

# ENGAGELCS

## Strategic Finance Plan 2015–2017: Summary document Final draft for School Board review

December 2, 2013

BCG

THE BOSTON CONSULTING GROUP



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# Context: What is the Strategic Finance Plan?

## **The Strategic Finance Plan (SFP) outlines LCS financial strategy over next three years**

- Identifies district's strategic priorities
- Estimates costs of funding those priorities above and beyond current funding in these areas
- Describes actions to be taken that will allow the district to provide this additional funding

## **SFP will be used in conjunction with the annual budget, not as a replacement**

- SFP will serve as starting point for the annual budgeting process each year
- Budget will deliver single-year actions against resource realignment plans laid out in SFP
- Budget will include costs and savings plans from SFP, with much greater detail
- Budget will continue to include many actions not included in the SFP

## **LCS leadership will revise SFP each year**

- First edition will be submitted for the School Board's approval in December 2013
- SFP will be updated on a rolling basis, adding one year into the future each fall

**This document serves as a summary presentation of the Strategic Finance Plan**



# SFP moves away from a traditional approach toward a strategic budgeting approach

## Traditional approach

- Indirect link between district's priorities and spending
- Siloed process involving a small number of staff
- One year's budget based largely on the historical year's budget
- Based on a single-year planning horizon
- Cost of implementing is neither comprehensive nor vetted before decisions made
- Potential academic return on investment for initiatives and programs not considered

## Strategic Finance Plan approach

- Focused on aligning funding to the strategic priorities that district has determined will meaningfully impact student achievement
- Involves rich engagement and contribution from a broad set of stakeholders
- SFP and budget based on priorities for students and understanding of financial baseline in future years
- Based on a three-year planning horizon
- Estimates full cost over time of implementing the district's priorities
- Potential academic return on investment a central input to decision-making process

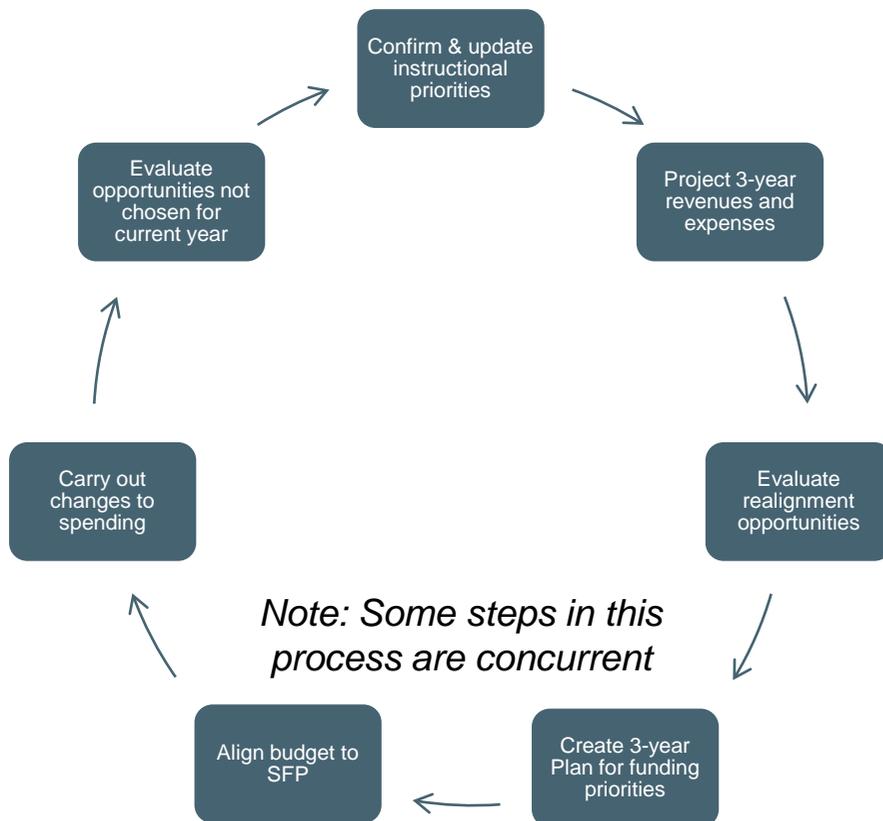
**At its core, this work is about spending smartly to raise student achievement and help students be C<sup>2</sup> ready**



# The Strategic Finance Plan is a rolling view of finances

Much like the Capital Plan, it evolves with each cycle

## Building the SFP is a rolling process



## Important notes on rolling process

### One primary benefit of SFP is multi-year span

- Allows for more than "just-in-time" planning
- Aligns leadership on district's long-term goals

### However, widened span comes with uncertainty

- Based on estimates of revenue, known next year
- Based on enrollment projections, known when school starts

### LCS commits to Year 1 plans based on assumptions

- Unexpected changes in revenue or enrollment will require changing planned execution of the SFP
- Specific plans will firm up with approval of budget
- Though specific actions may change, commitment to funding our priorities stands

### LCS commits to funding priorities in all three years

- Projections for Years 2 and 3 are less certain and less precise than for Year 1
- We plan to take continuing actions to fund our priorities in Years 2 and 3



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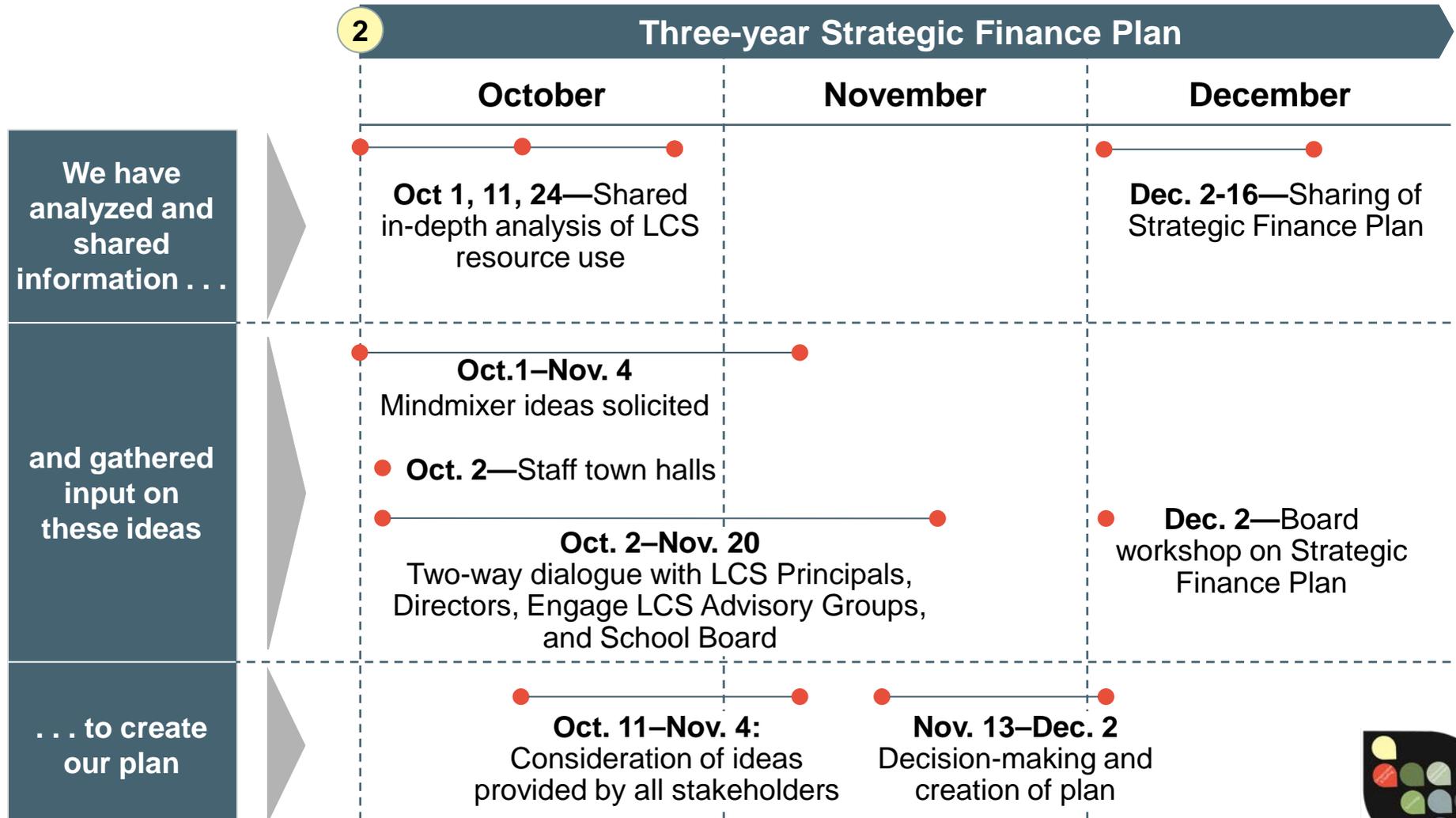
Tracking progress



# Three-Year Strategic Finance Plan is a central part of 18-month EngageLCS process



# We have focused on two-way communication throughout



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# Priorities related to ELL and other struggling students arise from a deepened understanding of current resource use

## What we learned during our resource review

English Language Learners

- <28% of ELL students scored satisfactory or above in reading on 2013 FCAT, compared to 46% across all LCS students
- LCS spends 70% less in additional funding on ELL students than median of comparison districts<sup>1</sup>

