



April 27, 2015

FY16 NHPS Budget Proposal

For Board Action

Agenda

Topics for Discussion:

- 1) Context
 - Goals for FY16 Budget
 - Priority Areas
 - School Change 2.0
 - Academic, Enrollment, and Funding Trends
- 2) FY16 Revenue Outlook
- 3) FY16 Expenses and Balancing Strategies
- 4) Priority Investments for FY16
- 5) Looking Ahead

Context: Goals for FY16 Budget Proposal

Align to District Priorities and Core Values

- Extend New Haven School Change by organizing budget and investment on Academic Learning Systems, Social and Emotional Learning Systems, Talent, and Portfolio while leveraging Partnerships and Infrastructure
- Reinforce core values of Equity, through focus on greatest need schools; Growth & Innovation through revised financial tools and reporting for budget planning; and Collaboration through engagement of schools, offices, and Board

Build on Site-Based Budgeting

- Building from foundation of site-based budgeting and improving transparency by adding specificity to existing financial systems
- Increasing funding level and control of to schools strategically

Focus on Inclusion and Responsibility of Stakeholders

- Employ an All-Funds Planning Process, reflecting general funds, other operating funds, and special funds
- Articulate trade-offs, given needs and available resources

Context: Core Values Drive Our Actions

COLLABORATION

We believe that a strong collaborative school system must be built on a foundation of respect and trust and that our ability to work effectively as a team is critical for giving students access to a great education.

Examples: *Monthly superintendents meetings with principals, expanded teacher and admin roles, teacher facilitators and consultancy groups, personalized learning high school collaborative, weekly Performance and Learning Review structure, highly inclusive FY16 budget planning process.*

GROWTH AND INNOVATION

We believe the need to dramatically improve student learning in our schools is urgent and that it requires strong commitment to creativity, flexibility and change. It also takes a commitment to continuous improvement and persistence.

Examples: *State's only local charter school (Elm City Montessori), SRBI implementation, Restorative Justice approach, redesigned School Improvement Planning process, AFT contract with professional learning/collaboration time, TEVAL, focus on financial tools and reporting for budget planning.*

EQUITY

We believe that all students – regardless of where they live or what school they go to – deserve a first-rate education that empowers them to pursue their dreams and rise to success in college, career and life.

Examples: *Commissioner's network schools, revised school choice/placement process, final budget allocations*

Context: School Change 2.0:

A Framework for Improvement

1. Academic Learning Systems

- Continued strengthening of Pre-K sites, both in Pre-K and in alignment to K
- Focus on early-grade literacy with goal of functional reading for all students by end of first grade, including high-quality play-based early learning and kindergarten experience at upper grades; Engaging parents and community in early-grade reading initiatives
- Use of literacy interventions and curriculums proven to be successful
- Expansion of options for high quality English Language Learning (ELL) instruction
- Intensive support for high school and college transitions, including focus on study skills and other foundational attributes

2. Social Emotional & Physical Growth

- Focus on behavior supports, including restorative practices and special education support
- Training for schools and hiring/partnering with specialist staff to address trauma
- Development of standards/tracking for Social Emotional Learning and whole child health
- Continuation and expansion of Youth Stat program to identify and support at risk youth
- Redesign of homebound program and network of alternative schools

Context: School Change 2.0:

A Framework for Improvement (cont.)

3. Teachers and Talent

- Build on success of district's nationally recognized evaluation and development system
- Strengthen peer-to-peer networks for teachers and administrators
- Improve recruitment and retention of talent, with emphasis on minority recruitment
- Creation of purposeful, supportive and meaningful career trajectory/lattice for all staff
- Continued focus on leadership pipeline

4. Portfolio of Schools

- Expand quality and equity of support to all schools, particularly schools with significant need/challenges
- Expand innovation and teaching models with focus on personalized learning, real-world connection, and capstone projects
- Redesign of schools through transformation or turnaround process
 - Continue existing efforts at Lincoln-Bassett, Hillhouse, and Wilbur Cross,
 - In discussion with state regarding additional Commissioner's Network school(s)

Context: School Change 2.0:

Goals – Pursuit of Success for All Students

College-going

- Increasing college enrollment and success over the next five years, so that 50% of each graduating class enrolls in a second year of college
- Ensuring that two thirds of our students are on track for success in college, the military or a confirmed employment apprenticeship after graduation

High school success

- Raising the graduation rate to 85% over the next five years
- Ensuring that 95% earn a diploma or GED within six years

Preparation for success at the next level

- Functional reading by end of first grade
- Grade-level reading, writing and math at the end of middle school
- High school transcripts that reflect mastery of core subjects
- College readiness as measured by internal and external assessments, including PSAT/SAT

