

**Washington Center for Deaf and Hard of Hearing Youth
Agency 3530
Fiscal Year 2021, 21-23 Biennium
Budget Reduction Plan**

VALID THROUGH 6/15/2020

June 1, 2020

David Schumacher, Executive Director
Office of Financial Management
Insurance Building
Olympia, WA 98504

Subject: Budget Reduction Exercise Impact – CDHY Agency 353

Dear Director Schumacher,

It is with the greatest caution and concern for the students and families our agency serves that we submit the enclosed budget reduction exercise. Our entire leadership team thanks you for the proactive steps being taken to preserve the financial health of the State, and for this opportunity to share our thoughts on the severe impact this plan will have if implemented. We acknowledge the current economic crisis and the need for drastic budget reductions and we are committed to supporting the broad efforts to combat the negative effect that COVID-19 is having on the lives of Washingtonians. We must warn however, that the proposed reductions outlined in this document represent detrimental impacts to some of the state's most vulnerable children in both the short term and distant future to come.

Deaf, hard-of-hearing, and deaf-blind students face barriers to language acquisition that if gone unaddressed can have serious lifelong effects. As the only residential deaf school in Washington nearly all of the students that Washington School for the Deaf serves have substantial delays in language development and face difficult barriers in accessing a Free Appropriate Public Education. These students rely on access to instruction in American Sign Language from the professional staff at WSD to achieve not just a basic education, but also to grow in a socially and emotionally healthy environment. We fear that should the budget reduction exercise materialize, the State may be putting our students at a significantly higher risk for marginalization, as well as cause an increased likelihood of facing challenges in receiving the basic education all students of Washington deserve.

On behalf of our entire team, again we thank you, and request that the unique needs of deaf children and their families who are served by our agency be taken into consideration when reviewing this budget reduction plan.

With humility,

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Reduction Plan Synopsis

Summary of Operations:

The Washington Center for Deaf and Hard of Hearing Youth (CDHY) operates two major programs. The first is the Washington School for the Deaf (WSD) which represents 85% of the agency general fund budget, and the Statewide Outreach Program which represents the remainder. WSD employs 150 individuals (118.0 FTE's) and serves 120 deaf and hard of hearing students. The Outreach Program employs 17 individuals (14.7 FTE's), generates revenues of roughly \$500,000 each fiscal year, and provides services to over 600 deaf and hard of hearing students and families each year.

Reduction Strategy:

CDHY is approaching budget reductions with due consideration and in alignment with CDC guidance (CDC Activities and Initiatives Supporting the COVID-19 Response and the President's Plan for Opening America Up Again, May 2020) and Safe Start Washington – A Phased Approach to Recovery, May 4, 2020. Because we operate a residential school and support local school districts statewide, our response and ability to maintain our standard model of service will be greatly impacted by balancing three factors:

1. Reorganizing services for adequate COVID-19 resurgence mitigation;
2. Creating a budget reduction plan to meet the states \$2.2 million (15%) general fund reduction goal exercise, and;
3. Developing a realistic timeline for implementation of a budget reduction plan.

Due to the COVID response and planning for programming in the fall, the majority of savings will be realized by reducing services provided by the Washington School for the Deaf (WSD) residential program (Student Life Services Department). This will result in reducing the number residential beds available for students who travel to WSD from across the state and live on campus for the majority of the standard school week. Additional savings can be realized through discontinuing non-core mandated programs, administrative support staff and activity-based savings from reduced facility use.

Program Level Impact Narrative

Academic Services

Academic services will be reduced by 6.3 FTE's. These positions include one exempt management (secondary principal), eight teacher assistants and maintaining one special needs teacher position that will be left vacant at the end of the 2019-20 school year. Due to the ongoing transition to a distance learning model existing caseloads and duties will be consolidated and reassigned to remaining staff where feasible.

