

Master Plan Strategies Updates
Secondary Restructuring for Discussion

**Listening Campaign Report #1,
Inter-District Transfer Data,
Chipman Charter Fiscal Analysis**

**Community Workshop
10/20/09**

Agenda & Reminder

1st: Review of why we're here and what the Master Plan must accomplish

2nd: Feedback the community has given about the Master Plan

- **Listening Campaign Report #1** – Public Education Volunteers

3rd: Three scenarios for discussion about **Secondary Restructuring**

- Relevant support data
- Scenario One: secondary school choice
- Scenario Two: budget shortfall forces one high school
- Scenario Three: maximum utilization of space based on budget shortfall
- How we close the projected \$16 M deficit

4th: Following up on prior questions affecting Restructuring

- Inter-district transfer data
- Revised Chipman charter fiscal analysis

Reality Check

We must do more with less

- Past efforts at reform have not been sufficient
- Going forward from here we must improve with fewer resources

Since April

AUSD has identified 7 goals the Master Plan must achieve:

1. Accelerate achievement
2. Preserve neighborhood elementary schools
3. Improve secondary options
4. Optimize facilities use
5. Rebalance enrollment
6. Reduce fixed costs & maximize existing resources
7. Close a revenue gap of ~\$16M by 2012-13

Overcoming Challenges

Our Master Plan Core Strategies

- Develop unique academic acceleration initiatives
- Create secondary school choice
- Create a lean, more efficient central office
- Increase class size*
- Maximize facility utilization
- Sell or lease unused or under-used property
- Pass a parcel tax
- Explore funding sources to support AUSD

* Requires negotiation with the Alameda Education Association (AEA)

Planning Potential Strategy

Using Community Feedback to Guide the Master Plan

Some ideas we have heard from school site meetings and surveys include:

- Maintain neighborhood elementary schools
- Maintain current school-site programs
- Increase district office efficiency and transparency
- Explore external funding sources to support the district
- Create programs of choice and magnet programs including such as dual language immersion at the elementary and middle school levels and schools of the arts and science and technology at the secondary level
- The community expresses mixed feelings about changing class size* reduction even though it represents the most cost savings and stabilizes current enrollment zones

* Requires negotiation with the Alameda Education Association (AEA)

Report #1 from the Listening Campaign

*Since September Alameda community members have participated in a Listening Campaign through an independent network of **Public Education Volunteers** to ensure that district leaders hear from all sectors of the Alameda community. After a training session, these volunteers host meetings about the master plan in order to solicit ideas, priorities and concerns. This is their first report to the Board of Education and the public.*

Public Education Volunteers

- ✓ PEV's are concerned Alameda community members
- ✓ 10 "Listening Meetings" have been/will be held during October with more to come
- ✓ The next report covering PEV meetings will be in early November
- ✓ The goal of the meetings is to listen to candid feedback from all perspectives
- ✓ **The last PEV training is scheduled for Oct. 22 from 6:30-8:30 @ Otis Elementary School***

* The last opportunity to become a PEV

Listening Campaign Trends

- General support for school choice
 - A strong interest in magnet programs
- Support for a new Parcel Tax
- Mixed opinion on class size reduction
- Strong support for increased fundraising
- Interest in marketing the district
- Continued interest AUUSD exploring other cost saving educational options

