

BUDGET COMMITTEE WORKSHOP
BEAVERTON SCHOOL DISTRICT 48
BEAVERTON SCHOOL DISTRICT ADMINISTRATION CENTER

Budget Committee Workshop

February 16, 2010

The Budget Committee of the Beaverton School District conducted a Budget Workshop at the Administration Center on February 16, 2010 at 6:30 p.m.

Board Members Present:

Mary VanderWeele
Tom Quillin
Jeff Hicks
Lisa Shultz
Karen Cunningham

Budget Committee Members Present:

Brett Baker
Cameron Irtifa
Mark Schick
Cheri McDevitt
Dave Bouchard
John Burns
Carrie Anderson

Jerome Colonna
Sarah Boly
Bud Moore
Claire Hertz
Sue Robertson
Steve Langford
Maureen Wheeler
Holly Lekas
Brenda Lewis
Carl Mead
Vicki Lukich
Dick Steinbrugge

Superintendent
Deputy Superintendent
Deputy Superintendent
Chief Financial Officer
Chief Human Resource Officer
Chief Information Officer
Public Communication Officer
Regional Administrator
Regional Administrator
Regional Administrator
Regional Administrator
Executive Administrator for Facilities

Visitors: 11

Media: 0

Budget Committee Chair Brett Baker called the meeting to order at 6:35 pm. Baker spoke briefly about the process for the evening and noted that there will be time for questions after Picus and Odden do their presentation. He spoke about the Courageous Conversations book study club and asked everyone to come to the next book study meeting on the 30th. Sarah Smith and LeeAnn Larsen are absent tonight. Tom Quillin will be arriving late.

WELCOME
AND
OPENING REMARKS

Superintendent Jerome Colonna spoke of how optimistic he feels now that Measures 66 & 67 have passed. Prior to their passage, the District's worst case budget scenario would have been to make \$48.7 M in budget reductions. With the passage of Measures 66 & 67, the District is now able to reduce that number by \$19.2M.

OPENING
COMMENTS

The revenue forecast projects state revenue at a \$138M shortfall. It is currently projected that Districts will be funded at \$5.92B, which means \$21.2M may not be available.

Supt. Colonna spoke briefly about the current legislative session and is optimistic after hearing legislators want to fund the state budget at \$6.0B.

Colonna spoke briefly about the internal finance work group meetings and about the staff meetings that have occurred. He noted that the finance work group is working to make good decisions to bring up to date information to the budget committee.

The minutes from the January 19, 2010 minutes were approved with no changes.

APPROVAL OF
MINUTES

BEA President David Wilkinson spoke briefly about the January 19th meeting. He questioned the validity or applicability of the information that has been presented by Picus & Odden. He believes that the District should streamline resources to use those resources more efficiently.

Tressa Kovachevich, parent of a Mt. View MS student, spoke briefly about her concern of canceling student conferences. She believes that student led conferences are essential for effective communication between parents, students and teachers.

Deb Jones spoke briefly about her concerns for sports activities at schools. She advocated for continued sports activities at schools and for “no-cut” sports which keep students involved and active.

Vince Jones advocated for ELL programs and questioned how the Evidence Based Budgeting policy will impact ELL programs in the future.

Claire Hertz presented the preliminary budget assumptions.

PRELIMINARY
BUDGET
ASSUMPTIONS

Revenues:

1. Student enrollment - expecting 320 more students over the 2009-10 school year.
2. State School Fund - anticipating an adjustment of \$720,000.
3. Property Taxes - concerned about property tax levels dropping to 94% collection rate due to foreclosures and unemployment rates.
4. Interest Earnings - near zero and as a result the District has projected very little interest earnings.
5. Beginning fund balance - expected at 5.5% or \$14.9M. May be adjusted slightly if funding levels change from the State.
6. ESD Revenue - will continue to decline due to declining SSF revenue for ESD's statewide.

