

# SUPERINTENDENT'S BUDGET MESSAGE

## 2022-2023 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 2022-2023 in accordance with ORS 294.391.

The proposed general fund budget of \$133,018,549.00 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.

### **2022-2023 State Budget Allocation for School Districts**

The West Linn-Wilsonville School District 2022-2023 budget proposal is based on a \$9.299 billion State School Fund biennium. While \$9.299 is an increase from the past biennium (\$9.0 billion), it does not adequately accommodate “roll-up” costs to maintain current programs and personnel. And it is well below what is needed to adjust for payroll increases, increases in insurance costs, increases in materials and utilities costs, and the national rise in inflation (Consumer Price Index).

### **Public School Budget Sources:**

#### **State School Fund (SSF): General Fund**

With a shift to a primarily state-funded school system, school districts receive the vast majority of their funding through the State School Fund into their General Budget (ORS 327.008). To achieve equal per-student funding, the current formula reduces state aid if local revenues per student are high and increases state aid if local revenues per student are low. The formula uses five different methods to adjust for cost differences among school districts: Teacher experience adjustment, Transportation grant, Facility grant, High-cost Disability grant, and Weighted student count.

#### **Special Revenue: Federal/State Grants, Services, Donations**

School districts also receive funds through federal or state grants or designated donations. These supplement the General Fund and are subject to special spending criteria and accountability.

### **High School Success Grant (Measure 98)**

The High School Success Grant (HSSG) targets improvement in graduation rates through the 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 HSSG funds to impact all three areas that connect to school attendance, graduation, and a student's aspiration for college, career, and beyond. This grant awards funds based on the number of high school students in each school district.

### **Student Success Act: Student Investment Account (SIA) Grant**

In 2018, voters approved a Corporate Activities Tax, allocating funds each biennium towards the Student Success Act. The Student Success Act proportions each year towards three funds: Statewide Education Initiatives, Early Learning Account, and the Student Investment Account (SIA).

The Student Investment Account (SIA) is an annual, 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 Account (SIA) Grant application. This grant awards funds based on the weighted student count in each school district.

### **Local Option Levy**

Under Oregon's property tax law, a local option levy gives individual communities the ability to supplement state funding for their local schools. In November 2019, voters in West Linn and Wilsonville renewed a five-year local option levy at a rate of \$1.50 per \$1,000 of assessed value. Local option taxes in our District are used to fund teachers at all schools to sustain effective class sizes.

## **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 achieve our goals. These key investment strategies are identified and implemented because they exemplify the quality of learning, 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.
- Offering Online and Blended Learning options to students and families, which expands course offerings and provides flexible learning environments and pacing for students.
- Maintaining responsible stewardship of our facilities, grounds, and other property assets.

## **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, the question emerges annual District Goals and a District Work Plan that identifies and outlines actions, strategies, and measurable outcomes to align and allocate resources toward 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.
- 9<sup>th</sup> Grade On Track – We monitor and respond to data that helps us focus strategies and support 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 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 2022-2023 school year, we have made the following working assumptions:**

**Revenue for 2022-2023:**

- State revenue of \$9.299 billion for the biennium
- 49% of the biennial allocation in 2021-2022 and 51% in 2022-2023
- ADM projected at approximately 9,121 students; ADM (weighted) projected at approximately 10,373
- Utilization of Regional ESD funds appropriated to the District
- Carry-over of approximately \$16,751,629 of our 2021-2022 ending fund balance
- Projected Local Option revenue of \$10,890,257
- High School Success Grant of \$2.5 million
- Student Investment Account Grant of \$7.2 million
- The addition of an Educator Recruitment and Retention Grant of \$1.13 million

**Expenditures:**

- Increased personnel costs to honor negotiated contracts include increases in cost of living (COLA) and health insurance.
- Increased cost in PACE insurance (10-15% increase)
- Increased costs for utilities, transportation, materials, supplies, and purchased services for all buildings and adjusting for expansion across the District.

**Challenges with the Current State Funding Level of \$9.299 billion:**

- \$9.299 billion from the state does not adequately fund the “roll-up” costs of the current operation and staffing from the 2021-2022 school year into the 2022-2023 school year. It absolutely does not provide enough funding to offset PACE insurance increases, transportation increases, and payroll/benefits increases for the school district.

**Maintaining School Year and Targeted Support for Students:**

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

**Reduction Plan**

While the District has estimated a budget that reflects current enrollment numbers and an estimate of payroll costs with COLA factored in, it is possible that either of these two significant streams of revenue and expense could be less or more than estimated based on enrollment and payroll factors.

If the District realizes impacts in either of these areas that negatively affect the budget, the following reductions *may* be made:

<b>Reduction Area</b>	<b>Estimated Savings</b>
Personnel: Reduce licensed staff by 15 FTE	\$1.9 million
Personnel: Reduce classified staff by 54 hours	\$630,000
Personnel: Reduce administrative staff by 2 FTE	\$250,000
Materials/Resources: Reduce school budgets by 5-10%	\$150,000
Materials/Resources: Reduce district office/operations budgets by 5-10%	\$350,000

**Recognition of Our Community**

- I wish to recognize the leadership of our School Board members. We appreciate your volunteer service, which includes countless hours meeting with patrons and 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 the 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 of 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 work on a daily basis. Our teachers and staff seek out professional learning that addresses race and equity reform, research-based best practices, and high-leverage instructional strategies that “move the dial” in eliminating opportunity and achievement gaps. At 98% (Wilsonville HS) and 97% (West Linn HS) in 2020-2021, West Linn-Wilsonville School District students demonstrate the highest graduation rates 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 open our new Riverside 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 appreciation to state legislators who passed the HSS and SIA grants that provide targeted resources for essential programs, a new funding resource through the Educator Recruitment and Retention Grant, and the second allocation of funding for Summer Academic Programs.

However, there remains fiscal conservatism this year with our school budget as we continue to operate at high levels within an inadequate State School Fund allocation. I hold a spirit of optimism that our state and elected representatives will recognize the increases in CPI and COLA nationally and statewide impact school districts and should therefore prioritize an appropriated increase to the 2023-2025 biennium budget that reflects this reality.

As a last word, I am proud and humbled to serve the West Linn-Wilsonville School District and to bring forward a budget that supports the mission and goals of this school district as we LEAD FORWARD.

Respectfully,

Kathy Ludwig, D.Ed.  
Superintendent