



CORVALLIS SCHOOL DISTRICT 2024-25 Budget Reductions Frequently Asked Questions

Updated June 6, 2024



More Information

This document includes questions asked during budget committee meetings, public testimony, or received from staff, students, families, and community members.

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Current Finances

1. What is the current financial shortfall?

Our district does not have enough funding to cover current costs based on the funding we will have next school year. Based on the 2024-25 budget, the Corvallis School District has to reduce spending next year by \$8.2 million.

2. Why does the district have less funding?

There are several reasons why we have decreased school district funding.

- Declining enrollment due to decreasing birth rates, high housing costs, and low availability of affordable housing in Corvallis.
- End of temporary pandemic relief funding, which funded 22.35 FTE to address pandemic-related learning loss.
- Increasing costs.

3. Why didn't the district plan ahead for these cuts, knowing that funding would be decreased?

The district has been making budget reductions over the last several years to address reduced funding. These changes include:

- Implementing a hiring freeze during the 2023-24 and 24-25 school years.

- Reviewing and making strategic decisions about how we used existing temporary funds that will end on June 30, 2024.
- Reducing positions in the 2023-24 year by adjusting classroom FTE to enrollment, resulting in a staffing reduction of 10.8 FTE.

4. What are the savings related to the staff reductions in art and music at the elementary level?

The savings related to the change in art staffing allocation is approximately \$208,000. No change was made to how we allocate staffing for music and PE.

The formula considers the number of classrooms in a school. If the number of classrooms decreases, the staffing FTE for enrichment decreases. Due to adjusting FTE to enrollment, the FTE for all specials (art, music, PE) decreased at an approximate cost of \$65,000 each (\$195,000 total).

State School Fund

5. What would the biennial State School Fund Allocation have needed to be to adequately address our budgetary needs?

A biennial allocation of approximately \$11B, or \$800M more than what was allocated, would have allowed us to maintain the current service level in 2024-25.

District Reserves

6. If our reserve policy was changed to allow only 4% ending fund balance and 4% rainy day fund, what additional revenue would this yield for the 24-25 year?

The current policy does not restrict the amount of reserves the district can carry but requires a minimum that must be met. Changing the policy to restrict the ending fund balance to 4% would be detrimental to the financial stability of the district in future years.

Each 1% of the 2024-25 budget is equivalent to \$954,294. Note that this figure changes based on actual revenues received.

7. Can you please provide an example of the use of unappropriated ending fund balance?

Per ORS 294.481, Unappropriated Ending Fund Balance can only be accessed for: Involuntary conversion or destruction of the property of a municipal corporation;

- Civil disturbance;
- Natural disaster; or
- Any public calamity.

It is very rare that an unappropriated ending fund balance is accessed. An example may be a natural disaster, such as a fire, that caused extensive damage to district property. Typically, insurance and/or relief dollars (FEMA) do not come in immediately, and there may be a need to access cash quickly.

8. What is the history of the district using rainy day funds to balance the budget? When has the fund ever been accessed and what were the circumstances?

The Rainy Day Reserve was last utilized in fiscal year 2012/13 as a result of the recession and a reduced State School Fund allocation for that biennium. At that time, the Board voted to reduce the reserve to 4%. As of June 13, 2014, the Board voted to increase the reserve back to 5% beginning fiscal year 2014/15.

The reserves have not been accessed since that time.

9. Where can I find information about the district reserve funds?

Our [fiscal policy \(DA\)](#) is a public-facing document posted on our website. This policy has also been discussed several times in board meetings, which are open to the public, live-streamed, and [recorded for viewing via YouTube](#), as well as documented in written format and [posted on our website](#).

10. Is the 509j reserve account at 5% as voted by the Board in 2014/15 or are we in the 15-20% range many districts operate at?

To clarify, Corvallis School District has three set-asides prescribed in policy:

1. Contingency Reserve (2.5%)
2. Rainy Day Reserve (5%)
3. Unappropriated Ending Fund Balance (5%)

Total CSD Reserves: 12.5%

Of note, per ORS 294.481, Unappropriated Ending Fund Balance can only be accessed for:

- Involuntary conversion or destruction of the property of a municipal corporation;
- Civil disturbance;
- Natural disaster; or
- Any public calamity.

None of these reserves are required by law, so each school board is allowed to set its own policy. To compare districts, we review the total general fund ending balance. CSD has averaged an ending fund balance of 16.7% over the last three years, which is in alignment with what we see in comparable districts.

The District carries a balance of funds higher than the 12.5% to assist with the ever-increasing operating costs.

For example, our current (FY2334) reserves are set at the following amounts:

Contingency Reserve:	\$2,276,120
Rainy Day Reserve:	\$4,552,240
Unappropriated Ending Fund Balance:	\$4,552,240
Total CSD Reserves:	\$11,380,600
(less unappropriated EFB)	<u>- 4,552,240</u>
Available reserve	\$ 6,828,360

From January through April 2024, our monthly operating expenses averaged \$11,312,986. As you can see by the numbers noted above, our available reserves would be insufficient to keep operations going for more than one month.

11. What levels have been kept in reserve for the last 15-20 years?

We have maintained reserves according to board policy, with the exception of the instance noted in the above question.

12. How have similar and/or surrounding districts used their reserves in the past, and is this information helpful for us to consider?

School Boards are allowed to use their own discretion on reserve amounts and what is placed into policy.

The CSD [Board Policy \(DA\)](#) is very detailed. While other policies from districts around the state may not be as detailed, many districts operate with reserves between 15-20%. Corvallis School District's reserve balance is in alignment with this practice.

Districts may use reserves in many different instances. Some examples include:

- To cover collective bargaining agreement increases greater than what was budgeted. In some instances, districts may agree to higher COLA's in order to avoid a union strike and protect student learning time.
- Risk liability that is not covered by insurance.
- Other unanticipated one-time expenditures.

