

## FAQ Regarding Budget/Furlough Days

<b>Questions added 4/11/24</b>
<b>Besides your statement about low birth rate, what do you think the reason is behind the substantial decline in students in your school district? And do you believe there is a correlation between your declining numbers and Elkton school districts increasing numbers?</b>
Every time a student transfers from one district to another there is a correlation between those districts. A majority of districts in Oregon are facing declining enrollment.
<b>Have any staff members received bonuses this year? If so, how much and who? The rumor is that Jon has received a \$25,000 bonus or raise. Is this true?</b>
100% of district staff received their negotiated raises, steps, COLAs, and stipends according to their respective bargained agreements.
<b>Will admin &amp; other specialist (psychology/ special director) positions push in/ have more active time in the schools working with students as we have a high sped/high behaviors student population, if direct supports are cut?</b>
There will be less time for everyone if direct supports are cut. Any time we reduce staff the amount of work to complete does not decrease.
<b>Of the 15+ ESD positions that we have contracted out, can we instead look within our current employee pool and fill those positions internally?</b>
When we go through cuts or reductions for the 2024-2025 school year, all district expenditures will be reviewed including contracts with our ESD partners.
<b>At the board meeting on March 13, Josh made a statement to the board that said, "Good news, the ending balance went up by a couple hundred thousand dollars." What changed? What error was made &amp; by who? (In the future can we have an insurance policy in place where the ESD is financially responsible when there are budgeting errors?)</b>
<p>This question has several parts and requires a much longer answer.</p> <p>At the March 13 meeting, the recent state school fund adjustment had not occurred. That adjustment occurred March 28. The accounting plan and measures we were taking at the March Board meeting were satisfactory to navigate the remainder of the school year. At that point in time (March 13), we were not worried. There <u>was</u> an expectation about needing some reductions next year but not to the scale of what we see before us now.</p> <p>The March 28 revenue statement changed course for the Reedsport School District. There was a nearly \$400,000 adjustment made to our revenues for the current year, and we estimate just under \$200,000 will be added to that adjustment from the prior year. The adjustment is linked to a lower average years of experience for teaching staff, a declining enrollment, and an overall statewide decline in enrollment.</p> <p>In Oregon we use Public Fund Accounting which expects predictions to be made about revenues. Impacts to a budget, when not predicted correctly, cause adjustments to be made. Some predictions are easier than others. Some predictions are impossible to make. The State of Oregon, using some highly paid and highly competent accounting professionals, could not predict the events that led to 4 straight years of “kickers”. Currently, very large school systems (Portland, Salem-Keizer, Beaverton, Bend-LaPine, Silverton, etc) which arguably employ very professional and numerous accounting personnel staff could not predict the circumstances</p>

and events that led to those same District needs to make cuts this year to their budgets. Reedsport, North Bend, Coos Bay and Coquille are other districts I am already aware of making cuts and adjustments this year due to revenue decreases. I am passively researching other districts because I am "hearing" this is a far-reaching problem and want to know what other districts have been impacted.

Therefore, I do not believe an error was made by anyone because I do not believe that we can predict the future 100% of the time. Our past experiences give us a perspective and ability to guess what might occur but no way to absolutely predict. We have done well up to this point. This is a terrible event and saddens me in how much it impacts our students and staff and families. This event creates new perspective as we keep moving forward.

The only insurance we can take would be to keep much larger reserves at the cost of staff pay and student opportunity. There needs to be a balance to spending the revenues for schools against holding money for unpredictable events.

**What specific accounts were overdrawn & what purchases caused them to go over?**

Any item purchased or expended this year could be listed in response to this question. There is not one fault to point out. We need to make cuts because the state has withheld money to adjust revenues. There are a few examples of expenses that exceeded the budget due to construction and/or supply costs; gym floor leveling, school office construction.

**How much money will be saved if PD days are cut, and we have "summer school" for students during the last 8 days of school? Can that happen?**

A furlough day saves \$32,000 per day therefore \$256,000 total. The \$132,000 summer school grant cannot be used to bail us out.

**Why have Admin gotten a raise knowing this crisis?**

100% of district staff received their negotiated raises, steps, COLAs, and stipends according to their respective bargained agreements. Admin did not know about this crisis until after the March 28 school revenue adjustment was released.

**What was the budget carry over?**

This changes on a daily basis. The budgeted carryover for 2023-2024 was predicted as 1.8 million but actually was just over 1.03 million. Next year, in order to open school, we need a carryover budget of approximately \$350,000 which we will need to work at building up over the course of the year.

