Partnering to Deliver On Our Shared Vision for Student Success

• Staff have given up compensation and taken on workload, time and again, to support the children and families we serve.

• The district is committed to working hard to get teachers the resources they need to be successful in the classroom.

• The financial offer is a starting point that allows us to align limited resources in the 2014-15 fiscal year.

• The financial offer provides a sustainable budget that sets us on a positive course to recovery.

• We look forward to finalizing a contract and budget as quickly as possible, and providing the certainty our schools need to plan for the next school year, and many years to come.
Eugene School District 4J Financial Offer

Adds Teachers, Relieves Teacher Workload

Restores school days, eliminates lay-offs, relieves teacher workload, and reduces class size

• Restores 26 teaching positions that otherwise would be eliminated to close the $3.6 million budget gap in the preliminary budget
• Adds 15 positions to reduce class size and teacher workload
• Funds elementary music and physical education
• Maintains elementary teacher preparation time to be more equitable with middle & high school prep time
Eugene School District 4J Financial Offer

Adds Teachers, Relieves Teacher Workload

Restores school days, eliminates lay-offs, relieves teacher workload, and reduces class size

• Increases instructional time by restoring 4 of the 9 furlough days
• Maintains 2013-14 step increase, COLA increase, and insurance contribution increase
• Restoring 4 furlough days equates to 2% more salary for teachers over the 2013-14 school year
Closes the Short-Term Budget Gap

The budget shortfall will impact this *coming school year*. To help close the gap:

- The district’s financial offer proposes holding salaries steady with a one-year waiver of a salary step increase. It maintains the salary increases provided last year.
- Reserves lowered to 4.25%
Creates Long-Term Stability:

The district’s financial offer is a three-year contract that:

• Prioritizes stable and sustainable spending through 2017
• Allows us to plan for a full school year and increased compensation in the future
4J Finances for 2014-15

1) Resources Available
   • Come to a common understanding
   • Even if we agree to disagree

2) How Funds Are Spent
   • Budgeted spending – includes status quo and 2013-14 contract terms
   • Cost of contract proposals

3) Sustainability
   • Ongoing versus one-time resources
   • Ongoing versus one-time spending
Additional Resources for 2014-15

**EEA :** “Amount budgeted but expected to be unspent on salaries and benefits this year: $2,036,849”

**Observation:**

- This is not a final, firm figure
  - Reflects spending compared with April budget from Board monthly financial report – updated monthly
  - Final 2013-14 comparison status is June
- For a complete picture should compare all revenues and spending
  - The anticipated contingency amount compares projected versus expected spending
  - Any amount budgeted but unspent becomes part of the unexpended ending fund balance
Additional Resources for 2014-15

EEA: “‘District Retirement Benefits – expenses associated with past district-specific retirement incentive programs will decrease by 33.8% ($1.2 million) in 2014-15 as members of eligible groups retire and benefit eligibility ceases.’ That’s an extra $1.2 million that can be used for the schools 4J students deserve.”

Response:

• Yes, this is a decrease in projected costs
• It is already accounted for in the district’s 2014-15 preliminary budget
Additional Resources for 2014-15

**EEA:**

“Anticipated amount left in Contingency Fund: $1,131,000

“Amount anticipated to be spent to get Ending Fund Balance to 5%: $727,000

“Amount extra: $404,000”

**Response:**

- This is not a final, firm figure
  - Reflects spending compared with April budget from Board monthly financial report – updated monthly
  - Final 2013-14 comparison status is June
- Expect additional emergency costs to use part of this funding
- Any amount budgeted but unspent becomes part of the unexpended Ending Fund Balance
Additional Resources for 2014-15

*EEA:* “If the District keeps an Ending Fund Balance of 4% instead of 5%: $1,454,000”

*Response:*
- Following board direction we are reducing Ending Fund Balance to 4.25% to help alleviate the district’s deficit: $1,054,000
$14.7 Million to Retain and Restore Services for a Full School Year

- $4.4 million
  - Restoration of up to 9 furlough days

- $1.6 million
  - Implementation of staff salary step increases

- $0.7 million
  - Roll-up costs from last year’s salary increases

- $2.2 million
  - Elimination of one-time funding sources

- $3.6 million
  - Increased ESD costs

- $2.1 million
  - Recovery to 5% ending balance reserve

- $0.1 million
  - Other

**All numbers approximate**
Despite improving economic conditions and increased state funding, the new revenue is not adequate to meet budget needs.

**Closing the Gap**

- **Ending balance reserve** will drop from 5% to 4.25%
- **26 teaching positions** will be eliminated*

*Contract negotiations will determine final staffing scenarios

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**All numbers approximate**