



Eugene School District 4J Superintendent's Preliminary Recommendations

November 3, 2010

The Eugene School District is working to develop a sustainable budget in the face of a staggering budget shortfall for 2011–12. The projected deficit next year is about \$27–38 million, a stunning 19–27% of the district's operating budget. The Eugene School Board's goal is to develop a multi-year plan that will put 4J on a sustainable financial path and continue to provide all kids with a sound education.

Superintendent George Russell presented the following sustainable budget preliminary recommendations on November 3. These recommendations are a starting point and may change over the next few months. The board plans to adopt a sustainable budget strategy in January 2011.

Our top priority is to do what's best for kids. In November and December, district leaders will gather suggestions about how to adjust these recommendations to best serve our students with the resources available to us.

Next steps, as we work toward a sustainable budget plan:

- Wednesday, Nov. 10, 7 p.m. Board work session: discuss the preliminary recommendations
4J Education Center auditorium, 200 N. Monroe
- Tuesday, Nov. 16, 6:30 or 7 p.m. Board public input session
Start time and location to be decided.
- Wednesday, Nov. 17, 7 p.m. Board meeting: public hearing on preliminary recommendations
Location to be decided

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 Sustainable Budget Preliminary Recommendations

1. Revenue Enhancements	\$1.2 million annual revenue
a. Bond measure for \$100-\$150 million – May 2011 Election Ballot Fund critical facility improvements, technology and new schools with funds from a bond measure. This could pay for about \$1 million of annual technology and equipment expenditures (shifting those expenses out of the operating budget) as well as upgrade school facilities. Under Oregon law, bond funds can only be spent on facilities and some equipment.	\$1 million additional revenue
b. Increase community user fees for building use by 20%.	\$20,000 additional revenue
c. Lease closed schools to charter schools and other organizations, and increase lease fees.	\$200,000 additional revenue
d. New tax for school operations – City income tax or other local tax dedicated to schools for 2012-13 and after.	Revenue yet not known
<u>Short-term or one-time funding:</u> Sell Civic Stadium, Willard and other vacant properties, putting 50% into reserves and spending 50% on school operations.	\$3 million <i>one-time revenue</i> for operations

<p>2. Fewer School/Work Days</p>	<p>\$5.7 million cost reduction</p>
<p><u>Option A: Long-term school and work year reductions</u> Reduce the school year and the work year for all staff.</p> <p>For non-school staff:</p> <ul style="list-style-type: none"> • Reduce 12-month employees to 11-month work year. • Reduce 11-month employees to 10-month work year. • Reduce 10-month employees to 9-month work year. <p>School-based staff:</p> <ul style="list-style-type: none"> • Reduce the work year by 10 days (6 instructional days and 4 non-instructional days). <p><u>Option B: Temporary furlough days for the short-term -\$4 million</u> Implement school year and work year reductions as temporary furlough days, hoping to restore these days when finances improve:</p> <ul style="list-style-type: none"> • 12-month employees take 12 furlough days. • 11-month employees take 11 furlough days. • 10-month employees take 10 furlough days. • 9-month employees take 9 furlough days. 	
<p>3. Reduce Staffing, Services and Programs</p>	<p>\$12.2 million cost reduction</p>
<p>a. Reduce administrative and classified staff by 10 percent (62 FTE), including restructuring and consolidating central service departments and further reducing administration.</p> <p>b. Change the student-to-teacher staffing ratio by a range of 4-6 (98 FTE):</p> <ul style="list-style-type: none"> • High school – increase student-to-teacher ratio by 6. • Grades 6-8 – increase student-to-teacher ratio by 5. • Kindergarten- grade 5 – increase student-to-teacher ratio by 4. <p>c. Eliminate or reduce teachers on special assignment and staff development specialists. (6 FTE)</p>	<p>\$3.5 million</p> <p>\$8.2 million</p> <p>\$500,000</p>
<p>4. School Closures and Consolidations</p>	<p>\$1.2 million cost reduction</p>
<p>Close and consolidate schools. Reconfigure Adams, McCornack, Edgewood and Holt to grade K-3 schools. Reconfigure Spencer Butte, Arts and Technology Academy, Kennedy and Monroe to grade 4-8 schools. French immersion would consolidate grades K-8 in a single building, as would Spanish immersion.</p> <p><u>Churchill Region:</u></p> <p>a. Close Twin Oaks, moving K-3 students to McCornack and grade 4-5 students to Kennedy.</p> <ul style="list-style-type: none"> • McCornack becomes a grade K-3 school, serving students who now attend Twin Oaks and McCornack. McCornack grades 4-5 move to Kennedy. • Kennedy becomes a grade 4-8 school, serving students who now attend Twin Oaks, McCornack and Kennedy. <p>b. Close Crest Drive, moving K-3 students to Adams and grade 4-5 students to Arts and Technology Academy.</p> <ul style="list-style-type: none"> • Adams becomes a grade K-3 school, serving students who now attend Crest Drive, ATA and Adams. • Arts & Technology Academy becomes a grade 4-8 school, serving students who now attend Adams, Chávez, Crest Drive, Family School and ATA. ATA's K-3 students move to Adams. <p>c. Close Family School. K-3 students move to Chávez and grades 4-8 merge with ATA.</p> <ul style="list-style-type: none"> • Chávez becomes a grade K-3 school, serving students who now attend Chávez and Family School. 	

