

SUPERINTENDENT'S BUDGET MESSAGE FOR THE 2020-2021 SCHOOL YEAR

Dear West Linn-Wilsonville School District Budget Committee Members and Community:

I respectfully submit the West Linn-Wilsonville School District proposed budget for 2020-2021 in accordance with ORS 294.391.

The proposed general fund budget of \$127,590,434 accounts for a balanced budget that aligns with the School Board and School District goals; these goals are identified, prioritized and articulated to maximize student learning.

2020-2021 State Budget Allocation for School Districts

The West Linn-Wilsonville School District 2020-2021 budget proposal is based on a \$9.0 billion State School Fund biennium. While \$9.0 is an increase from the past biennium (\$8.2 billion), unfortunately it is not enough to accommodate “roll up” costs to maintain current programs and personnel. And it is well below what is needed to adjust for increases to PERS (Public Employee Retirement System). *For West Linn-Wilsonville this means an estimated cost increase of \$3.5 million in each year of the biennium.* This is not a one-time cost increase for one biennium. Funding PERS obligations will affect all public agencies (state government, public schools, cities, counties and special districts) for at least the next ten years.

Additionally, the recent global pandemic COVID-19 has impacted both programs and budget expenses this fiscal year as well as a projected significant reduction into the second year of the biennium, 2020-2021. The June Economic Revenue Forecast estimates a \$2.7 billion loss to revenue for Oregon, subsequently a \$490 million loss to the State School Fund. *For West Linn-Wilsonville, this means an unexpected estimated loss of \$7.5 million for the 2020-2021 school year.*

As school districts across Oregon are submitting their school budgets for next year, state officials and legislators are still considering ways to mitigate the reductions in revenue for the second year of the biennium and over the next five years. In the meantime, we are charged with submitting a budget with current information (June 2020) and to the best of our abilities.

Budget Investments in Excellence, Opportunity and Access

In the process of assembling a school budget, the district maintains a theory of action that investing in diverse and challenging learning opportunities for our children leads us to achieving our goals. These key investment strategies are identified and implemented because they prove to exemplify the quality of learning and the quality of care every parent wishes for their child and the outcomes for every child in our community to be fully prepared for college, career and the world.

Our key investment strategies include:

- Hiring and developing the most qualified professionals who provide expert instruction for all students, including students with diverse learning needs.
- Prioritizing and delivering high quality professional learning experiences, systems, curricula and supports that impact instruction in the classroom on a daily basis.
- Developing and sustaining strategies that increase time for learning, including a full academic school year and full academic schedules for all students.
- Maintaining effective class sizes while strengthening counseling, teacher-librarian, special education, operations and information technology support.
- Expanding and supporting strong early childhood programs: Pre-K and Kindergarten.
- Providing instructional and programmatic supports for **mental and behavioral health needs**
- Utilizing **School Equity Teams** and districtwide initiatives to eliminate systems of racism and increase equity & access for all students
- Expanding Advanced Placement and other college level courses in our high schools.
- Providing enriched and comprehensive programming for the performing and visual arts, world and dual language, athletics, activities and wellness across all schools.
- Expanding STEM and CTE Programs and related experiences in science, technology, engineering, journalism, health sciences, business/marketing and mathematics.
- Maintaining responsible stewardship of our facilities, grounds, and other property assets.

Measure 98: High School Success Grant

Measure 98 is funded fully through two revenue sources: the State School Fund (approximately \$170 million) and the Student Success Act (approximately \$133 million). The district was fully funded for Measure 98 in the 2019-2020 school year.

The Measure 98 Grant targets improvement to graduation rates through expansion of Career & Technical Education (CTE) Programs, addressing chronic absenteeism, and providing interventions that reduce drop-out rates. School districts apply for funds that must be spent to implement three strategies:

1. Establish or expand drop-out prevention strategies in high schools,
2. Establish or expand college-level educational opportunities for high school students, and
3. Establish or expand career and technical education programs in high schools.

In West Linn-Wilsonville, we have developed a strategic plan for allocating Measure 98 funds to impact all three of these areas that connect to school attendance, graduation and a student's aspiration for college, career and beyond.

*Due to the economic downturn from COVID-19, the estimated impact is a 35% reduction to this grant for the 2020-2021 school year.
(Calculations supplied by COSA, based on June Economic Revenue Forecast)*

Student Success Act: Student Investment Account Grant

Last year, voters approved a Corporate Activities Tax allocating \$2 billion in funds each biennium towards the Student Success Act. The Student Success Act proportions each year, \$1 billion towards 3 funds: Statewide Education Initiatives, Early Learning Account and the Student Investment Account.

