

# SUPERINTENDENT'S BUDGET MESSAGE

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

I respectfully submit the West Linn-Wilsonville School District proposed budget for 2019-2020 in accordance with ORS 294.391.

The proposed general fund budget of \$119,732,048 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.

## **2019-2021 State Budget Allocation for School Districts**

The West Linn-Wilsonville School District 2019-2020 budget proposal is based on a \$8.87 billion State School Fund allocation by the Co-Chairs of the Ways & Means Committee to K-12 School Districts; this is \$100 million less than the Governor's proposed budget. While \$8.87 billion 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 new 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.

As school districts across Oregon are submitting their school budgets for next year, state officials and legislators are still considering ways to increase K-12 funding for the next biennium and longer term. In the meantime, we are charged with submitting a budget based on news received and not news speculated.

## **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.
- 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**

Our Governor has committed to continue funding Measure 98 for the 2019-2021 biennium at the same level as the previous biennium (\$170 million). 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.

**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 a district our size.
- 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 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 2019-2020 school year we have made the following working assumptions:**

**Revenue:**

- State revenue of \$8.87 billion for the biennium (Submitted by Co-Chairs of the Ways & Means Committee)
- 49% of the biennial allocation in 2019-2020 and 51% in 2020-2021
- Projected local option revenue of \$9,948,474
- ADMr projected at 9,998 (increase of 48 students); ADMw projected at 11,248
- Utilization of Regional ESD funds appropriated to the district
- Carry-over of approximately \$8,065,755 of our 2018-2019 ending fund balance (which now includes \$2.9 million of our PERS reserve, moved into the General Fund)

**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 \$8.87 Billion:**

- \$8.87 billion from the state does not quite fund the “roll-up” costs of current operation and staffing from the 2018-2019 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.

**Reductions to Staffing and Programs Needed for 2019-2020:**

- Based on \$8.87 billion funding from the state, we submit a proposed budget that includes a \$3.5 million reduction in expenses for the 2019-2020 school year.
- The expense reductions will largely impact personnel. We plan to reduce licensed staff by 18 FTE, reduce one administrator position, two non-classroom staff positions, and the equivalent of 12 classified positions.
- These reductions may impact class size.
- Expense reductions will also include suspending new curriculum renewals; suspending implementation of state-mandated increased PE/Wellness hours in primary schools; reducing professional development opportunities; and reducing educator conference attendance.

**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.
- We will optimize our Measure 98 Grant funds to increase graduation rates and decrease drop-out occurrences across all three high schools.

## **Amendment Budget Plan:**

In the event that state legislators are able to increase funds for public schools to impact the 2019-2020 school year, we would make the following adjustments:

- Restore back licensed and classified positions. Add additional staff to address class size, mental health and social-emotional supports for students.
- Begin implementation of state-mandated increased PE/Wellness hours in primary schools.
- Restore professional development opportunities and educator conference attendance.
- Cautiously begin early steps of the next curriculum renewal scheduled by the Oregon Department of Education.

## **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 94.5%, 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 2014 allowed us to build a new middle school, rebuild a primary school and attend to large capital and safety projects across the district. 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 and professional development program next year. Reducing by \$3.5 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