




**Overview**

- **Using resources to support systemic reform**
- **Planning considerations**
  - Integration of new and existing resources
  - Multiyear budget and fiscal forecasting
  - Negotiations
  - Sustainability
  - Equity
- **Structures to manage the reform**
  - Improvement plans
  - “Real” budgets


1



## Opportunities Under QEIA

- This is a big money proposal
  - \$268 million in 2007-08 and \$402 million from 2008-09 to 2013-14
- But it's not just about the money
  - Requires significant refocusing of effort to be successful
  - Money alone is very unlikely to solve the problems
- Success is not promised, but it's certainly hoped for
  - Agreement stakeholders – Governor Schwarzenegger, California Teachers Association (CTA), and Superintendent of Public Instruction (SPI) Jack O'Connell – staking reputations on this


2



## Getting Ready for QEIA

- We all like the idea of more money, but Quality Education Investment Act (QEIA) requires genuine focus on improving outcomes for students
- Key questions to ask:
  - Are we ready to implement a systemic change?
  - Do we currently have facilities or the capacity to build them?
  - Does the district have the capacity to support improvement?
  - Does the district have a plan to support non-QEIA schools (e.g., those with similar demographics, but less money)?
  - Are experienced teachers available and/or willing to transfer to other sites?


3



## Getting Ready for QEIA


- Learning over logistics
  - It is tempting to focus on how to operate the program rather than how to achieve results
- Remember, the purpose of QEIA is to:
  - Improve the quality of academic instruction and the level of pupil achievement in schools
  - Develop exemplary school practices to recruit and retain well-qualified staff
  - Focus school resources solely on instructional improvement and services to pupils
- QEIA is a good opportunity, but results are not promised

4




## QEIA Program Requirements

- To receive funding for the full seven years, the school must:
  - Participate in K-3 Class-Size Reduction Program (CSR) of 20:1; have five fewer pupils than 2006-07 or maximum of 25 students, whichever is less, for grades 4-12
  - Ensure that the pupil-to-counselor ratio for high school students is no greater than 300:1
  - Exceed API target in first three full years of participation and meet API target in subsequent years
  - Comply with Williams settlement, NCLB highly qualified teacher requirements, and school site teacher experience requirement




5



### QEIA Program Requirements – Class-Size Reduction


- The school must participate in the existing K-3 CSR – no more than 20 pupils per class
- For self-contained classrooms in grades 4-8, the lesser of:
  - Five pupils fewer than 2006-07 average per classroom, per grade
  - 25 pupils per classroom average, per grade
    - Classes of more than 27 are prohibited
- For classes in English language arts, reading, math, science, history, and social science in grades 4-12, the lesser of:
  - Five pupils fewer than 2006-07 average per classroom, per grade
  - 25 pupils per classroom average, per grade
    - Classes of more than 27 are prohibited

6




### QEIA Program Requirements – Class-Size Reduction

- Other classes (i.e., electives) may not be increased above the size in 2005-06
- Special Day Classes (SDC) are exempt from QEIA requirements
- Resource Specialist Program (RSP) caseloads are not considered classes – CSR not applicable




7



## QEIA Program Requirements

- Year 1 provides budgetary flexibility
  - At the district level, resources may be pooled and distributed to meet QEIA site facility, training, and other planning needs
  - As of year 2, funding generated by site stays at the site
- Establishing benchmarks for year 1 planning can help build focus
  - Facilities – What is needed and is it in place?
  - Training – Are staff trained and ready to support program?
  - Hiring – What's the strategy to recruit needed teachers?
  - Negotiating – Are agreements in place to facilitate implementation?
  - Multi-year Plan – Will there be sufficient resources, and what results are expected?


8



## Implementation Requirements

- Intermediate benchmarks to measure performance:
  - By the end of 2008-09 (the first full year of funding), schools must be one-third of the way toward meeting the core requirements:
    - Class size
    - Pupil-to-counselor ratio
    - NCLB Highly Qualified Teacher requirements (Note: State policy on NCLB requires plans to ensure compliance by the end of 2006-07)
    - Teacher experience balance
    - API growth targets
  - By the end of 2009-10, be two-thirds of the way to the goals
  - By 2010-11, reach the goals of each requirement
- County offices of education will be responsible for monitoring and reporting

9



## Implementation Requirements


**Example: Class Size**

2007-08	2008-09	2009-10	2010-11
Planning/ Facilities	Grade 4 from 31:1 to 29:1	Grade 4 from 29:1 to 27:1	Grade 4 from 27:1 to 25:1
	1/3 towards requirements	2/3 towards requirements	Full implementation

\*

\* Based on this example, Grade 4 requirement would be 26:1 for full implementation (31:1 minus 5 equals 26:1)

10




## Implementation Requirements

**Example: Pupil-to-Counselor Ratio  
High School**

2007-08	2008-09	2009-10	2010-11
Planning/ Facilities	From 600:1 to 500:1	From 500:1 to 400:1	From 400:1 to 300:1
	1/3 towards requirements	2/3 towards requirements	Full implementation

- Supplemental counselor funding should be used to meet the requirements for ratio


11



## Planning Considerations

- The program provides resources for significant school improvement reform
  - Class-size reduction is profiled as a reform strategy
    - But it's certainly not an end in and of itself
- Implementation isn't just about the marginal QEIA dollar, but about all resources
- Map out the road ahead with careful and thorough planning
  - Plan for school improvement
  - Develop a budget that re-enforces the plan
  - Make changes in environmental factors to facilitate implementation


12



## Plan for Improvement


- It is likely that there is already a plan or plans in place that address student achievement
  - How do we ensure QEIA is not just another plan?
- When there are multiple plans, it is difficult to achieve results or lasting change
- While there are multiple plans . . . remember, there is always only ONE budget
  - That which gets measured may get done
  - That which gets funded got done

13




## Plan for Improvement

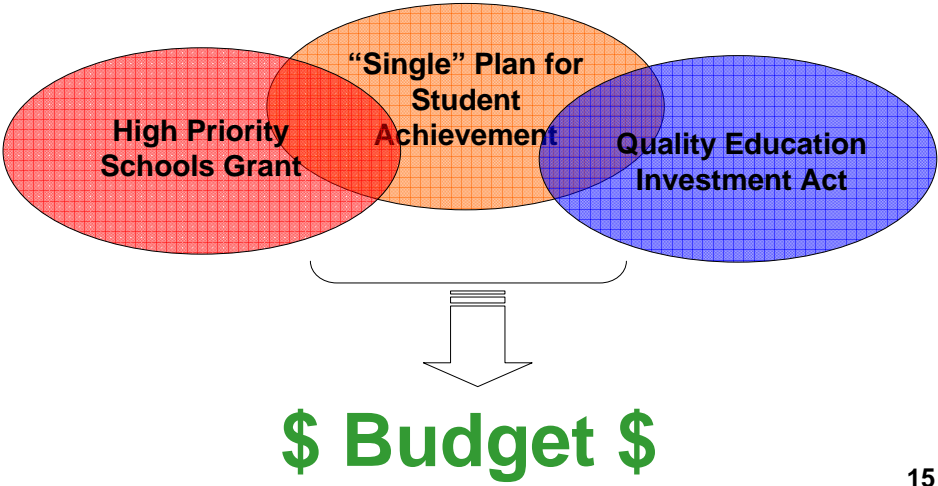
- Schools that participate in both High Priority Schools Grant (HPSG) funding and QEIA will be subject to the requirements of both programs
- Considerations:
  - Do schools that participate in both programs have the capacity to meet requirements for both programs and to implement all changes required?
  - How will existing HPSG action plans be coordinated with QEIA plans?



