

State of the Schools 2018-2019
Lawrence Torres, President
Board of Education
Pasadena Unified School District

Thank you Dr. McDonald. We look forward to leading PUSD forward together in the next several years.

Welcome to this beautiful campus. I want to thank Sierra Madre Middle School for helping us showcase one of the Measure TT projects. It's home to the arts, math academy, and Mandarin programs on this campus.

First, it's a privilege to serve as your President, and I appreciate you coming here tonight.

I'd like to thank my family who are here tonight.

I must thank those who helped put this evening together. Special thanks to Sierra Madre Middle School, Principal Garrett Newson and acting principal Grace Aguilar, students, faculty and parents. From the Office of the Superintendent: Diane Orona, Emilia Sanchez; KLRN-TV's Beth Leyden and team; Chief Business Officer Leslie Barnes; Facilities Chief Nelson Cayabyab; Chief Technology Officer TJ Jamal, Chief Academic Officer Elizabeth Blanco, Human Resources Chief Steve Miller, Public Information Officer Hilda Ramirez; and of course, our Superintendent Brian McDonald.

The Pasadena City Charter requires that the President of the Board of Education present to the public by May of each year a State of the Schools address about the progress of the District in achieving its goals, and its plans for the future. This includes the financial state of our schools.

Tonight, I want to thank the people of Pasadena Unified, and the residents of Pasadena for voting - with a percentage of 70% for Measure J. Please give yourselves a round of applause.

There are a lot of positive things happening in our District, and the passage of Measure J is one of them.

Tonight, we will begin with our finances, where we are now, and what we can anticipate in the future.

I also want to apologize in advance. There is a lot of "Edujargon," that wonderful language that educators talk to each other in. I will attempt to make it comprehensible—but no promises!

Finances

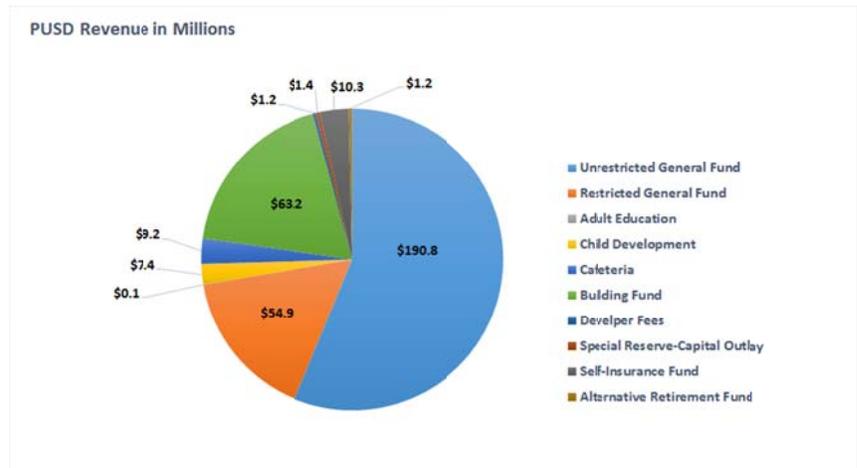
We've come a long way in just one year. In March, our district filed a positive financial report with LA County, stating that we will meet our fiscal obligations for the next three years. We made some tough financial decisions that reduced our spending by \$10.1 million over the next two years, while preserving our students' progress and maximizing instructional support.

Chart A - Revenue

Chart A shows our current 2018-2019 fiscal year all-funds revenue is \$339.7 million.

General Fund revenues are approximately \$245.7 million. All other funds adult education, child development, cafeteria, self-insurance: \$94 million.

The District's combined General Fund revenues come from three sources, the Federal Government, the State and Local revenues.



Most people don't know that the federal government actually provides a very small percentage of the overall funds school districts receive. At its highest, in the 1970's, the feds only provided approximately 12% of the total dollars to schools. Today it is roughly 10%.

The largest source of Federal funds are Special Education and Title I. This year the District received \$5.9 million in Title I funds and \$5.2 million in Special Education funding. While the state also provides Special Education funding the Federal Government only provides approximately 9% of the total costs.

The State provides these funds through the Local Control Funding Formula (LCFF) which has two sources of revenue; property taxes and State Aid. The District's LCFF allocation is \$161 million in 2018-19. These funds comes to the District in two forms, base grants, which are used for the general operations of the district; and supplemental and concentration grants which are targeted for use with specific student populations such as Foster Youth, English Learners and students who qualify for low socio-economic status. These funds are required to be used to supplement the general education program.

Funding from the state's LCFF will continue to be our primary source of revenue and is projected to only increase by a small Cost of Living Adjustment (COLA) next year.

Unfortunately, these additional funds will be offset by the District’s loss in revenue due to declining enrollment and increased operational costs.

