



**WELCOME to the
GRPS Futures Summit: Improving
Education in a Budget Crisis**

Saturday, November 21, 2009

9:00 a.m. – 1:30 p.m.

Ottawa Hills High School

Welcome

- Dr. Bernard Taylor, Jr.,
Superintendent of Schools

“Meet the Press”

- Video Excerpts from “Meet the Press”
Sunday, November 15, 2009

**The New Financial
Reality Facing
Michigan's
Public Schools:**
A Report for Kent ISD

Ken Sikkema

Senior Policy Fellow

What Is Happening?

- School headcount is decreasing
- State funding is decreasing
- Local funding is decreasing
- Stimulus is running out

THIS IS THE NEW REALITY

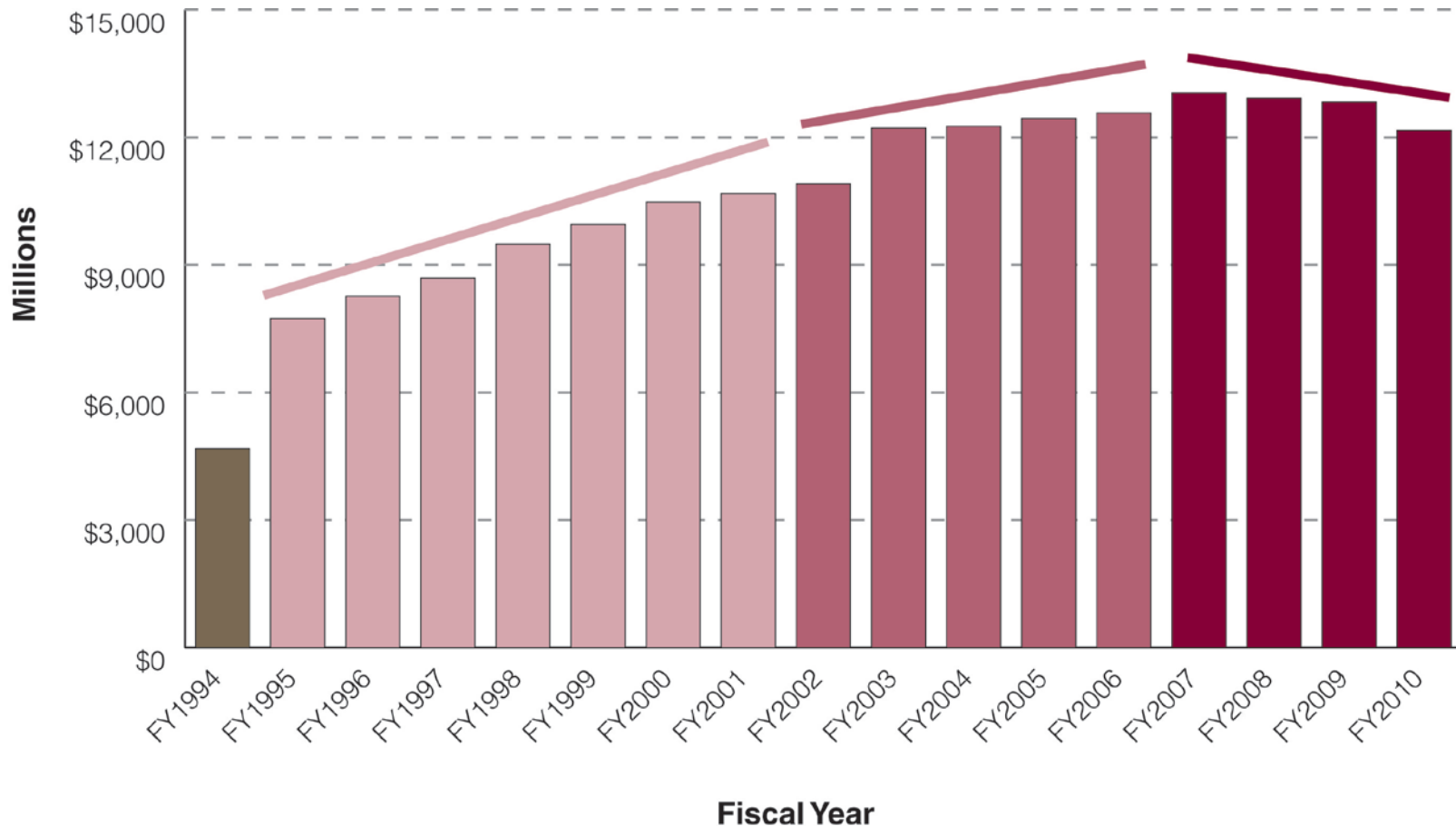
The Fundamental Factors

- Structure of school finance
- Continued economic distress in Michigan
- One-time nature of federal stimulus money
- Decline in school-age populations in Michigan