Context: How Our Infrastructure Supports our Work

Leveraging community resources and partnerships for greater impact

- Strengthen parent communication and engagement
- Expand and deepen community-based connections and supports
- Continued focus on improving enrollment process, including redistricting of school zones

Operating Funding to Support District Priorities

- Strategic budget review to increase transparency, efficiency and equity of resources
- Strategies for targeted savings
- Pursuit of new investments from city, state and other sources

Capital Plan and School Construction Program

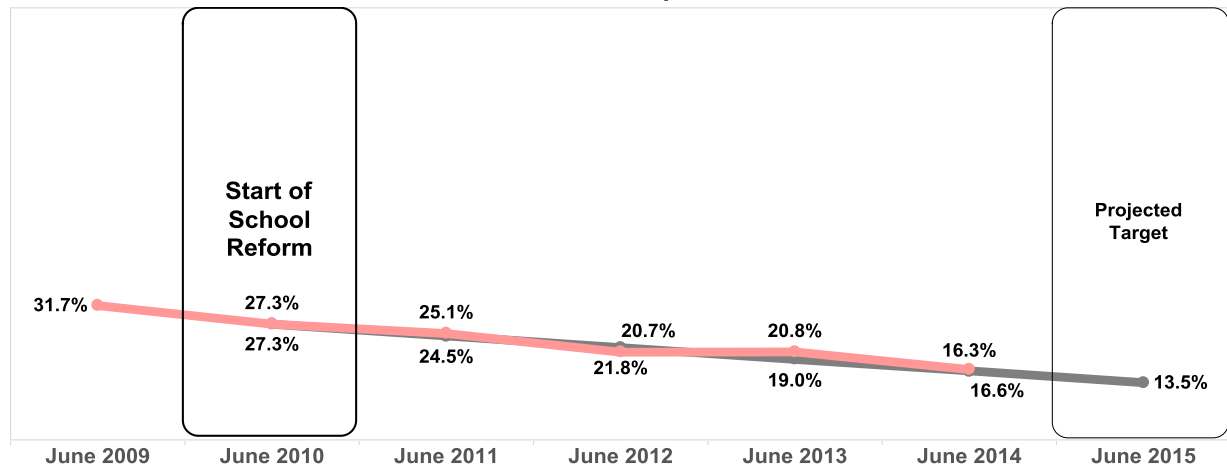
- Finalize school construction program in light of existing K-8 and high schools capacity and enrollment
- Invest in responsible stewardship of buildings
- Plan for expanding early childhood locations