Struggling Schools & Students

- Resources are limited for differentiating instruction for students with less than proficient FCAT scores
- Despite ESE and Title I funding, many schools still lack adequate resources to effectively support Level 1 & 2 students and students on the cusp of moving to Level 3

## How we will address

**In addition to four original instructional priorities, the district will fund programs – supplemental to those already in place – to help close the achievement gap of English Language Learners and other identified struggling student groups**

**The district will use the new Program Evaluation and Innovation process to determine the programs to fund with these dedicated resources**

1. LCS spends 110% of gen ed base funding per ELL student; incremental 10% equates to \$600 per student. Comparison districts spend a median multiplier of 130% of their gen ed base on ELL students. This median incremental 30% addition equates to approximately \$1900 per student. Comparison districts include: Knox County, Fulton County, Charlotte, Austin, Duval County, Prince George's County, Denver, Marietta  
Source: Education Resource Strategies analysis, LCS achievement data



# Immediate investments add to system & capacity building priorities to support achievement of all students long-term

## Immediate investment in struggling students

### ELL Students

Fund programs aimed at closing the achievement gap of English Language Learner students

### Struggling Schools & Students

Inject additional resources to support struggling students and schools in order to help increase student achievement

## System and capacity building instructional priorities

### Talent Development Pipeline

Add transparency to career progression in LCS, and additional stipends for leadership roles and service at the district's neediest schools

### Program Evaluation & Innovation

Implement a process to initiate, evaluate, and extend programs based on their impact on student achievement

### Teacher & Principal Induction & Development

Implement robust coaching support for principals and teachers to increase effectiveness and speed movement up the learning curve

### Personalized Learning

Build differentiated support for teacher/leader professional development and individualized student learning, supported by technology



# English Language Learners Initiative overview

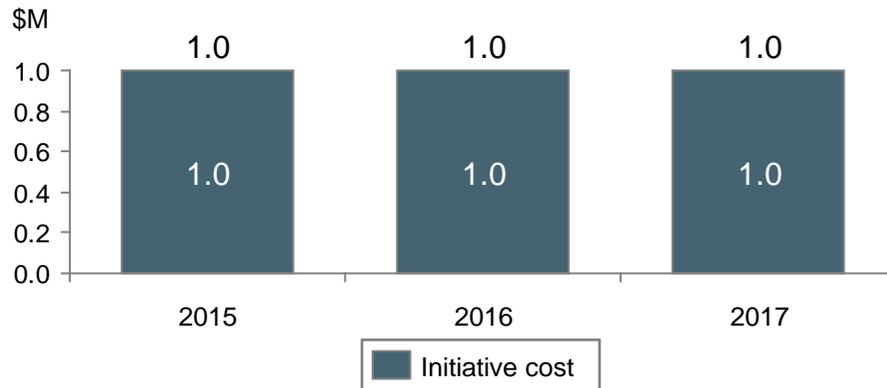
## Why this priority?

**This initiative will add to existing funding levels to support increased achievement for this growing student population**

## What will the district do?

- Determine programming for this priority through the program evaluation and innovation process.
- Compare and contrast various programming options, evaluating these on the basis of cost and projected academic return on investment in terms of student achievement.
- With this comparison in hand, select the specific investment or combination of investments that we believe will support the largest achievement gains for our students

## What is the cost?



## What are target performance returns?

Metric	YR 1	YR 2	YR 3
Average ELL FCAT reading scores	<p><i>Final metrics and definition of targets are forthcoming based on the continuing work of the working group</i></p>		
Average ELL FCAT math scores			



# Struggling Students and Schools Initiative overview

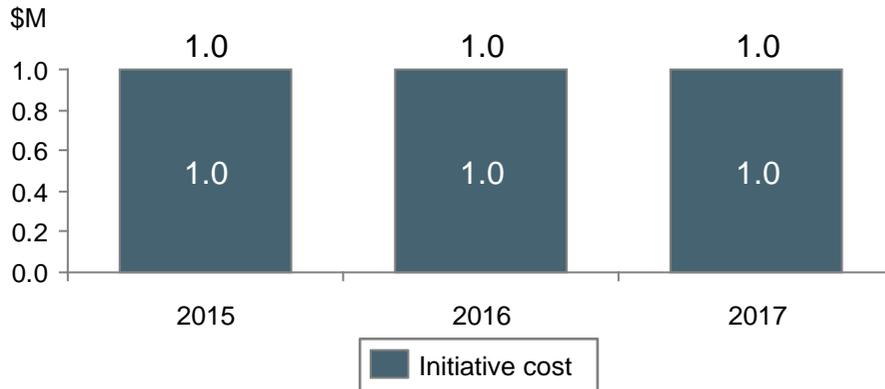
## Why this priority?

**This additional funding, which will supplement our existing programs, will help close the achievement gap for our most struggling students**

## What will the district do?

- Determine programming for this priority through the program evaluation and innovation process.
- Compare and contrast various programming options, evaluating these on the basis of cost and projected academic return on investment in terms of student achievement.
- With this comparison in hand, select the specific investment or combination of investments that we believe will support the largest achievement gains for our students

## What is the cost?



## What are target performance returns?

### Metric

YR 1   YR 2   YR 3

- % of LCS students who are Level 1 students
- % of LCS students who are Level 2 students

*Final metrics and definition of targets are forthcoming based on the continuing work of the working group*



# Talent Development Pipeline overview

## Why this priority?

**We need to reward our most effective teachers, and increase effectiveness and impact of our instructional leaders in order to drive student achievement.**

## What will the district do?

- Create transparent pathways to school and district leadership tied to evaluations
- Provide increased stipends for school-based leadership roles
- Develop increased qualification requirements for leadership roles at all levels, which will ultimately improve quality
- Provide additional opportunities and options for our best teachers to be rewarded while staying in the classroom (without pursuing administrative or district positions)
- Provide additional compensation for the most effective teachers to teach in high-poverty areas and/or low-performing schools

## What is the cost?



## What are target performance returns?

Metric	YR 1	YR 2	YR 3
% of teachers with positive value-added measures (VAM)	81%	82%	83%
Increased retention rate of Highly Effective teachers (% retained annually)	70%	78%	86%
Higher turnover of teachers rated Ineffective (% who leave the district voluntarily annually)	2%	3%	5%
Increased teacher transfer rates from low-need schools to high-need schools	2%	3%	5%
% of administrators reporting that pipeline helps retain effective teachers	65%	75%	90%
% of teachers reporting that pipeline contributes positively to motivation to improve instructional practice	65%	75%	90%



# Teacher Induction and Coaching Framework overview

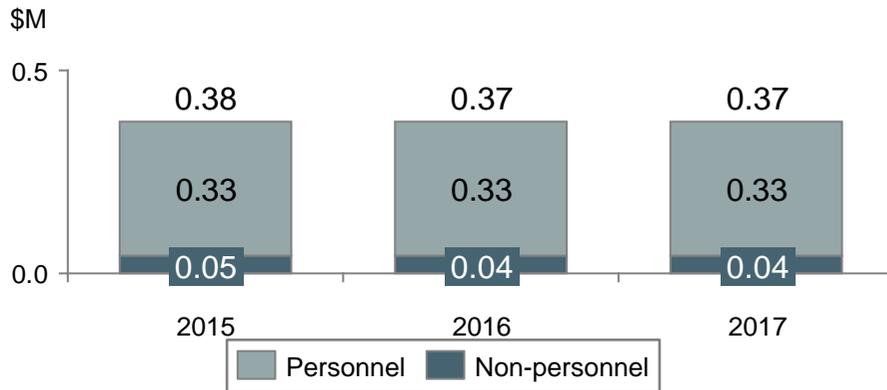
## Why this priority?

**In order to drive student achievement gains, LCS must increase rich, deep instruction to students; and develop effective teaching practice faster.**

## What will the district do?

- Increase the number of instructional coaches and extensively train them to support year 1 and year 2 teachers in order to increase student achievement and teacher retention
- Establish district-wide framework for developing coaching practices around a common protocol

## What is the cost?



## What are target performance returns?

### Metric

YR 1   YR 2   YR 3

% of Effective teachers retained

First-year teacher value-added measures (VAM)

First-year teacher instructional practice scores

% of first-year teachers rated Effective or Highly Effective

*Targets are forthcoming based on the continuing work of the Teacher Induction & Coaching Framework working group*



# Principal Induction and Development overview

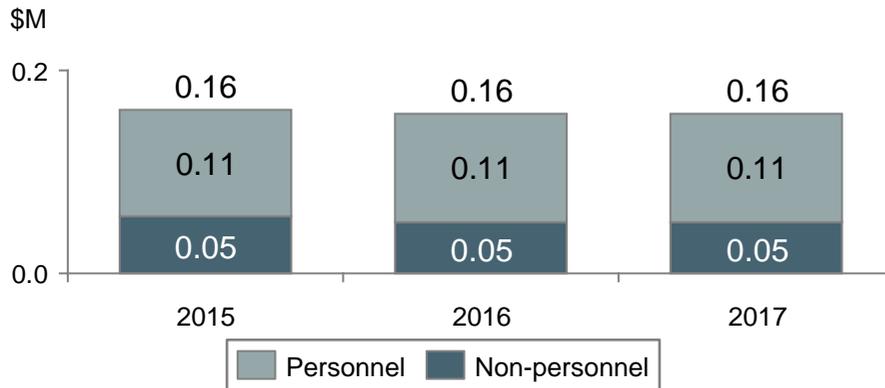
## Why this priority?

