

## Budget Message - 2015-16

Dear Budget Committee Members and Community:

I submit for your consideration the Proposed Budget for the Beaverton School District for fiscal year 2015-2016. The proposed budget of \$994,925,679 is the result of the financial goals set by the School Board, staff, students and community, and the work of the 35 member Internal Budget Team (IBT). This budget proposal further builds on the strategic investments we made last year.

### Strategic Plan

The Proposed Budget for 2015-2016 continues to build forward momentum that is focused and strategic. The School Board has provided clear direction and focus through the Strategic Plan and the Six Key Measurements. The District Goal is:

***District Goal:*** All students will show continuous progress toward their personal learning goals, developed in collaboration with teachers and parents, and will be prepared for post secondary education and career success.

We want every student to graduate with many options and be prepared to:

- THINK:** Creatively & Critically
- KNOW:** Master Content
- ACT:** Self Direct & Collaborate
- GO:** Navigate Locally & Globally

### Our Four Pillars of Learning

#### **WE** Expect Excellence

- The road to higher education begins in kindergarten
- We have the best teachers. They are supported and accountable.

#### **WE** Innovate

- Adults adjust and adapt to the learning needs of students and the evolving economy.
- Technology and the arts are fundamental and integrated.

#### **WE** Embrace Equity

- Student success will not be predicted based on race, ethnicity, family economics, mobility, gender, sexual orientation, disability or initial proficiencies.
- Diversity and multilingualism are honored as assets.

#### **WE** Collaborate

- No one teaches or learns in isolation.
- Relationship and engagement with parents and community is inclusive, direct and honest.

**WE** believe that as we provide education based on these pillars, students will achieve the District Goal. Reaching our goal will require work from **all** of us.

The Beaverton School Board and District leaders have defined what success looks like in the Beaverton School District. With six clear and focused measurements, we have defined the outcomes we strive for in the Beaverton School District and we will align our efforts and resources accordingly. As a team of students, staff, parents, and community members, we are dedicated to **all** students' success.

### **Six Key Measurements for Ensuring Student Success**

#### **Assess college-readiness:**

- Students completing Oregon University System minimum entrance requirements (15 specified college-prep courses with C or better)
- Students earning nine or more college-level credits

#### **Identify career-readiness:**

- Students completing four or more credits with a C or better in the six learning areas of the Oregon Skills Sets.
- Students participating in at least one job, internship, apprenticeship, job-shadow, or service learning experience while in high school

#### **Monitor continual personal learning:**

- Students recording learning goals; students reporting on track to achieve those goals

#### **Evaluate collaboration between students, teachers, and parents:**

- Families reporting that they feel informed and valued as active partners in their child's education



will align our efforts and resources to ensure growth according to these outcomes.

### **Proposed Budget**

The proposed budget incorporates resources available to the District including:

- \$7.5 billion State School Fund (SSF) level with a 49%/51% split over the biennium
- Additional SSF for increasing enrollment
- Reduced poverty weightings due to a strong local economy
- A third year of \$3.7 million in Washington County Gain Share Funds
- Local Option Levy revenue increasing from \$19 million in 2013-14, \$24 million in 2014-15, and expected to be \$26 million in 2015-16
- A \$6 million carryover of Local Option Levy from 2014-15 to be spent in 2015-16

As this message is being written, the Oregon Legislature is in session and considering a \$7.255 billion funding level for K-12 education. To add perspective to funding level, a \$7.875 billion funding level would be year one of a ten year plan to get Oregon school funding to the national average for school funding. If the SSF were to remain at the \$7.255 funding level, Beaverton would need to reduce the proposed budget by \$10 million in general fund. The proposed budget includes a \$10 million placeholder that is budgeted as classroom teachers, but not allocated to schools pending the outcome of the legislative session.

## **Financial Goals for 2015-16**

The School Board adopted a set of financial goals for the 2015-16 budget process as follows.

