

Fiscal Recovery Plan

Fiscal Years 2016-2019



SONORA UNION
HIGH SCHOOL DISTRICT

Tuolumne County, California

Prepared by:

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Presented to the Board of Trustees

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Sonora Union High School District

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Introduction

This Fiscal Recovery Plan has been created by the joint, collaborative efforts of the Sonora Union High School District management team with input provided by the newly created SUHSD Fiscal Crisis Task Force whose sole purpose is to provide financial and stakeholder feedback to the Board of Trustees through the superintendent during this fiscal transition in the district's history. This Fiscal Recovery Plan outlines the preliminary steps the district is proposing to take in order to make budgetary adjustments to impact the multi-year financial projections to reflect a sound fiscal foundation which supports the district's primary purpose; the education of our students. Though substantial steps in this transition are necessary, many of which include budgetary reductions, an open and transparent collaboration that levies the support of all district stakeholders will be the only viable path to a sound fiscal future.

This Fiscal Recovery Plan was developed to address the structural deficit identified in the District's budget, of which the district notified the Tuolumne County Superintendent of School (TCSOS) and the Fiscal Crisis and Management Assistance Team (FCMAT). The goal of this plan is to outline the steps that the district plans to take in order to directly address key and targeted areas to improve the district's 2016-2019 multi-year financial projections. This plan is meant to be adaptable to all budgetary conditions in California's school funding laws, to the current enrollment projections for the district, and the educational needs of the students of the district.

FCMAT's Fiscal Health Risk Analysis identifies twenty different fiscal indicators used to measure a district's potential risk. According to the county report, components of greatest concern for the district are deficit spending, fund balance, reserve for economic uncertainty, enrollment, bargaining agreements, and encroachment. During the Fall of 2016, the District began a preliminary budgetary investigation, looking at all of these components to analyze where adjustments could be made. This Fiscal Recovery Plan seeks to utilize the recommendations from FCMAT's study and work to direct budgetary projections for the district with specific actions and timelines. Deficit spending is when expenditures exceed revenues. In the multi-year projections, the district anticipates deficit spending an average of \$600,000 per year over the next three years. In order to change this trajectory, expenditures must be reduced in the current year and the subsequent following years to balance the budget. Fund balance is the dollars unspent in prior years where expenditures did not exceed revenues. The state requires a reserve of 4% of the General Fund expenditures. The district maintains approximately a \$1,098,000 reserve in Fund 17 for economic uncertainties.

Over the past 10 years the district has seen a decline in student population averaging 66 students per year. The district projected a slight increase of enrollment for the 2016-2017 school year, budgeting for an estimated enrollment of 1067 students. Projections beyond 2016-2017 indicate that enrollment in the county may stabilize which will allow the district to conservatively project a flat enrollment over the next three years. The decline in enrollment has been coupled with an historically low Average Daily Attendance (ADA) ratio calculated for the year at approximately 91%, which is low compared to the state average of 95%. Other factors that contributed to this year's approved budget include changes made through the negotiations process during the 2015-2016 school year with the bargaining agreements of the Certificated and Classified units. Each received a 3% increase in the 2015-2016 school year. Subsequently, two additional days were added to the teacher's calendars for professional development and paid for out of Supplemental Funds. Encroachment is often an issue with Special Education, Transportation and the Cafeteria programs. Rising salaries and food costs in combination with declining enrollment has increased the encroachment for the Cafeteria.

Sonora Union High School District is committed to the District's Mission adopted by the Board of Trustees on April 16, 2016. With the joint collaboration of the district faculty, classified staff, management team, parents, and community members, this Fiscal Recovery Plan centers around this mission: "To maintain focus on student learning and wellness by engaging in sound resource allocation and policy management to ensure that the Sonora Union High School District is an excellent place to learn, teach, and work."

This Fiscal Recovery Plan is also committed to continue to implement the Board of Trustees' District Goals adopted by the Board on April 16, 2016:

2016 – 2017 District Goals

- 1. Academic Achievement** – Students and teachers are held to a high standard of academic achievement with increased completion of the entrance standards (A-G requirements) of the University of California and California State University system.
- 2. Staff Development** – Staff development and training programs are relevant, of high interest and support new academic assessment and technology initiatives and innovations.
- 3. Facilities** – The District supports the construction and modernization of district facilities and technology to better support staff and student learning, safety and efficiency.

4. **Assessment Data** – Departments will develop common assessments to help drive instruction and evaluate the effectiveness of programs, personnel and student achievement. Each department shall report the results of this evaluation to the Board on an annual basis.

5. **Finances** – The District is a good steward of existing resources while developing additional sources of funding for current programs and new initiatives.

