



Office of the Superintendent

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April 27, 2010

To the Medford School District 549C Budget Committee:

Tonight you are receiving a proposed budget for 2010-11. It is a budget that responds to the promise of more funding for schools, tempered by the reality that even Oregon's governor does not believe all the revenue will arrive in time to pay the cost of the 2010-11 school year. It comes on the heels of one of the most devastating reductions in resources for Oregon's public schools, which resulted in substantial reductions in the district's operating budget, a shortened school calendar, less time for staff to plan and prepare lessons for children, furloughed days for staff, fewer instructional days for children, and more childcare expenses for families.

This proposed budget builds back a full calendar year of instruction, more support for secondary music programs, more support for cleaning and maintaining our rebuilt schools, and more options for student learning. It restores critical teacher planning and preparation time, stabilizes core services for all students, and maintains essential supports for student success.

Sustaining Growth in a School District that Puts Students First

Since 2005, students in Medford schools have made marked improvements in their academic performance. For five years the district has experienced steady annual increases in the percentage of students leaving the district with a diploma. The district high school graduation rate has increased 19% since 2005. On the most recent state assessment tests (2009), 79 % of Medford tenth graders read at or above grade level. (The state average was 67%). Because of the district's investments in targeted academic interventions and increased staff development, the percentage of student requiring special education services (11.7%) has remained substantially lower than the state average (14.6%). These are exceptional accomplishments by a remarkable staff occurring during a time of extreme financial instability and uncertainty. It is a credit to their commitment to the success of children and to the community's support for the district.

Less than four years after the successful passage of a district facilities improvement bond measure, all Medford students will return this next September to thoroughly renovated and modernized school facilities. Even in these tough economic times, the teaching and learning conditions for teachers and students have been vastly improved.

Because of prudent financial management combined with the intentional pursuit of best practices for teaching and learning and close collaboration with Medford employees, the district is better able to face the coming challenges and weather the continuing economic storm.

Stewardship is a Public Responsibility

The district is continuing its practice of transparency in how it conducts the public's school business. Budget and policy documents are available via the district web site at www.medford.k12.or.us. Given that public schools belong to the citizens of our community, it is a sobering responsibility in these challenging times to be stewards of the public resources.

From the outset, the district has been committed to a decision-making process that is both responsible and responsive. Below are the goals and the considerations that have guided the development of this and recent budgets:

A. Core Goals for Budget Decision Making

1. Meet all federal, state and local legal requirements (ensure a "standard" school year as required by OAR 581, Division 22).
2. Keep students and employees safe.
3. Protect the school system's infrastructure.
4. Protect the district's commitment to improving classroom instruction and increasing student learning.

B. Process Considerations

1. Seek and use the most accurate information. Accept input from stakeholders.
2. Consider impacts on students, families, employees, and the community.
3. Consider long term effects (seek positive return on investments, understand potential consequences).
4. Consider equity, justice, and innovation.
5. Promote transparency while maintaining confidentiality.
6. Proceed in a timely manner and pursue effective communication.

Restorations in Services and Support for Teaching and Learning

The initial economic meltdown in the fall of 2008 prompted district administrators to scrutinize the budget, reviewing the spending history, and reducing and realigning expenditures to better match the essential services the district must support. In some cases, the district was able to preserve investments in student success by shifting costs from state funding to temporary federal funding. The one-year temporary agreements with employees helped fill the remaining budget gap. By sustaining many of the cuts, and with the increased revenue for this year, the district is now able to mitigate some of the harsher impacts of last year's severe budget reductions. In addition to sustaining the services funded by last year's budget, this proposed budget includes the following items:

A. Increases in School Instructional Support

- \$1,870,000 – Restore 24.96 FTE teaching staff who were reduced from the 2009-10 budget and temporarily restored using reserves
- \$225,000 – Restore 2.5 FTE Music teachers to restore middle school band and high school band and orchestra courses
- \$300,000 – Add 4.0 FTE Secondary teachers (One at each high school and two to the Medford Opportunity High School)

B. Increases in Support for Programs that keep Students connected to School (Extra-Curricular and Supplemental Work)

- \$110,000 – Restore coaching positions for middle school extra-curricular athletic programs
- \$100,000 – Restore coaching positions for high school athletics

C. Increases to Maintain Community Investment in School Facilities

- \$85,000 – Increase custodial support staff (both classified and supervisory) to ensure renovated facilities are sufficiently clean and safe

D. Increases in Student and Family Support:

- \$50,000 – Increase supplies and materials budgets for schools to lessen the burden on families for peripheral school supplies

Protecting the Taxpayers' Investment

As I already noted, the community has addressed many of the district's critical facilities needs through the nearly completed bond projects. The addition of custodial staff will help protect that bricks and mortar investment. The district cannot, however, waver from its responsibility to continue to invest in promising practices that increase the percentage of students graduating from high school with credible academic and employability skills. At the heart of the budgeting process has been a commitment by the district to maximize the number of licensed and classified support staff working and serving our students. It is not enough to just keep staff employed. We must continue to invest in improving the knowledge and skills of these employees if we are to improve student achievement.

A Cautionary Note: Cost Drivers that won't go away

While funding for the next biennium is simply conjecture at this time, several cost drivers will not likely diminish.

- The unfunded PERS liability will grow or shrink relative to the health of the economy.
- Income tax revenue, which is the major contributor to state funding for schools, can only fill the financial shortfall currently covered by temporary federal ARRA (American Recovery and Restoration Act) funds if Oregon's economy rebounds vigorously.
- We have yet to determine the impact of the recently passed federal healthcare legislation on our employee insurance program.
- We do not yet know if we have reached the turn-around point in the district's six-year decline in enrollment. While we are hopeful that we are near the low point, each year of decline causes our revenue to shrink even more.

The existence of these ever-present variables presents a precarious tension between the urgency for all students to succeed and the risk of undercutting stability of service in the coming years. This budget proposal attempts to find a workable balance between these two factors.

A School District in Partnership with its Community

This budget message describes the financial plan for the next chapter in the story of our district and its relationship to students, families and patrons. I have attempted to convey the key factors and considerations influencing the design of the current budget proposal. Because of the tough decisions that were made last year, this year can be a stabilizing one.

This budget maximizes the return on the taxpayer investment in teaching and learning. The district, its employees, and our community must maintain stamina to meet the challenges of these tumultuous times. Given what is at stake, it is not enough for the district simply to survive within its means—we must succeed for the sake of our students, our community, and our future.

We intend to be known as a high-quality teaching and learning organization dedicated to preparing students to graduate with a sound educational foundation, ready to succeed in post-secondary education, and to be contributing community members. Our students' accomplishments testify to the sound investments we have made these past five years.

This budget alone cannot guarantee the success of all Medford students. The district seeks stronger partnerships with parents, volunteers, patrons, local businesses, colleges, and universities. To that end, I submit this proposed budget to the district Budget Committee and encourage your careful examination and determination as to whether it best utilizes taxpayer dollars to meet the needs of all students equitably.

Respectfully submitted,



Dr. Philip G. Long, Superintendent

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