Administrative Services

Agency administration will reduce two positions that include one lean program coordinator and one administrative assistant. This will reduce overhead and operating costs by 2.0 FTE's. Existing projects and administrative support will be redistributed to remaining staff where feasible.

Facilities and Maintenance

Facilities and maintenance will reduce by three positions that include one administrative assistant, one maintenance mechanic, and one custodial position. This will reduce overhead and operating costs by 3.0 FTE's. Existing projects and administrative support will be redistributed to remaining staff where feasible.

Nutrition Services

Nutrition services will reduce staff by 2.5 FTE's. These positions will be food service workers that under the traditional education service model provide in person meal services. Remaining staff will focus on delivering meal services in compliance with the National School Lunch Program and serving local students in need of meal services.

Student Life Services

Student life services will reduce staffing levels by 18.2 FTE's. These positions start with the residential program, and include: one exempt management staff , one student life dean, and 27 student life counselors. Under a distance learning model and compliance objectives under CDC guidance the residential program will be reduced and remaining staff reorganized into a distance learning support program focused on language and social/emotional development. Reductions under this segment also include the Washington Career Academy for the Deaf (WaCAD), which includes 3.0 FTE program staff.

Outreach Services

Outreach services reductions are driven by reduced staffing in exempt management (.4 FTE), and a 5 working day calendar reduction for certificated staff with a declining workload.

Transportation Services

Transportations services will recognize a reduction of 1.6 FTE's and realize activity based savings related to the reorganization of the residential program and academic day programs. These savings are rooted in student transportation for buses and weekend transportation costs.

Agency Wide Expenses

Agency wide expenses are expected to decline due to lower utility usage and service needs at the Washington School for the Deaf.

Budget Savings Options 2020

Dollars in Thousands

Agency: CDHY - WA Center for Deaf and Hard of Hearing Youth

Agency Priority H, M, L	Impact 1-5	Program/Activity	GF-S				FTE Change		Brief Description and Rationale	Effective Date (MM/YY)	Impacts of Reductions and Other Considerations	Law/Reg. Change Required (cite)
			FY 20	FY 21	FY 22	FY 23	FY 20	FY 21				
H	4	WA School for the Deaf	\$ -	\$ 2,013	\$ 2,096	\$ 2,096	0	(31.7)	Reduction of residential living services and associated programs.	8/20	Material decrease in students attending WSD.	N/A
M	1	Statewide Outreach	\$ -	\$ 213	\$ 213	\$ 213	0	(0.4)	Reduction in statewide travel and management restructuring.	8/20	Management restructure and increased need for virtual services.	N/A

Priority:

 L = Low priority agency activity or program
 M = Medium priority agency activity or program
 H = High priority agency activity or program

Impact:
 1 = Allows continuation of the program/activity at a reduced level
 2 = Eliminates the ability to perform program objectives
 3 = Eliminates agency function
 4 = Long term implications (moves the problem to next biennium)
 5 = Short term (reduction to one time increase)