6. **Career Technical Education** – Students have the opportunity to learn workforce skills through high quality career technical and community learning programs aligned to the regional economy.

7. **School Culture** – All members of our educational community engage in positive interpersonal relationships promoting a culture of cooperation, trust and respect.

8. **Alternative Programs** – The District supports other academic programs including adult education, Middle College, independent study and alternative education.

9. **Co-Curricular Programs** – The District recognizes that arts, athletics and student organizations are essential facets of the high school experience and supports increased student engagement and achievement.

10. **Wellness** – The District promotes physical and mental health through student programs that encourage healthy habits, improved nutrition, and access to personal counseling.

Recovery Plan

Sonora Union High School District is proposing five areas to begin addressing the structural deficit forecasted in the district's 2016-2019 multi-year financial projections. These five areas work together to address significant concerns that were brought to the district by the superintendent, the Fiscal Crisis Task Force and district stakeholders. The areas are designed to address the structural problems within the budget while seeking to uphold the strictest adherence to the needs of the students of the schools.

An important consideration of this Fiscal Recovery Plan has been the 2016-2017 Local Control and Accountability Plan (LCAP) approved by the Board of Trustees in June of 2016. Each goal of the LCAP, and the projected three years of action are currently being analysed for appropriateness and considered for revision and developed by the district based on the information the superintendent has received through the fiscal recovery process. The 2016-2017 budget year will be built upon the goals, sustained and revised, in the LCAP and the renewed focus lent to the services targeted for the district's unduplicated count students. Stakeholder input will be a crucial component of the development and changes to the 2017-2018 Local Control Accountability Plan.

The five areas, outlined further in this documents, represent accommodation from each area of the district.

Summary of Changes		Date	Changes
I	Reductions in Sonora Union High School District Management	2017-2019	\$71,595 in reductions to expenses
II	Reductions in Sonora High School Classified and Certificated Staff	2017-2019	\$1,189,061 in reductions to expenses
III	Restructuring the Graduation Requirements and the Sonora High School Master Schedule	January 2017	unknown
IV	Negotiation with Bargaining Units	January 2017	unknown
V	Other District and Site Measures	2016-2019	\$500,000 in additional revenues for salaries
	Total savings for 3 school years (2016/17, 2017/18, 2018/19)	2016-2017 2017-2018 2018-2019	\$1,760,656

I - Management

Certificated and Classified Management has agreed to a reduction of 2 days in their contract for the 2016-2017 school year and of 5 days for the 2017-2018 and 2018-2019 school years. The superintendent has agreed to a 5 day reduction in salary for the remainder of the 2016-2017 school year and of 10 days for the 2017-2018 and 2018-2019 school years. Any positions vacated by retirement or resignation will be evaluated and possibly not filled. These reductions are not reflected in the 2016-2017 1st interim multi-year projections, but will be incorporated into the 2nd interim report as the required notices have not been made and certain details are still being reviewed.

	2016-2017 Reductions	2017-2018 Reductions	2018-2019 Continued Savings	Total
Certificated Management	\$10,229	\$23,561	\$23,561	\$57,351
Classified Management	\$2,374	\$5,935	\$5,935	\$14,244
Total	\$12,603	\$29,496	\$29,496	\$71,595

II - Certificated, Classified, and Confidential Staff

The district is projecting to reduce some instructional services, including classroom teaching positions starting in the 2017-2018 school year, and classified support positions starting towards the end of the 2016-2017 school year. The reductions in certificated and classified personnel are identified in the table below. Certificated reductions equal approximately 5.8 FTE and would start in the 2017-2018 school year. Classified reductions equal approximately 2.5 full time positions plus additional days, or hours, off of several individual's yearly, or daily, work schedules, and would start by the last two months of the 2016-2017 school year. Confidential employee reductions are 2 days in the 2016-17 school year and 5 days each year for the 2017-18 and 2018-19 school years. Any positions vacated by retirement or resignation will be evaluated and possibly not filled.

Staffing ratios are currently being developed and will continue to be evaluated after class sign-ups for each school year, so that adequate staffing can be achieved. These reductions are not reflected in the 2016-2017 1st interim multi-year projections, but will be incorporated into the 2nd interim report as the required notices have not been made and certain details are still being reviewed. The reductions for 2017-2018 and 2018-2019 do not reflect an increase due to step and column or STRS and PERS.

