

April 19, 2012

## 2012-13 BUDGET MESSAGE

Dear Beaverton Budget Committee Members:

I submit for your consideration the Proposed Budget for the Beaverton School District for fiscal year 2012-2013.

This is the first budget recommendation I have made since I began my service as superintendent of the Beaverton School District in July, 2011. The proposed budget of \$465,196,582 is the result of priorities set by the School Board, significant staff, student and community input, and the work of the Strategic Budget Team (SBT). This budget proposal reflects a \$37 million gap between the State School Funding we expect to receive and our current service level.

State school funding impacts our budget. K-12 education is receiving a smaller share of the state budget. In the 2003-05 biennium, K-12 education received 45% of the state budget. In the 2011-13 biennium, K-12 education received 39% of the state budget. Our budget challenge is not just a Beaverton problem, it is an Oregon problem.

Beaverton is experiencing an unprecedented fifth year of budget reductions due to the continuing economic challenges in Oregon. If history is any guide, it will be a slow climb out of the current funding difficulties for the state and the services Oregonians have come to expect, including public education.

In the last four years, the District has reduced \$105 million, largely sparing schools from deep cuts. That has been an intentional decision, to keep reductions away from classrooms. To balance the budget over the last four years, Beaverton has taken the following steps:

- Used the District's ending fund balance.
- Used infrastructure and central office reductions to spare school programs and staff reductions.
- Used staff resignations and natural attrition of staff, and minimal reduction in force.

This coming year will be different.

Knowing the 2012-13 budget year was going to be very difficult; the School Board approved a new budget process that included:

- Adopting budget priorities based on the 2010-2015 Strategic Plan.
- Providing an online survey to gather staff and community input.
- Conducting two community-based listening sessions.
- Conducting 100 school-based community teaching sessions.

Over the last two months, the Strategic Budget Team, including our employee associations, focused their energy on **building** and **investing** in a comprehensive budget that reflects the strategic priorities and values of the Strategic Plan, student outcomes, and graduation requirements, state and federal parameters, School Board policies, and community input.

As the Strategic Budget Planning Team began to develop the proposed budget recommendations for 2012-2013, I shared with them the Stockdale Paradox, a philosophy of duality coined by Jim Collins, author of *Good to Great*, which was based on a conversation he had with Vice Admiral James B. Stockdale, a Vietnam War prisoner of war. Stockdale suffered tremendous physical and mental torture during his seven years of captivity in a Vietnamese POW camp, often kept in solitary confinement. He never lost faith that he would get out some day, that he would prevail in the end and turn the experience into the defining moment of his life. But he also faced the very brutal facts of his current reality while sitting in his cell.

The Strategic Budget Planning Team had to face the brutal facts of the District's current financial reality, one of the largest revenue gaps in the history of the District, while building and **investing in a K-12 education system** that ensures all Beaverton students graduate college and career ready. This budget proposal is focused on supporting a more strategic, consistent, equitable and sustainable K-12 educational system.

I am proud of the Strategic Budget Planning Team. They have spent countless hours in team meetings and in individual work groups developing a quality budget proposal. I am proud of the Budget Process that was approved by the School Board. We have given the community many opportunities to learn about our budget, the process, and also to provide advisory input throughout the process.

We will get through this very difficult year ahead, but our schools and services will look different next year. These are necessary and yes, very painful decisions that we present for 2012-13. I anticipate that the budget decision packages will be fully supported.

I can say with confidence that as state funding improves, we are positioning the Beaverton School District to make even greater gains in student achievement and success.

### **2012-13 Budget Process**

The budget process for 2012-13 includes four phases beginning with the development and School Board approval of the budget process in October and early November 2011. In the second phase, the District surveyed the community about educational priorities, and the Board adopted budget priorities to guide the building of the District budget.

From January through March 2012, the District held two Superintendent Listening Sessions and 100+ Budget Teaching sessions to solicit additional feedback from the community. The internal Strategic Budget Team was charged with building a budget rather than simply identifying reductions as has been past practice in previous years. The proposed budget supports the

District goal and Strategic Plan, and the team utilized input from the School Board priorities, community survey, Listening Sessions and Budget Teaching Sessions.

