



# Superintendent's Budget Message

Our Vision: All students graduate and are prepared for a successful life.

May 2, 2023

Dear SKPS Community, Parents, Students and Staff,

As I reflect on the near conclusion of my 18<sup>th</sup> and final year as an Oregon superintendent, I am humbly struck that this is my last budget message. I had the good fortune to follow a superintendent who allowed me to give my first budget message 19 years ago as he mentored me through transition into my first superintendency. I am incredibly thankful to all of you who gave your time in service to our students through each of 19 different budget committee processes. In each process, I have had important conversations, answered tough questions, and made hard choices. Working with budget committee members and the finance teams that do the hard work of putting the budget together has made me a stronger leader. I am thankful to have worked with a community of people who join me in making the well-being of our students our priority in each budget, and in all we do.



## Financial Uncertainty

This year's budget has been prepared in continued uncertainty. The state legislature is still in session and has not finalized the State School Fund (SSF). For the 2021-23 biennium, the state approved SSF of **\$9.3 billion**, which was below the current service level for Salem-Keizer Public Schools (SKPS) and other Oregon school districts.

The 2023-24 budget builds on the revenue assumption of **\$9.9 billion**, below the **\$10.3 billion** that is necessary to maintain current service levels and is the second biennium in which SKPS and other Oregon school districts face a shortfall.

Salem-Keizer Public Schools has only been able to maintain and add services for students because of strong fiscal reserves, state grants such as the High School Success (HSS) and the Student Investment Account (SIA), and the Elementary and Secondary Schools Emergency Relief Funds (ESSER) federal grant. Specifically, we hired more teachers, social workers, administrators, and support staff to meet the academic and social needs of our students in a time when they needed them most.

## ESSER - Sunsetting in 2023-24

The 2023-24 school year is the final full year for the use of ESSER funds. In this grant, there are approximately **116 full time equivalent (FTE)** positions including nurses, school-based health assistants, and social workers. Additionally, 54 elementary classroom teachers are funded with ESSER funds to reduce primary level class size.

## Declining Enrollment

Like most districts in the state, SKPS is experiencing declining enrollment. Despite this decline, SKPS still sees a modest increase in the SSF because of the extended Average Daily Membership Weighted (ADMw) calculation and because SKPS enrollment is declining at approximately the same rate as other districts in Oregon. SKPS is funded based on extended ADMw, which uses the higher of current year or prior year ADMw. This eases the financial impact on school districts experiencing declining enrollment.

	Actual Annual Average Enrollment					Projected Enrollment	
	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24
<b>Elementary</b>	19,797	19,474	18,915	17,271	17,179	17,124	16,882
<b>Middle</b>	9,759	9,907	10,246	9,809	9,569	9,169	8,946
<b>High</b>	11,889	11,869	12,041	12,467	12,574	12,717	12,732
<b>Other</b>	310	348	368	417	269	297	297
<b>TOTAL</b>	<b>41,755</b>	<b>41,598</b>	<b>41,570</b>	<b>39,964</b>	<b>39,591</b>	<b>39,307</b>	<b>38,857</b>

While there is declining enrollment, this proposed budget holds general fund FTE for school allocations consistent year over year with the exception of some general fund FTE shifted into grant funds. We have adopted this approach because we believe excellent instruction and services provided directly to students are the most effective methods for achieving our strategic goals.

## Integrated Plan and Strategic Investments

To supplement the SSF and bolster strategic investments in career and technical education (CTE), student mental health needs, graduation, and the reduction of academic disparities in historically underserved focal groups, Oregon provides school districts several grants, including:

- Student Investment Account (SIA)
- High School Success (HSS)
- Early Indicator and Intervention System (EIIS)
- Comprehensive and Targeted School Improvement (CSI/TSI)
- Perkins-V



These large grants are budgeted outside the general fund and include restrictions that require monies to be spent only for specific purposes. New for biennium 2023-25, the Oregon Department of Education (ODE) is requiring districts to braid these five different grants into a focused and integrated strategic planning process known as the Integrated Plan.

Braiding multiple funding sources supports strategic investments that promote student well-being and academic progress. Community, family, and student voices, especially the voices of those who are historically underserved, inform strategic investment of state and federal grant funds and move the district closer to achieving equitable outcomes for all students.

