SPRINGFIELD PUBLIC SCHOOLS

Every Student, Every Day

2020-2021 Proposed Operating Budget

May 7, 2020

Election of Officers

- Chair of Committee
- Vice-Chair of Committee
- Secretary of Committee

COVID-19 Pandemic Impact

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- **<u>Governor Brown's Executive Orders:</u>**
  - March 8th (Order #20-03) - Declaration of Emergency Due to Coronavirus.
  - March 12th (Order #20-05) - Prohibiting Large Gatherings Due to Coronavirus.
  - March 17th (Order #20-08) - School Closures (through April 28, 2020) & Provision of School-Based Services & Child Care in Response to Coronavirus Outbreak.
  - March 19th (Order #20-12) - Stay Home, Save Lives.
  - April 23rd (Order #20-20) - Continued Suspension of In-Person K-12 Instructional Activities & the Provision of School-Based Services in Response to Coronavirus Outbreak (through June 30, 2020).

Continuity of Educational Services (COVID-19 Pandemic)

- School Districts may continue to receive allocations from State School Fund if there is a "continuity of educational services":
  - Provide students high quality instruction through distance learning & other remote means.
  - Provide school meals to children age 18 and younger.
  - Provide critical student services & emergency management services (i.e child care).

Budget Building Approach

- Revenue projections based on 02/26/2020 Oregon Department of Education estimates.
- Current year spending freeze implemented April 2nd, except essential items. Increase to estimated ending fund balance for current year.
- Hiring freeze implemented, awaiting additional economic information.
- Continued budget & staffing process, including Student Investment Act. No mandated reductions included in proposed budget.
- Anticipating Special Legislative Session to balance State budget following June economic forecast (May 20, 2020).
- Requesting to move budget process forward, understanding adjustments may be necessary during summer months.
- Unknown variables include; utilization of State financial reserves (including Education Stability Fund), corporate activity tax collections, reductions to State agencies (including Oregon Department of Education).

COVID-19 Economic Impact

Estimated State Revenue Shortfall	$3,000,000,000
Use of State Fund Balance Reserve	($1,200,000,000)
State Revenue Shortfall	**$1,800,000,000**
2019-21 State School Fund Appropriation	$9,000,000,000
Other Revenue (Corporate Activity, Lottery, etc.)	($1,287,000,000)
State General Fund Appropriation	$7,713,000,000
Governor's Allotment Reduction (Equal to all Agencies)	8.5%
Estimated Reduction for SSF	($655,606,000)
Springfield SD Portion of Reduction (1.79%)	($11,735,474)

Potential Solutions……

- Allocation of Education Stability Fund and Rainy Day Fund by Oregon Legislature. Currently projected balance = $1.5 billion.

  - Distribution from either fund requires three-fifths approval by Oregon's Legislative Assembly.
  - Withdrawals from Rainy Day Fund cannot exceed two-thirds of beginning balance for any biennium.
- Use of District reserves (one-time). Intentional increase for 2019-20 fiscal year = **$3 - $5 million**.
- Federal CARE Act resources
  - $109 million available for Oregon K-12 Districts.
  - Springfield SD's share = **$2.6 million**.

2020-2021 Superintendent's Budget Message

Budget Document Overview:

- Superintendent's Budget Message (Pages 7-10)
- District/Budget at a Glance (Pages 11-19)
- All Funds Summary & Historical (Pages 20-24)
- General Fund Resources (Pages 66-75)
- General Fund Staff Charts (Pages 76-77)
- General Fund Information (Pages 78-201)
- Federal, State, Local Grants & Special

Guiding Assumptions:

- 51% of 2019-2021 Biennial Funding
- Anticipated State School Fund Reduction due to Declining Enrollment (2/26/2020 Estimate)
- All Provisions of SEA Collective Bargaining Agreement
- 5% Increase in Fuel & Utilities
- 0% Increase in Supplies & Materials
- $200,000 Voluntary Early Retirement Assessment Reduction
- 4% Unappropriated Ending Fund Balance

