



Operations Work Group Update on 2018-19 Budget Development

March 12, 2018

MMSD High Level Budget Timeline

November

- Pre-budget work on Staffing and Compensation

December

- Class Size Policy Adopted

January

- Budget Goals, Guiding Principles, Enrollment Projection, and Budget Overview

February

- Updated Budget Overview and School Staffing Preview

March

- Updated Budget Overview, Priority Actions, Compensation Plan

April

- Complete Priority Actions, Compensation Plan, Employee Benefits Strategy, Final Budget Overview

April 30

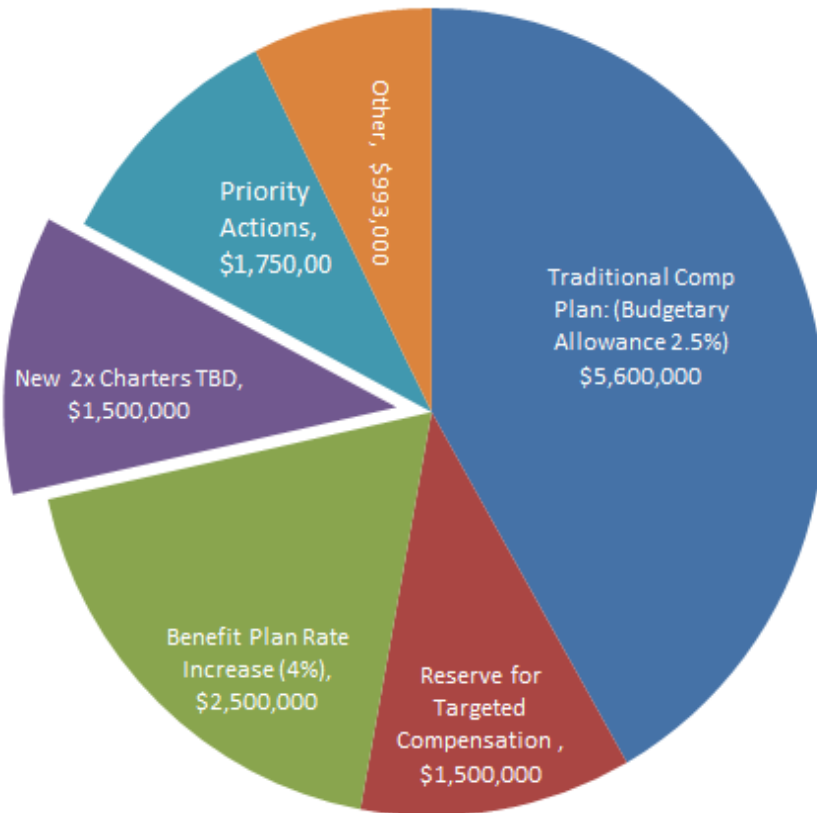
- Regular Board Meeting Presentation of Preliminary Budget Proposal

Update on High Level Budget Strategy

Budget Development Planning v7

Modified Budget Model

v7 Budget Allocation Variables:



Budget Design Parameters:

- *Enrollment – slight decrease*
- *Level total staffing (budget neutral)*
- *Narrowing priority actions*
- *Compensation options – first phase*
- *Tax levy updated with 2x charter estimate built in*
- *Using less than full levy authority (\$5MM of \$8MM) to manage the tax levy increase, preserve state aid eligibility, and maintain budget flexibility for 2019-20*

2x Charter impact is an early estimate and will vary depending on enrollment assumptions

