

REVISED 02.21.20

2020 LEVY FAILURE: NEXT STEPS



WHAT IS OUR CURRENT SITUATION

- The 2016 levy runs out on December 31, 2020.
- If it had passed, the **replacement** levy we put before voters this month would have generated approximately \$13 million per year for the next four years.
- Since the replacement levy failed on February 11, we will need to reduce our expenditures by \$7.2 million for the 2020-2021 school year. (We will have levy dollars for first semester – 2020 -- but not second semester -- 2021. Because of the way we receive tax collections – a greater proportion in the spring than the fall -- the reduction for 2020-2021 will be more than half of the total for a full year.)
- Beginning in 2021-2022, we will need to reduce our expenditures by the full \$13 million annually.

WHAT IS OUR CURRENT SITUATION (CONTINUED)

- According to our most recent budget analysis, approximately 84% of our budget is spent on personnel.
- Some expenditures that aren't directly related to personnel – like insurance premiums, legal services, and utilities – are fixed. That is, we cannot easily reduce what we spend in those areas.
- In some areas, making cuts is legally prohibited. For example, we are required to maintain a level of special education services and to provide to-and-from transportation for students living a certain distance from school.
- In some areas, making cuts is cost-prohibitive. For instance, if we cut teachers and increase class sizes in grades K-3, we lose the funding that pays for teachers at those levels.
- It will be impossible to live within a budget that does not include levy dollars without making considerable reductions in our staff.



WHAT DOES **NO LEVY** LOOK LIKE

After much deliberation, we have created a list of personnel cuts that includes the following:

- Approximately 6 of 29 administrators (20.1%) = \$1,000,000
- Approximately 24 of 304 certificated positions (8.3%) = \$1,900,000
- Approximately 31.4 of 148 paraeducator positions (21.2%) = \$1,200,000
- Approximately 2.1 of 30.3 custodial/maintenance positions (6.9%) = \$140,000
- Approximately 3.625 of 41.0625 FTE administrative assistant positions (8.8%) = \$160,000
- Approximately 8.25 of 26.38 FTE prof tech positions (31.3%) = \$600,000

NOTE: All of the dollar amounts are close estimates. We are still working to calculate specific costs for each position.



WHAT DOES **NO LEVY** LOOK LIKE

More specifically, these personnel cuts reflect the following:

- Assistant Superintendent for Teaching & Learning
- Director of Administrative Services
- Principal on Special Assignment
- Principal of North Bellingham Learning Center/Beach Elementary
- District Athletic Director
- One Ferndale High School Assistant Principal
- District Social & Emotional Learning Coordinator
- District Communications Specialist
- 3.5 out of 11.5 building-level counselors
- All paraeducators who support PBIS (Positive Behavior Intervention & Support) in buildings
- All Native and Latino Student Advisors
- All Elementary School Support Specialists
- All Family & Community Coordinators
- A total of 24 teachers (which is the equivalent of one whole elementary school staff and which will drive class sizes up to an average of 30+ in grades 4-12)
- Approximately 183 person hours a day of paraeducator support for teachers and students
- Fewer custodial services and less administrative assistant support

DEFINITIONS

FTE = Full Time Equivalency

The personnel information on the previous page is reported in FTE (Full Time Equivalency). In all categories except administrators, some employees work less than a full time equivalency, so the number of people who will lose their jobs is greater than the number of FTE. For instance we have 210 PSE employees, but they represent only 148 FTE.

DEFINITIONS

PROF TECH = Professional/Technical Employees

These are employees who fulfill unique, specialized job functions that do not fit into any of our six bargaining groups (unions). Examples are Family & Community Coordinators, Communication Specialist, and Native Student Advisors.

WHAT DOES NO LEVY LOOK LIKE (CONTINUED)

All of the personnel cuts on the previous pages add up to approximately...

\$5,000,000

- That's \$2.2 million short of the \$7.2 million we need to cut for next year (2020-2021).
- The following year (2021-2022), we will need to nearly double that number of cuts.
- In our business, people equal programs and supports for students. By cutting people, we are cutting programs and services.

WHAT DOES **NO LEVY** LOOK LIKE (CONTINUED)

Regarding the proposed personnel cuts...

