



SUSTAINABLE BUDGET STRATEGY OPTIONS



Superintendent's FINAL Recommendations



Board MEETING
January 12, 2011

BOARD GOAL: SUSTAINABLE BUDGET STRATEGY

By 2014-15, the district will implement a **sustainable budget** that:

- maintains reserves at or above board targets,
- minimizes the use of one-time funds for ongoing expenses,
- optimizes the use of short-term resources to improve student achievement, and
- increases operational efficiency while reducing long-term capital needs.

Superintendent goal:
Develop strategy options for achieving the board's sustainable budget goal and present a proposal to the board and budget committee by February 2011.

2

Scenario Categories

Within Board Control

- Reduce staffing, services & programs
- Change ratios
- Close/ Consolidate schools
- Use reserves/ one-time or short-term funds

Shared/ Negotiated Decisions


- Fewer School/Work Days
- Furlough Days
- Shared Services/ Contracting Out
- Compensation/ Benefits Changes

Influence Not Control/ Requires Others

- Bond Measure
- Other Revenue/Tax Measures

Shaping 4J's Future

A Strategic Direction for 2008 – 2013



Review of Recommendations & Actions


School Closures & Consolidations – Shaping 4J		
2/13/08 (Initial recommendation)	3/19/08 (Approved initial/ revised recommendation)	Actions (To Date)
Close Harris in June 2008, assign students to Edison & Parker	Do Not close Harris in June 2008. Consider "consolidation" with Eastside for 2009-10.	3/08 - Board approved merger of Harris & Eastside with new name as Camas Ridge Community School
Close Meadowlark in June 2011, move students to new building at Kinney Loop site in 2011-2012	Do Not Move Meadowlark in June 2011. Move Buena Vista to new building at Kinney Loop site in 2012-13	Retain Meadowlark as small K-5 neighborhood school and added modular classrooms
Close Coburg in June 2011, move students to new building at Kinney Loop site in 2011-2012	Postpone decision on closing Coburg. Develop IGA with City to support very small school status	5/09 Bd reviewed IGA with City of Coburg
Decommission Willard building in 2010 and displace charter schools <i>Other Option considered, but not recommended: Close Twin Oaks in June 2011; assign students to McCornack and Crest Drive</i>	Decommission Willard building in 2010 and displace charter schools Consider building a new elementary school in the North region that could combine Howard and RR/Camino del Rio, or provide other consolidation possibilities in the region as part of future bond measure.	8/5/09 recommended extension at Willard to June 2011 Maintain existing schools and locations in North region

Alternative Schools Relocations – Shaping 4J		
2/13/08 (Initial recommendation)	3/19/08 (Approved initial/ revised recommendation)	Actions (To Date)
Move Eastside to the Harris building - Sept. 2008	Move Eastside to Harris building - Sept. 2008 and Engage with Harris in discussion regarding merger/ consolidation for 2009-10	3/09 - Board approved merger and new name as Camas Ridge Community School
Move Charlemagne French immersion to the Harris building, close Fox Hollow building - Sept. 2009	Close FH and move Charlemagne for 2010-11 or after to more centrally located site; e.g., Willard or Roosevelt as K-6	Make decision in 09-10 re FH and move of Charlemagne (no alternate site available)
Maintain BV as standalone language immersion school in the Meadowlark building after moving ML to new building at Kinney Loop with Coburg	Retain ML as small neighborhood school and move BV to another site in Sheldon region by 2012-13. Add Kg after move.	Develop options in 2009-10 for Buena Vista (no alternate site available)
Move Family School grades 1-8 to the Jefferson building ATA - start with gr. 1-6 in Sept. 2009, add grades 7 & 8 in following years	Postpone decision on 6-8 move from SB pending MS alternative review.	Move Family School to Jefferson with ATA - start with K-6 in Sept. 2009, add grades 7 & 8 in following years

Program Alterations – Shaping 4J		
2/13/08 (Initial recommendation)	3/19/08 & later (Approved initial/revised recommendation)	Actions (To Date)
Adams: Explore and implement new program options • might include Spanish dual immersion with an ELL cluster program or another language immersion • survey parents within the boundary in 2008-09 • Implement new programs in 2009-10	Include consideration of Chinese Immersion as part of Adams program alteration 6/08: Directed staff to work with stakeholders to develop formal Chinese Immersion alternative school proposal by 4/09 with target start date of 9/2010 6/08: Develop proposal from RR/ Camino del Rio to implement a Spanish dual-immersion school for 09-10 and Howard to implement technology immersion	Bd received Adams report on 11/19/08: theme of Diverse, Interconnected and Sustainable World; no interest in Chinese immersion 4/15/09: Board received report: no Chinese Immersion program proposed because of lack of site. 12/17/08: Board approved proposal for dual-immersion at RR/ Camino del Rio and technology magnet at Howard

