



DRAFT BSD7 Budget Mega Issue
Superintendent Budget Reduction Recommendations - Elementary District

1/9/2023 Elementary General Fund Budget Reductions - Superintendent Recommendation

Proposed Reduction	Elem (K-8) Budget	Notes
<p>Increase Extracurricular Participation Fees</p>	<p>\$18,000</p>	<p>Notes: Current participation fee at the middle school level is 6th grade (\$60 per activity); 7th and 8th grade (\$80 per activity). Increasing the fee structure by 50% would generate an additional \$18,000 in revenue in the elementary district, allowing the district to reduce its current and future General Fund contribution to extracurriculars. Current scholarship and pay-it forward mechanisms would remain in place to support students who are unable to pay the fee.</p> <p>Timeline: Fee increases would be implemented starting with the fall 2023 activities season</p> <p>Aligning With Best Outcomes and Board Priorities: Increased communication with families letting them know about the pay it forward and scholarship opportunities. Communication with booster clubs, building administration, district and building activities staff, and coaches to ensure students experiencing hardship receive a scholarship.</p>
<p>Reduce Gifted Program Staffing</p>	<p>\$70,000</p>	<p>Notes: Montana law (20-9-309, MCA) requires that schools provide Gifted and Talented identification and programming, but the District's delivery model of doing so can be altered. In eliminating the total General Fund costs, the District would also lose access to the State Gifted and Talented Grant, ~\$26,000 per year. Reducing gifted staffing would allow the District to maintain the State Gifted and Talented Grant. Proposed reduction includes maintaining the program coordination position and reducing the direct services position that primarily serves K-5 students, thus reducing staffing in the program from 2.0 FTE to 1.0 FTE.</p> <p>Timeline: The reduction in gifted program staff would occur for the 2023-2024 school year.</p> <p>Aligning With Best Outcomes and Board Priorities: The staff member in the direct services position is a tenured staff member in the district. The HR department would work with the staff member to make a move to an open certified teaching position for the 2023-2024 school year. The professional learning communities (PLC) model tied to the District's five year plan ensures via the Four Essential Questions (specifically question #4) that the needs of students who are already proficient and in need of extended learning receive support.</p>
<p>Increase External Facility User Fees</p>	<p>\$48,200</p>	<p>Notes: Increase fees paid by external users to cover related costs currently paid through the General Fund. This process is done via policy and procedure changes to 4330/p. The policy changes will also serve as a reset in consistent expectations for building use by staff members outside the scope of their employment (private lessons, tutoring, and coaching). Finally, the policy change will help clarify the definition of "district partners." There are concerns around our ability to find staff willing to work external facility use events. An inability to provide coverage may result in partial facility closures and, as a result, impact the District's ability to rent our facilities and generate the revenue expected by this proposal.</p> <p>Timeline: It is anticipated that revisions to policy 4330 will be added to board agendas in the spring of 2023. Revised fee structure would go into effect July 1, 2023.</p> <p>Aligning With Best Outcomes and Board Priorities: Communicate clearly and proactively with community stakeholders the changes in fee structures.</p>
<p>Reduce Central Office or Building Administration</p>	<p>\$65,000</p>	<p>Notes: Administrative staffing structures are under the purview of the superintendent with final approval of the Board of Trustees. District administration positions include: Superintendent, Deputy Superintendents, Executive Directors, Directors, Principals, and Assistant Principals. There are MT Accreditation standards and staffing ratios related to superintendent and principal positions. Professional positions were also discussed and considered by the budget committee.</p> <p>Administrative and support staff structures at the Willson are continuously reviewed, especially when turnover occurs. While the District has added a second Deputy Superintendent position, the following positions have been reduced and/or not rehired: Curriculum Director, Technology Director, reduction from 4 to 1 TOSA positions (current TOSA position is not funded by the General Fund), Fine Arts Assistant Position, Library Processing Position, Special Education scheduling assistant, reduction from 2 to 1 Deputy Supt. Administrative Assistants.</p> <p>The behavioral support specialist position at ED was changed to an Assistant Principal position for 2022-2023 school year. ED is the largest elementary school.</p>