**In order to improve student achievement, LCS must increase teacher effectiveness through the focused development of strong instructional leaders.**

## What will the district do?

- Improve the level of support given to principals through professional development, one-on-one mentoring, and professional learning communities
- Create the role of Principal Coach, tasked with program oversight and implementation, organizing professional development for principals, and meeting with principals regularly to provide feedback
- Provide tailored, targeted support based on four groupings of staff: targeted assistant principals, first-year principals, second-year principals, and 3+-year principals

## What is the cost?



## What are target performance returns?

Metric	YR 1	YR 2	YR 3
% of principals receiving a 4.0 or above on LEADS Principal survey	<i>Targets forthcoming</i>		
% of principals rated Highly Effective on the LEADS evaluation	21%	27%	35%
% of principals rated Effective on the LEADS evaluation	75%	70%	65%
% of principals whose FLDOE school grade is an A or B	67%	75%	80%



# Program Evaluation and Innovation overview

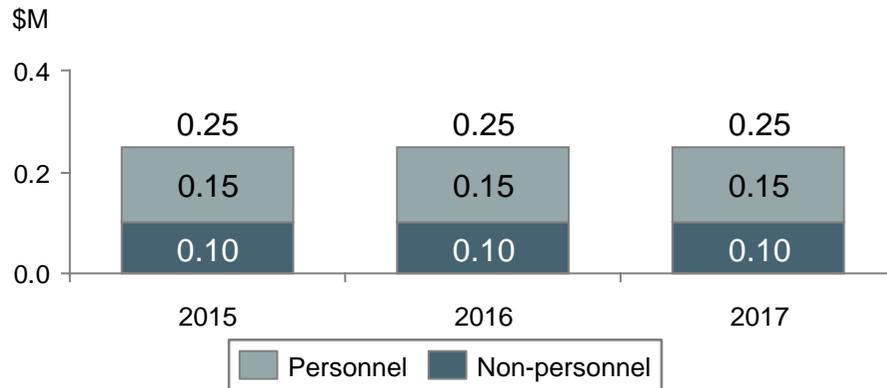
## Why this priority?

**LCS will positively impact student achievement through growing initiatives with high academic return on investment faster and ending programs with low returns faster.**

## What will the district do?

- Institute tools and processes to support an approach to decision-making around our investments that is based on a program's projected academic return on investment (ROI)
- Track the costs and measure the academic returns of funded programs based on data collected, and to inform future funding decisions
- Provide expertise and capacity in the form of staff to support this ongoing effort

## What is the cost?



## What are target performance returns?

Metric	YR 1	YR 2	YR 3
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*Return metrics for this instructional priority are forthcoming based on the continuing work of the Program Evaluation & Innovation working group; among those considered will be:*

- Number of programs tracked at any one time or in a finite period
- Stakeholder satisfaction regarding integrity of evaluation process
- Stakeholder satisfaction related to effectiveness of program monitoring



# Personalized Learning for Teachers and Leaders overview

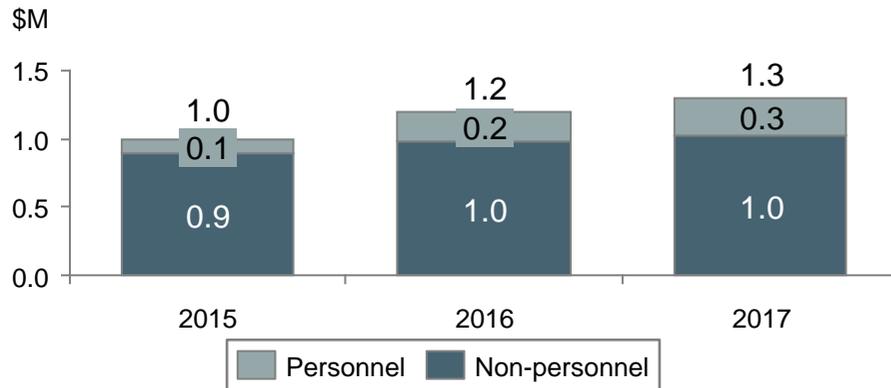
## Why this priority?

**In order to improve student achievement, LCS must develop teachers in a faster, more targeted manner through individualized resources.**

## What will the district do?

- Embed and differentiate professional development opportunities supported by technology for teachers and leaders
- Support self-reflection and/or non-evaluative peer coaching, using technological tools to record lessons when applicable/desired
- Strengthen district culture to continually embrace collaboration
- Develop a system for improving and updating professional development content

## What is the cost?



## What are target performance returns?

Metric	YR 1	YR 2	YR 3
Teacher effectiveness ratings	<p><i>Targets are forthcoming based on the continuing work of the Personalized Learning working group</i></p>		
Value-added measures (VAM)			
Feedback from teacher survey			
Usage rate for personalized learning modules on Safari Montage			
Usage rate for professional development software (currently PD360)			



# Personalized Learning for Students overview

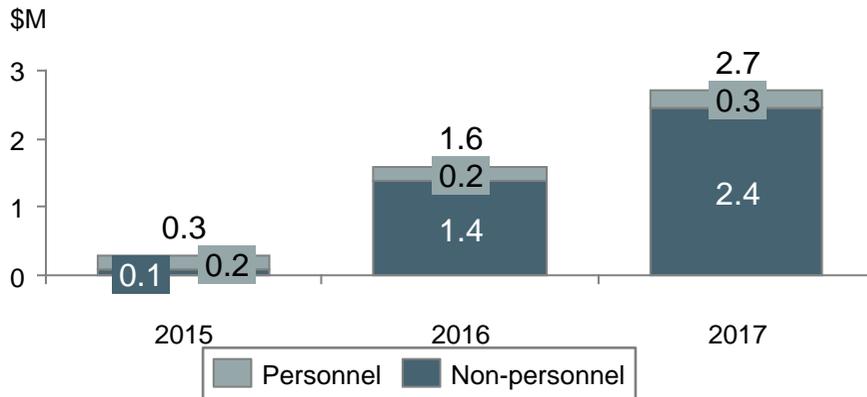
## Why this priority?

**This strategy will equip teachers and classrooms with the tools to better differentiate instruction to drive increased student achievement.**

## What will the district do?

- Facilitate anytime/anywhere learning
- Provide student-directed learning: multi-faceted system of instructional delivery methods that include technology-based, collaborative, and traditional teacher-directed learning
- Provide continuously-updated learner profiles that will show student progress toward curriculum mastery
- Develop other components including experiential learning, competency-based learning, flexible learning environments, and a framework for continuous improvement

## What is the cost?



## What are target performance returns?

### Metric

YR 1   YR 2   YR 3

Student feedback on survey

Student formative assessment scores

*Targets are forthcoming based on the continuing work of the Personalized Learning working group*



# To implement these critical priorities aimed at moving the needle on student achievement, significant \$ are required

## Instructional Priorities costs (\$M)

	2014-15	2015-16	2016-17
English Language Learners	(1.0)	(1.0)	(1.0)
Struggling Students and Schools	(1.0)	(1.0)	(1.0)
Talent Development Pipeline	(1.4)	(1.6)	(1.6)
Teacher Induction & Coaching Framework	(0.4)	(0.4)	(0.4)
Principal Induction & Development	(0.2)	(0.2)	(0.2)
Program Evaluation & Innovation	(0.2)	(0.2)	(0.2)
Personalized Learning for Teachers and Leaders	(1.0)	(1.2)	(1.3)
Personalized Learning for Students	(0.3)	(1.6)	(2.7)
<b>Total</b>	<b>(5.5)</b>	<b>(7.2)</b>	<b>(8.4)</b>



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# Creating our first Strategic Finance Plan has been a learning experience

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## Learnings

- Budget is exceptionally lean
- We prioritize and protect mandatory costs
- We allocate resources evenly across the district
- We spend a lower percentage of resources on direct instruction than anticipated

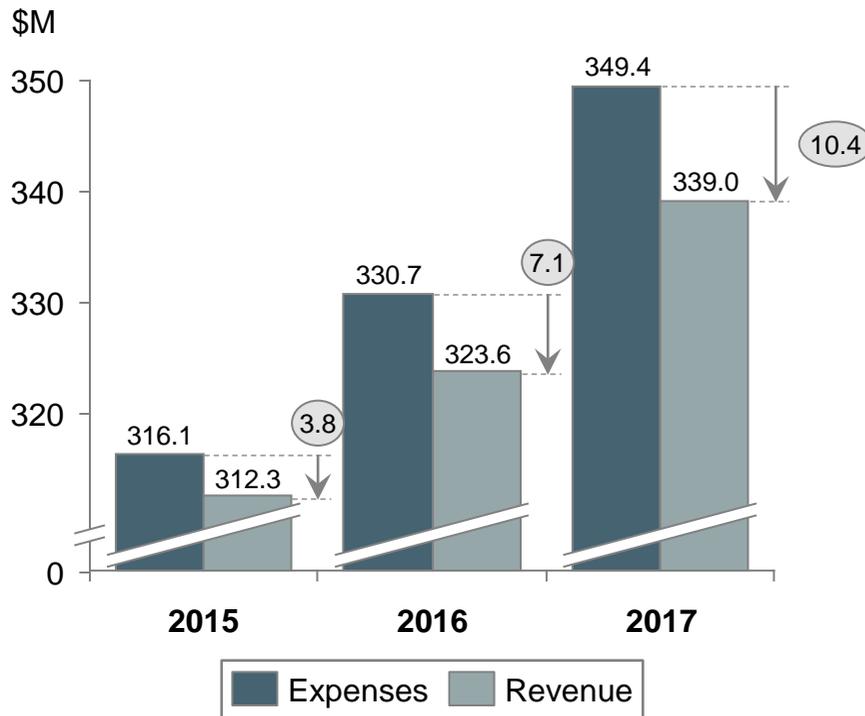
## What we can do to improve

- Increase focus on educational priorities rather than simply bottom line financials
- Increase focus on academic return on investment for strategic choices
- Create more differentiation in resource allocation where possible
- Better align the budgeting processes for various revenue sources (e.g., Title, IDEA, capital, etc.)