14



## Plan for Improvement




High Priority Schools Grant

“Single” Plan for Student Achievement

Quality Education Investment Act

**\$ Budget \$**


15



## Indicators of Fiscal Well Being

- There are many indicators of fiscal well being
  - Solvency – healthy ending fund balances
  - Adequate funding for priority needs
  - Evidence that resources are considered when program needs are determined
- But a fiscally healthy district could still be academically bankrupt
- What we want to see are practices that indicate resources are used to meet program needs


16



## Indicators of Fiscal Well Being

- It is probably easiest to describe signs that this is not happening:
  - Little change year to year in local educational agency (LEA) and Single Plans
    - Rollover plans indicate lack of strategic focus and lack of connection between resources and needs
  - Unplanned carryover
    - Common causes
      - Not knowing what's available – lack of budget transparency
      - Building a plan and a budget with too many unknowns
      - Unrealistic reliance on people resources


17



## Indicators of Fiscal Well Being

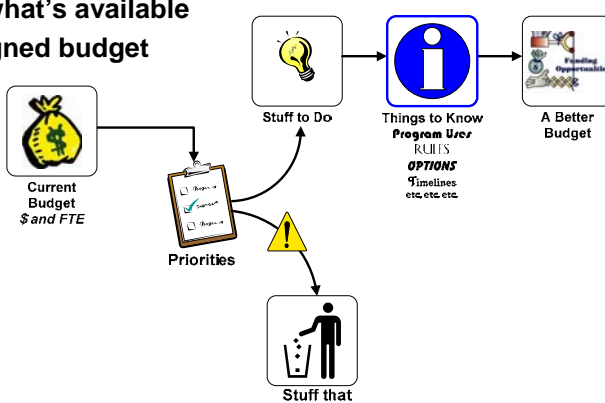
- LEA and School Improvement Plans where every dollar amount listed is divisible by \$1,000, or left blank
  - Indicates that guessing is occurring
- Plans that rely on general fund or a limited number of funding sources for everything

18



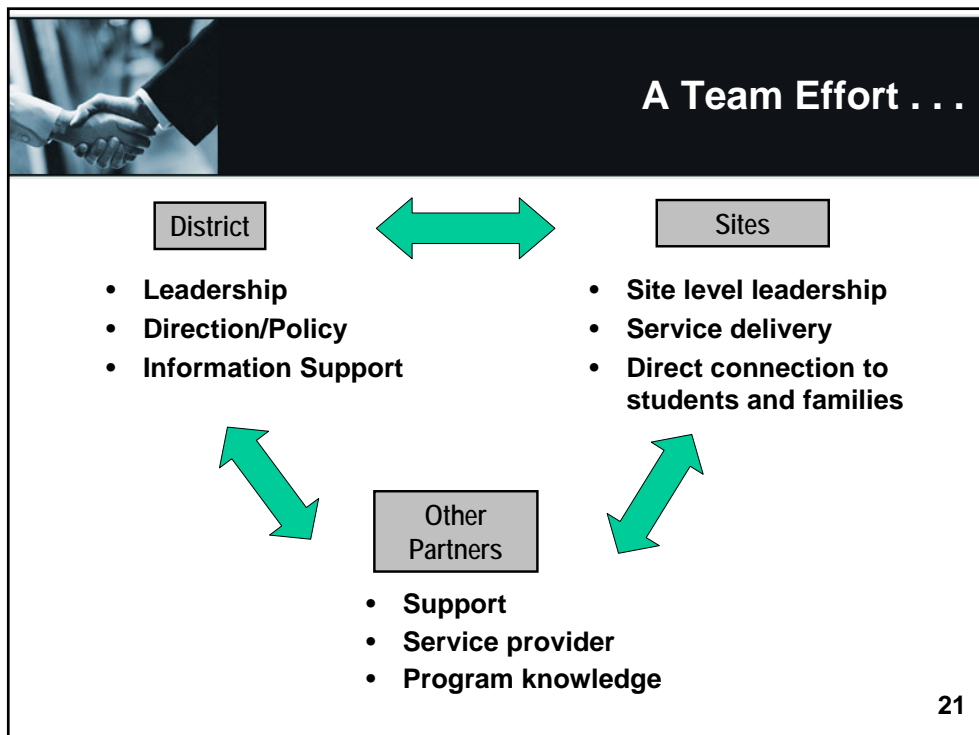
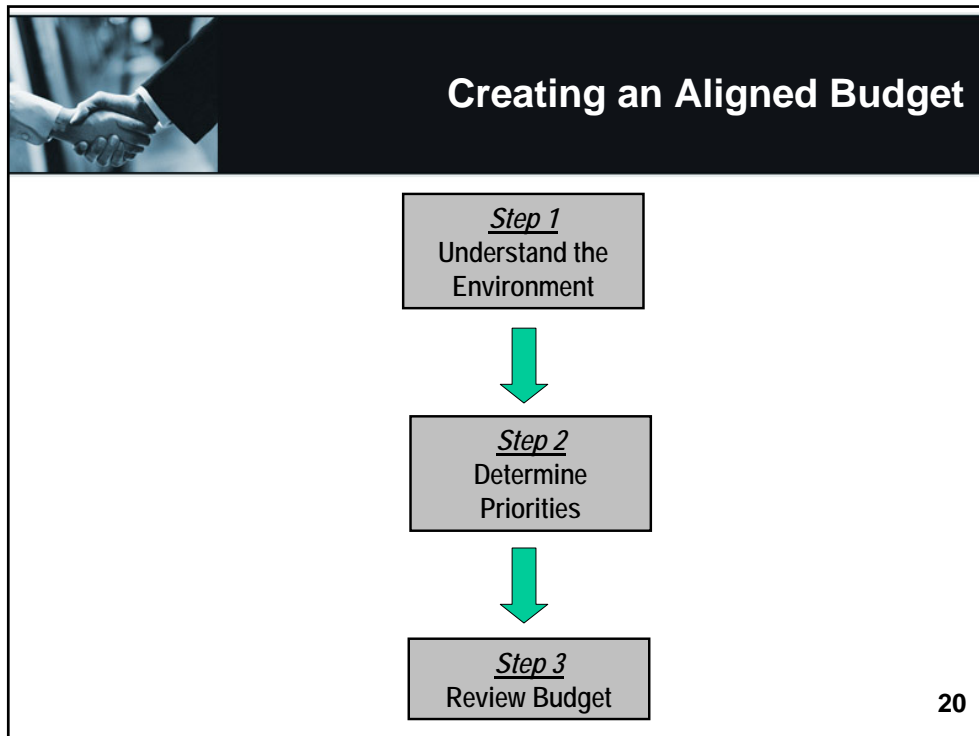
## Building a Better Budget Process