Context: Academic Measures - Towards School Change 2.0 Goals

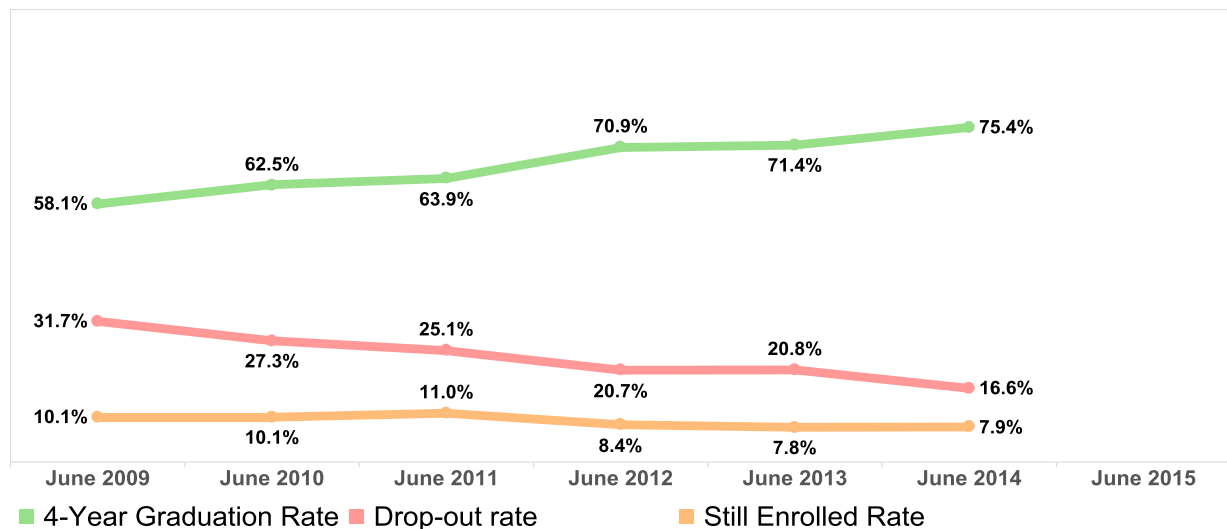
Drop-out rate

Target Drop-out Rate

District: Drop-outs

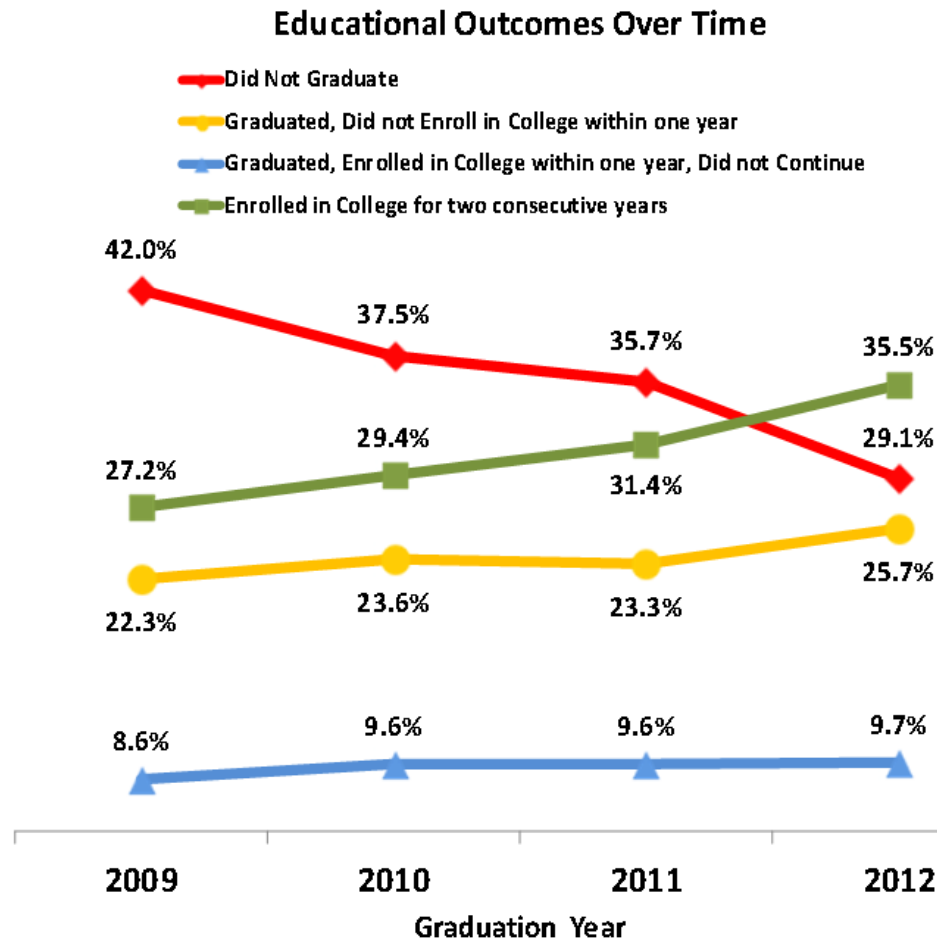


District: All Outcomes



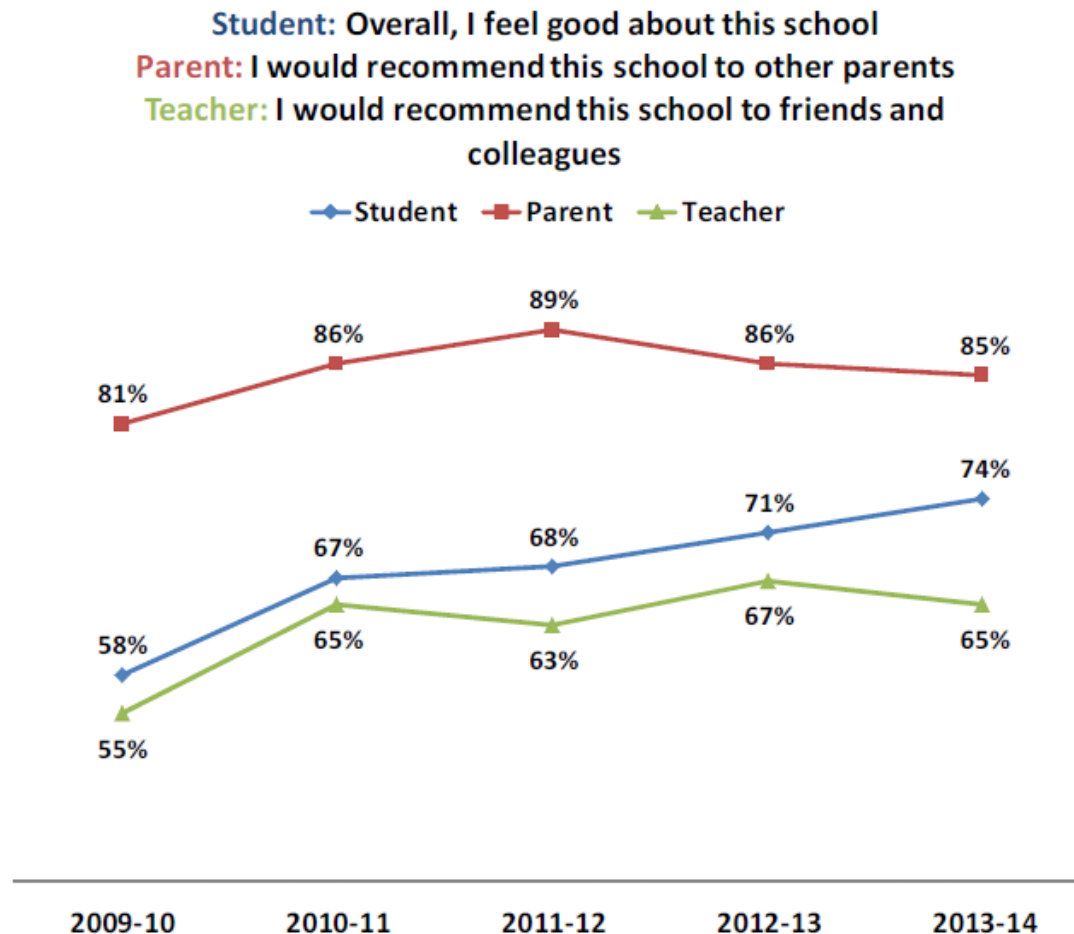
- As shift to SBAC is underway using local measures to track student progress
