



### Superintendent's 2022-23 Budget Message

May 9, 2022

Dear BSD Community,

The 2021-22 school year, once again, has been challenging for our students, staff, parents and community. We have welcomed back students to our schools with significant COVID-19 restrictions for much of the year. Recently, most of those restrictions have been lifted. Our highest priority is the health and safety of our students and staff. We also are keenly aware of the academic, social and emotional challenges that our students face. While the needs of our students and families have grown, our commitment to serve students and families remains unwavering. We have an amazing staff, and they are up to the task.

As we look to the next school year, it's our intention to remain fully in school — all grades, all day, five days per week — assuming that COVID-19 continues on its current trendline and guidance from the Oregon Department of Education and Oregon Health Authority allows us to do so. For those students who want to continue distance learning, they'll find a home in our FLEX Online School, a permanent online program in our district. As we move forward in a post-pandemic world, we take with us many learnings. We have learned to be more flexible and responsive. We are innovating the way in which we educate children and do business. And most importantly, we have prioritized equity in every instructional and operational decision that we make on our journey to becoming an anti-bias antiracist school district.

#### **Current Climate**

The 2022-23 budget is based on a State School Fund appropriation of \$9.3 billion for the 2021-23 biennium. It's important to note that this funding level is inadequate to meet the needs of our students and to maintain our current level of service over time. As a result, it may require budget reductions in future years, if the Oregon Legislature continues to underfund the State School Fund. We have and will continue to advocate for adequate funding from the state to maintain our core mission.

The District has received significant one-time funds from the federal and state governments. The 2022-23 proposed budget includes a projected \$48 million of remaining one-time federal funds that must be spent over the next two years and additional one-time state funds of over \$8 million (including a required district match) for programs this coming summer. These funds will be distributed via an equity lens with the intention of serving those students who have been most deeply impacted by the pandemic. We'll be targeting programs and interventions to address any unfinished learning targets and gaps, as well as an increased focus on mental health. In addition, funds will be spent on continuing COVID-related health and safety needs and capital projects to improve HVAC systems in some schools. Again, it's important to emphasize that these funds are one-time distributions and will require additional yet temporary staff to support students.

This budget message is designed to summarize important features, financial policies and planned modifications in the 2022-23 proposed budget. The total budget of \$1,523,218,029 and General Fund budget of \$622,821,541 is the result of aligning resources to priorities in the district's Strategic Plan previously set by the School Board, staff, students and community and extensive community outreach as a part of implementing the Student Investment Account (SIA). This budget proposal includes ongoing allocations for strategic investments, progress updates on strategic plan metrics, new funding from the SIA



and significant one-time funds from federal and state governments. It also identifies investments to be monitored for improvement in the coming years.

### **Planning the 2022-23 Budget**

We built the proposed budget with the district's Strategic Plan providing clear direction and focus. The budget is based on \$9.3 billion in funding from the State School Fund for the 2021-23 biennium. It also includes an additional \$32.1 million allocation from the SIA which is a slight increase from the 2021-22 school year. The SIA is a part of the Student Success Act (SSA) that passed during the 2019 Legislative Session. Funding for the SSA comes from the state's Corporate Activity Tax.

### **Notable Financial Assumptions**

- Assumes 2022-23 State School Fund amount of \$460 million
- Assumes Student Investment Account amount of \$32.1 million
- Assumes Career & Technical Education funding from the High School Success Act (HSS, Ballot Measure 98) of approximately \$11 million
- Estimates remaining Elementary and Secondary School Emergency Relief Fund (ESSER) II and (ESSER) III funds of \$48 million
- Includes a cost of living increase of 3% across all employee groups
- Includes maintaining the district-paid portion of health insurance
- Provides 286.2 teachers through the Local Option Levy of \$38.2 million
- Projects September enrollment of 39,263, a decrease of 113 from September 30, 2021, well below pre-pandemic enrollment projections
- Investment in class size of \$7 million for K-12 and an additional \$1 million targeted for middle school students
- Reduction in athletic participation fees by approximately one half
- Increase of 105.2 positions compared to the 2021-22 budget and 147.7 more positions compared to 2021-22 actual hired positions
- Increase in direct student supports of \$9.5 million, including the class size investment noted above
- Increase in central supports of \$2 million
- Provides for continued investment in Early Childhood Education by adding two schools in 2022-23 for a total of eleven schools

### **Multi-year Budget Development Process for 2022-23 Budget**

Phase 1: The School Board approved the budget calendar in June 2021, establishing a process for the 2022-23 budget. The Board also established a process to appoint vacant Budget Committee positions at the School Board meeting in August 2021. The open positions were advertised across the District and filled earlier this year.

