

Questions from April 18 & 20 Budget Presentations

1. Do all schools in the district share unrestricted funds equally per student?

If we broke down each site's funding by its enrollment/ADA, we would find that they are not equal. We do provide the same level of personnel support (teachers, office support, administrators, etc.) at each site depending upon the grade level and size. However, the budgeted dollar amount will vary because the experience level of the personnel will determine the level of expenditures. For example, if you had two elementary schools at 500 students they both have the identical number of personnel serving on the site, but one site may receive more funding because its teachers have an average experience level of 10 years while the other school's teachers have an experience level of 8 years. The budget for the site with the average experience of 10 years would be higher than the other site. However, because of retirements or teachers leaving the district these averages could easily flip in the next five years. Sites also receive site funds from the district that are determined on a per-pupil basis based on grade level of the school (K-5, 6-8, 9-12).

2. Can Title I money offset money from unrestricted funds?

Because of Federal rules restricting supplanting as was discussed in the presentation, Title I funds need to allow a site to go beyond what the district provides as a baseline for all schools. Therefore, it cannot offset personnel costs that all schools receive. For example, we cannot pay for all or a portion of the principal position in a Title I school because all of our schools have principals. However, at a Title I school we could add an intervention specialist, or a reading or math coach.

3. Why are Title I funds only disbursed to school that have more than 65% of their students on Free and Reduced Lunch when legally you can provide funds to schools that have 40% or more students on Free and Reduced Lunch?

Title I funds come to a district in one lump sum. Districts then have to decide whether to do individual, targeted assistance for students, or to create a school-wide program. Years ago, the district decided to distribute funds for school-wide assistance and established a level of funding for those schools with the highest portion of students on free and reduced lunch. In recent years, as our distribution of students with free and reduced lunch has changed, it became evident that we needed to redistribute Title I funding to include more schools. Last year, we added two more schools to the Title I funding and have plans to continue adding more schools. This is a slow process, as funding at schools already receiving Title I funds cannot be decreased by more than 10% a year. With this in mind, it will take several years to fully redistribute Title I funds to additional schools. Additionally, this redistribution will be especially challenging in the upcoming year, as the Federal budget calls for a 10% reduction of Title I funds.

4. If we are not receiving 40% of our special education funding from the Federal Government under Individuals with Disabilities Education Act (IDEA) why can't we sue them?

Districts have tried to sue and failed because the 40% was a goal and not a prerequisite for IDEA to be implemented. The most we have ever received from the Federal Government toward our Special Education costs is approximately 18 percent.

5. Why is our Adult Education Budget so large?

Historically, the district has served 20,000 adult students as well as high school seniors deficient on credits. Adult Education state revenue is used for providing the following educational programs:

- Credit recovery for concurrent high school students, during the school year and summer program (no fees)
- High School Diploma/GED classes for adults (no fees)
- English as a Second Language classes for adults (no fees)
- Adult Basic Education for adults functioning at less than 8th grade level (no fees)
- Career Technical Education classes for adults, to prepare them for employment in the local labor market: Surgical Technician, Medical Assistant, Certified Nurse Assistant, CPR, EMT, Dental Assistant, Sterile Processor, Administrative Office Assistant, Accounting) (supplemented by student fees)
- Parent Education classes (including some in Spanish) specifically for parents of MDUSD students including: (no fees)
 - Drug and Alcohol
 - Anger Management
 - Parenting classes for parents of difficult students
- Family Literacy and preschool classes at Title I schools (no fees)
- Programs for adults with types of disabilities: traumatic brain injury, developmental disabilities, autism/Asperger's. (supplemented by student fees)
- CPR classes for MDUSD employees (no fees)

Lifelong Education classes include a variety of classes of interest to community members, including art classes, exercise classes, cooking classes, woodworking classes, financial planning, etc. These classes are primarily supported by student fees and by fall 2012 all of them will be fee based.

