

Advance Notice
April 27, 2011

2011-12 Proposed Program/Service Reductions and Communication of Certificated Reduction in Force Threshold – Rasmussen

Action to be taken: I move the board approve the proposed 2011-12 Program/Service Reductions as presented by the Administration.

The Administration will be presenting recommended program/service reductions for the 2011-12 Budget. This presentation will provide the estimated program/service reductions needed to ensure financial solvency, given the current volatility of the State budget.

The information provided will also notify the Issaquah Education Association of ,“ the level of seniority required to guarantee a position for the following school year, based on projected revenues available,” as provided in Section 9.3 of the negotiated agreement between IEA and Issaquah School District. The administration will also review applicable layoff and recall procedures.

The Administration will present total proposed program/service reductions of \$2,740,000 or 1.74% of the District’s current (2010-11) operating budget.

Rationale for total proposed reductions of \$2.74 million

If the District next year were to be funded by the state at current levels, we would expect to make minor adjustments to operations and service levels to balance the 2011-2012 operating budget. However, Washington is again facing a significant budget deficit of at least \$5 billion. As legislators continue to work to reduce spending across departments and programs, public education will be impacted. We have seen several legislative proposals to date: the Governor’s spending proposal reduces operating revenue by \$3.6 million, the House proposal impacts the District at approximately the same level (\$3.56 million), and the Senate’s proposal has an operating impact of approximately \$5 million along with the potential of the elimination of funding for the purchase of school buses.

The proposed reductions will compound the \$12-million in revenue cuts that the state has already made to the Issaquah School District over the last two school years. In fact, something unprecedented happened this fiscal year; the legislature implemented \$1.45-million in revenue cuts to the District mid-school year.

The final “unknown” is the timeline for adoption of the Conference Budget by the State Legislature, which is set to adjourn regular session on April 24th. There has been conjecture that the legislative session will go into extended session as there are still large ideological and financial gaps between proposed House and Senate Budgets. Once a Conference Budget is passed by the Legislature it must also be signed into law by the Governor. Furthermore, in June of 2011 the Washington State Economic and Revenue Forecast Council will provide an updated revenue forecast. The forecast may project further declines in State revenue. A precipitous decline in state revenue would likely require continued legislative action that may negatively impact the Issaquah School District funding and timeline.

The factors outlined above require the Administration to plan for the worst case scenario, which is a reduction of \$2.74 million for the 2011-12 fiscal year. The proposed \$2.74 million reduction bridges the financial and ideological gap between the House and Senate proposed spending plans. These reductions would have been much larger but for the additional local levy revenue totaling an estimated \$3.4 million that will be collected next fiscal year. These funds are provided by our community and are now available for collection due to recent revisions in State statute. Depending on the final adopted State Budget, the full scope of this reduction may not be implemented.

The 2011-12 Budget Guiding philosophy:

Following the community values outlined in the District mission—*“Our students will be prepared and eager to accept the academic, occupational, personal and practical challenges of life in a dynamic global environment”*—and Ends learning goals for students, we will preserve a balanced student educational experience and long-term vitality of our educational system to the fullest extent possible while reconciling state funding cuts in our 2011-2012 budget and adhering to the 2011-12 District Budget Parameters as adopted by the Board February 9th 2011. We interpret this to mean:

- Students must have a quality learning experience next year despite state funding cuts. (Maintain art, technology, co-curricular, citizenship, and core knowledge as embedded in Mission, Ends, and graduation requirements.)
- Staff must have quality tools and support, despite deep state cuts, to continue to help students meet high standards and maintain a positive, safe school environment. (Updated instructional materials and professional development; honoring current contracts.)
- This is the philosophy for the 2011-2012 budget. Given the possibility of more state funding decreases in the future, our service levels and expectations for a balanced student experience may have to change given new financial realities.

Realities and Resulting Actions

Already lean. As one of the lowest-funded districts in the state, Issaquah School District has continually tightened its belt to remain solvent.

- 282nd out of 295 districts in per-pupil revenue.
- The lowest administrative costs in King County (2.21% percentage below the average—or \$3.5 million in terms of ISD’s ‘10/’11 budget).
- Other districts—with higher annual per-pupil funding than Issaquah—have retained service levels that our district trimmed years ago: administrative staffing levels, bus riders within the 1-mile radius, professional development opportunities, etc.

Make off-setting reductions. In preparation for yet unknown state funding cuts, we have again reduced operations and service levels.

- Priority of student safety and balanced educational experience. We have established service levels that we are not willing to go below at this time.
- We have state, local, and federal requirements to meet in all areas of operations: bus safety, work place safety.
- Public will experience the reductions—this is not painless.
- Service levels could change depending on more state cuts.

The rest is categorical. When the state produces its final budget, we may have to make corresponding cuts in the same categories as the state cuts (e.g. K-4 Funding for lower class size, salary reductions and freezes, etc).

- 85-percent of costs are in staff salaries. If we do not reduce in this category, we would have to severely impact our service levels and programs to reach the required savings—that is contrary to community values embedded in the Mission and Ends.
- K-4 Enhancement funds; not deemed as “Basic Education by the State Constitution.”
- This means we will be losing certificated staff positions.
- Current Average Class Sizes for 2010-11 are as follows:
K-2: @ 20.9, 3-5 @ 24.3, 6-8 @ 30.6, and 9-12 @ 31.8.

Certificated Reduction in Force Threshold and Recall:

As proscribed by Section 9.3 of the negotiated agreement between IEA and Issaquah School District, the “Board” must notify the Issaquah Education Association of *“the level of seniority required to guarantee a position for the following school year, based on projected revenues available.”*

The administration has taken great care in determining at what level the district can guarantee employment for fiscal year 2011-12. Given the potential severity of the state revenue shortfall, the District must ensure that contractual obligations for fiscal year 2011-12 do not place the District in financial jeopardy.

The calculation of the Reduction in Force threshold, or RIF line, was determined by the need to save a targeted amount of funds and makes allowances for endorsements in hard to fill areas. For example, a special education staff member who was RIF’ed is likely to be recalled in 2011-12, and therefore, was not counted in the targeted savings amount.

Following that rationale, the District will be exercising the recall process for a number of positions included in the Reduction in Force figures. The lay-off and recall process for certificated staff is proscribed in the IEA and ISD collective bargaining agreement.

Administration will be available to answer questions if needed.
