

Saint Helens School District



COMMUNITY BUDGET GUIDE

Building Strong Schools for a Strong Community

Mark Davalos, Superintendent

2013-2014

Budget Message for 2013-2014: Will Fewer State Reductions Result In Stability for Schools?

The 2013-2014 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 first two years as superintendent, many hours have been devoted to managing our budget and its ability 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.

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, though the depth is too close to minimal support.

In addition to our daily work, state leaders have added many worthy, but challenging, new initiatives that require both time and resources. Unfortunately, these initiatives don't come with dollars attached. We are working to change our evaluation system, submitting annual targets to the Oregon Educational Investment Board (OEIB) in place of the No Child Left Behind (NCLB)/Adequate Yearly Progress (AYP) reports and are implementing a new set of Common Core State Standards.

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 are larger class sizes, which place a huge burden on existing staff to do

more with less. Our PLC time, which was afforded by the early release schedules in place for several years, will go away in this next calendar. Seat time is critical to learning and the shortened school-year, due to reduced budget days, adds up to far too many lost hours. Staffing cuts have included all employee groups, leaving behind concerns over student safety, school improvement, professional learning of staff and the needed learning supports our students require. The loss of enrollment weakens our schedules and limits the number of programs and opportunities we can provide; everything gets harder to protect.

Prior to this school year, classroom teacher and student supports, often offered by classified employees, had all but disappeared and denied us the ability to implement best practices in reading and instruction across our system. A new infusion of staff is producing positive outcomes and must be maintained.

Materials are aging and new adoptions come at costs the budgets haven't included. 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.

Strategic Plan for the Future

The current strategic plan, "Blueprint for Success", expires next 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.

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 stopping the crisis of larger and larger numbers at every grade.

Administrators are required to move forward the new Common Core learning standards, implement graduation requirements (Essential Skills), manage the new Achievement Compact targets, evaluate staff more often under the new state initiative SB290, manage student safety, and address student behaviors that larger class sizes and life challenges stimulate. Last year, in our drive to maintain equity between the two new K-6 schools, we asked for an assistant principal at each site. The result was a shift of a TOSA position from Lewis & Clark to the Middle School. Now, the only school without an assistant principal is our Middle School. I need to support the workload asked of the middle school staff and support a request to shuffle current staffing allocations and return the Assistant Principal position. This will not be an add-on to the budget, but a re-assignment of current building allocations. I fully support this change.

The budget also includes the maintenance of several K-1 reading assistants. These positions complement a best-practice approach in providing instructional support during the critical reading block time so teachers can better focus on the direct reading instruction of our students. As stated before, the results of this investment are very positive.

Staffing Process

We have developed staffing documents and procedures that identify exactly how our allocations affect class size and provide equitable distributions across schools and grade levels. This analysis enables us to compare program and staffing trends 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 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. 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. Those programs include Special Education, Title 1, and Nutrition. The actual breakdown of class size averages are illustrated on the demographics page.

State Decisions, Declining Enrollment and PERS

The impact of state education revenue funding is alarming. The State proposals hint at 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 while caring for and providing respectful career satisfaction and employment for as many as the budget and focus allows. We must maintain and eventually improve current staffing levels and begin to restore days 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 on next year as you review and consider all contents.

Will We Have Stability?

In conclusion, I have always believed that optimism and positive-thinking perspectives keeps 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, do the job and continue to instill hope and opportunity in our children, helping them prepare for adulthood and the world of work. We will be closer to stability with this budget, even if “Stability” only means no further falling. We must endeavor to deliver results with the limited resources we have.

Budget Process: Our Plan for 2013–2014?

Balancing This Budget

The budget forecast for next year began with our Governor's forecast in December. 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:

- Next years' ADMw will be 3,622 compared to this year's ADMw of 3,799, a decrease of 4.7%. This will reduce our funding by almost \$1.2 million.
- The General Purpose ADMw grant will be \$6,562 per student as compared to this year's \$6,024, an increase of 8.9%. After enrollment loss, the net increase to the District funding is \$880,000.
- PERS employer and PERS bond budgeted costs will increase by more than \$1.3 million between this year and next, an increase of 65%.
- Our proposed 2013-2014 General Fund budget is \$27.9 million compared to the 2012-2013 budget of \$26.4 million.
- Federal sequestration reductions to federal grants are projected to be about \$60,000. This moves the cost into the General Fund for those programs required by law.
- District property and liability insurance premiums are expected to increase by over \$40,000, or about 25%.
- The student transportation budget is increased by \$90,000 based on the contract and fuel expenses.
- Building and grounds utilities costs are expected to increase by about \$70,000.
- 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.
- Our Middle School has asked to reassign CORE dollars to create an Assistant Principal position and reduce a 0.5 FTE counselor. The 1.0 TOSA position is combined with the .5 counselor cost to create the 1.0 Assistant Principal position. Some dollars will be saved in the process.
- A 0.5 FTE teacher position will be reallocated from the high school to the middle school to better balance class size ratios between the two buildings. Both will still begin the year with better ratios than last year.
- General fund classified positions are expected to stay 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 sacrifice of paid days is shared by all staff.

