

## FY2021-22 Budget Questions

FY 2021-22 Budget

5/5/2021

Question #	Question	Response
1	<p>I believe the Board presentation mentioned additional investments in custodial staff. Can you please let me know how much additional funding is being invested and how many additional FTE will be hired?</p> <p>If the information is available I would be interested in a historical analysis of custodian FTE. I was recently told that in the early 2000s PPS had 445 FTE custodians. How does that compare to today? Is the space being cleaned relatively consistent or has it increased or decreased?</p> <p>Finally, are there metrics that the district uses to gauge the appropriate level of custodians, for instance square footage/custodian? Are there national metrics available, and if so where does PPS rank?</p> <p>Thank you!</p>	<p>The 2020/21 FY budget includes 341.25 FTE for custodians (312 full time and 40 part time positions). The proposed 2021/22 FY budget increases the FTE by 37; 7.0 to account for additional facilities that will be maintained by Facilities Operations next year; most notably the new Kellogg MS, and two spaces being vacated by long term tenants and replaced with PPS programs (Kenton and Terwilliger) and additional 30 FTEs for district wide support.</p> <p>Unfortunately accurate FTE data from the 1990's and early 2000's is not readily available electronically. Maintenance &amp; Operations has looked for specific data (and continues to do so) and estimates FTE in the early 2000's was approximately 450 FTE. It's worth noting PPS outsourced all custodial staff for a period of time in the early 2000s and have been consistently adding custodial FTE since returning to an in-house model. As a more recent comparable, custodial FTE in FY2016/17 was 298.50 FTE for custodians (255 full time and 60 part time positions).</p> <p>Also worth noting is that Maintenance &amp; Operations is currently creating a number of tools/standards that will assist routine maintenance and capital planning in years to come, including the development of a Facilities &amp; Operations Maintenance Plan. Staff are currently working with a 3rd party consultant to create this Plan that, among other uses, will analyse PPS's level of service against Association of Physical Plant Administrators (APPA) Facility Performance Index and provide details on staffing and resource needs. The APPA is recognized industry expert for custodial and maintenance standards. The APPA identifies 5 levels of services for custodial operations; 1 being the highest and 5 being the lowest. Several variables go into this calculation that require analysis and professional judgment (including size and types of spaces, regular duties of custodians, amount of absenteeism, etc). Specific details will be available when the Plan is complete later this year, however initial estimates place current custodial funding levels between level 3 and 4.</p>

2	<p>I'm interested in the total level of operations and maintenance (O&amp;M) funding in the FY 2021-22 budget. This is not a straightforward issue to analyze and I recognize we may not have this readily available. What I would like to get at is whether or not we are investing adequate O&amp;M to at least maintain our assets in their current condition (if not improve them). This is particularly important given the billions of bond dollars that have been and will be invested in new infrastructure. I want to make sure, at a minimum, that we are investing enough in those facilities to prevent the deterioration of those assets.</p> <p>If not (and I'm pretty sure we're not) can we estimate the amount that should be spent on O&amp;M and the delta from where we are currently?</p> <p>Thanks!</p>	<p>As noted above in question #1, this specific question is being analyzing right now via the development of the Facilities &amp; Operations Maintenance Plan, which also dovetails with the Facilities Condition Assessment (completed in 2020), Long Range Facilities Plan (being update in 2021) and the 5-Year Capital Plan (to be completed in 2021).</p> <p>The APPA's Facility Performance Index (APPA FPI) survey provides information regarding maintenance budgets for Educational Facilities in the industry. APPA FPIs survey results provide a cost per square foot being spent on maintenance. This information provides a general guideline for what other facilities groups have spent. The survey indicates the average maintenance cost per square foot, industry wide, for FY 2019/2020 was \$1.57 per square foot, equivalent to \$14.64 million for PPS. For FY 2019/2020 the PPS Maintenance budget was \$12.76 million or \$1.37 per square foot. An annual increase of \$1,883,172 is necessary to align the PPS Maintenance budget to current industry standards for our approximately 9 million square feet.</p> <p><math>\\$1.57 \times 9,327,318.52 \text{ sq ft} = \\$14,643,890</math>  PPS Budget \$12,760,718 / 9,327,318.52 = \$1.37 per sq ft  (APPA Standards FY 2019/2020)</p> <p>The Facilities &amp; Operations Master Plan document that will provide far greater detail and context relating to these numbers and standards and will be an essential planning tool going forward.</p>
4	<p>(Dr. Brown) Could you provide a list of schools sorted by \$ per student? We have the sort by direct meal certification but that's a little different than ranked order by spending.</p>	<p>Here is the list of schools sorted by spending.</p> <p><a href="https://drive.google.com/file/d/1tRNDUT86II5fQYZWUDlweZbq0In_SOgn/view?usp=sharing">https://drive.google.com/file/d/1tRNDUT86II5fQYZWUDlweZbq0In_SOgn/view?usp=sharing</a></p>
5	<p>Can you provide a written explanation for Fund 308, the PERS UAL Fund? Where it came from, what's its purpose, what are our plans for it. Are we spending any of it? What if any are the restrictions? Do we need this over the coming decade to minimize the impact of rising PERS rates?</p>	<p>Fund 308 is the Debt Service fund used to make PERS bond payments. The district has issued bonds three times since 2002, and this fund is specifically for making annual principal and interest payments for these bonds.</p> <p>PPS borrows by issuing bonds at low interest rates and sends the proceeds to PERS to be invested; if earnings exceed the borrowing rate, PPS saves. PPS has saved \$283 million on PERS costs since the first bond issuance in 2002. PERS bond funds are deposited into Side Accounts and invested with the rest of the PERS fund. Earnings/losses are credited directly to the PPS Side Account. Side Accounts are drawn down and provide 'rate credit' over 20 years.</p> <p>PERS bond payments are expensed as a percentage of payroll costs and accumulate in Fund 308 and the bond payments are issued from the fund. We expense through payroll processing what is needed for the debt annually, and will need the fund for the duration of the bonded debt payments.</p>
6	<p>What percentage of the General Fund budget (not counting special revenues) is allocated to personnel?</p>	<p>77% of the general fund revenue is dedicated to personnel (salary and additional payroll costs)</p>
7	<p>What were our actual property tax and local option revenue collection for the 20/21 school year? And what was the budgeted amount?</p>	<p><b>General Fund:</b> <u>Actual Property Tax</u> collected for FY2020-21(as of March Close) is \$248,740,717. This is approximately 97% of budget collected; we will see the rest collected over the course of the final three months of the year, most of which will post in June. We are currently projecting \$259,777,668 based on weighted average rate over the past 7 years of Actuals. This means we are expecting \$4,975,570 more than <u>Budgeted amount for Property Tax</u> of \$254,802,098. <u>Actual Local Option Tax</u> collected is \$98,552,380, which also is about 97% of budget collected. We project \$102,839,770 in actuals, which is \$941,776 more than the <u>Budgeted amount</u> of \$101,897,994. <b>Please refer to the tab labeled "FY21 Tax B2A" for details.</b></p>