Public Education Volunteers

Community Organization Reps/Parents

Zoe Holder

Alameda Multicultural Center

Nancy Balassi & Karen Kenney *

Girls Inc of the Island City

Christine Strena *

Alameda Educational Fund

Austin Tam

Teachers/AUSD Staff

Annalisa Moore

Vickie Smith

Roxanne Clement

AUSD Parents

Laura Lake

James Taylor

Heather M. Wu

Joanna Bianchi

David Murray

Marianne Bartholomew-Couts

Sean Cahill

Michael Murphy

Charles Weiland

Georzann Chaco*

Ourida Azi

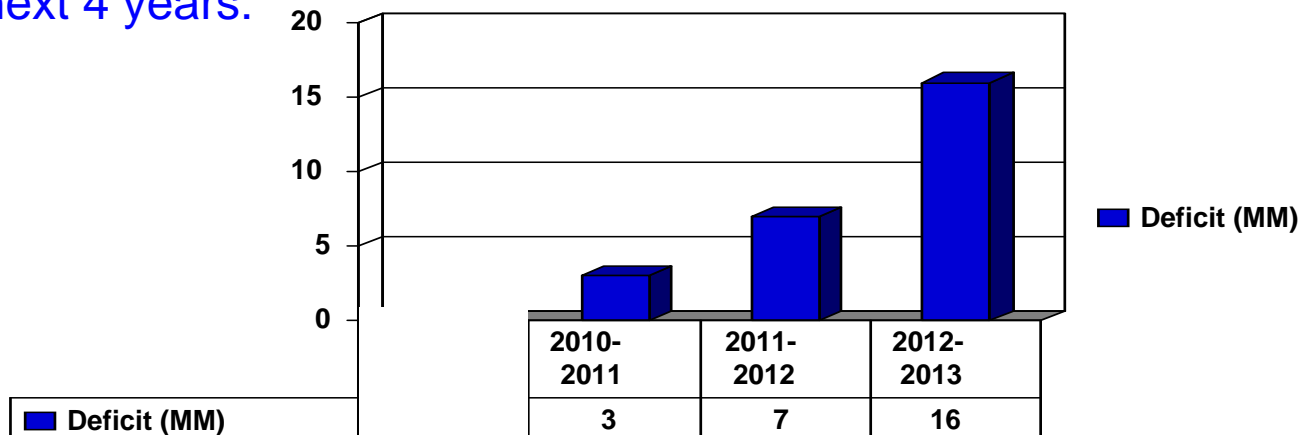
Secondary Restructuring Scenarios for Discussion

AUSD Relevant Support Data Scenarios 1-3

Addressing the Deficit

Summary of AUSD Budget Deficit

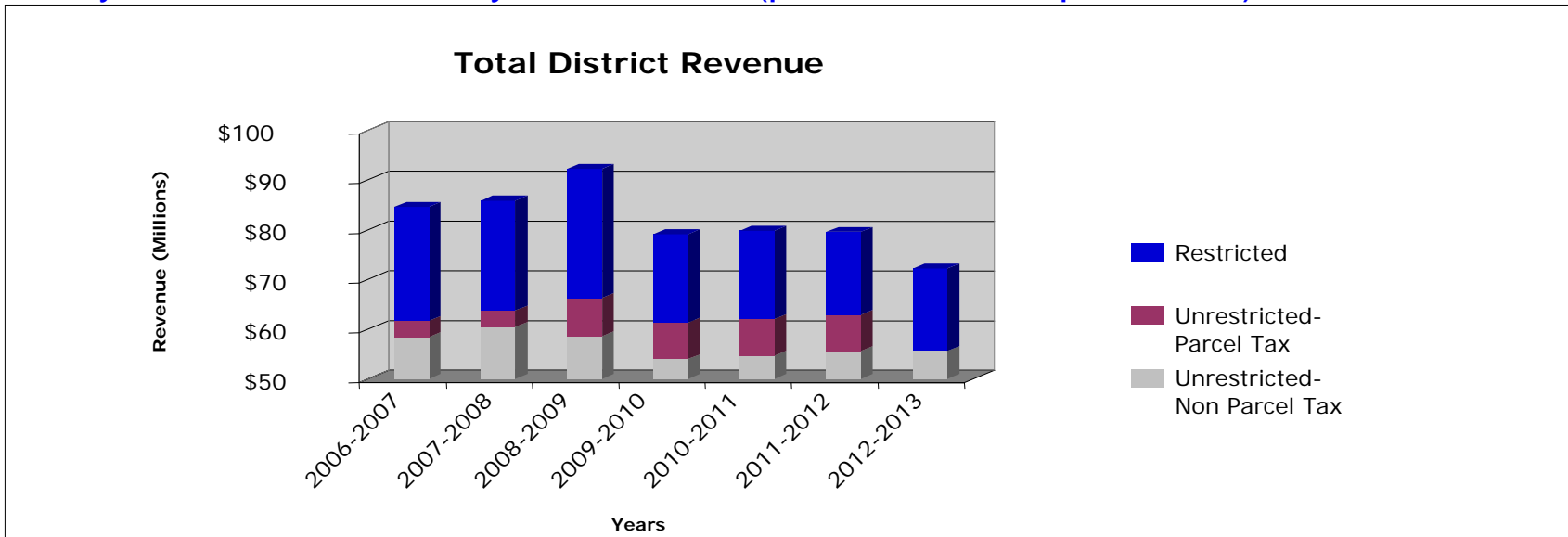
- Experiencing a structural deficit
- Surviving on one-time monies, including:
 - Parcel taxes from Measure A and H are set to expire in 2011-2012.
 - Temporary categorical funding flexibility from the California Department of Education set to end in 2012/2013
- Assuming no parcel tax is passed; no increase in state funding and no decrease in current district services, the following table shows the state of the budget for the next 4 years:



State Funding Cuts Have Lowered AUSD Revenue to Pre-2006 Levels

Total District Revenue

- Below is the total district revenue for the past three years; this year and the next three years broken down by unrestricted (parcel and non parcel tax) and restricted funds.



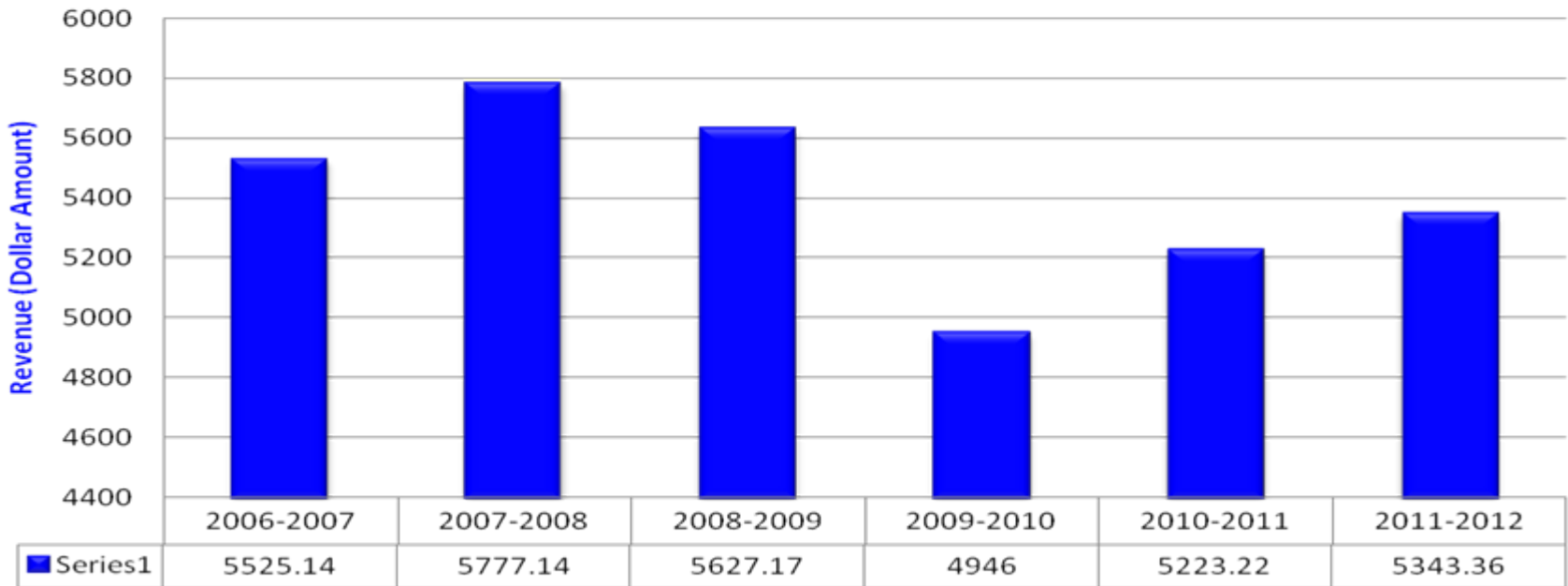
	2006-2007	2007-2008	2008-2009	2009-2010	2010-2011	2011-2012	2012-2013
Unrestricted-Non Parcel Tax	58,427,589.24	60,412,369.54	58,604,822.20	53,985,696.00	54,699,036.00	55,541,193.00	55,541,193.00
Unrestricted-Parcel Tax	3,234,655.56	3,327,646.40	7,662,516.19	7,327,647.00	7,327,647.00	7,327,647.00	0
Restricted	22,906,676.35	22,067,066.63	25,979,606.06	17,752,544.00	17,752,544.00	16,692,176.00	16,692,176.00
Total	84,568,921.15	85,807,082.57	92,246,944.45	79,065,887.00	79,779,227.00	79,561,016.00	72,233,369.00