- We have maintained gains from 2010-11, but still have significant room for growth.

Context: Academic Measures - Towards School Change 2.0 Goals



Context: Learning Environment - Towards School Change 2.0 Goals

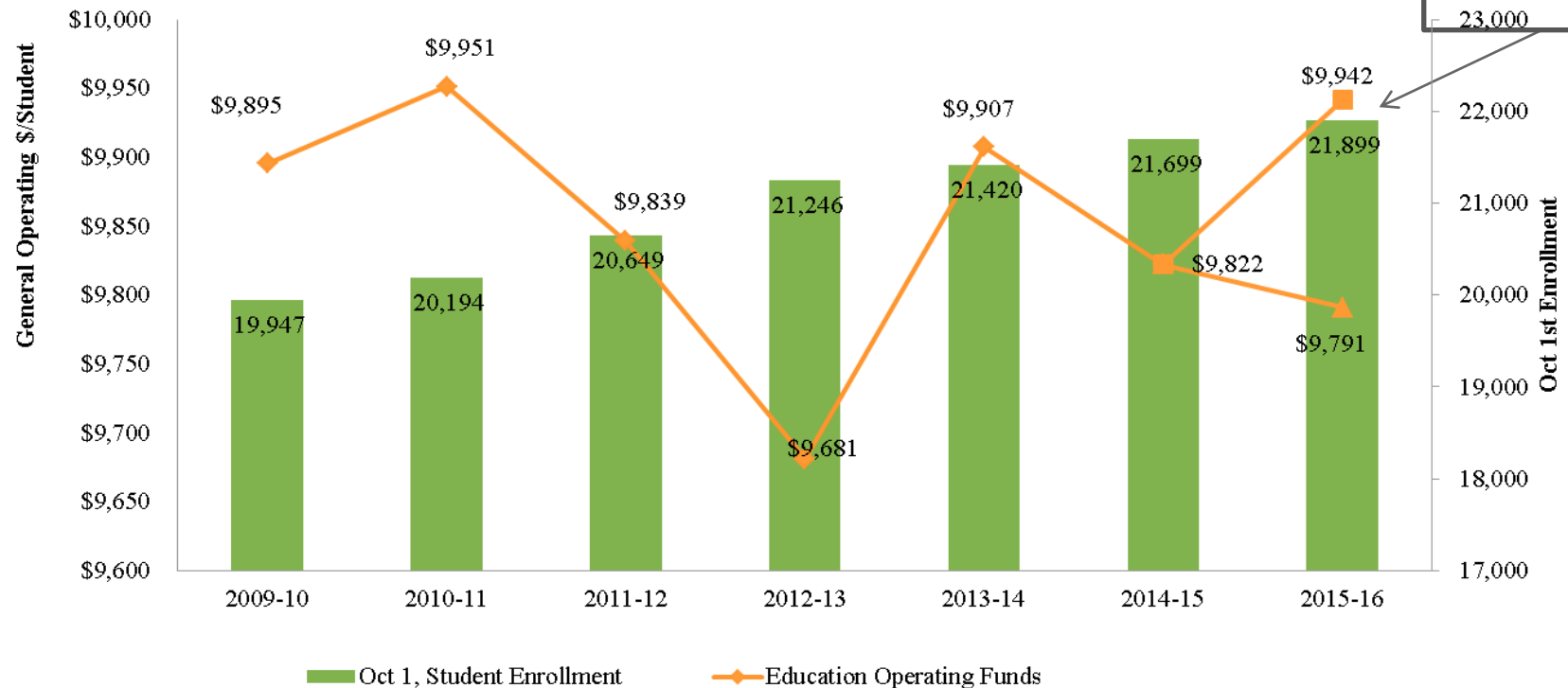
- Increasing levels of satisfaction amongst key stakeholders across the district



