



Superintendent's Revised Recommendations

December 8, 2010

Overview

The Eugene School District is working to develop a sustainable budget in the face of decreasing revenues and increasing costs that have led to a staggering budget shortfall. The Eugene School Board's goal is to put 4J on a sustainable financial path and continue to provide all kids with a sound education. The board plans to adopt a sustainable budget strategy in January 2011.

Superintendent George Russell presented his preliminary recommendations for a balanced and sustainable budget on November 3. After considering public input and other new information, the superintendent on December 8 presented revised recommendations, including some revisions of the assumptions on which the recommendations are based. Changes include:

- **Revised financial assumptions.** The target for decreasing expenses and increasing revenues has changed from \$30 million (about 20% of 4J's general fund operating budget) to \$22 million (about 15%), based on an assumption that state funding will not decrease. It will be important for 4J to retain a reasonable and prudent level of reserve funds in case actual revenues are lower.
- **Adjusting the target date and setting a course for change.** The superintendent has recommended that the school board adjust its target date for achieving a sustainable budget from 2012–13 to 2014–15. This would allow the district to set a three-year plan and put the district on a course for a sustainable budget.
- **More study on grade reconfigurations.** Instead of moving forward with a proposed grade reconfiguration for 2011–12, the superintendent's revised recommendations call for a task force to study the issue and recommend whether a school reconfiguration should be implemented in 2013–14.
- **Retaining more teachers and preserving jobs.** Public input and more detailed information about the impact on specific schools made it clear to the superintendent that the originally proposed staffing reductions were too great for 4J's schools to absorb in one year. With the lower financial target, he was able to propose a smaller decrease in staffing for 2011–12.
- **School closures and consolidations are necessary.** The recommendations have been revised to propose closing four schools in 2011–12 and one more in 2012–13. The superintendent also recommends that a task force take another look at language immersion and alternative schools in 2011–12, to consider the future of the district's remaining alternative schools as the district's enrollment grows smaller.
- **Seeking new revenue.** The revised recommendations include seeking voter approval of a \$130 million bond measure on the May 2011 ballot and exploring other options for new revenue sources.

The goal in Year One (2011–12) is:

- **50% ongoing reductions: \$11 million**
These staff reductions and other changes would be continued in following years.
- **25% reserves/one-time funds: \$5.5 million**
Use reserves to help support operations in 2011–12 and 2012–13.
- **25% compensation-related: \$5.5 million**
Employees have stepped up as we've asked them to do more with less, and we'll be asking them sacrifice even more in order to preserve services into the future.



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Reduce Staffing, Services and Programs

2011–12	2012–13	2013–14
<ul style="list-style-type: none"> Reduce administrative and classified staff by 7% – 43 FTE Increase staffing ratio by 2 at elementary schools and 3 at middle and high school, or by 3 at elementary and 4 at middle and high school – 56–75 FTE Eliminate or reduce teachers on special assignment and staff development specialists – 6 FTE Cost/Savings Target: \$7.7–9.2M 	<ul style="list-style-type: none"> Additional administrative and classified staff reductions of 3% or more as needed Change staffing ratio by additional 1 or more Cost/Savings Target: TBD 	<ul style="list-style-type: none"> Additional reductions as needed Cost/Savings Target: TBD

Fewer School/Work Days

2011–12	2012–13	2013–14
<ul style="list-style-type: none"> 9–12 unpaid furlough days (6 fewer school days) — one per month based on work year (e.g. 9 or 10 days for school-based staff) Cost/Savings Target: \$4M 	<ul style="list-style-type: none"> Continue 9–12 furlough days (6 fewer school days) — one per month based on work year Consider 4-day work and school weeks if necessary Cost/Savings Target: \$4M continued 	<ul style="list-style-type: none"> Continue 9–12 furlough days (6 fewer school days) — one per month based on work year Continue 4-day work and school weeks if necessary Cost/Savings Target: \$4M continued

