

Presentations from the
June 22, 2020
School Board Meeting



Public Hearing

19/20 & 20/21
Budgets

June 22, 2020



Highlights from Senate Fiscal Agency Presentation On School Aid Fund Update



FY 2019-20 Estimated Shortfall and Potential Proration

- The May 2020 Consensus Revenue Estimating Conference was held on May 15, 2020.
- After the CREC, the Senate Fiscal Agency published balance sheet estimates for fiscal years (FYs) 2019-20, 2020-21, and 2021-22.
- The estimated GF/GP shortfall for the current year, FY 2019-20, is \$1.1 billion, and
- The estimated School Aid Fund (SAF) shortfall for the current year, FY 2019-20, is \$1.1 billion for a combined shortfall of \$2.2 billion.

Highlights from Senate Fiscal Agency Presentation On School Aid Fund Update



FY 2019-20 Estimated Shortfall and Potential Proration

- The estimated \$1.1 billion SAF shortfall for the current year could be addressed in any of the following, or in any combination of the following:
 - Proration
 - Negative Supplemental (eg, cuts in a different manner than proration)
 - Added State Revenue (eg, BSF)
 - Added Federal Revenue (If existing Federal stimulus money can be used to backfill shortfalls or if additional Federal stimulus money is enacted.)

Highlights from Senate Fiscal Agency Presentation On School Aid Fund Update



FY 2019-20 Estimated Shortfall and Potential Proration

- If the estimated \$1.1 billion SAF shortfall is addressed with proration, Section 296 of the State School Aid Act, MCL 388.1896, provides the timeframe, calculations, and implementation.
- Timeframe: if the State Treasurer believes there will be a shortfall between enacted appropriations and revenue, he/she is to notify the State Budget Director. The State Budget Director then is to notify the Legislature. The Legislature has 30 calendar days to enact (with the Governor's signature) a solution other than proration, by either appropriating additional funds or by reducing spending, or both.
- If the Legislature does not enact a solution, then the Department may reduce payments after the 30-day window.

Highlights from Senate Fiscal Agency Presentation On School Aid Fund Update



FY 2019-20 Estimated Shortfall and Potential Proration

- Calculations and Implementation
 - There are five groups that receive SAF: districts (including charter schools), intermediate school districts, community colleges, universities, and other entities.
 - Each entity's share of the shortfall reflects how much of the entire SAF that group receives. For example, districts and charters receive roughly 87% of the SAF that is appropriated for FY 2019-20. Therefore, their 'share' of the \$1.1 billion shortfall is 87%, or roughly \$952 million.

Highlights from Senate Fiscal Agency Presentation On School Aid Fund Update



- Calculations and Implementation, continued
 - For districts and charters, their total dollar ‘share’ of the shortfall would be converted to an equal per-pupil reduction, roughly \$652. An overall reduction to State aid payments would be applied, and districts would be able to reduce their spending on specific programs with the exception of certain ‘protected’ sections (for both districts and ISDs):
 - renaissance zones, PILT, school lunch, special education (sections 51a(2), 51a(11), 53a, 56, and 152a).
 - While MPERS rate cap payments are not currently ‘protected’, they likely should be included.

Highlights from Senate Fiscal Agency Presentation On School Aid Fund Update



Options Other than Proration

- The Legislature could adopt, and the Governor could sign,
 - a negative supplemental budget to impose reductions in a manner other than that dictated by proration.
 - a budget that adds revenue to offset, either in full or in part, the shortfall.
- If the Federal government either increased flexibility for existing COVID dollars in the Coronavirus Relief Fund (\$3.0 billion for the State that currently cannot be used to backfill revenue shortfalls) or if another stimulus package is passed with funds for backfilling revenue shortfalls, then the shortfall could be at least partially addressed.

District Response 19/20 Final Budget Amendments



2019-2020 Budget Goal:

Preserve \$500,000 - \$1,000,000 to help absorb a portion of the per-pupil reduction for 2019/20 and/or 2020/21.

