

Central Kitsap School District – March 2, 2010

Sent to Washington State Legislators

BACKGROUND

In the last five years, CKSD has managed an \$11 million budget shortfall. Our shortfall was created as a result of decades of chronic state-level underfunding and, in part, a significant and ongoing decrease in enrollment.

CKSD, like every school district in the state, faces a three-year budget deficit. A substantial amount of federal stimulus dollars and additional budget reductions for the current school year preserved elementary class size, free all day kindergarten, interventions and staff development. However, federal stimulus dollars will be exhausted next school year and are insufficient to cover the proposed state-level reductions for school year 2010-2011.

Additionally, the projected budget deficit for school years 2011-2012 and 2012-2013, is approximately \$2 million - there are limited solutions. Continuing to attempt to fund programs that are no longer supported by state funds or using a substantial amount of reserve dollars will further exacerbate a growing deficit and eliminate programs that will directly and negatively impact student achievement.

Unfunded mandates continue to significantly impact our ability to implement new programs without adequate support. These new programs directly impact both staff and administrator work load, and most importantly student achievement.

WHAT MAKES CKSD DIFFERENT

In analyzing per pupil expenditures, CKSD remains well above the state average in the amount spent on teaching and teaching support. Conversely, CKSD remains well below the state average for the amount of dollars spent on administration.

Our elementary class size is the lowest in Kitsap County, and we have one of the lowest class sizes in Washington state.

Our library program is staffed by full-time certificated staff and by classified staff at the elementary and secondary schools. The majority of other school districts do not include full-time, well trained and highly qualified certificated library staff.

Our music program is robust, and well supported. In addition, CKSD is the only district in Kitsap County, and one of the few school districts in Washington, that provides quality musical string instrument in two-thirds of our elementary schools.

CKSD provides free, all day kindergarten to selective schools because research shows that it improves academic performance; we receive no state support. Unless

the state provides reimbursement for all day kindergarten, we will not have the funds to maintain this program, even at schools with the highest levels of poverty. Currently, the state only provides resources to CKSD for half-day kindergarten.

HOW WE ADDRESSED THE PREVIOUS BUDGET SHORTFALL

We continue to protect our classrooms; a reduction in administrative costs, in part, achieved this goal. The tasks associated with most of these reductions have not been eliminated, but passed to other administrators and staff. Many of these new tasks have increased workload at every level inside CKSD.

An example of reductions in administrative costs is a 4.4 FTE or 7.3% of CKSD administrators have been eliminated over the last four years. This preemptive reduction was an effort to protect classrooms. These reductions have impacted workload at all levels and include reduced support to staff and a decreasing ability to conduct future planning. For comparison, a commensurate 7.3% staff reduction would result in the elimination of over 80 staff positions. A reduction of this magnitude is unacceptable!

All classified and certificated administrators forfeited one day's pay in an effort to support our certificated staff as a result of the loss of the Learning Improvement Day. Although the elimination of the LID resulted in no return of general fund staff dollars to CKSD, the administrator dollar savings was returned directly to the general fund in support of educational programs.

We closed two elementary schools. This decision was difficult, but allowed us to balance past budgets while keeping reductions away from classrooms.

There are examples of other reductions; too numerous to list in this document.

POTENTIAL IMPACTS BASED UPON STATE PROJECTED REDUCTIONS

The proposed Senate and House budgets, which, both contain targeted classroom reductions, will force us to make some number of unknown staff reductions. The impact of any reductions will result in an increased workload, and there will be a negative impact on student achievement.

The reduction of the Learning Improvement Day (LID) and the second LID, will negatively impact our classrooms – we need this time to accomplish state directed initiatives.

Proposed state cuts will jeopardize academic success. Budget reductions will reduce our staffing ratio and increase elementary class sizes; reduce professional development opportunities for staff; limit important interventions that help our most struggling students; reduce or eliminate free all day kindergarten; and delay the purchase of already delayed curriculum materials.

OUR FISCAL RESERVE

Using our reserve to cover state targeted reductions does not solve our long term budget shortfall, and in the short term, jeopardizes programs that directly and positively support our students.

We have an ending fund balance of \$11 million for 08-09, which includes a 3% revenue reserve of \$3.5 million. Over \$4 million of the \$11 million fund balance is a federal contingency reserve (FCR). CKSD relies heavily on federal dollars to support a 48% federally connected student population. Federal funding represents approximately \$6 million annually; there is no guarantee that these funds will be available in the future. And for a period of time not too long ago, we were disqualified from receiving heavy impact aid funding. CKSD is the ONLY school district in WA that receives heavy impact aid, so consequently, our ending fund balance reflects this unique and essential source of revenue.

Since we were recently in jeopardy of losing heavy impact dollars, our FCR is the "insurance policy" that allows us to complete the current year in the event of lost federal funding. In the event of the loss of heavy impact aid, this insurance policy gives us an additional six months to find other reductions inside the existing budget. The FCR was constituted from heavy impact dollars that have traditionally been allocated to our Capital Projects Fund. Given the tenuous nature of impact aid and without the FCR, we could be in a position of facing an uncontrolled catastrophic loss of programs including not meeting payroll requirements. Program loss will result in substantial and negative student achievement impact, and administrator and staff reductions.

Greg Lynch

Superintendent

Central Kitsap School District