



Superintendent's Final Recommendations

January 12, 2011

Overview

The Eugene School District is working to develop a sustainable budget in the face of decreasing revenues and increasing costs that have led to a staggering budget shortfall. The Eugene School Board's goal is to put 4J on a sustainable financial path and continue to provide all kids with a sound education.

Superintendent George Russell presented his preliminary recommendations for a balanced and sustainable budget in November 2010. After considering public input and other new information, the superintendent presented revised recommendations in December 2010. These final recommendations for a sustainable budget strategy, presented in January 2011, will be considered by the school board for action on February 2.

Strategy Goal

The target for budget reduction strategies is \$22 million-\$26 million for 2011-12. The target date for achieving a sustainable budget is 2014-15.

The goal in Year One (2011-12) is:

- **50% ongoing reductions: \$11 million or \$13 million**
These staff reductions and other changes would be continued in following years.
- **25% reserves/one-time funds: \$5.5 million or \$6.5 million**
Use reserves to help support operations in 2011-12 and 2012-13.
- **25% compensation-related: \$5.5 million or \$6.5 million**
Employees have stepped up as we've asked them to do more with less, and we'll be asking them sacrifice even more in order to preserve services into the future.

What's Next?

Final public hearing:

Wednesday, January 19, 2011, 6 p.m., Churchill High School cafeteria, 1850 Bailey Hill Road, Eugene

Speakers are asked to limit their comments to 2 minutes.

Recommendations discussed at school board meeting:

Tuesday, January 25, 2011, 7 p.m., 4J Education Center, 200 N. Monroe Street, Eugene

Board takes action at school board meeting:

Wednesday, February 2, 2011, 7 p.m., 4J Education Center, 200 N. Monroe Street, Eugene

All school board meetings and work sessions are open to the public and are broadcast live on KRVM 1280-AM.

Learn More

For more information about the process and 4J's financial situation, go to www.4j.lane.edu/sustainablebudget or contact the 4J Communications Office at 541-790-7737.



Superintendent's Final Recommendations

January 12, 2011

Reduce Staffing, Services and Programs

Final Recommendations — \$22 million strategy

2011–12

- Reduce administrative and classified staff by 7%, including restructuring and consolidation of central office – 43 FTE, \$2.6M
- Increase staffing ratio by 2 at elementary schools and 3 at middle and high school – 56 FTE, \$4.5M
- Eliminate or reduce teachers on special assignment and staff development specialists – 6 FTE, \$0.5M
- **Cost/Savings Target: \$7.7M ongoing**

2012–13

- TBD

2013–14

- TBD

Alternate Recommendations — \$26 million strategy

2011–12

- Reduce administrative and classified staff by 10%, including restructuring and consolidation of central office – 62 FTE, \$3.5M
- Increase staffing ratio by 3 – 65 FTE, \$5.4M
- Increase staffing ratio by 4 – 84 FTE, \$7M
- Eliminate or reduce teachers on special assignment and staff development specialists – 6 FTE, \$0.5M
- **Cost/Savings Target: \$9.4–\$11M ongoing**

2012–13

- TBD

2013–14

- TBD

Fewer School/Work Days

Final Recommendations — \$22 million strategy

2011–12

- 9–12 unpaid furlough days (6 fewer school days) — one per month based on work year (e.g. 9 or 10 days for school-based staff)
- **Cost/Savings Target: \$4M one-time**

2012–13

- Continue 9–12 furlough days (6 fewer school days) — one per month based on work year
- Consider 4-day work and school weeks if necessary
- **Cost/Savings Target: \$4M one-time**

2013–14

- Continue 9–12 furlough days (6 fewer school days) — one per month based on work year
- Continue 4-day work and school weeks if necessary
- **Cost/Savings Target: \$4M one-time**

