



Superintendent's 2023-24 Budget Message

May 8, 2023

Dear Beaverton School District Community,

The 2022–23 school year has brought a return to more regular school routines for our students, families and staff, as well as an expectation of stability for the coming year. After multiple years in which the COVID-19 pandemic significantly impacted students' learning experience, our schools are back to normal operations and our full focus is on supporting students' achievement and well-being. While many students have experienced academic, social and emotional challenges as a result of the pandemic, and the needs of our students and families have changed over time, our commitment to serve them has remained unwavering.

To focus and guide our work over the next several years, the District has embarked this year on a community-engaged process to develop a new strategic plan. This process has provided an opportunity for students, families, staff, and community members to unite around our values, identify priorities and collaborate on key strategies to achieve the outcomes that we desire for our students.

The strategic plan will articulate Beaverton School District's mission, goals and focus areas in our efforts to support all of our students to succeed. Its essence is captured in a community-endorsed promise that the District is making to our families: **Belong. Believe. Achieve.** We believe that when students feel a sense of deep belonging and recognize that those around them believe in their capacity for learning, then they begin to believe in themselves and their ability to achieve their goals. We also believe it is our moral imperative to educate every student and provide them with the opportunities and support they need to succeed academically and define and achieve their own successful futures. Undergirding all areas of the plan is our steadfast commitment to equity, engagement, and excellence in all areas for all of our students.

The Beaverton School Board will take action to approve the strategic plan framework this spring. Once implemented, the plan will guide and align our work, help us appropriately direct our resources and improve outcomes for our students, while holding us accountable to our community.

Current Climate

As of today, the Oregon Legislature is planning on a State School Fund (SSF) appropriation of \$9.9 billion for the 2023-2025 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 will likely require additional budget reductions in the second year of the biennium. We have and will continue to advocate for adequate funding at \$10.3 billion from the state to maintain our core mission. In the meantime, we have built our budget on an assumption of \$10.1 billion for the biennium.

The District has received significant one-time funds from the federal and state governments to support increased needs due to the pandemic, and these funds are now phasing out. The 2023-24 proposed budget includes a projected \$22.0 million of remaining one-time federal funds that must be spent by September 30, 2024. These funds have been distributed via our equity lens with the intention of serving our 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 students' mental health and well-being. In addition, some funds will be spent on continuing COVID-related health and safety needs including capital projects to improve ventilation systems in some schools. It's important to emphasize that these funds are one-time distributions and the additional staffing they provide to support students will be temporary. We will spend time during the



2023-24 school year prioritizing and evaluating student needs, knowing there will be significant reductions in the 2024-25 budget due to the loss of these one-time funds.

This budget message is designed to summarize important features, financial policies, and planned modifications in the 2023-24 proposed budget. The total budget of \$1,544,321,757 and General Fund budget of \$666,321,402 is the result of aligning resources to emerging priorities identified through the extensive community outreach conducted to inform the District's soon to be adopted strategic plan, student success plan, and budget. The upcoming strategic plan is being developed based on input provided by the District's students, families, staff, community, and the School Board. While the new plan will be finalized after this budget is completed, there are a number of emerging themes and priorities we have used for budget prioritization. Additionally, there has been extensive community outreach to inform development of the District's Aligning for Student Success Plan through the Integrated Guidance process as outlined by the Oregon Department of Education, which includes funding for the Student Investment Account (SIA) and High School Success Act (HSS), as well as outreach for community input on general budget priorities. This budget proposal includes ongoing allocations for strategic investments, new prioritized funding for the SIA and HSS, and the remaining one-time funds from federal and state governments. It also identifies investments to be monitored for improvement in the coming years.

Planning the 2023-24 Budget

We built the proposed budget based on emerging themes identified during the District's strategic planning process. The budget is based on funding from a \$10.1 billion State School Fund for the 2023-25 biennium. It includes funding for nearly 300 teachers provided by the local option levy, which local voters resoundingly approved to renew in November 2022. It also includes a \$30.3 million allocation from the Student Investment Account, which is a decrease from the 2022-23 school year. The SIA is a part of the Student Success Act (SSA) that passed during the 2019 Legislative Session, funded by the state's Corporate Activity Tax.

