

Background:

In 2016 the Board of Trustees for the Mountain View Whisman School District adopted Strategic Plan 2021: One MVWSD, One Team, One Plan. This plan was developed after extensive community engagement. It outlined five goal areas that would drive all District work. Leading up to the strategic plan's development during the 2014-15 school year, the Board of Trustees expressed concern about maintaining a high reserve and wanted staff to implementing strategies that improve student outcomes, close the achievement gap and improve staff and teacher retention.

Since the 2015-16 school year, MVWSD has implemented the following:

- Increased overall compensation by 23%
- Added Response to Instruction teachers
- Revised the middle school schedule
- Restored health benefits to impacted employees
- Added instructional coaches at each site
- Added school community engagement facilitators
- Provided turnaround funding to two school sites
- Expanded summer school
- Provided summer and winter meals to students feeding
- Implemented Sheltered Immersion Observation Protocol (S.I.O.P.) district wide to improve outcomes for English language learners

In addition, the Board of Trustees also passed a resolution directing staff to maintain a three-year reserve of 17-20%. This aligns with SP2021 goal 5.1(a).

Current picture:

Over the past three years, MVWSD has enjoyed increased revenues. As a community funded / basic aid district, the revenues are tied to the Assessed Value (AV) growth in the city. For three consecutive years (2015-16 to 2017-18) that growth has exceeded expectations: 12.9%, 12.7%, 11.65%. The 2018-19 the AV roll fell close to 2.46 percentage points below projections resulting in a loss of \$785,188 in projected revenues. As a result, the Superintendent implemented a hiring freeze for non-school based positions, and began to eliminate positions, not only to meet the Board reserve limit, but also to preserve the 2018-19 tentative salary agreement that increased salaries by five percent.

With a new charter petition being submitted, which is expected to cost the District \$1.8 million dollars in revenue in its first year, it is imperative that MVWSD begins to prioritize its expenditures.

Process for making reductions

Typically, there are several ways for school districts to implement budgetary reductions. Each has its pros and cons. Listed below are some common approaches:

Option A: A flat cut across the district. This percentage is typically applied to all departments / sites equally, regardless of the size of the department / site. In this case directors and executive staff members make recommendations to the Board of Trustees for budgetary cuts and implement them unilaterally. While this may reduce the amount of organizational stressors as it relies on a small number of people to make the decision, this method does eliminate stakeholder engagement and does not take into account the individual needs of sites / departments.

Option B: The spreadsheet method. Staff creates a spreadsheet that lists every initiative / program as well as its associated costs. Then in a series of public Board meetings, the Board is asked to move items up and down in the spreadsheet while maintaining the desired bottom line. Just as with option A, this focuses solely on the bottom line number and often times whole programs are targeted for elimination. This opportunity does allow for the public to view the process, but the Board is asked to make these reductions in real time. This process is often very public, political, and it limits site and department input.

Option C: The Board of Trustees in partnership with the superintendent works to develop the list of programs that should remain intact in order to carry out the SP2021. Once that list is developed, then sites / departments will work with their community and leaders to identify their spending priorities. While sites are work to determine what items are essential to meeting its LCAP and site plan goals, members from the fiscal office will determine how the reductions impact each site/department. This is done by providing each site with a proportional amount that is reflective of its impact on the overall budget (i.e., Department A = 15% of all MVWSD expenditures). So Department A would have to reduce its expenditures by that proportion; 15% equals approximately \$800,000 dollars in this example. This process does allow for sites / departments to select which to prioritize items to meet their site / department needs. While this approach does allow for the empowerment of staff, it is important to note any reduction of this magnitude can have a deleterious impact on student achievement and operations.

Staff is recommending that we follow option C as we investigate how to become a leaner / more efficient organization.