



State of the Schools

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Welcome to this beautiful campus and thanks to McKinley for helping us showcase PUSD schools. First, it's a privilege to serve as the President of the Board of the Pasadena Unified School District. I appreciate your coming here tonight for the first in-person State of Schools since 2019. I would like to acknowledge my daughter who is in the audience tonight.

I must thank those who helped put this evening together. Special thanks to McKinley School, Principal Merian Stewart, and 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 Director Leonard Hernandez; 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.

I want to tell you tonight about our progress in our mission to develop a love of learning and embrace the cultural background of every student.

And I want to frame our thinking in terms of a proverb I like:

"If you want to go fast, go alone.
If you want to go far, go together."

Let us consider PUSD academics and then finances, in light of these ideas.

For a bit of background, this proverb came back to me several weeks ago as I served on a panel of three community members at Pasadena High School to hear presentations called Senior Defense and Reflection. This is a PUSD graduation requirement in which students present a research project, a creative artifact, and a reflection on their high school years. This is an excellent opportunity for Board members to see what is working in a PUSD education and what students value most.

In questions afterward, I asked a student, "In your years at PHS, how much of your academic work was individual and how much part of a group? He replied, "about 50-50." A few weeks later I asked another student the same question and she answered the same way, "about half and half." Interesting, yes?

So I thought, yay PUSD! We are giving our students the challenge and I hope the self-confidence to forge ahead on their own, but also the collaboration skills they will need in the workplace and life in general.

So what is the state of our schools now in terms of going alone or going together?

That first pandemic year, with campuses closed, there was way too much going alone. Students were often in a state of isolation, missing their friends and teachers, trying to learn from a computer screen. Teachers were isolated too, trying to provide learning and encouragement to students they couldn't see on their screens.

When campuses cautiously opened this academic year, it was still not smooth sailing. But even with unwanted solitude, PUSD was creating forms of "going together" never before imagined:

Academic staff recreated ways of teaching to fit online needs.

The Technology department provided devices and training and trouble-shooting in abundance.

The Center of Independent Studies, originally a high school program, expanded to include elementary students for those not yet ready to return to campuses.

And through all this, with PUSD Health and Safety on our minds every day, our dauntless Director of Health Programs Ria Apodaca has been teaming with the City of Pasadena Public Health Department (thank you, Dr. Goh) plus County nurses and many other PUSD staff to provide vaccinations, testing, and trusted health advice.

All these efforts continue, evolving as needed.

Now: the state of our current academics. There is so much to tell, but I want to give you some highlights and milestones.

This year, the first kindergarten class of students in our DLIP programs is graduating (students who began the program in first grade graduated last year). They participated in the programs that are a signature of this district, from arts education and STEM to magnets and college and career academies. The Dual Language Immersion Program program has grown from two languages to four, expanded from a few classrooms to five elementary schools and two middle schools, and continues with world languages at our high schools. PUSD schools now offer Armenian, French, Mandarin, and Spanish.

Our magnet schools are thriving, with John Muir Early College Magnet High School students now able to earn both high school diplomas and Associate of Arts degrees from Pasadena City College at the same time.

Senior Kennedy Hackett is the first John Muir student to earn both diplomas this year and is heading to Harvard in the fall where she will major in Natural Science. Kennedy attended the Engineering and Environmental Science Academy at John Muir Early College Magnet High School.

International Baccalaureate continues to produce students who are leaders and global thinkers from the elementary program at Willard to the middle years, career-related, and Diploma programs at Blair.

Through a unique partnership with PEF, PUSD middle and high school students can take college-level math through the Math Academy.

To support students with the highest needs, the Superintendent’s Community Schools initiative supplements the core instructional program with expanded learning opportunities and a range of services that support students’ physical, mental, and social-emotional health and other needs through partnerships with a variety of community members and organizations.

Eight College and Career Academies offer a focused curriculum in a career field, an advisory group of community members and experts in the field, internships, and connections to some of our area’s most important resources. Academies include Creative Industries; the App Academy; Arts, Entertainment and Media; Business and Entrepreneurship; Creative Arts, Media, and Design; Engineering & Environmental Science; Health Careers; and Law and Public Service.

Muir alumni: recently a photo was taken showing 28 graduates of John Muir High School who are now on the staff of the school! Teachers, staff, and principal Dr. Lawton Gray, and District Music Coordinator Karen Klages - all Muir grads. It is believed to be the largest number of graduates returning to work at their school in recent memory.

Did you see PUSD in the Rose Parade with its stellar All-Star Band?

For academic programs to succeed, students must feel connected, safe, and engaged. Through the great work of our department of Student Wellness and Support Services, students are supported by a truly comprehensive network of services, including many outside partnerships with community agencies. This care and concern is especially important after the two years we have just had.

