



Recommended Budget Reductions for the 2022-23 School Year Budget Advisory Committee Meeting #4

The budget deficit projected for the 2022-23 school year:

- The 2018 School Program & Operations Levy expires at the end of the 2022 calendar year and MSD will collect the remaining funding (\$7 million) from that levy in October 2022. We budget each spring for the upcoming school year, which is now underway for the 2022-23 school year. Without a voter-approved renewal of the expiring levy to provide continued funding in 2023, we must plan for a reduction in revenue of about \$7 million (*what the renewal of the SP&O levy would have provided for 2023 half of the 2022-23 school year*).
- In addition, between 2019 and now, our student enrollment has decreased by roughly 700 students, which means we have lost roughly \$7 million in state and federal revenue. This funding gap was temporarily filled this school year by federal one-time emergency funding (Elementary and Secondary School Relief - ESSER). This funding will not be available next school year to continue bridging this funding gap.
- The loss in revenue of the \$7 million (levy expiration) + the \$7 million (loss in enrollment) = a projected budget deficit for the 2022-23 school year of \$14 million. The proposed budget reductions to address this deficit are outlined below.
- Monroe School District plans to ask voters one more time to renew the critical School Program & Operations Levy in November 2022. If this levy does not pass, Monroe School District will need to identify an additional \$14 million in reductions next spring on top of the reductions listed below.

The district leadership team has already identified **\$13,272,000*** in reductions for the 2022-23 school year, which includes: (*dollar amounts are educated estimates at this time*)

- Rightsizing certificated staffing: **\$2.7 million**
 - Between 2019 and now we have lost roughly 700 students and we did not adjust certificated staffing accordingly to reflect this drop in enrollment due to classroom capacity limitations from COVID-19 physical distancing requirements. This proposal would be to adjust certificated staff to align with pre-COVID class size ratios.
- Rightsizing paraprofessional staffing: **\$358,000**
 - We also did not adjust paraprofessional staffing accordingly to reflect the above mentioned drop in enrollment. It is proposed to reduce 2 hours of basic education paraeducator time at each traditional school (*does not include paraeducators in special education, health rooms, crossing guards, LAP or ELL*). Each school will have discretion on how the two-hour reduction will be structured.
- Elimination of Everett Community College and Shoreline Community College Youth Re-Engagement (U3) Program: **\$3 million**



- The Youth Re-Engagement (U3) program provides an opportunity for youth ages 16-20, who have dropped out or who have no chance to graduate from high school on time. Students can earn their GED and participate in postsecondary or work readiness education (GED plus), earn a high school diploma or earn college credits/certificates or a two-year degree, to earn a diploma and a college degree for FREE. The vast majority of the students who have historically participated in this program have **not** been students who live within the Monroe School District.
- Pay for basic education portion of TOSAs out of grants: **\$90,000**
 - We currently have 3 district-wide Teachers on Special Assignment (TOSAs) who provide support for many critical programs, including special education, highly capable, learning assistance program (LAP), multi-language learners (MLL), and a mentoring program for beginning educators. Currently, grants provide funding for a portion of these 3 positions. Next year these 3 positions will be funded 100% by grants, resulting in a \$90,000 savings.
- Use financial reserves from the district's fund balance: **\$7 million** (*requires board approval and a change in board policy*)
 - The fund balance is the financial reserves a school district sets aside to cover the cost of unanticipated expenses, restricted revenue, prepaid items & inventory. According to current board policy, the fund balance must remain at a minimum of 5% percent of the current revenues to address potential general fund needs. In addition to the 5% described above, the board directs an additional \$1,115,000 to be set aside. Using \$7 million of the fund balance to address budget deficits for the 2022-23 school year would require the board to change the minimum amount that must be maintained in the fund balance in the current board policy.
 - **This is NOT A REDUCTION in expenditures**. This is merely using financial reserves to bridge \$7 million of the funding gap **temporarily** in hopes that the renewal of the SP&O Levy passes in November 2022. Using fund balance is being proposed so that we are able to reduce fewer expenditures that directly impact students, like athletics and extracurricular activities, for the 2022-23 school year. Once we use these financial reserves, they will no longer be available to address future gaps in funding or unanticipated expenditures. If the SP&O Levy is not approved in November, an additional \$14 million will need to be cut from the 2023-24 school year budget next spring, which will include all athletics and extracurricular activities.
- ***NEWLY ADDED**: After district leadership budget discussions, it is also proposed to rightsize custodial staff: **\$124,000**
 - Due to COVID-19 cleaning requirements in the 2020-21, we added 1.5 custodial staff members. The proposal is to reduce by 1.5 staff members to return to the pre-COVID custodial staffing level.



