

TESTIMONY TO THE ████████ WAYS AND MEANS SUBCOMMITTEE ON EDUCATION
MARCH 12, 2013

Senator Monroe, Representative Komp and members of the committee. My name is Beth Gerot. I am in my 14th year on the Eugene School Board and am a past president of the Oregon School Boards Association. For more than twenty years, my district and other districts in Oregon have endured steady disinvestments in the quality of education that we can provide to every student.

In the weeks ahead, I urge you to continue to seek ways to boost funding for schools in 2013-15 to at least \$6.75 billion. In addition, I urge you to pass the K-12 education budget as soon as possible so that school districts can have some certainty as they develop their own budgets for next year.

The circumstances our district faces in next year's budget have multiple contributing factors:

- For many years, we have been drawing from reserves, using one-time savings to sustain our budget and postponing the purchase of materials, texts, equipment, buses and other general fund expenditures. Some of these categories have been reduced so that they are no longer available to help us next year.
- In addition, revenue from our local option levy has been dropping steadily. We reached a high of \$14 million several years ago, but that revenue will drop to \$7.4 million next year, a loss of almost \$2 million from what we budgeted for 2012-13.
- Although open enrollment has helped to stabilize our enrollment, we are still experiencing a decline which results in reduced levels of state school funding.
- Other costs continue to rise as well, particularly in the areas of payroll, utilities, and insurance.
- On top of all of this, the sequestration will reduce federal funding for special education, Title I services, Title IIA professional development, Head Start and Early Head Start, and other federally funded programs. We will have to assume the cost for many of these services in our general budget.

The Co-Chair's proposed \$6.75 billion budget for K-12 education still means an estimated \$11 million budget shortfall in the Eugene School District's \$140 million budget. This is on top of a \$20 million cut made in 2011.

Over the coming months, we will be facing some very difficult decisions. Each of the proposed cuts are exceptionally painful. Services that directly impact students and the quality of their education include eliminating central office library support, reconfiguring technology support to schools, reorganizing Essential Skills Coordinator support to schools, restructuring our health centers and nursing services, and reducing professional development. However, even given these severe measures, we are likely to see increases in class size and potentially have an even shorter school year.

Anything less than \$6.75 billion will mean a significantly greater disinvestment in our students. We can't allow that to happen.

Thank you for this opportunity to address you and the service you bring to our state.

How would the potential 2013-15 State School Fund Levels impact YOUR Local School District?

EUGENE SCHOOL DISTRICT

\$6.150 Crisis Budget

A funding level of \$6.15 billion creates an estimated \$19 million budget shortfall in Eugene School District for 2013-14 after spending down reserves to below policy levels. This equates to losing 207 teachers, or cutting 40 days of school, next year.

Major cost drivers include a \$5 million increase in PERS costs.

Potential budget cuts could include making further concessions in salaries and benefits, including furlough days, possible layoffs and reductions in programs and electives.

No matter how heroic the efforts of Eugene's teachers and staff, higher class sizes and fewer school days mean less individual attention for students with a negative impact on student performance – especially for students who need additional support and intervention to reach their potential.

\$6.550 Major Reductions

A funding level of \$6.55 billion would leave Eugene School District with a budget shortfall of approximately \$14 million in 2013-14. This is the equivalent of losing 153 teachers, which would increase class size by an average of 7 students, or cutting 29 school days.

Potential budget cuts would include further concessions in salaries and benefits, possible layoffs and reductions in programs and electives.

We would again defer desperately needed investments in technology for students and teachers and postpone the acquisition of up-to-date textbooks and instructional materials.

All of these actions are on top of similar reductions that have been made annually for more than four years.

\$6.750

Continued Cuts

A funding level of \$6.75 billion would result in a budget deficit of approximately \$11 million. This is the equivalent of losing 126 teachers or cutting 24 school days.

Eugene's budget challenges are exacerbated by a continuing decline in the revenue produced by our local option levy. Five years ago, it generated \$14 million, but is projected to raise just \$7 million next year.

The Eugene School Board will be faced with decisions about laying off staff, cutting school days, raising class sizes, reducing or eliminating programs, and/or spending down reserves to below policy levels to balance the budget. At this level, the cuts would be significant, but with the continued cooperation of our employee groups we would be able to reduce some of the impact on student learning by negotiating compensation adjustments.

\$6.895 Fragile Stability

With a State School Fund of \$6.895 billion, Eugene School District's budget deficit would be approximately \$10 million. This is the equivalent of losing 106 teachers or cutting 20 school days.

Our school board would still face difficult budget decisions, resulting in service levels that are at or reduced from today's levels. Decisions include staff layoffs, cutting school days, raising class sizes, reducing or eliminating programs, and/or spending down reserves to below policy levels to balance the budget. With the continued cooperation of our employee groups we would be able to reduce some of the impact on student learning by negotiating compensation adjustments.