		<p>After a thorough review of the organizational chart the superintendent is recommending the elimination of the Fine Arts Director position. The administrative assistant position in the fine arts office is currently open and unfilled. The superintendent will organize a process to engage the K-12 fine arts staff in a needs assessment prioritizing the central office supports that are needed beginning July 1, 2023. The current Fine Arts Director will take on additional duties previously covered by the administrative assistant while the district works through the needs assessment process.</p> <p>Timeline: The elimination of the Fine Arts Director position will occur July 1, 2023. The results of the K-12 fine arts needs assessment will help determine the central office support structure/s that will serve the fine arts staff beginning July 1, 2023.</p> <p>Aligning With Best Outcomes and Board Priorities: The Fine Arts Director is a tenured staff member in the District. The staff member would be offered an administrative position elsewhere in the district if a position opens up via attrition. If an administrative opening is not available the tenured staff member would be offered an open certified teaching position for which he is licensed.</p>
<p>Restructure THRIVE Contract</p>	<p>\$130,000</p>	<p>Notes: Annual contract is primarily funded via the General Fund. Adult Ed and Title I funds also cover a portion of the contract. The proposal is to maintain the total BSD7 commitment to the THRIVE contract. The District would renegotiate and recode contract expenses to have the District portion currently covered by the general fund coded to Adult Ed permissive levy (Parent Liaisons). This would result in \$195,000 savings to the General Fund and an increase of local taxes in the same amount. Services delivered would remain the same.</p> <p>Timeline: The current THRIVE contract sunsets at the end of the 2022-2023 school year. Contract negotiations will occur during the spring of 2023. The 2023-2024 budget and tax structures, approved in August 2023, would reflect the changes discussed above.</p> <p>Aligning With Best Outcomes and Board Priorities: The proposal maintains current programming and partnership with this important community partner.</p>
<p>Close One Elementary School</p>	<p>\$300,000</p>	<p>Notes: The Superintendent is <u>not</u> recommending the closure of an elementary school for the 2023-2024 school year. Instead, the Superintendent is recommending that the Board of Trustees use a portion of proceeds from the sale of the two small lots adjacent to CJMS to “buy time” to further study issues related to our K-5 configuration. The Superintendent recommends convening a consensus group during the 2023-2024 school year to study elementary boundaries and make recommendations for boundary changes for both the existing eight elementary school structure, as well as a seven elementary school model. The primary rationale for not supporting the budget committee’s recommendation to close an elementary school for the 2023-2024 school is as follows:</p> <ul style="list-style-type: none"> ● The Superintendent feels strongly that at this time the disruption caused by closing an elementary site is not worth the anticipated \$300,000 savings in the elementary general fund budget. Closing an elementary site will have significant impacts not only on the identified school community, but also on the entire K-5 community impacted by associated boundary adjustments. ● While District enrollment projections have historically been very accurate, the future of Bozeman Schools’ enrollment has never been more unforeseeable. Nobody has any idea how the combination of COVID-19, five years of declining local live birth rates, soaring housing costs, and the politicization of public education will impact our long-term enrollment projections. Closing an elementary school only to reopen in a year or two would have significant negative impacts on the community and district. ● The 2023 legislative session includes a multitude of open enrollment bills. It is hard to predict at this time how passage of one of more of those bills would impact K-12 enrollment projections. ● The Superintendent also has concerns with the bandwidth of the central office team to successfully manage the <i>Mega Issue #2</i> consensus process at the same time as managing a K-5 school closure and redistricting consensus process this spring. <p>Timeline: The Superintendent recommends proceeding with the sale of the two lots adjacent to CJMS prior to the conclusion of the 2023-2024 school year and using \$300,000 of those proceeds to ensure the K-12 budget reductions total \$4.1 million. The Superintendent recommends convening a K-5 boundaries consensus process during the 2023-2024 school year to study and make recommendations regarding elementary school boundaries.</p> <p>Aligning With Best Outcomes and Board Priorities: It is anticipated that not moving forward with an elementary site closure will be received positively by students, staff, and the community.</p>
<p>Eliminate Bozeman</p>	<p>\$330,000</p>	<p>Notes: The Bozeman Charter School (BoCS) serves approximately 44 students in grades 2-8. It is anticipated that student numbers could be absorbed in existing schools with existing FTE. All</p>