The District’s local revenues are made up of gifts, donations, rents, leases and small local grants. These funds are budgeted as one-time funds when received. They make up approximately 3% of the total unrestricted general fund revenues.

Please note that Measure J money, which is not included in these projections, will be addressed shortly.

Chart B - Expenditures

Chart B shows how we spend the revenue we receive.

The major expenditure categories in the unrestricted general fund are Salary & Benefits, which make up 84% of the Districts total unrestricted expenditures. That is the blue, orange and grey on Chart B. This is in line with most school districts throughout the state. Special Education is the largest expenditure in the restricted general fund. It is estimated that Special Education will cost \$58 million in 2018-19.

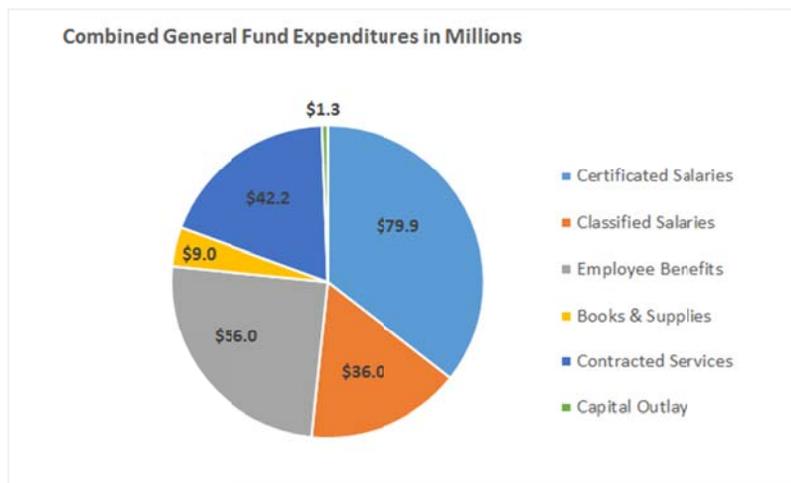
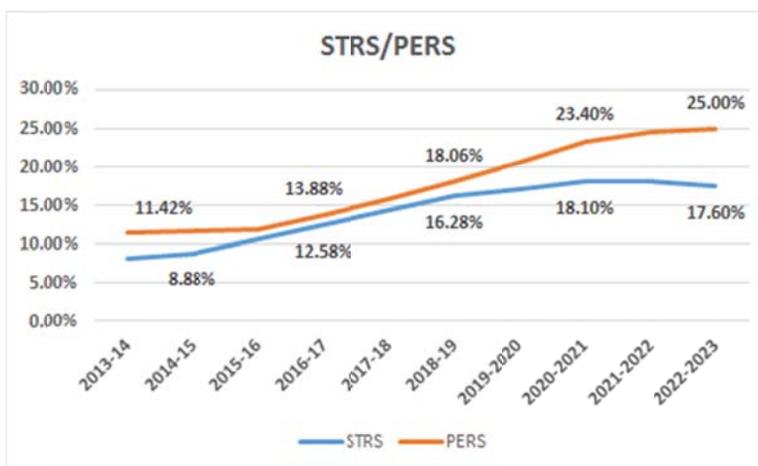


Chart C STRS & PERS

The District’s contribution to the employee Retirement system—State Teacher Retirement System (STRs) and PERS (Public Employee Retirement System)—continues to grow in our Budget.

This is a major issue in California and has affected the decisions we’ve had to make. This is a longer conversation than can be had in this setting.



Simply put, by 2023 certificated retirement rates (or STRS) will have increased by 9.35% and classified rates (or PERS) will have increased by 13.6% since 2013-14.

Following the 2023 year, the current projection is that STRS expenses to districts will level out but PERS will keep growing to perhaps 30%. All of these monies come out of our general fund. This is a continuing discussion we are having with our stakeholders both at the local level and with our elected officials in Sacramento.

In the 2019-20 proposed State budget, Governor Newsom has given us short-term relief to the increase to STRS but nothing has been provided for PERS.

Reserves

We've also had to address our reserves, which now meet the State's 3% requirement through 2020-21.

We have accomplished this through difficult budget reductions and budget savings. This is a turnaround from just over a year ago, when we filed a negative certification in the First Interim Report in 2017.

Since then, we've closely examined every expenditure and how each best serves children in our schools. We made some very difficult financial decisions to reduce \$10 million in spending, and stayed resolute in our commitment to remain solvent in these difficult times.

Measure J

Looking to the future, thanks to the voters passing Measure J, in 2019-2020 we should have an infusion of more than \$5 million in continuing, local revenue.

On behalf of students, staff, and families of PUSD, I would like to thank the Pasadena community for their tremendous vote of confidence. Funding from Measure J assures our schools of revenue source to support innovation and enhancements in our academics. It brings investment capital to build on the excellence that gives our graduates a competitive edge for college, careers, and active citizenship.