**What proactive measures have been or will be taken to keep our school open?**

These furloughs are the first step in keeping the Reedsport School District open and able to operate next year. There will be significant cuts to staffing, programs, and systems for the 2024-2025 school year to lower our operating costs as a results of the decreased state revenues.

**We are top heavy with Admin. Can we start cuts there?**

Administrative staff (along with every other expenditure in the budget) are going to be considered when we look at cuts for next year to reduce our overall expenditures. Administrative staff are all part of the furloughing for this year to reduce expenditures for this year.

**When will we know if our position with the district will be cut?**

4-16-24 We are working to try to communicate to staff in the next few weeks regarding any layoffs or reductions in force. This will necessitate working with Human Resources to ensure both State law and the respective collective bargaining agreements are followed.
<b>How much will this impact the sports programs?</b>
4-15-24 The first furlough day is after the regular sports seasons end. Playoff schedules were not available on OSAA at the time of the decision. Impact is not known at this time.
<b>Why didn't we learn this sooner?</b>
The adjustment was made in the March 28, 2024 revenue statement and was discovered in the Superintendents meeting with the Business Manager on April 3, 2024. After a weekend of review, the findings were reported to the School Board at their regular meeting (April 8, 2024), then the following day during an interview at the radio. The entire scenario was dealt with very quickly. The number of different groups needing information is large so the order of meetings can certainly be debated. I am not clear how we could have done anything sooner than we did.
<b>Will outdoor school be canceled?</b>
No
<b>How will OLP classes be impacted?</b>
4-15-24 It is not clear at this time how OLP will be impacted
<b>Are our cuts taking into account the \$78,048 we are receiving under 2024 common school funds from the department of state lands?</b>
Yes. All revenues and expenditures have been thoroughly reviewed.
<b>Why don't we have a grant writer on our staff?</b>
We do have a grant writing position at this time.
<b>Are we still required to complete our 3<sup>rd</sup> round of MAPS testing this year?</b>
4-15-24 SBAC testing will take priority over MAPS testing. A closer look at the school calendar after furloughs will need to occur before making this decision.
<b>So, are we having a bake sale?</b>
We need to consider outside the box thinking as well as conventional practice in working through this.
<b>Why did the board seem so unaware?</b>
Because they did not know until the meeting what the level of urgency was. The Admin and Business Manager met that day and barely finished (2-3 hours prior) before needing to report at the school board meeting. The timeline was very fast given the circumstances.
<b>Why not ax the 2 PD days?</b>
School days include extra elements beyond licensed staff time including transportation costs, food delivery to students, Instruction Assistants, etc. PD days don't save as much money and impact the 2 labor unions and confidential unequally.
<b>Would it be cheaper to go all online?</b>
That level of change would be difficult. All ideas need to be given consideration.
<b>How will this impact electives like shop?</b>

4-15-24 In budget cut scenarios, electives are typically impacted more than courses specifically required for a diploma. We do not have specifics for cuts or reductions yet.
<b>How soon will we know which positions are affected and how much those position will be affected?</b>
The Budget Committee has its first meeting on May 8. A proposed document has to be provided for them to consider and it must be balanced. There will need to be consideration of areas to reduce and/or cut in providing this proposed document. Business Mangers and the Superintendent will be working regularly in the coming weeks to put these suggestions together for that committee.
The committee will then provide a recommended budget to the school board for adoption. Not until the school takes action on adopting a budget are we certain about the expectations of spending for the 24-25 SY and what our authority will be in each area of the budget.
While we will have a certain level of expectation about the areas affected by May 8, we won't have certainty until after the Board adopts a budget, as early as their Regular June School Board meeting.
<b>How will this impact Outdoor School?</b>
At this time, ODS is still scheduled.
<b>How will this impact our insurance?</b>
Insurance plans will not be impacted by this furlough. HRA plans and reimbursement will not be impacted by this furlough.
<b>Why is this not part of a re-negotiation situation?</b>
This is a furlough and not covered for negotiation.
<b>Will administration also be furloughed?</b>
All staff including administration will be furloughed the same number of days
<b>Can we decide who goes and stays based on review instead of seniority?</b>
We need to follow negotiated collective bargaining agreements and state laws regarding any staff reductions.
<b>Can the furlough days proposed by days that we are already not work? (For example, the last two weeks of June) I ask because this too seems like additional unfairness if so. We would be on our previously - agreed upon days off and just not getting paid.</b>
School days include extra elements beyond licensed staff time including transportation costs, food delivery to students, Instruction Assistants, etc. PD days don't save as much money and impact the 2 labor unions and confidential unequally.
<b>Are we prepared for a strike or major departure in our teaching staff?</b>
The collective bargaining agreements are not open at this time and striking is not allowed. Any time there is a major departure of staff there will be big impacts. Any amount of cuts or reductions does not decrease the required work school districts must perform and fewer workers means that the work must be completed by the remaining employees
<b>Why didn't we know earlier?</b>

The adjustment was made in the March 28, 2024 revenue statement and was discovered in the Superintendents meeting with the Business Manager on April 3, 2024. After a weekend of review, the findings were reported to the School Board at their regular meeting (April 8, 2024), then the following day during an interview at the radio. The entire scenario was dealt with very quickly. The number of different groups needing information is large so the order of meetings can certainly be debated. I am not clear how we could have done anything sooner than we did.

