

**Saint Helens School District**



# **COMMUNITY BUDGET GUIDE**

**Building Strong Schools for a Strong Community**

**Mark A. Davalos, Superintendent**

**2014-2015**

# Superintendent's Budget Message for 2014–2015

## *Will Fewer State Reductions Result In Stability for Schools?*

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### **CONTEXT**

The 2014-2015 St. Helens School District budget is constructed with all fiscal realities and best intentions. It has been developed with the purpose of guaranteeing an equitable educational experience for our students. During my three years as superintendent, many hours have been devoted to managing our budget to support both a solid educational foundation and to increase student achievement. This work has been both meaningful and alarming.

We have outstanding students ready and willing to learn. They are eager and excited and need every learning opportunity that will prepare them for future careers. Our parent community wants what is best for their children and counts on us to make every year the educational experience any and every child should get across this great nation. Our community is proud of its schools and expects us to be competitive and diligent about the educational programs we offer.

Programs that enhance learning, a robust activities program and full high school athletics still exist in St. Helens at a time when other districts across the nation have lost them. We maintain a strong arts program, career-technical options at the high school, numerous college credit bearing high school courses and an overall great academic program K-12.

### **Achievement Compact - Impact on Local Budgeting**

The process of setting goals around critical indicators and defining strategies to achieve these goals, is somewhat meaningless unless it is used to directly inform an institution's budgeting process. While performance on the Achievement Compact is not related to the level of funding institutions receive, the Achievement Compact goals should drive budget priorities. Achievement Compacts should incent educational entities to "budget the plan, not plan the budget."

Our goals reveal a need to focus on early learning K-3 and high school success, starting with the 9<sup>th</sup> grade and ending with a higher graduation rate. While these goals need to be addressed and funded, our overall needs are always kept important and necessary.

## **Strategic Plan for the Future**

The current strategic plan, “Blueprint for Success”, expires this year and I welcome the opportunity to help write a new chapter for St. Helens’ schools. Our goals were meaningful and our results average. I believe we can, and must, do better. I see many positive changes developing across the District and I believe we have the staff and support to aim high. We must expect our student achievement levels to improve. We are planning to embrace and infuse Science, Technology, Engineering and Math (STEM) concepts throughout the district and to use this platform to raise rigor and better prepare our students for the future. We are hopeful these plans may include the re-opening of Columbia City. We must strive to improve the overall K-12 experience and have our graduates ready for post-secondary options.

These goals for our students require us to move achievement upwards. Our early students cannot fall behind and should, instead, be ahead. This will allow all to make the high school years focused on the development and determination of a plan for what comes after the graduation ceremony. Students must be university prepared or major in a career preparation collection of courses and experiences that will lead directly to work training or other college and learning experiences. We will work to strengthen each high school student’s plan that will focus on the Governor’s 40-40-20 model and have every student prepared for success beyond high school. Our next plan should emphasize this pledge.

## **Challenges**

My list of concerns is long. We have suffered through huge budget reductions for many years and student numbers are declining. The results of those cuts have been larger class sizes which place a huge burden on existing staff to do more with less. We have ended that decline and a Board and District priority is to lower class sizes.

Our Professional Learning Teams (PLT) time, which was afforded by the weekly early release schedules in place for several years, was reduced to every other week in 2013-2014 and, subject to Board decision, will remain there for now. This team time is necessary for teacher collaboration, data review, examination of student work and adjusting learning that will better student results on time and during the year when it is most needed.

Prior to last school year classroom teacher and student supports, often offered by classified employees, all but disappeared. This denied us the ability to implement best practices in reading and instruction across our system. A new infusion of support staff is producing positive outcomes and must be maintained. K-2 teachers will have some of the lowest class sizes and the additional instructional assistants focused on our target for early learning success.

Materials are aging and new textbook adoptions come at costs the budgets haven't included. Older adoptions do not align well to the new learning standards and new materials are critical. Essential technology is being purchased and replaced but not the newer innovative and modern technologies our students should be using each and every day. Our new reconfiguration has exposed several challenges that require resources to remedy. These issues must be addressed and we will try to do so while maintaining core budget priorities.