6. What is the "check" amount that SunPower will write if performance guarantee is not met?

We have a guarantee that for 20 years the solar system will produce 95% of the initial amount that the system is built to produce. If the production falls below the 95% rate, SunPower will write us a check based on whatever the current cost of electricity and the amount that the system did not produce below the 95% threshold.

7. What have the cities done to support schools during the State budget crisis?

We have good partnerships with our cities. They provide Resource Officers and crossing guards for our schools. We are looking at the possibility of partnering with all of our cities on initiatives similar to the one that Santa Monica used in November 2010 and Richmond is using this June. In essence, there are two ballot initiatives. One would determine if there was support for a sales tax increase, and the second would be an advisory vote whether or not the City should share the revenues generated by the sales tax increase with the school district.

8. Are retirement costs part of the salary and benefit costs that make up the 84.5 percent of the unrestricted funds that go toward salary and benefits?

Yes

9. Do we have more administrators in our district compared to other districts?

No. Annually, school districts complete a Form R-2 that compares the number of administrators in the district to the number of teachers and submits them to the County Office of Education. **According to Education Code 41400-41407 the R-2 ratio should not exceed 8.** In other words, a district should not have more than 8 administrators per 100 teachers. The ratio does allow districts to remove from the ratio administrators funded out of Federal and State Categorical programs. Like all positions in the district, administrative positions have been significantly reduced since the 2007-08 school year. The following is the Mt. Diablo ratios for the past four years:

Year	R-2 Ratio
2007-08	5.39
2008-09	4.87
2009-10	4.58
2010-11	4.50

To provide context for these numbers the 2010-11 R-2 ratio for other unified districts in Contra Costa County are as follows:

District	R-2 Ratio
Antioch	5.39
Martinez	6.54
Pittsburg	5.14
San Ramon	5.32
West Contra	6.19

Given that we have 1,732.53 teachers, if we had the same ratio of Pittsburg USD, which is the next lowest district in the county, we would have an additional 11.13 administrators in the district. So, the answer is no, MDUSD does not have more administrators compared to other districts.

10. How do we fund the Curriculum and Associates assessments and data days?

Currently, we fund the assessments out of Title I and Economic Impact Aide (EIA) for the sites with these funding sources and site funds such as School and Library Improvement Block Grant (SLIBG) for the rest of the schools. The data training days are funded out of Title II funds for all sites. Because we utilize the Curriculum and Associates assessments for professional dialogues and growth, we are looking at funding all of the assessments and training out of Title II funds next year. Therefore, there won't be any expense to the sites.

11. If our ADA increases over time, how many years would we need to increase before the State raised our revenue?

The District is funded on the higher of current or prior year ADA each year. However, the P-2 (due in April) certification of current year ADA does not happen until the end of June. Therefore, if we have an increase in P-2 ADA that will generate additional funding, we will accrue the revenue this year, but not see the cash until next fiscal year. Additionally, the new higher number would become the baseline for calculating the following year. For example, if we had an increase in ADA this year we would be able to include the revenue in next year's 2011-12 budget. However, our P-2 ADA in 2010-11 is down from 2009-10 by 123.90 ADA. So, we continue to be funded in the declining enrollment formula.

12. How is the Revenue Limit set, and because we are below the State Revenue Limit average by \$40 when, if ever, will we be brought up to the average?

The Revenue Limit was established back in 1971 based on the Serrano vs. Priest case. When the revenue limit was set, MDUSD was set below the State average. Every once in a while when the State has been flush with money they have attempted to put a little money toward equalizing districts that are below the average. However, remember we can never reach the average because as they give lower wealth districts more funding the average would move up. In other words, if they gave all districts below the Revenue Limit average and extra \$40 per ADA it would drive the Revenue Limit average up and we would still be below it. Basically, the State would have to set a single Revenue Limit and bring all districts up to that amount to make us on par with all the other non-"Basic Aid" districts. Local legislators have attempted to pass equalization legislation, but the legislation has failed each time.