*The District will develop a budget to:*

- 1. Align with District statutory and policy requirements, the Strategic Plan and community priorities with particular attention to:*
  - *Providing additional instruction time*
  - *Reducing class size*
  - *Supporting teachers with collaboration time to differentiate instruction*
  - *Ensuring all students have access to a comprehensive education including arts, music, physical education, foreign language and CTE coursework*
- 2. Maintain a higher fund balance in General Fund to support future bond issues and ensure good financial health of the District*

## **Budget Development Process**

The budget process for 2015-16 includes four phases:

**PHASE 1:** The process to appoint vacant Budget Committee positions was determined at the August 2014 School Board Meeting and was advertised across the District.

**PHASE 2:** In October, November and December 2014, the School Board established a budget process and set financial goals for the District. The School Board appointed budget committee members in October 2014, and the members were provided orientation to the budget process.

**PHASE 3:** In January through March 2014, the District solicited feedback from the community by holding a Superintendent Budget Listening Session and three regional sessions.

The Internal Budget Team built a comprehensive budget corresponding to the Strategic Plan, Learning Pillars, strategic measures, state achievement compact, School Board policies and input from community and listening sessions. This process began with the current staffing and service levels from the 2014-15. Strategic investments were made to balance to the new funding levels for 2015-16. The team built a budget based on analyzing student data and reviewing strategic measures, determining where improvement is needed to align to the District's Strategic Plan and incorporating a set of strategies to achieve the District goal.

**PHASE 4:** Beginning in April through May 2015, the final phase includes the delivery of the Budget Message by the Superintendent and the 2015-16 Proposed Budget to the Budget Committee. The Budget Committee will review the Proposed Budget, receive community testimony, and accept requests for additional information. Finally, the Budget Committee will approve the Proposed Budget and tax levies for 2015-16 and send the Approved Budget to the School Board for adoption.

In June, the Board will hold a Budget Hearing and vote on a resolution to adopt the 2015-16 Budget, levy taxes and appropriate funds.

### **Budget Summary**

The 2015-16 budget totals \$994,925,679 for all funds. The General Fund Budget totals \$433,088,355 and has been developed including the following revenue and expenditure assumptions.

### **Revenue and Resource Estimates**

The District projects additional enrollment of 559 students in 2015-2016 for a total of 40,469 students. Based on a statewide K-12 funding level of \$7.5 billion with a 49%/51% split for the 2015-17 biennium, the District will receive an estimated \$349,763,755 million in State School Fund formula revenue. The General Fund beginning fund balance is projected to be \$38 million.

### **Strategic Investments**

The Internal Budget Team prioritized focused, strategic investments to support the four Pillars of Learning, Board priorities, community expectations and values, and meet the Six Key Measurements for ensuring student success. Resources have been allocated to:

#### **1) System Ed Investments \$16.1 million**

- All students graduate - ESL Research Group outcomes
- Career Technical program expansion in Field Biology and Health Careers
- Students earning college credit - PCC College Credit
- Teacher collaboration - Learning Team Time and Facilitators
- Future Ready Schools first wave of 10 schools
- Active Students Pilots - PE requirement 2017
- Career ready - internships/job shadow
- Avid Expansion to grade 7 and 10
- Chief Academic Officer
- Special Education Administrator

#### **2) Foundational Supports \$4.6 million**

- Improved student and family supports
  - Licensed Clinical Social Workers
  - Translation and interpretation services
- Improved teacher supports

- Teacher recruitment
- New teacher mentoring
- Equity instruction specialist
- Improvement to Curriculum, Instruction & Assessment
  - Professional development for the new English Language Arts adoption
  - Instructional materials purchase
  - New Generation ACT
- Improvements to Central Office
  - Central Office Reception
  - Integrated Finance System Support
  - Government Relations Director
  - Maintenance and Custodial Services

**3) School Resources \$15.3 million**

- Reducing class size
- Academic needs-based classroom teacher allocation
- Athletics program
- Increase elementary intervention teachers to full time
- Middle school literacy block
- Expand Two Way Immersion program to K-12
- Counselors - all elementary full time
- Bus Driver/Instructional Assistant support to elementary schools

