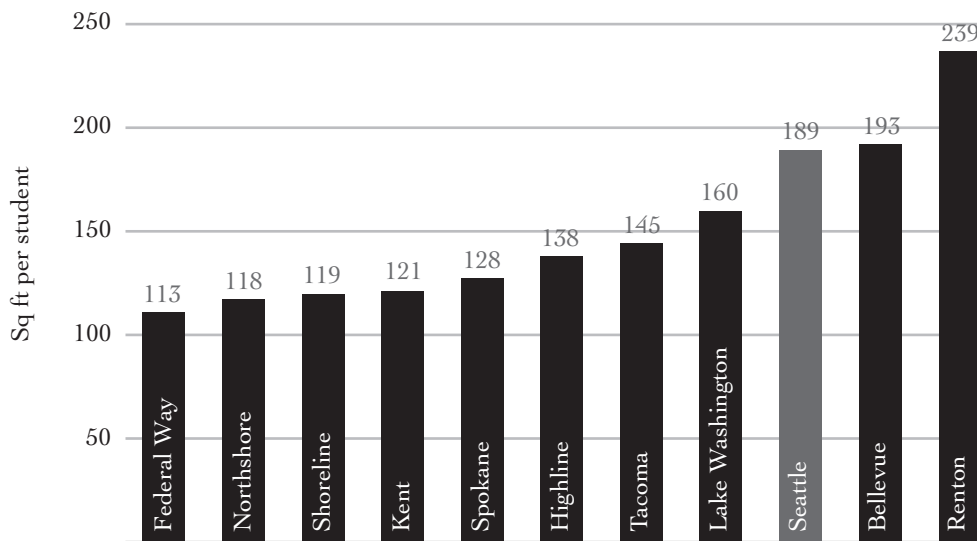
Elementary Schools - 2004 (including Alternative K-5 enrollment)



Middle Schools - 2004 (including Alternative 6-8 enrollment)

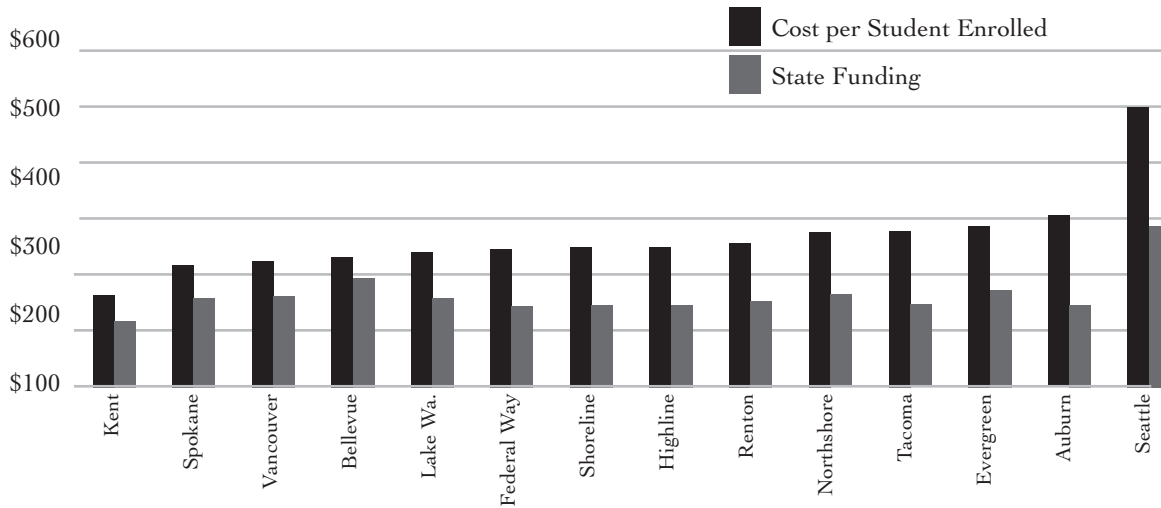


High Schools - 2004 (including Alternative enrollment)