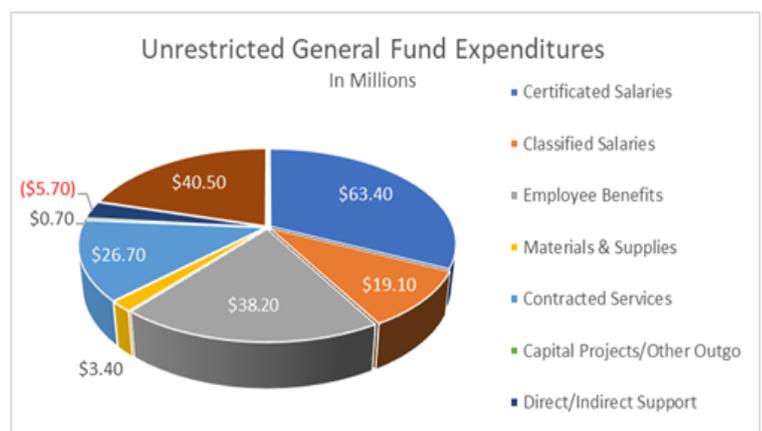
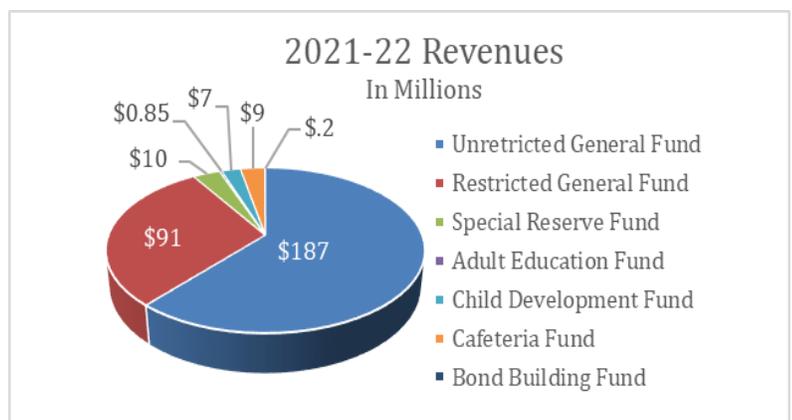
Let us turn to finances, an area in which there is no going alone. We must go together.

Finances

Goals

In general, the financial state of PUSD is **good** for the immediate future, as there have been positive developments in this area in the last couple of years, due to additional funding PUSD received from both the State and Federal governments.

The District’s combined General Fund revenues come from three sources, the State, the Federal Government and Local revenues. 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 \$172 million in 2021-2022. These funds come 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 and are required to be used to supplement the general education program.

REPORT ON GOALS FROM LAST YEAR

The District has demonstrated that it can meet its financial obligations for this year and the two subsequent years. PUSD has received a "Positive Certification" on each of its financial reports since March of 2019. This certification is crucial because it determines the financial health of the District by the Los Angeles County Office of Education and by bond rating agencies.

Importantly, the District has also continued to receive the highest possible rating for the annual outside audits of its financial statements and the facilities bond program since 2019.

Our fiscal goals for this year were:

1. To serve the needs of all of our students through the use of all of our available resources.
2. Preserve programs that are a big part of PUSD, such as our signature programs, college and career academies, and arts education programs.
3. Raise employee compensation as much as we can.

We made great strides in the first goal with the creation of the Superintendent Success Zone schools, where our resources were targeted at four school sites with large underserved populations. We added additional staff to meet the needs of the students, such as counselors, nurses, behavioral aides, community facilitators and even clerical and administrative staff.

In the second goal, we have preserved these flourishing programs by focusing on student needs and have included dual language opportunities for independent study for our students who chose to stay remote this school year. We are also adding to our dual language offerings by starting an Armenian dual language program at Webster Elementary next year.

The PUSD Board of Education and district leadership are fully committed to raising the level of compensation because we know our employees' critical role in the lives of our students. And I am pleased to say that we made great progress in meeting our third goal: raising employee compensation as much as we can.

Earlier this year, the District and United Teachers reached a historic agreement that brings PUSD teacher salaries up and embeds improved compensation into the very DNA of our district. It is the most significant increase to our teachers compensation in 15 years.

As with everything in education, raising compensation is an ongoing process, and this agreement with UTP is the foundation for continuing to make PUSD a strong and effective district. The district's agreement has two parts - one that gives a percentage increase and another that addresses the structural issues of our salary schedule that caused PUSD to have lower salaries than other comparable districts. Without improving the salary schedule by adding steps (which are yearly raises built into the schedule) and longevity stipends (for working in the district for a certain number of years), PUSD would not be able to close the gap with other districts.