- Building a Better Budget means taking care of all district and site resources
  - Establish a short list of high-priority needs
  - Understand what's available
  - Create an aligned budget



```
graph LR; A[Current Budget $ and FTE] --> B[Priorities]; B --> C[Stuff to Do]; B --> D[Things to Know  
Program User  
RULES  
OPTIONS  
Timelines  
etc. etc.]; B --> E[A Better Budget]; B --> F[Stuff that Goes];
```

19






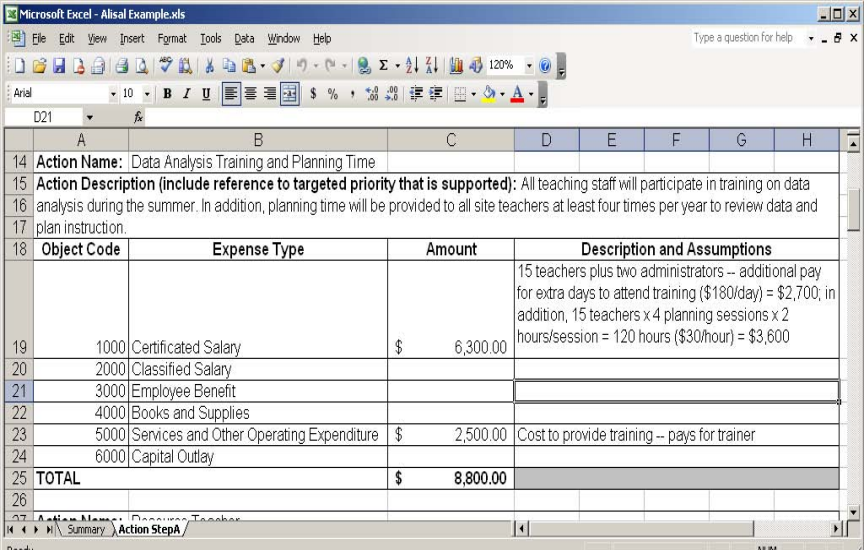
## Step 1: Identify Action Steps

- **Ask the question – how will we address our goals and priorities?**
  - Review the data
  - Consider past results
  - Listen to your gut
- **Notice, we aren't even thinking about what we're going to spend – just how much it may cost**
- **Since we're not making any decisions about spending resources at this step – all ideas are fair game**
  - Can be a great way to get stakeholder input without worrying that some ideas are too far out

22




## Step 1: Identify Action Steps



The screenshot shows an Excel spreadsheet with the following data:

Object Code	Expense Type	Amount	Description and Assumptions
19	1000	Certificated Salary	15 teachers plus two administrators -- additional pay for extra days to attend training (\$180/day) = \$2,700; in addition, 15 teachers x 4 planning sessions x 2 hours/session = 120 hours (\$30/hour) = \$3,600
20	2000	Classified Salary	
21	3000	Employee Benefit	
22	4000	Books and Supplies	
23	5000	Services and Other Operating Expenditure	
24	6000	Capital Outlay	Cost to provide training -- pays for trainer
25	<b>TOTAL</b>	<b>\$ 8,800.00</b>	

23




## Step 2: Unpack the Budget

- What's on our list?
- Before rushing out to put money behind the new things, also consider how existing resources are being spent

Targeted Priority Related Actions	Staff (FTE)
Doing More	
Doing Better	
Doing the Same	
Other Items/Actions/People – List here –	

- Consider all staff and all dollars
- Reconsider what's traditionally been in budget

24




## Step 3: Set Priorities

- Balance importance, urgency, and difficulty  
– active triage

Action: _____	
<b>A. Importance</b> 1 = Critically Important 2 = Important 3 = Somewhat Important	_____
<b>B. Urgency</b> 1 = Critically Urgent 2 = Urgent 3 = Somewhat Urgent	_____
<b>C. Difficulty</b> 1 = Easy 2 = Moderately Difficult 3 = Difficult	_____
<b>Total Score (A x B x C)</b>	_____


25



### **Prioritization – Importance**

- Will implementing this activity directly address needs around student achievement?
- Will implementing this activity impact most of our students or only a small group of students?
- Will implementing this activity impact the entire staff or just the actions of a few individuals?
- Is this activity part of a districtwide initiative or one that we will be required to implement imminently? (Also in Urgent)
- Will implementing this activity impact the classroom directly or is it a more peripheral activity such as an after school or parent activity?


26



### **Prioritization – Urgency**


- Does this activity address one our most critical needs?
- Is there evidence that this activity will directly and quickly address the needs of students like ours?
- Is the activity time bound? That is, is training or funding available now that won't be available later?
- Is this activity part of a districtwide initiative or one that we will be required to implement imminently?

27




### Prioritization – Ease of Doing

- Does this activity align with our existing instructional program?
- Will this activity require a great deal of professional development or require new staff in order to implement it effectively?
- Will we need to invest in significant amounts of new materials in order to implement this activity effectively?
- Is this activity easily sustainable once we have the basics in place?



**28**




### Step 3: Set Priorities

Microsoft Excel - Resource Alignment Workbook FINAL.xls

				Priority Index			Staff (FTE)	Required \$
Importance	Urgency	Ease to Implement						
1=Extremely Critical; 2=Somewhat Critical; 3=Not Critical	1=Extremely Urgent; 2=Somewhat Urgent; 3=Not Urgent	1=Easy; 2=Moderate; 3=Hard						
<b>Step 1:</b> Complete "Action Step" worksheet, <b>Step 2:</b> Evaluate current budget, especially positions and fill in number of staff for the activities identified and place everything else in the space below (starting with Row 13); <b>Step 3:</b> Fill out priority calculator components, <b>Step 4:</b> Add in details regarding funding sources (gray area); <b>Step 5:</b> Allocate resources to meet required level of need								
<b>Enter all funding by Resource (row 1) Enter in Row 2 the amount of funding available to your site.</b>								
1								
2								
3	After School Tutoring	1	2	3	6		\$ 25,000.00	
4	Data Analysis Training and Planning Time	1	1	1	1		\$ 8,800.00	
5	Resource Teacher	2	2	2	8		\$ 69,861.60	
6	D				0		\$ -	
7	D				0		\$ -	
8	D				0		\$ -	
9	D				0		\$ -	
10	D				0		\$ -	
11	D				0		\$ -	
12								
<b>Other Existing Activities-Staff</b>								
14	Bus Monitor						\$2,886.00	
15	Copy Machine						\$5,675.00	
16	Conferences - ACSA						\$1,500.00	
17	Instructional Aides						\$32,016.00	
18	Field Trip						\$2,735.00	
19								
20								
21								
22								
23								
24								
25	<b>TOTAL AVAILABLE</b>							
26								
27								
28								
29								