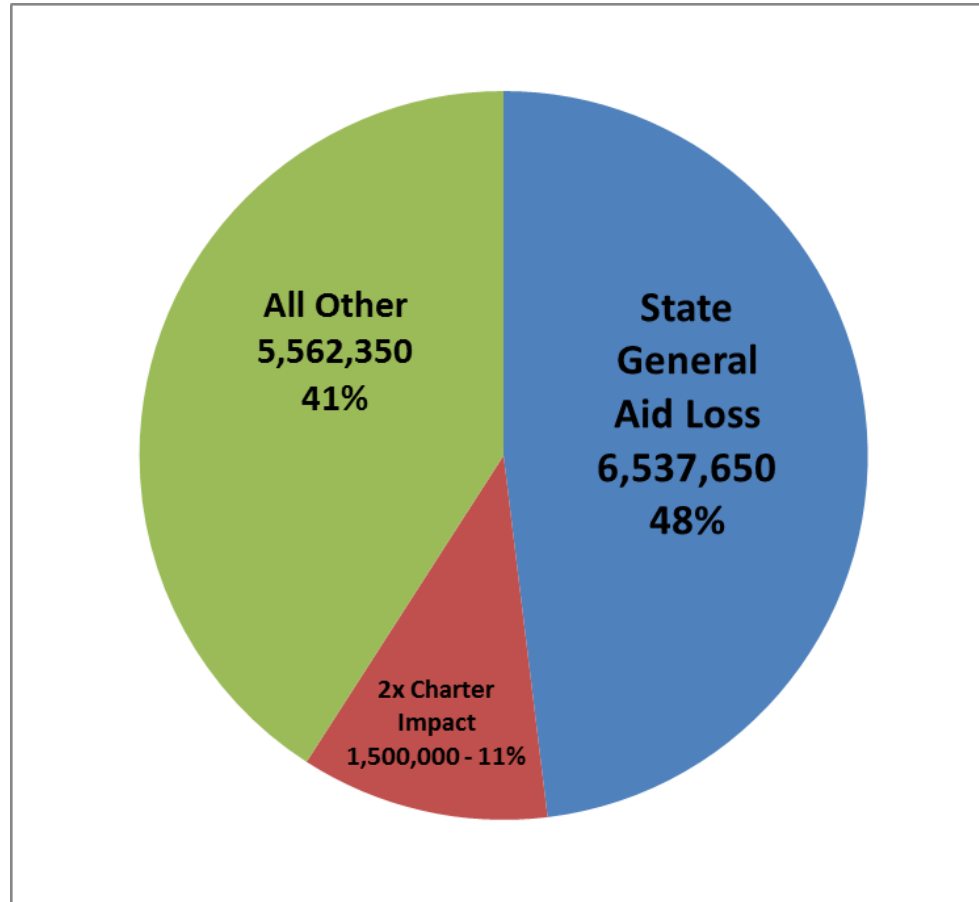


2018-19 Tax Levy Factors - All Funds		Corresponding Additional Revenue Sources by Fund	
State Aid Loss (To Local Levy)	6,500,000	Funds 10/27 (General Fund & SPED)	13,228,000
Referendum Authority (8MM Max)	5,000,000	Fund 38 (Non-Ref Debt Service)	198,935
Net Other Changes in Rev Limit	1,685,000	Fund 41 (Capital Maintenance)	-
Other Fund Authority	415,000	Fund 80 (Community Service Fund)	415,000
Total Levy Increase	13,600,000		13,841,935
Percentage Increase in Levy	4.58%		
*Maximum Total Levy (Est.)	5.51%		

Fund 10/27 Uses		Fund 38 Uses	Fund 80 Uses
Base Compensation Plan 1.9% Step Advancement 0.50% Base Wage Increase 0.10% Lane Movement	Required Budget Allowances for contract price increases, utilities, post employment allowances, etc.	Existing Debt Commitments (Non Referendum)	Base Compensation Plan 1.9% Step Advancement 0.50% Base Wage Increase Benefit Plan Increase
5,600,000	463,000	198,935	118,000
Employee Benefits Plan Estimated Rate Increase (All Staff)	Reserve small adjustment via departmental reviews		Priority Action Community Schools
2,500,000	100,000		297,000
Additive Compensation Plan	2% Summer School Increase (Dec 2017)		
1,500,000	260,000		
Priority Actions STEM Academy Tech Plan FYCE Opportunity Youth	Open Enrollment - Early Estimate (Not 2x Related)		
1,328,000	170,000		
2x Charter School Impact (estimated)	Note: District-wide staffing plan is steady state (budget neutral) for 2018-19		
1,500,000			

March (Very) Early Tax Levy Forecast

*Estimated 4.58% Levy Increase Driven by State General Aid Loss and
2x Charter Impact*