Charter School (BoCS)		<p>current teacher FTE in the BoCS (4.8 FTE) are tenured staff. Timeline: The timeline for closure would be at the conclusion of the 2022-2023 school year.</p> <p>Aligning With Best Outcomes and Board Priorities: All current teacher FTE in the BoCS (4.8 FTE) are tenured staff. The HR department would work with those staff members to solidify positions in our brick and mortar schools for the 2023-2024 school year. The District will work with families to provide supported transitions back to brick and mortar schools. The district will facilitate opportunities to learn from what worked well in the BoCS that can be incorporated into our education model (competency based model, expeditionary learning, flexible schedule, etc.) The district recognizes the success of the charter model for a group of students. The district further sees the value of hosting the only public charter school in Montana at this time. The district will actively work with the Bozeman Schools Foundation and other interested third parties to explore private fundraising that could support a re-launch of the BoCS in the future.</p>
Decrease Building and Department Budgets by 10%	\$180,000	<p>Notes: Reduce building and central department General Fund allocations by 10%. Items typically purchased from these budgets include supplies, field trips, professional development, software, special education support, curriculum, print shop supplies, and building maintenance items. Approved by committee with less than 100% consensus (87%).</p> <p>Timeline: Building and Department budgets for 2023-2024 would reflect the 10% reduction.</p> <p>Aligning With Best Outcomes and Board Priorities: Building and Departments would make cuts that minimize direct impacts to student learning.</p>
Increase Building Reserve Levy	\$470,000	<p>Notes: 2022-23 estimated annual property tax impact: \$3.91 per \$100,000 home value. Approved by committee with less than 100% consensus due to concerns about the additional tax impact (87%).</p> <p>Timeline: District is required to advertise anticipated increases in non voted levies in March. Final decision on this item and the associated tax increase would be via the approval of the 2023-2024 budget in August 2023.</p> <p>Aligning With Best Outcomes and Board Priorities: This is a strategy to increase revenue instead of a budget cut which is positive for students, staff, and programs. The district is committed to communicating transparently about financial matters. Mike Waterman and Lacy Clark launched and have plans to continue weekly communication on financial matters of the district in an effort to increase awareness and understanding of Montana school finance laws and regulations.</p>
K-12 Reductions in Certified Staffing	\$900,000 Approximately 13 FTE	<p>Notes: The certified staffing reductions reflected in this item are based upon the balance needed to achieve the \$4.1 million dollar target after all other areas were tabulated. The FTE reduction amounts ensure that the overall reductions are 60/40 elementary/high school, which mirrors the initial General Fund structural imbalance which was also 60/40 elementary/high school. It is anticipated that the bulk of the 12.44 FTE identified for reduction will come from the middle school grade band.</p> <p>Elementary K-5 staffing model efficiencies have been addressed by the District via the IMPACT schedule process and the annual FTE allocations that are tied to elementary enrollment and adjusted annually. Loss of K-5 enrollment has already been addressed through reductions of 10+ certified staff via attrition. K-5 certified staff currently have one personal planning/prep period per day. Additional staff reductions from the K-5 setting, should they be necessary, would likely need to come from non accreditation standard support staff positions such as behavioral support staff or non-Title I certified intervention staff.</p> <p>Timeline: The middle school master schedule will be changed for the 2023-2024 school year. Those changes have been communicated as <i>Mega Issue #2</i>. The process and timeline for that work is detailed HERE.</p> <p>Aligning With Best Outcomes and Board Priorities: <i>Mega Issue #2</i> will take a broad look at the master schedule at middle school, rather than targeting or looking to eliminate specific programs or offerings. The district will maximize reductions to the extent possible via attrition (retirements and one-year-only contracts). Any reductions that involve non-tenured staff will be scrutinized carefully and those individuals will receive support from the HR department to help secure future employment in other Montana public schools. Additionally, the District is exploring the idea to expand the hiring of full time substitute teachers which could create a soft landing for a portion of staff members whose positions are cut in this process. Transparent and clear communication is a must during this process.</p>
Total Proposed Reductions	\$2,511,200	
Proposed Cuts	61.25%	

22-23 Structural Imbalance	61.40%	
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Other Budget Recommendations From Budget Committee Supported by Superintendent

Privately Funded Positions/Programs:

Private funds could be used to offset costs in a variety of district programs, including General Fund expenditures, and it is important to note that significant private fundraising already occurs across the district via BHS/GHS booster clubs, athletics/activities advertising, PACs, Bozeman friends of music, and the Bozeman Schools Foundation. Previous private fundraising for the district has typically been tied to specific, one time projects and goals while previous longer term, sustained private support has been typically generated using an endowment strategy.

The budget committee proposes that the district continue to pursue all viable ways to increase private funding and support prioritizing those that reduce the General Fund burden and/or mitigate the impacts of proposed budget cuts. Bozeman Schools Foundation is the ideal community partner to coordinate those efforts in collaboration with Bozeman Public Schools, the existing fundraising entities within the school community, and the broader public. However, at this time, the committee does not recommend tying a specific dollar amount to this strategy as a way to reduce the \$4.1 million deficit.

Consolidation Opportunities:

The District is actively looking for opportunities to consolidate and share services with neighboring schools. The Budget Committee is supportive of those efforts but was unable to identify any specific consolidation current strategies that would result in a tangible reductions to the General Fund budget.