**29**



## Step 4: Allocate Resources

Microsoft Excel - Resources Calculator.xls


File Edit View Insert Format Tools Data Window Help

Type a question for help

Y6 =SUM(J6:V6)

		Enter all funding by Resource (row 1) Enter in Row 2 the amount of funding available to your site		Title I, Part A (2010)	SUBG (2395)	Discret. Blk Grant	Other	TOTAL FOR ACTIVITY
1	Step 1: Complete "Action Step" worksheet. Step 2: Evaluate current budget, especially positions and fill in number of staff for the activities identified and place everything else in the space below (starting with Row 13). Step 3: Fill out priority calculator components. Step 4: Add in details regarding funding sources (gray area). Step 5: Allocate resources to meet required level of need.	Priority Index	Required \$					
2				\$62,574.00	\$32,775.00	\$31,024.00		\$126,373.00
4	After School Tutoring	1	\$ 0,000.00	\$4,000.00		\$4,000.00		\$ 8,000.00
5	Data Analysis Training and Planning Time	6	\$ 25,000.00	\$12,500.00		\$12,500.00		\$ 25,000.00
6	Resource Teacher	8	\$ 69,861.60	\$31,276.00	\$16,420.60			\$ 69,861.60
7	0	0	\$ -					\$ -
8	0	0	\$ -					\$ -
9	0	0	\$ -					\$ -
10	0	0	\$ -					\$ -
11	0	0	\$ -					\$ -
12	0	0	\$ -					\$ -
13	0	0	\$ -					\$ -
14								\$ -
16	<b>Other Existing Activities Staff</b>							\$ -
16	Dus Monitor		\$ 2,005.00		\$ 2,005.00			\$ 2,005.00
17	Copy Machine		\$ 6,675.00		\$ 6,675.00			\$ 6,675.00
18	Conferences - ACESA		\$ 1,500.00		\$ 1,500.00			\$ 1,500.00
19	Instructional Aides		\$32,016.00	\$9,998.00	\$6,294.40			\$ 32,016.00
20	Field Trip		\$2,735.00					\$ -
21								\$ -
22								\$ -
23								\$ -
24								\$ -
25								\$ -
26								\$ -
27	<b>TOTAL AVAILABLE</b>			\$ 4,000.00	\$ -	\$14,524.00	\$ -	\$ 18,524.00
						<b>GRAND TOTAL</b>		\$272,110.60


30



## Step 5: Complete Single Plan for Student Achievement


**PROGRAM SUPPORT GOAL # 5 - Data Analysis**  
(Based on conclusions from Analysis of Program Components and Student Data pages)

<b>Groups participating in this goal:</b> Teachers		<b>Anticipated annual growth for each group:</b> at least ten percentile increase in numbers of students that are proficient		
<b>Means of evaluating progress toward this goal:</b> Assessment results and self-evaluation of collaboration meetings		<b>Group data to be collected to measure gains:</b> CST scores and benchmark tests		
<b>Actions to be Taken to Reach This Goal</b>	<b>Start Date Completion Date</b>	<b>Proposed Expenditures</b>	<b>Estimated Cost</b>	<b>Funding Source</b>
Data analysis training with outside consultant	Summer 2007	Trainer Teacher time to attend training	\$2,500 \$2,700	\$4,800 Title I \$400 Discretionary Block Grant
Data collaboration meetings	Quarterly during 2007-08	Teacher time to participate in meetings	\$3,600	Discretionary Block Grant



This information comes directly from action planning worksheet


31



## QEIA Funding


- Revenues are simple to calculate

Grade Level	Funding Per Pupil*	
	2007-08	2008-09 to 2013-14
K-3	\$333	\$500
4-8	\$600	\$900
9-12	\$667	\$1,000



\*Based on CBEDS count in prior fiscal year


32



## Revenue Considerations for Future Years

- Enrollment
  - Declining? Growing?
  - Fewer students = lower CBEDS = less QEIA dollars
  - Work with business office to determine decline in enrollment projections
  - Adjust QEIA funding for enrollment projections
- Other sources of funding from consolidated application
  - Incorporate COLA and growth on funds when applicable
  - Careful! Funds are often enrollment or ADA driven
  - All consolidated application funds except for Economic Impact Aid and any federal program


33



## Program Funding

- Funding is supposed to be adjusted annually based on prior-year CBEDS enrollment
- For 2007-08:
  - 80% of funds were allocated in July 2007
  - 20% in January 2008
- For changes in QEIA schools:
  - If a school merges with another and does not retain its CDS code, then funding will cease
  - If a school breaks up into smaller schools, each with its own CDS code, only the school with the original CDS code and students will be funded


34



## Budgeting for a Workforce

- More fortunate schools
  - Get staffing levels where they need to be in the first year
- Not so fortunate schools
  - Phase in the staffing levels
- If you are phasing in the implementation, remember:
  - Teachers salaries and benefits will change from year to year
  - QEIA budgets will need to be changed
  - QEIA budgets will need to be monitored
  - Best practice – monitor and update quarterly

35



## Budgeting for a Workforce


- **Teachers salaries**

**Staffing Calculation:**

Enrollment /20=	_____	Teachers	(K-3)
Enrollment /25=	_____	Teachers	(4-12)*
Enrollment /25=	_____	Teachers	(4-12)
(English language arts, mathematics, science, history, and social science courses)			

\*Self-contained classrooms


**36**



## Budgeting for a Workforce – Teachers Salaries

- **Teacher Experience Index (TEI) has an impact on what is budgeted**
- **The TEI may require higher salaries based on where your school falls in the calculation**
- **Do you know your district’s TEI?**
- **The calculations are available on the CDE’s website:  
<http://www.cde.ca.gov/ta/lp/qe/resources.asp>**


**37**



### **Budgeting for a Workforce – Teachers Salaries**

- Using average teacher salary and benefits may help compute teacher compensation expenses for budget
- Step and column
  - Advancement up the salary schedule must be included
- Negotiated salary increases
  - If known, include the percentage increase to the applicable salaries


38



### **Budgeting for a Workforce**

- Employee benefits
  - Health and welfare benefits
    - Capped Plan: Easy, constant, and set amount
    - Uncapped Plan: Not as easy, subject to change
  - Statutory benefits
    - STRS, PERS, unemployment, Medicare, etc.
    - Increases incrementally with salaries
- Planning Time – Teachers
  - Stipend
  - Substitute costs
  - Daily rates and any projected increases can be obtained from human resources


39



### **Budgeting for Other QEIA Costs**

- **Staff development**
  - Cost of presenter (i.e., travel, expenses)
  - District staff's travel, expenses, etc., to attend offsite workshops
  - Substitute costs
  - Stipends or other types of daily pay
- **Incentives for voluntary transfer**
  - Stipends given to employees who relocate to QEIA-funded school
  - Budget according to what your school elects to issue
- **Utilities**
  - Factor in the rising costs
  - Use the projections estimated by the business office


