

EUGENE PUBLIC SCHOOLS  
School District No. 4J Lane County  
February 4, 2009

MEMORANDUM

To: Budget Committee Members

From: George Russell  
Superintendent

Re: February 9, 2009 Budget Committee Meeting

**I. Roll Call**

**II. Items Raised by the Audience**

Public testimony is welcome at budget committee meetings and time is set aside at each meeting to hear comments from the audience.

**III. Items for Information and Discussion**

*A. Review Current Financial Information*

Financial services staff continues to refine financial information based on updates received from the state. Staff will share the latest projections.

*B. Review Results of Staff and Community Budget Survey*

Summarized results of the on-line budget survey are included in your packet. Responses to the open-ended questions are still being compiled. Barb Bellamy, Chief of Staff, will be present to discuss the results with the committee.

**IV. Items for Action at This Meeting**

*A. Approve the Minutes of January 5, 2009*

The minutes of the January 5, 2009 meeting are included in your packet.

*B. Provide Direction for Balancing the 2009-10 Budget*

The effects of the deteriorating economy have placed the nation, state and district in precarious financial conditions. Great uncertainty surrounds the amount of resources the district will have not only for the next biennium, but also the current year. In the face of this uncertainty, the district must begin building its 2009-10 budget.

The purpose of your February 9th meeting is for you to provide me with your priorities for balancing the 2009-10 budget. Using "clickers," you will be asked to express your preferences regarding service priorities and reserve targets. The questions that you will be asked are included in your packet. Staff will be available to provide clarification as needed.

### Action Requested

Each year, the budget committee adopts a motion that establishes parameters for balancing the next year's budget. In times of severe financial stress such as these, this direction is of the utmost importance and provides a rudder for guiding the district through turbulent waters.

I am recommending that the budget committee direct me to propose a balanced budget for 2009-10 that:

- Is guided by the district's mission, core values, board goals and key results,
- Retains sufficient reserves to meet cash flow needs, retain the district's bond rating, provide cushion for potential further economic downturn, and achieve board targets for contingency and reserves,
- Addresses the projected shortfall by making service or cost reductions, using the following criteria:
  - Focus on the instructional core, keeping board goals and key results at the forefront of decisions;
  - Retain sufficient funds to manage the required human resource, financial, information technology, leadership and facility maintenance activities of the district;
  - Minimize layoffs to the extent possible
  - Be mindful of the long-term, avoiding short-term solutions that may have harmful long-term consequences.
- Sets aside funding to offset anticipated future PERS rate increases,
- Takes into consideration service priorities expressed by the Budget Committee at this meeting, and
- Includes a prioritized list of service changes should the final state budget and/or a federal economic stimulus package cause the district's financial outlook to change significantly.

#### *C. Set the Date for the Next Budget Committee Meeting*

We have reserved March 2 and 16, 2009 for meetings to review the results of the state's March forecast and take public comment on budget reduction strategies.

I recommend that you set the next meeting for March 2, 2009 and continue to reserve March 16, 2009 to take additional public comment. Review and approval of the budget is tentatively scheduled for May 4, 11 and 18, 2009, as needed. The board is scheduled to consider your recommendation as a future action item on June 3, 2009 and to conduct a public hearing and take action on June 17, 2009.

#### **V. Items Raised by Budget Committee Members**

#### **VI. Adjournment**