

MMSD 2020-2021 Budget Development

April 13, 2020
Operations Work Group



Objectives

- Continue development of the 2020-21 budget
- Discuss any remaining items for the Board's Strategic Equity Projects:
 - Mental Health supports for students
 - Safety & Security Assistants job re-alignment
 - MicroSchools implementation
- Referendum Planning

Educational Equity Policy 9001

...As a system committed to equity, MMSD seeks to disrupt societal and historical inequities and eliminate disparities based on race and socioeconomic status so that our entire learning community, including all staff and all students, benefit and thrive. Schools will be excellent only when all students in the DISTRICT are achieving or exceeding universally high goals...

As such, it is the policy of the BOARD to promote educational equity amongst all DISTRICT students through the budgeting process, the allocation of resources and development of BOARD policies in order to realize the DISTRICT'S vision that every school will be a thriving school that prepares every student to graduate from high school ready for college, career and community...

Goal 1

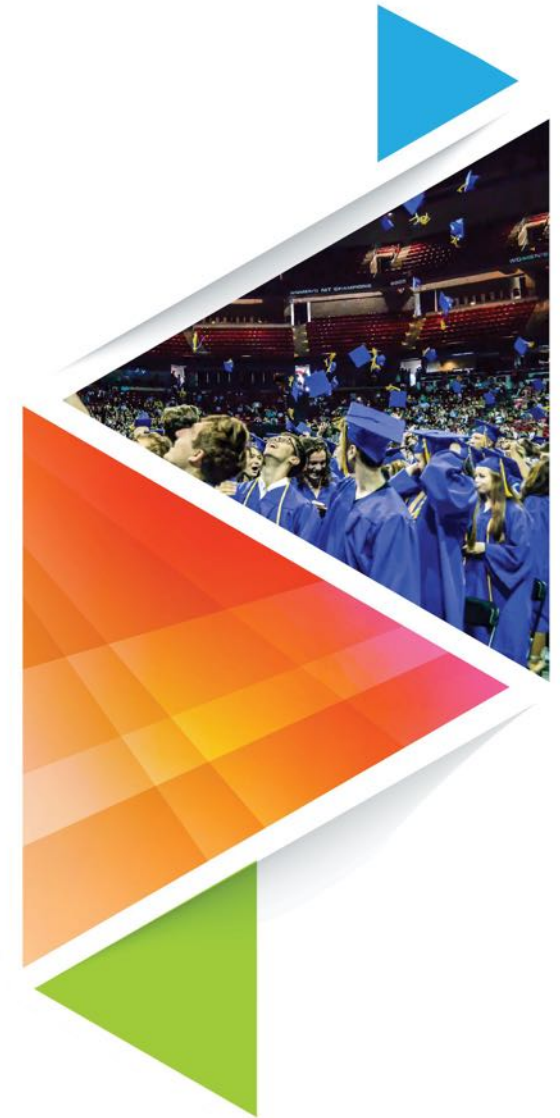
Every child is on track to graduate ready for college, career and community.

Goal 2

The district and every school in it is a place where children, staff and families **thrive**.

Goal 3

African American children and youth excel in school.



2020-21 Budget Timeline

November

Budget Kickoff: Budget Overview, Revenue Projections & Strategy

December

Budget Kickoff, continued: Budget Overview, Revenue Projections & Strategy

January

Budget Development: Educational Equity Policy - Budget Goals & Guiding Principles, and Core Assumptions

February

Finalize: Staffing Projections/Workbook Releases; Summer School Budget

March

- Healthcare/Benefits Overview and Direction
- Equity Projects: Review of Past Investments & Ongoing Strategies via Equity Tool
- Early Votes: Summer School, Healthcare, and potentially a few Equity Projects

April

- Pulling it all Together: Draft Budget Overview for both budgets
- Regular Board Meeting Presentation of Preliminary Budget Proposal (April 27)
- Start Community Feedback Phase on Draft Budget

2020-21 Budget Goals

In line with these Board approved policies, the budget development process will focus on these major goals:

- Distribute **equitable use of resources** to support students with highest needs
- Reduce the number of sections below minimum of the Board's **class size policy**, thus allowing for more targeted resource allocation
- Utilize the Board's **Educational Equity Tool** for decision making outside of already approved Board policies (i.e. past and future Strategic Equity Project investments)
- **Invest in a focused set of priorities** aimed at multi-year investments to meet persistent equity needs in the schools
- Provide **total compensation (steps + base wage)** to employees equal to or greater than estimated cost of living (COLA) @ 1.8%