40



### **Facility Considerations – How Much Space Do We Need?**

- **Remember: 2007-08 is a planning year and yields the greatest flexibility**
  - Use QEIA dollars at any QEIA-funded school in the district
- **Site assessment**
  - Number of classrooms at school
    - This includes all classroom space
      - Classrooms used for other purposes, i.e., storage, reading “pull outs”, teacher office, school lounge, etc.
  - Traveling teachers
  - Double sessions
  - Early/late schedules
  - Condition of existing facilities/need for modernization
- **Now count the number of classrooms needed**

41




### Facility Considerations – How Much Space Do We Need?

- Classroom space at funded school(s):

K-3 enrollment	/ 20 =	_____
4-8 enrollment	/ 25 =	_____
9-12 enrollment	/ 25 =	_____
- Master scheduling will be critical and class loading in elective classes may need review\*
  - Traveling teachers in schools with teacher planning/conference periods
  - Double sessions
  - Early/late schedules


\*Other class sizes cannot be increased above the size used in 2005-06

42




### Expense Considerations for Future Years

- Facilities
  - Determine:
    - Ongoing operational costs
    - Future costs
  - Remember, enrollment expectations will impact completion
    - Work closely with your business office and facilities department to help identify costs in the area of facilities




43




### Summarizing the “Recipe for Success”

- Adjust for changes (growth or decline) in enrollment
- Consider all resources
- Take note of district negotiations (i.e., salary increases, benefit changes)
- Don't forget: expenses increase “on the natural”
- Communication throughout the district



44



### Example of Implementation

- Consider a high school with 2,000 students

QEIA Funding: 2,000 students x \$1,000/student	= \$2.0 million
<b>QEIA Expenses:</b>	
- Reduce class sizes from 30:1 to 25:1 (add 16 teachers)	\$1,200,000
- Add counselor to reach 300:1	\$80,000
- Staff development and administrator support	\$50,000
- Other costs*	?
<b>Remaining Balance</b>	<b>?</b>

- Adding staff is not a sufficient solution and doesn't eat up all of the resources
  - Effort is required to develop a plan that effectively addresses how to improve student achievement
- Costs “on the natural” will increase over the years

\*Other costs will be discussed further


45

## QEIA Multi-Year Budget Example – Partial Implementation

ENROLLMENT	2007/08 FACILITIES	2007/08	2008/09	2009/10	2010/11	2011/12	2012/2013	2013/2014	2013/2014
<b>Declining Enrollment @ 3% per grade per year</b>									
Prior Year CBEDS: K-3		611	593	575	575	575	575	575	575
Prior Year CBEDS: 4-5		383	372	361	361	361	361	361	361
Total CBEDS		994	965	936	936	936	936	936	936
<b>REVENUE:</b>									
Grades K-3 Revenue		\$ 326	\$ 500	\$ 500	\$ 500	\$ 500	\$ 500	\$ 500	\$ 500
Grades 4-5 Revenue		\$ 587	\$ 900	\$ 900	\$ 900	\$ 900	\$ 900	\$ 900	\$ 900
(Grades K-3)		\$ 199,339	\$ 296,500	\$ 287,500	\$ 287,500	\$ 287,500	\$ 287,500	\$ 287,500	\$ 287,500
(Grades 4-5)		\$ 224,917	\$ 334,900	\$ 324,900	\$ 324,900	\$ 324,900	\$ 324,900	\$ 324,900	\$ 324,900
<b>Total Projected Revenue</b>		<b>\$ 424,256</b>	<b>\$ 631,300</b>	<b>\$ 612,400</b>	<b>\$ 612,400</b>	<b>\$ 612,400</b>	<b>\$ 612,400</b>	<b>\$ 612,400</b>	<b>\$ 612,400</b>
PER CDE Award Letter June 6, 2007		\$ 413,033							
Difference		\$ (11,223)							
<b>ASSUMPTIONS:</b>									
# of Teachers (includes K @ 24:1)		0	2	3	4	4	4	4	4
Teacher Salary & Benefits Average		\$ 70,000	\$ 73,500	\$ 77,175	\$ 81,034	\$ 85,095	\$ 89,340	\$ 93,807	\$ 98,497
# of QEIA Coordinator (50% charged to QEIA)		0	10	10	10	10	10	10	10
Cost of QEIA Coordinator		\$ 115,000	\$ 120,750	\$ 126,768	\$ 133,127	\$ 139,783	\$ 146,772	\$ 154,111	\$ 161,817
# of Teachers for Staff Development (42 x 33% = 14)		14	14	14	14	14	14	14	14
Cost per Teacher for Staff Development		\$ 1,800	\$ 1,980	\$ 2,178	\$ 2,396	\$ 2,636	\$ 2,900	\$ 3,190	\$ 3,509
Intervention Staff		3	3	3	3	3	3	3	3
Cost of Intervention @ 2 hrs. x 176 days x \$15/hr		\$ 5,280	\$ 5,544	\$ 5,821	\$ 6,112	\$ 6,418	\$ 6,739	\$ 7,076	\$ 7,430
# of Custodial		4	4	4	4	4	4	4	4
Cost of one Custodial time @ 25hrs x 247 days X \$40		\$ 2,470	\$ 2,594	\$ 2,724	\$ 2,860	\$ 3,003	\$ 3,153	\$ 3,311	\$ 3,477
<b>EXPENSES:</b>									
Teachers ( \$70K average x 4 fctrs.)		\$ 11,500	\$ 147,000	\$ 231,525	\$ 324,135	\$ 340,342	\$ 357,359	\$ 375,227	\$ 393,988
QEIA Coordinator (50% charged to QEIA)		\$ 25,200	\$ 27,720	\$ 30,492	\$ 33,632	\$ 37,172	\$ 41,200	\$ 45,720	\$ 50,734
Admin		\$ 21,120	\$ 22,176	\$ 23,284	\$ 24,448	\$ 25,672	\$ 26,956	\$ 28,304	\$ 29,720
Class. Staff									
Intervention									
Clinical									
Operating Overhead									
Maintenance									
Utilities									
Supplies/Computer		\$ 34,743	\$ 45,480	\$ 47,754	\$ 50,142	\$ 52,649	\$ 55,281	\$ 58,034	\$ 60,911
Custodial 4 fctrs. @ 25 hrs. x 247 days x \$40		\$ 9,880	\$ 27,835	\$ 29,896	\$ 27,440	\$ 28,012	\$ 28,612	\$ 29,244	\$ 29,908
Facilities		\$ 107,000							
Indirect Cost @ 5.42% State Approved Rate		\$ 21,812	\$ 32,457	\$ 31,496	\$ 31,496	\$ 31,496	\$ 31,496	\$ 31,496	\$ 31,496
<b>TOTAL EXPENSES</b>		<b>\$ 197,890</b>	<b>\$ 324,255</b>	<b>\$ 314,743</b>	<b>\$ 404,515</b>	<b>\$ 571,585</b>	<b>\$ 602,861</b>	<b>\$ 636,171</b>	<b>\$ 671,886</b>
<b>Surplus/(Deficit)</b>		<b>\$ 306,366</b>	<b>\$ 307,045</b>	<b>\$ 297,657</b>	<b>\$ 207,885</b>	<b>\$ 40,815</b>	<b>\$ 9,539</b>	<b>\$ (23,771)</b>	<b>\$ (59,286)</b>
Assumptions Full Implementation		\$ 618,587	\$ 824,842	\$ 868,647	\$ 875,190	\$ 881,420	\$ 887,128	\$ 892,128	\$ 896,150