Context: Decline in Operating Per-Pupil over Time; Full Reversal in Sight

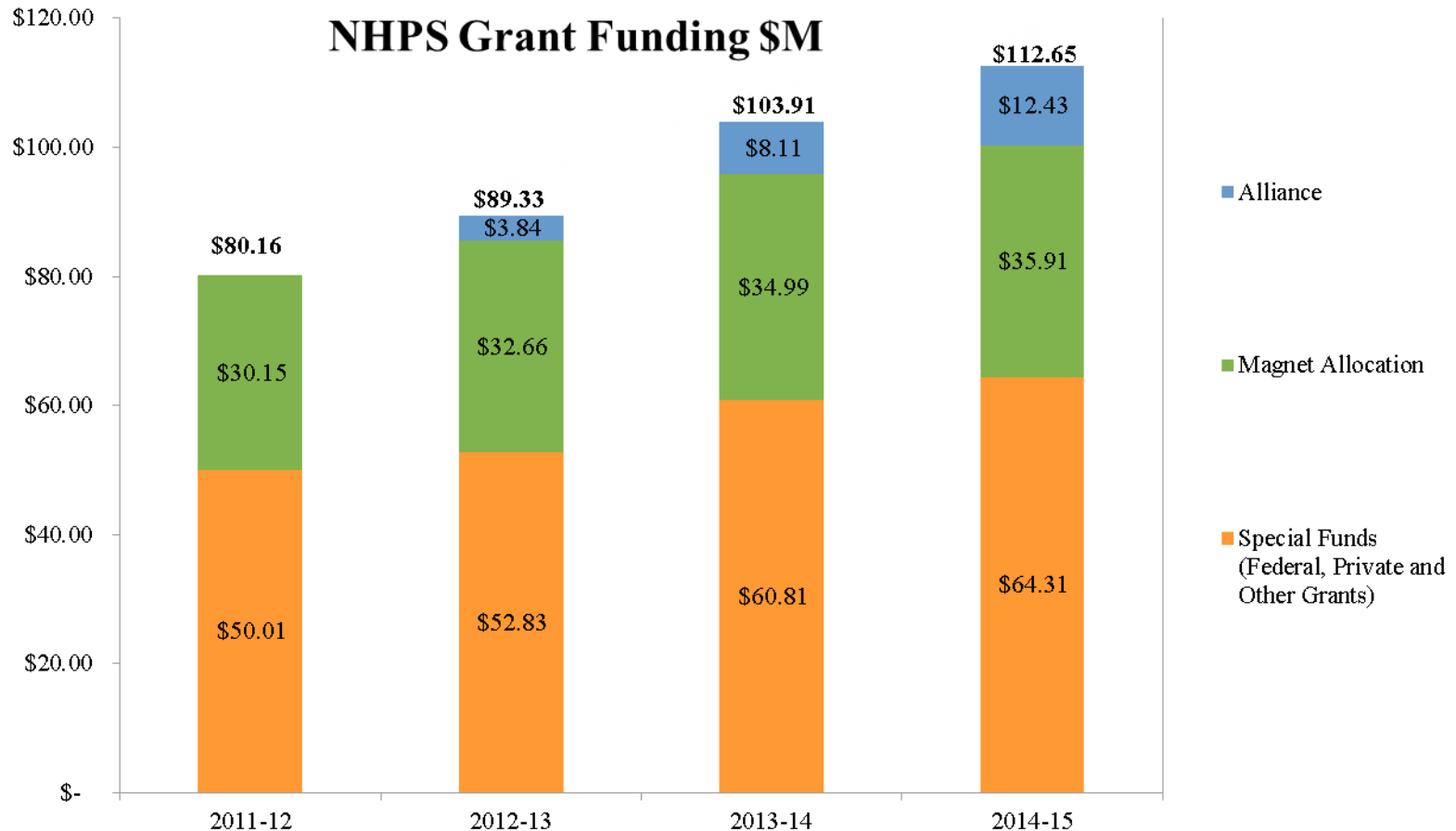
With Mayor's proposed increase

When Enrollment Grows Faster than Revenue, Per-Pupil Funding Drops

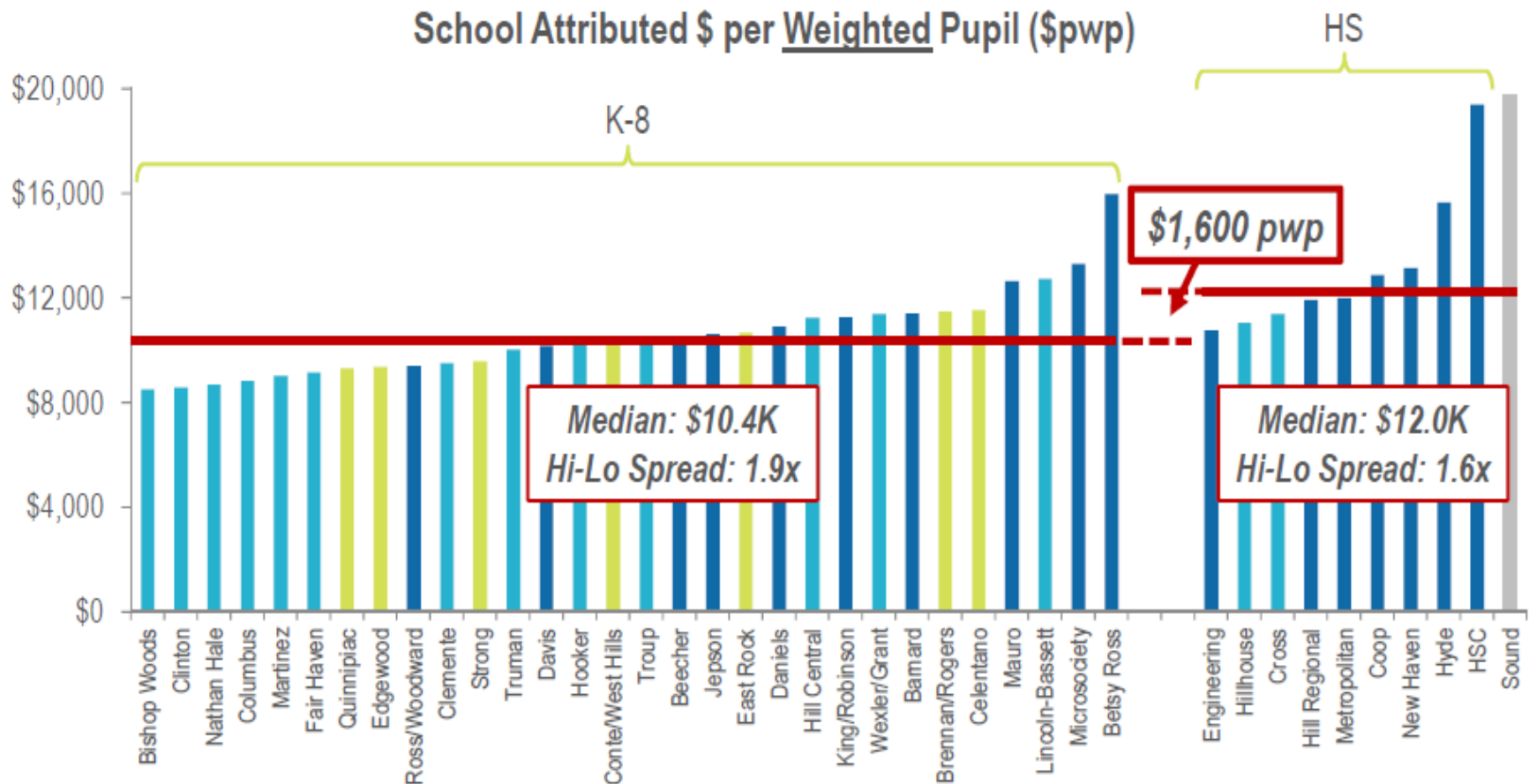


	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16
General Fund Budget	\$ 173,562,088	\$ 173,719,297	\$ 173,019,297	\$ 173,019,297	\$ 177,219,297	\$ 177,219,297	\$ 180,519,297
Magnet Allocation	23,823,390	27,239,170	30,146,970	32,664,100	34,994,690	35,913,520	37,191,440
Total Education Operating	\$197,385,478	\$200,958,467	\$203,166,267	\$205,683,397	\$212,213,987	\$213,132,817	\$217,710,737
Enrollment	19,947	20,194	20,649	21,246	21,420	21,699	21,899

