



## Sustainable Budget Strategy Direction: School Board Decisions *February 2, 2011*

The Eugene School District has been working to develop a sustainable budget strategy with a target of \$24 million in reduced costs and increased revenues. The school board's goal is to put 4J on a sustainable financial path and continue to provide all our students with a sound education.

After a long process involving much discussion and community input, the board has set a sustainable budget strategy direction for next year and beyond. The next step is to develop a detailed budget for 2011–12. To learn more, see [www.4j.lane.edu/sustainablebudget](http://www.4j.lane.edu/sustainablebudget).

### Reduce Staffing, Services and Programs

- Reduce administrative and classified staff by 10% (62 FTE, \$3.5M)
- Increase student-to-teacher ratio by 2.5 (55 FTE, \$4.6M) to 4 (84 FTE, \$7M)
- Eliminate or reduce teachers on special assignment and staff development specialists (6 FTE, \$0.5M)
- **Total Cost/Savings Target: \$8.6M–\$11M**

### Compensation and Benefits, Including Fewer School/Work Days

- Negotiate \$5.5M–\$10M in compensation reductions, potentially including some of the following elements:
  - 9–12 unpaid furlough days — one per month based on work year, e.g. 9 or 10 days for most school-based staff (Cost/Savings Target: \$4M)
  - Negotiate a \$1.5M–\$6M reduction in salary and benefits costs. Possible elements include: pay freeze (including no step/column increase), freeze in benefits costs, 5% salary reduction, reduction in PERS employer pick-up (GF Cost/Savings Target: \$1.5M–\$6M)
- **Total Cost/Savings Target: \$5.5M–\$10M (must be negotiated with employee groups)**
- *Direction for future years: Continue furlough days, consider a 4-day work week if necessary, and negotiate other contract adjustments to minimize/contain ongoing costs to district, as needed.*

### School Closures and Consolidations

- Close Coburg Elementary in 2011, merge neighborhood with Gilham
- Close Crest Drive in 2011, merge neighborhood with Adams
- Close Parker in 2011, merge neighborhood with Edgewood and Camas Ridge
- Close Meadowlark program in 2011, merge neighborhood with Willagillespie
- Leave Charlemagne at Fox Hollow for now
- Review non-language alternative schools (Corridor and Family School)
- The board did not act on a recommendation to close Twin Oaks in 2012
- *Note: This school consolidation plan will require some boundary changes*
- **Cost/Savings Target: \$1M**

### Shared Services and Contracting Out

- Identify current services that could be provided by the education service district and transfer these services to Lane ESD
- **Cost/Savings Target: \$0.5M**
- *Direction for future years: Explore service-sharing options with other districts that could reduce costs. Look at consolidating some services with other school districts and/or contracting out some services to the private sector.*

## Materials, Supplies and Services

- 15% reduction in materials & supplies, contracted services budget
- Centralize purchasing of materials & supplies, equipment
- **Cost/Savings Target: \$1.1M**

## School and Instruction Redesign

- Stakeholder Task Force to consider grade reconfiguration and make a recommendation to the Superintendent and Board
- Redesign instructional delivery model for secondary schools to accommodate fewer students & less resources
- **Cost/Savings Target: TBD**
- *Direction for future years: Potential reconfiguration, if recommended. Consider revising school calendar to have shorter summer breaks and/or 4-day school weeks.*

## Non-Instructional and Student Support Programs

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

## Reserves and One-Time Funds

- Use up to \$5M reserves/one-time funds to maintain and bridge to 2012–13
- **Cost/Savings Target: \$5M one-time**
- *Direction for future years: Use up to \$3M from sales of surplus property or lease revenue in 2012–13. Return General Fund Reserve and Contingency Fund to 90% of board targets in 2013–14, and to board targets in 2014–15.*

## Revenue Enhancement

- Increase community use fees by 20% (\$20K)
- Lease some closed schools to charter schools or others (\$200K)
- **Revenue Target: \$0.22M GF**
- *Decision to come: Bond measure. The board will consider at a future meeting whether to place a bond measure on the May 2011 ballot to address critical needs, upgrade some aging school facilities, and shift some repairs, improvements and technology costs out of the operating budget (General Fund offload = \$1M)*
- *Direction for future years: Sell or lease Civic, Willard, or other vacant facilities, with 50% of proceeds to the General Fund Reserve. Implement any new revenue sources (e.g. a local tax to support schools) to mitigate reductions.*

## Other Options

### Direction for 2011–12 and future years:

Consider these options if they would result in actual cost-savings or more efficient operations:

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