### **State Decisions, Declining Enrollment and PERS**

The impact of state education revenue funding suggests improved advocacy, governance and funding. The State is funding more dollars for schools but the dollars lost, due to declining enrollment and PERS liabilities, all but neutralize any sense of increase. The focus of this budget is what our students, at this moment, need to prepare them for their future. Our students will not get a redo year, ever. Their opportunity to learn is now and we must do our best to give every student a chance to advance their knowledge and skills. As a result, this budget looks to manage class size, maintain motivating and necessary programs, and provide the educational opportunities and tools students deserve. This budget will also look to provide respectful career satisfaction and employment for as many employees as the budget and focus allows. We must maintain and eventually improve current staffing levels and offer a full school calendar to achieve both educational and organizational goals.

The message will seem simple to many and not extremely creative. I hope you will clearly see a more stable and hopeful focus for next year as you review and consider this proposal.

### **WHERE WILL OUR INVESTMENT GO?**

Teachers make up the "Lions" share of our budget. This budget will do much to maintain our annual staffing allocation and finally stabilize class sizes. They are still larger than we desire but we must celebrate an end to the crisis of larger and larger numbers at every grade. We are very competitive with our compensation and benefits to staff and I believe St. Helens School District is a great place to work. The overall allocation of resources is thoughtfully planned and schools have the necessary organizational depth to provide meaningful learning programs at all levels.

### **Staffing Process**

We have developed staffing documents and procedures that identify how our allocations affect class size and provide equitable distributions across schools and grade levels. This analysis enables us to compare program and staffing across the district. The staffing analysis begins with enrollment. Shifts in enrollment equate to adjusted staff allocations. Building staffing decisions include grade-

level variances with expected smaller class size at the lower levels. Staffing allocations are formulaic with staff assigned to buildings based on estimated class-size averages. First, schools are assigned core staff which includes administration and counseling. Secondly, teacher allocations are given based on a determined class-size average that takes into account preparation periods for middle and high school and specialist teachers at the elementary grades. Thirdly, classified allocations are made by a staff-to-student ratio taken from current distributions with adjustments made to equalize grade levels and to provide a focus on instructional support. Finally, Federally-funded programs are staffed according to state and federal allocations and organizational needs and decisions. Those programs include Special Education, English Language Learners, Title programs, and Nutrition Services. The actual breakdown of class size averages are illustrated on the school demographics page. The ratios are not guarantees; class size ratios are used to align staffing with District priorities.

Administrators are ready to move forward the new Common Core learning standards, implement all graduation requirements (Essential Skills), manage the new Achievement Compact targets, evaluate staff more often under the new state Educator Effectiveness model, manage student safety, and address student behaviors that larger class sizes and life challenges stimulate. Currently, the only school without an assistant principal is our Middle School. I proposed adding an Assistant Principal last year and we all decided to invest dollars elsewhere. I will keep the status quo for next year so our dollars remain fixed on direct instruction.

The budget also includes the maintenance of several K-2 reading assistants. These positions complement a best-practice approach in providing instructional support during the critical reading block time so teachers can focus on the direct reading instruction of our students. As stated before, the results of this investment are very positive.

### **Will We Have Stability?**

In conclusion, I have always believed that optimism and positive-thinking perspectives keep us on the right track and help us make the most of each day. Public education has suffered and is facing many challenges. We can, and must continue to instill hope and opportunity in our children, helping them prepare for adulthood and the world of work. This budget suggests stability and hints at the end of a very difficult and challenging era. We must endeavor to deliver results with the limited resources we have and hope for more in the future.

# Budget Process: Our Plan for 2014–2015

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## BALANCING THIS BUDGET

The budget forecast for next year began with our Governor's biennial forecast in December, 2012. Since then, newer and more positive numbers have been communicated across the state from the Legislative Ways and Means Committee. COSA, OSBA and others have joined most school districts in calling for additional dollars which were communicated through that Legislative Committee's report. This budget is constructed from an estimated state fund of \$6.55 billion dollars for the biennium. Based on the proposed funding level the following revenues, costs and adjustments define what is available against what must be covered. The following items and assumptions are all critical to the budget:

- ✚ This budget assumes a full calendar with no budget reduction days.
- ✚ Next year's Extended ADMw will be about 3,615 compared to this year's Extended ADMw of 3,660, a decrease of 1.2%.
- ✚ The General Purpose ADMw grant will be \$6,887 per student as compared to this year's \$6,570, an increase of 4.8%.
- ✚ After enrollment loss, the net increase to the District funding is \$850,000. If ADMw remained constant with the \$317/student increase, the district would have received a \$1.16 million increase. Due to decreased ADMw, we calculate a loss of \$310,000, leaving a net increase of \$850,000
- ✚ PERS bond costs increase by \$100,000 between this year and next, an increase of 5.2%.
- ✚ Our proposed 2014-15 General Fund budget is \$29.5 million compared to the 2013-14 adopted budget of \$28.6 million.
- ✚ Sequestration reductions to federal grants are projected to be about \$60,000.
- ✚ District property and liability insurance premiums are expected to increase by almost \$20,000, or 10%.
- ✚ Building and grounds utilities expense will increase by about \$30,000, or 5%. However, the building and grounds non-payroll budget total is the same. This will result in decreased services.
- ✚ This budget holds employee levels stable with the District rolling forward the same general FTE.
- ✚ Class size ratios will see small improvements. This is due to holding employee levels stable despite declining enrollment.
- ✚ Several high-needs special education students have enrolled. The 2014-15 legally required additional services will cost \$150,000 plus at least 1.0 FTE classified aide. These have been included in the proposed budget.
- ✚ Other general fund classified positions are expected to stay about the same.

This flat or staff-neutral budget is not stability but it does hint at the end of our fall. The next two years can be stabilizing with hope for increased funding and cost management in the future. To accomplish this neutral budget some resources must be utilized. The following comes from good practices and thinking by the school board, budget committee, budget management and staff.

The 2013-14 Actual Ending Fund Balance is expected to be about \$3.5 million. This amount will rollover to become the 2014-15 Beginning Fund Balance. To balance the 2014-15 budget, we recommend a budgeted ending fund balance of \$1.8 million. This amount includes \$500,000 Contingency and \$1.3 million Unappropriated Ending Fund Balance.

Over a quarter of the District's General Fund revenue does not begin arriving until November when the first installment of property taxes is due. Because of this, each year the District must budget a reserve to start the following fiscal year. This reserve helps cover the four month gap in cash flow. The District structures its reserve as Contingency (which can be used in legally defined unanticipated events) and Unappropriated Ending Fund Balance (which can only be used in extraordinary circumstances such as a civil disturbance or natural disaster).

This \$1.8 million reserve represents about 6% of the general fund budget. While it is a reasonably prudent amount, the district will require additional resources for 2015-16 in order to sustain the 2014-15 proposed spending level.

## **In Conclusion**

This budget is, what I believe to be, the best recommendation for next year. My recommendation provides and preserves exceptional services to our students. These services and protections include:

- ✚ Managed class sizes
- ✚ Library centers of learning
- ✚ Arts programs, including Music education
- ✚ Strong academic programs, K-12
- ✚ Career-technical course options
- ✚ College credit courses
- ✚ Physical education
- ✚ Counseling
- ✚ Leadership
- ✚ Technology support
- ✚ Early Learners reading support

The list is not inclusive of all elements in the budget but it exemplifies our resolve to take great care of the educational needs and rights of next year's students. In these times, I am proud of what we can still do.

# ST. HELENS SCHOOLS BY THE NUMBERS

## 2014-2015 School Projections

Enrollment- 2915

Teachers FTE<sup>1</sup> -114.18

Counseling Staff FTE – 5.5

Schools – 5

Support Staff FTE<sup>1</sup> – 55.68

Administrators- 8; Dean - 1

- **St. Helens High School**
- Principal – BG Aguirre
- Classroom Ratio: 30.3
- Enrollment – 944
- Administrators – 3.0 FTE
- Counselors -2.5 FTE
- Teachers<sup>1</sup> – 36.31 FTE
- Support Staff – 15.89 FTE



- **CRYC (SHHS Program)**
- Enrollment – 17
- Teachers – 1.0 FTE
- Support Staff – 1.0 FTE



- **CCEC**
- Head Teacher – Coleen Grogan
- Enrollment – 88
- Teachers – 3.0 FTE
- Support Staff – 2.72 FTE



Support staff= classified, custodial and food service

<sup>1</sup> Special programs & special education general fund fte not included.