The Student Investment Account, is an annual \$500 million non-competitive grant fund for all Oregon school districts and eligible charter schools. This money has two purposes: 1) Meet students' mental and behavioral health needs and 2) Increase academic achievement and reduce academic disparities for students who have historically experienced disparities in our schools.

Extensive community engagement informed the goals within the district's Continuous Improvement Plan and the priorities outlined in the district's Student Investment Grant application. Funded according to ADMw, West Linn-Wilsonville School District planned to receive about \$7.5 million dollars for the 2020-2021 school year.

*Due to the economic downturn from COVID-19, the estimated impact is a 37% reduction to this grant for the 2020-2021 school year.
(Calculations supplied by COSA, based on June Economic Revenue Forecast)*

Measuring the Outcomes of Our Investments

Our District Mission question, “How do we create learning communities for the greatest thinkers and most thoughtful people...for the world”, sets the stage and tone for the collaborative and collective ethic of excellence we hold for ourselves as professionals. From this compelling mission question emerges annual District Goals and a District Work Plan that identifies and outlines actions, strategies and measureable outcomes to align and allocate resources towards meeting these goals.

We measure the outcomes of our investments by collecting, analyzing and utilizing a broad range of evidence:

- Graduation rates – West Linn-Wilsonville has the highest in the state of Oregon for multi-high school districts
- Drop-out rates – West Linn-Wilsonville schools continue to make important strides in keeping students engaged in school, K-12.
- Regular Attendees – We monitor and respond to data that helps us work with students who have chronic absenteeism.
- 9th Grade On Track – We monitor and respond to data that helps us focus strategies and support to students in their first year of high school.
- Student participation in AP courses and dual credit classes at our high schools
- Oregon Department of Education School Report Cards
- Oregon State Assessments (SBAC, OAKS, ELPA21) that provide academic benchmark data aligned to college and career readiness
- District Interim and Formative Assessments that provide academic growth data – These types of assessments (standardized, curriculum-based measures, tests, grades, etc.) provide valuable information to help students monitor their own learning, help teachers adjust and prepare strategically for new learning, and help our school and district leadership teams effectively plan where broad-based as well as targeted new learning and resources are needed.

In developing a balanced budget for the 2020-2021 school year we have made the following working assumptions:

Revenue:

- State revenue of \$9.0 billion for the biennium
- 49% of the biennial allocation in 2019-2020 and 51% in 2020-2021
- Projected local option revenue of \$10,472,674
- ADMr projected at 9,816; ADMw projected at 11,229
- Utilization of Regional ESD funds appropriated to the district
- Carry-over of approximately \$10,971,225 of our 2019-2020 ending fund balance

Additional Revenue: Coronavirus Aid, Relief, and Economic Security (CARES) Act

- Federal relief funds to Oregon have targeted support for K-12 Public Schools. These funds are proportioned based on the same allocation rate as title grant funding. The projected amount to West Linn-Wilsonville School District for 2020-2021 is approximately \$460,000.

Expenditures:

- Increased personnel costs to honor negotiated contracts that include increases in cost of living (COLA) and health insurance.
- Increased costs in PERS (Public Employees Retirement System)
- Increased costs for utilities, transportation, materials, supplies and purchased services for all buildings and adjusting for growth across the district.

Challenges with the Current State Funding Level of \$9.0 billion:

- \$9.0 billion from the state does not quite fund the “roll-up” costs of current operation and staffing from the 2019-2020 school year into the 2020-2021 school year. It absolutely does not provide enough funding to offset the \$3.5 million PERS increase for our school district.
- The \$3.5 million PERS increase paired with insufficient funds from the state, result in increased dependency on local option revenue, depletion of our PERS reserve, and the risk of a fund balance far below GASB (Governmental Accounting Standards Board) recommendations.