Per Student Revenue

Per Student Revenue

- Below includes the past 3 years of per student average annual revenue; the current year of average annual revenue and the next two years of projected revenue.

Former, Current and Projected Average Annual Per Student Revenue



Traditional Measures of Student Achievement

Graduation and Dropout Rates

- **Strengths**
 - Alameda HS and Encinal HS graduation rates are well above the state and Alameda County graduation rates
 - Alameda HS and Encinal HS drop out rates are well below the state and Alameda County dropout rates
 - Alameda HS and Encinal HS graduates meeting UC A-G requirements are well above state and Alameda county averages
- **Where we must improve** - Eliminate gaps between subgroups
 - African-American and Latino students graduate at lower rate than White and Asian students
 - African-American and Latino students dropout at a higher rate than White and Asian students
 - Fewer African American and Latino students complete UC A-G requirements compared to White and Asian students

Other Measures of Student Achievement

AP Access and Report Card Grades

- ***AP School Site Access***
 - Encinal High Course Offerings: 13; 502 student seats
 - Alameda High Course Offerings: 16; 946 student seats
- ***AP Enrollment Demographics***
 - African American and Latino students are half as likely to enroll in one or more AP courses than White and Asian students.
- ***Report Card Grade Demographics:***
 - African American and Latino students at Alameda and Encinal high schools are almost twice as likely to receive at least one D or F than White and Asian students

What Best Practices Have Helped Other Districts Improve Secondary Education?

Some best practices in secondary education

- Focus on *both* standards-based instruction & student motivation
- Provide diverse secondary options (themes, career technical education preparation)
- More time learning — summer school & after school
- Multiple pathways to college and careers
- Small learning communities and schools
- Internships and community-based learning opportunities
- Mentoring, tutoring and positive adult connections
- Emphasizing personal goals starting in early adolescence

Suggested Scenarios We've Analyzed

Scenario	Program Challenges	Facilities	Fiscal	Other
1 H.S., 2 campuses, 9/10 and 11/12	Scheduling, class availability, instructional model		No Savings	Transportation; Community investment
New High School; close both HS; close all 3 MS sites and place at HS sites; close ES; sell surplus property		Long timeline	\$150 Million needed to construct new school	Boundary changes Disrupt neighborhood school concept; Transportation
K-3 and 4-6 elementary schools; 7-9 MS; 10-12 HS; close 1 MS and 1 HS		Facilities modification for different grades	Potential resources needed for facilities modification	Boundary changes Disrupt ES neighborhood school concept
6-9 Middle and 10-12 High School; close EHS	6-9 MS	Over capacity at LMS and CMS	Cost for build out	Boundary changes No IE's Transportation for HS

Suggested Scenarios We've Analyzed

Scenario	Program Challenges	Facilities	Fiscal	Other
K-2 and 3-5 elementary schools; close 2 elementary schools	Reduction of flex space at some K-3 sites	Must build out to maintain all flex space programs	Cost for build out	Boundary changes Disrupt ES neighborhood school concept
Boundary changes to balance elementary school enrollment; close , PES, and WMS	Reduction of flex space at some elementary sites	Must build out to maintain all flex space programs	Cost for build out	Disrupt ES neighborhood school concept
K-6 ES; 7-8 MS 10-12 HS; 9 th Pre-HS; close , WMS, EHS	9 th Pre-HS strategy	Must build out to maintain some flex space	Cost for build out	No IE's Transportation for HS Disrupt ES neighborhood school concept
Keep 20:1; 1 9-12 HS; close WMS and EHS	No flex space	Significant overcrowded HS-Must build out to house all HS students at one site	Cost to build out; Cost savings not significant	No IE's Transportation for HS