2020-21 Guiding Principles

- **Build two budgets**, both in consideration of November 2020 potential referendum results
- Allocate resources in line with District core values and aimed at greatest impact on District's **Strategic Framework goals**
- Commit to a **multi-year, long range perspective** on both revenue sources and uses to sustain momentum on academic outcomes
- Maximize efficiencies and use of taxpayer approved revenue authority to ensure **stability in schools**
- **Build on previous practices** that are showing promise for the future

Budget Strategy

Pass two balanced budgets in June

IF there is an Operating
Referendum, and
IF the Operating Referendum
passes

Revenue Forecast

Salary & Wage Plan

Staffing Plan

Employee Benefits Plan

Strategic Equity Actions

Required Allowances

IF there is no Operating Referendum,
or, IF the Operating Referendum
does not pass

Revenue Forecast

Salary & Wage Plan

Staffing Plan

Employee Benefits Plan

Strategic Equity Actions

Required Allowances

Finalizing June Preliminary Budget

Parameters built together over time. Flexibility in changing environment will be needed.

	Revenue Forecast: \$7.6 M
Steps & Lanes (fully fund with FICA, etc.)	\$5.3 M
Base Wage (max 1.8%; 1%)	\$2.5 M
Staffing: District & School	(\$3.0 M)
Employee Benefits	\$0
Strategic Equity Projects (SEP)	\$1.0 M
Req. Allowances (2x,OE,etc.)	\$2.3M
Other:	(\$0.5 M)

Budgetary Allowances

Budgetary allowances needed to fund ongoing operations of the district, including expenditures required by law, and previously approved Board plans or policy.

Non-Passing Budget Allowances estimated at \$2.3 Million:

- 2x independent charter school expansion (\$680,000)
- Open Enrollment: State allowed 5% rate increase (\$500,000)
- Loss of student program funding grants (\$259,000)
- Legally required contract/lease/utility increases (\$435K)
 - e.g. sub costs, background checks, IT systems
- District liability/property/workers comp insurance increases (\$350K)
- Technology Plan “G6” Cohort (\$125K - reduced overall plan ask by \$400K)

Other Budget Allowances for consideration when finalizing the budget:

- SPED Transitions program funding move from IDEA one time funding to local (\$250,000)
- Increase maintenance budget to fund backlog of school work orders at Middle and Elementary Schools (\$500,000)

Healthcare Plan Design

Healthcare Decision: Keep GHC & Dean

- Rate cap guarantees:
 - GHC 4.5% (2021) / 2.5% (2022) / 3.5% (2023)
 - Dean 6.9% (2021)
- Add \$100 single and \$200 family deductible
- Match RX to \$6 / \$15 / \$30
- \$1M available to reinvest into budget

Strategic Equity Projects (SEP)

Approximately, \$215,000 more for intensive supports for students

Intensive Support Investments, planned expansion:

- + Behavioral Health in School (BHS) programs (\$120,000 local, March early action)

Discussion:

- Is there an ability to expand to more BHS schools for next year?



Strategic Equity Projects

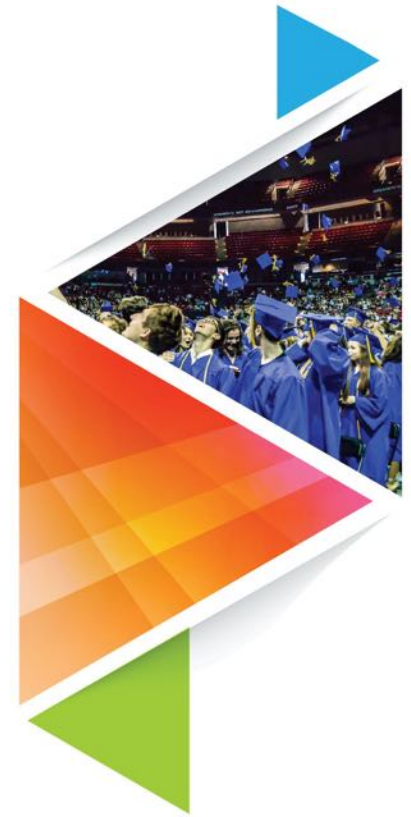
Build on previous practices showing academic growth
promise for the future

Promising Practices Investments:

- + Continuation of MicroSchool at West and other alternatives (\$50,000 local and \$250,000 in TID 25)

Discussion:

- Is there an ability to put the \$250,000 needed onto the local budget for 20/21 to stabilize the program for the future?
- Other?