# If we project today's revenues and spending into the next three school years, we anticipate a structural budget gap

## Baseline financial picture 2015–2017 for our PK-12 Operating Budget



### Baseline represents projected financial picture if LCS were to

- Make no specific new investments
- Spend money in line with last year

### Absent significant funding shifts, we project that expenses will exceed revenues by significant amount

- \$3.8M in 2014–2015
- \$7.1M in 2015–2016
- \$10.4M 2016–2017

**In addition to funding priorities, the district needs to close this significant starting budget gap**



# Backup: Projected baseline gap based on several fundamental assumptions

## Key Revenue Assumptions

- Overall, projections are based on historical year-to-year changes in funding levels
- Entitlement (e.g., Title) funding is flat due to sequestration
- 1.5% increase in per-FTE state funding
- Annual increase of 500 students

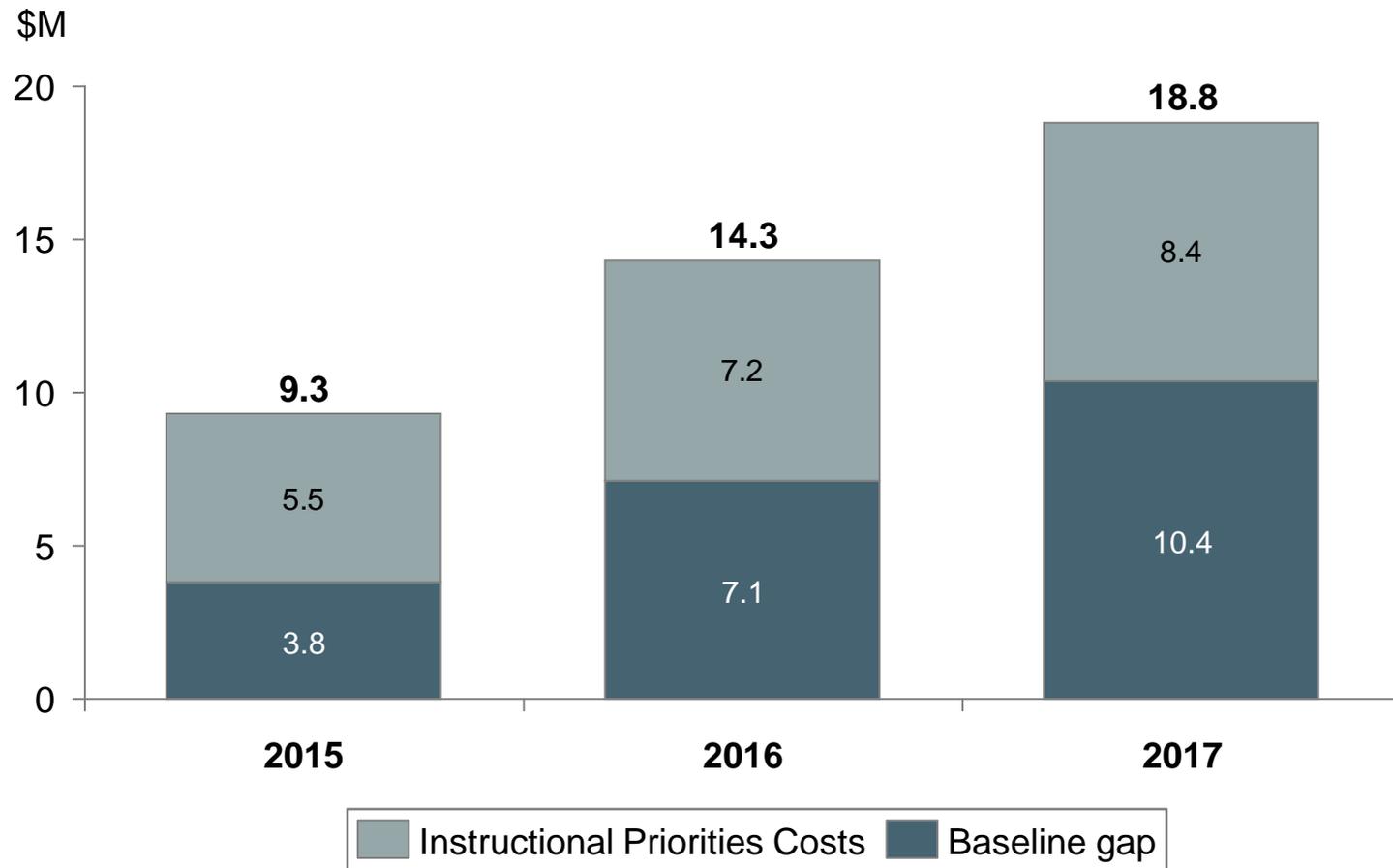
## Key Expense Assumptions

- Overall, projections are based on historical year-to-year changes in expenditures
- Available pool of funds for staff compensation increases by 2.5% annually
- Maintenance of reserves calculated at required 4% of total revenue

**Overall, both revenue based on historical changes in funding levels and expenditures**



# Instructional priorities costs plus baseline gap total by year



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# Though the listed realignment figures are estimates, the district is committed to funding our priorities

**The estimated realignments on the following slides are approximations based on the work of interdisciplinary district teams to understand how the ideas submitted to the EngageLCS effort might be actualized**

**These teams considered qualitative impacts (proximity to students, feasibility, adjacency to our instructional priorities), as well as the quantitative figures**

**The district commits to funding our priorities over the next three years, though specific actions or figures may change over time**

**We will determine the specific actions needed to achieve these realignments over the coming months, as we enter the 2014–2015 budget cycle**

**What follows are descriptions and projected savings totals of the areas targeted for realignment**



# Details on the realignment opportunities (1)

## Capital Expenditure Realignment

- Given property value increases, LCS expects increases to capital fund starting next year
- **Yr 1:** Use the capital fund to pay for some capital-related expenses currently paid for through the general fund
- **Yr 2–Yr 3:** Maintain this realignment to maintain the savings

## Consolidated Purchasing

- **Yr 1:** Centralize purchasing process to realize greater savings
- **Yr 2–Yr 3:** Continue with this practice and incrementally increase savings realized

## High School Schedule

- **Yr 1:** Move all high schools in LCS from a block schedule to some variation of a 6x7 schedule (exact structure to be determined)
- **Yr 2–Yr 3:** Ongoing savings from the actions in year 1

## IDEA funding

- **Yr 1– 3:** Strategically decrease amount of IDEA funding annually held in reserve to yield one-time savings each of the next three years

Note: This action leads to one-time savings each of years 1, 2, and 3; this savings will not be possible in years 4 and onward



# Details on the realignment opportunities (2)

## Maintenance: lawn care

- **Yr 1:** Create a lawn care team to provide services to all facilities
- **Yr 1:** Through attrition, reduce the number of custodians at each school by approximately 1
- **Yr 2–Yr 3:** Ongoing savings from the actions in year 1

## Management discretion

- **Yr 1–Yr 3:** Determine additional operational and central office efficiencies on an ongoing, rolling basis

## Transportation: bell schedule & software

- **Yr 1:** Utilize routing software to create more efficient routes
- **Yr 2:** Align middle and high schools to the same bell schedule so that these students can share routes
- **Yr 3:** Continue efforts from first two years

## Administrative salary

- **Yrs 1–2:** Exclude district and school administrators from any planned salary increases
- **Yr 3:** No exclusion
- Note: Slated implementation of performance pay plan in 2016 – 2017



# Details on the realignment opportunities (3)

## Athletics transportation

- **Yr 1:** Reduce athletics transportation funding to schools by 25%
- **Yr 2–3:** Ongoing savings from Yr 1 change

## Transportation: busing surcharge

- **Yr 1–Yr 3:** Continue charging a fee of \$1–\$2<sup>1</sup> to students not eligible to ride the bus under district guidelines but who elect to ride under courtesy busing (began in 2013)

## Transportation: white fleet

- **Yr 1–Yr 3:** Contract with multiple repair shops in Lake County to perform maintenance on the district's white fleet (a strategy already in motion by the district)

## Clerical

- **Yr 1:** No action; further study of clerical roles
- **Yr 2–Yr 3:** On rolling basis by attrition where possible, pool resources at central office and schools, resulting in a net reduction in staff

## Guidance Counselors

- **Yr 1:** Assessment phase for actions in years 2–3, including review of counselors' duties
- **Yr 2–Yr 3:** Act on recommendations from assessment