Sell or Leverage BSD7 Real Estate Assets:

Building and/or land sales would generate a large, one-time payment(s). For example, selling the Willson Building would create a one-time stimulus but limited ongoing General Fund savings--perhaps even an additional General Fund cost--as the District would need to find (and likely rent) space to house the functions served at the Willson. The Budget Committee discussed this item at length, and is supportive of the Board of Trustees as well as the Long Range Facility Planning (LRFP) committee looking at this as a possible budget reduction strategy. The committee grappled with the immense challenges associated with reducing staff versus the seemingly non-emotional strategy of leveraging real estate. The committee also considered the property tax implications of having to bond for replacement property purchases at the then-current market value. Ultimately this item did not result in 100% consensus and the committee was not comfortable attaching a specific dollar amount to this strategy as a way to reduce the \$4.1 million deficit.

Background Information

Bozeman Public Schools is proactively tackling a K-12 General Fund Budget structural imbalance. The Board of Trustees has tasked the Board Budget Committee with developing recommendations to trim \$4.1 million from the \$57 million K-12 General Fund Budget. The General Fund Budget is a "people budget" and is 87% personnel.

Thanks to the support of the community BSD7 has dedicated funding sources in the following areas. Cuts from any of these areas will not help the General Fund Budget. In most cases, costs within the General Fund cannot be coded to these funds:

Transportation Fund - Building Reserve Fund - Technology Fund - Tuition Fund - Adult Education Fund

The budget challenges are **NOT** the result of..... *Poor Planning, Lack of Community Support, or Wasteful Spending*

The budget challenges **ARE** the result of *Opening a 2nd High School, Enrollment Loss, Recruitment and Retention Investments, Legislative Funding Formula Changes, and Uncertainty About Transition Levy*

For more details or specific questions related to the K-12 Budget *Mega Issue* feel free to reach out to Superintendent Casey Bertram casey.bertram@bsd7.org or Executive Director of Business and Operations Mike Waterman mike.waterman@bsd7.org

The Process

A K-12 Board Budget Committee met between June 2022 - December 2022 to arrive at the list of preliminary recommendations for consideration of the BSD7 Board of Trustees. The committee details and transparent documentation of their work is [HERE](#). The committee used a facilitated consensus process and met nine times for a total of 22 hours. The process moving forward is as follows:

- **Dec. 12, 2022:** Preliminary recommendations were shared with BSD7 Board of Trustees. Discussion Item Only - No Action Was Taken - Click [HERE](#) for budget committee recommendations.
- **Dec. 13 - Jan. 8:** Multiple avenues for staff and community engagement via staff forums, community forums, and an online survey tool - See below.

- **Jan. 9:** Final superintendent recommendations shared with BSD7 Board of Trustees - Action Item
- **Jan. - May:** The K-12 Board Budget Committee consensus process will likely have implications for middle school and high school FTE and master schedules. The middle school master schedule will be changed for the 2023-2024 school year. The high school master schedule will be changed for the 2024-2025 school year. Those changes have been identified and communicated as *Mega Issue #2*. The process and timeline for that work is detailed [HERE](#).

Remaining Community Engagement Opportunities

Trimming expenditures in the K-12 General Fund Budget to match revenue feeding the budget will have impacts on students, staff, programs, and the community. The following opportunities have been scheduled to provide feedback on the preliminary budget reductions prior to the BSD7 Board of Trustees making final decisions on Jan. 9.

Public Comment Survey Tool: A survey tool has been launched to gather feedback on the preliminary budget reduction recommendations and solicit feedback on how best to implement those reductions to ensure our best outcomes. Click [HERE](#) for the survey. This feedback is shared with BSD7 trustees as public comment. You can also make public comment to the BSD7 board of trustees by emailing trustees@bsd7.org or making in-person public comment at the board meeting Jan. 9, 2023.

Staff Forums / Office Hours: The following opportunities have been scheduled for BSD7 staff to ask questions and provide feedback related to the recommended budget reductions:

- K-12 Staff Forum: Jan. 4, 4:00-5:30 pm, BHS South Cafeteria
- CJMS "Office Hours": Jan. 2, 3:45-4:30 pm, CJMS Cafeteria
- BHS "Office Hours": Jan. 3, 7:45-8:30 am, D210/211
- GHS "Office Hours": Jan. 5, 7:45-8:30 am, GHS Commons
- SMS "Office Hours": Jan. 5, 3:45-4:30 pm, SMS Library

Community Forums: The following opportunities have been scheduled for community members to ask questions and provide feedback related to the recommended budget reductions:

- Community Forum: Jan. 4, 6:00-8:00 pm, BHS South Cafeteria