For Discussion

Scenario 1: Secondary Choice

- ***Summary of proposed structural changes***
 - Elementary class size increases to 25:1 for grades K-3*
 - Elementary schools remain at K-5 allowing schools to keep flex space
 - K-8 dual language immersion at Washington? Wood? or Lum (TBD)**
 - Chipman Middle School converts to a charter and attracts enrollment
 - Encinal High School converts to a multiple pathways system of 4 academies that may include: International Baccalaureate, a School of the Arts, a School of Science and Technology and Career Tech Education
 - Successful academic acceleration initiatives by site – HS, MS, & ES
 - Some inter-district transfers used to fill target enrollments in under-enrolled programs

* Requires negotiation with the Alameda Education Association (AEA)

**The schools and programs highlighted are possible *considerations* and would need further discussion

Scenario 1: Secondary Choice

- ***Estimated Fiscal Implications***

- CSR (25:1) \$1.05M
- Total \$1.05M savings

- Cost of specialized programs
 - To be determined

Scenario 1 Theoretical Timeline

2009-2010

- Further research to inform strategies
- Identification of leaders to support academies and magnet program
- Prepare for class size changes

2010-2011

- Develop academies and magnet programs
- Study enrollment and academic successes of Chipman as a charter
- Monitor and assess progress to make the best, strategic decisions
- Implement class size changes, intervention initiative

2011-2012

- Open Encinal academies and magnet(s) at Wood, Washington or Lum
TBD (contingent on status of 2010-2011 tasks)
- Continue to evaluate successes /needs of schools and next steps

For Discussion

Scenario 2: Budget Shortfall Forces One High School

Conversion to (7-9) and (10-12)

Summary of proposed structural changes

- Elementary extends from grades K-5 to K-6
- Elementary class size increases to 29:1 for grades K-3 to maintain flex space
- Middle schools convert to grades 7-9 and one high school to grades 10-12
- Encinal closes and all students are relocated to one high school campus
- Chipman converts to a charter and agrees to serve students from grades 7-9
- Wood Middle School closes and Chipman agrees to take students, relocating to former Encinal site to accommodate higher enrollment

* Requires negotiation with the Alameda Education Association (AEA)

** The schools and programs highlighted are possible *considerations* and based on research to date.

More public commentary required prior to a final decision.

For Discussion

Scenario 2: Budget Shortfall Forces One High School

Conversion to (7-9) and (10-12)

- ***Estimated Fiscal Implications***

- School Consolidation (1 HS and 1 MS closed) \$2.0M
- CSR (29:1) \$2.3M
- Total \$4.3M savings

Scenario 2: Theoretical Timeline

2009-2010

- Plan carefully the implementation of the structural changes
- Prepare for class size/grade configuration changes

2010-2011

- Study enrollment and academic successes of Chipman as a charter
- Build a strong relationship between the district and the Chipman charter
- Implement class size; grade configuration; intervention initiative

2011-2012

- Close Encinal and Wood (contingent on status of 2010-2011 tasks)
- Redirect Encinal students to new school and MS students to Chipman
- Continue to evaluate successes /needs of schools and next steps

Scenario 3: Maximum Utilization of Space Building on Scenario 2

Summary of proposed structural changes

- Elementary configuration is K-6
- Change middle school configuration to 7-9
- Change high school configuration to 10-12
- Close Encinal as a HS and consolidate to a 10-12 campus at Alameda
- Chipman becomes a charter
- Wood is closed and students are distributed to Chipman

Additional:

- Class size increases to 32:1 or higher*
- Close 3+ elementary schools
- Change elementary enrollment boundaries

* Requires negotiation with the Alameda Education Association (AEA)

** The schools and programs highlighted are possible *considerations* and would need further discussion

*** Assumes no parcel tax

Scenario 3: Maximum Utilization of Space

Estimated Fiscal Implications

School Consolidation (close 1 high & 1 middle and 3+ elementary)	\$3.05M
CSR (32:1 or higher) *	<u>\$4.00M (est.)</u>
Total	\$7.05M savings estimated