***Realignment actions not slated until Year 2 of the plan***

1. Students who receive free and reduced-price lunch are charged \$1, and other students are charged \$2.



# These areas will drive budget realignment over our three-year time horizon

Area	Where the realignments will come from	Savings by year (\$M)		
		Yr 1	Yr 2	Yr 3
Capital expenditure realignment	<ul style="list-style-type: none"> <li>Reassign some capital-related expenses from general fund to capital fund</li> </ul>	1.5	1.5	1.5
High School Schedule	<ul style="list-style-type: none"> <li>Move away from a block schedule</li> </ul>	4.6	4.7	4.8
Consolidated purchasing	<ul style="list-style-type: none"> <li>Consolidate and standardize purchasing procedures</li> </ul>	2.0	3.0	3.0
IDEA funding	<ul style="list-style-type: none"> <li>Strategically reduce the amount of ongoing IDEA reserves, spending more of the district's IDEA funding each year (<i>Note: leads to one-time savings spread over 3 years</i>)</li> </ul>	0.5	0.5	0.5
Maintenance: lawn care	<ul style="list-style-type: none"> <li>Create a lawn care team to provide lawn service to all facilities, decreasing custodial staff by attrition</li> </ul>	0.5	0.8	0.8
Management discretion	<ul style="list-style-type: none"> <li>Continue to pursue additional operational and central office efficiencies</li> </ul>	0.3	0.5	0.5
Transportation: bell schedule & software	<ul style="list-style-type: none"> <li>Year 1: Efficiencies from implementation of routing software</li> <li>Years 2 and 3: Align bell schedule so that more students can share routes</li> </ul>	0.3	1.6	1.6
Administrative salary	<ul style="list-style-type: none"> <li>Exclude district and school administrators from any planned salary increases, until performance-based pay system is established</li> </ul>	0.2	0.3	--
Athletics transportation	<ul style="list-style-type: none"> <li>Reduce funding for athletics transportation</li> </ul>	0.1	0.1	0.1
Transportation: busing surcharge	<ul style="list-style-type: none"> <li>Charge a fee to students utilizing courtesy busing</li> </ul>	0.1	0.1	0.1
Transportation: white fleet	<ul style="list-style-type: none"> <li>Outsource white fleet (non-yellow school bus) maintenance</li> </ul>	0.04	0.04	0.1
Clerical	<ul style="list-style-type: none"> <li>Consolidate clerical resources at both the central office and schools</li> </ul>	--	0.2	0.5
Guidance counselors	<ul style="list-style-type: none"> <li>Align counselor allocation ratios and responsibilities to state frameworks and best practices</li> </ul>	--	TBD	TBD

# In addition, the district will realize savings associated with investments themselves

## Professional Development-related investments

Three of the district's instructional priorities directly touch professional development

- Teacher induction & coaching
- Principal induction
- Personalized Learning for Teachers and Leaders

In pursuing them, LCS is introducing some new professional development programs  
We anticipate stopping some existing programs as we add these new ones

LCS will save approximately **\$600k** of our existing professional development budget in each of the next three years to help fund these priorities

In calculations, these savings are referred to as the self-funding aspect of programs

## Personalized Learning for students

The district is committed to achieving efficiencies as we introduce more technology into the classroom

Specifically, LCS commits to making our investments cost-neutral after four years, for a given school.

The district anticipates that in year 3, we will save **\$300k** due to these efficiencies



# Overall picture over the next three years

## Realignment Opportunities

	2014-15	2015-16	2016-17
<b>Shift of expenses out of general fund (\$M)</b>			
Capital expenditures	1.5	1.5	1.5
<b>Realignments within general fund (\$M)</b>			
High school schedule	4.6	4.7	4.8
Consolidated purchasing	2.0	3.0	3.0
IDEA funding (non-recurring)	0.5	0.5	0.5
Maintenance: lawn care	0.5	0.8	0.8
Management discretion	0.3	0.5	0.5
Transportation <sup>1</sup>	0.4	1.7	1.7
Administrative salaries	0.2	0.3	--
Athletics transportation	0.1	0.1	0.1
Clerical	--	0.2	0.5
Guidance Counselors	--	To be determined	To be determined
Other TBD ideas	--	--	3.5
<b>Total</b>	<b>10.1</b>	<b>13.3</b>	<b>16.9</b>

Please reference pages 27–29 for specific changes recommended for each year. For some areas all change is occurring in the first year with ongoing savings in the subsequent years.

## Investment Opportunities

	2014-15	2015-16	2016-17
<b>Baseline (\$M)</b>			
Surplus (gap)	(3.8)	(7.1)	(10.4)
<b>IP Costs (\$M)</b>			
Roll forward from previous yr	--	1.4	1.0
ELL	(1.0)	(1.0)	(1.0)
Struggling Students & Schools	(1.0)	(1.0)	(1.0)
Talent Development Pipeline	(1.4)	(1.6)	(1.6)
Teacher Induction & Coaching	(0.4)	(0.4)	(0.4)
Principal Induction & Development	(0.2)	(0.2)	(0.2)
Program Evaluation & Innovation	(0.2)	(0.2)	(0.2)
Pers. Learning (Teachers/Leaders)	(1.0)	(1.2)	(1.3)
<i>Self funding across PD initiatives</i>	0.6	0.6	0.6
Pers. Learning (Students)	(0.3)	(1.6)	(2.7)
<i>Self funding</i>	--	--	0.3
<b>Total: priorities only</b>	<b>(5.5)</b>	<b>(5.8)</b>	<b>(7.4)</b>
<b>Total: net of self-funding</b>	<b>(4.9)</b>	<b>(5.2)</b>	<b>(6.5)</b>
<b>Total: incl. baseline gap</b>	<b>(8.7)</b>	<b>(12.3)</b>	<b>(16.9)</b>
<b>Net surplus (gap)</b>	<b>1.4</b>	<b>1.0</b>	<b>--</b>

1. Includes all three general transportation-related opportunities described on preceding pages: white fleet, change in bell schedule, and busing surcharge

# With savings as described, \$3.5M of year 3 starting baseline deficit of approximately \$10.4M remains to be filled

## Options being evaluated to fill the year 3 budget deficit:

- Additional clerical staff changes in year 3 (would mean savings higher than current est.)
- Guidance counselor staff changes based on assessment of roles and allocation structure
- Middle school schedule redesign
- Pursuit of additional reimbursements (revenue increase) for Exceptional Student Education services through Medicaid and other insurance sources
- District ERP system efficiencies (supplies and staff)
- Revision of overall materials and supplies budget
- Introduction of magnet school models
- Other opportunities to be identified during the ongoing SFP process

**LCS commits to funding our priorities by realigning money associated with some mix of these ideas**



# Summary of 2015–2017 strategic finance plan (1)

## **Focus of SFP is funding the district's instructional priorities, a \$21.1M cumulative cost over three years**

- The district developed priorities that we believe will support our students' long-term success
  - **Talent Development Pipeline: \$4.6M**
  - **Personalized Learning: \$8.1M**
  - **Program Evaluation & Innovation: \$0.9M**
  - **Teacher & Principal Induction and Development: \$1.8M**
- Additionally, LCS will fund programs to address identified immediate needs of struggling students
  - **Programs for English Language Learners: \$3.0M**
  - **Programs for struggling schools and students: \$3.0M**

## **Also need to close projected budget gap: approximately \$3.8M in 2014–15 growing to \$10.4M by 2016–17**

- Project that expenses exceed revenues by these amounts even before district funds priorities
- Gap is based on increase of 500 students per year combined with no revenue increase from some federal revenue sources

## **Our goal is to fund these priorities, and our task was to figure out how and on what timeline to do this**

## **We launched comprehensive review of finances through spending analysis and stakeholder input**

- Detailed review of current resource allocation, comparing our spending to a set of similarly funded districts
- Asked for and received numerous suggestions from our stakeholders on best ways to save

## **These activities and conversations generated hypotheses on where in our budget we could spend less**

**The team conducted further analysis not only to estimate the savings but also impact of each potential change on our staff and students**



# Summary of 2015–2017 strategic finance plan (2)

**Based on this thorough review, we determined the actions we will take to close the budget gap and fund our priorities in 2014–2015 (combined \$9.3M cost):**

- Moving from a block to straight schedule at high schools
- Centralizing and consolidating purchasing practices
- Strategic reduction of IDEA funding reserve over three years (one-time savings realized over three years)
- Creating a lawn care maintenance team paired with reduction in custodial staff by attrition
- Realizing savings from transportation routing software
- Continuing to charge a \$1–2 fee to students not eligible to ride the bus under guidelines
- Contracting for maintenance on the district's white fleet
- Decreasing budget for athletics travel
- Excluding administrators from salary increases expected for other positions
- Allowing for management decisions to drive continuing operational efficiencies

**For following years (\$14.3M in 2015–2016 and \$18.8M in 2016–2017), we have identified areas to explore in addition to those we are pursuing in 2013–14:**

- Clerical and guidance counselor staff consolidation through role alignment and allocation changes
- Aligning middle and high school bell schedules
- Middle school schedule redesign
- Additional reimbursements (revenue increase) for ESE services through Medicaid and other insurance revenue
- District ERP system efficiencies (supplies and staff)
- Introduction of magnet school models
- Revision of overall materials and supplies budget
- Other opportunities to be identified during the ongoing SFP process

**These actions will allow us to have a meaningful impact on the academic achievement of our students**



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Overview of Three-Year Strategic Finance Plan