We are grateful to Mayor Terry Tornek, members of the Pasadena City Council, and community supporters for your trust and belief in this great school district. Pasadena Unified has made huge strides, and you have embraced our schools. It is an enormous privilege and honor.

To ensure the long-term success of our schools, we first need to make sure that our budget and fiscal plans are as sustainable and strong as possible.

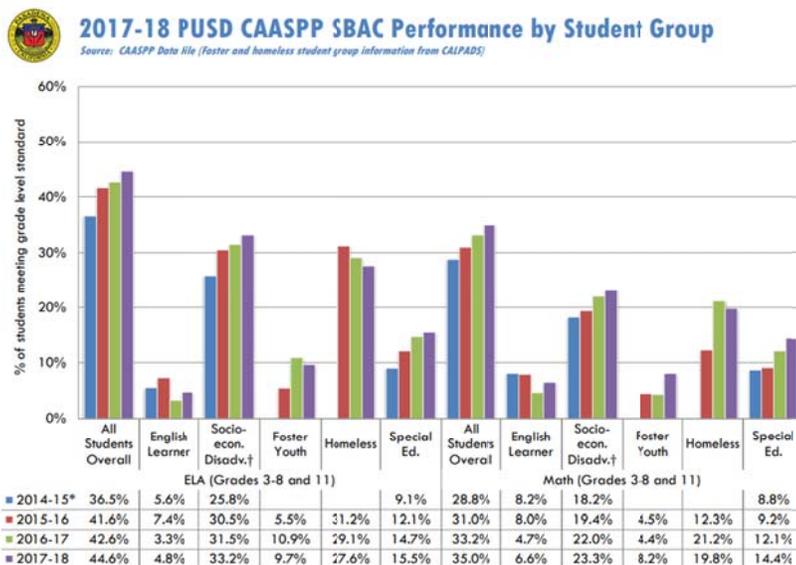
The Board of Education and district administration are committed to developing a budget that enables us to live within our means each year while preserving the quality of educational opportunities for all children. Already, a Board committee is taking on the arduous work of planning for the future so that our resources are concentrated to serve our students.

While revenue from Measure J positions our district for well, we still have some tough decisions ahead of us. We know that the District's budget will always be under pressure to do more than we can afford. But we must continue to be disciplined in how we spend so that our fiscal standing stays strong.

Student Achievement Makes Steady Growth

Student achievement in our district continues to move in the right direction and is making steady upward progress. This steady improvement affirms the strength of our academic programs and our district's ability to stay focused on teaching and learning during difficult budgetary times.

According to results of the California Assessment of Student Performance and Progress (CAASPP), in 2018 overall student achievement rose by 2% in both ELA and Math.



Since 2015, the percentage of PUSD students overall who met or exceeded standards has increased by 8% in English Language Arts (ELA). Although we still have work ahead to address the achievement gap, the proportion of socio-economically disadvantaged students who met or exceeded standards has increased by 7% percent in ELA. The proportion of students with disabilities who met or exceeded grade level standards has also increased by approximately 6% in ELA.

Similarly, in Math the percentage of students overall who met or exceeded standards went up by 6% since 2015. Among socio-economically disadvantaged students, we increased by 5% in Math. Among students with disabilities, we saw an increase of 6%.

In terms of grade levels, the largest gains are in early grade levels where the percentage of students meeting grade level standards increased about 13% and 14% in third and fourth grade in ELA, respectively. In math, third grade increased by 9% and fourth grade increased 12% over the same period.

As we prepare our kids to leave our schools and graduate, we need to prepare them to be thinkers. That's why initiatives such as Balanced Literacy are so important. The Balanced Literacy program in PUSD trains and supports our teachers to help students think critically and prepare them for the future.

It puts the right books at the right time into every classroom so that students develop into self-motivated, curious and inspired readers and writers.

Not only do they develop a love for reading, a capacity for self-expression, but a voice and choice in their own learning.

No single assessment can measure the quality of a school, indeed a classroom, but the progress we've made on state tests is exciting and affirming.

