

SUPERINTENDENT'S BUDGET MESSAGE

FOR THE 2023-2024 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 2023-2024 in accordance with ORS 294.391.

The District Budget for 2023-2024 proposes:

- \$156,284,722 in the General Fund
- \$29,248,334 in the Special Revenue Fund
- \$41,356,038 in the Debt Services Fund
- \$75,709,650 in the Capital Projects Fund

Together, the funds demonstrate a balanced budget of revenue and expenditures that meet federal and state regulations and align with the District Goals; the District Continuous Improvement Plan, the District Equity Action Plan, and individual School Work Plans.

PART 1: Public School Budget Sources

Public school districts are funded through a variety of sources.

General Fund:

State School Fund (SSF)

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 equalized 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.

Property Taxes

Annual property taxes are also collected for school districts, ESDs, and community colleges at a regulated rate. As mentioned above, state funds and local funds work together to balance the amount allocated to districts across the state in an equalization effort.

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 four-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.

Special Revenue:

School districts also receive funds through federal or state grants. These grants are accountable to special spending criteria.

A. Federal IDEA and Title Grants

The Office of Special Education Programs administers three formula grant programs authorized by the Individuals with Disabilities Education Act (IDEA). These formula grants are awarded to states annually to support children experiencing disabilities Birth through age 21.

Title funds are annual federal monies that are meant to supplement, not replace, existing state funding for education, for example:

- Title I funding provides programming for students from low-income families. The money must go toward helping these learners meet challenging and relevant academic state standards.
- Title 2 funding supports teacher, principal, administrator, and staff professional development.
- Title 3 funding is for English Language Learners (ELL) and immigrant students.

B. State Grants:

I. High School Success Grant (Measure 98)

The state-funded High School Success Grant (HSSG) 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 HSSG funds to impact all three of these 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.

II. 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 3 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.

Capital Projects:

The revenue in this fund comes primarily from Capital Bond tax sources, Land Sales, or Construction Excise Tax. Each of these areas of revenue and expenditure must meet federal, state or county requirements and regulations.

PART 2: Steps in Assembling a School District Budget

In the process of assembling a school budget, the district:

- Step 1: Begins by "rolling forward" the level of staffing, programs and services from the current year into the new year.
- Step 2: School and district leaders evaluate programs, operations and staffing levels based on projected need.
- Step 3: Community input is collected through a survey of staff, parents and patrons regarding key investment priorities.
- Step 4: Adjustments are made based on survey results and any new information from federal, state or local funding sources.
- Step 5: Lastly, a proposed budget is brought to the Budget Committee.

Key Investment Strategies (mentioned in Step 3) are those that are research-based or proven to exemplify the quality of learning and the quality of care every parent wishes for their child. Key investments that our community has identified 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; and,
- Maintaining responsible stewardship of our facilities, grounds, and other property assets.

Feedback from Community:

A survey was sent out to the community in mid-April asking for feedback regarding these key investments and which they would prioritize for the new fiscal school year, 2023-2024. The District received close to 600 survey responses. The feedback was collected, analyzed and applied when evaluating these investments within the proposed budget, such as these top responses:

- Hiring quality staff and providing effective classroom support systems
- Effective class size ranges
- Providing quality curriculum and curriculum support
- Support for mental health and behavioral needs

Measuring the Outcomes of Our Investments

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, IB courses and Dual Credit classes at our high schools
- Oregon Department of Education District and School Report Cards
- Oregon State Assessments (OSAS) that provide academic *benchmark* data (G. 3-5, 8, 11) aligned to college and career readiness
- District-administered Interim and Formative Assessments that provide academic *growth or achievement* data. These types of assessments (standards-based or skills-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 school and district leadership teams effectively plan where broad-based as well as targeted new learning, instruction and resources are needed

- Anecdotal data from student, staff and community surveys (e.g. Panorama) and district- or school-based information forums

Part 3: Reporting the Budget for 2023-2024

The West Linn-Wilsonville School District 2023-2024 General Budget proposal is based on a \$9.9 billion State School Fund biennium. While \$9.9 is an increase from the past biennium (\$9.3 billion), it does not adequately address the cost to “roll forward” and maintain current programs and personnel. 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). School District Business Managers in Oregon calculate that Current Service Level for the biennium of 2023-2025 should amount to a \$10.3 billion State School Fund.

For the 2023-2024 District Budget we have made the following working assumptions:

General Fund Revenue:

- State revenue of \$9.9 billion for the biennium (49% of the biennial allocation in 2023-2024; 51% in 2024-2025)
- State School Fund of \$61,590,314
- Property Taxes of \$44,048,763
- ADM projected at approximately 9,100 students; however, funds calculated using ADMw 10,410 from 2022-2023
- Projected Local Option revenue of \$12,929,931
- Utilization of Regional ESD funds appropriated to the district of \$3,138,989

Special Revenue Grants:

- High School Success Grant of approximately \$2.8 million
- Student Investment Account Grant of \$6.9 million

Reserves (ending-fund-balance):

- Carry-over of approximately \$30,162,427 as of March 31, 2023 ending fund balance

Expenditures:

- Rolling forward of current service level (staff, programs, operations)
- Increased personnel costs to honor negotiated contracts that include increases in cost of living (COLA), years-of-service step increases, and health insurance;
- Increased hours/benefits to para educator classified staff to provide additional support and scheduled time for training and collaboration;
- 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;
- Additional costs with new Riverside High School (administrators, teaching staff, support staff, operating budget)
- Additional staffing positions to support K-5 Literacy renewal curriculum and professional development (6 Reading Coaches); and

- Additional administrators (2 high), TOSAs (2 middle) and support staff (2 primary) to build educator capacity in working with diverse needs of students and increasing the collaboration necessary to achieve school goals.

Inadequate State School Fund Depletes Reserves for 2023-2024 budget

With only a \$9.9 billion state school fund, districts across Oregon are making difficult decisions regarding their ability to roll forward with current staff and programs. For some, it means reductions in staff or programs next year. For others, it means depleting reserves for one or both years in order to keep a current service level.

In West Linn-Wilsonville, we will expend a large portion of our ending-fund-balance from 2022-2023 (reserve) in order to roll forward our current service level as well as provide the additional staffing outlined above. To be clear, this is not a sustainable practice. The use of reserves is a “one-time” fix. Depleting reserves means that the second year of the biennium will be impacted by having less to draw upon. We are hopeful that legislators will be responsive to advocacy efforts still going on at this time and will increase the state school fund while time allows. Otherwise, like other districts, we anticipate making reductions in the second year of the biennium.

PART 4: 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 and equity.
- 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 our stellar Business Office and the countless hours they have invested in assembling this budget document, alongside hours of meetings with district staff to ensure programs and staffing are accurately reflected.
- 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.
- 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

It's important to restate that an inadequate State School Fund this biennium results in the expenditure of district reserves for West Linn-Wilsonville and reductions for neighboring districts for 2023-2024. We will likely have difficult decisions to make in the near future. And yet, I hold a spirit of optimism that our state and elected representatives understand that the nation-wide conditions of workforce shortages paired with increased inflation and wages are not going away overnight. We will be in this economic predicament for the foreseeable future. There needs to be a more stable and adequate funding source and commitment in Oregon for K-12 education.

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, striving to nurture self-efficacy (BELIEF) and a sense of BELONGING for each student.

Respectfully,

Kathy Ludwig, D.Ed.
Superintendent