Beginning in April, the final phase includes the proposal of the 2012-13 budget and delivery of the Budget Message by the Superintendent to the Budget Committee. The Budget Committee will review the proposed budget, hear community testimony, request information, and make changes as needed to approve the budget and tax levies for 2012-13.

In June, the Board will hold a Budget Hearing and vote on a resolution to adopt the 2012-13 Budget, levy taxes and appropriate funds.

### **Budget Summary**

The 2012-13 budget totals \$465,196,582 for all funds. The general fund budget totals \$302,580,062 and has been developed including the following budget assumptions:

#### *Revenue and Resource Estimates*

The District projects additional enrollment of 360 students for a total of 39,414 students.

- Based on an estimated statewide K-12 funding level of \$5.71 billion for the biennium, the District will receive an estimated \$281 million in State School Fund revenue.
- The General Fund beginning fund balance is projected to be \$9.9 million.

#### *Expenditures and Commitments*

In 2012-13, the Budget Decision Packages created by the internal Strategic Budget Team will be used to allocate staffing to all schools.

- Department budgets include efficiencies and \$4.5 million in reductions.
- Salary and benefit budgets include current contractual obligations, and may be updated pending employee association negotiations.
- Non-salary expenditure increases for 2012-13 include a new student information system, increases in utilities, property and liability insurance premiums and unemployment costs totaling \$2.9 million.

#### *Contingency and Ending Fund Balance Policy*

In these unprecedented economic times, the General Fund Contingency will be budgeted at 3.0% of total revenues. 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 will be budgeted at a lower level than policy requires, and will be rebuilt to the required 5% over the next two to three years.

### **Community Involvement**

There has been a significant amount of proactive community involvement through the various phases of the 2012-13 budget development process.

- In December, an online community survey asking stakeholders to prioritize components of the Beaverton educational program was completed by 3,800 stakeholders, with over

1,000 comments. This information was analyzed and provided guidance for the Strategic Budget Team as they built the budget recommendations.

- Two community Listening Sessions were held in January and February.
- Over 100 school-based community Budget Teaching Sessions were held with over 1,700 participants in 550 staff and community groups. Central Departments also provided opportunities for staff to learn and participate in the prioritization exercise.
- There will be an additional opportunity for the Budget Committee to take input during a Budget Listening Session held on May 1, 2012.

The advisory input was utilized by the Strategic Budget Team to craft the budget recommendations and later to also refine the proposal. Finally, it is clear from the input that the community wants to be part of the solutions to help our District get through this difficult budget year.

### **Department Efficiencies/Reductions**

Central Services department employees are committed to responding to our budget challenges in a manner that minimizes the impact on schools. Even though the Central Service work group has experienced significant reductions in staff since 2007, these departments continue to find ways to save money and increase efficiencies. Innovative practices have redefined the way we do business and combined with further staff reductions, have resulted in a combined savings of almost **\$4,500,000** this year alone.

#### *Efficiencies/Reductions*

- Implementation of a modified delivery model for ESL services will result in \$2,024,000 savings for 2012-13.
- Reduction of Campus Monitors at high schools totaling \$325,298 or 5.2 APU.
- Special Education savings and reductions include: increased case load for speech pathologists, school psychologists, Autism Spectrum Disorder specialists, Adaptive Physical Education teachers, restructuring of records secretaries, elimination of the Inclusion Support Team, restructuring of resource services and non-salary reductions totaling \$1,207,683.
- Reduction of transportation secretary support from 260 days to 210 days: \$11,644.
- Instructional Technology savings totaling \$175,000 including: a reduction of online subscriptions, the elimination of Discovery Streaming, the reduction of funding to maintain the District's failing telephone equipment system, a \$40,000 reduction in development training and a \$15,000 reduction in the department printing budget.
- Human Resources reductions include: \$50,000 outside legal consultation, mediation and arbitration expenses, increasing the reliance on in-house counsel and reduce the substitute budget by \$100,000.
- District Insurance Committee will modify health insurance plans beginning in 2012-13 to keep costs down.