Strategic Equity Projects

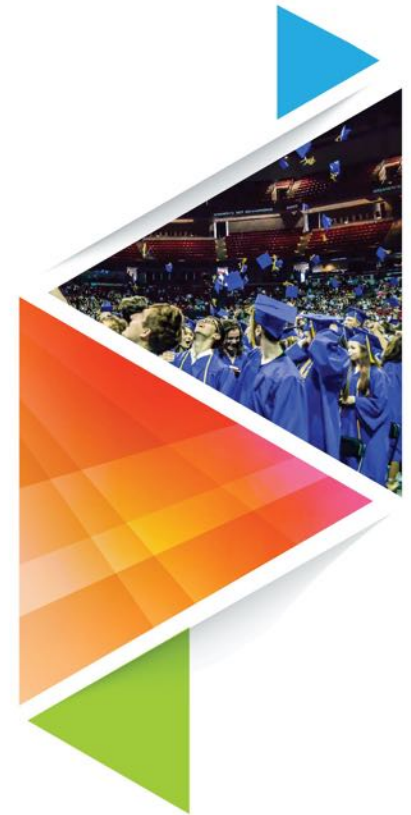
New investments with targeted equitable outcomes

Passing Budget Only Investments

- + Safety & Security Assistants job re-alignment (\$160,000)
 - New job description and certification trainings
 - Extended Length of contract year
 - Increase in hourly rate
 - Designated “Lead” role assignments

Discussion:

- Is there an ability to put the \$160,000 needed onto the local budget for 20/21 under the non-passing budget proposal?
- Other?



TID #25 Funding Update

After 2020/21, there will be no new TID #25 funding.

New funding in alignment with Plan to include:

- Fund tech infrastructure (\$350,000)
- Teacher Team Development and Assessment Redesign (\$150,000)

Funds allotted in 19/20 to be spent in 20/21:

- 4K Full Day Pilot planning (\$20,000)
- MicroSchool Pilot (\$250,000) OR add \$250,000 fo 4K Full Day Pilot Planning
- Secondary Allocation Redesign (\$150,000)

Fees & Fines

Only increasing the minimum number of fees and fines required.

Recommended fee changes:

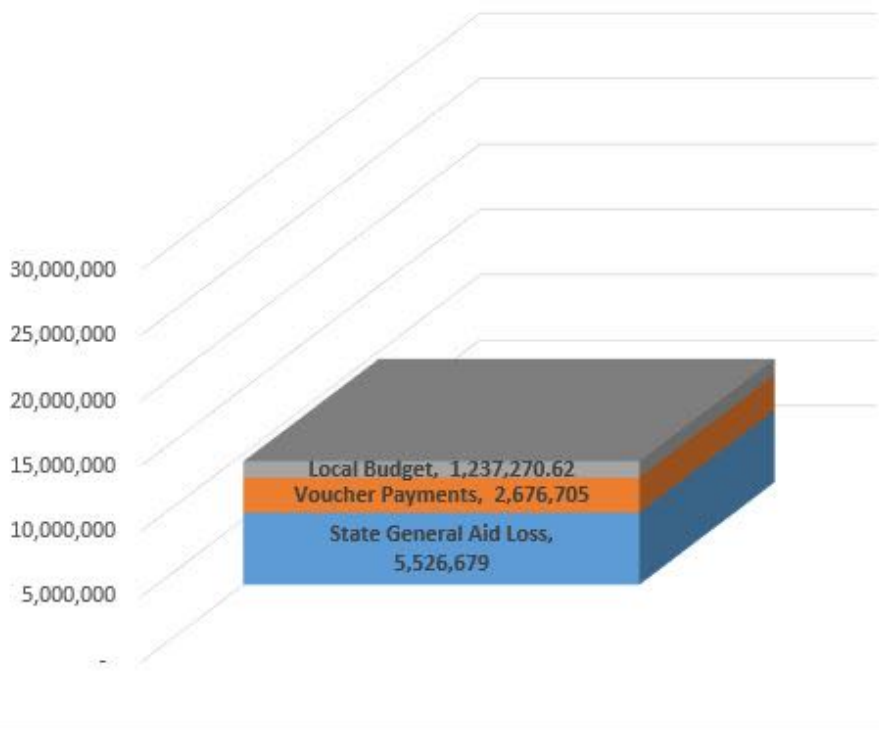
- Locker Lock - \$6.00 consistency
 - Charged once unless lost
- Yearbook - \$3.00 increase
- Food prices - \$0.20 per meal increase*

There are no other fee or fine changes recommended for the 2020-21 school year.