Strong Tax Base Growth Will Help Offset the Levy Increase Next Fall

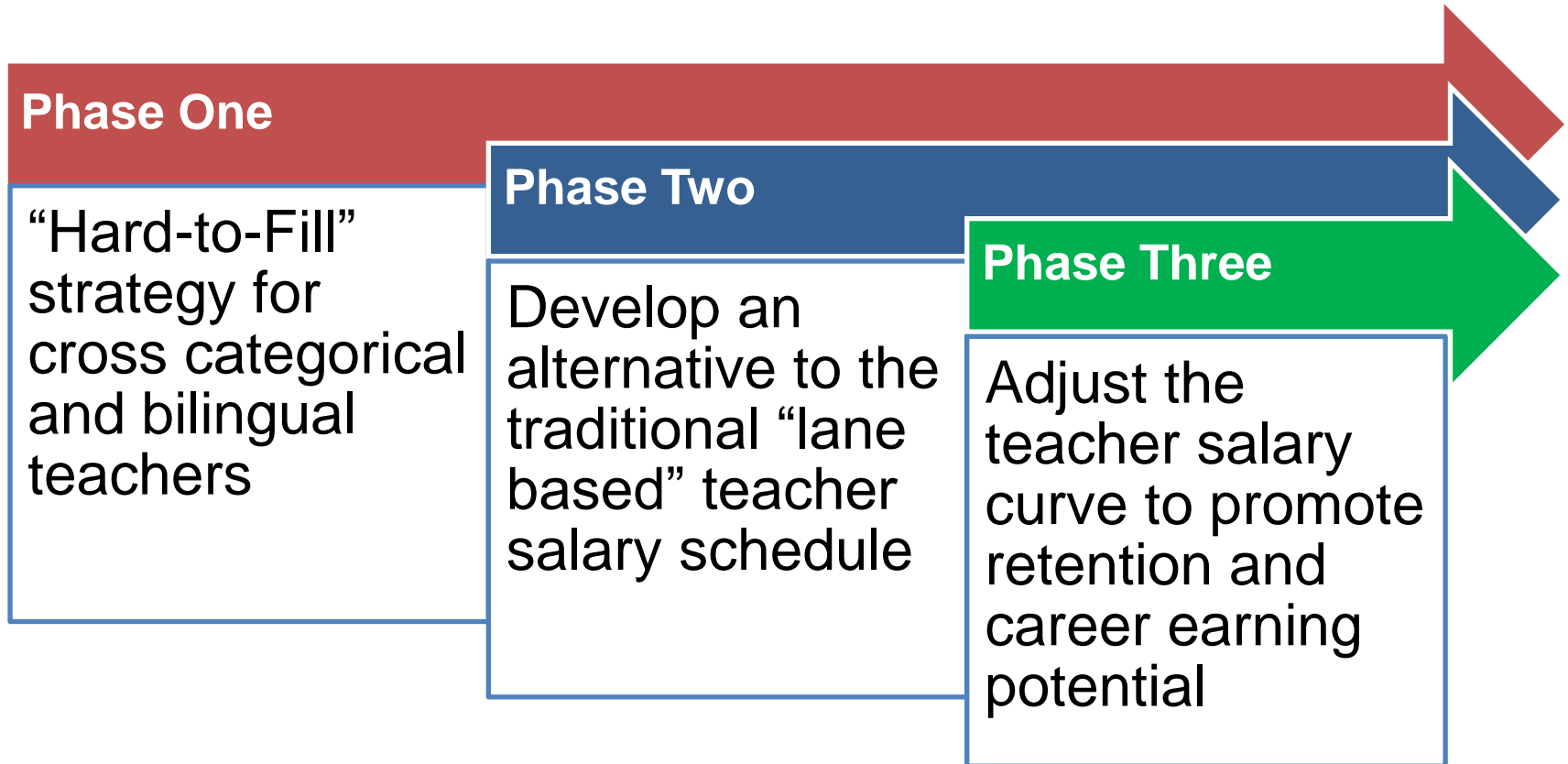
Preview of Employee Compensation Concepts

MMSD Talent Management Strategy:

Establish a compensation plan for Teachers, Professionals and Administrators which:

- **Is competitive and equitable**
- **Is simple and easy to understand**
- **Promotes employee engagement and retention**
- **Supports the recruitment and selection of high-quality educators who represent the diversity of our student population**
- **Ensures that our students access the people and instruction they need to succeed**
- **Supports the district's financial sustainability**

Compensation Plan Development



“Standard” Compensation Components Applies to All Regular Staff

Standard Compensation Plan Components	Amount*
Step Advancement on Current Salary/Wage Tables	\$4.20MM
Lane Movement on Current Salary/Wage Tables	\$400K
Base Wage** (1/2 percent increase to all Current Salary/Wage Tables)	\$1.0MM
Total	\$5.60MM

Preserving the current employee benefit plan is also a standard compensation component. This budget model provides a \$2.5 million budgetary allowance to preserve existing benefits.

