



**Ross Valley School District
Proposed Budget 2013-2014 Fiscal Year
Narrative**

The Ross Valley School District proposed budget for the 2013-14 school year is presented for the Board of Trustees review and approval. This budget must be approved and presented to the Marin County Office of Education by June 30, 2013. The County Office will review and advise of any comments by August 15, 2013.

This narrative is presented in several sections:

- Overview
- General Fund:
 - State Budget
 - Enrollment Growth, Staffing and Other Local Factors
 - Reserves
- Other Funds
- Board Goals

The state-required budget report forms are attached to this narrative.

Overview

The proposed 2013-14 RVSD budget provides a variety of educational and support program enhancements for the coming school year. Among these are teaching positions for expanded middle school elective courses (including technology and other equipment necessary to provide these new courses), a teaching position to support program improvement needs at Manor School as required by the federal No Child Left Behind legislation, teacher allocations to avoid the use of combination classes at our elementary schools and a preschool speech program transferred from the Marin County Office of Education.

Professional development opportunities are funded in this budget, including allocations for Common Core Standards implementation, technology implementation for classroom teachers and Guided Language Acquisition Design (GLAD) program training for new teachers.

Technology infrastructure needs are addressed in this budget as well. The District will install much needed upgrades to our schools technology infrastructure including cabling, networking, audio visual systems and voice projection.

Also provided are teaching positions for enrollment growth, funds necessary for staff movement across salary schedules (known as “step and column” costs), a 60% increase in costs for the Districts workers compensation insurance program and the Board of Trustees election to be conducted in November 2013.

To finance the above, the District expects to receive new funds from the State of California, the first such funding increase in five years. We also project to receive additional funds from our local parcel tax, and funds from our County Office of Education for the preschool speech program transfer.

Funding was reduced via “sequestration” cuts implemented by the federal government last March. Staff estimates this will reduce RVSD funding by about \$31,000 next year. These cuts will be absorbed by the various programs financed by these federal dollars.

Combined, these new funds provide for the program enhancements and other needs noted above, leaving a small “structural deficit” (defined as spending that exceeds income) of -\$48,756. The District will finance this structural deficit by drawing against its undesignated/unappropriated reserves, leaving \$201,511 of one-time funds unallocated in this account.

In addition to the structural deficit, the District will utilize \$628,327 of one-time budgeted reserves to finance the afore-mentioned technology infrastructure implementation and one-time workers compensation program premium contributions. When combining the structural deficit and the allocation of one-time funding the General Fund ending balance is reduced, in a planned way, as follows:

Beginning Balance	\$3,622,296
Deficit	-\$645,280
Ending Balance	\$2,977,016

This planned reduction will leave funds in place sufficient to provide a reserve of 10% of budgeted expenditures, as well as additional amounts designated by the Board of Trustees. See the section of this narrative labeled “Reserves” for additional information.

General Fund - State Budget

As we have discussed since January, the Governor has proposed radical reform of public school finance in California. This new model, referred to as the “Local Control Funding Formula” (or LCFF), would drive funds into three basic categories:

- Base funding for all students
- Supplemental funding for students identified as English Language Learners or economically disadvantaged
- Concentration grants for districts whose supplemental funding populations exceed 50% of their total student population

The Governor proposes significant funding increases for public education to finance this new formula, as well as new categorically funded programs for implementation of Common Core Standards and energy efficiency projects. Additional funds are also proposed to enhance reimbursements for state-mandated activities.

However, the State Legislature’s proposals differ in that the amount of funds proposed for the three LCFF categories noted above are mixed differently, and more funds overall are provided. Each house has

proposals that would increase base grants and reduce the supplemental and concentration allocations, as well as provide funds to begin returning school funding to 2007-08 levels.

As of this writing, the two sides continue to negotiate a compromise, and school finance experts advised adoption should occur before the end of June. Until that happens, staff recommends the District assume a status quo funding model as this would be the most fiscally conservative assumption; the LCFF model, if approved, would provide a greater level of funding for the District and thus is considered the riskier assumption.