*Note: An increase is required by DPI equity calculation, this should mean we don't need to increase prices again for a few years.

Non-Passing Referendum Budget Early Tax Levy Forecast

Estimated 2.86% Total Levy Increase, driven by State General Aid Loss and 2x Charter / Voucher Impact



Key Variables: Levy Impact

- Max Revenue Authority
- Equalization Aid Loss (-15%)
- MMSD Enrollment
- Increased Payments to 2x Charters / Voucher Schools
- MMSD Total Spending
- Tax Base Growth @ 5%

Estimated Mill Rate: \$10.87 (-\$.23);
Ave. homeowner impact estimate
\$46.45

Next Steps:

April: Regular Board meeting

- Release draft preliminary budget book
- Potential early voting for any additional items
 - Welcoming Schools & BHS

May & June: Community Input

- Utilize the detailed input we received from the community on the operating referendum through the lens on the budget
- Open comment period for the public
- Board Member amendment process

June: Regular Board meeting

- Open item: Complete union bargaining on salary
- Board vote on Preliminary 2020-21 Budget

Discussion



Feedback on Strategic Equity Projects?

Are there any questions or concerns for the April Base Budget work moving forward?



Potential 2020 referenda



Operating - Recurring \$33M

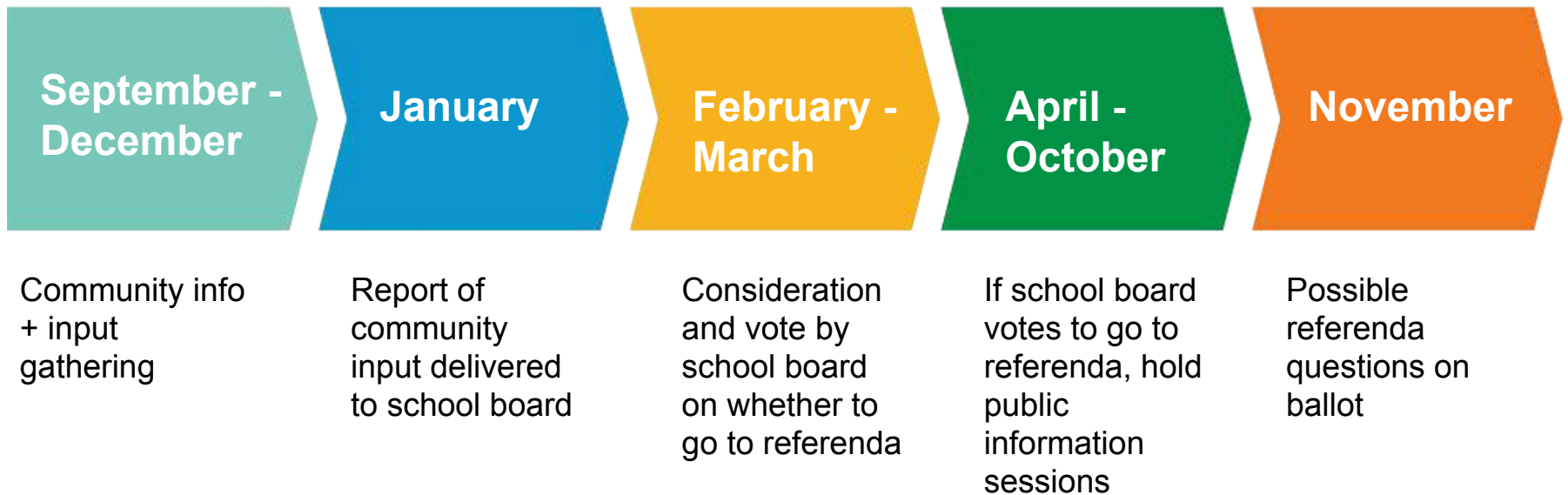
Continue our momentum investing in equitable opportunities, rich programming, and retaining high-quality staff

Capital - \$317M

Take action on the most pressing projects in support of our academic vision

Potential Timeline

Board of Education could vote as late as August to go to referendum. Confirm next steps.



Discussion



Are there any questions or concerns for the budgeting work moving forward?