Expenditures:

1. Current Service Level - Estimated cost to roll the Current Service Level forward is \$290.1 million plus a contingency fund of \$14.5 M for total requirements of \$304.6 M.
2. Evidence Based Budget - District is working with Odden & Picus to align budget resources to the District Strategic Plan and District Goal for 2010-15. Allocation adjustments may be phased-in to respond to this process.
3. Salaries - By contract, classified employees will not receive a step increase and may receive a cost of living increase, only if approved for Administrators. Certified staff is currently in negotiations and salary is yet to be determined. Cost of step and COLA for all employee groups: 1% \$5.3 M, 2% \$7.1 M.
4. Retirements and Resignations - Due to PERS actuary tables changing, we are estimating a slight increase from the current year in the number of employees retiring from the District next year. This may result in slightly lower salary projections overall as retirees typically are in the higher step levels.
5. Health Insurance - The health insurance cap is to be determined pending negotiations with employee groups. We anticipate a 12% insurance premium rate increase. (This number may change due to new information from insurance carriers.) Monthly cost to employees is still to be determined. The District received a waiver from having to participate in the Oregon Education Benefit Board (OEBB) insurance, thus avoiding significant health insurance expense increases.
6. PERS - The PERS Board released employer contribution rates for the biennium beginning July 1, 2009. The District's rate for Tier 1 and Tier 2 employees is set at 5.39% of eligible salary. The rate for OPSRP (Tier 3) is 5.91% resulting in a blended rate of 5.46% for a total 10.5 M. The PERS Unfunded Actuarial Liability (UAL) debt service.
7. Staffing Allocation - Staffing will be adjusted to respond to declining SSF

revenue, and will be allocated based on projected number of students (including self contained Special Education students) adjusted by Average Daily Membership (ADM) historical trends.

8. Utilities - We anticipate a zero percent adjustment for all utility costs in 2010-11. However, square footage will be added to buildable space but will not result in an increase in the total utility budget. We are pursuing confirmations with utility companies.
9. Transportation - At this time, there are no additional fuel cost increases anticipated.
10. New Capacity - Springville K-8 opened in 2009-10 and will add 6th grade in 2010-11. Health Sciences High School will add 8th and 12th grades in September 2010. Expenses for additional instructional materials and technology may be allocated to accommodate new grade levels.
11. School Non-Salary - Non-salary allocations for schools will be allocated at 90% of projected number of students (including self contained Special Education students) adjusted by ADM historical trends.
12. Central Non-Salary - Non-salary reductions of 15% will continue in 2010-11.
13. ELL Translation Services - Contracted ELL translator services expenses will be determined by the number of conference days in the school calendar up to an additional \$250,000.
14. Substitute Expenses - Substitute expenses will be adjusted to reflect additional needs as incurred in the 2009-10 budget.
15. Contingency - The contingency fund is calculated at approximately \$14.5 million based on an assumption of 5% of 2010-11 projected revenue.

Committee members asked several questions about the assumptions and requested clarifying information from staff.

Allan Odden presented information he and Larry Picus prepared for the District.

EVIDENCE BASED
BUDGETING
BEAVERTON
RESOURCE
ALLOCATION GAP

Mapping Beaverton's Strategic Plan Into Program Resources
Principal Meetings

Allan Odden and Lawrence Picus

Beaverton, Oregon
February 16, 2010

Improving Schools

- Do we know how to improve student Learning?
 - YES
- Does it take a lot of money to do so?
 - NO, not for the main tasks
- What do we need to work on?
 - Improving instruction
 - Figuring out what best instructional practices are
 - Getting effective instruction into all classrooms

Current Situation

- "Teacher effects" research:
 - Instructional impacts vary widely across teachers
 - Some (10-20%) teachers have *spectacular* impacts on student learning gains
 - Some (10-20%) teachers have *unimpressive* impacts - kids lose ground over the school year
 - Most (60-80%) teachers have *modest* impacts
 - Reason for differential effects:
 - Differential instructional practices

The "Problem" to Address

- Culture of *autonomy* that characterizes schools (Raudenbush, Ed Researcher, 4/09)
 - Privatized, idiosyncratic view of instruction (teachers work alone) that leads to widespread variation in instructional practice & student learning
 - versus
 - Collective, systemic view of instruction (teachers work together) that emphasizes teacher collaboration and school wide accountability, and produces more widespread effective instruction and better student learning

Examples of the Letter

- There are many, including rural and urban districts – see Odden, Odden and Archibald, Chenoweth, Bryk et al.
- Core of their success
 - Focus on instructional practice
 - Articulate what effective instructional practice is in reading/writing, math, science, and so on
 - Get that effective instructional practice into more and more classrooms