School Closures and Consolidations

2011–12	2012–13	2013–14
<ul style="list-style-type: none"> Close Coburg Elementary in 2011, move students to Gilham Close Crest Drive in 2011, move students to Adams Close Parker in 2011, move most students to Edgewood Close Meadowlark program in 2011, move students to Willagillespie Move Charlemagne K–5 program to Parker site, close Fox Hollow site This school consolidation plan may require some boundary changes Cost/Savings Target: \$1M 	<ul style="list-style-type: none"> Close Twin Oaks in 2012 If bond measure passes, increase capacity at McCornack to accommodate students from Twin Oaks Cost/Savings Target: \$0.3M additional 	<ul style="list-style-type: none"> Non-language alternative schools: possible closure or merger with neighborhood schools Cost/Savings Target: TBD

Shared Services and Contracting Out

2011–12

- 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

- Explore service sharing options with other districts that could reduce costs
- Look at contracting out some services
- **Cost/Savings Target: TBD**

2013–14

- Contract out or consolidate some services with other school districts or provide through private sector
- **Cost/Savings Target: TBD**

Materials, Supplies and Services

2011–12

- 15% reduction in materials & supplies, contracted services budget
- Centralize purchasing of materials & supplies, equipment
- Reduce utilities and fuel expenses through increased efficiency
- **Cost/Savings Target: \$1.1M**

2012–13

- TBD

2013–14

- TBD

School and Instruction Redesign

2011–12

- 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

- Revise school calendar
- Shorter summer breaks
- Consider 4-day school weeks
- Implementation of reconfiguration recommendations, if any
- **Cost/Savings Target: TBD**

2013–14

- TBD

Non-Instructional and Student Support Programs

2011–12

- Reduce General Fund support for athletics programs and other extracurricular offerings by 25%
- **Cost/Savings Target: \$500K**

2012–13

- TBD

2013–14

- TBD

Reserves and One-Time Funds

2011–12

- Use up to \$5.5M reserves/one-time funds to maintain and bridge to 2012–13
- **Cost/Savings Target: \$5.5M**

2012–13

- Use up to \$3M from sales of surplus property or lease revenue
- **Cost/Savings Target: \$3 M**

2013–14

- General Fund Reserve and Contingency Fund = 90% of Board Targets
- On sustainable path for 2014–15
- **Cost/Savings Target: TBD**

Compensation and Benefits

2011–12

- Negotiate pay freeze, including no step/column increase
- Negotiate no increased benefits costs
- **GF Cost/Savings Target: \$1.5M**

2012–13

- Negotiate contract adjustments that minimize and contain ongoing costs to district
- **GF Cost/Savings Target: TBD**

2013–14

- TBD

Note: These recommendations for compensation and benefits are in addition to the salary impacts of unpaid furlough days (above)

Revenue Enhancement

2011–12

- \$130M bond measure on May 2011 ballot to address critical needs, upgrade or replace some aging school facilities, and shift some technology and equipment costs out of the operating budget (General Fund offload = \$1M)
- Increase community use fees by 20% (\$20K)
- Lease closed schools to charters/others (\$200K)
- **Revenue Target: \$1.2M GF**

2012–13

- Sell Civic, Willard, or other vacant facilities; 50% proceeds to General Fund Reserve (\$3–5M)
- Local tax to support local schools beginning in 2012–13 (e.g. \$10M for 3 years)
- **Revenue Target: \$1.2M**

2013–14

- Implementation of any new revenue sources to mitigate reductions
- **Revenue Target: TBD**

Other Options

Determine whether these options would result in actual cost-savings or more efficient operations:

- Consider early retirement incentives
- Adopt single-platform technology systems for centralized purchasing & technical support
- Minimize site-based decision making, increase centralized direction for staffing (e.g., program staffing for student support services)
- **GF Costs/Savings Target: TBD**

What's Next?

The school board will hold a work session to discuss these revised recommendations on January 5, 2011. The superintendent will present final recommendations on January 12, and the school board will hold a final public hearing on January 19. After discussing the final recommendations on January 25, the school board is expected to take action on February 2.*

NOTE: The original schedule has been extended. This timeline reflects the changed dates.

Learn More

For more information about the process and 4J's financial situation, go to www.4j.lane.edu/sustainablebudget or contact the 4J Communications Office at 541-790-7737.