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Superintendent Budget Message 2020-2021

The 2020-21 budget must be reviewed through a lens of understanding the 2019-20 school year. Prior to mid-March, we were preparing to implement the Student Success Act, designed to shift us substantially toward a Quality Education Model for our students. This legislation, coupled with a fully-funded Measure 98 focusing on High School Student Success, has been described as a once in a generation investment that would be a game-changer for Oregon's schools and students.

Throughout the fall and winter of the 2019-20 school year, Greater Albany Public Schools collaborated with our students, staff, families, and community to identify our District mission to underpin a developing strategic plan. After analyzing data from roughly 1,200 surveys, 17 focus groups, seven staff discussions, and four community forums, the 20-person Strategic Planning Team met for five four-hour sessions to capture the district's future focus. Multiple drafts were vetted by stakeholder groups before a final draft was presented to and approved by the GAPS Board at their Feb. 24, 2020, Board meeting:

"Building bridges to lifelong learning and brighter futures."

From our strategic planning conversations, surveys, and outreach, two primary focal areas were established for investment from this Quality Education funding level: racial and linguistic educational equity; and, social, emotional, and mental health. Oregon Healthy Teen Survey data indicates a multi-year decline in 8th grade student self-reported emotional and mental health from a high of 80% in 2015 to under 64% in 2019. Our recent State of Oregon Report cards reflect multi-year trends of disparate outcomes when student groups are broken down by race and by primary language, indicating needed attention to culturally appropriate and representative teaching and learning within our schools. In our open-ended survey feedback from students, we received numerous comments that align with the thinking of these two anonymous respondents:

"Schools could do a lot better with student's mental health issues. Some students really don't have the energy to go to class everyday (sic), or do homework, and just stay focused and engaged in class. Instead of just punishing these students, there should be more mental health professionals on school campus that help these struggling students. Skipping class and not doing homework doesn't just mean that the kid is lazy, they most likely have other stuff going on, so I think mental health professionals would be a good addition to schools in this district."

"This is the deal. We can say whatever we want to about the district 'changing,' but until society changes, and people change nothing will really happen to help them. To better 'serve' Native American students, students with disabilities, students learning English, and students in poverty is to find what makes them 'behind' or 'different' and do our best to cater to that. Treating them the same is not catering to that. Equality is very important in a lot of situations. But equity will change the world. If you have a class full of students and one has a cut finger, you would put a band-aid on their finger. So if another kid has a headache you wouldn't put a band-aid on their finger. Even though it is equal treatment (equality) it doesn't help everyone the same. I think the district needs to find what needs they are lacking, and do their best to make those irrelevant to the education they leave here with. Like ESL kids STOP PUTTING THEM IN SPECIAL ED CLASSES."

Additional investment areas designed to impact high, equitable achievement and mental health included expansion of student learning time, growing pre-K, increasing access to sports for middle and high school students, ensuring access for all to learning technologies, and other high impact supports for student success.



Unfortunately, the earth-shattering impact of COVID-19 to the funding of our schools has been tremendously negative. Oregon schools rely primarily on Oregon's largest revenue sources, all of which have plummeted since mid-March: income and business taxes, lottery revenues slashed by bar and restaurant closures, and fuel taxes reduced by lack of vehicle travel. Governor Kate Brown has ordered state agencies to plan for billions in spending reductions. This will likely translate into a significant reduction in state funding for schools. In effect Greater Albany Public Schools is now forced to consider a budget shift approaching \$8 million for planning purposes from what we were expecting several months ago.

In a collaborative effort to lessen the impact of this blow to the 2020-21 budget, the Greater Albany Association of Classified Employees, the Greater Albany Education Association, and District leadership agreed to between 8 and 9 furlough days to save approximately \$2 million during the 2019-20 fiscal year. Even with this forethought, in preparing the 2020-21 budget proposal, we have chosen a modest general fund budget approach that meets our programming commitments minus the Student Success Act funds. Additionally, like over 85% of Oregon school districts, our budget proposal is based on the 2019-21 biennial budget and State School Fund distributions predicated on a \$9 billion State appropriation. I will share options later in the budget message in case the revenue outlook deteriorates significantly.

Notwithstanding the potential future reductions in state funding, I remain keenly aware of the continued imbalance in the General Fund. One struggle we have is that we do not yet know what school will look like in the fall or what positions we will need more of or fewer of. To that end the district is holding open as many positions as practical to provide future flexibility. It will also be my charge this coming fiscal year to ensure we are maximizing all available funding sources and identifying all possible partnerships. Where reductions are necessary, decisions will be made utilizing the equity lens that our strategic plan provides us. I am recommending continued use of reserves at this time so that these decisions can be made in a thoughtful and prudent manner.

Budget focal points include:

- From a staffing standpoint, the proposed budget is largely the status quo. Overall employment levels remain essentially the same next year as this year.
- If we receive any Student Success Act funds, we will use them on a priority basis in alignment with the plan as approved by the Oregon Department of Education.
- We expect to receive \$1,686,000 in federal CARES Act funds that will also be used to prevent deeper budget cuts.
- The General Fund budget reflects an increase in custodial supply expenses so we can frequently deep clean our schools.
- The overall budget includes funding for an additional full-time nurse to help meet student health needs.



- The overall budget includes funding to contract with the City of Albany to continue operation of Maple Lawn Pre-K.

As mentioned, the governor has asked state agencies to prepare for substantial budget reductions. If the State School Fund is cut, here are some numbers to keep in mind and the potential effects:

- Greater Albany Public Schools 8J makes up approximately 1.57% of the \$9 billion 2019-2021 biennium State School Fund. This means that every \$100 million in reductions at the state level reduces our funding by approximately \$1,567,000. For example, a \$500 million reduction to the State School Fund will reduce our funding by \$7,834,000.
- Over 90 percent – of the General Fund budget consists of labor costs. Many remaining expenses such as property and liability insurance premiums cannot be reduced. Consequently, staffing will bear the brunt of any additional necessary reductions.
- It costs approximately \$325,000 per day in variable costs to operate our schools. Therefore, it would take 15 additional furlough days to make up another \$5 million reduction in funding.
- The average cost per full-time equivalent employee (blended for administrative, licensed, and classified staff members) is approximately \$85,000 including benefit costs. At this amount, we would need to lay off 59 full-time equivalent staff members to make up a \$5 million reduction in funding. Realistically, this number will be much larger because those with the least seniority and lower payroll costs would be let go first meaning we would need to cut deeper to achieve the necessary savings.

We are hopeful that through the State and Federal budget processes in the coming months that relief funds may close much of this gap. We will continue to monitor economic data and political news out of Salem and Washington D.C. Budget adjustments may be incorporated into the June adopted budget, and, if necessary, the Board may make budget adjustments after the budget has been adopted.

I would like to conclude this year's budget message with gratitude: GAPS students – you have persevered during this time period with determination and kindness; GAPS families – you have adapted your lives in order to ensure your students remain engaged in learning; and, GAPS staff – you have centered consistently on student emotional and mental health above all else during this time. THANK YOU for recognizing that, in this unprecedented time, grace and compassion lead out ahead of academics.

I am grateful every day to be your superintendent. We will build our bridge to our brighter future TOGETHER.

Respectfully submitted as we build bridges together for students,

Melissa Goff, Superintendent