5

How to Change School Culture

1. Organize teachers into collaborative work groups
 - Grade level teachers in elementary schools
 - Content (e.g., math, history) teachers in middle schools
 - Course (e.g., algebra, biology) teachers in high schools



6

How to Change School Culture

2. Provide each group with appropriate materials
 - Micro-content standards, one concept for every 2-3 weeks of instruction
 - Rigorous curriculum – e.g., Everyday Math
 - Formative assessments – given at the beginning of each 2-3 week curriculum unit – \$15-25/pupil
 - End-of-unit common assessments
 - Perhaps “benchmark,” quarterly assessments
 - Work team leader – maybe \$
 - Time of an instructional coach -- \$\$



7

How to Change School Culture

3. Provide each group with time to meet during the school day
 - A period a day at least 3 times a week
 - (Helps if have specialist teachers – art, music, PE, etc. -- \$\$)
 - Sometimes back this period up to lunch, time before school starts and/or time after school lets out
 - Key principal role in designing school schedule – can be done



8

How to Change School Culture

4. Provide ongoing professional development
 - Find and train instructional coaches
 - Train PLC leaders with appropriate skills
 - Provide schools with:
 - Pupil free days for teachers
 - Funds for trainers (central office or consultants)
 - Focus professional development on:
 - Curriculum linked training – directly relevant
 - Developing/honing 2-3 week curriculum units
 - Emergent view of effective instructional practice
 - Systemic, school wide, not individual plans



9

How to Change School Culture

5. Shift work life of teacher to collaborative work in these teams:
 - a. Collaboratively review formative data to plan instruction/lesson plans *before* teaching each curriculum unit
 - b. Teach the unit simultaneously
 - c. Give the common end-of-unit assessment
 - d. Collectively review results *after* teaching for:
 - All students/classrooms
 - Teachers who had spectacular results
 - Teachers who had below par results
 - Good, bad and average is made public



10

How to Change School Culture

5. Shift work life of teachers to collaborative work in these teams:
 - e. If overall performance not acceptable, redesign unit
 - f. Identify instructional strategies of the most effective teachers – incorporate them into system
 - g. Provide assistance to teachers with below par impacts, and if performance does not improve, counsel out
 - h. Over time, create a view of effective instructional practice that works for that school/district/content area
 - i. Goal: get that instructional practice into all classrooms through this “cycle of continuous instructional improvement”



11

Results of This Work

- Wider distribution of highly effective instructional practice in classrooms
- Dramatic improvements in student learning
- Dramatic reductions in the achievement gaps linked to poverty and ethnicity
- Teachers with a strong sense of efficacy
- Students with a strong sense of efficacy



12

Results of This Work

- When this happens, school people feel good, know they are working hard, but working together, and getting better at teaching and seeing student learning rise
- And in these tough fiscal times, we need to focus on what makes educators feel good



13

Other Strategies if Affordable

1. Teacher tutors for struggling students
2. Academically focused summer school
3. Extended day programming with a strong homework and tutoring elements

Each and everyone of these expand learning time while holding expectations constant for performance



14

What Resources are Needed?

- Core teachers
- Collaborative work time, so need some elective teachers
- Battery of formative, end-of-unit assessments, benchmark assessments
- Instructional Coaches
- Training dollars
- Tutors



15

Picus reviewed the Beaverton Gap Analysis Model

Beaverton Gap Analysis Model

Model Summary By School Category

Type of School	Site Administration Prin. AP and Mgmt. Supt			Teachers Core and Specialist			Other Certificated Teacher and Other			Clerical and Classified		
	EB	Dist	Gap	EB	Dist	Gap	EB	Dist	Gap	EB	Dist	Gap
Elementary	43.0	45.0	2.0	866.7	773.0	(93.7)	486.8	322.4	(164.4)	298.4	254.9	(43.4)
Middle	16.5	25.0	8.5	296.4	323.8	27.4	205.4	158.9	(46.6)	123.7	77.2	(46.5)
High School	22.1	22.0	(0.1)	455.4	388.5	(66.9)	250.4	148.8	(101.6)	188.3	95.0	(93.4)
Option	8.0	6.0	(2.0)	95.6	104.0	8.4	69.3	33.9	(35.5)	25.4	33.5	8.1
District Total	89.6	98.0	8.4	1,714.2	1,589.3	(124.9)	1,012.0	664.0	(348.0)	635.9	460.6	(175.3)