Elections – Shaping 4J		
2/13/08 (Initial recommendation)	3/19/08 (Approved initial/revised recommendation)	Actions (To Date)
Local Option election for November 2008 Consider possible Bond election for 2010 that may include replacement of Roosevelt and new school at Kinney Loop for relocation of Buena Vista		Local option passed in November 2008 Decision to be made in 2010-11 about what and when for Bond Measure

Sustainable Budget Strategy Options



Final Recommendations

4J's Financial Forecast

- Prelim: Operating shortfall of 19-27% next year.
- Revised: Operating shortfall of 15-20% next year.
 - Based on a state funding level ranging from the same as this biennium to status quo without federal stimulus funding (Gov. Kitzhaber's draft budget).
- Continuing shortfalls through 2014 assuming use of one-time strategies 2011-12 through 2013-14.

2011-12	2012-13	2013-14
-\$22 million	-\$9.4 million	-\$2.7 million
-\$28 million	-\$11.7 million	

2011-12 Revised Strategy Goal

\$22 million or \$26 million:

- 50% ongoing reductions:
\$11.0 million or \$13 million
- 25% reserves/one-time funds:
\$5.5 million or \$6.5 million
- 25% compensation-related:
\$5.5 million or \$6.5 million

Reduce Staffing/Services & Programs

Final Recommendations \$22 million strategy	Alternate Recommendations \$26 million strategy
<ul style="list-style-type: none"> • 2011-12 • Reduce admin and classified staff by 7% (43 fte)– \$2.6 M • Including restructure and consolidate Central Office departments, reduce administration • Change staffing ratio by 2 at elementary and 3 at secondary = 56 fte @ \$4.6M • Eliminate or reduce teachers on special assignment and staff development specialists - \$0.5M • Cost/Savings Target: \$7.7 M • 2012-13 • TBD • 2013-14 • TBD 	<ul style="list-style-type: none"> • 2011-12 • Reduce admin and classified staff by 10% (62 fte)– \$3.5M • Including restructure and consolidate Central Office departments, reduce administration • Change staffing ratio by 3 = 65 fte @ \$5.4M • Change staffing ratio by 4 = 84 fte @ \$7M • Eliminate or reduce teachers on special assignment and staff development specialists - \$0.5M • Cost/Savings Target: \$9.4 - \$11 M • 2012-13 • TBD • 2013-14 • TBD

Fewer School/Work Days	
<p style="text-align: center;">Final Recommendations <u>\$22 M Strategy</u></p> <ul style="list-style-type: none"> • 2011-12 <ul style="list-style-type: none"> • 9-12 Furlough Days (6 less school days) – one/month based on work year and school-based staff reduced 9/10 days (6 fewer school days) • Cost/Savings Target: \$4.0M • 2012-13 <ul style="list-style-type: none"> • Continue 9-12 Furlough Days (6 less school days) – one/month based on work year • Consider 4-day work week (32 hrs) and school weeks if necessary • Cost/Savings Target: \$4.0M • 2013-14 <ul style="list-style-type: none"> • Continued 9-12 Furlough Days (6 less school days) – one/month based on work year • Continued 4-day work (32 hrs) and school weeks if necessary • Cost/Savings Target: \$4.0M 	<p style="text-align: center;">Alternate Recommendations <u>\$26 M Strategy</u></p> <ul style="list-style-type: none"> • 2011-12 <ul style="list-style-type: none"> • 10-13 Furlough Days (6 less school days) – based on work year and school-based staff reduced 10/11 days • Cost/Savings Target: \$4.5 M • 2012-13 <ul style="list-style-type: none"> • Continue 10-13 Furlough Days (6 less school days) – one/month based on work year • Consider 4-day work week (32 hrs) and school weeks if necessary • Cost/Savings Target: \$4.5M • 2013-14 <ul style="list-style-type: none"> • Continued 10-13 Furlough Days (6 less school days) – one/month based on work year • Continued 4-day work (32 hrs) and school weeks if necessary • Cost/Savings Target: \$4.5M