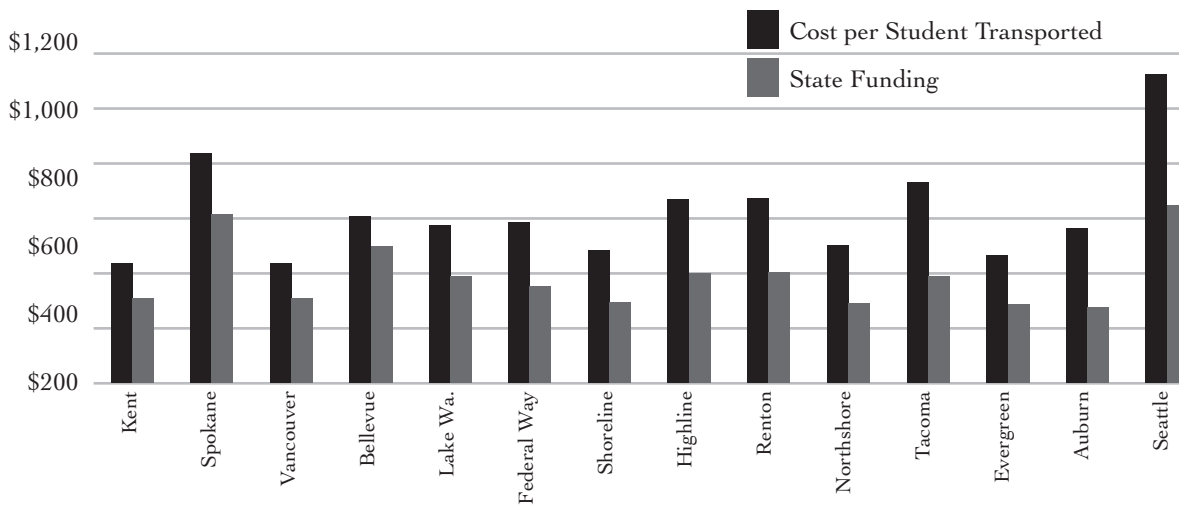


TRANSPORTATION BENCHMARKING DATA

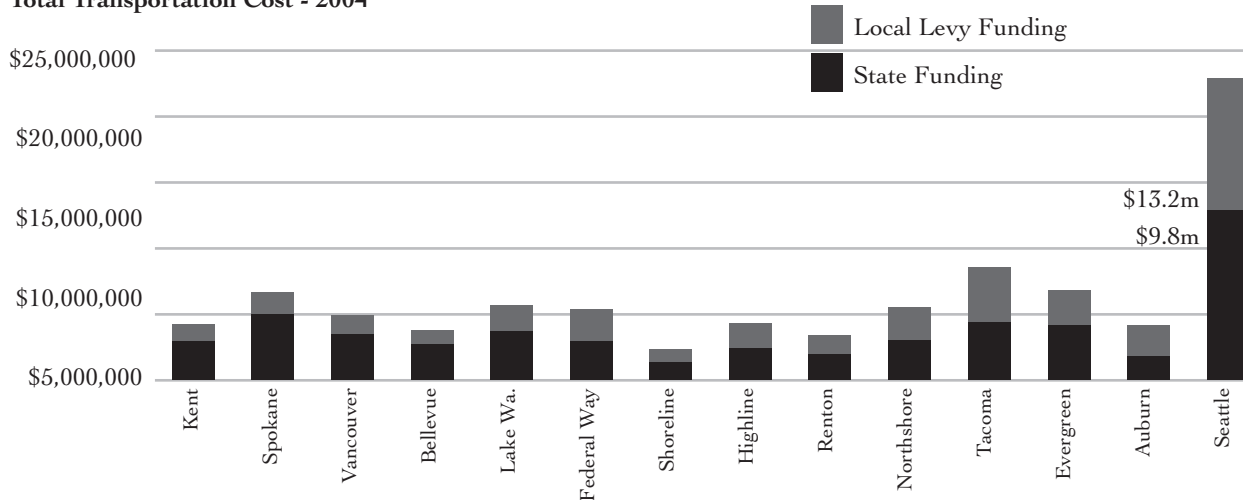
Transportation Cost per Student Enrolled - 2004