## QEIA Multi-Year Budget Example – Full Implementation


ENROLLMENT	2007/08 FACILITIES	2007/08	2008/09	2009/10	2010/11	2011/12	2012/2013	2013/2014	2013/2014
<b>Declining Enrollment @ 3% per grade per year</b>									
Prior Year CBEDS: K-3		582	565	548	548	548	548	548	548
Prior Year CBEDS: 4-5		296	277	269	269	269	269	269	269
Total CBEDS		878	842	817	817	817	817	817	817
<b>REVENUE:</b>									
Grades K-3 Revenue		\$ 326	\$ 500	\$ 500	\$ 500	\$ 500	\$ 500	\$ 500	\$ 500
Grades 4-5 Revenue		\$ 587	\$ 900	\$ 900	\$ 900	\$ 900	\$ 900	\$ 900	\$ 900
(Grades K-3)		\$ 189,878	\$ 282,500	\$ 274,000	\$ 274,000	\$ 274,000	\$ 274,000	\$ 274,000	\$ 274,000
(Grades 4-5)		\$ 187,954	\$ 289,300	\$ 285,100	\$ 285,100	\$ 285,100	\$ 285,100	\$ 285,100	\$ 285,100
<b>Total Projected Revenue</b>		<b>\$ 367,832</b>	<b>\$ 631,800</b>	<b>\$ 618,100</b>	<b>\$ 618,100</b>	<b>\$ 618,100</b>	<b>\$ 618,100</b>	<b>\$ 618,100</b>	<b>\$ 618,100</b>
PER CDE Award Letter - June 6, 2007		\$ 353,655							
Difference		\$ (14,177)							
<b>ASSUMPTIONS:</b>									
# of Teachers (includes K @ 24:1)		3	3	3	3	3	3	3	3
Teacher Salary & Benefits Average		\$ 70,000	\$ 73,500	\$ 77,175	\$ 81,034	\$ 85,095	\$ 89,340	\$ 93,807	\$ 98,497
# of QEIA Coordinator (50% charged to QEIA)		0	0	0	0	0	0	0	0
Cost of QEIA Coordinator		\$ 115,000	\$ 120,750	\$ 126,768	\$ 133,127	\$ 139,783	\$ 146,772	\$ 154,111	\$ 161,817
# of Teachers for Staff Development (38 x 33% = 13)		13	13	12	12	12	12	12	12
Cost per Teacher for Staff Development		\$ 1,800	\$ 1,980	\$ 2,178	\$ 2,396	\$ 2,636	\$ 2,900	\$ 3,190	\$ 3,509
Intervention Staff		3	3	3	3	3	3	3	3
Cost of Intervention @ 2 hrs. x 176 days x \$15/hr		\$ 5,280	\$ 5,544	\$ 5,821	\$ 6,112	\$ 6,418	\$ 6,739	\$ 7,076	\$ 7,430
# of Custodial		3	3	3	3	3	3	3	3
Cost of one Custodial time @ 25hrs x 247 days X \$40		\$ 2,470	\$ 2,594	\$ 2,724	\$ 2,860	\$ 3,003	\$ 3,153	\$ 3,311	\$ 3,477
<b>EXPENSES:</b>									
Teachers ( \$70K average x 3 fctrs.)		\$ 210,000	\$ 220,500	\$ 231,525	\$ 243,101	\$ 255,256	\$ 268,019	\$ 281,420	\$ 295,491
QEIA Coordinator (50% charged to QEIA)		\$ 10,350	\$ 10,868	\$ 11,411	\$ 11,901	\$ 12,500	\$ 13,210	\$ 13,870	\$ 14,563
Admin		\$ 23,400	\$ 25,740	\$ 26,136	\$ 26,136	\$ 26,136	\$ 26,136	\$ 26,136	\$ 26,136
Class. Staff									
Intervention									
Clinical		\$ 15,840	\$ 16,632	\$ 17,463	\$ 18,336	\$ 19,254	\$ 20,217	\$ 21,228	\$ 22,290
Operating Overhead									
Maintenance									
Utilities									
Supplies/Computer		\$ 72,434	\$ 91,556	\$ 96,134	\$ 100,941	\$ 105,988	\$ 111,287	\$ 116,851	\$ 122,658
Custodial 3 fctrs. @ 25 hrs. x 247 days x \$40		\$ 7,410	\$ 7,782	\$ 8,172	\$ 8,580	\$ 9,009	\$ 9,459	\$ 9,933	\$ 10,431
Facilities		\$ 107,000							
Indirect Cost @ 5.42% State Approved Rate		\$ 18,397	\$ 27,342	\$ 26,534	\$ 26,534	\$ 26,534	\$ 26,534	\$ 26,534	\$ 26,534
<b>TOTAL EXPENSES</b>		<b>\$ 367,831</b>	<b>\$ 400,419</b>	<b>\$ 417,376</b>	<b>\$ 600,822</b>	<b>\$ 628,790</b>	<b>\$ 656,926</b>	<b>\$ 691,957</b>	<b>\$ 731,318</b>
<b>Surplus/(Deficit) Implementation of 33% Staff Development</b>		<b>\$ (0)</b>	<b>\$ 131,381</b>	<b>\$ 98,725</b>	<b>\$ 16,678</b>	<b>\$ (12,690)</b>	<b>\$ (42,828)</b>	<b>\$ (74,967)</b>	<b>\$ (118,219)</b>
Assumptions Implementation of 33% Staff Development		\$ 131,381	\$ 230,190	\$ 245,660	\$ 232,660	\$ 190,167	\$ 115,210	\$	\$



### **Collective Bargaining Considerations**

- **QEIA required districts to meet and confer with bargaining units – Assurance No. 6**
  - This assurance was completed as part of the application process
- **QEIA doesn't change the requirement to negotiate with certificated and classified bargaining units**
  - Items within scope of collective bargaining include
    - Salary and/or stipends
    - Benefits
    - Working conditions
  - Any changes in these areas require collective bargaining


48



### **Collective Bargaining Considerations**


- **Dollars are finite and narrowly targeted (and may not increase over the life of the funding)**
  - Expect a fixed amount of funding and a growing demand for dollars and programs
  - Plan to carry-over funding in start-up years to pay for ongoing costs that will increase over the life of the QEIA program
  - Funding can be carried over annually for this purpose
  - “Working conditions” can be very broad
    - May include duty day/hours
    - Student class sizes
    - Preparation time
  - Use funding strategically to achieve your goals