- OSEA /SAAC Comparable Increases (TBD)
- 2019-2020 Staffing "Roll-over"
- 10% Increase in Property / Casualty / Auto Insurance
- $1 million Contingency Funds
- $1 million Instruction Materials Fund Support
- $500,000 Technology Fund Support

2020-2021 General Fund Revenue Assumptions:

	2019-2020 Adopted	2020-2021 Proposed	Difference
Property Taxes:			
Current Year	$ 26,158,778	$ 27,529,344	$ 1,370,566
Prior Year	400,000	350,000	(50,000)
Other Local Revenue	730,100	730,100	-
County School Fund	190,000	190,000	-
ESD Flow-Through	1,550,000	1,550,000	-
Common School Fund	1,040,246	1,022,219	(18,027)
State School Fund	84,663,409	84,182,892	(480,517)

Federal Forest Fees	-	400,000	400,000
SUBTOTAL:	$ 114,732,533	$ 115,954,555	$ 1,222,022
Beginning Fund Balance	8,500,000	11,450,000	2,950,000
TOTAL:	**$ 123,232,533**	**$ 127,404,555**	**$ 4,172,022**

2020-2021 General Fund Expenditure Assumptions:

Object Code:	Description:	2019-2020 Adopted Budget	2020-2021 Proposed Budget	Difference
100	Salaries	$60,231,137	$62,041,467	$1,810,330
200	Payroll Costs	39,675,581	40,540,902	865,321
300	Purchased Services	9,804,460	10,066,475	262,015
400	Supplies & materials	3,297,873	3,335,000	37,127
500	Capital Outlay	687,700	685,870	(1,830)
600	Other Objects	821,833	1,165,047	343,214
700	Transfers	3,351,996	3,746,578	394,582
800	Other Uses	5,361,953	5,823,216	461,263

	TOTAL:	$123,232,533	$127,404,555	$4,172,022
			TOTAL % INCREASE:	3.39%

Summary of Proposed General Fund Adjustments:

- **Additions:**
  - 7.57 fte classified, transportation employees due to increased needs related to Special Education and qualifying McKinney-Vento Students.
  - 1.0 fte classified, custodial employee due to relocating Gateways High School.
  - 5.0 fte classified, behavior support staff. Previously provided through a contracted service.
  - 0.65 fte administrative, Dual Language support. Remaining 0.35 fte supported through grant funds.
  - 0.45 fte administrative shift from Grant funds to General Fund.
  - $400,000 increase in Charter School flow-through funding.
  - $395,000 increase in transfers from General Fund. ($200,000 increase to Technology Fund, $125,000 increase to Debt Service Fund, $70,000 increase to Co-Curricular Fund).
  - $200,000 allocated for unpaid student meals.
  - $100,000 increase in anticipated unemployment costs.
  - $70,000 allocated for classified staff development (contractual obligation).

- 20.0% property / casualty insurance premium increase.
- 5.0% utilities cost increase.

Summary of Proposed General Fund Adjustments:

- Reductions:
  - 20.0 fte Certified staff as a result of decreased enrollment.
  - $127,000 reduction in related rental and facilities cost for A3.
  - $50,000 reduction in Voluntary Early Retirement Fund contributions.

Student Investment Account:

- Student Investment Account = $7.756 million
  - Student Health & Safety = $3.74 million
  - Increased Number of Adults in System = $3.049 million
  - Expand Direct Services to Families & Students = $967,000

SIA Investments: 2020-21 Summary

Investment Goal:	Certified FTE	Classified FTE	Administrative FTE	Non-Staff Additions
Behavior & Mental Health Needs ($3.74 million)	23.5 fte	9.0 fte	4.0 fte (+ 2.0 fte Year 2)	$150,000 - Contracted Services $200,000 - Campus Security
Class Size Reductions ($3.049 million)	20.0 fte	3.0 fte	-	$325,000 - Teacher Mentor & Induction Program
Family & Student Support ($967,000)	-	18.75 fte	1.0 fte	$100,000 - Access to Nutrition Services $15,000 - Student Access to Feminine Hygiene Products
TOTAL:	43.5 fte	30.75 fte	5.0 fte	$790,000