Site Administration

Principals
Assistant Principals
Management Support

Class Size Used in EB Model

K 25
1 25
2 25
3 25
4 25
5 25
6 30
7 30
8 30
9 30
10 30
11 30
12 30

Teachers

Core
Specialists

Other Certificated

All other teacher and
certificated Positions

Clerical and Classified

All aides and clerical

EB Kindergarten

Full Day

Beaverton Gap Analysis Model

Model Summary By School

School	Site Administration Prin. AP and Mgmt. Supt			Teachers Core and Specialist			Other Certificated Teacher and Other			Clerical and Classified		
	EB	Dist	Gap	EB	Dist	Gap	EB	Dist	Gap	EB	Dist	Gap
Elementary Schools												
Aloha-Huber Park*	2.2	2.0	(0.2)	44.0	42.5	(1.5)	35.3	24.3	(11.0)	16.2	13.5	(2.8)
Barnes	1.7	2.0	0.3	36.1	29.5	(6.6)	27.1	22.4	(4.7)	12.7	10.1	(2.6)
Beaver Acres	1.9	2.0	0.1	39.7	34.5	(5.2)	26.3	18.6	(7.7)	14.1	15.6	1.5
Bethany	1.1	1.0	(0.1)	23.4	20.5	(2.9)	10.5	5.1	(5.4)	7.9	4.2	(3.7)
Bonny Slope	1.1	1.0	(0.1)	23.8	22.0	(1.8)	10.1	6.7	(3.4)	8.0	6.7	(1.4)
Cedar Mill	1.0	1.0	0.0	11.9	11.0	(0.9)	6.7	6.2	(0.6)	3.9	7.4	3.5
Chehalam	1.2	1.0	(0.2)	24.0	19.0	(5.0)	16.2	10.6	(5.7)	8.1	10.0	1.8
Cooper Mt	1.2	1.0	(0.2)	24.2	20.0	(4.2)	10.3	4.7	(5.6)	8.2	5.1	(3.1)
Elmonica	1.4	1.0	(0.4)	28.8	25.0	(3.8)	16.1	12.4	(3.8)	9.9	6.0	(4.0)
Errol Hassell	1.2	1.0	(0.2)	24.3	22.0	(2.3)	13.1	7.2	(5.9)	8.2	5.8	(2.5)
Findley	1.9	2.0	0.1	38.5	33.5	(5.0)	13.3	6.2	(7.1)	13.6	5.9	(7.8)
Fir Grove	1.1	1.0	(0.1)	22.1	20.5	(1.6)	14.1	9.6	(4.5)	7.4	4.7	(2.7)
Greenway	1.0	1.0	0.0	20.6	18.5	(2.1)	15.2	11.4	(3.8)	6.8	10.6	3.7
Hazeldale	1.4	1.0	(0.4)	28.7	26.0	(2.7)	16.4	10.9	(5.6)	9.9	9.1	(0.8)
Hiteon	1.2	1.0	(0.2)	24.2	22.0	(2.2)	11.2	7.2	(4.0)	8.2	8.8	0.6
Jacob Wismer	1.6	2.0	0.4	33.5	31.0	(2.5)	12.2	6.0	(6.2)	11.7	6.6	(5.1)
Kinnaman	1.1	1.0	(0.1)	21.8	20.5	(1.3)	16.0	14.8	(1.2)	7.3	9.8	2.5
McKay	1.0	1.0	0.0	18.6	15.0	(3.6)	12.8	9.3	(3.5)	6.2	9.0	2.8
McKinley	1.4	2.0	0.6	29.8	28.0	(1.8)	19.6	13.9	(5.7)	10.3	9.3	(1.0)
Montclair	1.0	1.0	0.0	16.3	14.5	(1.8)	8.6	4.4	(4.3)	5.4	3.9	(1.5)
Nancy Ryles	1.5	2.0	0.5	31.3	30.0	(1.3)	14.6	7.0	(7.6)	10.9	5.7	(5.2)
Oak Hills	1.4	2.0	0.6	30.0	25.0	(5.0)	12.9	7.9	(5.0)	10.4	7.7	(2.7)
Raleigh Hills*	1.2	2.0	0.8	23.4	24.5	1.1	13.7	11.2	(2.5)	8.2	9.5	1.2
Raleigh Park	1.0	1.0	0.0	19.7	18.5	(1.2)	10.8	5.5	(5.3)	6.5	3.7	(2.8)
Ridgewood	1.0	1.0	0.0	19.8	18.5	(1.3)	9.6	7.4	(2.2)	6.6	9.9	3.3
Rock Creek	1.2	1.0	(0.2)	24.9	22.0	(2.9)	10.8	5.2	(5.6)	8.5	4.6	(3.9)
Scholls Heights	1.6	2.0	0.4	33.4	32.0	(1.4)	13.1	6.5	(6.6)	11.7	7.1	(4.6)
Sexton Mt	1.6	2.0	0.4	34.0	29.5	(4.5)	13.1	8.1	(5.1)	11.9	12.5	0.5
Springville	1.2	1.0	(0.2)	24.9	19.5	(5.4)	11.3	6.7	(4.6)	8.4	7.5	(0.9)
Terra Linda	1.0	1.0	0.0	20.4	18.5	(1.9)	10.4	6.5	(3.9)	6.8	5.8	(0.9)
Vose	1.5	2.0	0.5	30.2	27.0	(3.2)	27.2	13.8	(13.4)	10.5	5.0	(5.5)
West TV	1.0	1.0	0.0	15.4	13.0	(2.4)	7.3	5.7	(1.6)	5.1	7.1	2.0
Wm Walker	1.2	1.0	(0.2)	24.9	19.5	(5.4)	20.9	19.2	(1.7)	8.5	6.9	(1.6)