49




## Collective Bargaining Considerations

- Expenses will increase “on the natural”
  - Step and column
  - Statutory benefits
  - Health and welfare benefits
  - Negotiated salary increases
  - Utilities
  - Facilities/maintenance costs
  - Staff development annually requirements
  - Indirect costs
  - Other
- Watch for encroachment – have a plan to deal with shortfalls




50



## Collective Bargaining Considerations

- Transfer language is important and is within the scope of collective bargaining – a sensitive area
  - May need to offer concessions to get the language you need
  - But, remember, the funding is only through 2013-14
  - So don't give up language forever
- Incentives to attract experienced teachers
  - Any incentive is likely to involve compensation or working conditions – plan to bargain
  - Be certain to bargain only the period of time the funding is guaranteed
    - Recommendation: Revisit the language each year QEIA funding is provided


51



## Collective Bargaining Considerations

- Because contract language is “forever,” and QEIA funding is not, consider these options:
  - Use Memorandum of Understanding (MOU) from year-to-year
  - Use MOU over the life of the funding, but with options to modify it if the rules change
  - If language is in the contract, be sure to include “sunset” provision
  - Use “pilot program” language in a side-letter to try approaches without making them permanent
  - Establish a joint labor/management committee to evaluate and make recommendations to both sides
  - Use open session board study session to report progress and problems – give employees credit for cooperation and gains for students


52



## Recordkeeping

- Assume QEIA-funded districts will be audited – start documentation now
- Develop procedures to track revenues and expenditures by funded school
- Track and document:
  - Class size and averages
  - Pupil-to-counselor ratios and credentials
  - Highly Qualified Teacher compliance of all teachers in funded school
  - Average teacher experience that meets or exceeds requirements
  - Progress in meeting program requirements
  - Facilities expense for funded schools


53



## Recordkeeping


- Track and document:
  - Professional development for teachers and instructional paraprofessionals (at least one-third annually)
  - Williams requirements met annually
  - “Exemplary” qualifications and experience of each school administrator at funded schools
  - Program expenses for funded schools (teachers, counselors, other staffing, staff development, etc.)
  - Carry-over balances from year to year
  - Any other funding sources used to augment the program

54



## In Closing

- Finally, there’s a lot riding on the anticipated success of QEIA
  - Expect to build evidence that money matters and so does class-size reduction as a strategy to support improvement
- Details regarding how implementation will be monitored are being developed – expect clarification (and maybe a few surprises along the way)



[www.sscal.com](http://www.sscal.com) (See “What’s New” for QEIA workbooks)

55

# Budget Development Guide

## Year \_\_\_\_\_

### 1. Certificated Teachers

**A. Average Teacher Salary:** \_\_\_\_\_ per year      Benefit Rate/Cost: \_\_\_\_\_  
*This applies to (type of position/support):* \_\_\_\_\_

---

**B. Per Diem Rate:** \_\_\_\_\_ per day      Benefit Rate/Cost: \_\_\_\_\_  
*This applies to (type of position/support):* \_\_\_\_\_

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**C. Project Pay:** \_\_\_\_\_ per \_\_\_\_\_      Benefit Rate/Cost: \_\_\_\_\_  
*This applies to (type of position/support):* \_\_\_\_\_

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**D. Hourly Rate:** \_\_\_\_\_ per hour      Benefit Rate/Cost: \_\_\_\_\_  
*This applies to (type of position/support):* \_\_\_\_\_

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**E. Substitute Rate:** \_\_\_\_\_ per day      Benefit Rate/Cost: \_\_\_\_\_  
*This applies to (type of position/support):* \_\_\_\_\_

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### 2. Classified

**A. Average Classified Salary:** \_\_\_\_\_ per year      Benefit Rate/Cost: \_\_\_\_\_  
*This applies to (type of position/support):* \_\_\_\_\_

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**B. Hourly Rate:** \_\_\_\_\_ per hour      Benefit Rate/Cost: \_\_\_\_\_  
*This applies to (type of position/support):* \_\_\_\_\_

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### 3. Other Positions

**A. Resource Teacher Salary:** \_\_\_\_\_ per \_\_\_\_\_      Benefit Rate/Cost: \_\_\_\_\_

**B. Coach/Content Specialist:** \_\_\_\_\_ per \_\_\_\_\_      Benefit Rate/Cost: \_\_\_\_\_

**C. Other--** \_\_\_\_\_: \_\_\_\_\_ per \_\_\_\_\_      Benefit Rate/Cost: \_\_\_\_\_

**Other--** \_\_\_\_\_: \_\_\_\_\_ per \_\_\_\_\_      Benefit Rate/Cost: \_\_\_\_\_

### 4. Travel

**A. Reimbursement for Mileage:** \_\_\_\_\_ per mile

**B. Per Diem:** \_\_\_\_\_ per day

**C. Other--** \_\_\_\_\_: \_\_\_\_\_ per \_\_\_\_\_

**Other--** \_\_\_\_\_: \_\_\_\_\_ per \_\_\_\_\_

**List 5 Strategies from the SPSA or LEA Plan that are working**

1.
2.
3.
4.
5.

- ↑
- ↑
- ↑
- ↑
- ↑

**What's the Evidence that It's Working**  
*Consider –  
Student performance data, resource allocation, etc.*

1.
2.
3.
4.
5.

**List 5 Strategies from the SPSA or LEA Plan that are not working**

1.
2.
3.
4.
5.

- ↑
- ↑
- ↑
- ↑
- ↑

**What Are You Going to Do About It?**  
*Consider –  
How will the strategy be revised? Budget be revised?*

1.
2.
3.
4.
5.

## COLLECTIVE BARGAINING CONTRACT EVALUATION GUIDES

Evaluating and monitoring collectively bargained employee contracts has to be among the highest priorities of the governing board and district management. The bargained contract, more than any other single document in a district's governance library, will determine both expenditure priorities and methods of education delivery.

The following list of contract principles is an attempt to provide basic tools for public policy makers and their constituencies for the evaluation of collectively bargained employee contracts. They are intended to serve as a series of principles against which any bargaining contract can be measured. While it is always appropriate for contract determination to be concluded in accord with local needs, the following should provide a common framework for all policy makers to use in evaluating final negotiation decisions.

Personnel expenditures absorb approximately 85% of a typical school district's total expenditures, and a district's total personnel expense is primarily determined by the terms of the collective bargaining agreements. Evaluating and monitoring the bargained contracts – and the resulting financial and education conclusions – is thus a major ingredient in the expenditure management of a district's governing board.

Collective bargaining guides are also especially appropriate since California school and community college districts are now required to provide the public with an opportunity to review any proposed bargaining contract following tentative agreement but prior to final action by the governing board (ref. AB 1200, Chapter 1213/1991, Section 3547.5, effective January 1, 1992). Although the public has always had an opportunity to comment on the parties "initial proposals," the relative new provisions of law give the public the opportunity to review a bargaining agreement at the conclusion, rather than at the commencement, of the bargaining process.

