

## Adopted 2009-10 budget prioritizes students

***“In all budget decisions, students come first.”***



**Dear Neighbor,**

We have been working hard to develop a budget for the next school year. Last month the

School Board adopted a budget that required budget cuts. In this difficult economic climate, we know many families in our community have faced the same challenges.

The budget process was guided by criteria that prioritized students:

- Protect as many instructional programs for students as possible, cutting furthest away from the classroom first.
- Protect extra-curricular programs for students, if possible, maintaining a range of program offerings to encourage extended-day involvement of students with school.

- Protect the highest number of jobs possible to promote the local economy and maintain adult resources for students.
- Position the District to continue a quality educational program for K-12 students despite the 2009-11 state revenue shortfall.
- Absorb as many positions as possible through attrition rather than layoff when aligned with budget priorities and District goals.

In this newsletter, we will provide detail about our budget and the factors that may affect the final number for the next two years—a number we may not even know until next year. We will tell you about big budget cuts in our budget. We have also made small changes to save money, such as printing this newsletter with black ink and reducing the number of issues distributed last school year. And, we will tell you about our students. In this issue, we will feature high school graduation and highlights.

Sincerely,  
Superintendent Maryalice Russell,  
Ed.D.

## Budget information

On June 8, the School Board adopted a budget for the 2009-10 school year based on estimated funding levels for next year.

At the end of June, the Legislature approved a K-12 budget of \$5.8 billion over the next two years with an additional \$200 million if the economy improves.

Schools receive the majority of their funding from the state and represent the largest state general fund recipient. When the economy weakens, state funds may be reduced mid-year. This has occurred twice in the past seven years. The state education budget for 2007-09 was approved for \$6.245 billion and then reduced to \$6.13 billion this spring due to lack of state revenues.

The District must be prepared to adjust budget expenditures as the year progresses because of the volatile economy and its impact on state revenue. Money to support state services is primarily dependent on income taxes. If fewer people work, less money is collected in taxes and consequently less money is available for schools. In a business where 80 percent of its expenses are tied to salaries and benefits (employees who work with students), school district budgeting today has become a very complex task. Laying a teacher off mid year because the state notifies you in December that it is short on funds does not make sense for students. We budget for what we believe we can afford to provide in services to students. We also reserve some funds for negative changes in state

### 2009-10 General Fund Budget Expenditures

- Instruction and educational support: 88%
- Central Administration: 2%
- Business Services/Tech: 3%
- Transfers to Other Funds: 1%
- Planned Reserve: 6%

**Total General Fund Budget:  
\$53,868,610**



*Wascher kindergarten students ride the bus home on the last day of school.*

## Budget (cont.)

revenue to provide a stable program for a full year. We anticipate this budget crisis to linger over the next two years; budgeting prudently will help the District provide important learning opportunities to children.

### What does this mean for McMinnville Schools?

The District depends on state funding for 70 percent of its general operating budget (approximately \$37 million in 08-09). A difference of \$200 million in state funding equals \$2.2 million to our budget over the next two years.

The goal of the adopted budget was to fund educational programs that could be sustained for the next two years. The budget was based on budget criteria that put students first (see Superintendent's message on page 1).

The budget reductions for the coming school year were estimated at \$5.5 million. The needed reductions were determined by taking the current education programs and staffing in 08-09 and rolling up costs to 09-10 levels based on salary, benefit and non-personnel cost increases.

### What about Stimulus Funds?

The District is expecting to receive three types of stimulus funds:

**State stability funds** will come through the state and are already included in the state K-12 budget.

**Title I funds** are one-time funds for remedial reading and math. The District will use the \$796,000 for reading and math specialists who provide direct support to students.

**IDEA funds** for special education will be used over three fiscal years beginning in 08-09. The \$1.3 million will cover program cost increases in special education due to an increase in the number of students served and increases in high cost services. These funds are being used for current jobs; not adding new services.

# General Fund Reductions

The reductions in the District's General Fund to balance the budget include:

**Cash reserves to minimize future reductions:** The District policy is to budget for a minimum five percent cash reserve or ending fund balance carried over to the following year as a resource if revenues do not come in as projected. In 2009-2010 our programs benefit by use of \$1 million dollars in cash reserves to offset approximately 16 positions that we otherwise would have cut.

**Classroom Startup Reserve Fund:** In the past two years the District set aside \$1.2 million in a Classroom Startup Reserve fund for furniture, equipment and technology for the new bond-funded classrooms. The District returned this fund to the general fund when we received a \$2.7 million facility grant this spring from the Oregon Department of Education for new classroom equipment and materials.

**Use grant funds to purchase high cost equipment needs:** The facility grant will also be used to purchase textbooks, technology, athletic and security equipment. The facility grant can be used for equipment and materials needed as a result of new construction.

**Cut five days for all staff:** All employees, including the Superintendent, will take a five-day work year reduction in 2009-10. The days that were cut from the school calendar will not reduce student days.

**Negotiate concessions with employee groups:** The District worked with each employee group to negotiate concessions to current contracts. Classified, non-represented and administrators employee groups all took a pay and step freeze for 2009-10 and agreed to a reduction of three additional days if the funding level drops to \$5.6 billion or lower. The District did not come to an agreement on concessions with the licensed group. Although the District was appreciative of the group's initial offer to save next year, it could not agree to the overall salary increase proposed over the next biennium when the cost of living indexes are currently negative.