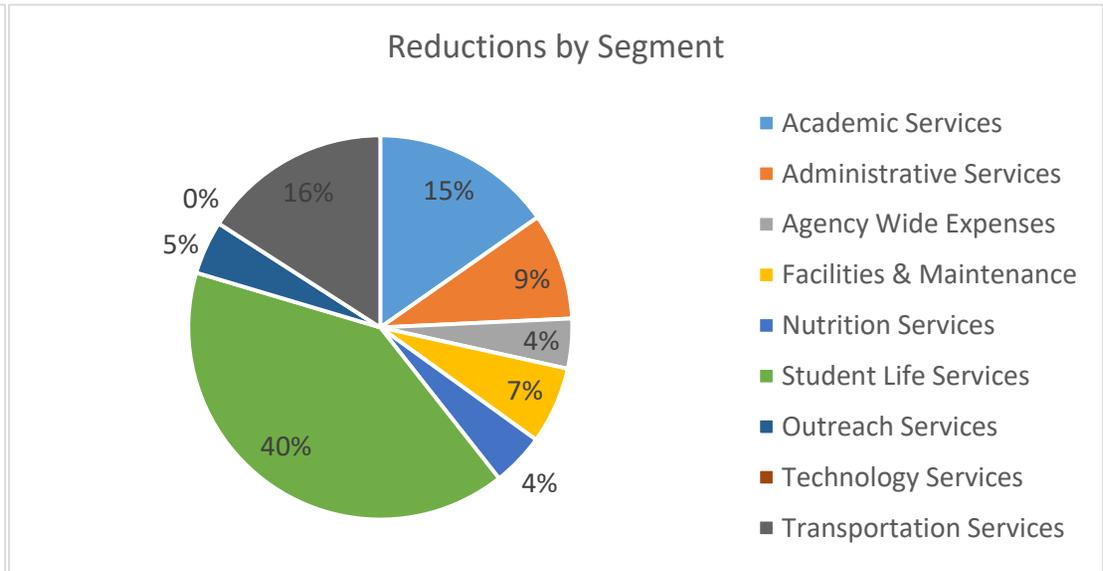
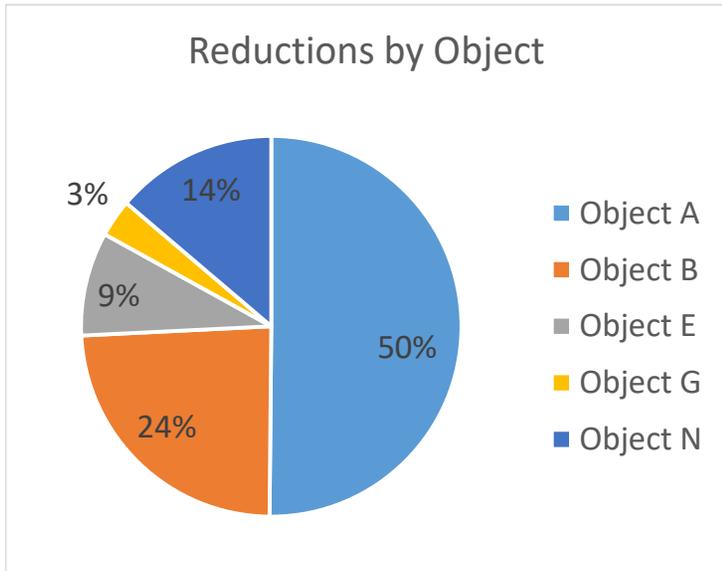
WA Center for Deaf and Hard of Hearing Youth
Budget Reduction Exercise - Agency Impact Summary

Reduction Impact by Segment & Object

Operating Segment	CODE	Object A	Object B	Object E	Object G	Object N	Total	% of Total	FTE's
Academic Services	ACAD	\$ 230,783	\$ 94,764	\$ -	\$ 7,500	\$ -	\$ 333,048	15.3%	5.3
Administrative Services	ADMN	\$ 81,582	\$ 32,428	\$ 60,000	\$ 21,650	\$ -	\$ 195,660	9.0%	2.0
Agency Wide Expenses	AGEN	\$ -	\$ -	\$ 91,500	\$ -	\$ -	\$ 91,500	4.2%	-
Facilities & Maintenance	FAMT	\$ 96,887	\$ 44,525	\$ -	\$ -	\$ -	\$ 141,412	6.5%	3.0
Nutrition Services	FOOD	\$ 35,674	\$ 23,710	\$ 37,500	\$ -	\$ -	\$ 96,884	4.4%	1.6
Student Life Services	LIFE	\$ 564,499	\$ 291,242	\$ 3,000	\$ -	\$ 18,000	\$ 876,740	40.2%	18.2
Outreach Services	OUTR	\$ 41,295	\$ 16,318	\$ -	\$ 40,320	\$ -	\$ 97,933	4.5%	0.6
Technology Services	TECH	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	0.0%	-
Transportation Services	TRNS	\$ 42,361	\$ 21,833	\$ -	\$ -	\$ 282,500	\$ 346,694	15.9%	1.6
Total		\$ 1,093,082	\$ 524,820	\$ 192,000	\$ 69,470	\$ 300,500	\$ 2,179,872	100.0%	32.3

Object Key: A - Salaries & Wages, B - Benefits & Payroll Taxes, E - Goods & Services, G - Travel, N - Client Benefits.