School Closures/Consolidations	
<p style="text-align: center;">Final Recommendations <u>\$22 M and \$26 M Strategy</u></p> <ul style="list-style-type: none"> • 2011-12 <ul style="list-style-type: none"> • Close Coburg, Crest Drive and Parker in 2011 • Consolidate Meadowlark at Willagillespie • Move Charlemagne K-5 to Parker • Cost/Savings Target: \$1.0M • 2012-13 <ul style="list-style-type: none"> • Close Twin Oaks <ul style="list-style-type: none"> • if Bond Measure passes, consolidate Twin Oaks with McCornack after addition • Cost/Savings Target: \$0.3M • 2013-14 <ul style="list-style-type: none"> • Possible closure/merger of non-language alternative schools with neighborhood schools • Cost/Savings Target: TBD 	<p style="text-align: center;">Alternate Option</p> <ul style="list-style-type: none"> • 2011-12 <ul style="list-style-type: none"> • Close Coburg and Adams in 2011 • Consolidate Meadowlark at Willagillespie • Move Charlemagne K-5 to Adams • Cost/Savings Target: \$0.5 M • Requires additional \$0.5 million ongoing reductions in staff, compensation, or other areas due to lower cost reduction • 2012-13 <ul style="list-style-type: none"> • Close Twin Oaks <ul style="list-style-type: none"> • if Bond Measure passes, consolidate Twin Oaks with McCornack after addition • Cost/Savings Target: \$0.3M • 2013-14 <ul style="list-style-type: none"> • Possible closure/merger of non-language alternative schools with neighborhood schools • Cost/Savings Target: TBD

Shared Services/Contracting Out
<p style="text-align: center;">Final Recommendations <u>\$22 M and \$26 M Strategy</u></p> <ul style="list-style-type: none"> • 2011-12 <ul style="list-style-type: none"> • Identify additional services that can be provided by Lane ESD • Determine what current services can be transferred to Lane ESD • Cost/Savings Target: \$500K • 2012-13 <ul style="list-style-type: none"> • Explore service sharing options with other districts that could reduce costs • Look at contracting out some services • Cost/Savings Target: TBD • 2013-14 <ul style="list-style-type: none"> • Contract out or consolidate some services with other school districts or provide through private sector • Cost/Savings Target: TBD

Materials & Supplies/Services	
<p style="text-align: center;">Final Recommendations <u>\$22 M Strategy</u></p> <ul style="list-style-type: none"> • 2011-12 <ul style="list-style-type: none"> • 15% reduction in materials & supplies, contracted services budget • Centralize purchasing of materials & supplies, equipment • Cost/Savings Target: \$1.1M • 2012-13 <ul style="list-style-type: none"> • TBD • 2013-14 <ul style="list-style-type: none"> • TBD 	<p style="text-align: center;">Final Recommendations <u>\$26 M Strategy</u></p> <ul style="list-style-type: none"> • 2011-12 <ul style="list-style-type: none"> • 20% reduction in materials & supplies, contracted services budget • Centralize purchasing of materials & supplies, equipment • Cost/Savings Target: \$1.5M • 2012-13 <ul style="list-style-type: none"> • TBD • 2013-14 <ul style="list-style-type: none"> • TBD

School/Instruction Redesign
<p style="text-align: center;">Final Recommendations</p> <ul style="list-style-type: none"> • 2011-12 <ul style="list-style-type: none"> • Stakeholder Task Force to recommend reconfiguration to Supt and Board for implementation 2012-13 • Redesign instructional delivery model for secondary schools to accommodate fewer students & less resources • Cost/Savings Target: TBD • 2012-13 <ul style="list-style-type: none"> • Revise school calendar <ul style="list-style-type: none"> • Shorter summer breaks • Consider 4 day school weeks • Implementation of reconfiguration recommendations, if any • Cost/Savings Target: TBD • 2013-14 <ul style="list-style-type: none"> • TBD

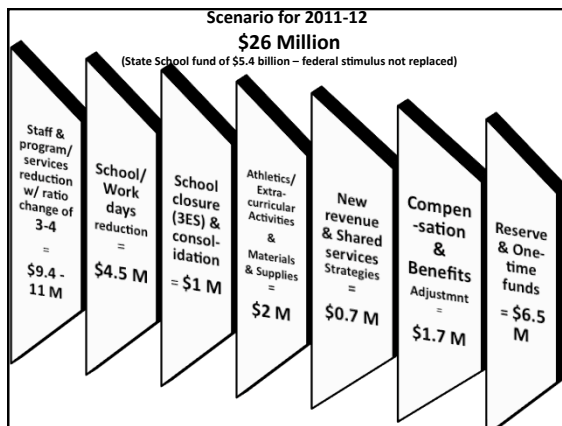
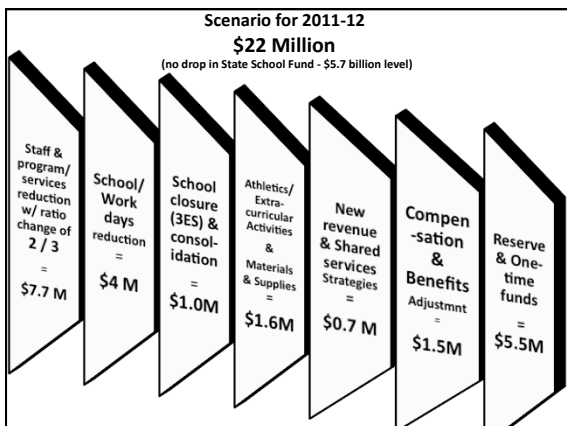
Non-Instructional/Student Support Programs
<p style="text-align: center;">Final Recommendations</p> <ul style="list-style-type: none"> • 2011-12 <ul style="list-style-type: none"> • Reduce GF support for athletics programs and other extracurricular offerings by 25% • Cost/Savings Target: \$500K • 2012-13 <ul style="list-style-type: none"> • TBD • 2013-14 <ul style="list-style-type: none"> • TBD

