

Budget Message - 2014-15

Dear Budget Committee Members and Community:

I submit for your consideration the Proposed Budget for the Beaverton School District for fiscal year 2014-2015. The proposed budget of \$973,497,421 is the result of the financial goals set by the School Board, staff, students and community, and the work of the 32 member Internal Budget Team (IBT).

This budget proposal further builds on the message of hope we sent last year when three key financial factors were in play as we delivered the 2013-2014 proposed budget. They came to fruition including:


- The 2013 Oregon Legislature passed a \$6.55 billion budget for K-12 education.
- The Legislature approved \$200 million in budget savings from reforms of the Public Employee Retirement System (PERS).
- Beaverton voters approved a five-year Local Option Levy, generating a projected \$15 million per year.

Throughout the 2013-2014 school year, yet more positive news and resources flowed to Beaverton, including the distribution of Washington County Gain Share funds \$2.3 million and additional \$4 million in Local Option Levy resources due to higher than estimated property tax collections and the improving economy. In October 2013, a special session of the Legislature brought forward a grand bargain of six bills, and added \$100 million to K-12 education for 2014-15.

Strategic Plan

The Proposed Budget for 2014-2015 continues to build forward momentum that is focused and strategic. The School Board has diligently worked this year to provide clear direction and focus. They renewed their commitment to the Strategic Plan and the District Goal following extensive District work with the community last year. The District Goal is unchanged:

***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.*

This goal means that  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

Beaverton's Four Pillars of Learning

WE Expect Excellence by setting high standards and encouraging all students to achieve their full potential, preparing students for college from the day they start Kindergarten, providing the best teachers and encouraging their professional growth, and clearly monitoring and communicating student success and challenges with parents and teachers. **WE** Innovate by adapting teaching methods and environments to our changing world and integrating physical activity, technology and the arts into students' experiences. **WE** Embrace Equity to ensure that every student achieves and receives the support they need to learn. **WE** Collaborate among staff and with students, parents, and community members to strengthen relationships, work toward common goals, and guide student progress.

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 credits or more of high-school-level career and technical education courses with a C or better (includes arts, automotive, health services, hospitality, engineering, and business courses)
- 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.

The proposed budget incorporates an improving financial outlook in the second year of the 2013-15 biennium including:

- \$6.65 billion State School Fund (SSF) level for the 2013-15 biennium
- Increased property tax collections
- Additional poverty weightings due to updated data in the SSF
- A second year of \$2.3 million in Washington County Gain Share Funds
- Local Option Levy revenue increased from \$15 million in the 2013-14 budget to \$19 Million
- A \$2 million carryover of Local Option Levy from 2013-14
- Additional SSF for increasing enrollment and Deer Park program to full time status

The 2014-15 budget will total \$20.9 million available to invest for 2014-15. This includes the \$3 million 2013-14 midyear adjustment of Local Option Levy resources allocated to classroom teachers through a collaborative process of departments: Teaching and Learning, Human Resources and Business Office.

Financial Goals for 2014-15

The School Board adopted a set of financial goals for the 2014-15 budget process as follows.

The District will develop a budget to:

- 1. Align with District priorities, Strategic Plan, and District Goal.*
- 2. Produce a document that clearly articulates a District financial plan, which includes the opportunity for a successful Local School Bond election in Spring 2014, as well as the successful negotiation of employee contracts.*
- 3. Rebuild a fund balance in General Fund of 5% to support future bond issues and to ensure good financial health of the District.*

Budget Development Process

The budget process for 2014-15 includes four phases:

PHASE 1: The process to appoint vacant Budget Committee positions was determined at the September 2013 School Board Meeting and was advertised across the District.

PHASE 2: In November and December 2013, the School Board established a budget process and set financial goals for the District. The School Board appointed new budget committee members in December 2013 and January 2014, and the new 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 seven regional sessions by Board zone.

The Internal Budget Team built a comprehensive budget corresponding to the Strategic Plan, student growth targets, state achievement compact, School Board policies and priorities and input from community and listening sessions. This process began with the current staffing and service levels based on the zero-based budget created in 2012-13 and adjusted for 2013-14. Strategic investments were made to balance to the new funding levels for 2014-15. The team built a budget based on analyzing student performance data, determining where improvement is needed to close the achievement gap, analyzing the root causes behind underperformance, and incorporating a set of strategies to achieve the District goal.

PHASE 4: Beginning in April through May, the final phase includes the delivery of the Budget Message by the Superintendent and the 2014-15 budget proposal to the Budget Committee. The Budget Committee will review the proposed budget, hear community testimony, and accept requests for additional information. Finally, the Budget Committee will approve the budget and tax levies for 2014-15 and send the 2014-15 Budget to the School Board for adoption.

In June, the Board will hold a Budget Hearing and vote on a resolution to adopt the 2014-15 Budget, levy taxes and appropriate funds.

Budget Summary

The 2014-15 budget totals \$ 973,497,421 for all funds. The general fund budget totals \$385,851,012 and has been developed including the following revenue and expenditure assumptions.

Revenue and Resource Estimates

The District projects additional enrollment of 191 students for a total of 39,732 students. Based on a statewide K-12 funding level of \$6.65 billion for the 2013-15 biennium, the District will receive an estimated \$328.9 million in SSF revenue. The General Fund beginning fund balance is projected to be \$17.2 million.