The total value of the current agreement is 40% more than the initial 10% across-the-board salary increase that the teachers' union requested. All teachers will get more than a 5% raise; some because they have an automatic step increase already and others (about 60% of the teachers) because of these newly proposed steps. Even those who only get the 5% and their automatic step this year will benefit in future years from the additional steps that have been added on the salary schedule. The teachers who are beyond the 8th step on the salary schedule will receive a 5% increase plus a 2.66% in the current school year for a total of 7.66%. There is also a guaranteed addition of 2.66% for the next one to two years based on their educational achievements known as columns on the salary schedule. Additionally, contingent on the Governor's budget proposal to change the funding model as it related to Average Daily Attendance being approved by the state legislature, a teacher on step 26 or above will receive an ongoing longevity stipend of 2.5%. This means that teachers on step 26 and above could see a combined increase of 12.82% effective July 1, 2022.

We know how important it is to retain our dedicated staff in the face of the personnel shortages that public schools across the country are facing.

STATUS AND OUTLOOK

The District's revenue outlook for 2022-23, based on the Governor's May revision to his State budget proposal, is very promising. The Governor is proposing a 6.56% Cost of Living Adjustment (COLA) for our base funding as well as some of our targeted or restricted funding. Due to an unprecedented increase in state tax revenues, the amount owed to schools exceeds the COLA this year. Therefore, the Governor is proposing an additional on-going increase to our base funding as well as other one-time funding for discretionary use by districts. He continues the implementation of a Universal Transitional Kindergarten program which will provide TK for all four-year-olds by 2025-26, at no cost.

A major impact on the District's revenue is declining enrollment. As you are aware, the District has been experiencing declining enrollment for many years due to lower numbers of school-age children in our district, housing costs, and competing private schools. The state's "hold harmless" policy that froze the district's average daily attendance to pre-pandemic rates expired this school year. However, due to our declining enrollment status we were allowed to delay the fiscal impact until next year. This means that in 2022-2023, the reduction in funding will include two years of decline for a total estimated loss in funding of 1,800 ADA or approximately \$20.7 million.

We have prepared for this loss in revenue in 2022-23 by building our fund balance to help reduce our need for program reductions. We have also been lobbying the State Legislature to include an increase to our per-student base funding to help offset this funding cliff. It appears that our efforts have been fruitful, given the Governor's May Revise. We hope to see even financial help once the Governor and Legislature negotiate the final State budget.

To stabilize enrollment, the Superintendent is developing a PUSD enrollment strategy and plan – a pathway to stabilize and increase enrollment. PUSD is forming an Enrollment Strategy Planning committee consisting of students, parents, teachers, community stakeholders, administration, staff, and board members. PUSD is not alone in fighting for new strategies to increase student enrollment. Public school enrollment in California has dropped to the lowest in two decades, and many school districts are experiencing declines due to low birth rates, families moving to more affordable areas, and other pandemic-related matters.

We anticipate that PUSD will receive over \$8 million from Measure J this year. We can sustain our signature programs like Dual Language Immersion, STEM, and the robust Visual and Performing Arts programs because we have Measure J funds to shore up our mandated reserves.

Voters approved Measure O, the \$516 million school technology and facilities bond in November 2020 and our district is now in the process of creating our master plan for Measure O as we finish our final projects under Measure TT. We have already made great progress in the Education Technology portion of our bond.

- Technology: provided every student in PUSD with a new Chromebook and have also made improvements to our technology infrastructure.
- Facilities projects: This summer we are concentrating on the consolidation of programs at the Wilson Campus and roofing projects
 - This fall we will conduct town hall meetings for each campus to provide us with community input to include in our facilities master plan as we begin to define future bond projects
 - We are intentionally taking more time to define these projects in the hopes that the current supply chain issues and inflation will subside in order to allow us to stretch our funds further as we move forward.

District goals for the future:

These begin by building on the academic success and financial stability achieved so far.

In addition, careful stewardship of District finances based on economic and statewide conditions we just observed.

Also, District staff are working out student achievement goals, and seeking learning recovery as students make up lost ground;

Stabilizing and increasing enrollment, with strategies from the Superintendent's committee;

A District committee is preparing a communications plan, through a survey, to refine ways we communicate with PUSD families and the public;

Strengthening diversity, equity, and inclusion in all areas will be a continuing goal. Parent and community groups are helping us keep on track with this.

So finally, I believe we can conclude that going alone, and going together, can both be valuable. But public education is overwhelmingly about going together. And you are all part of it by being here tonight. And everyone who is watching or listening later is part of it too, by your care and concern for these students who will be carrying forward our democracy. Working and caring together, we will be able to go far.

So warmest thanks to you all. And now I would like to ask my fellow Board members to join me here in the front where we can answer your questions and listen to your ideas for our District.