Attached to this report is a copy of the Executive Summary of the Marin Common Message. This document provides guidance from the Marin County Office of Education to all school districts in development of their 2013-14 budget, with particular focus on the topics noted in this section of the budget narrative. The guidance is developed by a consortium of all county offices of education throughout California, so as to provide a common message and themes to all school districts regarding best practices. Much of the assumptions utilized to build the Districts proposed 2013-14 budget are referenced by this report.

Once the state budget is approved, staff will develop a budget revision report and present to the Board of Trustees for their review and approval. This update must occur within 45 calendar days of the state budget approval, which will likely fall in the month of August 2013.

General Fund - Enrollment Growth, Staffing and Other Local Factors

As noted earlier, the District continues to experience significant growth in student enrollment, a trend that has continued since 2006. This creates several challenges, including providing adequate housing, staffing allocations and support services to a growing number of students at all schools.

District staff developed this proposed budget utilizing several significant assumptions about the funds created to provide for these students, and how these funds would be utilized.

The table below identifies assumptions utilized to develop General Fund revenue projections.

	Unrestricted	Restricted	Total
Revenue Limit Cost of Living Adjustment (COLA) 1.565%	\$174,244	\$0	\$174,244
Enrollment Growth - 67 ADA	\$354,119	\$0	\$354,119
Federal Sequestration -5.2%	\$0	-\$31,411	-\$31,411
Mandated Cost Reimbursement \$19/ADA	\$42,171	\$0	\$42,171
Lottery - Growth in Enrollment	\$7,560	\$1,260	\$8,820
Preschool Program Transfer	\$0	\$63,472	\$63,472
Property Lease - Robins Nest/Red Hill School	-\$22,000	\$0	-\$22,000
Parcel Tax 4% Increase	\$135,642	\$0	\$135,642
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Total	\$691,736	\$33,321	\$725,057

The table below identifies the significant factors used to develop expenditure allocations for the 2013-14 school year from these new revenues, as well as savings resulting from reduced or changed services.

Committed or Mandated Items:

Workers Compensation 30% Rate Increase	\$63,606
Election Fees - November 2013 Board Election	\$15,000
Step & Column Salary Schedule Movement, Net of Replacement Savings	\$126,513
Teaching Positions 2.0 FTE - Enrollment Growth - Elem Schools	\$147,966
Teaching Positions 0.8 FTE - Enrollment Growth - White Hill	\$59,186
Teaching Position 1.0 FTE - Program Improvement	\$73,983
Speech Pathologist 0.6 FTE - Preschool Program Transfer	\$44,390
Reduction of County "Billback" - Preschool Program Transfer	-\$35,942
Retiree Benefits - Increase in Participation	\$13,837
Total Committed and Mandated	\$468,288

Discretionary Items:

Additional 2.2 FTE White Hill Electives	\$162,763
Mandated Cost Reimbursement Program - Consultant Contract	-\$9,647
Custodial Staffing and Supplies - New Buildings, White Hill	\$47,950
Total Discretionary, Committed and Mandated	\$677,802

Additional one-time allocations from the Districts reserves are detailed below.

Funded from Reserves:

Technology infrastructure – All Schools	\$510,000
Instructional Technology – White Hill	\$19,024
Instructional Technology, Electives – White Hill	\$67,500
Total	\$596,524

Reserves

As noted earlier in this report, the District maintains a balance in its General Fund that has been designated for identified priorities, with a small undesignated amount. The attached reserve report summarizes these amounts, which include allocations for:

- Technology infrastructure
- Deferred facility maintenance
- Textbook adoption for implementation of the Common Core Standards
- Special Education program placements
- A state-required reserve of 3% of budgeted expenditures
- A board-policy required reserve of 7% of budgeted expenditures

After providing for the above, \$201,511 remains unallocated and cannot be used for permanent expenditure increases as reserves are like a savings account i.e. they can be spent only once and they are gone.