Input received from more than 1,100 community members, families, and students guided the development of the district’s integrated plan, and strategic opportunities were identified to account for an underfunded SSF and the expiration of ESSER. This proposed budget moves **13.0 FTE literacy specialists and 21.5 FTE behavior specialists at elementary level** from the general fund to grant funds. These five grants continue to fund **278.2 FTE** that provide direct support to students in the form of social workers, counselors, classroom teachers, instructional assistants, program associates, and administrators.

### Sense of Belonging

Students in Salem-Keizer Public Schools represent the diversity of the world in language, culture, race, ethnicity, gender, and sexuality. **We celebrate, honor, and value this diversity** while we work diligently to eliminate microaggressions, racism, discrimination, and oppression and create a sense of belonging for all students.

**Care, connection, and community** are the heart of a healthy education system and critical for inclusive environments that empower students and staff to thrive and create a sense of belonging. In addition, each is essential for promoting student and staff health, safety, and well-being, and for supporting welcoming schools where all students can learn and thrive.

Student well-being includes mental and emotional health as well as physical health. Each school has mental health services available, and social-emotional health support to students has been expanded. Even with these expanded supports, many students continue to need complex mental health support, and a small group of our students experience such complex needs that support outside of the regular school environment is necessary. SKPS is continuing to seek solutions to meet this need and is working with the community to identify necessary supports for these complex needs.



To promote a sense of belonging and support student mental and social-emotional health, SKPS has invested **\$21.9 million** in grant funds in the integrated plan to create safe and welcoming school environments.



## Regular Attendance

Learning cannot happen if students are not attending their classes, interacting with educators, and collaborating with their peers. Attendance requirements were temporarily suspended during Comprehensive Distance Learning, and like many districts across the state, SKPS students have not yet reestablished regular attendance behaviors. To promote improvement of attendance, SKPS is investing approximately **\$368,000** in targeted attendance interventions.



## English Language Proficiency

Diversity is one of Salem-Keizer's greatest assets, and more than 110 languages are spoken in the district. We believe that students' culture, heritage, and language are assets that enrich learning environments. We also believe that teaching a child to read is an act of equity, and we strive to give every student access to content by providing research-based strategies to scaffold access depending on students' needs. Because of our population and our foundational beliefs, SKPS remains committed to the expansion of dual-language programming to support language development and multilingualism. The district's integrated plan includes **\$4 million** in strategic investments to support the expansion of dual language with the goal that students in SKPS have access to a fully articulated Spanish dual-language program within their resident feeder system.

In addition to sustaining dual language, the district has braided funds to continue investments in an English Language Development (ELD) program to support language acquisition at the secondary level. District internal data shows that students who are English learners and achieve English proficiency before they enter high school graduate at rates greater than their English-only speaking peers (87.15% compared to 85.91%), an outcome that affirms our commitment to supporting the development of multilingualism. Based on data and our commitment to the academic and language development of English learners, we have reallocated centralized program associates to support professional development needed to build capacity for school staff to serve the needs of our English learners.

SKPS experienced an increase in the number of students learning English during school year 2022-23 and projects this increase to continue during school year 2023-24.

	Actual English Learners (EL)						Projected EL
	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24
<b>Elementary</b>	5,411	4,978	4,539	4,191	4,125	4,465	4,450
<b>Middle</b>	1,417	1,597	1,676	1,693	1,652	1,762	1,850
<b>High</b>	803	961	1,178	1,445	1,443	1,656	1,875
<b>TOTAL</b>	<b>7,631</b>	<b>7,536</b>	<b>7,393</b>	<b>7,329</b>	<b>7,220</b>	<b>7,883</b>	<b>8,175</b>



## Third Grade Reading

Reading is a necessary skill that opens doors to advanced academic instruction and to well-paying careers. Learning to decode word parts and whole words is a necessary and important step in learning to read, and this step cannot be taken in the absence of meaning, especially when learning to read in a second, third, or fourth language. The district's investments in literacy, approximately **\$4.1 million**, include improvements in the assessment of early indicators of literacy development and focused professional learning designed to provide teachers with a deep understanding of the science of learning to read and the instructional skills necessary to help students who speak a language other than English at home to build on what they know, assign meaning to words, and access content at the highest levels.