<p>4. School Closures and Consolidations Continued</p> <p><u>South Region:</u></p> <p>d. Close Parker, moving students to Edgewood and Spencer Butte.</p> <ul style="list-style-type: none"> ▪ Edgewood becomes a grade K-3 school, serving students who now attend Parker and Edgewood. Edgewood grades 4-5 move to Spencer Butte. ▪ Spencer Butte becomes a grade 4-8 school, serving students who now attend Parker, Edgewood and Spencer Butte. <p>e. Move Charlemagne French Immersion K-5 and 6-8 to the Parker building, creating a K-8 immersion school.</p> <p><u>Sheldon Region:</u></p> <p>f. Close Coburg, moving students to Gilham.</p> <p>g. Close Meadowlark moving K-3 students to Holt and grade 4-5 students to Monroe.</p> <ul style="list-style-type: none"> ▪ Holt becomes a grade K-3 school, serving K-3 students who now attend Meadowlark and Holt. Holt grades 4-5 move to Monroe. ▪ Monroe becomes a grade 4-8 school, serving students who now attend Meadowlark, Holt and Monroe. <p>h. Buena Vista becomes a K-8 Spanish Immersion, remaining in the Meadowlark building. Grades 6-8 move from Monroe to join K-5 there.</p> <p><u>North Region:</u></p> <p>No school closures and consolidations proposed at this time.</p>	
<p>5. Shared Services/Contracting Out</p>	<p>\$500,000 cost reduction</p>
<p>a. Transfer some services to Lane Educational Service District and determine additional services that can be provided.</p> <p>For 2012-13 and beyond:</p> <p>b. Explore service sharing options with other districts that could reduce costs.</p> <p>c. Look at contracting out some services.</p>	
<p>6. Materials, Supplies and Services</p>	<p>\$1.5 million cost reduction</p>
<p>7. School/Instruction Redesign</p>	<p>Savings to be determined.</p>
<p>a. Develop and expand on-line learning options at high schools.</p> <p>b. Expand credit by proficiency and dual credit options.</p> <p>Consider for 2012-13 and beyond:</p> <p>c. Revise the school calendar to have longer breaks during the year and shorter summer breaks and/or 4-day school weeks.</p> <p>d. Move to a program staffing model with a classroom staffing ratio and a specialist staffing allocation.</p>	

8. Non-Instructional and Student Support Programs	\$500,000 cost reduction
<ul style="list-style-type: none"> a. Reduce athletics programs and other extra-curricular offerings by 25%. b. Specialists and other student support programs will be reduced as part of other staffing and service reductions. 	
9. Reserves and One-Time Funds	\$0 - \$5.7 million revenue
<p><u>Option A:</u> Long-term strategy Use no reserves and maintain board targets.</p> <p><u>Option B:</u> Short-term strategy Use reserves in the short-term to mitigate reductions.</p> <ul style="list-style-type: none"> 2011-12: Use up to \$5.7 million from reserve funds 2012-13: Use up to \$3 million from sale of surplus property 2013-14: Achieve board targets for reserves (assumes new federal, state or local revenue to support operations) 	
10. Compensation and Benefits	\$1.5 million cost reduction
<p><u>Option A:</u> Long-term budget impact</p> <ul style="list-style-type: none"> a. Negotiate pay freeze, including no step or column increase for experience or education level b. No increase for benefits costs <p><u>Option B:</u> One-time or short-term strategy</p> <ul style="list-style-type: none"> c. Negotiate salary reduction of 5% across the board - \$4.4 million d. Eliminate half of the PERS 6% pick-up for employees - \$1.8 million 	

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