Other Funds

The District operates various programs that are financed via resources deposited into funds outside the General Fund as required by the California School Accounting Manual (which was developed in accordance with Governmental Accounting Standards Board statements). These funds are:

- Cafeteria Fund (food service program meal reimbursements and food sales)
- Deferred Maintenance (defunct fund – no longer funded by the state- balance is small residual)
- Building Fund (deposits of Measure A facility program bond proceeds)
- Capital Facilities Projects (deposits of developer fee proceeds utilized for facility projects)
- Bond Interest and Redemption (deposit of proceeds from Measure A bond tax override to repay borrowing)

The amounts budgeted in these funds are standard allocations relative to District past practices. No significant changes are presented.

Board Goals

This section of staffs report regarding the RVSD 2013-14 proposed budget addresses how resources have been allocated to meet goals established by the Board of Trustees in the areas of instruction, professional development, communications with the broader community, facilities development and maintenance, school safety, recruiting and retaining staff and budget development and communication. The narrative that follows is organized by goal.

Goal I:

Provide every student with meaningful, differentiated opportunities to access and demonstrate proficiency in core competencies and skills for global citizenship.

- *Initiative A - Provide all students a social emotional curriculum.*
- *Initiative B - Increase students' access and use of appropriate technology to access information, foster collaboration, generate new ideas, create products and communicate learning.*
- *Initiative C - Implement Common Core Standards in English Language Arts and Mathematics.*
- *Initiative E - Provide opportunities for teacher collaboration to support students' academic, social and emotional success.*
- *Initiative F - Support the continued development of a consistent system of instruction, assessment and differentiation for all learners.*

The proposed 2013-14 District budget provides the following allocations to address Goal I:

Social/Emotional Curriculum – Funds were allocated in the 2012-13 year to implement the Toolbox social emotional curriculum in grades K-8. The Toolbox program will be continued in the 2013-14 year. A committee has been formed to study the efficacy of the Toolbox program for students in the middle school grades, and a report is expected during the 2013-14 year with implementation of any approved changes planned for the 2014-15 year.

Technology – Over \$500,000 in General Fund reserves and Bond Funds have been allocated in the 2013-14 year proposed budget to install technology infrastructure as recommended in a district-wide survey report prepared by the Districts technology consultants Deco Tech Systems. Installation will begin in June 2013 at White Hill School and then at all elementary schools thereafter.

Instructional and learning technology for teachers and students will then be installed at all schools. Additional funds will be needed to accomplish this outcome.

Another \$67,500 in one-time General Fund reserves have been allocated in the 2013-14 budget to provide software and hardware necessary to implement the expansion of optional elective classes at White Hill Middle School.

The YES Foundation allocated \$30,000 in the 2012-13 year to support technology implementation and staff development across all schools. These funds have been utilized by the schools to address needs identified, including equipment for staff, students and staff development.

An \$80,000 application for funding of a District technology coach position for the 2013-14 year was submitted to the YES Foundation, and preliminary indications are some portion of this request will be approved. The District will need to identify a funding source for any required matching amount, and to that end could utilize Common Core Standards funding proposed by the Governor for the states 2013-14 budget (see below).

Common Core Standards – The Governor has proposed funding over \$350,000 for Ross Valley School District to support implementation of the State-adopted Common Core Standards for English and Math. These funds have not been included in the Districts proposed 2013-14 budget as the State budget process has not been completed. If approved in the final State budget, these funds can be allocated to the following categories to support Common Core Standards implementation:

- Staff Development
- Technology
- Instructional Materials

Staff will present a recommendation for allocation among these categories once they are approved in the final State budget.

Staff also provided funds from the Districts Title II professional development program to provide two days of training in Common Core Standards implementation with Heidi Hayes Jacobs.

Program Improvement at Manor School – a teaching position has been funded for the 2013-14 year to support Manor School to improve student performance for identified student sub-groups, as well as all other students at the school.

English Language Learner Program – a teaching position has been funded in the 2013-14 budget to provide services to students identified as English Language Learners. This position will replace services provided by staff that are not certificated and thus not qualified to provide such service.