Context: District Funding Being Increasingly Driven By Grants



Significant Funding Inequities Have Been Identified and Informed Budgeting Decisions



- Wide disparity between highest-resourced schools and lowest-resource
- Based on 2014 Actual Expenditures; rankings may change if 2015 data is used

FY16 Revenue Outlook – Education

Operating Funds

	FY 2014-2015 Adjusted Revenue		FY 2015-2016 Proposed Revenue		Change
State of Connecticut Pass-Thru Grants					
Education Cost Sharing	\$ 142,509,525		\$ 142,509,525		\$ -
State Aid for Construction	6,147,820		6,147,820		-
School Transportation	2,438,926		2,438,926		-
Education Legally Blind	120,000		120,000		-
Health Svcs-Non Public	60,000		60,000		-
SPED Transportation - Excess Cost	1,365,588		1,365,588		-
	<u>\$ 152,641,859</u>	36%	<u>\$ 152,641,859</u>	36%	<u>\$ -</u>
City of New Haven Funding					
Direct City of New Haven Appropriation	24,577,438		27,877,438		\$ 3,300,000
	<u>\$ 177,219,297</u>	42%	<u>\$ 180,519,297</u>	43%	<u>\$ 3,300,000</u>
Total General Fund					
State Magnet Operating Grant	35,599,360		37,191,440		\$ 1,592,080
Other Operating Revenues, Fees, Reimbursements	9,266,383		9,716,383		450,000
Total Other Operating Revenues	<u>\$ 44,865,743</u>	11%	<u>\$ 46,907,823</u>	11%	<u>\$ 2,042,080</u>
Total Education Operating Funds	<u>\$ 222,085,040</u>	52%	<u>\$ 227,427,120</u>	54%	<u>\$ 5,342,080</u>

FY16 Revenue Outlook – In-Kind and Special Funds

In-Kind City of New Haven Support

Health Benefit Allocation	40,447,798		39,540,000		(907,798)
Pension	8,929,763		8,852,263		(77,500)
Worker's Compensation	2,471,926		2,727,500		255,574
Debt Service	37,863,742		36,122,575		(1,741,167)
Total	\$ 89,713,229	21%	\$ 87,242,338	21%	\$ (2,470,891)

State of Connecticut Direct Grants

Alliance District Grant	12,428,834		12,068,095		(360,739)
School Readiness	8,247,975		8,200,636		(47,339)
Priority School District	6,158,332		6,158,332		0
State Adult Education	3,303,266		3,303,266		0
Commissioner's Network Grant	1,989,343		1,194,636		(794,707)
School Security Grant	1,937,711		1,937,711		0
Low Performing Schools Bond Funds	1,336,596		407,893		(928,703)
Child Development Program	1,246,282		1,246,282		0
Other State Grants	5,645,919		4,175,030		(1,470,889)
Total	\$ 42,294,258	10%	\$ 38,691,881	9%	\$ (3,602,377)

Federal Grants

Teacher Incentive Fund	\$ 16,908,721		\$ 21,024,931		\$ 4,116,210
Title I Improving Basic Skills	11,966,374		11,769,363		(197,011)
Head Start	6,894,867		6,894,867		0
IDEA Part B, Section 611	5,794,664		5,511,580		(283,084)
Magnet Schools Assistance Program	6,655,451		5,617,121		(1,038,330)
Title II Part A Teachers	2,324,523		2,446,352		121,829
Other Federal Grants	7,493,445		3,994,593		(3,498,852)
Total	\$ 58,038,045	14%	\$ 57,258,807	14%	\$ (779,238)

Food Program, Private, and Reimbursements	\$ 12,964,446	3%	\$ 12,863,536	3%	\$ (100,910)
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Total Special Funds	\$ 203,009,978		\$ 196,056,562	46%	\$ (6,953,416)
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TOTAL REVENUES	\$ 425,095,017	100%	\$ 423,483,682	100%	\$ (1,611,336)
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Other In-Kind that we don't typically report include School Nurses, Crossing Guards, School Resource Officers, and the time of City staff that support NHPS.