Reduction proposals from the Budget Advisory Committee for an additional \$850,500:

- 5 furlough days (*unpaid days off*) for school and district leadership: **\$140,000**
 - This would mean a loss in pay for all school and district leaders (*roughly 5% reduction*). Each year, Washington State determines [Implicit Price Deflator \(IPD\)](#) rates (*basically cost of living increases*) for public school staff salary increases. Next year's IPD rate is 5.5% for all staff (*certificated staff, classified staff and administrators*). The loss in pay from the five furlough days **for administrators** would make their IPD salary increase almost cost neutral for the 2022-23 school year.

- 3% budget reductions from the following departments: Superintendent's Office, Board Budget, Fiscal Dept, HR Dept, Operations Dept, Communications Dept: **\$260,000**
 - Departmental budgets pay for many essential products and services that are required and/or necessary to maintain the operations of the school district (*examples include the district website, Family Access/Skyward, financial software, Zoom software subscription, employment website, recruiting, district radios, etc*).

- Pausing Solution Tree Professional Learning Community (PLC) Training for staff: **\$93,000**
 - We signed a three-year contract with Solution Tree to provide training for our staff on Professional Learning Communities (PLCs) beginning in the 2021-22 school year. Due to the failure of the levy in February, we paused our three year training plan with Solution Tree for the remainder of year one and will continue to pause until we have the funding source to continue.

- No new leased vehicles (*we will still need to make payments on what we currently have*): **\$35,000**
 - We have a multi-year contract with Enterprise to lease new vehicles to systematically replace our aging service vehicles (*vans, trucks, etc*). We will pause leasing any new replacement vehicles until we have funding to continue our vehicle replacement plan.

- Part of staff professional development fund: **\$100,000**
 - This is a significant reduction in the professional learning opportunities we provide for our staff. Some of our staff contracts include a provision for professional development each year. In order to uphold these contractual agreements, we cannot eliminate *all* professional development. This also does not include professional development that is funded by grants.



- **Desktop Alert System: \$5,500**
 - This is a software license to provide emergency flash notifications on the screens of staff computers and classroom display panels during the school day. We have not yet utilized this system as we have a variety of other emergency communication methods.

- **Experiential Learning: \$50,000**
 - Hands-on learning opportunities in schools (*examples include school visits from the Reptile Man and the Pacific Science Center*).

- **3% reduction of school budgets: \$15,000**
 - School budgets are spent at the discretion of school principals and are used for things like materials, supplies, books, staff professional development, and paying for extra staff time.

- **Adoption of new materials for K-8 science: \$150,000**
 - Our current science curriculum in grades K-8 needs updates (our middle school science curriculum is over 10+ years old). This would further delay the adoption of new science curriculum.

- **Digital Learning NCCF Conference: \$2,000**
 - Regional technology conference for educators

- ~~TalkingPoints Text Messaging Service: \$31,500~~
 - TalkingPoints is a two-way text messaging platform that provides translations so that staff can communicate with families who are non-English speaking. In order to continue to equitably engage with our diverse population of families, the district leadership team and many members of the committee believe that continuing this service (or one very similar to it) is essential.