It's important to note that tapping into reserves to address ongoing issues (e.g. declining enrollment) is not advised, as the use of reserves is not a long-term solution. For example, if we accessed reserves to maintain current-year staffing levels next year, we would need to reduce by at least two times as much in the following year (25/26).

Impacts of Staffing Reductions

13. Why would you cut school-level positions if you are keeping reductions away from classrooms and students?

78.5% of our district spending goes to support staffing. An \$8 million budget reduction requires us to make reductions that impact people and positions. To minimize the impacts, we first review positions that can be split across more than one building and unfilled positions that can be left unfilled.

The district also reduced 10 positions at the district office level, which included staff on partial or full layoffs.

14. How will the budget shortfall impact staffing levels?

Current staffing reductions include:

- 10 individuals at the district office level received partial or full layoff notices.
- Reduction of elementary library media technician positions by 3.12 FTE district-wide.
- Reducing 16.37 FTE district-wide teaching positions to return to pre-COVID class sizes.

- The skills trainer positions in our Mental Health Program.

15. How will staffing reductions impact student learning, and how will the district maintain the quality of education despite staff reductions?

We are still committed to ensuring students have an array of opportunities and possibilities in our schools.

- Our elementary students will continue to have access to music, art, and physical education.
 - Libraries will be open to students but for fewer hours each day.
 - Students will receive the same amount of instructional time in music and PE.
 - Students will receive 1 art class per week.
- Students will also continue to have access to mental health services.
- We have made no staffing reductions in special education and prioritized maintaining the level of support we provide for students with disabilities.
- We will continue to offer the CTE courses that we have offered in the past.
 - There will be fewer classes in computer science.
- We continue to group our advanced placement and dual credit course offerings, which support our students in the rigor of college and university coursework.

16. Why is the district reducing art/music/PE staff when we have a Local Option Levy supporting those positions? Does this mean students will have less access to those classes? Is the district cutting these programs?

While the Local Option Levy provides funding to support these subjects, general district funds also support these positions. The Local Option Levy allows our district to provide these subjects at a higher level than general funds alone and other districts in Oregon can.

17. What electives were reduced at high school beyond music? Specifically, were any CTE courses reduced?

Reductions were made in computer science (CTE), fine arts, health, and filmmaking (CTE). Due to overstaffing in those areas (more teachers than students registering for classes), reductions were also made in math and language arts.

Even with these staffing reductions, we will continue to have the career and technical education courses we have had in the past. In some cases, this means fewer class periods of a course. Students can also enroll in classes at both CHS and CV to further expand course offerings.

18. What are some examples of specific reductions to professional development for instructional staff? Will staff still be supported to maintain continuing education requirements? How will the district provide and incentivize ongoing professional development with less financial commitment to these expenses?

Professional development for 2024-25 will be directly related to curriculum implementation. As some adoptions are on pause, the need has decreased. Professional learning will be grant-funded (e.g. Early Literacy) and in alignment with specific strategies tied to Board goals.

The district will continue to support continuing education requirements. The district calendar has PD days built into it that support this.

In addition, we have budgeted to cover all contractual requirements that support tuition reimbursement for staff. The district also has vouchers available through multiple universities that we receive from the student-teacher placement program.

District Office and Administrators

19. Can you provide clarification on how you distinguish between department and district office reductions? How many of the reductions considered to be district office are due to attrition and non-rehire as opposed to actually receiving a layoff notice?

For 2024-25, the dollar amount allocated to schools (direct and via a department budget) decreased by approximately \$200,000 or 0.2%. FTE directly working in schools has decreased by 51 FTE or 7%.

In comparison, the dollar amount allocated to district-level support (less of that flowed directly to school sites) decreased by approximately \$3M or 15%. FTE working at the district level has decreased by 14 FTE or 15%

Ten individuals at the district office received partial to full layoff notices. Changes are happening every day and we are bringing back as many individuals into new placements in schools as possible and in alignment with contractual agreements.

20. What consideration was given to reductions in administrators rather than direct student-facing positions?

An administrator can perform several functions compared to a certified instructor. Examples of these functions include hiring, evaluation, terminations, and suspensions of students. For these reasons, we must maintain an adequate level of administrative staffing.

Additionally, we reduced administrative FTE at CVHS and shifted it to a more student-facing position (Dean of Students).

21. What informed the decision to add dean of students to high schools, rather than preserve funding for existing positions, specifically skills trainers, LMT, and art/music?

A 1.0 FTE Dean of Students (certified) position was added to CVHS this year. This FTE was shifted to this position from the decrease of 1.0 in CVHS administration. This resulted in a cost savings.

No change was made to the Dean of Students allocation at CHHS or CHS.

22. Why the large increase in administrators if FTE decreased?

Administrators received a COLA and step increase as indicated by contract. The 5% COLA is in alignment with what our certified staff members received.

23. What steps have we taken to find and secure alternative/less expensive legal services?

The firms we engage with for legal services specialize in K-12 education, which is advantageous in mitigating additional risk (and cost). The district does utilize free legal services through PACE, when applicable. In addition, we have put parameters around when (and who) can access legal advice. This ensures that we do not incur unnecessary costs.

24. Why is the superintendent's salary not listed in the proposed budget? How is his salary determined?

The Superintendent negotiates their contract directly with the Board outside of the non-represented contract. Superintendent Noss's contract is publicly available via [BoardBook](#). The board looks at comparison districts (as they do with all groups when making salary decisions) to determine compensation.

25. Is it true the district gave pay increases? Why were staff given pay increases when there is a needed budget reduction?

All staff, including teachers, received their step increases and Cost of Living Adjustments (COLA) last year.