FY16 Expense Outlook (Education Operating)

Cost Increases

1. Projected Contractual Increases

Teacher Salary Increases	\$ 3,847,849
Non-Teacher Salary Increases	684,831
Non-Personnel Cost Increases	2,319,040

\$ 6,851,720

2. Priority Investments

\$ 1,736,000

Total Increases for FY16:

\$ 8,587,720

Resources

1. Cost Cutting Efforts

Equity-based savings on school positions	\$ (1,500,000)
Transportation Efficiencies	(400,000)
Bus Fuel Savings	(675,000)
Decrease in Food Service Subsidy	(500,000)
On-going budget reductions	(800,000)

\$ (3,875,000)

2. City Of New Haven Revenue

\$ (3,300,000)

3. Special Funds Re-Purposed

\$ (1,412,720)

Total Resources for FY16:

\$ (8,587,720)

- Mayor's budget proposal with a \$3.3M increase for education is much needed given our \$6.8M in contractual increases
- With an overall increase greater than the revenue increase, every dollar of additional investment must be offset by cost reductions or allowable grants re-purposing
- Budget reductions of \$3.9M will require careful monitoring to ensure execution

Tracking FY16 Expenses

Key Cost Cutting Contingencies

A. Staffing Savings (\$1,500,000)

- Current analysis on staffing across the district shows apparent over-investment at the high school grades, and under-investment at the lower grades
- We are establishing a staffing model that will inform our re-hiring decisions (or non-rehiring). Critical time is between now and middle of August.

B. Transportation Savings (\$1,075,000)

- By minimizing exceptions such as elimination of bus service for students residing in designated walk zones, and non-standard bell times, we can target \$400K in savings.
- Fuel costs have been locked in at \$.90 lower than the current contract. Usage (750K gallons in the last year) is going to be monitored closely.

C. Food Service (\$500K)

- Lower subsidy is contingent on current revenue forecasts; we track monthly

D. On-Going Reductions (\$800K)

- Tracking monthly (natural gas, contractual services, etc)

Careful Focus on Reprioritization Will Enable Investment in New Target Areas

Summary of Incremental Investments Proposed - ALL FUNDS				
Academic Learning Systems; Starting and Keeping Students on the Right Track	Social, Emotional & Physical Learning Systems; Building Engagement Student	School Portfolio; Continue to Strengthen Schools	Talent; Attract, develop and retain the best educators	Strategic Infrastructure; Provide Support to Students and Schools
<p>* \$618,000 to address staffing inequity at neediest schools</p> <p>* Achieve lower staffing ratios for early grades in high-needs schools through proactive registration management (budget neutral)</p>	<p>* \$350,000 for redesign of Homebound and Alternative instructional model</p> <p>* \$240,000 to add school based student services staff</p> <p>* \$168,000 to maintain after-school focus given expiring funding sources.</p> <p>* \$507,000 for creation of 2 therapeutic classrooms for high needs students</p> <p>* \$200,000 to add truancy staff, provide mentor support to at-risk youth, and emergency mental health support</p> <p>* \$300,000 to maintain high quality summer school given expiring funding</p>	<p>* \$500,000 to support targeted school planning, including central capacity</p>	<p>* Given our large TIF Grant, all of those initiatives are covered by that grant</p>	<p>* \$245,000 to provide 5 additional school security positions</p> <p>* Establish office budgets and ensure adequate budgets for administration and supervision (budget neutral)</p>
\$ 618,000	\$ 1,765,000	\$ 500,000	\$ -	\$ 245,000
Total Investment:				\$ 3,128,000

Final Clarifications and Board Action

Staffing Levels

- Entirely dependent on the “snapshot date” taken for the data used in the book
- May 2014 for current year, January 2015 for FY16 Proposal
- Proposal is to keep staffing levels flat, except where explicitly requesting an increase (slide 19)

Impact of Enrollment

- This budget proposal is based on 10/1/2014 enrollment counts, and those counts impact flexible budgets for schools including part time and substitute allocations
- Should enrollment vary significantly, we will adjust those budgets (and needed staffing), accordingly

Budget Amendments

- This budget represents a plan, and as such will invariably change based on shifting needs
- Any significant changes to this plan will be discussed publicly at future Finance and Operations Committee meetings

Motion needed for Board action:

That the Board of Education vote to approve and adopt the FY16 budget proposal, inclusive of all-funds revenues listed, and expenditure plans provided.

Looking Ahead

Monday April 13 -	First Board of Education Reading of FY16 Proposal
Wednesday April 15 -	Board submits written questions to Superintendent
Monday April 20 -	Responses provided, and discussed at Finance and Operations Committee
Monday April 27 -	Second Reading and Board Vote on FY16 Proposal
Wednesday April 29 -	Budget Presentation to Finance Committee Board of Alders
May/June	Board of Alders vote on City of New Haven Budget; final budget adjusted to reflect actual approved budget.