Structural and Fiscal Assumptions

- AUSD does **not** pass a parcel tax
- Lack of a parcel tax forces AUSD to close schools as part of an effort to cut spending to remain stable
- AUSD programs are cut across the board including: Music and PE, Counselors, Library and Media, Health Services, Athletics, Dept Chair/Saturday School, Adult Education, GATE, Professional Development, Instructional Materials funding, Day Care, Computer Labs, Intervention Rooms

* Requires negotiation with the Alameda Education Association (AEA)

** Loss of enrollment may reduce savings

Scenario 3: Maximum Utilization of Space

Implementation Timeline

2009-2010

- Further research to inform strategies to cut programs
- Prepare for class size, grade configuration changes and furloughs
- Prepare for school closings

2010-2011

- Implement class sizes, grade configuration changes and furloughs*
- Cut programs

2011-2012

- Close 1 high, 1 middle and 3+ elementary school.
- Redistribute Encinal students to Alameda High campus
- Continue to evaluate successes/needs of district to determine future district strategy with insufficient funds to support current system

* Requires negotiation with the Alameda Education Association (AEA)

Discussion: Overcoming a \$16M deficit

What will we do together?

- Savings from District Office Efficiencies?
- Savings from Restructuring Schools?
- Parcel Tax?
- Selling or Leasing Unused Properties?
- Savings from class size*

= \$16M by 2012/13 school year

* Requires negotiation with the Alameda Education Association (AEA)

Following Up On Prior Questions Affecting Restructuring

Inter-District Transfer Data Chipman Charter Fiscal Analysis

Inter-District Permit Students- Elementary 09-10

School	K	1st	2nd	3rd	4th	5th	Total Permits	Total Enrollment	% of Enrollment
Bay Farm	1	0	0	0	0	0	1	490	.2%
Earhart	0	0	2	0	1	0	3	597	.5%
Edison	0	0	0	0	0	0	0	402	0%
Otis	1	1	2	0	0	0	4	453	.9%
Franklin	0	0	0	1	0	0	1	288	.3%
Haight	1	1	2	0	3	0	7	429	1.6%
Lum	0	2	0	1	1	4	8	473	1.7%
Washington	5	3	4	6	2	10	30	280	10.7%
Paden	2	0	2	2	3	2	11	344	3.2%
Ruby Bridges	0	0	5	3	4	2	14	544	2.6%
Total Elementary	10	7	17	13	14	18	79	4300	1.8%

Inter-District Permit Students- Secondary 09-10

School	6th	7th	8th	9th	10th	11th	12th	Total Permits	Total Enrollment	% of Enrollment
Chipman	8	12	10					30	524	5.7%
Lincoln	0	0	1					1	900	.1%
Wood	2	3	1					6	547	1.1%
Total Middle	10	15	12					37	1,971	1.9%
Alameda H.S.				0	0	0	5	5	1819	.3%
Encinal H.S.				27	29	39	23	118	1007	11.7%
Island H.S.				0	0	1	1	2	210	1.0%
ASTI				17	24	10	10	61	151	40.4%
ACLIC				0	0	0	0	0	249	0%
Total High				44	53	50	39	186	3,436	5.4%
Total Secondary								223	5,407	4.1%

Inter-District/Resident Comparison (08-09 data)

		Elementary		Middle		High		Totals	
# Students on Permit		79		37		186		302	
% of Total Enrollment		1.8%		1.9%		5.4%		3.1%	
Academic Performance		CST-ELA	CST-MATH	CST-ELA	GPA	CST-ELA	GPA	CST-ELA	GPA
	Permit	340	362	339	2.57	341	2.72	341	2.76
	Resident	353	380	349	2.62	348	2.67	350	2.91
Suspensions	Permit	4.9%		10.3%		5.9%		6.3%	
	Resident	2.4%		8.1%		9.9%		5.7%	
Attendance	Permit	95.5%		95.6%		97.3%		96.5%	
	Resident	95.6%		96.4%		96.9%		96.2%	

Fiscal Analysis Revised

Chipman Charter Fiscal Analysis

Chipman Charter School Options

Option #1: Conversion Charter School

The funding rate differs from the statewide charter school rate: the rate is based on AUSD's unrestricted revenues expended in the fiscal year prior to the school's conversion to charter status and the school's operation as a charter school.