Notable Financial Assumptions and Highlights

- Assumes 2023-24 SSF amount of \$479.4 million
- Assumes SIA amount of \$30.3 million
- Assumes Career & Technical Education (CTE) funding from HSS of approximately \$11.8 million
- Estimates remaining Elementary and Secondary School Emergency Relief Fund (ESSER) III funds of \$22.0 million
- Projects September enrollment of 38,111, a decrease of 659 from September 2022 and well below pre-pandemic enrollment
- Includes a cost of living increase of 4% across all employee groups
- Includes maintaining the District-paid portion of health insurance
- Provides 289.2 teachers through the Local Option Levy of \$40.5 million
- Continues investment of additional \$1 million targeted for middle school class size
- Decreases 90.4 positions compared to the 2022-23 budget
- Includes \$2 million for acquisition and initial implementation of a new enterprise resource planning (ERP) system
- Invests in expansion of dual language learning options, adding a program at one school in 2023-24
- Continues to invest in Early Childhood Education by adding programs at two schools in 2023-24 for a total of 13 schools
- Allocates resources to support adoption of balanced assessment and intervention systems
- Invests \$1.0 million for classroom technology and \$1.0 million for furniture replacements
- Reduces central department budgets by 3% or more



Multi-year Budget Development Process for 2023-24 Budget

Phase 1: The School Board approved the budget calendar in June 2022, establishing a process for the 2023-24 budget. The Board also established a process to appoint vacant Budget Committee positions at the School Board meeting in August 2022. The open positions were advertised across the District and filled by the Board in November 2022.

Phase 2: From October to December 2022, the District 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 plan that were not funded, technology equipment and connectivity, safety planning, HVAC improvements and personal protective equipment. Ongoing staffing shortages, statewide enrollment declines, and use of federal funds caused the District to build financial reserves heading into the 2023-24 budget year. Staff also used this time to follow the new Integrated Guidance for Aligning for Student Success process that governs the SIA, HSS and other grants. An internal stakeholder group met weekly to discuss plans for these grants and followed the requirements and timelines established by the Oregon Department of Education (ODE).

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 over 1,500 survey responses. That feedback along with input from District leadership informed some modifications to the General Fund. More specifically, the proposed budget includes reductions on two levels. The first reductions were made to align our current staffing to projected enrollment, maintaining the same staffing ratios in the Staffing Allocation Methodology (SAM) with no changes from budget year 2022-23 to 2023-24. The second set of reductions focused on the central office. Reductions of 3% across central departments and additional reductions in our Teaching and Learning department are reflected in the proposed budget. The primary goal was to make reductions as far away from the classroom as possible. In addition, the District also solicited and received feedback from stakeholders regarding the SIA and HSS specifically around priorities, given the reduced amount of funding. The SAM committee also met to make modest adjustments to the model and engaged in a discussion around priorities included in SAM. The Superintendent's Cabinet reviewed the budget changes. District leadership will need to evaluate a number of services currently provided with ESSER funds because those funds must be spent by September 30, 2024. These are one-time funds that will not be renewed. The District's new strategic plan and information collected during the 2023-2024 budget planning process will help to inform priorities for the 2024-25 budget year.

Phase 4: Beginning in April through May 2022, the final phase includes the delivery of the Superintendent's Budget Message and the 2023-24 proposed budget to the Budget Committee. The Budget Committee will review the proposed budget, receive community testimony, and request any additional information. The Budget Committee will see that the budget is balanced, aligns with themes of the draft strategic plan and student needs. Finally, the Budget Committee will approve the budget and tax levies and send the approved budget to the School Board for adoption in June.

Aligning for Student Success

Integrated Guidance for Aligning for Student Success is a new process required by ODE for school districts to receive funding for the SIA, HSS, CTE – Perkins, Continuous Improvement Planning, Every Day Matters, and Early Indicator Intervention System. Combined, these funding sources total more than \$42.5 million. The District assembled an Integrated Guidance Planning team last fall and conducted a comprehensive needs assessment, including reviewing data on graduation and dropout rates, Smarter Balanced Assessment results, English Language Proficiency results, Oregon Accelerated Learning and Career Technical dashboards, chronic absenteeism, Oregon Student Health Survey responses, and community feedback from



extensive outreach to students, families, staff and community. The Aligning for Student Success Plan can be found on the District's [website \(www.beaverton.k12.or.us\)](http://www.beaverton.k12.or.us).

Staffing Allocation Methodology (SAM)

The District uses SAM to allocate most of the staff in our schools. The SAM currently uses funds from the general operating budget, SIA, HSS 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. 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. We continue to assess the effectiveness of the new methodology since it was implemented just prior to COVID-19. Time will be set aside again in the fall of 2023 to review the SAM implementation and make modifications as funding allows.

Conclusion

In closing, I want to thank the School Board, administrators, staff and community for their dedication and hard work in preparing the proposed 2023-24 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 Staffing Allocation Methodology and Aligning for Student Success Plan, provides guidance on spending priorities and a framework for future investments. We'll use the priorities outlined in the District's strategic plan, equity lens, Staffing Allocation Methodology, and community input to guide our decision-making.

We'll continue to move forward and meet the challenges of educating our children in these changing 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 2023-24 proposed budget.

Respectfully submitted,

A handwritten signature in black ink, appearing to read 'Gustavo Balderas', written in a cursive style.

Gustavo Balderas
Superintendent
Beaverton School District