- **Lewis & Clark K-6**
- Principal – Cathy Carson
- Classroom Ratio: 25
- Enrollment - 725
- Administrators – 2.0 FTE
- Counselors – 1.0 FTE
- Teachers<sup>1</sup> – 29.0 FTE
- Support Staff – 14.06 FTE



- **McBride K-6**
- Principal – Karla Thompson
- Classroom Ratio: 25
- Enrollment - 657
- Administrators – 2.0 FTE
- Counselors – 1.0 FTE
- Teachers<sup>1</sup> – 26.0 FTE
- Support Staff – 12.66 FTE



- **St. Helens Middle School**
- Principal – Carol Dowsett
- Classroom Ratio: 29.9
- Enrollment - 484
- Administrators – 1.0 FTE
- TOSA/Dean – 1.0 FTE
- Counselors – 1.5 FTE
- Teachers<sup>1</sup> – 18.87 FTE
- Support Staff – 9.35 FTE



Total Budget \$40,198,803

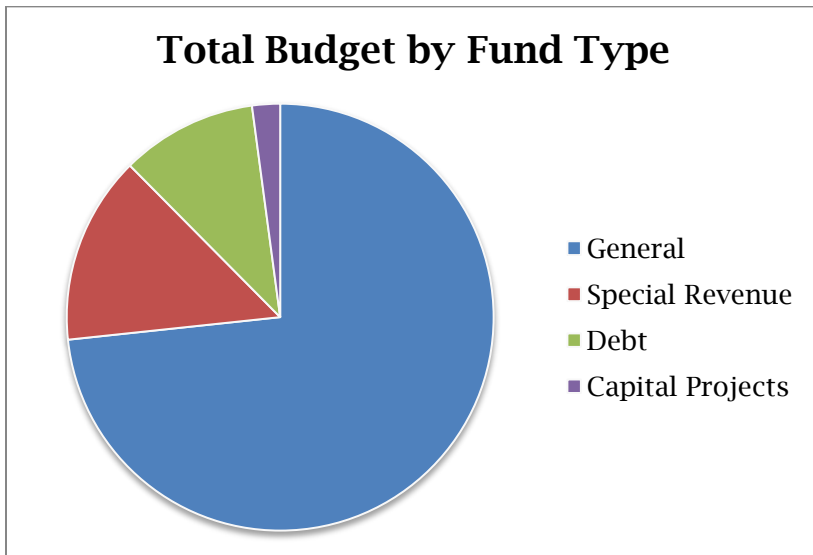
Each year our School Board adopts a financial plan (budget) for the upcoming school year. This plan guides our staff in how funds are spent toward instructional programs for students. The budget is initially put together by the superintendent and district staff based on feedback from staff, parents and community members. The Budget Committee, composed of the five board members and four local citizens, then reviews the plan and gathers feedback from our local community. After review and possible revisions, the Budget Committee approves the financial plan. The School Board then adopts the financial plan as our Adopted Budget for the coming school year.

## Fund Accounts

**General Fund: \$29,471,000 73%**  
Our main operating budget. This fund pays for the instructional programs, daily operations of our schools, and general functions of our school district.

**RESTRICTED - Special Revenue Funds: \$5,731,129 14%**

Special Revenue includes accounts that are for self-supporting programs, grant funds we have received for specific projects, or fee-based programs. Included under these accounts are funds received from the federal government for Special Education and Title programs, School Nutrition, and Student Body Accounts. Money in Special Revenue accounts may only be used for targeted programs and services as specified by the source of funds. Because the District cannot know all the grants that it will receive during the upcoming year, the special revenue budget includes extra appropriations so the District has the legal ability to timely spend unexpected grants which are approved by the School Board.



**RESTRICTED – Debt Service Funds**

**Total = \$4,146,674 10%**

**General Obligation Bonds: \$2,110,000**

When our district sells bonds to finance voter-approved construction, an account is set up to repay the debt. We are currently paying debt approved by voters in 1999 to remodel Columbia City Elementary with a remaining balance of \$3.65 million. The district also has debts for the Middle School roof and the High School grandstand. These are paid from the General Fund and the remaining balances at the start of 2014-15 will total \$867,000.