Process for creating SFP

Investments: Instructional Priorities

Baseline financial picture

Funding the instructional priorities: Budget realignment

Tracking progress

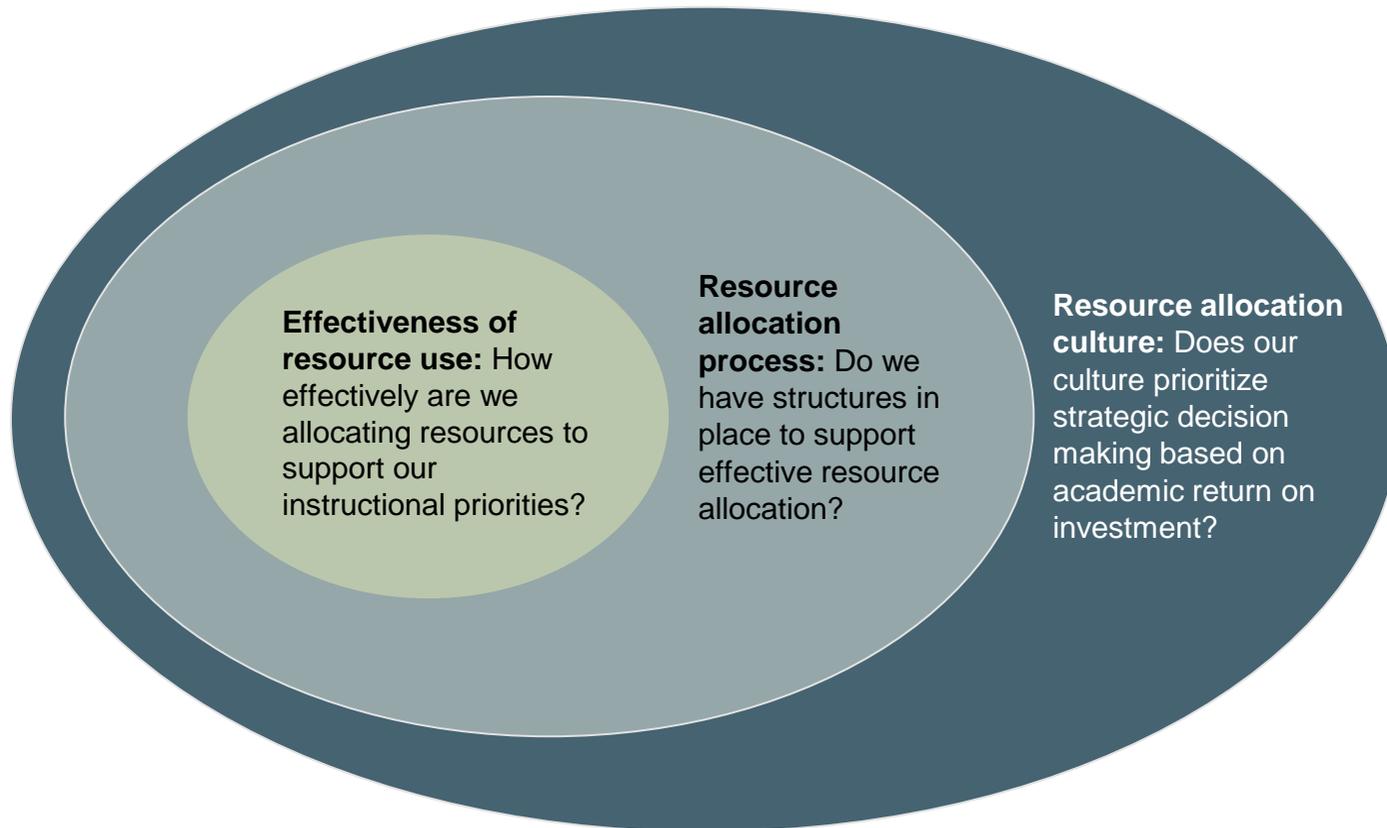


# In subsequent years, the SFP will include evaluation of our resource allocation against chosen metrics

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**We can think about categories of capacities to track as moving from core to supporting**

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# Each SFP will report on our progress along metrics

In finalizing SFP over next few weeks, we may choose to update and narrow the list below

## Effectiveness of resource use

- % of budget realigned from all opportunities towards instructional priorities and baseline gap
- % of planned realignment realized per opportunity ( $\frac{\$ \text{ realigned}}{\$ \text{ planned to realign}}$  per opportunity)
- % of planned investment realized per priority ( $\frac{\$ \text{ invested in each priority}}{\$ \text{ planned to invest}}$ )
- Narrative of successes and barriers in realizing opportunities
- Performance on established return metrics by priority
- Narrative of successes and barriers around priorities: implementing, achieving returns, meeting program goals

## Resource allocation processes

- Degree to which SFP process as outlined in SFP process guide has been followed: priorities determined, specific tradeoffs identified, opportunities prioritized & chosen (yes or no)
- On-time completion of critical milestones by all district initiative teams (yes or no)
- Regularly scheduled Board updates in place for resource allocation process throughout the year (yes or no)
- Description of how a broader set of teachers, school leaders, and district leaders were involved in work of resource alignment for the year
- Solicitation of community ideas prior to drafting of SFP (yes or no)

## Resource allocation culture

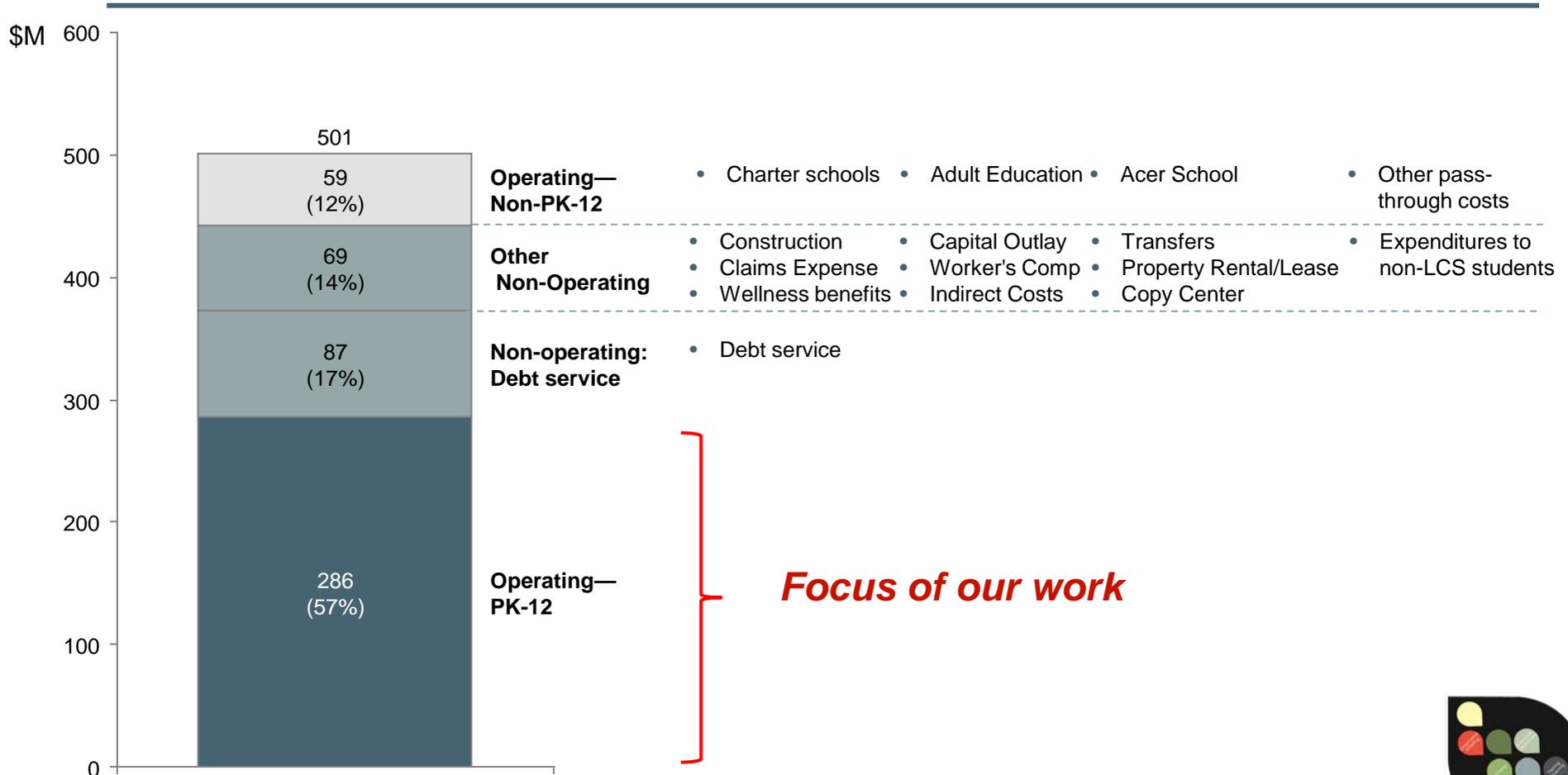
- % of principals, teachers, and community members who are aware of resource alignment effort
- % of principals, teachers, and community members who see a difference in the extent to which district leadership are focusing resources on instructional priorities
- % of district leaders proficient in using Cost/ROI tool and processes