Transportation Cost per Student Transported - 2004



Total Transportation Cost - 2004

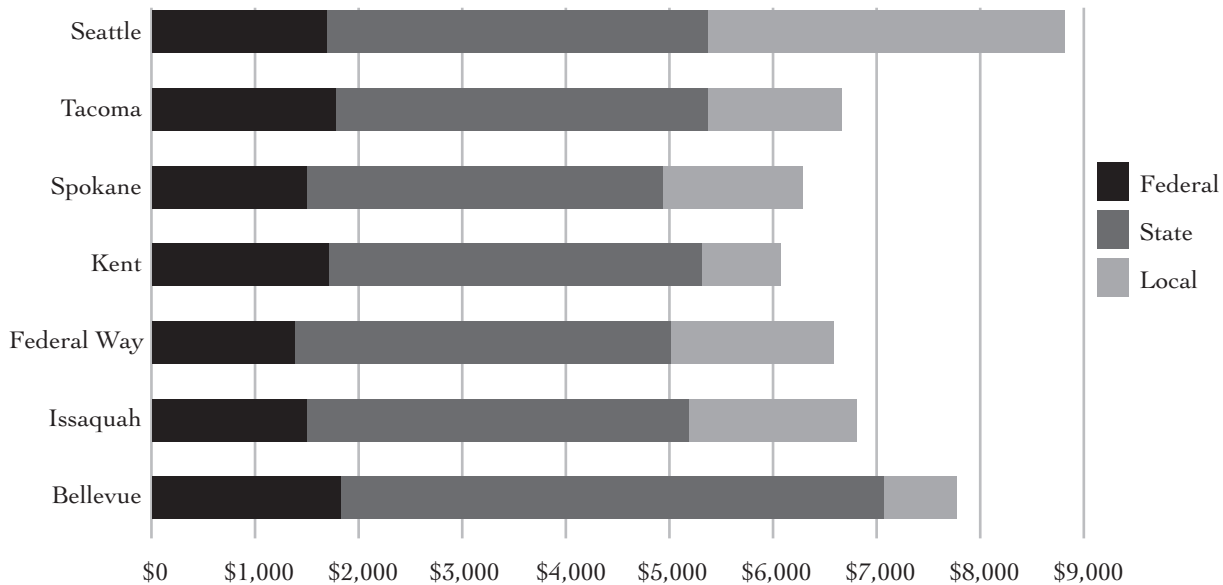


SPECIAL EDUCATION BENCHMARKING DATA

Seattle spends significantly more on a per student basis than other districts in the state, and is approximately \$2,000 per student greater than the statewide average.

The following table outlines Special Education expenditures on a per student basis for Seattle and several other Districts:

Special Education Revenue Sources: 2004-05 (per Total Resident Enrolled Special Education Student Age 3-21)



Sources: 2004-5 OSPI Report F-196 Resource to Program Expendure Report (for revenue sources), 2004-5 OSPI Report 1220 Special Education Cost Allocation for 8/31/2005 (for student counts)

Special Education Service Level Definitions - Seattle Public Schools (SPS):

Level	Description of Services	% of SPS Special Education Students
Level 2	General education with resource room support (i.e., students are “pulled out” of general education classes for services in a room staffed by a special education professional). Primarily for Specific Learning Disabilities (“high-incidence disabilities”).	52%
Level 3	Generic self-contained classroom, often with some time in general education. Primarily for Specific Learning Disabilities, Health Impairments, Developmental Delays.	23%
Level 4A	Self-contained classroom, with general education inclusion as appropriate. Primarily for “low-incidence” disabilities, including Deaf/Hard of Hearing; Visually Impaired; Dyspraxic.	13%
Level 4B	Self-contained classroom, with general education inclusion as appropriate. Primarily for Autism and certain other “low-incidence” disabilities.	8%
Level 4E	Self-contained classroom, with general education inclusion as appropriate. Primarily for Emotional/Behavioral Disorders at elementary and middle school level.	4%

SUMMARY OF EXISTING EARLY LEARNING PROGRAMS

Early Learning Program	Administrator	Age Group	Number Served per year	Annual Cost
Head Start	Seattle School	3-4 District	224	\$2,240,000
Seattle Steps Ahead	City of Seattle	4	280	\$3,900,000 will ramp up to 700 per year
Child Care Subsidies	City of Seattle	0-5	615	\$2,460,000
Seattle Early Reading First	City of Seattle	4	103	\$1,000,000
Early Childhood Education and Assistance Program (ECEAP)	State	3-4	315	\$3,913,513
Total				\$13,513,513