Structure of School Finance— Proposal A

- March 15, 1994
- Created “Foundation Grant”
- Created “School Aid Fund (SAF)”

Michigan School Aid Revenue



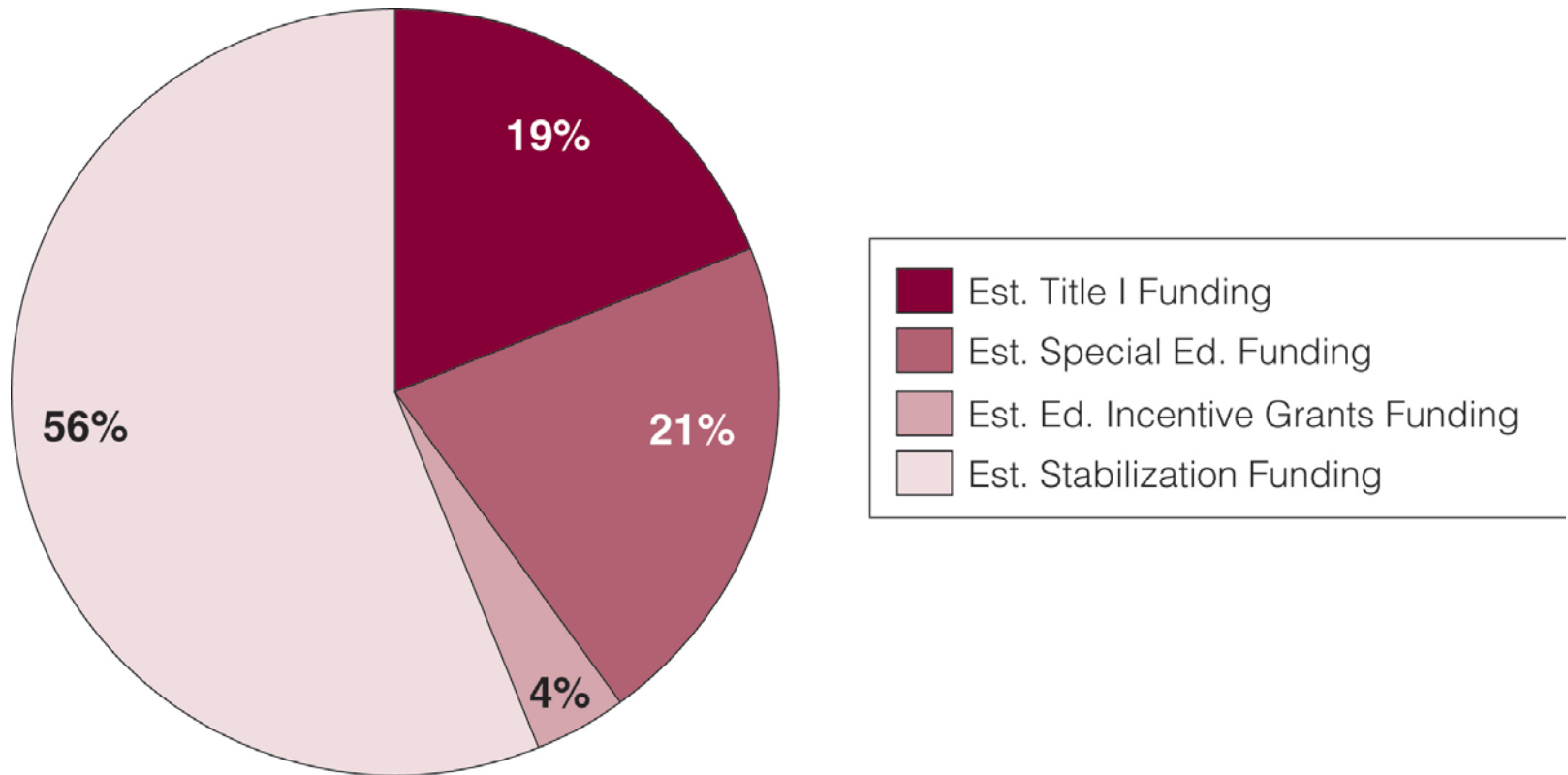
Michigan's Economic Tsunami

- 8 consecutive years of job loss
- Job losses will continue in 2009 and 2010
- By 2011, state will have lost 70% of its automotive manufacturing jobs
- Other Sectors Also Lagging
- State's per capita income is 11% below national average – 38rd in the nation
- New jobs will have lower-wages

The Continuing Importance of Property Taxes

- Over a third of operating revenue for local schools comes from property taxes – exceeded only by sales tax

Distribution of Federal Stimulus Educational Funding (ARRA)