Alternate Recommendations — \$26 million strategy

2011–12

- 10–13 unpaid furlough days (6 fewer school days), one per month based on work year plus one additional day (e.g. 10 or 11 days for school-based staff)
- **Cost/Savings Target: \$4.5M one-time**

2012–13

- 10–13 furlough days (6 fewer school days) — one per month based on work year plus one additional day (e.g. 10 or 11 days for school-based staff)
- Consider 4-day work and school weeks if necessary
- **Cost/Savings Target: \$4.5M one-time**

2013–14

- 10–13 furlough days (6 fewer school days) — one per month based on work year plus one additional day (e.g. 10 or 11 days for school-based staff)
- Continue 4-day work and school weeks if necessary
- **Cost/Savings Target: \$4.5M one-time**

School Closures and Consolidations

Final Recommendations — \$22 million strategy

2011–12

- Close Coburg Elementary in 2011, move students to Gilham
- Close Crest Drive in 2011, move students to Adams
- Close Parker in 2011, move students to Edgewood and Camas Ridge
- Close Meadowlark program in 2011, move students to Willagillespie
- Move Charlemagne K–5 program to Parker site, close Fox Hollow site
- This school consolidation plan may require some boundary changes
- **Cost/Savings Target: \$1M ongoing**

2012–13

- Close Twin Oaks in 2012
- If bond measure passes, increase capacity at McCornack to accommodate students from Twin Oaks
- **Cost/Savings Target: \$0.3M ongoing**

2013–14

- Non-language alternative schools: possible closure or merger with neighborhood schools
- **Cost/Savings Target: TBD**

Alternate school consolidation option, requested by school board members:

- *Close Coburg Elementary in 2011, move students to Gilham*
- *Close Meadowlark program in 2011, move students to Willagillespie*
- *Close Adams in 2011, move students to Chavez, ATA, Crest Drive, Parker and Camas Ridge*
- *Move Charlemagne K–5 program to Adams site, close Fox Hollow site*
- *Close Twin Oaks in 2012*
- *This school consolidation plan may require some boundary changes*
- ***Cost/Savings Target: \$0.5M — Requires an additional \$0.5 million in ongoing reductions to be made in staff, compensation or other areas due to lower savings from school closures.***

Alternate Recommendations — \$26 million strategy

— SAME AS \$22 MILLION STRATEGY —

Shared Services and Contracting Out

Final Recommendations — \$22 million strategy

2011–12

- Identify additional services that can be provided by Lane ESD
- Determine what current services can be transferred to Lane ESD
- **Cost/Savings Target: \$0.5M ongoing**

2012–13

- Explore service sharing options with other districts that could reduce costs
- Look at contracting out some services
- **Cost/Savings Target: TBD**

2013–14

- Contract out or consolidate some services with other school districts or provide through private sector
- **Cost/Savings Target: TBD**

Alternate Recommendations — \$26 million strategy

— SAME AS \$22 MILLION STRATEGY —

Materials, Supplies and Services

Final Recommendations — \$22 million strategy

2011–12

- 15% reduction in materials & supplies, contracted services budget
- Centralize purchasing of materials & supplies, equipment
- Reduce utilities and fuel expenses through increased efficiency
- **Cost/Savings Target: \$1.1M ongoing**

2012–13

- TBD

2013–14

- TBD

Alternate Recommendations — \$26 million strategy

2011–12

- 20% reduction in materials & supplies, contracted services budget
- Centralize purchasing of materials & supplies, equipment
- Reduce utilities and fuel expenses through increased efficiency
- **Cost/Savings Target: \$1.5M ongoing**

2012–13

- TBD

2013–14

- TBD

School and Instruction Redesign

Final Recommendations — \$22 million strategy

2011–12

- Stakeholder Task Force to recommend reconfiguration to Superintendent and Board for implementation 2012–13
- Redesign instructional delivery model for secondary schools to accommodate fewer students & less resources
- **Cost/Savings Target: TBD**