8	Given that the budget has not carried forward 20/21 enrollment loss numbers (due to COVID) do we anticipate making October adjustments if we see significant enrollment deviations in schools, or is 21/22 a "hold harmless year" for enrollment?	As schools open in the fall, we will review class sizes across the district. We will compare actual enrollment to enrollment projections and determine how much revenue we will receive in comparison to resources being spent. The district will manage the budget and enrollment using multiple strategies to balance class size including the possibility of adding or transferring teachers depending on the overall financial implications. There will also be the possibility to use federal funds as needed.
9	In the ppt, Debt Service Funds are separated out and defined as including ad valorem taxes + other levies. But local property taxes, the Local Option Levy, arts tax, and MESD are included under General Fund. What other ad valorem taxes are there?	The taxes for our General Obligation Bonds that support our school modernization, health and safety improvements, HVAC and roof replacements, curriculum, technology, and other capital bond projects are collected and paid in the Debt Service Funds.
10	What are the implications for PPS if the SSF is adopted at the proposed \$9.1B level?	The proposed budget is based on receiving a \$9.3B funding level for the State School Fund. If the funding level comes in lower, we will need to use ESSER funding or delay some investments. For the longer term, lower funding levels for general fund will make it more difficult to maintain the level of service needed to educate students. The good news is there is more and more support for the \$9.3B funding at the state legislature.
11	Does the \$58M for technology infrastructure include investments toward redressing the issues in the security and enterprise infrastructure that were identified in previous years?	Yes, the Bond does address the technical debt the district has been struggling with for many years. This includes wireless coverage across all schools, refreshing existing wireless infrastructure, replacing old and end of life switching infrastructure. All of the technology infrastructure immediate needs are addressed with Bond funds. These funds will also cover the purchase of critical security tools, appliances, and software to enable us to enact our Cybersecurity/Cybersafety roadmap.
12	Why is per person funding at Rigler decrease when many comparable schools did not receive a decrease.	<p>Their enrollment has decreased from being projected to have 294 students enrolled in 2020-21 to being projected to have only 268 students in 2021-22. Enrollment projections drive revenue and in general this often accounts for a reduction in FTE/funds.</p> <p>The second more specific reason is that we staff elementary schools based on sections per grade level. At Rigler, the loss in enrollment has meant that they do not have enough students at certain grade levels to fund the same number of teachers from year to year. In Kindergarten at CSI schools, a homeroom teacher is generated for every 24 students. For 2020-21, they were projected to have over 48 Kindergarten students and therefore were staffed with three Kindergarten teachers. Each Kindergarten class at CSI schools is also staffed with a full-time educational assistant. For 2021-22, they are projected to have 48 students and therefore will only be staffed with two teachers. The loss of one Kindergarten homeroom teacher also means the loss of one educational assistant. A similar thing is happening in 1st grade where teachers are assigned for every 26 students resulting in the loss of another teacher for the 2021-22 school year.</p>
13	What would it take to increase all employees below \$15/hr to \$15/hr min wage? If it is easy to also share, what would the salary compression impact be?	There is one set of part-time employees who have not reached \$15/hr as a starting wage. This cost estimate to increase to \$15/hr would be \$150,000. We have not calculated the compression impact as this would need to be bargained.
14	What are the \$3 million worth of reductions made in General Fund?	The proposed \$3M in reductions are approximately split as follows: a) \$1M vacant roles in business/operations (IT, Maintenance & Ops) b) \$250K in professional development, b) \$1.7M central office non-personnel: contract savings, supplies and materials

15	Assuming the SSF at \$9.3B, the PPS budget projects a shortfall of \$19M. What would the shortfall be if the SSF remains at the proposed level of \$9.1B? What cuts would be required to accommodate the increased shortfall?	For each \$100 million of funding that is reduced, there would need to be an approximate \$3.5million reduction in PPS' general fund, specifically the state school fund budget line. Therefore, a change from \$9.3B to \$9.1B would be a reduction between \$7 and \$8 million. However, because our goal is to mitigate disruption and promote as much stability for the upcoming year, we would need to redirect Covid federal relief funds to cover for the shortfall.
16	Is it possible to see an additional breakdown of Title funds and other key special revenue funds similar to how the general fund information is displayed?	For additional insight, we have prepared a report that sheds light on three key funds, M98, SIA and Title (in a format similar to page 88 of the budget book). You can access the report <a href="#">here</a> .