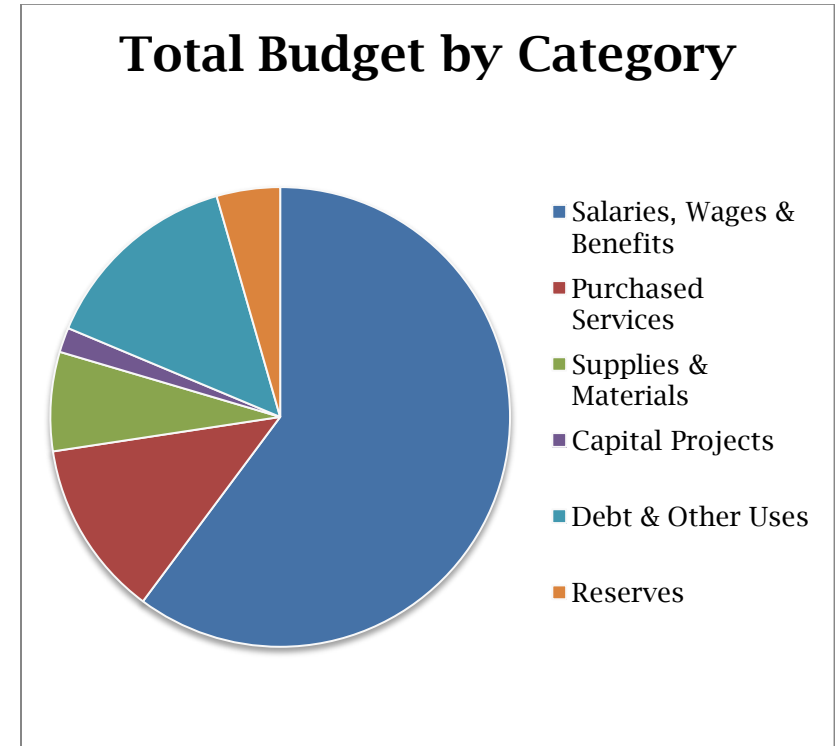
**PERS Bonds: \$2,036,674**

This fund tracks our district’s refinancing of the accrued Public Employee Retirement System (PERS) liability. We refinanced the debt through the issuance of pension bonds in 2002, 2003 and 2011. The money for the repayment of these is tracked in this fund account.

**RESTRICTED – Capital Projects: \$850,000 2%**

In 2008, the Board authorized a construction excise tax on all new construction and entered into an Intergovernmental Agreement with Columbia County to collect it. The proceeds from this tax are deposited directly into the Capital Projects Fund and are used for school construction and repairs.

This fund is larger than usual this year due to unforeseen circumstances that postponed some essential projects. Among other projects, the district plans to repair and repaint the exterior of the High School’s “A” building this year, as well as the weightlifting and PE storage buildings. The fund also contains additional appropriations to permit spending unexpected grants which are approved by the School Board.



## General Fund \$29,471,000

The majority of the General Fund goes toward instruction and support services for students. The General Fund is our main operating budget, and is the area that our School Board has the most discretion over. Allocation of General Fund resources flows from Board direction and the district's strategic plan.

### **Instruction of Students: \$16,291,700 (55%)**

All costs associated with classroom instruction; for example, teacher salaries, supplies and activities are budgeted in this portion. It also includes services for alternative education, guidance/counseling, special education, English Language Learner, charter school payments, and other compensatory instructional programs.

### **Direct Support to Students: \$8,923,702 (31%)**

This piece includes all costs that go toward running a school, including student safety, school offices, maintenance, custodial, and student transportation. It also contains costs for assessment and testing, library media services, printing, technology, school curriculum and staff development.