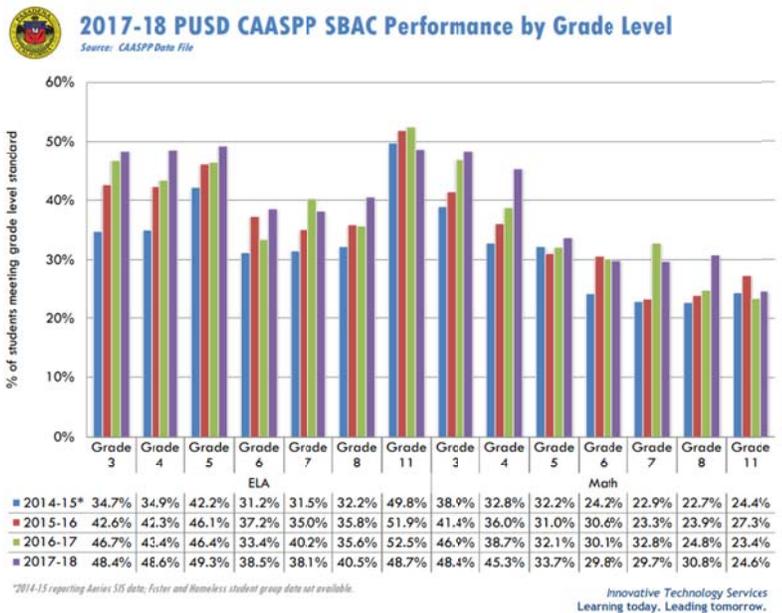
Environments for 21st Century Learning

I am proud to say that our students are richly diverse, from demographics to learning abilities and styles. We take joy and pride in welcoming every child to campuses that deliver environments for 21st century learning.

Because feeling connected, safe, and engaged in school shape the way children learn and develop, we have focused on building school cultures where every child, regardless of their circumstances, is welcomed, cared for, and engaged in learning.

With the adoption of the graduate profile, our district shifted our mindset in the way we address student behavior and discipline. We focus on supporting the child toward positive behavior that leads to their academic success. The groundbreaking mental health policy developed by Dr. Eric Sahakian and his team is the first of its kind in California and is getting recognition as a model for other school districts.

Based on the Trauma Informed Care model, it adds to an comprehensive array of social-emotional support programs that nurture our students' emotional, and academic success.



Our growing excellence is reflected in the school facilities we've brought on board this year, thanks to Measure TT and the voters who supported our schools. These included:

- Washington STEM Elementary. Students moved into two new buildings last year that elevate the schools science focus, and bring upgrades to the Washington schools complex.
- Pasadena High School inaugurated its rebuilt new gymnasium where the Bulldogs are having an exciting season.
- Blair moved into its renovated high school building last week, with its phenomenal new library, science labs, performing arts rooms, counseling offices, and new athletic fields.
- And Norma Coombs Elementary has transformed with two new buildings that include STEM, music, and classroom space.
- Soon, we'll invite you to the dedication of finished projects at schools like PHS and John Muir High School.

Our Children: Learning Today. Leading Tomorrow.

There are many opinions about what defines a quality education.

Ultimately, we measure success by how well we prepare our graduates. The Class of 2018 won more than \$16.9 million in scholarships and grants. Graduates included National Merit Scholars, International Baccalaureate Diploma and Certificate candidates, National Honor Society members, California Scholarship Federation Seal Bearers, Golden State Seal Merit Diplomas, athletes, and members of the armed forces. They earned California's Seal of Biliteracy, which recognizes high school graduates who have reached a high level of proficiency in speaking, reading, and writing languages in addition to English.

As a working teacher, I know first-hand that education in the 21st century is not about perfection. It's about answering a simple question: are we better today than we were yesterday.

It's also about preparing today's students for jobs that haven't even been invented yet.

Take a moment to think of that statement.

According to a 2018 study done by the Institute of the Future, 85% of the jobs that today's student will do in 2030 do not exist today.

So how do you do that? How do you educate for an uncertain future.

This about rethinking what schools are and can be.

It's about building academics that give our students a rich 21st century educational experience that looks beyond a test.

It's about the brilliant power of arts education to bridge language, cultural, and socioeconomic divides.

It's about engaging families to actively support their children's educational journey.

It's about the brilliance of teachers like Hamilton Elementary's Nichole Anderson, who just became the third PUSD teacher to win the Milken Educator Award, the Oscars of teaching.

It's about supporting our teachers and staff, and working with our labor partners to do our collective best for the children in our schools.

It's about ensuring full and fair funding for the public schools of California. The continual budget frustrations we in education keep experiencing have come in large part by being 41st in the nation in school spending. We need full and fair funding of public schools in the richest state in the union.

It's about disagreeing about the "how" but never about the "why." Because ultimately we are united in our belief that a good education has the power to transform lives and the world.

A quality education is about continuously looking for ways to improve and to better serve the children in our communities.

In summary, the state of our District is good and the future is positive. The creativity and innovation we see every day in Pasadena Unified classrooms is inspiring. Whether it's through the arts and music, school gardens, athletics, the math academy, Dual Language or just plain old academics, we are creating environments where students feel safe and connected. We are creating a better future for our students and for our community.

Our schools are demonstrating that, if you want your kids to attend a state of the art campus, with teachers and subjects that ignite their curiosity for learning, then come to Pasadena Unified.

All this is possible because of the work of the remarkable and talented community that is Pasadena Unified.

It is my honor to serve as your Board President. Thank you.

#WeArePUSD