# Appendix

# Our scope is LCS PK-12 Operating Budget, representing approximately 57% of our total budget

## Our priorities and assessment of opportunities focus on PK-12 operating budget only



Source: LCS data, ERS analysis



# Backup: List of communications activities completed as part of the EngageLCS effort

- June 24 — News release: “Lake County Schools secures grant to begin EngageLCS initiative”
- June 24 — EngageLCS magazine released (outlets: media, employees, website, social media)
- June 27 — District newsletter highlights grant
- Aug. 7 — Flier, poster created for EngageLCS
- Aug. 12 — PowerPoint created for EngageLCS
- Aug. 30 — Mindmixer site launches
- Aug. 30 — Web banners added to all school sites
- Sept. 3 — News release: “Click & Engage: New online community tool to spark ideas for EngageLCS”
- Sept. 6 — District newsletter highlights Mindmixer
- Sept. 18 — QR code and flier created for Mindmixer
- Sept. 26 — News release: “EngageLCS to release data on Oct. 1 to shed light on how Lake County Schools uses resources”
- Sept. 27 — Video created to promote town hall meetings
- Sept. 27 — District newsletter highlights resource data
- Oct. 1 — News release: 1<sup>st</sup> phase of EngageLCS resource data is now available”
- Oct. 1 — Orlando Sentinel story: “Lake schools gets budget help from Bill Gates foundation”
- Oct. 2 — One-on-one interview with Orlando Sentinel
- Oct. 2 — Staff town hall meetings
- Oct. 4 — WFTV story: “Bill Gates Foundation review shows Lake County spends least on...”
- Oct. 11 — Press conference
- Oct. 11 — News release: “preliminary list of ideas on shifting funds released for EngageLCS initiative”
- Oct. 11 — WFTV story: “Lake County School District getting outside help to show ways to reduce budget”
- Oct. 12 — Orlando Sentinel story: “Gates foundation grant spurs new ideas for Lake County Schools”



# Numerous individuals from schools and district offices contributed to making instructional priorities a reality (I)

## Project oversight & management working groups

### Leadership Team

**Susan Moxley**, Superintendent (Lead)  
**Aurelia Cole**, Chief of Administration  
**John Davis**, Chief of Operations  
**Marilyn Doyle**, Sr. Director Academic Services  
**Liz Hobert**, Coordinator, Special Projects  
**Carol MacLeod**, Chief Financial Officer  
**Laurie Marshall**, Executive Director of HR  
**Chris Patton**, Communications Officer  
**Creed Wheeler**, Executive Director of IT

### Employee Advisory Group

<b>Brent Balkaran</b> , Teacher	<b>Nancy Hunter</b> , Teacher
<b>Alfonzo Baptiste</b> , TeacherAsst/ PK-TI ER IN	<b>Wayne Kicklighter</b> , Manager, Maintenance
<b>James Nathan Battle</b> , Senior Program/Analyst	<b>Stuart Klatt</b> , LCEA Leader, Fam/ School Liaison
<b>Carol Brewer</b> , Mgr/Food Service	<b>Gina Leake</b> , Family/School Liaison
<b>Deborah Burns</b> , TeacherAsst/VE	<b>Vivian Marie Mauldin</b> , Bus Driver
<b>Kelly Cousineau</b> , Teacher	<b>April Von Maxey</b> , Teacher
<b>Kim Cronin</b> , SEIU/FPSU Lake County Rep	<b>Andrea Pyatt</b> , Teacher
<b>Lauren DeRidder</b> , Risk Manager	<b>Glen Reubelt</b> , Technology Manager
<b>Pam Hayes</b> , Purchasing Manager	<b>Rosanne Rodriguez</b> , ESE Clerk
<b>Cleta Horton</b> , Teacher	<b>Rheda Shumate</b> , School Counselor
	<b>Debra Snow</b> , Teacher
	<b>Jeff Stephens</b> , Electrician, Maintenance

### Community Advisory Group

**Carey Baker**, Lake Co. Property Appraiser  
**Mike Bucher**, So. Lake Chamber/United Sothern Bank  
**Carman Cullen-Batt**, Executive Director, Educationa Foundation  
of Lake County  
**Choice Edwards**, Retired/Past Educator  
**Rob English**, Lake 100; Executive Director Mt. Dora Chamber  
**Tom Hofmeister**, President, CEO, The Hofmeister Group  
**Margo Odom**, Lake Sumter State College Board of State Trustees  
**Greg Padgett**, CPA, Padgett, Wetz and Young  
**Sean Parks**, Education Foundation of Lake Co.  
**Brian Payne**, LCS Community Resource Liaison  
**John Pease**, First National Bank of Mt. Dora  
**Wendy Simpson**, Parent Representative  
**Robert Thompson**, Old First Nation Bank

### Communications & Stakeholder Engagement Group

**Chris Patton**, Communications Officer (Lead)  
**Heather Gelb**, GLES Assist. Principal  
**Liz Hobert**, Coordinator, Special Projects  
**Kelly Lafollette**, Communications Director, Lake County  
**Brian Payne**, LCS Community Resource Liaison  
**Jon Redding**, ASU Online Specialist  
**William Roberts**, ERMS Assist. Principal  
**Kelda Senior**, City of Mount Dora  
**Kim Updike**, SLHS Assist. Principal



# Numerous individuals from schools and district offices contributed to making instructional priorities a reality (II)

## Initiative Working Groups

### Cost and ROI Working Group

**Carol MacLeod**, Chief Financial Officer (Lead)  
**Kathleen Thomas**, Director Planning, Evaluation and Accountability (Lead)  
**Janice Boyd**, THS Principal  
**Linda Douglas**, Finance—Sr. Accounting Spec.  
**Marilyn Doyle**, Sr. Director Academic Services  
**Harry Fix**, Growth Planning Director  
**Teresa Lachut**, Finance-FTE Analyst  
**Maureen Slovak**, Budget and FTE Manager  
**Creed Wheeler**, Executive Director IT

### School Staffing Process Group

**Laurie Marshall**, Executive Director of HR (Lead)  
**Doreathe Cole**, GLE Principal  
**Lynn Collins**, Position Control Analyst  
**Sabrina Dillon-Banks**, Safe Schools Coordinator  
**Carol MacLeod**, Chief Financial Officer  
**Charlie McDaniel**, ERMS Principal  
**Bill Miller**, LHS Principal  
**Judy Miller**, ESE Director  
**Julie Robinson-Lueallen**, ERHS Principal  
**Kelly Sanders**, UMS Principal  
**Maggie Teachout**, Director of Career, Adult & Community Education

### Budget Planning Group

**Carol MacLeod**, Chief Financial Officer (Lead)  
**Aurelia Cole**, Chief of Administration  
**David Cunningham**, EMS Principal  
**John Davis**, Chief of Operations  
**Marilyn Doyle**, Sr. Director Academic Services  
**Laurie Marshall**, Executive Director of HR  
**Rob McCue**, SLHS Principal  
**Durenda McKinney**, LES Principal  
**Susan Moxley**, Superintendent  
**Chris Patton**, Communications Officer  
**Creed Wheeler**, Executive Director of IT

### Innovation Process Design & Implementation Group

**Marilyn Doyle**, Sr. Director Academic Services (Lead)  
**Dave Bordenkircher**, VES Principal  
**Denise Coit**, Director of Finance  
**Will Davis**, GIS Manager  
**Kathy Halbig**, Manager of Innovative Learning  
**Kathlene Jarvis**, Director of Curriculum & Instruction  
**Julie Robinson-Lueallen**, ERHS Principal  
**Maggie Teachout**, Director of Career, Adult & Community Education & Charter School Liaison  
**Kathleen Thomas**, Director Planning, Evaluation & Accountability  
**Jan Tobias**, Director of Student Services  
**Creed Wheeler**, Executive Director IT



# Numerous individuals from schools and district offices contributed to making instructional priorities a reality (III)

## Instructional Priorities Working Groups

### Coaching Framework:

#### Strategic Planning Group

**Susan Moxley**, Superintendent (Lead)  
**Liz Bourdon**, Director Federal Programs  
**Marilyn Doyle**, Sr. Director Academic Services  
**Kathy Halbig**, Manager of Innovative Learning  
**Liz Hobert**, Coordinator, Special Projects  
**Laurie Marshall**, Executive Director of HR  
**Chris Patton**, Communications Officer  
**Kati Pearson**, Director of Teaching and Learning  
**Stacey Roberts**, Director, PD and Leadership

#### Teacher Induction/Training for Instructional Coaches Group

**Stacey Roberts**, Director, PD and Leadership (Lead)  
**Noris Aguayo**, New Teacher Coach  
**Liz Bourdon**, Director Federal Programs  
**Randy Campbell**, UHS Principal  
**Elizabeth Feld**, New Teacher Coach  
**Melonee Ferguson**, New Teacher Coach  
**Theresa Frisby**, New Teacher Coach  
**Andrea Guogas**, Project Manager Evaluation and Compensation  
**Kathy Halbig**, Manager of Innovative Learning  
**Kati Pearson**, Director of Teaching and Learning  
**Lisa Sabino**, New Teacher Coach

#### Principal Induction

**Aurelia Cole**, Chief of Administration (Lead)  
**Melissa DeJarlais**, FPES Principal  
**Laurie Marshall**, Executive Director of HR  
**Stacey Roberts**, Director PD and Leadership  
**Carolyn Samuel**, Director of HR  
**Linda Shepherd**, LMHS Principal