### **District Level Innovations**

The proposed budget includes many innovative practices at the District level for 2012-13:

- Online Learning investigation is moving forward as Beaverton begins to explore and define on-line learning for K-12 students.
- Science, Technology, Engineering and Mathematics (STEM) Participation and partnership continues with Hillsboro SD, Portland Public and Portland State University as we develop staff development and specific site support to further support teachers and students in the areas of science, technology, engineering and mathematics.
- Continue to expand our SUMMA locations at two additional middle schools for the 2012-13 school year due to increased growth and opportunity for students to attend more neighborhood programs across the District.
- Implementation of the EduPoint Synergy student information system will allow parents and students access to student information and provide a collaboration platform that helps parents, students, teachers and administrators work together for student success.
  - A much more robust parent portal will let parents change information anywhere and anytime. In addition to the greater convenience for parents, this feature will save office staff data entry and processing time.
  - A student portal will provide students information about homework and assignments all in one place.
- In February of 2012, BSD implemented Employee Online. This portal provides the following features to all BSD staff:
  - Tax filing status and exemption information
  - Current and historical check stubs available for two years
  - W-2 records
  - “What if” calculator so staff can see how withholding changes would affect their take-home pay
  - Message page with important information from the HR, Business, and Payroll departments
  - To date 1200 employees have signed up to receive their pay stubs online. In addition to the benefit to the employee, this service reduces printing and administrative costs.
- Solar electricity generated at three schools resulting in \$30,000 savings.
- Routing software will create more efficient bus transportation routes with anticipated savings in future years.
- Communications & Community Involvement staff will assist Human Resources with paper screening and follow up with candidates.
- Communications & Community Involvement will redesign the process to review fliers and the distribution process, by going paperless. The savings is difficult to quantify, yet there is potential for saving thousands of dollars in teacher and staff time throughout the district.
- Schools and departments currently negotiate copier leases and many lease agreements expire in June. The Purchasing Department will determine the most cost-effective copier and terms with one vendor for all schools and departments. There is potential for significant savings in future years.
- To further develop Community Involvement, volunteerism and partnerships:
  - The Communications & Community Involvement Department has applied for a full-time AmeriCorp grant funded position for 2012-13 to help with additional outreach and volunteerism.

- Community Engagement Committees have been formed at most schools this year and along with the school volunteer coordinators and parent groups will be pivotal to engaging their community in our schools.
- Partner with the faith-based community to develop school partnerships.
- Develop an outreach campaign with a metro area marketing firm.

### **Strategic Budget Team Process**

The team began their work by identifying and aligning priorities of the college and career readiness goals, Strategic Plan, the School Board, the community and expertise from members of the Internal Strategic Budget Team.

The team developed (consistency) “tight” and (autonomy) “loose” guidelines to help as budget decisions were formed. Emphasis throughout the process was to ensure we were building models that support a School District and not a District of schools. The priorities stress the importance of a K-12 system.

Teams were created to develop models for each level, elementary, middle and high school with the focus on building upon innovations and investments for our students. There is opportunity amidst the chaos and challenge. Difficult decisions were made to meet the priorities identified. As an outcome, the process emphasized innovations but we will see significant reductions in the models.

The packages are our response to the current challenges and difficult decisions that needed to be made throughout the models. While the roll out of our investments, aligned to our goals and the strategic plan are positive, our reality is a reduction of over 344 positions district wide.

### **Budget Decision Packages**

#### **Building and Investing in the Beaverton K-12 Education System**

Even during times of significant budget challenges, it is imperative that the District remain focused on building a strong academic K-12 system serving nearly 40,000 students. While Beaverton’s 51 schools serve very different student populations with a wide range of needs, our talented staff provide a high quality education for every child regardless of their prior learning, and strive to build on students’ background knowledge. Staff has a strong sense of urgency to ensure that all students reach or exceed standards every year.

During the elementary years, staff begins to build a strong foundation for learning by nurturing the academic, social, emotional and physical needs of each young learner. Individual growth and achievement in the early years is critical to student success at the middle and high school levels.

Strengthening the academic core is the focus during the middle school years. Students in middle school engage in academic exploration to discover their learning styles and learning preferences. Instruction provides timely and individualized support that builds on students’ strengths and addresses their unique needs as learners. Teaching and learning at the middle level seeks to ensure every student is prepared with the skills and knowledge required to be successful at the high school level.

In the high school years, the focus is on providing students with a full range of rigorous academic courses, electives, and co-curricular athletics and activities that prepares each student to succeed in post-secondary choices. College and career readiness is now the intentional outcome of a student's high school experience. Students are also encouraged to participate in leadership and community service opportunities.