Phase 2: From October to December 2021, the District developed and modified plans for use of ESSER II and III funding from the federal government passed down through the State of Oregon. Most of these funds were used to support portions of the SIA that were not funded, technology equipment and connectivity, safety planning and personal protective equipment, and urgent staffing needs for schools. Ongoing staffing shortages and use of federal funds caused the District to build financial reserves heading into the 2022-23 budget year.

Phase 3: From January through March 2022, the District solicited feedback from staff and community members by creating a Budget Listening and Learning video and a feedback survey that was widely promoted to staff, parents, students and community members. The District received just under 1,700 survey responses. That feedback along with input from district leadership informed some modifications to the General Fund. In addition, the District also solicited and received feedback



from stakeholders regarding the SIA, specifically around priorities, given the reduced amount of funding. The Staffing Allocation Methodology (SAM) committee also met to make modest adjustments to the model. The Superintendent's Cabinet reviewed the budget changes. Additionally, district leadership continues to monitor and adjust use of ESSER funds based on student needs. Plan modifications will continue throughout the next two fiscal years. All additions, reductions and modifications were or will be made based on continued impacts of the pandemic, alignment to the district's Strategic Plan, feedback from the Budget Listening and Learning survey, and through our equity lens.

Phase 4: Beginning in April through May 2022, the final phase includes the delivery of the Superintendent's Budget Message and the 2022-23 proposed budget to the Budget Committee. The Budget Committee will review the proposed budget, receive community testimony and accept requests for additional information. The Budget Committee ensures that the budget is balanced and aligns with the district's Strategic Plan and student needs. Updated plans for use of federal and state funds will be provided as additional information becomes available. Finally, the Budget Committee will approve the budget and tax levies and send the approved budget to the School Board for adoption in June.

### **Student Success Act (SSA)**

A significant portion of the SSA is the Student Investment Account (SIA). The SIA is a new source of funding that began in 2020-21 and is meant to address students' mental and behavioral health needs in addition to academic achievement, specifically among students of color, students experiencing disabilities, emerging bilinguals, students in poverty, students experiencing homelessness/living in foster care and other historically underserved students. The SIA also allows us to maintain and, in some cases, enhance existing programs in the areas of expanding instructional time, address student health and safety, reduce or maintain class size and caseloads, and provide a well-rounded education.

The SIA plan is based on significant community engagement and can be found on the district's [website](#). The SIA plan generally targets class size based on poverty and lowers class sizes at grades K-2; class sizes will be larger in schools with low levels of poverty and smaller in schools experiencing higher levels of poverty. Overall, class sizes will be about the same as budgeted for in the current year.

Additionally, the SIA plan allows the District to maintain and expand support for students' mental and behavioral health needs.

### **Staffing Allocation Methodology (SAM)**

The district uses a Staffing Allocation Methodology (SAM) to allocate most of the staff in our schools. The SAM currently uses funds from the general operating budget, Student Investment Account (SIA) and one-time Federal ESSER allocations. The SAM includes a commitment to a more equitable and responsive allocation of resources to schools based on the number of students living in poverty. We continue to assess the effectiveness of the new methodology since we spent most of the 2020-21 school year in CDL and experienced the current school year with a number of COVID-19-related restrictions and look forward to analyzing its impact in a more traditional school year. Time will be set aside again in the fall of 2022 to review the new SAM implementation and make modifications as funding allows. It's important to note, while we don't have the resources to fully fund the new SAM as it was created, it will provide a roadmap for future investments.

### **Conclusion**

In closing, I want to thank the School Board, administrators, staff and community for their dedication and hard work in preparing the proposed 2022-23 budget. Many thanks to the Budget Committee for its thoughts and attention in reviewing the proposed budget and providing feedback as we navigate these uncertain times. This work, much like the new SAM and SIA, provides a framework for future investments as well as guidance on spending priorities for the one-time ESSER II and III



federal funds. We'll use the priorities outlined in the district's Strategic Plan, new SAM, community input around the SIA, and the district's equity lens to direct our decision-making.

We'll continue to move forward and meet the challenges of educating our children in these uncertain times. We'll continue to advocate at the state level for not only our students but all Oregon students. We'll continue to look for ways to innovate and improve. And we'll continue to partner with our community to ensure that *all* students succeed.

I am pleased to propose a budget with significant investments to meet the needs of our students. Thank you for your consideration of the 2022-23 proposed budget.

Respectfully submitted,

A handwritten signature in black ink that reads 'Don Grotting'. The signature is written in a cursive style with a large, looping 'G' at the end.

Don Grotting  
Superintendent