#### Personalized Learning Group

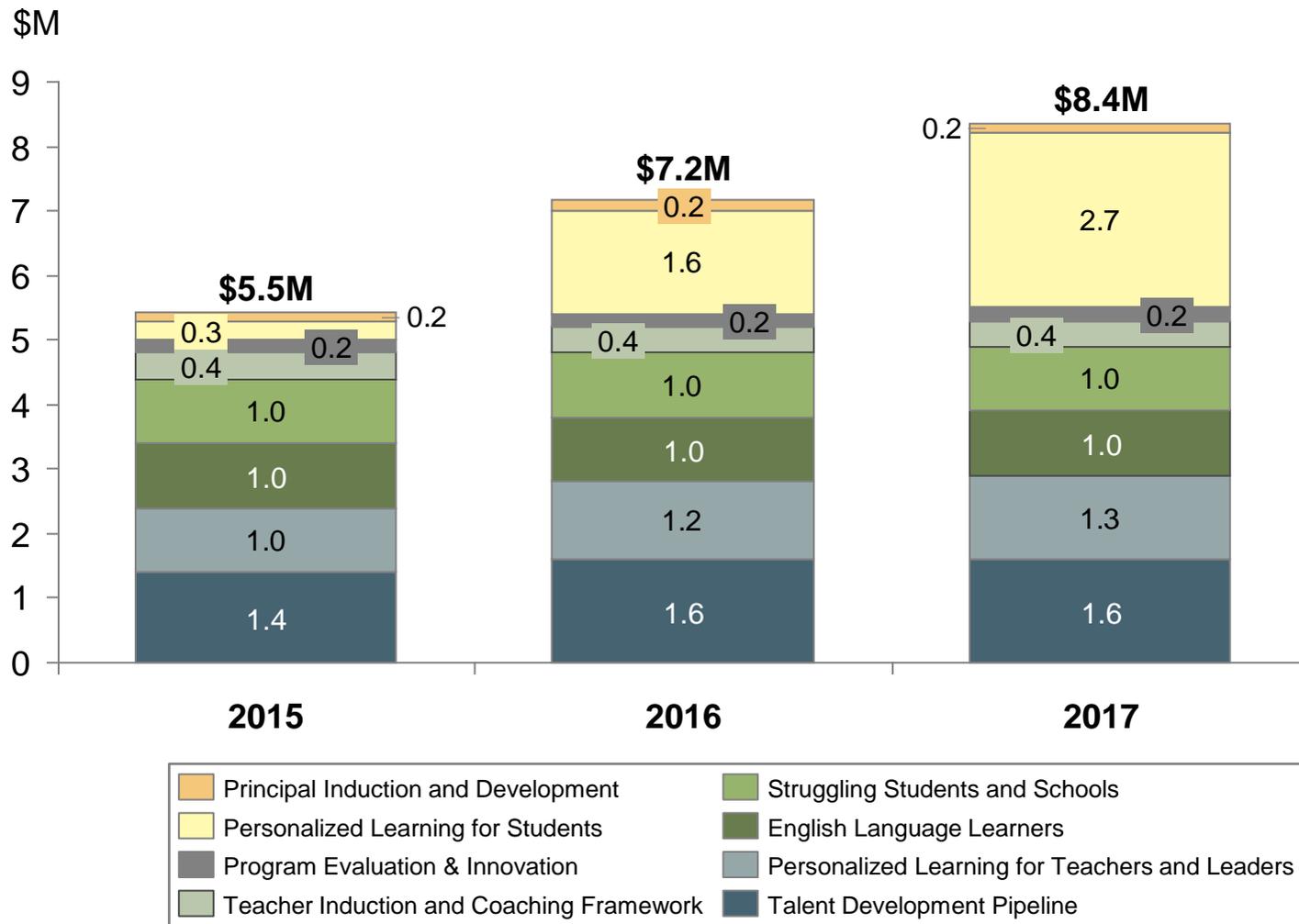
**Kathy Halbig**, Manager of Innovative Learning (Lead)  
**Brent Balkaran**, THS Teacher  
**Missy Broker**, ILS  
**Amy Cockcroft**, WHMS Principal  
**Dennis Doherty**, WHMS Teacher  
**Kathy Keck**, Grant Specialist  
**Kati Pearson**, Director of Teaching and Learning  
**Andrea Pyatt**, ASU Program Specialist  
**Stacey Roberts**, Director of PD and Leadership  
**Julie Robinson-Lueallen**, ERHS Principal  
**Ashley Solomon**, ILS  
**Cleta Stutzman-Horton**, LLE Teacher  
**Julio Valle**, SBES Principal  
**Nancy Velez**, EHS Principal  
**Creed Wheeler**, Executive Director of IT

#### Talent Development Pipeline Group

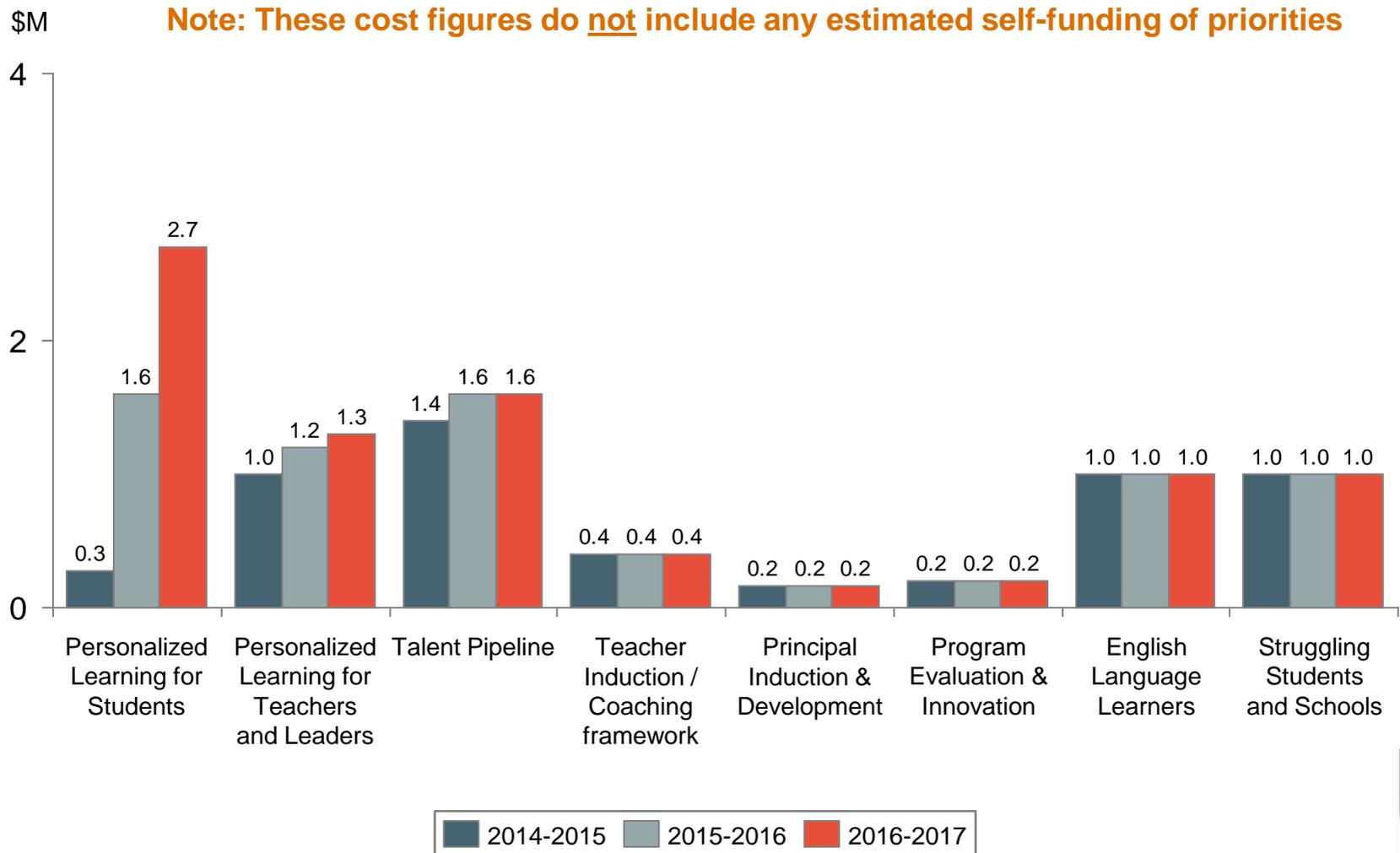
**Andrea Guogas**, Project Manager Evaluation and Compensation (Lead)  
**Aurelia Cole**, Chief of Administration  
**Melissa DeJarlais**, FPES Principal  
**Michelle Hoppenstedt**, HR Tech & Support Mgr.  
**Stuart Klatte**, LCEA Leader  
**Doug Kroulik**, Supervisor of Compensation  
**Laurie Marshall**, Executive Director of HR  
**Stacey Roberts**, Director of Professional Development and Leadership  
**Linda Shepherd**, LMHS Principal  
**Maureen Slovak**, Ad Hoc Member  
**Maggie Teachout**, Director of Career, Adult & Community Education



# Instructional priorities: incremental investment by year



# Instructional priorities cost by priority area



# If current assumptions change meaningfully, budget gap could be larger or smaller

## Baseline budget gap 2014–2015 (\$M)

### Increase in # of students from 2013-2014

		0	500	1000
Entitlement funding compared to 2013-2014	Overall entitlement funding constant	(3.3)	(3.8) <i>Current assumptions</i>	(4.3)
	Per-student entitlement funding constant	(3.3)	(3.5)	(3.7)
	Per student entitlement funding increasing by 1.5%	(2.9)	(3.1)	(3.2)

