School Budget Allocations

Presented by:
Rico Munn, Superintendent
Brett Johnson, Chief Financial Officer
Presentation Purpose

- Why is this topic on the board agenda?
  - The Board will be presented with information on school budget allocations to inform and seek directional guidance for purposes of budget planning for the 2020-21 school year.

- What are we asking the board to do with this information?
  - Provide directional guidance for purposes of budget planning for the 2020-21 school year.

- How is this linked to the Strategic Plan Vision, Mission, Goals & Core Beliefs?
  - Budget allocations align with the priorities of the district as outlined in the Strategic Plan.

- Which specific Board policy does your presentation address?
  - District Policy Section D: Fiscal Management. Board Policies 3.3 Financial Conditions and Activity and 3.4 Financial Planning and Budgeting.
Budget Influences

- Law: Federal and State Requirements
- Board of Education Direction
- Student Needs
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Budget Evolution

- **2017-18:**
  - Budget Redesign led to new Budget Assumptions

- **2018-19:**
  - Shift to Human Capital Focus
  - Changes to Federal (ESSA) “Supplement Not Supplant” expectations

- **2019-20:**
  - Questica (Budget Tool Implementation)
  - With *Blueprint APS* Framework, BOE Direction to Move Toward a Shared-Decision Making Model with Schools
## Shift in Budgeting Philosophy

### Historical Practice:
- Emphasis on Treating Buildings Equally
- More Centralized Decision-Making Process to Manage Risks and Make Shifts

### Looking Ahead:
- Emphasis on Student Equity
- More Shared Decision-Making Process with Increased School-Based Budgeting Responsibility
What would this shift mean for Budgeting?

**Schools:**
- Dollars more directly aligned to at-risk factors supporting student equity (not equality) throughout the district
- Most schools would receive more dollars to budget with up front
- More school-level responsibility to cover all costs for the entire school year
- Qualifying schools (based on enrollment) would receive October true-up dollars earlier rather than possible staff adjustments to select buildings

**District:**
- Reduces the need for district intervention throughout the year, such as staffing
- Based on this methodology, overall amount allocated to schools, directly or indirectly, would not change
- Enhances collaboration between district offices (Finance, DoEL and HR) in supporting school budgeting & planning
- Would release October true-up dollars earlier in the school year
Highlights of the current funding allocation process include:

Base funding historical formula using a staffing ratio at different grade spans:
- Elementary: \((\text{pupils} / 25.20 \times \$86,395)\), or $3,428/pupil
- Middle: \((\text{pupils} / 20.65 \times \$86,395)\), or $4,184/pupil
- High School: \((\text{pupils} / 21.60 \times \$86,395)\), or $4,000/pupil

Small school funding:
- Under 300 kids: \((\text{pupils} \times 0.7\% \times \$86,395)\), or $605/pupil
- Between 300-400 kids: \((\text{pupils} \times 0.5\% \times \$86,395)\), or $432/pupil

At-Risk funding historical formula: \((“free” \text{ students} \times 0.0095 \times \$86,395)\), or $821/pupil

“Mandatory” Funding: Funding for required or mandatory positions (principal, clerk, AP(s), health paras, teaching partners, etc.)

Specialized Funding: IB, Expeditionary Learning, or other specialized learning programs

Title Funding: Title funding for schools >70% “free” (to be increased to >75% in 2020-21)
Additional district-defined (and potentially outdated) allocations include:

Additional historical school allocations:
- Extra Duty (fixed): $536 for each school
- Classified Overtime (fixed): $1,000 for each school
- Kindergarten ECE TS Gold (fixed): $(0.2325 \times 0.0921) \times 86,395$ (or $1,850)
- Discretionary, Staff Development, Copier, Equipment: $112 \times$ pupil
- SPED Discretionary: $17.50 \times$ SPED pupils

Current READ, ELPA, CLDE-related allocations (must change based on new legislation):
- READ: State per pupil amount with a K-3 read plan
- CLDE: $0.5 \times \left(\frac{\text{School NEP-LEP}}{\text{District NEP-LEP}}\right) \times \text{TE}$
- On-Time Intervention (fixed): $24,684$ for elementary, $46,755$ middle/high
- ELA Teacher & ELA Translator: $(0.5 \times 86,395) \ - \$86,395$ - holdback
ELPA and READ Act: Significant Regulatory/Legislative Changes

Rethinking our allocation formulas to adhere to new legislative or regulatory requirements:

- **READ Act: SB 19-199**
  - District allocations (per pupil allocation for K-3 pupils on a READ plan) will remain unchanged, but allowable uses have been updated.
  - Starting in 2020-21, in order to receive funding, districts must submit a budget and narrative for CDE approval, and are subject to ongoing monitoring to ensure funding is spent on allowable uses.
  - Starting in 2021-22, training and certification will be required for all READ teachers.