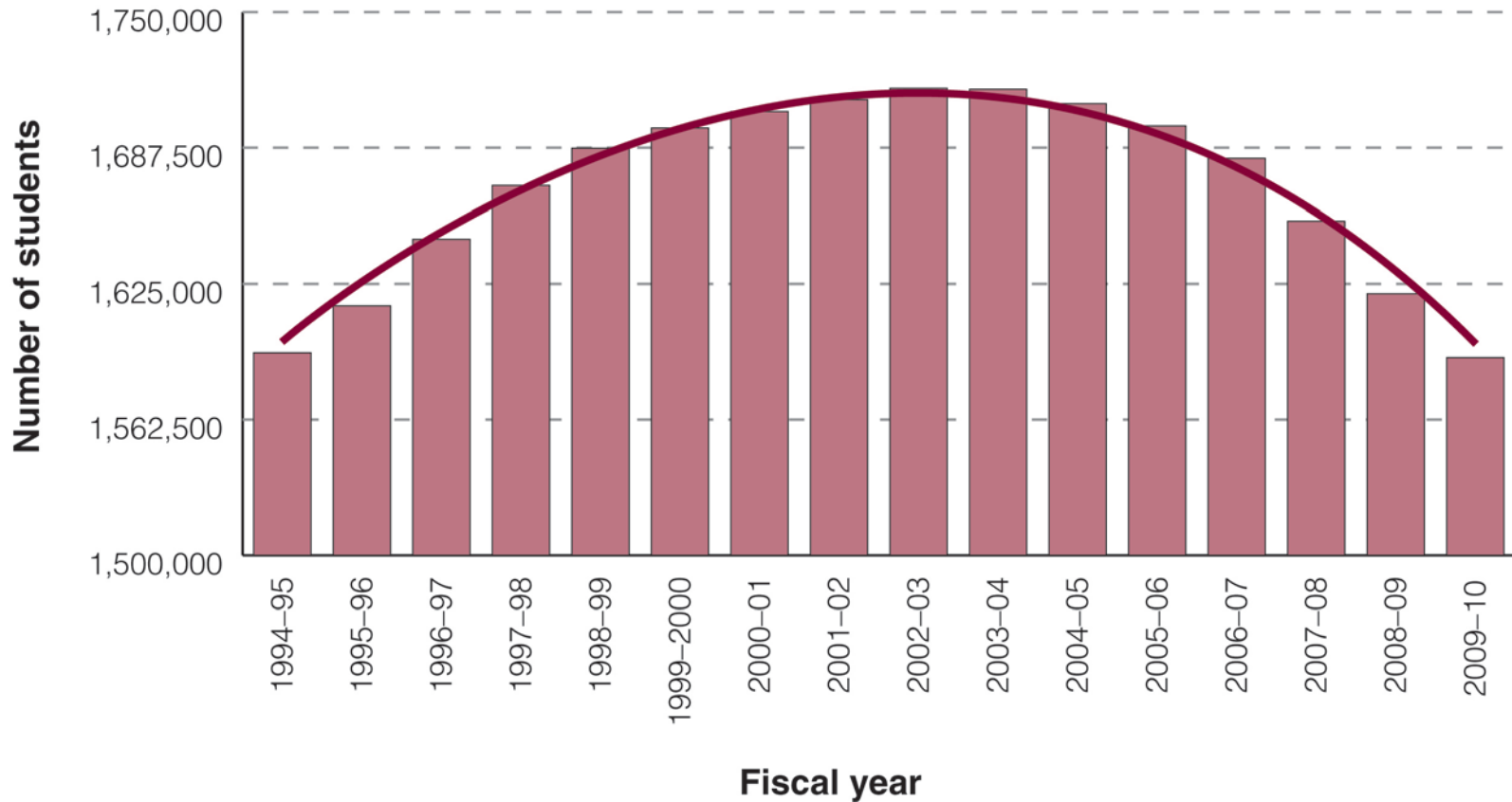
ARRA Funding 2008–2011

K–12 Stabilization Funds

- 2008–2009: \$600 million
- 2009–2010: \$450 million
- 2010–2011: \$184 million

THEN IT ENDS

Michigan School Enrollment



Key Findings

- Fiscal years 2009–10 and 2010–11 will be most challenging years since 1994 enactment of Proposal A
- Based on current assumptions and decisions, declines for Kent ISD local districts range from **2.4%** to **13.9% over 2 years.**
- Years beyond 2010–11 do not hold promise for material improvement

Analysis Conclusions

- Degree of challenge will differ among districts
- Response from schools and state needs to be permanent in nature
- New service model needs to be created and funded

New Model

- Greater Service Sharing
- Employee Compensation Package—
Health Care Cost Sharing
- Tax Restructuring
- Other

Who Drives Change?

- Three general options
 1. Local districts drive change at district level
 2. Collective response involving groups of local districts or all districts within an ISD or group of ISDs
 3. Governor/legislature

All Are Required

What does this mean for GRPS?