Certified Staffing Summary

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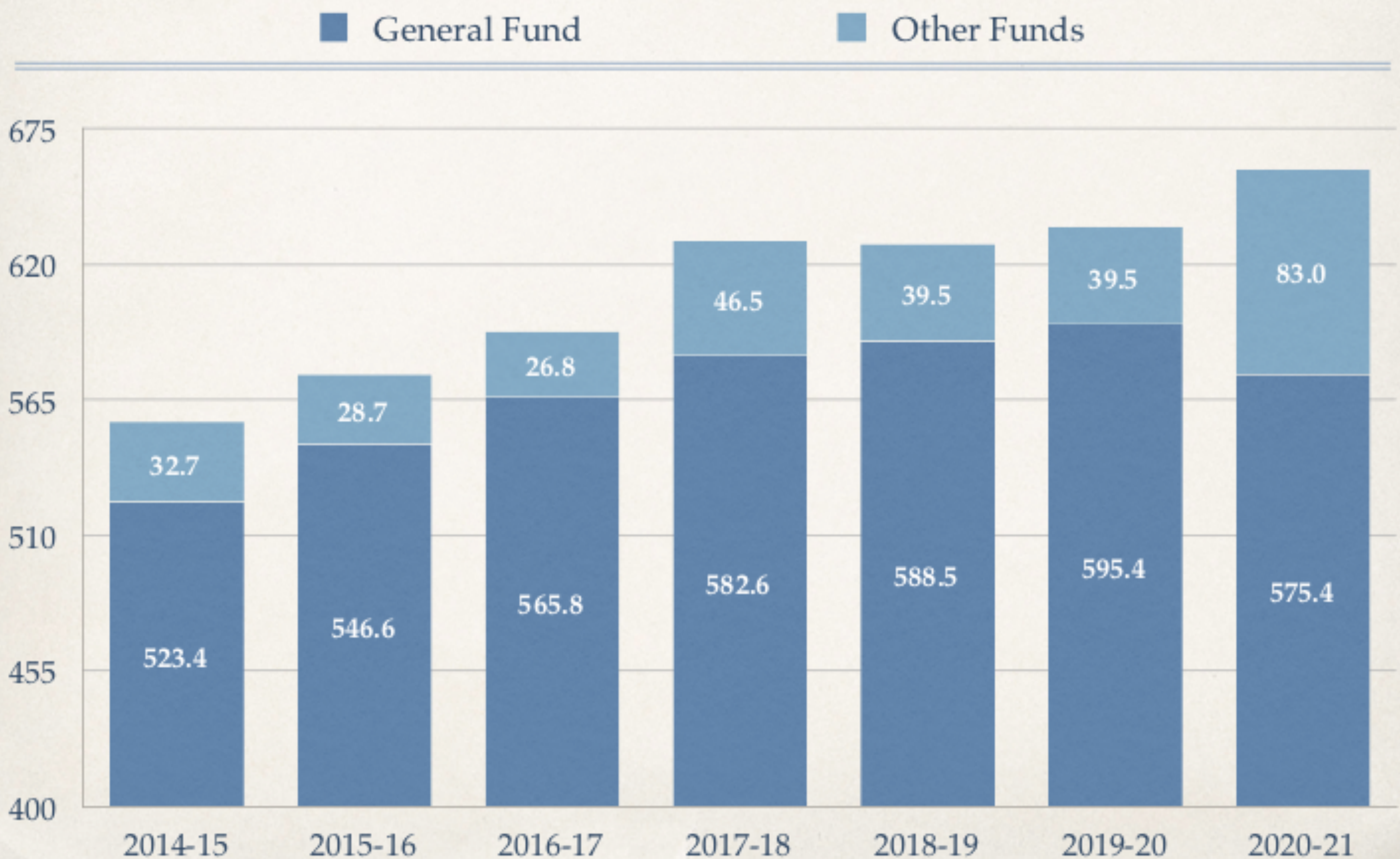