<i>AB Campus Reduction</i>	\$ 2,018,016
<i>CB Outreach Reduction</i>	\$ 161,856
Total	\$ 2,179,872



WA Center for Deaf and Hard of Hearing Youth
Budget Reduction Exercise - Staffing Payroll Impact Summary

Operating Payroll Impact by Segment

Segment	CODE	Salaries ⁽¹⁾	Benefits	Total	% of Total	FTE's*
Academic Services	ACAD	\$ 355,582	\$ 146,009	\$ 501,590	20.1%	5.3
Administrative Services	ADMN	\$ 125,699	\$ 49,964	\$ 175,663	7.0%	2.0
Agency Wide Expenses	AGEN	\$ -	\$ -	\$ -	0.0%	0.0
Facilities & Maintenance	FAMT	\$ 149,280	\$ 68,602	\$ 217,882	8.7%	3.0
Nutrition Services	FOOD	\$ 54,966	\$ 36,531	\$ 91,496	3.7%	1.6
Student Life Services	LIFE	\$ 869,756	\$ 448,733	\$ 1,318,490	52.9%	18.2
Outreach Services	OUTR	\$ 63,626	\$ 25,142	\$ 88,768	3.6%	0.6
Technology Services	TECH	\$ -	\$ -	\$ -	0.0%	0.0
Transportation Services	TRNS	\$ 65,267	\$ 33,640	\$ 98,907	4.0%	1.6
<i>Sub-Total</i>		\$ 1,684,175	\$ 808,621	\$ 2,492,797	100.0%	32.3
Implementation Adjustment ⁽²⁾		\$ (151,576)	\$ (72,776)	\$ (224,352)		
Other Staffing Reductions ⁽³⁾		\$ 26,578	\$ 6,190	\$ 32,768		
Payroll Savings		\$ 1,559,177	\$ 742,035	\$ 2,301,213		

Proviso/EAI Notes:

AB - Campus	\$	2,404,029
Add Backs:	\$	(907,663)
Total AB Reduction	\$	1,496,366
CB - Outreach	\$	88,768
Add Backs:	\$	32,768
Total CB Reduction	\$	121,536
<i>Includes (3)</i>	\$	1,617,902

Add Back:

Unemployment Expense Max	\$	(357,228)
Reversion Right Impact	\$	(121,424)
Leave Buyout	\$	(204,659)
Total Add Backs	\$	(683,311)
<u>Net Payroll Savings</u>		\$ 1,617,902

(1) Salary computations include staffing changes that include layoffs, on-call layoffs, savings through attrition.

(2) Implementation adjustment is to reflect savings should reduction plan take effect on 8/1/2020.

(3) Calculations include reduced hours for revenue generating activities.

WA Center for Deaf and Hard of Hearing Youth
Budget Reduction Exercise - Non Payroll Impact Summary

Operating Expenses Impact by Segment

Segment	CODE	OBJ E	OBJ G	OBJ N	Total
Academic Services	ACAD	\$ -	\$ 7,500	\$ -	\$ 7,500
Administrative Services	ADMN	\$ 60,000	\$ 21,650	\$ -	\$ 81,650
Agency Wide Expenses	AGEN	\$ 91,500	\$ -	\$ -	\$ 91,500
Facilities & Maintenance	FAMT	\$ -	\$ -	\$ -	\$ -
Nutrition Services	FOOD	\$ 37,500	\$ -	\$ -	\$ 37,500
Student Life Services	LIFE	\$ 3,000	\$ -	\$ 18,000	\$ 21,000
Outreach Services	OUTR	\$ -	\$ 40,320	\$ -	\$ 40,320
Technology Services	TECH	\$ -	\$ -	\$ -	\$ -
Transportation Services	TRNS	\$ -	\$ -	\$ 282,500	\$ 282,500
Total Operating Expense Savings		\$ 192,000	\$ 69,470	\$ 300,500	\$ 561,970