- Natural savings in certain areas due to mandated school closure (fuel, repairs, project postponement, supplies, etc.)
- Freeze all non-essential purchases in every department

District Response 19/20 Final Budget Amendments



2019-2020 June Budget Amendment Assumptions:

Final Budget Resolution

- Reflecting a proration of \$650 per pupil reduction for 19/20
- Realizing our goal of preserving approximately \$1 million to help absorb the proration
- Fund Balance absorbing the remainder of the proration with an estimated \$2.3 million
- Estimated 19/20 fiscal year end fund balance of \$6,715,510 or 12.2% of expenditures

District Response 20/21 Proposed Budget



2020-2021 Budget Goal:

Absorb budget shortfall with a combination of fund balance and budget reductions.

- Goal not to exceed 3% reduction in fund balance % to expenditure per year (equates to about \$2 million)
- Board discussion on the possibility to lift the current [Fund Balance Policy](#) floor of 13% during this economic crisis
- Remainder of budget shortfall would require necessary reductions

District Response 20/21 Proposed Budget



2020-2021 Budget Assumptions:

[Proposed Budget Resolution](#)

(Finance & Operations Committee held two meetings over the last two weeks to discuss and review the fiscal priorities and tiered budgetary reductions.)

- Reflecting continuation of the proration of \$650 per pupil reduction for 20/21
- Implementing Tier I and Tier II of budgetary reductions providing a savings of \$2.2 million
- Temporarily setting a new Fund Balance goal not to drop below 8%
- Fund Balance absorbing the remainder of the projected budgetary shortfall
 - Goal: not to exceed \$2 million so as not to drop below 8% fund balance
 - If projected shortfalls hold true the district would need to implement Tier III budget reductions mid year

Transition to Semesters

High School Credits
Adjustment



- Academic Impact
- Budgetary Impact
- Policy Impact
- Timeline Impact



Academic Impact:

Advantages of Semester Transition

1. **Budgetary savings** in staffing, through attrition where possible;
2. A semester schedule that **aligns with approximately 80% of the county/region**;
3. Better **alignment for dual enrollment or other expanded learning opportunities** with higher education institutions, KCTC, CTE programs, Advanced Placement;
4. **Less transition for students** between (2 sem vs. 3 tri) annually;
5. Fewer courses for students, **allowing greater depth in each subject area and/or adjusting to an online/blended learning model**, if needed, with **more time to address learning gaps**;
6. Creates **embedded intervention and extension support** within the course as a semester and/or year-long format;
7. Ability to **add AP course offerings aligned to semester schedule** (AP Psychology & AP Macroeconomics)

Academic Impact:

Required Changes of Semester Transition

1. **Less elective options, requiring some teachers to change to a core content or other course;**
2. **Potential reduction in staff;**
3. Teachers will **service more students per day / semester**, but less per year
4. More **difficult to have students make up a loss of HS Credit**; would need to expand summer offerings for credit recovery
5. **Less instructional time** for larger projects/labs on a daily basis;
6. **HS (6) ½ exam days will be eliminated;**
7. **Less planning time** but in line with CEA Collective Bargaining Agreement.

Academic Impact: Current CHS Trimester Graduation Requirements



- English Language Arts 4 credits
- Mathematics 4 credits
- Social Studies 3 credits
- Science 3 credits
- World Language 1-2 credits
- Fine/Industrial Arts 1-2 credits

- P.E. .5 credit
- Health .5 credit
- Computer Literacy .5 credit
- Electives 9.5 credits

Total Required

28 credits + 3 Interims

Academic Impact: CHS Semester Proposed Graduation Requirements



- English Language Arts 4 credits
- Mathematics 4 credits
- Science 3 credits
- Social Studies 3 credits
- World Language 1-2 credits
- Fine/Industrial Arts 1-2 credits

- P.E. .5 credit
- Health .5 credit
- Computer Literacy .5 credit
- Electives 4 credits