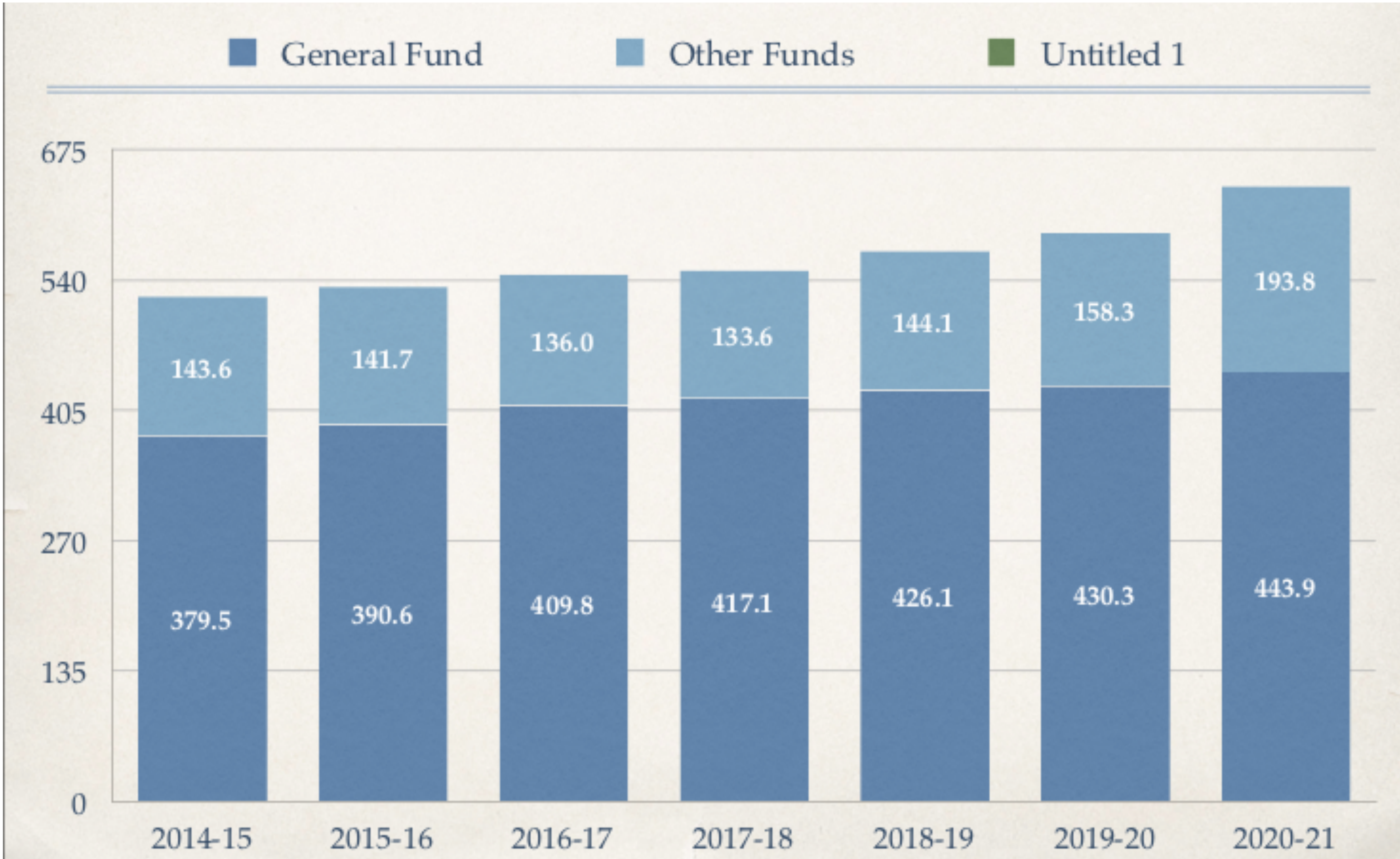
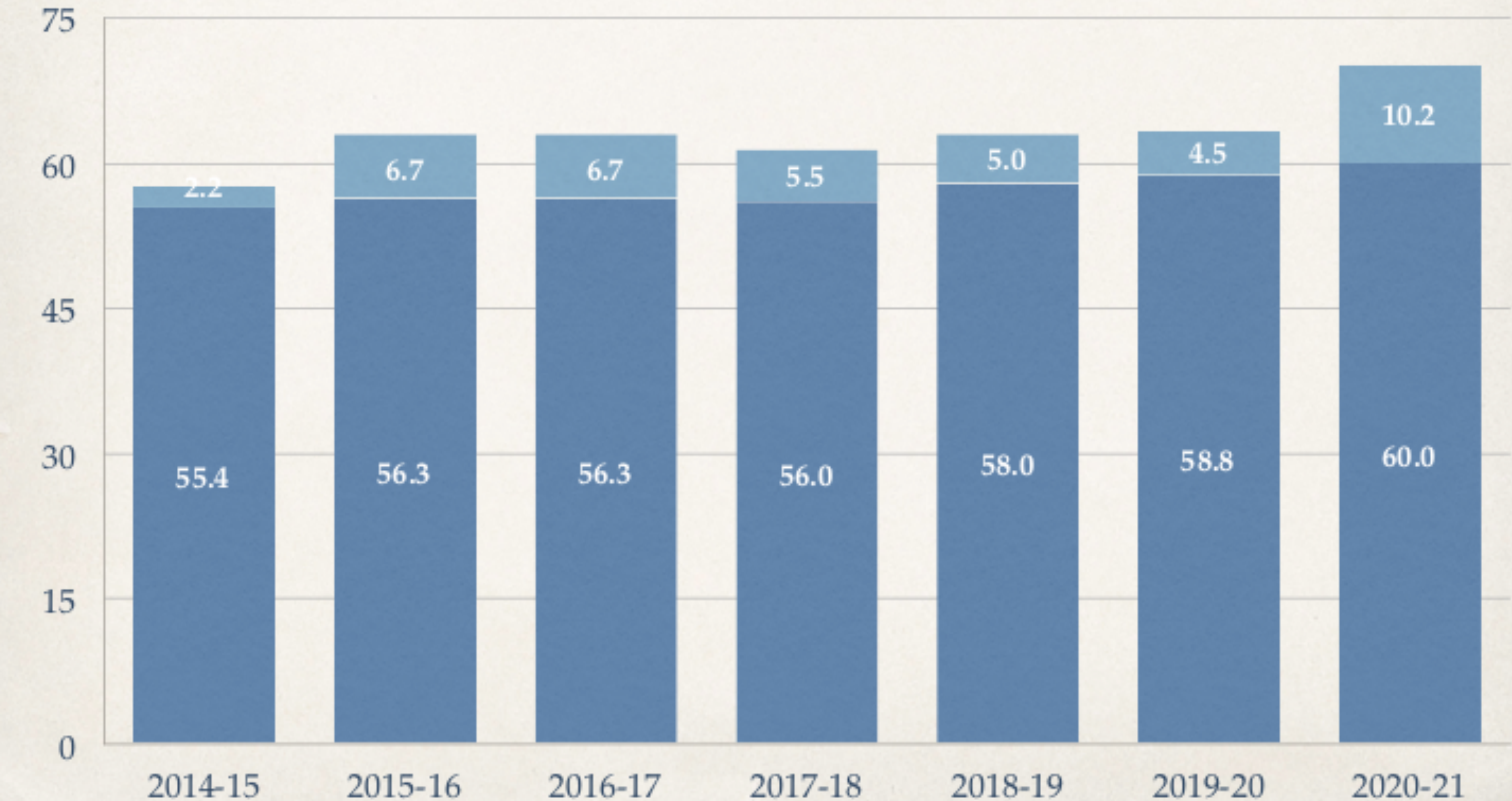