13. Can we cluster students with similar needs and pool resources? For example, could we cluster EL students or students with significant specialized needs?

We do already attempt to cluster certain special education programs with unique needs in the district while still meeting IDEA laws around least restrictive environment. For, example we have a single deaf and hard of hearing program at Westwood ES, El Dorado MS and Concord HS. We have identified K-5 programs for students on the autism spectrum at certain elementary schools. However, we could not have just one school in the district that attempted to meet the needs of all our children on the autism spectrum because that would not meet the definition of least restrictive environment. We also could not force all of our EL students to go to selective campuses throughout our district.

14. Does the 2009-10 increase in the Special Education budget include the County Mental Health positions?

No. AB3632 was not blue lined from the budget until October 2010. Therefore, County Mental Health still paid their portion of the Mental Health costs related to AB 3632 through the 2009-10 school year and the first part of the current school year.

15. What is the mandatory length of the school year and how do furlough days work?

Included with the flexibility around categorical funds the State also allowed schools to reduce the school year from 180 days to 175 days without being penalized. Historically, teachers have a 183 day work year. They work 180 days with students, have two professional growth days, and have one day before the school year begins to prep and get ready for the arrival of students.

Furlough days are days that are negotiated with the various Associations that reduce the number of days that a person works along with a reduction in salary. The reduction in salary is equal to the employee's daily salary times the number of furlough days. Under the current level of State flexibility the maximum number of furlough days that teachers could take next year would be seven. The number of furlough days teachers take is then used to determine the number of furlough days other employee groups will take.

16. What is the difference between General Obligation Bonds, Parcel tax, Mello Roos, and sales tax?

General Obligation Bonds are used for facility improvement projects and we need 55% of the voters to approve a GO Bond. In the first Power Point we discussed how we have legally used the recently passed Measure C GO Bond funding to save unrestricted general funds.

Parcel tax needs a 66.67% voter approval to pass and can be used for any designated purpose. Historically, communities have passed parcel taxes to add programs such as art and music, or reduce class size. Currently, districts are going out for parcel taxes to help keep more basic programs that may have to be reduced because of the State budget crisis. The length of the parcel tax is set by the local School Board and is part of the ballot language. A parcel tax can be set as a fixed per parcel amount or can be a square foot amount, it can also have a cap that a parcel would not have to pay more than. Also, senior citizens can file an exemption and not have to pay the parcel tax. The more explicit the parcel tax language is the easier it is to pass; however, districts that had historical parcel taxes were not able to shift that money over to the general fund to help with the State budget crisis. The parcel tax funding had to continue to go towards the programs that were identified in the ballot language. Lastly, you do not get to start collecting on a parcel tax until the first July after the election.

Mello Roos -- In 1989, MDUSD established a Community Facilities District (CFD) (a.k.a. a Mello Roos district). Measure A established a CFD that assesses a special tax to fund the payments of bonds for capital improvements. The Districts CFD assessment also allows for purchase of school furnishings and equipment. The major construction projects paid by the bonds were completed in the 1990's. Annually, \$800,000 is divided on a per-pupil basis and distributed to sites. Sites use these funds to purchase new equipment and replace old or broken furniture.

Sales tax increases cannot be levied by a school district. Sales tax increases can be levied by a City, County or State government and need a 50% + 1 vote to pass. This past November, the City of Santa Monica had two ballot initiatives for the voters to consider. The first one was a half-cent sales tax. The second one was an advisory vote that said the City would split the revenue generated from the sales tax with the school district. It is critical that the second vote be an advisory vote so that it does not change the threshold to pass to 66.67%. The voters approved both initiatives. The City of Richmond has put similar ballot initiatives on the June ballot. Ballot language could be written so that an increase in the local sales tax would only occur if the State failed to continue their one cent sales tax.

17. What are other districts doing?

Other districts are doing very similar reductions. They have increased class size, reduced optional bussing, reduced support staff, reduced administrators, etc.