Reduction by Item Descriptions

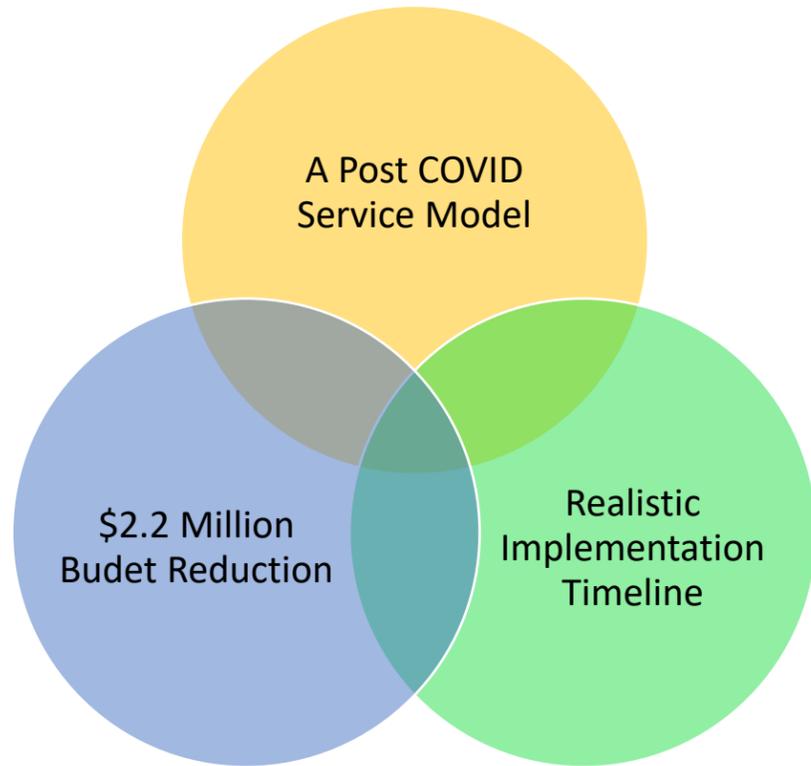
Reduction from:	Amount	% of Total	
Administrative Services	\$ 20,000	3.6%	
Administrative Travel	\$ 29,150	5.2%	
Client Service Travel	\$ 40,320	7.2%	
Client Stipend	\$ 18,000	3.2%	
Contingency Account	\$ 40,000	7.1%	
Food Costs - Net	\$ 37,500	6.7%	
Program Costs	\$ 3,000	0.5%	
Student Transportation	\$ 282,500	50.3%	
Utility Costs	\$ 91,500	16.3%	
Total	\$ 561,970	100.0%	
			Activity Based Savings: \$ 451,820
			Line Item Savings \$ 110,150
			Total Savings \$ 561,970
			AC - CAMPUS Reduction \$ 521,650
			CB - OUTREACH Reduction \$ 40,320
			\$ 561,970

Activity based savings are savings based on reduction in variable use resources or benefits (e.g. food and utility costs).

Line Item Savings are savings from reductions in selected or discretionary expenditures (e.g. travel, office supplies, program reductions).

EXERCISE FRAME WORK AND DECISION MAKING REFERENCES

What should our plan include?



References:

RCW 72.40.015

Center for deaf and hard of hearing youth—Functions.

(1) The Washington center for deaf and hard of hearing youth is established to provide statewide leadership for the coordination and delivery of educational services to children who are deaf or hard of hearing. The activities of the center shall be under the authority of the director and the board of trustees. The superintendent and board of trustees of the state school for the deaf shall be the director and board of trustees of the center.