Classified Staffing Summary



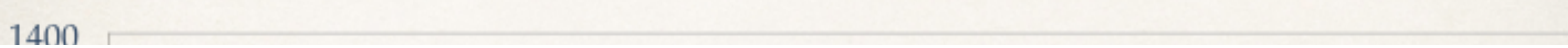
Administrative Staffing Summary

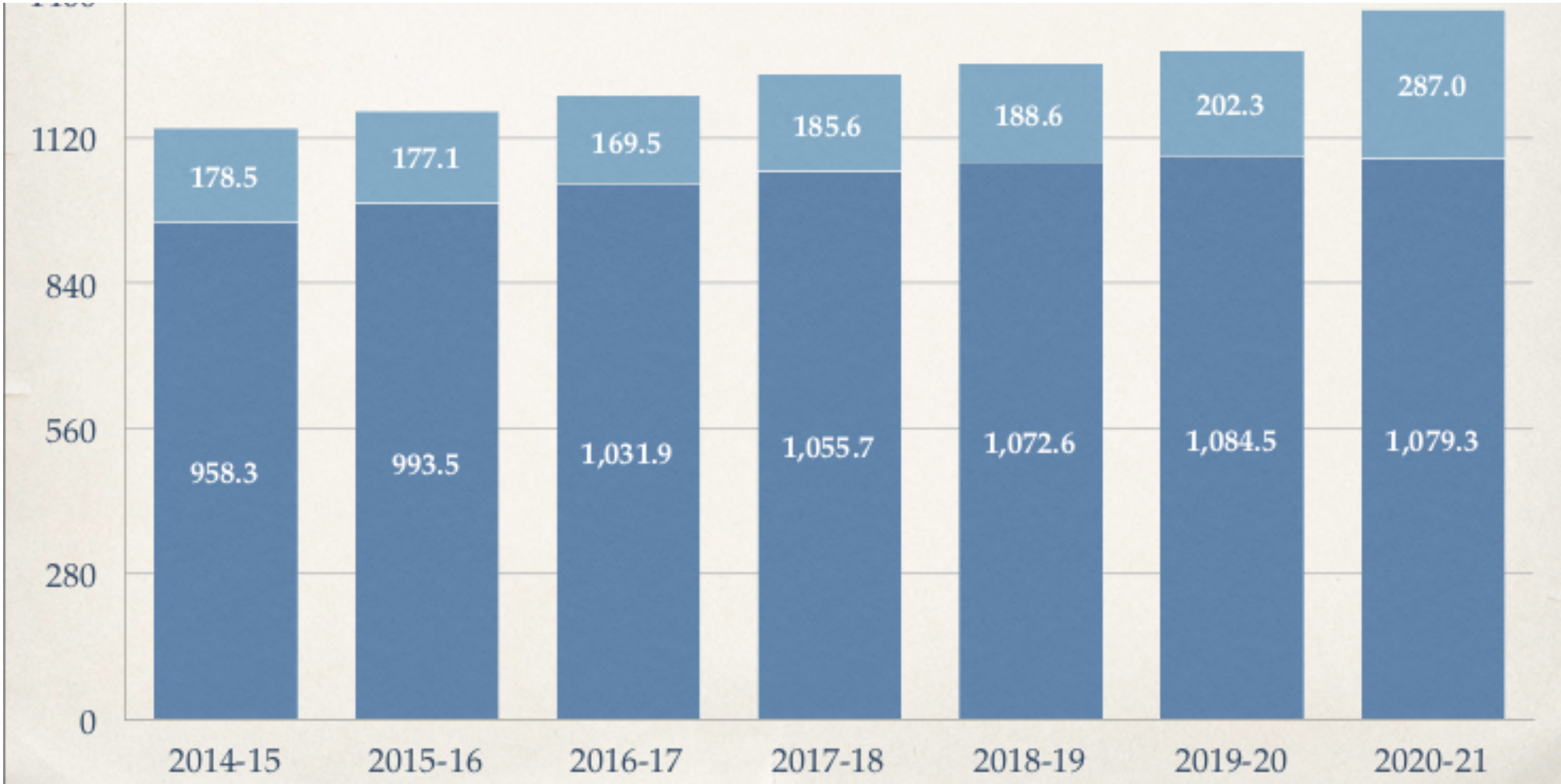
General Fund   Other Funds



Total Staffing Summary

General Fund   Other Funds





Recommended Next Steps:

- Oregon Economic Forecast issued May 20, 2020.

- Special Legislative Session anticipated June/July, 2020.
- Approve 2020-21 budget as presented.
- Superintendent and Chief Operations Officer recommend budget adjustments to School Board, based on Oregon Dept. of Education (potential) reductions to State School Fund. Likely not known until July 2020.
- Legal requirement to adopt 2020-21 budget by June 30, 2020 and certify tax levy by July 15, 2020.

Questions…….