## High School Success

Ninth grade is a critical transition time for our students. When students begin their high school careers, it is critical they lay the foundation for four years of rigorous coursework that prepares them for college and careers. With an investment of **\$4.1 million**, the district strives to maintain an intentional focus on a strong start for all high school students. This investment includes additional secondary math teachers and secondary math curriculum, improvements in multi-tiered systems of support, and bridge programs that smooth the transition from grade eight to grade nine.

Salem-Keizer Public School students who are CTE concentrators graduate at rates above 99%. With this metric in mind, the district is investing **\$13 million** in robust and varied CTE offerings that include more than 54 programs, more than **60.0 CTE-focused FTE**, and professional learning in the technical and career skills that lead to living wage careers directly out of high school. With these investments, SKPS continues to create opportunities for all high school students to access one or more CTE programs that match their interests and skills. In addition, SKPS is investing in strategies that support graduation. In sum, approximately **\$17 million** is invested in supporting our high school students from their grade eight transition to graduation.

## Investment Summary

The stakeholder engagement process of integrated planning allowed the district to set clear outcome measures and revise its strategic plan. The full integrated plan was presented to the school board and approved on March 14, 2023, and is available on the district website at <https://salkeiz.k12.or.us/skps-integrated-plan-budget-2023>.



## Supports for New Teachers in Schools

Maintaining a stable educator workforce is essential in providing high-quality education for students, and mentoring new teachers is critical. With 22%, or 629 of our licensed staff in their first three years of service, and 483 of those 629 in their first two years of service, a high-quality effective mentoring system is essential for staff and student success. Based on the funding forecast reality and the high numbers of early career educators, we are shifting to school-based supports by braiding grant funds to ensure a minimum of a **1.0 FTE instructional mentor** at each school. This will also provide relief to the general fund as we navigate reductions. As a result of this shift to a school-based model, there is a **6.0 FTE** reduction in the general fund.

## Additional Factors and Strategies

There are a number of factors impacting the proposed budget, and we are proposing additional strategies to relieve the pressure on the general fund in order to provide both financial stability and services to students. These include:

- Wages and medical insurance are estimated: SKPS is currently in successor negotiations with both ASK-ESP and SKEA. Budgeted wage and insurance increases in the general fund total approximately **\$14 million**, but this is only an estimate.
- Reduction in classified and licensed reserve FTE: This is the FTE used when there is an unpredicted change in enrollment, course addition, or need.
- Shift of **34.0 FTE** from general fund to grant funds in order to protect future reductions: The **34.0 FTE** align with the strategies in our integrated application.
- Increased transportation budget for athletics, music, and outdoor school, which are no longer supported through grant funds and to adjust for increased costs.
- Reduce **6.0 FTE** in function 2210, Improvement of Instruction Services.
- Materials and services budgeted increase of 2%, except utilities with a budgeted increase of 10% for inflation.
- Transfers to asset replacement fund of **\$1 million** for equity-based asset replacement and **\$5 million** for curriculum.



## Summary

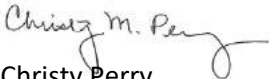
The 2023-24 proposed budget is **\$1.3 billion** for all funds, including **\$605.3 million** in the general fund. The general fund has a 2.9% contingency, which is below the financial policy of five to seven percent and the lowest contingency presented in a proposed budget in SKPS in the last 11 years. Even with restrictions on spending and the strategic realignment and reduction of FTE, I *do not believe* this budget will meet the financial goals of the district. With the present fiscal uncertainty, resources committed directly to students are critical. We are in a precarious fiscal position, and it will be essential the new superintendent and current school board monitor the fiscal health of the district as they navigate this biennium.

Important to note is that the proposed budget includes federal funding for ESSER, and many positions are funded through this federal grant. The grant expires in September 2024, and strategic financial planning will be needed to address the future funding challenges.

The 2023-24 proposed budget supports the work of our district on behalf of our students. There will always be challenges in front of us, but I am confident in our exceptional staff, including our district leaders and school board who manage resources and who support our students each and every day.

I feel fortunate to have led Salem-Keizer Public Schools and believe together we have become better in service to our students.

Respectfully,

  
Christy Perry  
Superintendent