Preschool Speech Program – a program to assist preschool students identified as speech impaired will be transferred from the Marin County Office of Education to the Ross Valley School District beginning with the 2013-14 year. Federal funds will be transferred to the District, while county office costs billed to the District will also be reduced. A .6 full-time equivalent speech therapist will be hired to provide services, and allocations for materials, training and equipment has been provided.

Goal II:

Provide teachers, administrators and staff opportunities for professional development to enhance instructional leadership, curricular practices and professional skills to support 21st century teaching and learning.

- *Initiative A - Provide staff with technology training to support the implementation of Common Core Standards and 21st century skills.*
- *Initiative B - Provide GLAD (Guided Language Acquisition Design) training for all teachers and administrators.*
- *Initiative C - Provide social emotional learning professional development for all school site staff.*
- *Initiative D - Provide administrators and staff continued Common Core Standards professional development.*
- *Initiative E - Restructure the use of early release Wednesdays to provide teaching staff time to plan and implement district and site goals.*

The proposed 2013-14 District budget provides the following allocations to address Goal II:

GLAD - Training in the Guided Language Acquisition Design program was provided all teaching staff in the District during the 2012-13 school year. Additional funds have been allocated to train newly hired teaching staff for the 2013-14 year. Funds have also been allocated to fund the final \$40,000 payment for the GLAD program.

Social/Emotional Curriculum – Funds were allocated in the 2012-13 year provide all staff and students training in the Toolbox social emotional curriculum for use in grades K-8. Additional funds have been allocated to train newly hired staff for the 2013-14 year.

Common Core Standards – As noted earlier in this report, the Governor has proposed funding over \$350,000 for Ross Valley School District to support implementation of the State-adopted Common Core Standards for English and Math. These funds have not been included in the Districts proposed 2013-14 budget as the State budget process has not been completed.

If approved in the final State budget, these funds can be allocated to support professional development for staff to implement the new Standards. The Superintendent is evaluating options in this regard, including offering a summer institute for all teachers in 2014 that will immerse staff in what these standards mean for student learning and techniques to implement them across all classrooms at all schools.

Goal III:

Collaborate with community, school and student stakeholders to create, design and build exemplary learning environments that incorporate and promote 21st century teaching and learning.

- *Initiative A - Provide safe, clean and well maintained school facilities that support teaching and learning, physical activity, and community use.*
- *Initiative B - Initiate a “Classroom of the Future” committee with business and educational leaders to explore the future uses of technology in education.*
- *Initiative C - Communicate progress made on all bond funded construction.*

The proposed 2013-14 District budget provides the following allocations to address Goal III:

Routine Maintenance Program – Funding for the routine facility maintenance program in the 2013-14 budget has been continued at more than 3% of the District’s General Fund budget, which exceeds the minimum state requirement of 1%.

Deferred Maintenance Program - An additional one-time allocation of \$200,000 has been provided from General Fund reserves to finance a variety of deferred maintenance projects during the 2013-14 year.

Bond Funded Construction – the District’s Bond Oversight Committee will meet during the 2013-14 year to review progress on bond-funded projects, and issue a report to the Board of Trustees in the spring of 2014. The District’s Facility Executive Planning Committee meets twice per month to review project status and reports are provided by school board representatives to their fellow members.

Goal IV:

Promote engagement through active communication with all stakeholders.

- Initiative A - Provide parent education on district initiatives including but not limited to Common Core Standards, social emotional learning, small learning communities and the District’s budget.
- Initiative B - Engage the community in reflection and revision of Ross Valley School District’s Strategic Plan.
- Initiative C - Review Board Policies and Administrative Regulations annually, as necessary.
- Initiative D - Develop and implement a communication plan.
- Initiative E - Construct and launch a new district website.

The proposed 2013-14 District budget provides the following allocations to address Goal IV:

Strategic Plan - \$15,000 in allocations have been continued in the 2013-14 budget to support review and/or revision of the District’s Strategic Plan.

Board Policies and Administrative Regulations – budget allocations have been continued in the 2013-14 year to provide support to staff for revision of District board policies and administrative regulations, including the CSBA Manual Maintenance Program, (see 5000 analysis for more)...

