

FINANCIAL IMPACT

FOR THE BEAVERTON SCHOOL DISTRICT

How do BSD and BEA Compensation Proposals Compare?

As of October 3, the District is proposing a cost-of-living salary increase (COLA) of 12.25% over three years for an average of 4.1% per year. BEA is proposing a 15% COLA increase over two years for an average of 7.5% per year. These salary increases are in addition to the raises for experience (called step increases) that teachers already receive each year until they reach the top of the salary scale.

BSD vs BEA COLA Proposal

	Year 1 2024-2025	Year 2 2025-2026	Year 3 2026-2027
BSD	4%	4%	4.25%
BEA	8.5%	6.5%	-

What is the Cost of BSD and BEA Compensation Proposals?

Below, we've outlined what the financial implications for each proposal would be over the next two years. (While the District has proposed a 3-year contract, BEA has proposed a 2-year contract, so the figures you see below only reflect this school year and next school year.)

Both BSD and BEA have proposed salary and benefit increases. BEA also has proposed limits on class sizes and caseloads that would require adding staff or giving extra pay for any overages. This additional cost has been accounted for in the calculations.

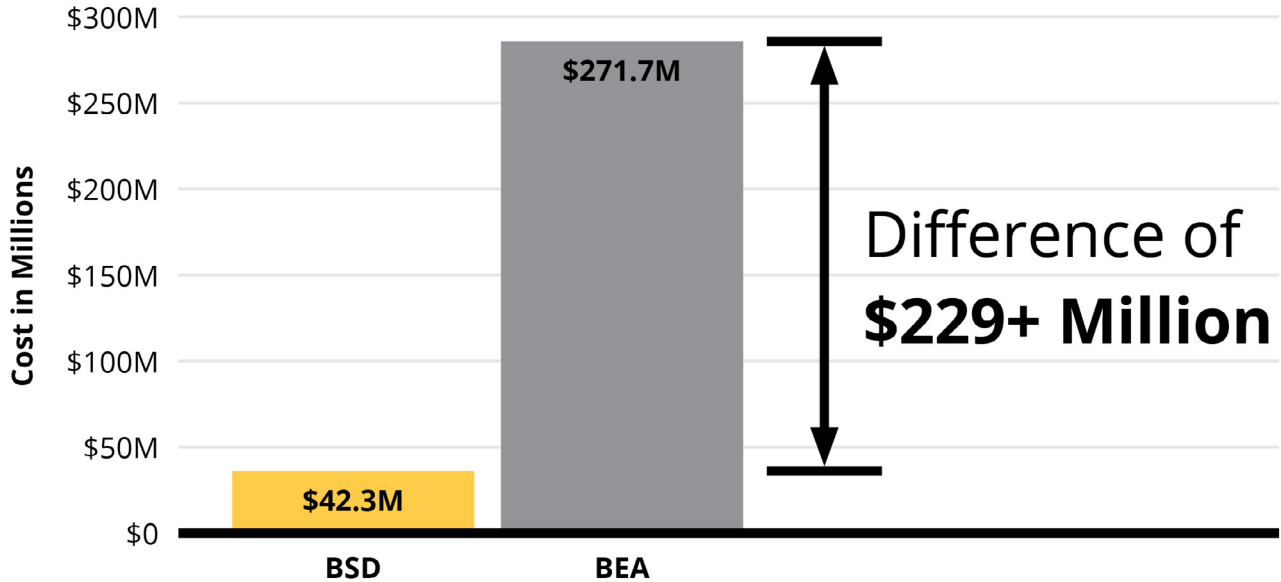
Financial Breakdown

	2024-2025	Year 1		Year 2		Cumulative 2-Year Differential
		BSD 3.75%	BEA 9%	BSD 3.75%	BEA 7%	
Total Licensed Salaries	\$231,842,664	\$8,694,100	\$20,865,840	\$9,020,129	\$17,689,595	-\$33,256,381
Total Licensed Payroll Taxes & PERS	\$76,508,079	\$2,869,053	\$6,885,727	\$2,976,642	\$5,837,566	-\$10,974,606
	\$308,350,743	\$11,563,153	\$27,751,567	\$11,996,771	\$23,527,162	-\$44,230,987
General Fund Licensed Salaries	\$200,080,219	\$7,503,008	\$18,007,220	\$7,784,371	\$15,266,121	-\$28,700,257
General Fund Licensed Payroll Taxes & PERS	\$66,026,472	\$2,475,993	\$5,942,383	\$2,568,842	\$5,037,820	-\$9,471,085
	\$266,106,691	\$9,979,001	\$23,949,602	\$10,353,213	\$20,303,941	-\$38,171,342
		\$1,901 (Increase of \$75)	\$1,926 (Increase of \$100)	\$1,976 (Increase of \$75)	\$2,076 (Increase of \$150)	