	2016-2017 Reductions	2017-2018 Continued Reductions	2018-2019 Continued Savings	Totals
Classified	\$62,835	\$155,725	\$155,725	\$374,284
Certificated	0	\$398,209	\$398,209	\$796,418
Confidential	\$3,059	\$7,650	\$7,650	\$18,359
Totals	\$65,894	\$561,584	\$561,584	\$1,189,061

III - Graduation Requirements and Master Schedule

Currently the graduation requirements for Sonora High School is 230 credits, students must attempt 240 credits, and pass 50 credits their senior year. Many students take a “0” period course in PE2, Leadership, or Jazz Band to increase the number of credits by the time they graduate. Many students are also concurrently enrolled in courses at Columbia College, receiving high school and college credit concurrently. But, if a student struggles and fails more than a single required class, the student must make it up during summer school or after school APEX program. Current structures in the master schedule restrict space for credit recovery. California Education Code requires just 130 credits to obtain a high school diploma.

	CA Ed Code	Sonora High	Proposed	CSU/UC Requirement
English	30	40	40	4 Years
Math	20	20	20	3 Years (4 Recommended)
Biological Science	10	10	10	2 Years of Lab Science
Physical Science	10	10	10	(3 Years Recommended)
Social Science				3 Years of Social Science
World History	10	10	10	
US History	10	10	10	
Govt/Civics	5	5	5	
Economics	5	5	5	
Life Skills		10	10	
VPA/FL/CTE	10	10	10	2 Years of Foreign Language (3 Rec)
Vocational		10	10	1 Year Visual and Performing Art
Physical Edu	20	20	20	
Electives		70	50	College Prep Electives
Total	130	230	210	No Official Minimum

By reducing the number of elective credits to 50, and requiring 210 credits to graduate, SHS will allow students to make up any failed coursework during their junior and senior years. This also adds flexibility to their schedule to allow concurrent enrollment in college courses, while still allowing for A-G completion.

The 2016-2017 Master Schedule has many singletons which restricts the flexibility of scheduling students. Eliminating as many singletons as possible, and combining these courses with similar courses, will give more flexibility to scheduling students throughout the day, and help level the teacher/student ratio in many classes.

IV - Negotiations

Starting in January of 2017, the district will work to negotiate changes to the collective bargaining agreements with the SUHSD Federation of Teachers (Certificated) and the SUHSD CSEA chapter #774 (Classified) unions. The district is also evaluating all stipend positions to verify job descriptions and cost/benefit analysis of the stipend positions. The impact of any possible negotiations is not reflected in this Fiscal Recovery Plan. However, once negotiated changes are reached, the district will update this Fiscal Recovery Plan to reflect any budgetary changes achieved.

V - Other Measures

- a. The district is evaluating and implementing the 25 recommendations from the FCMAT report dated November 4, 2016.
- b. The district is currently evaluating the it's capacity to assume responsibility for special education programs and services for SUHSD students currently provided by TCSOS in consideration of the recent movement to shift county operated programs back to the district of residence.
- c. The district is evaluating the options for an outside agency's review of the district's food service, maintenance & operations, transportation, facilities, and special education operations. These reviews could offer additional areas of savings and/or improved services.
- d. The district is continuing to look for cost savings in supplies, materials, and services.
- e. The district has received a Career and Technical Education (CTE) Incentive Grant in 2016 for \$225,273 which approximately \$60,000 has been spent on equipment and supplies. The next two periods of funding are expected to be \$174,140 each. The majority of these funds will be used for CTE salaries and benefits over the next three years, for an approximate total of \$475,000

- f. The district qualifies for the College Readiness Block Grant of \$75,000. Approximately \$25,000 will be applied towards existing employee salaries and benefits over the three year period of the grant.
- g. Board members are considering reducing their stipends and/or benefits.
- h. The district is evaluating the possibility of allowing off campus passes at lunch for juniors and seniors only during the 2017-18 school year, and for seniors only during the 2018-19 school year. The impact of the encroachment on the cafeteria is a key consideration in addition to student safety concerns.

Summary of Savings

Summary	2016-2017	2017-2018	2018-2019	Total
Certificated Management	\$10,229	\$23,561	\$23,561	\$57,351
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Confidential	\$3,060	\$7,650	\$7,650	\$18,359
Classified	\$62,835	\$155,725	\$155,725	\$374,284
Certificated	0	\$398,209	\$398,209	\$796,418
Total Reductions	\$78,498	\$591,079	\$591,079	\$1,260,656
Additional Funding from <i>Career Technical Education Block Grant</i> and <i>College Readiness Block Grant</i>	\$166,000	\$166,000	\$167,000	\$500,000
Total				\$1,760,656

Concluding Remarks

This Fiscal Recovery Plan is subject to revisions and will adapt to changing fiscal conditions of the district.

This Fiscal Recovery Plan will be updated as progress is made. Implementation of many parts of this plan has already begun and will continue to require tough decisions and a change in the way of doing things, and provides a pathway for success.