### **Tie to Strategic Plan & College and Career Readiness**

The Beaverton School District believes that **every** child can learn and achieve at a high level. The District Goal for 2010-2015 states: 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. Coupled with this goal, the School Board drafted a comprehensive Strategic Plan outlining the strategic outcomes and key initiatives to support the achievement of the District Goal. The implementation of the Beaverton Strategic Plan, or THRIVE, highlights the core values as well as the actions necessary to realize post-secondary education and career success for all students.

Within the Beaverton Strategic Plan (THRIVE), the Beaverton School Board identified its top priorities: T (Technology), H (High Quality Empowered Teaching Staff), R (Respect for Human and Environmental Rights), I (Individual Student Growth), V (Volunteerism, Service, Engagement), and E (Equity in Student Outcomes). In order to operationalize these priorities of the Strategic Plan, the Teaching & Learning Department drafted a College and Career Readiness Framework to intentionally focus adult actions in a standards-based learning system within supportive and inclusive learning environments resulting in college and career readiness for all students in Beaverton. Within the framework, there are three core strategies and accompanying support strategies to define the pathway for educators to utilize the most effective teaching practices to achieve the intended outcomes.

These outcomes, or college and career readiness, are presented in the Beaverton Full Option Graduate Profile. The profile, developed with the support of David Conley, director of the Center for Educational Policy Research at the University of Oregon, defines college readiness as: "Through an individual plan and profile, all students will graduate prepared for post-high school success as demonstrated by proficiency in the following key knowledge and skill areas: key cognitive strategies, key content, academic behaviors, and contextual skills and awareness." The profile further highlights the "target" that Beaverton educators are aiming towards with all students, regardless of when they enter the school system.

The College and Career Readiness Framework with three core strategies and coupled with the Full Option Graduate Profile lead to the following theory of action: "**If** learning environments are supportive and inclusive of every student, and **if** instructional practices in each classroom support every student in acquiring mastery of the learning targets, and **if** educators work collaboratively to strengthen the instructional core, **then** all students, regardless of background, will graduate college and career ready." This theory of action outlines the work in the District Goal and Strategic Plan for 2010-2015.

## **Elementary School Model**

At the elementary level, students learn critical foundational skills in the core academic areas including literacy, math, social studies and science. This model invests in classroom teachers and specialists in P.E., music, and counseling. Intervention teachers will provide targeted instruction in reading, writing and math, as well as support for the Professional Learning Community (PLC) process. Classified staff will provide support in the areas of technology and the school library. The model provides supervision and counseling supports to ensure student safety in a positive learning environment. This model incorporates the following innovations and efficiencies/reductions:

### *Innovations*

- The intervention teacher's role and responsibility will include leading small group instruction in reading or math; training instructional assistants to do interventions; and supporting the PLC process. At least 50% of their time will be spent in direct intervention instruction with students.
- Eliminate the base non-salary allocation (currently \$7,200 per school).
- Combine all non-salary into one allocation.
- The Technology Assistant will assist and supervise students in the computer lab.
- An I.T. Administrator will provide guidance and support to media and technology assistants to assist them in these roles.

### *Efficiencies/Reductions*

- To ensure equity of resources, staffing models were developed based upon school size.
- A .5 counselor allocation has been given to every school to ensure consistency. Counselors will be scheduled into a teaching rotation in all classrooms.
- Changing from certified to classified staff will allow the continuation of special program services in library/media and technology, as well as ensure contractual plan time. A significant change is the elimination of the certified Media Specialists positions, art specialists, and technology teachers.

## **Middle School Model**

Over the last five years, middle school teachers and principals have worked to develop a standards-based learning system that clearly identifies what students need to know and be able to do. Middle school staff has worked to improve classroom instruction through focused work on assessment practices, resulting in common learning targets in all core content areas. Classroom practices and professional development have been aligned across the eight comprehensive middle schools. Although consistent classroom practices have been established, the structures in each middle school have varied. Middle school principals have worked as a collaborative team to move forward and more closely align the structure of each middle school. This model incorporates the following innovations, efficiencies and reductions:



### *Innovations*

- Math and reading intervention/extension teachers will provide individual and small group instructional support for students who are not meeting learning targets and extensions for students ready for additional challenge.
- All middle schools will provide the equivalent of Spanish I by the end of 8th grade for students seeking a world language.