Total Required

22 credits + 3 Interims

Academic Impact: Proposed Graduation Requirements



FRESHMEN



- English Language Arts 4 credits
- Mathematics 4 credits
- Science 3 credits
- Social Studies 3 credits
- World Language 1-2 credits
- Fine/Industrial Arts 1-2 credits

- P.E. .5 credit
- Health .5 credit
- Computer Literacy .5 credit
- Electives 4 credits

Total Required

22 credits + 3 Interims

Class of 2024 & Beyond

Academic Impact: Proposed Graduation Requirements

Sophomore



- English Language Arts 4 credits
- Mathematics 4 credits
- Science 3 credits
- Social Studies 3 credits
- World Language 1-2 credits
- Fine/Industrial Arts 1-2 credits

- P.E. .5 credit
- Health .5 credit
- Computer Literacy .5 credit
- Electives 5 credits

Total Required

23.5 credits + 2 Interims

Class of 2023

Academic Impact: Proposed Graduation Requirements

JUNIOR



● English Language Arts	4 credits	● P.E.	.5 credit
● Mathematics	4 credits	● Health	.5 credit
● Science	3 credits	● Computer Literacy	.5 credit
● Social Studies	3 credits	● Electives	6.5 credits
● World Language	1-2 credits	Total Required	25 credits + 2 Interims
● Fine/Industrial Arts	1-2 credits		

Class of 2022

Academic Impact: Proposed Graduation Requirements



- English Language Arts 4 credits
- Mathematics 4 credits
- Science 3 credits
- Social Studies 3 credits
- World Language 1-2 credits
- Fine/Industrial Arts 1-2 credits

- P.E. .5 credit
- Health .5 credit
- Computer Literacy .5 credit
- Electives 8 credits

Total Required

26.5 credits + 2 Interims

Class of 2021

Budgetary Impact: Staffing Implications

Unknown

- Specifics on actual savings at this time

Known

- Number of courses taught would be reduced
- Number of staff members needed would be less
- Staff movement will be required (based on certifications) to fill core classes

Goal: To fill any open positions with displaced staff members first instead of hiring, providing a cost savings for each of those positions we are able to fill from within

Policy Impact: Board Policy Change

5460 - GRADUATION REQUIREMENTS - CURRENT POLICY

- Recently Decreased Requirements → MMC Requirements
 - Caledonia Graduation Requirements = MMC 18 Credits
 - Plus - .5 Computer Applications / Coding
 - Plus - .75 Interim (3 Years)
 - Revising during 2020-21 school year to align with EDP development/creating opportunities for job shadows/internships

Policy Impact: Policy Recommendations

- Consider **marching band as a means of meeting the .5 PE requirement**
 - Creates flexibility for our band students, especially early in their high school careers (policy change)
- Consider **modifying science requirements to Chemistry OR Physics/Physical Science** (building modification)
 - Important for our kids who attend KCTC or have Encore classes to meet their IEP requirements
 - Creates flexibility - they can meet their 3rd science requirement at KCTC, most likely.
- Application of equivalency credits for CTE programs & courses

Note: We already postpone the current 3rd science requirement (Physics/Physical Science) for students with IEP's so they can attend KCTC due to year long classes and encore classes.

Timeline Impact: Board Policy Approval & Communication Plan

Semester Announcement to Staff June 23
Communication to Staff

Community Town Hall (Dr. Martin) July 7
Live Video Communication to Parents

- **Change in Policy**
- **Scheduling Plans**

Board Policy Change Approval / Action July 20
Board Meeting

Timeline Impact: Board Policy Approval & Communication Plan

Scheduling Students for 2020-21

June 24-July 24

Principal/Counselor Communication

- Online and/or blended options available
- Taught by Caledonia Community Schools teachers
- Counselors setting semester schedules and seek feedback from students individually before start of 2020-21 school year

End of Presentations

June 22, 2020