- All job categories except administrators and prof techs are governed by union contracts which spell out how we lay people off in terms of their seniority.
- That means the dollar figure assigned for each line reflects, for the most part, the lowest paid employees in that category, since they were last hired.
- Administrative and Prof Tech lay-offs are not based on seniority.

WHAT DOES **NO LEVY** LOOK LIKE (CONTINUED)

In addition to cutting staff positions, we anticipate we will need to cut the following to achieve the \$7.2 million reduction for 2020-2021:

- Our School Resource Officer (\$85,000)
- Our safety contract with the Whatcom Sheriff's Department, which supports our ongoing safety planning and exercises (\$30,000)
- Our energy savings coordinator stipend (\$23,000)
- One-to-one technology at grades 6-12, which allows us to provide each student with his/her own computer (TBD)
- A significant portion of our contract with Seitel for technology network and device support (\$340,000)
- The entire Extracurricular Coaches and Advisor (ECA) schedule (except contractual extended days) This is all salaries/stipends for extracurricular coaches, advisors, and Department Chair stipends (\$400,000) In essence, it will eliminate our athletic program and many other extracurricular activities.
- All district support for field trips and all bus runs except to and from school – including activity bus runs and bus runs to the Boys & Girls Club (\$124,000)

WHAT DOES **NO LEVY** LOOK LIKE (CONTINUED)

We anticipate we will need to cut:

- All staff travel except that which is required by grants or paid for by the Associated Student Body or Career & Technical Education (\$58,000)
- School supplies (\$65,000)
- Music Supplemental Contracts, which pay for music lessons for some students (\$18,000)
- All professional development that requires us to hire substitute teachers or pay teachers for extra time (TBD)
- 90% of all overtime for hourly employees (custodians, maintenance personnel, food service staff, etc.) (\$60,000)
- Annual subscriptions to online programs and curriculum (at least \$120,000)
- The opening day all-district kick-off event (\$20,000)

WHAT DOES **NO LEVY** LOOK LIKE (CONTINUED)

- We are still costing out this list of cuts, but we know that all the items we have already priced add up to approximately **\$1,350,000**.
- When we add this to the amount represented by our list of personnel cuts, we are at a total of **\$6,350,000**.
- We can make up the remainder of the year one cuts (about \$1 million) by taking dollars out of our reserves (savings account). However, we are reluctant at this point to plan to take much more from the reserves because (1) we have been spending them down this year to maintain our current standard of living; and (2) our financial situation may become even worse if families decide to leave our district as a result of the levy failure and the removal of all levy-funded programs and supports. (Fewer students will mean less State revenue.)
- In a second year with no levy, the cuts will be even deeper, including losing our eight-period schedule at the high school.

WHAT DOES **\$1.50 LEVY** LOOK LIKE

For 2020-2021...

We will need to cut approximately \$2.9 million instead of \$7.2 million.

For 2021-2022 and beyond...

We will need to cut approximately \$5 million per year instead of \$13 million.



WHAT DOES **\$1.50 LEVY** LOOK LIKE

For 2020-2021...

- **We still need to plan for cutting \$7.2 million in case the second time we run the levy is also unsuccessful.**
- If the \$1.50 levy passed, we will be able to restore about 60% of the planned cuts.
- At this point, it is difficult to identify exactly which 60% will be restored, but we anticipate putting things back that are closest to students first. More input will be needed to make those decisions.

WHAT ARE OUR OTHER OPTIONS

- **We can try one more time during the 2020 calendar year to pass a replacement levy.** The County Auditors' Office allows three dates when we could put a levy on the ballot: April 28, August 4, or November 3.
- **If we choose to run the levy again, we can do so at the \$2.50 rate**, which, if it passed, would allow us to continue with most of our programs in tact. (As you know, even the \$2.50 rate is less than would be required to do everything we are currently doing in the future.) We could run a levy at **a rate of \$1.50. Or we could pick a number between \$1.50 and \$2.50.**
- If we choose to run the levy again, we can run it for **one, two, three, or four years.**

SUMMARY OF DECISIONS

- Run the levy again in 2020 – **YES or NO?**
- If YES, run it in **April, August, or November?**
- If YES, run it at **\$2.50, \$1.50, or a number in between?**
- If YES, run it for **1, 2, 3, or 4 years?**