Reserves/One-time Funds	
<p>Final Recommendations <u>\$22 M Strategy</u></p> <ul style="list-style-type: none"> • 2011-12 <ul style="list-style-type: none"> • Use up to \$5.5M reserves/one-time funds to maintain and bridge to 2012-13 • Cost/Savings Target: \$5.5M • 2012-13 <ul style="list-style-type: none"> • Use up to \$3M from sales of surplus property or lease revenue • Cost/Savings Target: \$3.0 M • 2013-14 <ul style="list-style-type: none"> • GF Reserve and Contingency = 90% of Board Targets • Cost/Savings Target: TBD • 2014-15 <ul style="list-style-type: none"> • GF Reserve and Contingency = Board Targets 	<p>Final Recommendations <u>\$26 M Strategy</u></p> <ul style="list-style-type: none"> • 2011-12 <ul style="list-style-type: none"> • Use up to \$6.5M reserves/one-time funds to maintain and bridge to 2012-13 • Cost/Savings Target: \$6.5M • 2012-13 <ul style="list-style-type: none"> • Use up to \$3M from sales of surplus property or lease revenue • Cost/Savings Target: \$3.0 M • 2013-14 <ul style="list-style-type: none"> • GF Reserve and Contingency = 90% of Board Targets • Cost/Savings Target: TBD • 2014-15 <ul style="list-style-type: none"> • GF Reserve and Contingency = Board Targets

Compensation/Benefits	
<p>Final Recommendations <u>\$22 M Strategy</u></p> <ul style="list-style-type: none"> • 2011-12 <ul style="list-style-type: none"> • Negotiate pay freeze, including no step/column increase • Negotiate no increased benefits costs <ul style="list-style-type: none"> • GF Costs/Savings Target: \$1.5M • 2012-13 <ul style="list-style-type: none"> • Negotiate contract adjustments that minimize and contain ongoing costs to district • GF Costs/Savings Target: TBD • 2013-14 <ul style="list-style-type: none"> • TBD 	<p>Final Recommendations <u>\$26 M Strategy</u></p> <ul style="list-style-type: none"> • 2011-12 <ul style="list-style-type: none"> • Negotiate pay freeze, including no step/column increase • Negotiate \$210,000 decrease in benefits costs or use insurance reserves <ul style="list-style-type: none"> • GF Costs/Savings Target: \$1.7 M • 2012-13 <ul style="list-style-type: none"> • Negotiate contract adjustments that minimize and contain ongoing costs to district • GF Costs/Savings Target: TBD • 2013-14 <ul style="list-style-type: none"> • TBD

Revenue Enhancement
<p>Final Recommendations</p> <ul style="list-style-type: none"> • 2011-12 <ul style="list-style-type: none"> • Bond Measure \$130M in May 2011 for critical needs, technology & new school (offload of GF = \$1M) • Increase community use fees by 20% (\$20K) • Lease closed schools to charters/others (\$200K) • Revenue Target: \$1.2M GF • 2012-13 <ul style="list-style-type: none"> • Sell Civic, Willard, or other vacant facilities w/50% proceeds to GF Reserve (\$3.5M) • Local tax to support local schools in 2012-13 (\$10 M for 3 yrs) – Nov 2011 • Revenue Target: TBD • 2013-14 <ul style="list-style-type: none"> • Implementation of any new revenue sources to mitigate reductions • Revenue Target: TBD

Other Options
<p>Final Recommendations</p> <ul style="list-style-type: none"> • Consider early retirement incentives • Adopt single-platform technology systems for centralized purchasing & technical support • Minimize site-based decision making and increase centralized direction for staffing; e.g., program staffing for student support services • GF Costs/Savings Target: TBD



Sustainable Budget

**Final
Recommendations
A Course for Change**

Board Meeting
January 12, 2011