To balance this year's budget, we recommend reductions in the areas of:

- Reserves
- Budget Reduction Days
- Beginning Fund Balance

Reduced Reserves

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).

For 2012-13, the District's allocation for reserve totaled \$1.8 million, or 7% of the General Fund budget. This was reduced by \$320,000 for the 2013-14 budget to \$1.5 million. This is 5% of the budget, which is the generally accepted prudent minimum reserve.

Budget Reduction Days

Until last year, SHSD had never cut school days. While we are proud to have kept a full student year, the reality is that in not cutting days the budget reductions zeroed in on program and staff reductions. Last year a new reduction option was added that prevented us from having to make large numbers of staffing cuts. The new option was the reduction of days. Overall, eight days were reduced and this saved \$600,000. I must clarify that while this cost-saving measure helped control class size increases, it is eight fewer days of instruction and eight days of pay out of every employee's livelihood. This is nothing to be proud of.

This year we have agreements in place that allow us to reduce up to eight days. Each day across the entire organization saves \$80,000. I am recommending six (6) days which will reduce our deficit by \$480,000.

Beginning Fund Balance

Those General Funds remaining at the end of a fiscal year roll forward to the next fiscal year and are shown in the following year's budget as the Beginning Fund Balance. Projecting this balance requires walking a tightrope. To prevent sudden layoffs in the fall, the District must conservatively estimate this amount on the low side. However, too much conservatism can cause unnecessary layoffs prior to the fiscal year's start.

During 2011-12, we encountered many unexpected large expenses. In response to this fiscal uncertainty, we cut spending to the barest minimum. Late in the year, we received unexpected revenue. Between the reduced spending and the additional revenue, the District's ending fund balance for 2011-12 (also the beginning fund balance for 2012-13) was \$700,000 more than expected. This represented 2.6% of the General Fund budget.

Because of this, the District is able to estimate the 2013-14 Beginning Fund Balance at \$2.85 million, or \$450,000 greater than the 2011-12 beginning balance. These funds help address our deficit.

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 School District 2013-2014 Budget Funding & 2013-2014 Budget Reductions	
This information provides an explanation of funding need, expected revenue, and how St. Helens School District balanced the proposed 2013-2014 General Fund Budget.	
FUNDING	
2013-14 General Fund expenses with full calendar plus all increased costs, including PERS employer expense and PERS bond payments	\$28.75 million
Revenue - expected income and same carry forward as prior year	\$27.5 million
FUNDING SHORTFALL	\$1.25 million
REDUCTIONS	
Six (6) District-wide reduction days @ \$80,000 per day in the General Fund	\$480,000
Reduced planned reserve to 5% of General Fund budget	\$320,000
Additional beginning fund balance carryover from 2012-13	\$450,000
NET CHANGES TO REVENUE & EXPENSES	\$1.25 million

EDUCATING ST. HELENS SCHOOL DISTRICT STUDENTS

2013-2014 School Projections

Enrollment- **3,000**
 Teachers FTE¹ -**111.74**
 Counseling Staff FTE - **5.5**
 Schools - **5**
 Support Staff FTE¹ - **43.71**
 Administrators- **8**



159 Years of Educational Excellence

With more than 3,000 students and over 200 anticipated graduates this school year, the St. Helens School District has come a long way from its humble beginnings in 1851. The district is 162 years old, older than the state of Oregon, which celebrated its 150th birthday February 14, 2009.

The first school building was constructed in 1851, and fall of 1852 eleven students attended classes. Two years later, residents built another school that also served as a church complete with spire and bell. A third school, built log cabin style, was finished in 1866. However, this building was burned following the 1877 smallpox epidemic.

A lot, for a permanent school, was deeded to the fledgling district February 1881; this is presently known as the Olde School. By 1892, 45 students were enrolled, and by 1910, enrollment had tripled to 149. The first graduating class was the class of 1913. By 1960, several of the smaller local districts, including Houlton, Columbia Heights, Deer Island, Columbia City, Yankton, Canaan, Trenholm, and Bachelor Flats, consolidated to form the current St. Helens School District.

Certainly facilities and curriculum have changed over time, but some things have not changed. Now, as then, the district's enthusiastic teachers and hard-working students are creating a brighter future for both the local community and Oregon.

What will the St. Helens School District be like in another 160 years? Who knows? But one thing is for certain. The District will still be "Dedicated to Inspiring Excellence for All."

