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[4j_priority_mail] Important information for staff about next year's budget

From : Sheldon Berman <berman_s@4j.lane.edu>

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Sender : 4j priority mail-bounces <4j_priority_mail-bounces@4j.lane.edu>**Subject :** [4j_priority_mail] Important information for staff about next year's budget**To :** 4j priority mail <4j_priority_mail@4j.lane.edu>

Dear 4J Administration, Faculty and Staff,

I would like to update you on the development of the 2013-14 budget. I know all of you are aware of the potential for significant budget reductions for 2013-14. Although the legislative Co-Chairs' recommended budget for education, as announced on Monday, provided some relief from the deepest potential cuts, we still face reductions in the range of \$10 million in an overall budget of \$140 million. We have been analyzing our finances and exploring every alternative to minimize the damage these reductions could have on our staff and students.

Our district has endured steady cutbacks for more than 20 years, with a major reduction of over \$20 million taking effect just as I arrived in 2011. Over time, district-level support and services have been cut to the barest essentials. Class sizes have grown to unacceptable levels. We have narrowed our curriculum and reduced programs in the arts and physical education. We have a shortened school year and have not been able to give high school students the full schedule they deserve. All of you have accepted less pay due to furlough days and compromises in salary and benefits. Our operations staff has been working above and beyond, as have all in the system, to keep the district moving forward with hope for a better future. Although the Governor is deeply committed to increasing funds for education over the coming years, the pain we are experiencing now is the result of the longest and deepest recession our state has witnessed in the last 50 years.

The circumstances we face in next year's budget have multiple contributing factors.

- For many years we have been drawing from reserves, using one-time savings to sustain our budget, and postponing the purchase of materials, texts, equipment, buses and other general fund expenditures. Some of these categories have been reduced to such an extent that they are no longer available to help us next year.

- In addition, revenue from our local option levy has been dropping steadily. We reached a high of \$14 million several years ago, but that revenue will drop to \$7.4 million next year. We anticipate a loss of almost \$2 million in the local option levy between what we budgeted for 2012-13 and what we will receive in 2013-14.
- Although open enrollment has helped to stabilize our enrollment, we are still experiencing declining enrollment which results in reduced levels of state school funding.
- Our PERS costs are also rising significantly next year. In fact, we will see an increase of \$5 million in district PERS costs. Even if the legislature passes PERS reform, it will only offset approximately \$2.7 million of this increase, leaving an estimated \$2.3 million that 4J must absorb.
- Other costs continue to rise as well, particularly in the areas of utilities and insurance.
- On top of all this, the sequestration will reduce federal funding for special education, Title I services, Title IIA professional development, Head Start and Early Head Start, and other federally funded programs. We will have to assume the cost for many of these services in our general budget.

The Board has placed a bond measure on the ballot for May. In an effort to prevent even deeper budget reductions than we are already projecting, we have built into that bond expenditures for instructional materials, buses, equipment and repairs. Thus, not only would the bond provide future savings, but it would also give us some immediate relief. We wish we could include classroom staff in the bond, since people are our most essential and valued assets, but that is not permitted under Oregon law.

Over the coming months we will be facing some very difficult decisions. Given all the reductions made in the past 20 years, we have few avenues available to us for further cutbacks. The Superintendent's Cabinet has met and discussed the budget situation in great depth. None of the proposals for reductions that have been put forward are ones we desire. They are all exceptionally painful, but represent our best current thinking about how the district can make it through this very challenging time. You will hear proposals to eliminate central office library support, reconfigure technology support to schools, reorganize Essential Skills Coordinator support to schools, restructure our health centers and nursing services, reduce Title I funding for all schools, and reduce professional development. However, even given these severe measures, we are likely to see increases in class size and potentially have an even shorter school year. The final decisions on these changes will not be made until June and we will work with our employee associations to address these changes as best we can.

This is not the news I want to be delivering to you. We are doing all we can to influence our legislators to go even further in supplementing the education budget. We will also

continue to pursue savings this year and identify efficiencies for next year that will enable us to make fewer reductions.

Although the budget process will continue through June and staffing ratios won't be issued to schools until next month, I felt it important to share this information with you so that you can understand the dilemmas we face. There are no good or easy choices at this point. As we make decisions, our focus must be on what will best serve our students. I know that some employees are at risk of losing their jobs as a result of these reductions, and I am deeply saddened at the prospect of losing people who are truly dedicated to the students, parents and staff of the district. However, in fairness to everyone whose lives and careers may be affected, I wanted you to be aware of what we are facing and the hard decisions that lie ahead,

I know that the Governor is committed to increasing funding for education, and that he and our legislative delegation will do their best to find ways to enhance revenue to that end. I trust that we will pull together to help 4J weather the coming year and that we all look forward to a brighter future. Thank you so much for the dedication and commitment you have to 4J. You are a remarkable staff, and I am humbled to be working with you through this demanding period in the long and proud history of the Eugene School District.

Sincerely,

Shelley Berman, Superintendent

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