### *Efficiencies/Reductions*

- All middle schools will use a common instructional schedule.
- Students will have P.E. on alternating days.
- Middle schools will align with high schools on a semester schedule.
- Elective opportunities will be equitable, providing a combination of visual and performing arts.
- A technology assistant will provide support to teachers and students.
- Allocations for Middle Years Program (MYP) and Two-Way Immersion (TWI) are included in staffing formulas.

### **High School/Option Schools Model**

The High School Model is focused on providing students with a range of rigorous academic courses, electives and co-curricular athletics and activities that prepares them to succeed in post-secondary choices. In addition, students are encouraged to participate in leadership and community service opportunities. High school principals across the system have been engaged in discussions and planning for equity in programming. Providing safe learning environments is also a top priority. Leadership, counseling resources and essential supervisory staff will help to create a climate conducive to learning, safeguarding students' physical and emotional well-being. Link Crew has been preserved to ensure that 9th grade students feel secure and supported in their initial high school experience. Here are the innovations, efficiencies and reductions:

### *Innovations*

- All schools will have intervention time built into the regular school day as a result of moving to the semester schedule.
- Terra Nova Agricultural Science course will be offered as a partial day option for students wanting a hands-on experience to earn their biology credit for graduation. This program will be open to all juniors and seniors in the comprehensive high schools.
- Allocation of .5 APU for all advanced programs.

### *Efficiencies/Reductions*

- All BSD high schools will be on a semester schedule beginning September 2012. It will be easier for students to participate in district-wide programs that are located on different campuses. High schools will continue to offer students a variety of authentic learning experiences such as Auto Tech and Health Careers. A consistent semester schedule will also help students who are highly mobile, moving from one high school to another

during the school year. In addition, the change will support staff collaboration opportunities across buildings and facilitate sharing staff between buildings.

- Principals will work together to identify elective courses that could be more efficiently offered at a single campus.
- The StEPP coordinator will be .5 APU at the comprehensive high school and .25 APU at option schools.
- There will be a single staffing model for Options and comprehensive High Schools.

### **Athletics & Activities**

Reductions in athletics and activities at middle and high schools are included in the proposed budget for 2012-13. Athletic Directors developed a scoring grid based upon rationale to help in decision making and the overall budget building process. The scoring grid served as a tool to prioritize athletic investments in collaboration with District level personnel and building principals. Reductions at the high school level include fourth level teams, water polo and golf programs.

Activities at the middle and high school levels experienced a 15% reduction, and building principals will modify programs to align to the lower level of resources.

### **Summary of School Reductions**

Reductions in the elementary schools include classroom teachers with a kindergarten student/teacher staffing ratio of 28 to 1, 1st through 5th grade staffing ratio of 30.5 to 1, media specialist, and non-salary allocation.

Middle schools have made reductions including assistant principals, classroom teachers to a 30.5 to 1 student/teacher staffing ratio, media specialist and non-salary allocation.

At the high school level, changes in allocations include reductions in classroom teachers to a student/teacher staffing ratio of 30.5 to 1, counseling staff, media specialist, StEPP coordinator, instructional assistant and non-salary allocation.

We are anticipating a total of 344 positions will be reduced from the 2012-13 budget.

Employee concessions must be negotiated, and the District is currently in conversations with employee groups.

### **CONCLUSION**

In closing, I want to thank the Strategic Budget Planning Team for the significant time and effort they put into crafting this proposed budget. This proposal is challenging and will be painful for our staff and community. I also want to thank our staff and community for participating in the online survey, listening sessions and teaching sessions. The Beaverton community will help us get through this coming year.

I also want to thank the Budget Committee for their time and attention to understanding the complexities of this budget proposal.

Our schools will look different, but I believe we will move forward and become even stronger. I know we have the strength to get through this. We must consider new paradigms and continue to look for ways to innovate. We must call on our community to co-labor with us like never before. Together, we can and we will rebuild and reinvest in our Beaverton K-12 school system.

Thank you for your consideration of this budget proposal.

Respectfully submitted by:

Jeff Rose, Ed.D.

Superintendent of Schools