Lewis & Clark K-6

Principal - Cathy Carson
 Classroom Ratio: 27:1

- Enrollment - 766
- Administrators - 2.0 FTE
- Counselors - 1.0 FTE
- Teachers¹ - 28.0 FTE
- Support Staff¹ - 10.22 FTE



McBride K-6

Principal - Karla Thompson
 Classroom Ratio: 27:1

- Enrollment - 646
- Administrators - 2.0 FTE
- Counselors - 1.0 FTE
- Teachers¹ - 24.0 FTE
- Support Staff¹ - 8.81 FTE

St. Helens Middle School

Principal - Joanna Tobin
 Classroom Ratio: 31:1

- Enrollment - 472
- Administrators - 2.0 FTE
- Counselors - 1.0 FTE
- Teachers¹ - 17.87 FTE
- Support Staff¹ - 6.75 FTE



St. Helens High School

Principal - Andy Croley
 Classroom Ratio: 32:1

- Enrollment - 1,026
- Administrators - 3.0 FTE
- Counselors - 2.5 FTE
- Teachers¹ - 37.87 FTE
- Support Staff¹ - 14.23

CRYC (SHHS Program)

- Enrollment - 15
- Teachers - 1.0 FTE
- Support Staff - 1.0 FTE



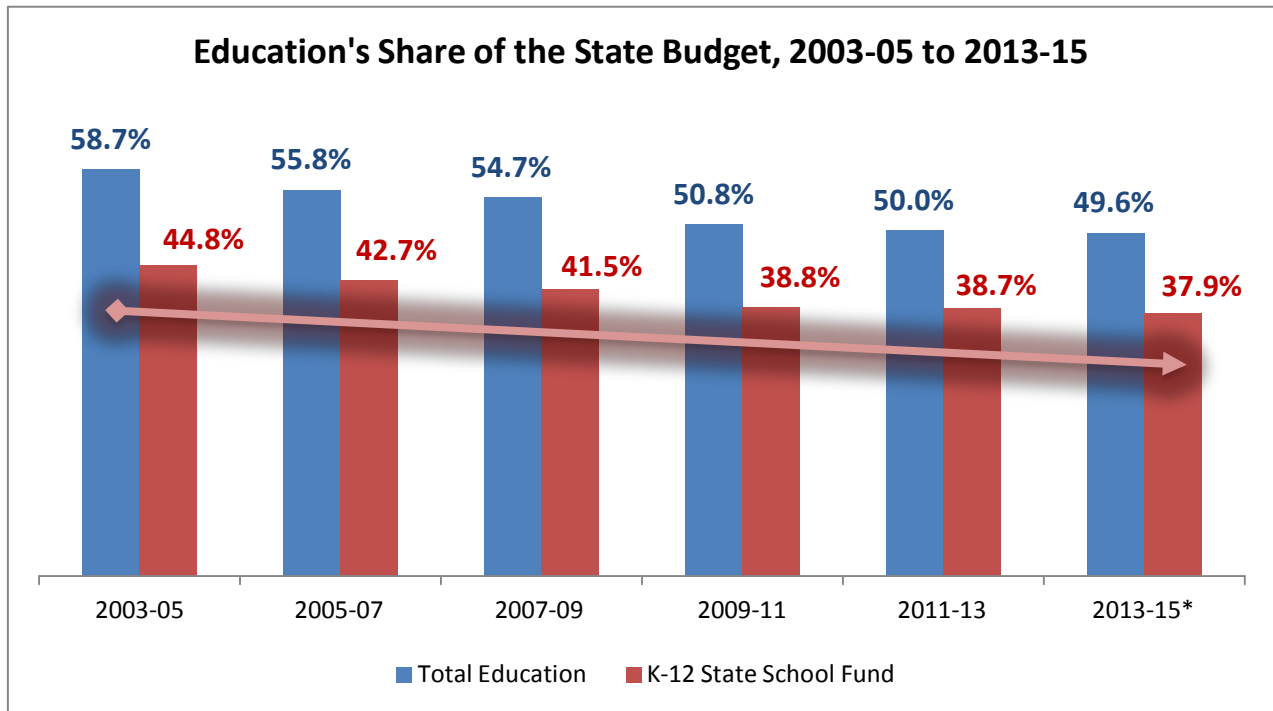
CCEC

Head Teacher - Coleen Grogan

- Enrollment - 75
- Teachers - 3.0 FTE
- Support Staff - 2.70 FTE



¹ Special Programs & Special Education General Fund FTE not included.



*Governor's Recommended Budget

Source: Legislative Revenue Office

Education's share of the state general fund and lottery budget has steadily declined

The share of Oregon's state general fund and lottery budget allocated to education has declined steadily since 2003-05. The governor's proposed 2013-15 budget would continue that trend.

Under the governor's proposal, K-12 is slated to receive about the same amount of funding in 2013-15 as in 2007-09. Although the \$6.15 billion allocation for 2013-15 amounts to a \$400 million increase, it doesn't cover rising costs for the next biennium.

At this funding level, on top of the hundreds of millions in cuts schools have already endured, with a \$6.15 billion State School Fund allocation, Oregon school districts would face:

- ▶ Additional, significant teacher and staff layoffs
- ▶ Even higher class sizes
- ▶ Fewer school days
- ▶ Elimination of additional valuable programs

Although schools would continue to strive to deliver improved performance, this level of resources would directly impact student learning and likely result in flat or declining performance.