(2) The center's primary functions are:

(a) Managing and directing the supervision of the state school for the deaf;

(b) Providing statewide leadership and support for the coordination of regionally delivered educational services in the full range of communication modalities, for children who are deaf or hard of hearing; and

(c) Collaborating with appropriate public and private partners for the training and professional development of educators serving children who are deaf or hard of hearing.

CDHY Budget Reduction Formula

	Personnel Reductions	Non Personnel Reductions
Savings:	Layoffs Reduced Working Time	Activity Based Savings Line Item Reductions
Add Back:	Reversion Rights Unemployment Insurance Workload Changes Leave Buyouts	New Investments for Savings Alternative Costs Other Costs
Total Personnel Reductions in \$'s		+ Total Non Personnel Reductions = Net Budget Reductions

Key Points:

- Service model changes drive budget reduction.
- Timelines drive service model changes and budget savings.
- Service model changes need to be documented and estimated budget impacts notated.
- Estimated budget reduction calculated on 5/18/2020 should exceed \$2.2 million until full cost calculations can be done (recommendation is \$2.5 - \$2.7 million).
- Keep in mind this is not a one and done! We will need to have follow up meetings to revise estimates and make changes to the plan.

Lower Level Costs - All Specific Identification

Program Perspective	Object Perspective	Reorganize or Use Existing Resources
<ul style="list-style-type: none"> • What can programs stop doing? • What one time events/expenses can we forgo next year? 	<ul style="list-style-type: none"> • What line items can we remove from the budget (elective costs)? • Where are there cheaper alternatives? 	<ul style="list-style-type: none"> • Can we delay work? • Do we have resources we can use instead of spending State dollars?

All non-payroll related cost.
 Can impact up to 15% of agency budget.
 All reduced costs are uniquely identified and logged.

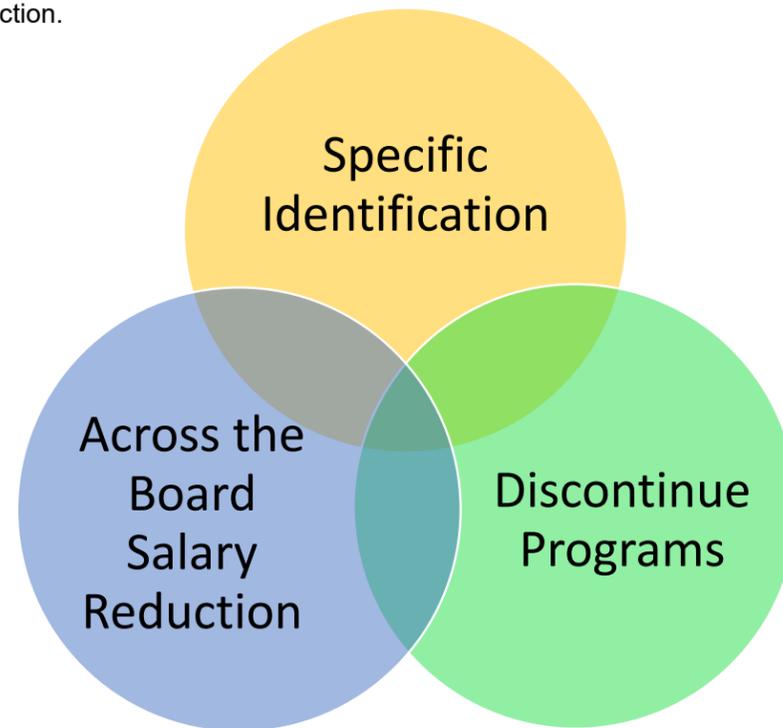
Current Budget Data (\$'s in thousands):

	FY20	FY21
E - Goods & Services	\$2,716	\$2,482
G - Travel	\$345	\$300
J - Capital Equipment	\$269	\$81
N - Client Services	\$580	\$579
Total	\$3,910	\$3,442

Higher Level Costs

Applies to agency payroll and staffing (up to 85% of agency budget).
 Can combine multiple methodologies for reduction.
 Preferred Last course of action.