- 2009-2010
 - Approved School Aid Budget = \$165/pupil cut
 - Approved Pro-Ration = \$127
 - Total: \$292/pupil cut or \$5.5 million
- 2010-2011
 - Best case: \$224 per pupil cut
 - Worse case: \$1,042 per pupil cut or \$17.9 million
 - Federal Stimulus funds run out

Video Message from Doug DeVos

- Community Alignment around GRPS Reform Efforts

Budget Parameters

- Catherine Mueller
President, Grand Rapids Board of
Education

2010/2011 Proposed Budget Parameters

(parameters are not listed in any priority order)

- School staffing will be driven by student needs
- A goal shall be established to keep elementary class sizes between 22 and 30, with class sizes for grades K through three at the lower end of that range
- Reductions to elementary level student services should be minimized
- A goal shall be established to keep secondary core class sizes between 25 and 35, with the understanding that elective classes like band, orchestra, choir, and physical education may exceed 35
- Class sizes at the secondary level may exceed these parameters if instructional technology is used to enhance service delivery

2010/2011 Proposed Budget Parameters, cont.

- Elective classes at the secondary level shall not be retained unless there are at least 25 students enrolled per section offered
- All efforts should be made to gain efficiencies and enhance service delivery through the use of instructional technology and other innovative instructional approaches
- Every effort should be made to minimize the use of fund balance to meet recurring expenses
- There shall be no increase in the number of administrators employed by the district unless directly connected to the development of new programming
- Every effort should be made to reduce the cost of health insurance while continuing to provide quality health care options for employees, and actively engaging in good faith bargaining where required

2010/2011 Proposed Budget Parameters, cont.

- Any school building housing programs with student enrollment below 200 FTE as reported in the fall count or operating at or below 85% of building capacity (using class sizes outlined above) shall be evaluated for closure or consolidation the following year
- All efforts should be made to seek new revenue opportunities
- We shall continue to explore new ways to develop partnerships that allow for the implementation of innovative programs for students
- The district shall offer multiple instructional delivery options to allow for maximum flexibility and student and family choice
- The input of parents, students and staff members shall be considered as part of the decision-making process when developing and implementing new programs or making significant changes to existing ones

Event Purpose and Framework to Guide Visioning Work

- Dr. Bernard Taylor, Jr.
Superintendent of Schools

Why We are Here

- Our focus is on looking at how we can provide quality services and a new delivery system (ways we provide teaching and learning)
- We are facing a financial crisis, but together we can look at this as an opportunity to re-structure our delivery systems to better meet the needs of our students today and tomorrow

Parameters to Guide our Visioning Work

- We must focus first on student learning and achievement
- We must create a system that will meet the needs of all students
- We must follow all state and federal mandates as well as Board of Education policies and parameters:
 - 1098 hours of instruction and at least 165 (2010/2011) days of instruction
 - Special education mandates
 - State mandated assessments
 - NCLB mandates
 - Services for second language learners
 - Mandated state and federal reports
 - Employee labor contracts
 - State and federal grant requirements (including Project Re-Imagine/Race to the Top)
- We must create structures and instructional delivery systems that are financially sustainable

Visioning Framework

Student Achievement

- Increase graduation rates
- Students are prepared to be successful in college/technical training or the workforce

Innovation

- Developing new ways of increasing staff capacity that leads to increased student learning
 - Developing strategic partnerships
 - Investing in new learning opportunities

Sustainability

- Living within our means
- Cutting ineffective programs
- Focusing on student achievement

Break Out Sessions

- **Students: Orange Rooms**
 - Jane DeGroot, Exec. Dir. Of Secondary Schools
 - Kurt Johnson, Dir. Of Athletics/Alt. Ed
- **Parents: Blue Rooms**
 - Teresa Neal, Exec. Dir. Of Community/Student Services
 - Veronica Lake, Exec. Dir. Of Accountability/Compliance
- **Community: Green Rooms**
 - Mary Jo Kuhlman, Exec. Dir, Org. Learning
 - Fredericka Williams, Exec. Dir. Of HR/Legal
- **Staff: Yellow Rooms**
 - Carolyn Evans, Chief Academic Officer
 - Mayda Bahamonde-Gunnell, Exec. Dir. Of Elementary/ELL

Break Out Reports

- Facilitated by: Rev. Tony Campbell
Vice President of Community Investment,
Heart of West Michigan United Way

Responses

Question #1

Student	Parent	Staff	Community

Responses

Question #2

Student	Parent	Staff	Community

Responses

Question #3

Student	Parent	Staff	Community

Next Steps

- Continue to gather input
 - Survey on-line
 - Additional forums in December and January
- Financial projections updated as additional information becomes available
- Recommendations developed and presented to the Board of Education in March
- Board reviews recommendations against budget parameters and BOE policies
- Full budget presentation provided in May
- BOE adopts budget in June in accordance with State law

Thank you