2012–13

- Revise school calendar
- Shorter summer breaks
- Consider 4-day school weeks
- Implementation of reconfiguration recommendations, if any
- **Cost/Savings Target: TBD**

2013–14

- TBD

Alternate Recommendations — \$26 million strategy

— SAME AS \$22 MILLION STRATEGY —

Non-Instructional and Student Support Programs

Final Recommendations — \$22 million strategy

2011–12

- Reduce General Fund support for athletics programs and other extracurricular offerings by 25%
- **Cost/Savings Target: \$0.5M ongoing**

2012–13

- TBD

2013–14

- TBD

Alternate Recommendations — \$26 million strategy

— SAME AS \$22 MILLION STRATEGY —

Reserves and One-Time Funds

Final Recommendations — \$22 million strategy

2011–12

- Use up to \$5.5M reserves/one-time funds to maintain and bridge to 2012–13
- **Cost/Savings Target: \$5.5M one-time**

2012–13

- Use up to \$3M from sales of surplus property or lease revenue
- **Cost/Savings Target: \$3M one-time**

2013–14

- General Fund Reserve and Contingency Fund = 90% of Board Targets
- **Cost/Savings Target: TBD**

2014–15

- General Fund Reserve and Contingency Fund = Board Targets

Alternate Recommendations — \$26 million strategy

2011–12

- Use up to \$6.5M reserves/one-time funds to maintain and bridge to 2012–13
- **Cost/Savings Target: \$6.5M one-time**

2012–13

- Use up to \$3M from sales of surplus property or lease revenue
- **Cost/Savings Target: \$3M one-time**

2013–14

- General Fund Reserve and Contingency Fund = 90% of Board Targets
- **Cost/Savings Target: TBD**

2014–15

- General Fund Reserve and Contingency Fund = Board Targets

Compensation and Benefits

Final Recommendations — \$22 million strategy

2011–12

- Negotiate pay freeze, including no step/column increase
- Negotiate no increased benefits costs
- **GF Cost/Savings Target: \$1.5**

2012–13

- Negotiate contract adjustments that minimize and contain ongoing costs to district
- **GF Cost/Savings Target: TBD**

2013–14

- TBD

Alternate Recommendations — \$26 million strategy

2011–12

- Negotiate pay freeze, including no step/column increase
- Negotiate \$210,000 decrease in benefits costs or use insurance reserves
- **GF Cost/Savings Target: \$1.7**

2012–13

- Negotiate contract adjustments that minimize and contain ongoing costs to district
- **GF Cost/Savings Target: TBD**

2013–14

- TBD

Note: These recommendations for compensation and benefits are in addition to the salary impacts of unpaid furlough days (above)

Revenue Enhancement

Final Recommendations — \$22 million strategy

2011–12

- \$130M bond measure on May 2011 ballot to address critical needs, upgrade or replace some aging school facilities, and shift some technology and equipment costs out of the operating budget (General Fund offload = \$1M)
- Increase community use fees by 20% (\$20K)
- Lease closed schools to charters/others (\$200K)
- **Revenue Target: \$1.2M GF ongoing**

2012–13

- Sell Civic, Willard, or other vacant facilities; 50% proceeds to General Fund Reserve (\$3M–\$5M)
- Local tax to support local schools beginning in 2012–13 (e.g. \$10M for 3 years) on November 2011 ballot
- **Revenue Target: TBD**

2013–14

- Implementation of any new revenue sources to mitigate reductions
- **Revenue Target: TBD**

Alternate Recommendations — \$26 million strategy

— SAME AS \$22 MILLION STRATEGY —

Other Options

Determine whether these options would result in actual cost-savings or more efficient operations:

- Consider early retirement incentives
- Adopt single-platform technology systems for centralized purchasing & technical support
- Minimize site-based decision making, increase centralized direction for staffing (e.g., program staffing for student support services)
- **GF Costs/Savings Target: TBD**

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