**Future Year Investments**

In addition to the investments made for 2015-16, the Internal Budget Team recognizes the need to plan for future year additions to continue the strategic investments and have identified the following:

	2016-17	2017-18
Additional Grade Levels for AVID	\$800,000	\$400,000
PCC College Credit	\$350,000	\$0
Future Ready Libraries	\$1,000,000	\$1,000,000
Active Student Task Force	\$85,000	\$85,000
Translation Services	\$500,000	\$200,000
Curriculum Materials	\$400,000	\$0
Teacher Mentorship	\$210,000	\$315,000

Social Worker	\$100,000	\$0
Teacher Recruitment	\$113,000	\$0
Maintenance & Custodial Services	\$400,000	\$400,000
Total	\$3,958,000	\$2,400,000

### Contingency and Ending Fund Balance Policy

As outlined in the Board financial goals for the District, the General Fund Contingency will be budgeted at 5% of total revenues. Current Board policy calls for a minimum contingency of 5%, and the ending fund balance will be at least equal to the appropriation for contingency. The contingency is budgeted at the level policy requires, and will be maintained at the minimum 5% level. At the date of this publication, the Board is reviewing policy regarding reserves which will impact budgets in future years.

### Student Enrollment Compared to All Funds Full Time Equivalents (FTE)

Since the Great Recession began in 2008, enrollment has grown by approximately 2,400 students when compared to 2015-16 projections. In the same time period, the District's total staff went from a high of 3,683 FTE in 2008-09 to 3,560 FTE in 2014-15. As the economy continues to recover, in 2015-16 an additional 460 positions have been added from increased State School Fund, Gain Share and Local Option Levy revenues.

## FTE Changes Over Time

All Funds	2008-09 Actual	2014-15 Budget	2015-16 Budget (\$7.5B)	2015-16 Budget (\$7.255B)
<b>Enrollment</b>	<b>37,613</b>	<b>39,732</b>	<b>40,035</b>	<b>40,035</b>
<b>Classroom Teachers</b>	<b>2,102</b>	<b>2,037</b>	<b>2,378</b>	<b>2,275</b>
<b>Other Licensed Staff</b>	<b>268</b>	<b>190</b>	<b>246</b>	<b>246</b>
<b>Classified</b>	<b>1,188</b>	<b>1,251</b>	<b>1,305</b>	<b>1,305</b>
<b>Administrators</b>	<b>125</b>	<b>121</b>	<b>130</b>	<b>130</b>
<b>Total Staff</b>	<b>3,683</b>	<b>3,599</b>	<b>4,059</b>	<b>3,956</b>

## Successful Bond Election

The Beaverton community approved the \$680 million Capital Construction Bond on May 20, 2014 by a 55% to 45% margin. We are very grateful for the generosity of the Beaverton community.

Over the next eight years, the \$680 million bond will address repairs, provide new capacity, modernize and renovate all facilities, improve safety and replace outdated learning technology, curriculum and equipment over a projected eight-year period.

This Capital Construction Bond is part of Beaverton's long-term financial plan and it will enable the District to use bond funds instead of general operating funds to address repairs, build new capacity and technology investments.

The School Board has established a Bond Accountability Committee to ensure that bond funds are spent according to the Bond Ballot Title. The committee will meet quarterly and provide a quarterly report to the School Board along with the District staff report.

## Conclusion

In closing, I want to thank the Internal Budget Team for the significant time and effort they put into preparing this Proposed Budget for 2015-2016. This budget proposal continues our improving trajectory full of hope, strategic investments and focused resources to our schools while continuing to invest in central support services.

I want to thank our staff, students, parents and community for their input. I also want to thank the Budget Committee for their thoughtful attention to reviewing the Budget Proposal.

I believe we will continue to move forward and become even stronger. We will continue to look for ways to innovate and improve and **WE** must partner with our community to see that **ALL** students succeed.



**are the Beaverton School District.**

Thank you for your consideration of the 2015-2016 Proposal Budget.

Respectfully submitted,

Jeff Rose, Ed.D.  
Superintendent