Strategic Investments

In 2014-15, a full student calendar will be restored adding back three days of instruction. The Internal Budget Team prioritized focused, strategic investments to support the four learning pillars and meet the six key measurements for ensuring student success.

1) Classroom Teachers \$7.1 million

- Additional teacher allocations to address larger class sizes K--8 in the fall
- Additional teacher allocations at Options and High School in time for student schedules
- Strategic investments in classroom instruction for schools with most need
- Expand Deer Park to ensure a full day program for at-risk middle and high school students

2) Elementary Specialists \$1.5 million

- Invest in some initial recommendations from the Music Task Force
- Music Teacher on Special Assignment to develop K-12 music program
- Additional specialist allocations for Physical Education time in school (HB 3141)
- Provides 90 minutes of music and PE for elementary students every five or six days

3) Special Education, English Language Learners & Health Services \$1.8 million

- Strategic investments have been made to the special education, English Language Learner and health services departments to maintain education supports for students with the greatest need
- Increase allocations to address federal Special Education budget losses
- Additional district nurse to provide service to medically fragile students and comply with state required student to nurse ratio

4) Counseling Support \$1.2 million

- Provide additional staff allocations for intervention support to prepare students for college & career readiness
- Increase elementary counselors in Title schools
- Additional support to middle, high and option schools

5) Extended Learning Opportunities \$3 million

- Provide additional instructional time for students that need it most
- Math and Science interventions for 8th graders to be successful in algebra and physics in 9th grade
- Extended day credit recovery for high school students
- Transition summer school for 5th to 6th and 8th to 9th grades
- AVID professional development for teachers

6) School Leadership \$1 million

- Provide additional assistant principal allocations at large elementary schools
- Minimum of one assistant principal and one student manager or two assistant principals at every middle school

7) School Custodians \$300,000

- Adjust work calendars/schedules for custodians in response to school needs

8) Professional Development/Instructional Materials \$1.8 million

- Provide teachers with targeted professional development support to implement the Common Core standards-based learning system
- Purchase instructional materials for Next Generation Science Standards

9) IT Support \$1.3 million

- Additional teacher (staff) allocations to support the integration of instructional technology in

classrooms

- Additional staff allocations to support district-wide technology plan outlined in the 2014 bond
- Increased time for Technology facilitators in schools

10) Central Support \$300,000

- Additional Communications Specialist to support strategic communication needs in schools and at the district level
- Budget Analyst for alignment of resources to strategic plan and district goal
- Second secretary for five administrators in Operations, Facilities and Finance

11) Internet & Utilities \$1.6 million

- Expand capacity for Internet connectivity throughout the District
- Plan for anticipated utility increases before the Public Utilities Commission

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. 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 in future years.

Student Enrollment Compared to All Funds Full Time Equivalent (FTE)

Since the Great Recession began in 2008, enrollment has grown by approximately 2,300 students when compared to 2014-15 projections. In the same time period, the District's total staff went from a high of 3,683 FTE in 2008-09 to a low of 3,237 FTE in 2012-13 or a loss of 446 positions and 12% of staffing. In 2013-14, the District was able to add back 182 positions or 5.6% of staffing due to an increase in State School Funding and the passage of a Local Option Levy by local taxpayers. As the economy continues to recover, in 2014-15 an additional 141 positions have been added primarily from increased State School Funding.

FTE Changes Over Time

All Funds	2008-08 Actual	2012-13 Budget	2013-14 Budget + Gain Share + Midyear Local Option	2014-15
Enrollment	37,613	39,427	39,509	39,732
Classroom Teachers	2,102	1,766	1,921	1,997
Other Licensed Staff	268	169	176	194
Classified	1,188	1,196	1,213	1,248
Administrators	125	106	109	121
Total Staff	3,683	3,237	3,419	3,560

Bond Election

The Beaverton School Board authorized the District to place a \$680 million School Bond on the May 20, 2014 ballot.

The \$680 million bond would 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.

Due to retiring previous bonds, this measure is expected to result in no increase in the District's existing overall bond tax rate of \$2.11 per \$1,000 of assessed value for a projected eight years.

Since 2006, Beaverton School District's enrollment has increased by more than 2,600 students. District enrollment now exceeds 39,400. According to District facilities planning information, four of the five comprehensive high schools are near or over 100% capacity. There are a number of elementary schools near or over capacity. Enrollment projections by Portland State University Population Center and District project that 5,400 additional students will enroll in Beaverton schools by 2025.


This School Bond is part of Beaverton's long-term financial plan that if passed, would enable the District to use bond funds instead of general operating funds to address repairs, build new capacity and technology investments.

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 2014-2015. This proposal is hopeful, strategic and focused, and directs significant resources to our schools while investing in a few modest increases to central support services.

We are building a positive financial trajectory in our District, and our students will be the beneficiaries of this careful and deliberate stewardship.

I want to thank our staff and community for their input. I also 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  must partner with our community to see that every child succeeds.

 are the Beaverton School District.

Thank you for your consideration of this budget proposal.

Respectfully submitted,



Jeff Rose, Ed.D.
Superintendent