This is a very dynamic document. If the District and Budget Committee would like to make changes, it is possible to adjust to meet the financial and instructional needs of the District. The committee asked clarifying questions and made comments about the presentation.

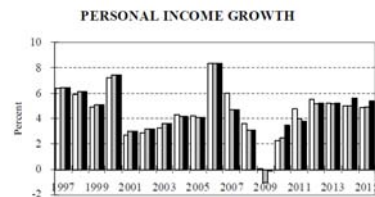
Claire Hertz presented a State Revenue Forecast

STATE REVENUE
FORECAST

State Revenue Forecast

Budget Committee
February 16, 2009

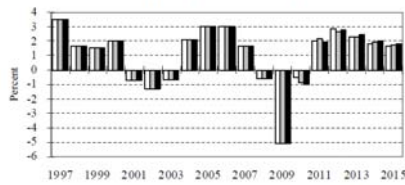
COMPARISON OF LAST THREE FORECASTS
 Sept 2009 Dec 2009 Mar 2010



COMPARISON OF LAST THREE FORECASTS

Sept 2009 Dec 2009 Mar 2010

EMPLOYMENT GROWTH

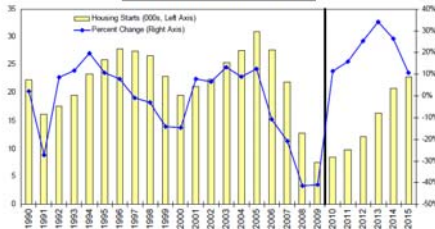


Historical Recession Comparison

Recession	1981-82		1990-92		1990-91		2001		2009-??*	
	U.S.	Oregon	U.S.	Oregon	U.S.	Oregon	U.S.	Oregon	U.S.	Oregon
Employment	2,734.3	123.3	1,488.3	12.3	2,657.3	60.1	7,026.3	129.2		
% Change	(2.99)	(11.50)	(1.37)	(0.97)	(2.01)	(3.69)	(5.09)	(7.43)		
Duration	5 Qtrs	12 Qtrs	5 Qtrs	3 Qtrs	5 Qtrs	10 Qtrs	8 Qtrs	8 Qtrs		
Peak-to-Trough	8 Qtrs	28 Qtrs	10 Qtrs	5 Qtrs	15 Qtrs	16 Qtrs	20 Qtrs	22 Qtrs		