- **English Language Proficiency Act (ELPA):**
  - The English Language Proficiency Act (ELPA) requires that districts provide evidence-based language proficiency programs to English learners as they develop their English language proficiency. New CDE guidelines require documentation that districts have followed state-mandated duties.
  - APS receives roughly $5m in ELPA funds from CDE.
  - EIL is directing each building to have a Culturally and Linguistically Diverse Education Teacher Leader (CDLE TL) to perform all district and state mandated duties.
  - CLDE will be allocated based on the actual NEP/LEP population in each school as opposed to a flat allocation.
New School Allocation Formula: Objectives

- Simplify and streamline the amount of budget allocation categories
- Maximize the base allocation and minimize the outdated, additional district-defined budget categories
- Prioritize a greater allocation to at-risk to allow for greater discussions around equity and differentiated need
- Show compliance with federal and state law by tracking specific fund allocations and expenditures and respond to new regulations
- Based on Blueprint APS feedback, shift school budgeting decisions to support shared decision-making at the school level
- Ensure purposeful predictability and sustainability – any principal should easily calculate their budget
**New School Allocation Formula:**
Simplifying Base Allocation, Maximizing At-Risk

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<thead>
<tr>
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<th>Current</th>
<th>Proposed</th>
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<tbody>
<tr>
<td><strong>Base Allocation</strong></td>
<td>Funding allocation based on a</td>
<td>Funding for all students at</td>
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<td>staffing ratio:</td>
<td>Elementary: $3,428/pupil</td>
<td>$4,285/pupil</td>
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<td>Middle: $4,184/pupil</td>
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<td></td>
<td>High School: $4,000/pupil</td>
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<tr>
<td>Small School</td>
<td>Schools &lt;300: $605/pupil</td>
<td>Discontinued, added to base allocation</td>
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<tr>
<td>Adjustment</td>
<td>Schools 300-400: $432/pupil</td>
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<tr>
<td>At-Risk Allocation</td>
<td>Historical allocation: $821/“free”</td>
<td>Increase to $1,261/free and reduced</td>
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<tr>
<td>Additional Historical</td>
<td>Allocations either outdated or do</td>
<td>Add outdated allocations to the base,</td>
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<td>Allocations</td>
<td>not adhere to new regulations or</td>
<td>or change funding allocations based</td>
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<td></td>
<td>legislation</td>
<td>on changes in law</td>
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*Every Student Shapes a Successful Future*
New School Allocation Formula: Streamlined Allocation Categories

New, streamlined allocation method that allows for greater predictability:

1. Base allocation: $4,285*Total Pupils
2. At-Risk [State]: $1,261*Total Free and Reduced Pupils
3. Mandatory Staffing: Maintains current method for 2020-21
4. Title [Federal]: >75% Free Receive Title I Funds
5. IB, EL, ROTC: Maintains current method
6. READ Act: Will adhere to SB 19-1999 requirements
7. ELPA/CLDE: Funding based on a school’s actual NEP/LEP students
New School Allocation Formula: Financial Impacts of New Method

*Overall District Impact:* By streamlining outdated funding categories, the overall cost of the proposed formula is almost flat compared to the current allocation method

- Base allocations are higher for all grade spans
- At-Risk increases to support greater student equity

*Grade Span Breakdown:* Based on initial projections in 2020-21, 42 schools would have a higher budget with the new allocation formula, 5 would receive slightly less:

- **Elementary schools:** 24 schools increase, 3 schools decrease
- **K-8:** 5 schools increase, 2 schools decrease
- **Middle Schools:** All 6 schools increase
- **AWCPA:** Increases
- **High Schools:** All 6 schools increase
Questions?