Additional Challenges: Estimated Reductions to the 2020-2021 Revenue due to COVID-19 Related Economic Downturn

- Estimated \$490 million State School Fund reduction to the 2020-2021 school year, which is approximately \$7.5 million reduction for West Linn-Wilsonville
- 35% reduction to Measure 98 Grant Funds in the 2020-2021 school year
- 37% reduction to Student Investment Account Grant Funds in the 2020-2021 school year

Savings from 2019-2020 to offset challenges for 2020-2021:

- Savings from transportation, utilities and substitutes
- Savings from furlough days (all staff: licensed, classified, specialty & confidential, administrators)
- Savings from suspending June summer programs
- Savings from untapped Contingency Fund

Maintaining School Year and Targeted Support for Students:

- We will continue to support a full academic school year and full academic schedules, with targeted support for extended learning time.
- We will sustain our strategies of targeted support for students for whom we have identified opportunity and achievement gaps.

Amendment Budget Plan based on Reduction in 2020-2021:

With the \$490 million reduced revenue to the State School Fund and the subsequent approximately \$7.5 million reduced revenue to West Linn-Wilsonville School District, the following reductions are planned for the 2020-2021 school year to help balance the budget.

Reduction Area	Estimated Savings
Personnel: Reduce licensed staff by 16 FTE and reduce 54 classified staff hours.	\$2.4 million
Suspension of WLWV Preschool Program for one year. This program is funded by tuition payments; we receive no preschool funding from the state. Challenges with fully enrolling and sustaining the program next year causes us to make the difficult decision to suspend the program for the 2020-2021 school year.	\$100,000
Suspension of Teacher-Mentor Program for 2020-2021 school year. These two positions have been funded out of the General Fund budget and are used to support teachers in their first-second year of teaching. It is unlikely we will hire many new teachers next year.	\$250,000
20% Reduction to school budgets	\$400,000
Suspend curriculum renewal plans and reduce district-level professional development	\$100,000
Utilize Student Investment Account (SIA) Grant to fund current positions which fulfill the goals and priorities of the Student Success Act legislation (mental and behavioral health, class size, increasing academic achievement) and those outlined in the SIA grant application.	\$4.0 million
Utilize Construction Excise Tax account for appropriate expenditures (e.g. equipment, furniture, textbooks, technology).	\$250,000

- If the Governor or state legislature determines to utilize the Education Stability Fund or Rainy Day Fund to offset the losses to the State School Fund, the district will prioritize restoration of licensed and classified positions.

Recognition of Our Community

- I wish to recognize the leadership of our School Board members. We appreciate your volunteer service that includes countless hours meeting with patrons, attending school and district events while leading the district. We appreciate your belief and support in the professional expertise and commitment to students by our staff and administrators. We appreciate your courageous advocacy for inclusion of ALL children in a general education learning experience, while speaking out on issues of race, equity and sustainable funding for public education. We appreciate your priority and persistence in advocating for adequate and stable school funding.
- I wish to recognize our Budget Committee and all who participated in this budget development process by sending us your feedback: parents, patrons and staff. The interest, support and advocacy by our community towards our school district is deeply evident. The strong investment of parent volunteers and community partnerships in our students is a hallmark across Wilsonville and West Linn.

- I wish to recognize the excellence of our teachers and staff in our schools who bring their best professional selves to the work on a daily basis. Our teachers and staff seek out professional learning that address race and equity reform, research-based best practices and high-leverage instructional strategies that “move the dial” in eliminating opportunity and achievement gaps. At 94.7%, West Linn-Wilsonville School District students demonstrate the highest graduation rate in Oregon for a multi-high school district.
- Lastly, I wish to recognize and thank our community’s generosity in supporting local option levies and capital construction bonds over the years. Our local option levy helps us currently fund approximately 80 teachers. And our most recent capital bond in 2019 allows us to build a new primary school and middle school, remodel an existing school to relocate our third option high school, add a new auditorium to Wilsonville High School, expand the stadium and parking at West Linn High School, upgrade safety, security and technology at all schools, and attend to districtwide improvements. These are significant contributions and we would not be able to provide the level of service and learning to students without this support.

In Closing

This budget message is presented with the sobering recognition that we will be making significant reductions to our personnel, programs and professional development program next year. Reducing by \$7.5 million dollars, while also growing as a district, will be a noticed impact. And yet, I hold a spirit of optimism that our community, our state and our elected representatives will continue to seek out ways to support public education funding in Oregon.

We must always strive to fulfill the District’s compelling first goal to provide each child with a high-quality education while eliminating opportunity and achievement gaps.

I am proud and humbled to serve the West Linn-Wilsonville School District and I believe this budget supports the mission and goals of this school district as we LEAD FOR ALL.

Respectfully,

Kathy Ludwig, D.Ed.
Superintendent