Communication Plan/District Web Site - \$15,000 in allocations have been continued in the 2013-14 budget to develop a communication plan and update the District’s website.

Goal V:

Implement best practices in recruitment, hiring and evaluation to attract, support and retain a high quality staff.

- Initiative A - Revise and implement enhanced interview practices for all RVSD positions.

- Initiative B - Revise and fully implement employee exit interview process.
- Initiative C - Revise and implement a new employee orientation.
- Initiative D - Review and revise evaluation processes and protocols for all District staff.
- Initiative E - Provide opportunities for extended trainings related to employee position(s).
- Initiative F - Provide adequate resources and opportunities for professional growth.

The proposed 2013-14 District budget provides the following allocations to address Goal V:

Extended Trainings and Professional Growth – funds have been allocated in the 2013-14 budget to provide extended training opportunities and staff development as follows:

Instructional Staff:

- GLAD and Toolbox training for new staff members
- ISTE or other technology conferences for about 15 staff members
- Lucy Calkins program training for teachers
- Heidi Hayes Jacobs training in Common Core Standards

Support Staff:

- Budget, accounting, payroll, child nutrition, financial and student information systems
- Data Director program replacement
- Technology support
- Safety/campus security

No funds have been allocated to specifically address initiatives A-D of Goal V, rather these are initiatives that will require an allocation of staff resources and time.

Goal VI:

Facilitate a collaborative budget process to identify and allocate necessary resources to support 21st century teaching and learning.

- Initiative A - Develop and implement a clear, accurate and sustainable budget that connects resources to district goals.
- Initiative B - Develop and present a series of budget workshops and communications for staff, parents and community to inform and educate stakeholders.
- Initiative C - Identify and pursue grant opportunities and/or donors to support district identified priorities.
- Initiative D - Allocate resources to maintain all district facilities

The proposed 2013-14 District budget provides the following allocations to address Goal V.

District staff provided financial reports and information that helped the school board, staff and the community better assimilate relatively complex school finance concepts:

- Adopted Budget
- Unaudited Actuals
- 1st and 2nd Budget Interim

The following initiatives have been financed in a responsible, sustainable way:

- Guided Language Acquisition and Development staff development
- Lexia Learning software program to enhance remedial instruction
- Toolbox Social/Emotional curriculum for all students
- Lucy Calkins training for interested teaching staff

Program Improvement teacher staff allocation for Manor School
Reorganizing bond financial plans to allow the program to move forward without undue or unidentified risk
Successful conclusion of the collective bargaining process

Resources were segregated between one-time and recurring components, with like expenditures matched accordingly. Reserves were established and subsequently allocated strategically to meet board objectives. Staff is working to develop a framework that will connect resources to district goals as approved by the school board.

In October 2012 business office staff, in conjunction with the Budget and Finance Committee, presented a district budget overview and the potential impact to our finances of Proposition 30 to:

- Five parent clubs
- Five school site staff meetings
- The Towns of San Anselmo and Fairfax
- The Rotary Club
- District office staff
- Round Table

The Budget and Finance Committee, which includes parent and bargaining unit representation, will meet 2-3 times to review the preliminary budget for 2013-14.

The district successfully filed a \$400,000 insurance claim to cover the cost of flood damage to White Hill Middle School, including replacement of gymnasium roofing and flooring. The district also successfully filed a \$40,000 insurance claim to cover the cost of failed solar equipment at Manor School.

The district budget includes over \$600,000 in allocations for routine maintenance needs, such as minor repairs to building systems and day-to-day care of school grounds. Of this amount about \$190,000 per year was allocated to replace funds lost from the old parcel tax, preserving a much-needed funding source.

A district deferred maintenance plan has been developed to identify more significant needs such as the replacement or repair of roofing systems, electrical and plumbing systems, windows, doors, locking systems and many other items. To date, the school board has allocated \$200,000 so we can begin financing the most significant projects on this list. Clearly, more funds should be allocated in the coming years to meet this very important need.