% Based Reductions	% of GF
3% \$ 314	2.1%
5% \$ 523	3.5%
10% \$ 1,047	6.9%
15% \$ 1,570	10.4%



01000	Director's Office	\$ 399,716	02520	Day Student Transportation	\$ 220,000
01100	Business Office/Human Res	\$ 1,006,631	02530	Weekend Transportation	\$ 513,650
01110	Business Office Clearing	\$ -	02540	Drivers	\$ 20,592
01300	Board of Directors	\$ 28,200	02550	Fuel Costs/Bus Maintenance	\$ 10,000
01400	Agency Contingency	\$ 40,000	Total	Total	\$ 764,242
Total	Total	\$ 1,474,547	02600	Facilities Administration	\$ 311,605
01500	Technology	\$ 505,871	02620	Maintenance	\$ 228,336
01520	Technology Recurring	\$ 110,572	02630	Custodial	\$ 303,924
01550	Student Learning	\$ 17,000	Total	Total	\$ 843,865
Total	Total	\$ 633,443	02700	Nutrition Services Administration	\$ 175,367
02000	Superintendent	\$ 172,316	02720	Nutrition Services Staff	\$ 244,045
02100	Superintendent Contingency	\$ 60,000	Total	Total	\$ 419,412
02200	Academic Administration	\$ 421,910	03000	Agency Wide Expenses	\$ 745,638
02220	Academic Certificated Staff	\$ 2,213,920	03100	Interpreting	\$ 379,044
02230	Teachers Assistants	\$ 939,428	03500	Central Service Costs	\$ 352,368
02250	Library	\$ 129,964	Total	Total	\$ 1,477,050
02260	Curriculum & Development	\$ 182,908	04000	Outreach Administration	\$ 253,449
02290	Related Services	\$ 769,742	04100	Contracted Outreach Services	\$ 86,001
Total	Total	\$ 4,890,188	04110	Outreach Staff	\$ 1,151,707
02300	Residential Administration	\$ 305,120	05100	Early Learning Staff	\$ 550,204
02320	Student Life Counselors	\$ 1,441,124	01541	Outreach Technology	\$ 25,000
02340	Athletics/Recreation	\$ 176,700	03105	Interpreting - Outreach Programs	\$ 31,500
02343	Electives	\$ -	06000	WSDS	\$ -
02350	Volunteers	\$ -	Total	Total	\$ 2,097,861
02360	Nurses	\$ 213,812			
02400	Post High School Coordinat	\$ 201,396			
Total	Total	\$ 2,338,152			

*Note that figures above are based on FY 2020 projected expenditures.

Position Evaluation Methodology

Staff Service Tiers – Impact to Stakeholders

Tier 1: Non Direct Service Staff - Staff that provide no support to direct service to stakeholders.

- Includes administrative support staff, facility staff, custodial staff, etc.

Tier 2: Ancillary Service Staff - Staff with limited service exposure to stakeholders.

- Includes some administrative support staff, nutrition services staff, related services staff, non-academic service staff.

Tier 3: Direct Service Staff - Staff that directly provide services to stakeholders.

- Includes education service staff, Outreach consulting service staff, teacher assistances, and IEP support staff.

COVID-19 Response Considerations

- Workload impacts from service model changes.
- Long-term and short-term implications of proposed action.
- CDC, DOH, OSPI guidance.
- Department of Education & OSPI requirements.
- Sustainability of proposed changes.
- Stakeholders COVID response.

Budget Reduction Considerations

- Costs and savings realized from service model changes.
- Sustainability of costs and savings from proposed action.
- Costs and savings from workload shifts.
- Savings from reduce revenue producing activity.