* Estimates based on Global Insight and OEA forecasts

Oregon Housing Starts

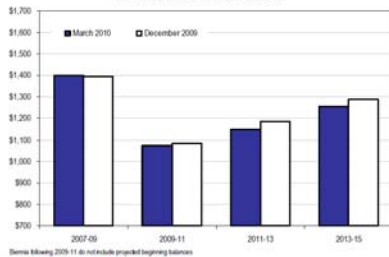


General Fund Resources

2009-11 Biennium

General Fund (Millions)	COS Forecast	Dec 2009 Forecast	Mar 2010 Forecast	Change from December	Change from COS 2009
Personal Income Tax	\$11,545.7	\$11,403.6	\$11,219.9	-\$183.7	-\$325.8
Corporate Income Tax	\$831.6	\$827.4	\$827.1	-\$14.7	-\$5.5
Other Revenues	\$1,198.4	\$1,167.0	\$1,155.2	-\$11.8	-\$43.1
Total GF Resources	\$13,575.7	\$13,398.1	\$13,212.3	-\$185.8	-\$363.4
Less: Anticipated Administrative Actions	\$43.7	\$15.7	\$15.7	\$0.0	-\$28.0
Proj. Expenditures	\$13,298.1	\$13,298.1	\$13,300.8	\$2.7	\$2.7
Funding Balance	\$233.8	\$79.2	-\$166.3	-\$185.3	-\$368.1

LOTTERY LONG-TERM FORECAST



Oregon's Budgetary Reserves

(Millions)	2007-09 Biennium	2009-11 Biennium	2011-13 Biennium
Rainy Day Fund			
Beginning Balance	\$0.0	\$112.5	\$134.7
Deposits	\$84.3	\$19.8	\$0.0
Interest	\$18.3	\$2.3	\$3.8
Triggered Withdrawals	\$0.0	\$0.0	\$0.0
Ending Balance¹	\$102.6	\$134.6	\$138.5
Education Stability Fund			
Beginning Balance	\$178.9	\$0.1	\$183.3
Deposits	-\$178.9	\$183.2	\$203.7
Interest ²	\$17.2	\$2.7	\$22.2
Triggered Withdrawals	-\$17.1	-\$2.7	-\$22.2
Ending Balance	\$0.1	\$183.3	\$186.1
Total Reserves	\$102.6	\$317.9	\$324.6

Footnotes:
 1. Under current law, only 25% of the beginning balance is available for withdrawal. Withdrawal subject to economic and seasonal triggers.
 2. Education Stability Fund interest is distributed to the Oregon Education Fund (75%) and the State Scholarship Commission (25%).

State Revenue Forecast

- State General Fund Revenue dropped \$182.8 million
- Lottery dropped \$9.9 million
- Overall Revenues dropped \$192.8 million
- House voted to reduce Business Energy Credits by \$55 million
- Overall revenue loss \$137.8 million

State Revenue Forecast

- Current funding for education is \$5.92 billion
- Includes \$123 million Rainy Day Fund transfer
- Desire by legislative leadership to fund education at \$6.0 billion
- Hoping to finalize funding level this week
- To send to the Governor next week

State School Fund (SSF) Update

- Beaverton Schools +\$726,000 for 2008-09
- State-wide ADM is flat for last four years
- Property tax collection is 96.8% state-wide
- First Monday in March will receive 2010-11 SSF Estimate
- Updated 2009-10 SSF due any day

Questions?

Update Budget Assumptions, presentation of Draft Budget Message, Recommendations for Closing the Resource Allocation Model Gap, Revenue update from February Economic Forecast and Special Legislative Session, Question and Answer time, Presentation by staff about major programs, Board Outcomes Presentation

SET AGENDA FOR
NEXT WORKSHOP

Superintendent Jerome Colonna noted that the legislature will make a decision about what level of funding the schools will receive within the next week. Colonna has been disappointed in his own ability to get people to come to the budget listening sessions, but he believes that it is one of the most important enterprises in the community. We deserve to have more people there. He's asking his wife and his neighbor to come and asked the committee members to try to bring one person to the Listening Session.

CLOSING REMARKS

Meeting adjourned at 9:26 pm.

Brett Baker
Budget Committee Chair

Jennifer Bridgewater
Recording Secretary