Option #2: Local or Direct-Funded: contract with AUSD for back-office support

AUSD's charges for back-office support are competitive because no profit margin is built in.

Option #3: Local or Direct-Funded: contract with vendor for back-office support

Outside agencies have profit margins built into their back-office charges.

AUSD Loses Dollars When We Lose Students (1)

Assuming we lose 600 students, the financial loss to the district would be:

	ADA	Funding Rate**	Amount
Loss In Revenue			
P2 ADA, Grade 6-8	589.92	5,224.00	(3,081,742.00)
Lottery	589.92	124.25	(73,298.00)
Total Revenue Loss			<u>(3,155,040.00)</u>
Costs not incurred from loss of students:			
Salaries and Benefits			2,092,384.00
School Administration			398,393.00
Supplies			54,664.00
Utilities			118,944.00
Rents, Leases			1,400.00
Total Budget Add-Backs			<u>2,665,785.00</u>
Total Financial Loss			<u>(489,255.00)</u>

**based on 2010-11 projected revenue limit funded rate including the deficit

(1) Does not include categorical funds. The district will have to balance the budget from any deficit experienced (staff lay-offs, reduction in services, etc.)

Budget Allocations based on Charter School Options

	ADA	Rate	Option #1 Charter Conversion w/AUSD Back-Office	Option #2 Startup w/AUSD Back office	Option #3 Startup w/Vendor Back Office
Revenue					
Charter School Conversion Rate	589.92	5,287.55	3,119,230	n/a	n/a
Startup Charter Rate, Grade 6	218.01	5,301.28	n/a	1,155,732	1,155,732
Startup Charter Rate, Grade 7-8	371.91	5,450.56	n/a	2,027,116	2,027,116
Lottery	589.92	124.25	73,298	73,298	73,298
Total Estimated Revenue			<u>3,192,528</u>	<u>3,256,146</u>	<u>3,256,146</u>
Expenditures					
District Oversight	1% of Total Revenue		31,925	32,561	32,561
Facility Lease	2% of Total Revenue		63,851	65,123	65,123
Special Ed Encroachment**	589.92	765.87	451,803	451,803	451,803
Back Office Support-AUSD	589.92	450.00	265,464	265,464	n/a
Back Office Support-Vendor	589.92	550.00			324,456
Total Expenditures			<u>813,043</u>	<u>814,951</u>	<u>873,943</u>
Amount allocated for Charter School Operations			<u>2,379,485</u>	<u>2,441,195</u>	<u>2,382,203</u>

includes:

- salaries, benefits
- books and supplies
- utilities, insurance
- rents, equipment

**Charters can apply to another SELPA (El Dorado) to become their own LEA and operate a separate special education program

Options #2 and #3 are eligible for:

- PCSGP Startup Grants (competitive) 400,000
- CDE Revolving Loan (Maximum) 250,000
- 501(c)3 Grants \$xxx,xxx

Conversion charters are not eligible for the PCSGP or CDE Loan.

Mitigating AUSD's Loss in Revenue

By charging for back services, AUSD can recover some of its lost revenue:

	Option #1 Charter Conversion w/AUSD Back-Office	Option #2 Startup w/AUSD Back office	Option #3 Startup w/Vendor Back Office
District Oversight	31,925	32,561	32,561
Facility Lease	63,851	65,123	65,123
Special Ed Encroachment	451,803	451,803	451,803
Back Office Support-AUSD	265,464	265,464	
Total	<u>813,043</u>	<u>814,951</u>	<u>549,487</u>

Impact of State Funding Rates to Charter Schools

During the June 2, 2009 a presentation on charter schools and funding was given. Since then the state's economy has adjusted all student funding rates, including charter schools:

Grades 4-6	Jan 2009	Aug 2009	Charter School Rate Loss
General Purpose	5,440	4,855	(585)
Categorical Block	500	401	(99)
Total	5,940	5,256	(684)

Grades 7-8	Jan 2009	Aug 2009	Loss
General Purpose	5,596	5,003	(593)
Categorical Block	500	401	(99)
Total	6,096	5,404	(692)

Using the new funding rates, the charter school could lose an estimated revenue loss of **\$408,000**.

Source: SSC Financial Dartboard