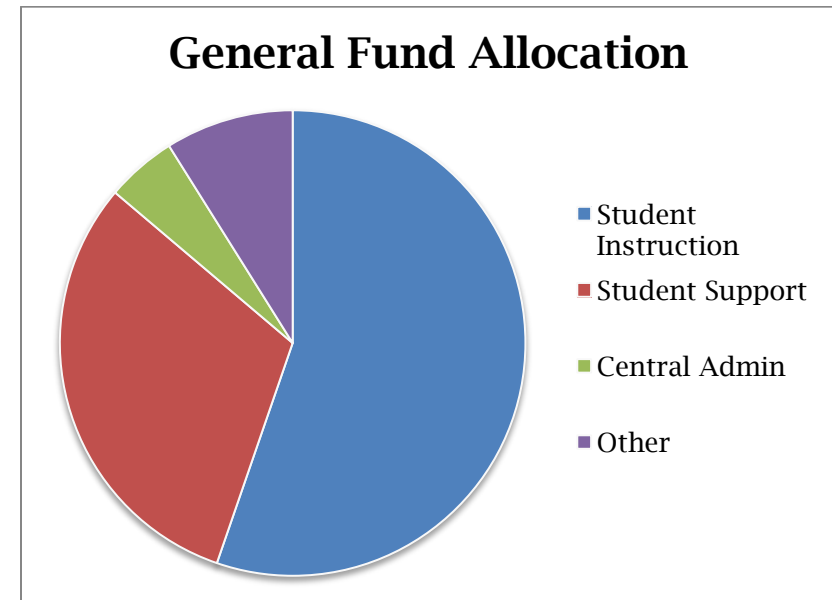
### **Central Administration: \$1,442,972 (5%)**

Expenses for services provided centrally by our district include the Board, Superintendent's office, Human Resources/ Personnel, Business Services, Special Education direction, Communications, and

Purchasing/Mail. Each school depends on these services to run its educational programs.

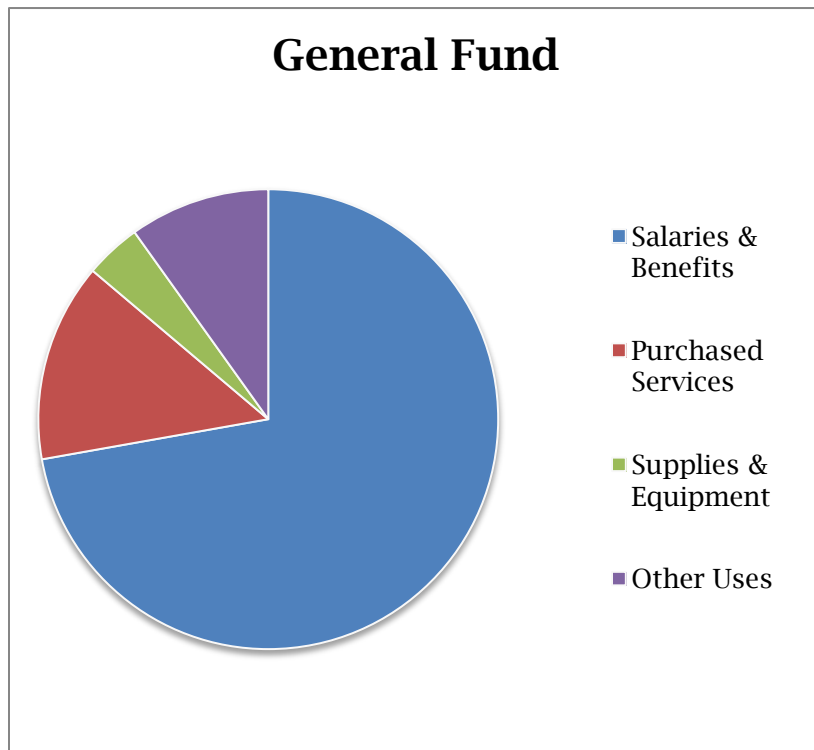
### **Other : \$2,627,000 (9%)**

This category includes debt service, fund transfers, contingency, and the unappropriated ending reserve.



## General Fund by Category

The following graph shows how the General Fund is budgeted by specific categories, such as salaries, wages and benefits, supplies and materials, etc. As the graph shows, 72 percent of the General Fund (\$21.3 million) pays for people (salaries and benefits), and the majority of those people are school staff such as teachers.



Purchased Services accounts for 14 percent of the budget (\$4.1 million). This includes utilities, legal services, contracted work, and other services we do not provide for ourselves and must purchase from outside agencies.

Supplies and Equipment are allocated 4 percent (almost \$1.2 million) of the General Fund.

Other Uses comprise about 4 percent (almost \$2.9 million) of the General Fund. This category includes contingency funds, which are used to pay for unexpected expenses, and the Transfer of Funds account, which are funds that must be transferred to restricted accounts. In addition, this category includes funds used to pay for the retirement of debt from lease/purchase agreements, dues and fees, and operational licenses and permits.