Total Health Insurance Benefits	\$53,029,141	\$2,406,600	\$3,208,800	\$2,406,600	\$4,813,200	-\$4,011,000
General Fund Health Insurance Benefits	\$45,817,277	\$2,076,896	\$2,769,194	\$2,076,896	\$4,153,792	-\$3,461,493
Article 10 Professional Working Conditions		-	\$86,814,896	-	\$94,628,236	-\$181,443,132
All Funds Cumulative Cost of Proposals (BSD)		\$13,969,753		\$28,373,124		\$42,342,877
All Funds Cumulative Cost of Proposals (BEA)			\$117,775,263		\$153,928,965	\$271,704,227
						All Funds Cumulative 2-Year Differential
General Fund Projected Deficit		-\$23,930,827	-\$129,471,654	-\$28,990,675	-\$161,820,822	-\$229,685,119
General Fund Reserves (Ending Fund Balance)		\$140,539,531	\$34,998,703	\$111,548,856	-\$126,822,118	

Financial estimates are based on budget projections and the best current information available.

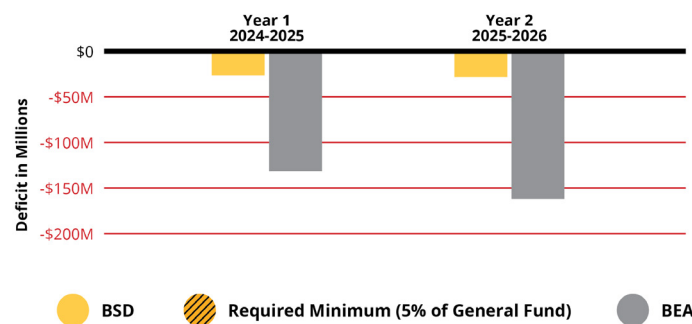
The District's proposal would increase costs by about \$42.3 million over the first two years. The union's latest proposal would cost about \$271.7 million over two years. **The difference in cost between the two proposals is more than \$229 million.**

Total Costs of BSD vs BEA Proposal

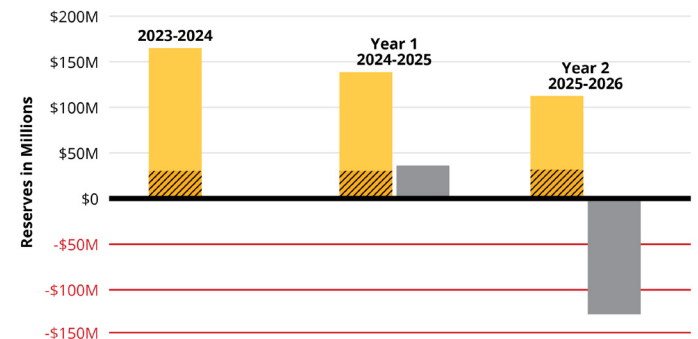


Assuming current and projected revenue, BSD's proposal would result in a **deficit of \$29 million** next year. BEA's proposal would result in a **deficit of \$161.8 million** next year.

General Fund Projected Deficit



General Fund Reserves (Ending Fund Balance)



While the District has financial reserves and will dip into those reserves to mitigate the financial impact of increasing costs, these reserves are limited and dwindling.

Bottom line, both proposals would require the District to make cuts; accepting BEA's more costly proposal would require much deeper cuts. As a district, we have only three ways to substantially lower costs:

- Cut staff positions
- Eliminate specific educational programming and related staff positions
- Reduce the number of school days

Updated Oct. 3, 2024