**Reductions to athletics:** Eliminated elementary track, middle school basketball and wrestling and reduced the high school athletic budget by reducing the number of teams per sport or coaches without eliminating programs.

**Eliminate summer school program.**

**Reductions in staff (FTE means full-time equivalent or full-time staff positions):**

- Increase class size (19 FTE): Kindergarten from 17 to 19 students; elementary school from 23 to 25 students; middle school from 26.5 to 27.5 students; high school from 28 to 29 students.
- Eliminate extended kindergarten (6 FTE)
- Eliminate teacher mentor program (2 FTE)
- Combine middle school alternative classrooms (1 FTE)
- Combine special education classroom (1 FTE)
- Reduce librarians to half time at small schools (1 FTE)
- Reduce one elementary and one secondary counselor (2 FTE)
- Reduce school psychologist (.50 FTE)
- Reduce District-level administrator (.75 FTE)
- Reduce communications specialist (.75 FTE)
- Reduce classified positions through attrition (estimated 8-10 FTE)

# Congratulations to McMinnville High School Class of 2009

Last month, 406 graduating seniors received McMinnville High School diplomas. The students join more than 32,500 MHS alumni since the school opened 99 years ago.

At the graduation ceremony, Principal Kris Olsen presented diplomas and listed the achievements of the graduating seniors during their four years at the school.

In his commencement speech, he said, "I want to tell you, members of the Class of 2009, how much fun it has been being a part of your senior year, and your high school experience. You are a "unique" group of young men and women, a group we are all very proud of."



Photo by Dan Belderrain

## Class of 2009: Student and class highlights

The following are some of the academic achievements of the Class of 2009. The whole list, including community service and students activity highlights are online at [www.msd.12.or.us](http://www.msd.12.or.us).

- Students have received more than \$2,416,260.00 in **scholarships, grants, and awards.**
- Eight students had a **perfect 4.0 grade point average:** Anna Bertrand, Thomas Carey, Erin Grinich, Emma Herdener, Taryn Hunter, Aimee Palacios, Camila Matamala-Ost , Ross Passo.
- Four students were **National Merit Scholars:** Anna Bertrand, Thomas Carey, and Jordan Eagan are National Merit Finalist, and Dylan Weaver is a National Merit Commended Scholar.
- Thirty-three students received the **Honors Diploma** for maintaining a grade point average of 3.5 or higher, earning 24 or more credits, achieving their Certificate of Initial Mastery, and pursuing six or more credits of rigorous academic courses.
- Seventy-nine students received the **Career Pathway Certificate of Initial Mastery.**
- The **Outstanding Boy and Outstanding Girl awards** for exemplifying the ideas of character, scholarship, and service went to Aimee Palacios and Ross Passo.
- The **Professional Technical Excellence Award** went to Sarah Schweiger and the **Academic Excellence Award** went to Thomas Carey. Both awards are for academic performance and activities that demonstrated maximum effort.
- Twenty-seven students were members of the **National Honor Society.**
- Thirty-seven student athletes were **Oregon School Activities Association (OSAA) Scholar Athlete Award** winners with a grade point average of 3.50 or better.
- Twenty-five students were **OSAA Activity Scholar Award** winners with a grade point average of 3.50 or better.
- Fifty-one students earned their



**Endorsement** for completing the necessary credit requirements and performance outcomes of their respective pathway area.

- Seventy-eight students achieved the **Honor Cord status with a cumulative grade point average of 3.5 or higher.**
- Fifty-one students earned their

# MHS dedication and 100-year celebration planned for Aug. 29

Before school ended in mid-June, teachers moved their supplies into the 26 new classrooms at McMinnville High School. Workers will complete the new kitchen and commons over the summer, wrapping up the school projects before the start of school.

The completion of the high school projects mark the end of the construction projects funded by the 2006 voter-approved bond measure.

A high school dedication ceremony will be held Aug. 29. The school, which opened in 1910, will also celebrate its 100-year anniversary.

Look for more details about the high school celebrations later this summer on the District Web site and in the newspaper. If you have questions, please contact McMinnville High School, 503-565-4200.

## McMinnville High School Construction Project List

- 26 new classrooms
- New main entrance
- Cafeteria/kitchen
- More parking
- New tennis courts at Cows St.
- New greenhouse

## Vision 2020

In January 2009 the McMinnville School District launched a strategic planning process called Vision 2020. With last year's first graders—the class of 2020—as its focus, the District sought to identify:

- Community priorities for students and schools; and
- Knowledge and skills students will need for post secondary education and employment.

With these goals in mind, District representatives met with government officials, business leaders, civic

leaders, parents, educators and other groups; hosted public forums; talked informally with members of the public at local coffee shop and conducted an electronic survey. In September District representatives will talk with elementary school parents at back-to-school nights, the Hispanic Advisory Council and other community partners. In October/November the District will establish goals from information gathered through the community engagement process.

### For More Information

For more information about the McMinnville School District, please contact us:  
Phone: 503.565.4000 • E-mail: [info@msd.k12.or.us](mailto:info@msd.k12.or.us) • Web: [www.msd.k12.or.us](http://www.msd.k12.or.us)



Non-Profit Org.  
U.S. Postage  
PAID  
Permit No. 26  
McMinnville, OR

POSTAL PATRON