* Amounts include payroll related WRS/FICA

** Base wage is a mandatory subject of bargaining

Additive Compensation Options

Phase 1: Targeted to Address Specific Needs

Additive Compensation Components	Total Budget Cost
Teacher: Part-Time Full Step	\$120,000
Teacher: Cross Categorical & Bilingual Stipend	\$1,000,000
Admin: Professional Realignment	\$40,000
Principal: Realignment	\$150,000
All Above Payroll Related Costs (WRS / FICA)	\$190,000
Total	\$1,500,000

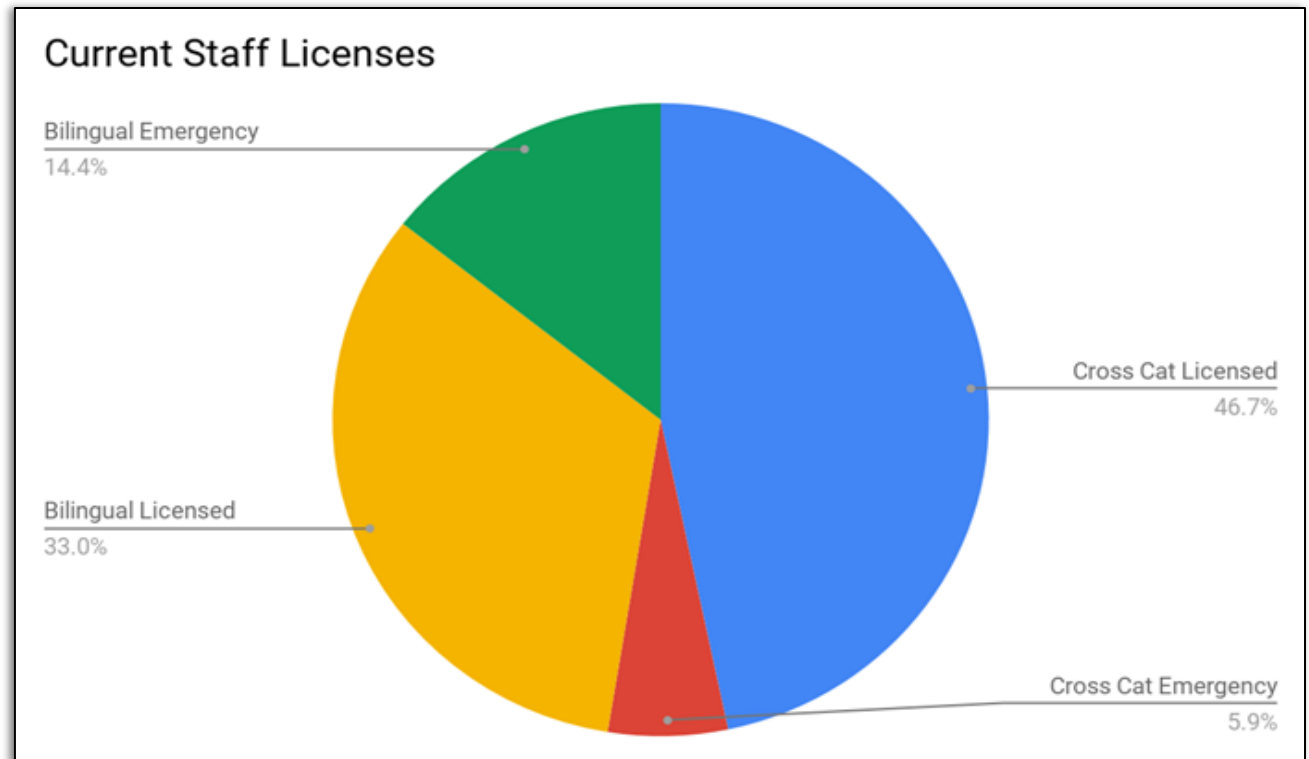
Teacher Salary Schedule: Hard to Fill Positions

Turnover:

- Average overall teacher: 6.8%
- Cross Categorical Special Ed: 25%
- Bilingual: 24%

Emergency Licenses – Prior 2 years

- Cross Categorical Special Education increased from 7% to 12%
- Bilingual increased from 28% to 44%



