Agenda:

1. Present Updated Financial Information
2. Present District’s Revised Contract Proposal
3. Review and Analysis of EEA’s Contract Proposal
Preliminary Budget

Projected Costs
$155.8 Million

Projected Revenue
$152.2 Million

$3.6 Million Budget Gap
Updated Financial Information

• **State Reconciliation**
  The State of Oregon has finalized its reconciliation for the 2012-13 school year, and it is higher than anticipated

• **2013-14 Ending Fund Balance**
  District 4J now has more certainty around the ending fund balance from the 2013-14 school year, and it is higher than anticipated

• **2014-15 Ending Balance Reserve**
  Proposed reduction of ending balance reserve from board policy level of 5% to 4.25%
Revised – May 15, 2014

Projected Costs
$155.8 Million

Projected Revenue
$152.2 Million

$1.1 Million
$3.6 Million Budget Gap

State Reconciliation
$2.0 Million
Ending Fund Balance
$1.6 Million
4.25% Reserve
$1.1 Million

Projected Revenue
## Revised Contract Proposal

<table>
<thead>
<tr>
<th>Preliminary Offer</th>
<th>Revised Offer</th>
<th>Difference</th>
</tr>
</thead>
<tbody>
<tr>
<td>5 Furlough Days</td>
<td>2 Non-contact Furlough Days</td>
<td>Funds first full academic year for 4J students since 2008-09</td>
</tr>
<tr>
<td>Restores 26 FTE &amp; adds 15 FTE</td>
<td>Restores 26 FTE &amp; adds 20+ FTE</td>
<td>Avoids layoffs, offsets largest class sizes and provides workload relief</td>
</tr>
<tr>
<td>No Step Increase</td>
<td>Full Step Increase</td>
<td>Provides $1.6 million towards salary increases for step-eligible employees</td>
</tr>
<tr>
<td>$450,000 in Embedded Costs</td>
<td>$340,000 in Embedded Costs</td>
<td>Reduces embedded cost provisions</td>
</tr>
<tr>
<td>Contract Changes</td>
<td>Fewer Contract Changes</td>
<td>Removes 29 lower priority contract changes</td>
</tr>
<tr>
<td></td>
<td>Trigger Provisions</td>
<td>Provides financial triggers for contract changes tied to revenue scenarios</td>
</tr>
</tbody>
</table>
Preliminary Analysis of EEA Financial Offer

• **$20 Million Cost**
  Preliminary analysis of offer elements totals $20 million in increased annual costs

• **Potential Program & Student Impacts**

• **Common Understanding**
  Seeking clarity on proposed elements to ensure a common understanding of the offer