School Budget Allocations

Presented by:
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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

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

Current School Budget Allocation Overview

Highlights of the current funding allocation process include:

Base funding historical formula using a staffing ratio at different grade spans:

- Elementary: (pupils / 25.20 * $86,395), or $3,428/pupil
- Middle: (pupils / 20.65 * $86,395), or $4,184/pupil
- High School: (pupils / 21.60 * $86,395), or $4,000/pupil

Small school funding:

- Under 300 kids: (pupils * 0.7% * $86,395), or $605/pupil
- Between 300-400 kids: (pupils * 0.5% * $86,395), or $432/pupil

At-Risk funding historical formula: ("free" students x 0.0095 x $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)

Current School Budget Allocation Overview

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 * 0.0921) * $86,395 (or $1,850)
Discretionary, Staff Development, Copier, Equipment:	$112 x pupil
SPED Discretionary	$17.50 * 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 TE + (School NEP-LEP / District NEP-LEP)*TE
On-Time Intervention (fixed)	$24,684 for elementary, $46,755 middle/high
ELA Teacher & ELA Translator	(0.5 * $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

	Current	Proposed
Base Allocation	Funding allocation based on a staffing ratio: -> Elementary: $3,428/pupil -> Middle: $4,184/pupil -> High School: $4,000/pupil	Funding for all students at $4,285/pupil
Small School Adjustment	Schools <300: $605/pupil Schools 300-400: $432/pupil	Discontinued, added to base allocation
At-Risk Allocation	Historical allocation: $821/"free"	Increase to $1,261/free *and* reduced
Additional Historical Allocations	Allocations either outdated or do not adhere to new regulations or legislation	Add outdated allocations to the base, or change funding allocations based on changes in law

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?