Employee Handbook

Two Pending Compensation Issues

Issues	Solution	Budget Impact
<p>The new \$15 per hour base wage compressed the wage schedule in the EA Unit.</p> <p>The new \$15 per hour base wage effectively eliminates step advancement for up to 6 years.</p>	<p>Re-build the EA salary schedules so that Step 1 starts at \$15 per hour and Step 2+ grows thereafter. Move all EA's to new schedule, recognizing their current years in their position.</p>	<p>\$250,000</p>
<p>The long-term sub rate is less than surrounding districts.</p>	<p>Increase the long-term sub rate to \$197.25.</p>	<p>\$150,000</p>
<p>Estimated Budget Impact</p>		<p>\$400,000</p>

Preview of Priority Action Development 2018-19

Requests for “Early Approval” (March or April Regular Board Meeting) are highlighted in yellow. Early approvals are requested only when necessary to facilitate recruitment and hiring, or to expedite long lead time items such as the G4 technology order.

Early College STEM Academy (ECSA):

Madison Metropolitan School District and Madison College are partnering to create the Early College STEM Academy (ECSA or Academy). The Academy will offer high school junior and senior students who are appropriately prepared and who express interest in STEM (science, technology, engineering and mathematics) -related education or careers with the opportunity to take one or more packages of STEM courses on the Madison College campus.

Up to twenty-five high school students will have an opportunity to enroll in the Early College Stem Academy at Madison College beginning in **2018-19**. Long-term enrollment is targeted at 200 students once Madison College opens its new south campus.

MMSD pays MC approximately \$7,000 per student for the ECSA program. For budget purposes, the first year cost of \$175,000 is additive, while future costs will be repurposed from within the MMSD budget.

- \$175,000 – Total from Local Funding for 2018-19

MMSD Technology Plan

Expanding the Ignite 1-1 student device plan to the fourth group of schools (G4) will bring the Ignite project to 67% complete. Beyond 1-1 devices, the tech plan continues to support online assessments by providing proper devices to schools in the G5 and G6 cohorts. Behind the scenes, we continue to upgrade network infrastructure.

The G4 investment of \$625,000 will provide 5,200 additional Chromebook devices for students. The assets will be competitively bid and financed through a 36-month lease.

- \$625,000 for planned increase in lease costs (Funding from Local)

Family Engagement

Focusing on Middle Schools

At the Middle School level, we are proposing a new role that is a combination of a Middle School Minority Services Coordinator (the high school role) and a Parent Liaison (the elementary school role) to develop youth leadership and family partnerships in three middle schools.

- The cost is approximately \$80,000 x 3 FTE, or \$240,000

Office of Youth Re-Engagement

The Office of Youth Re-Engagement will focus on the following goals:

- Increasing 5 and 6 year graduation rates
- Decreasing “Not Known to be continuing” numbers
- Increasing # of students re-engaged and on-track towards meeting goals in their personalized ACP

Program Resource Requirements

- \$ 120,000 for 1.0 Admin
- \$ 270,000 for 3.0 Non-union professionals
- \$ 25,000 for program start-up costs

The *total* program resource requirement is \$415,000. Of this cost, approximately half can be funded by repurposing existing staff. For budgetary purposes, the additive cost is approximately \$208,000.

- Additive cost of \$208,000 plus repurposing of existing staff

Community Schools

Expanding to two new schools:

A Community Schools Resource Coordinator coordinates the programs and services after conducting a needs assessment and identifying the assets within the community.

- \$95,000 includes .50 FTE x 2 NUPs for Resource Coordinators (a grant funds the other half).
- \$35,000 includes \$17,500 for each new Community School to have programming

Deepening Family Engagement across schools:

We will adopt an evidence based model to strengthen the conditions for family engagement.

FAST will cost \$67,000 for 4 community schools in 2018-19 to run two parent engagement cycles per school.

- The total amount is \$67,000

Parent Liaisons/Advocates for Community Schools

We would like to ensure that the next two selected schools designated as Community Schools have persons dedicated to deepen relationships with families. The FYCE Department would like to add two additional Parent Liaisons to the next two schools that will become a Community School so that there is “ground-level” work happening to build the conditions for family partnerships.

- The estimated cost is \$50,000 per FTE, or \$100,000 total

The cost will be located in Fund 80 Community Service Fund.

Other Considerations

April–June Budget Discussions

- **MMSD Safety and Security Resources**
- **2X Charter School Impact**
- **Updating TID #25 Allocation Plan**

Thank you!