Additionally, an understanding of contract principles seems appropriate as California school districts enter into more "collegial" relationships. "Interest based bargaining" is an advantageous methodology for districts and employee organizations to use in reaching agreement. It must also be recognized, however, that the governing board maintains an on-going responsibility for representing public and student interests. While collegial relationships represent a greater maturity in the bargaining process, the process should not lead to an abdication of the board's responsibilities to represent all of the rest of the education program. Hopefully, the following contract principles will be of direct assistance to school districts in monitoring their actions as collective bargaining enters a new era.

It should be kept in mind that these principles are not all-inclusive and do not cover all aspects of the typical employee contract. Listing these issues is an attempt to obtain conscious thought and review of bargaining decisions, and should provide a beginning draft for consideration by education management.

**Principle I -- Financial Integrity. The bargained agreement will not endanger the current or future financial integrity of the school district.**

It is widely recognized that a bargained agreement can have a dramatic impact on a school or community college district's financial integrity. Since the average district's personnel expenditures absorb over 85% of a district's total expense, any change in current or future personnel obligations will have a major impact.

The bargaining agreement must be measured against the ability of the district to meet its overall financial obligations. The district, throughout the terms of the agreement, must be able to:

- Maintain a "Reserve for Economic Uncertainties" at levels required by the state's "Criteria and Standards";
- Avoid the use of one-time income for purposes of supporting the costs of the on-going agreement;
- Avoid of the use of income from growth in average daily attendance (ADA) to fund salary increases for existing staff;
- Adjust personnel expenditure costs if the State of California does not provide the level of revenues that are assumed at the time the agreement is signed;
- Avoid increases in salary and benefit expenditures at a rate that is faster than the projected increase in income per ADA; and,
- Provide "contingency language" for setting subsequent year compensation, only if there are provisions which clearly define the projected salary or staffing adjustments. If the adjustments are based on a growth in district funding, the language shall require that the funding be:
  - appropriated by the State of California
  - actually received by local school districts (i.e. after any deficits)
  - be of an "unrestricted" nature; and,
  - be "on-going" income and not "one-time".

**Principle II -- Educational Delivery. The collective bargaining contract must support and encourage the delivery of high-quality educational services for district students and not impede or harm the delivery of those services.**

Collective bargaining agreements, by their nature, impact upon the delivery of educational services to California students. Contract articles relative to the "**hours of employment**", "**evaluation of personnel**", "**leaves of absence**," and "**class size**" are typical examples of contract provisions that can directly impact upon a district's ability to provide quality educational services.

A collective bargaining agreement will appropriately affect educational delivery when it:

- Provides management the ability to regulate certificated personnel hours to ensure that student supervision is present prior to arrival of students, throughout the instructional day, and at the conclusion of the day for parent-student contact, if necessary.
- Provides for an evaluation process that makes it possible for management to identify personnel that are required to improve in order to meet minimum district standards. The district should only agree to evaluation requirements that are greater than those of state law if the provisions assist rather than impede management in appropriate evaluation of district personnel. The district must have full authority to be able to properly observe teachers and to evaluate their services at such time as is deemed necessary by the administration. The district must also have sufficient authority to effectively receive and evaluate complaints made by parents, students or the public. If warranted, following an appropriate investigation, there should be an ability to use parent, student or public complaints in the evaluation process without undue harassment of those raising such concerns.
- Maintains sufficient authority for the district to properly monitor employee absences in order to ensure that usage is appropriate and the requirements of the contract and state law are being met. Leave of absence entitlements that are provided by the district in excess of those required by law are included in the contract only as conscious decisions of the governing board and district management.

**Principle III -- Total Compensation Administration. The bargained agreement use compensation schedules which enhance educational competence and delivery and the parties evaluate compensation based on total compensation of salary and benefits.**

**Salary Schedule. The compensation plan of a collective bargaining agreement -- and most particularly the certificated salary schedule – is the single most significant document in determining the district’s future. Salary administration is not just a business office function and can be an important tool in promoting educational delivery. Toward that end, collective bargaining contracts shall:**

- Avoid salary paying twice for the same hour of service during the same duty day. Certificated personnel are expected to provide a full range of services throughout their duty day and additional payment will not be made for providing legitimate and regular services during the regular employee duty day;
- Consider formatting the salary schedule in a manner that reflects employer goals. Districts will consciously consider different methodologies to use the salary schedule to advance the quality of educational delivery. Issues typically considered during the bargaining process would be:
  - The frequency of “step adjustments” for time in grade versus “column increases” for educational accomplishments;
  - Assuring that a “satisfactory evaluation” is required prior to a “step advance”; and,
  - Providing a salary adjustment only for those continuing their education, including employees towards the top of the salary schedule.

- Contain language to ensure that additional units taken by certificated employees for advancement on the salary schedules relate to subject matter appropriate to the substantial increases that the employee will receive. A typical employee will receive, under the average agreement, a \$4,000 increase for each fifteen units that are completed. This salary increase will continue for the balance of the employee's professional career. Thus, the district must consciously evaluate additional units that are taken for advancement on the salary schedule and approve only those units that will genuinely enhance professional competence.

**Health Benefits. The district understands that health costs are growing very fast and, thus provides benefits in a manner that is appropriate and consistent with maintaining the districts' current and future financial integrity.**

Health benefit costs for California employers and employees are growing dramatically. It is essential that California school districts develop a process of joint responsibility with employees to control these costs. Toward this end California school districts shall:

- Provide health benefits in such a manner that employees are conscious of district costs and that annual cost increases are appropriately shared between the employer and the employee. The contract provides built-in methodologies to ensure that employees feel an obligation to control usage of benefits in order to control costs. Health premium amounts are recognized as a part of the employee's "total compensation."

**Retiree Health Benefits. The District will not automatically extend health benefits to retirees and will annually provide funding to meet the full accrued obligation for retiree benefits.**

The fastest growing portion of health benefit costs for school districts relates to coverage for retirees. Escalating health benefit costs, especially for those over age 65, can lead to a financial crisis in subsequent years that even the most prudent management cannot forestall.

A school district in developing any retiree health benefit provisions will maintain the following:

- The district will offer retiree health benefits only when there has been a full, conscious recognition of and provision for the costs that will be incurred in current and subsequent years, including:
  - The development of an actuarial study to identify costs for any proposed retiree health benefit package;
  - Evidence of the district's ability to set aside an amount in the "retiree health trust fund" to fully cover the accrued obligations of retiree benefits; and,
  - The district's willingness to make contributions to that fund on an annual basis in order that the obligations are recognized at the time they are incurred and not passed on to future educational generations.

Education’s public—students, parents and taxpayers—all have a right to be represented at the negotiating table. A school district’s governing board and management team have the responsibility to represent that public in their roles as district negotiators. The above principles will assist California management in meeting that obligation.