

## Potential Amendment to the FY18 Adopted Budget

<b>Sponsor:</b>	Director Wendell J. Harris, Sr.
<b>Date:</b>	October 24, 2017

**Intent:**

Fund raises for employees across all bargaining units currently earning \$50,000 or less annually.

### **Administration Response:**

The approximate annual cost of a 1.26% CPI increase for employees earning less than \$50,000 per year would be \$2.14 million including associated benefit costs. The approximate annual cost of a 1.26% CPI increase for all employees per year would be \$6.7 million including associated benefit costs. The approximate cost of funding year one of the five-year “Road to 15” would be \$654,000 including associated benefit costs.

As discussed in the Board Retreat on August 25, 2017 and in the Board’s Strategic Planning and Budget meeting on September 21, 2017 and again in the work session on October 24, 2017, the administration continues to review the district’s fiscal realities with the goal of providing an allocation for raises in the FY19 budget. Given the limited choices available with the school year underway, a substantial allocation for raises will create a difficult-to-manage disruption of the standard of care for students and/or disrupt other strategies that are being implemented in support of the district’s strategic plan.

The administration is committed to bringing a proposed budget for 2018-19 that includes allocations to support a comprehensive compensation plan – including raises for employees. To afford compensation increases and maintain the district’s fiscal health, the Board, administration, district’s partners and the community will need to identify cost savings in other areas.

While the district has a total budget over \$1 billion, the majority of the funds go to schools, student supports, and initiatives that address student achievement. The remaining funds represent dozens of areas where the district has basic operational costs and obligations required by state and federal regulations. The administration is committed to work with the Board before the close of the calendar year to begin the process of identifying 2018-19 cost savings which will allow for sustainable compensation enhancements.

The administration supports re-allocating 2017-18 funds for the “Road to 15” compensation plan as discussed in May 2017. This is a multi-year plan which moves MPS employees who are earning less than \$15 an hour to a minimum of \$15 per hour by 2021-22. As of October 26, 2017, there are 888 employees earning less than \$15 per hour; over 700 of them are building service helpers and food service assistants.

Two scheduled remodeling projects can be deferred and contract costs for mindfulness training can be reduced to provide first year funding for the “Road to 15” of \$654,000.

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Budget Line to be Changed (To /From)	FTE Increase	Amount Increase	FTE Decrease	Amount Decrease
Expansion of Howard Ave Montessori School — FAR-0-0-RDC-DS-ECNC			0.0	\$500,000
Morse Expansion — FAR-0-0-RDC-MS-ECNC			0.0	\$100,000
Contract Services (Mindfulness) — IMP-0-0-BDC-EO-ECTS			0.0	\$54,120
Unallotted Salary Adjustment — SCF-0-0-CTG-DW-ESAA	0.0	\$568,800		
Employee Benefits — DWC-0-0-CTG-DW-EEBN	0.0	\$85,320		
<b>Total</b>		\$654,120		\$654,120

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**Fund:**

- School Operations Fund
  - Extension Fund
  - Construction Fund
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**Required Vote:**

- Simple Majority**
  - Super Majority (2/3)**