**Does splitting the furlough days mess up unemployment eligibility?**

There will be a one week waiting period for anyone who has not applied for unemployment this year regardless of whether the furlough time is split or consecutive.

**Tension bonuses retained or lost?**

Bonuses, stipends, and other non-regular salary remain intact.

**Budget cut idea: Do not switch to standards based grading or have extra staff meetings.**

Thank you for providing any and all outside the box thinking about ways to navigate forward with our revenue reductions.

**What sports, events, etc. will be canceled or rescheduled?**

Buildings will be looking at their calendars and sending out any changes or cancelations as soon as they can.

**If we are breaking up the furlough days between the months, will we be able to move quick enough so the first week is before May 1 0? If not, wouldn't our check be hit the same if they were consecutive furloughs at the end of the year?**

The Business Managers were able to move quickly enough so that individuals could choose to split up the impact of the furlough over multiple paychecks between now and the end of the fiscal year. They are creating opportunities for people

**Can we request financial documents to see how the money is allocated/has been spent?**

Yes – at this time, I believe the business managers have answered all of the requests made of them. We will continue to do so going forward. Transparency will be important as we navigate this process.

**If we need to cut programs, how does admin plan to make sure our district is desirable to new students?**

The buildings will need to continue working together under any changes to provide students with the best possible education and outcomes. The level of team or family has been the strength of the District and we will need to continue leaning on this strength as we move forward.

**Will sports be protected from cuts? Many students are very worried about the future of sports.**

Next year's budget will have to consider all impacts of limited revenues against predictable expenditures. I do not think any programs will be completely protected and I also do not think that any programs will be completely impacted. A balanced look and proportionate reductions will be the most likely set of circumstances.

**What was the raise that the superintendent took and when did that happen? Why?**

The Superintendent's most recent contract negotiation occurred with the School Board at the September 13, 2023 meeting. Along with every other person in the school district, the position was given a raise. Since he arrived and up until that negotiation, the superintendent's salary increases did not keep up with the association salary increase primarily because the superintendent contract does not contain step increases. Prior to the negotiation, the school board requested a market value comparison of superintendent salaries for comparable sized districts. As a result of this, the school board offered a salary of \$150,000. This increase does not exceed the percent increase received by other employees during his tenure.

**How will this impact Outdoor School?**

At this time, ODS is scheduled to occur without interruption.

**How will this impact our insurance?**

Insurance plans will not be impacted by this furlough. HRA plans and reimbursement will not be impacted by this furlough.

**Why is this not part of a re-negotiation situation?**

Furloughs are not required to be negotiated. The district will be visiting with the association about some aspects of the furloughs that contain flexibility or option such as what pay periods are impacted, work days surrounds non-school day, and specific financial details.

**Will administration also be furloughed?**

Yes

**Can we decide who goes and stays based on review instead of seniority?**

When looking at cuts and reductions for next year, we will need to follow all state laws and parts of the collective bargaining agreement related to layoffs and RIF. At first glance, it appears that seniority will be one of the leading factors in determining the order of layoffs.

**Can the furlough days proposed by days that we are already not work?**

School day furloughs carry the biggest financial cost and create the biggest financial savings. Non-work days are not universal across both unions and this approach would not be equal.

**Are, we prepared for a strike or major departure in our teaching staff?**

The collective bargaining agreements are not open at this time and striking is not allowed.

Any time there is a major departure of staff there will be big impacts. Any amount of cuts or reductions does not decrease the required work school districts must perform and fewer workers means that the work must be completed by the remaining employees

**How many positions will be cut from 24-25 SY? Specifically how many certified and classified?**

We do not know at this time the exact number. We can make a quick estimate of 15% of staff but realize that might change quickly depending on a multitude of factors. We will keep staff informed moving forward of this information.

**When did our district realize the state would be factoring our recent enrollment numbers for funding? Other districts said they knew this was coming and planned**

**their budget accordingly, why didn't we? If the ESD Business Manager is managing other districts why didn't they do the same for us?**

The adjustment was made in the March 28, 2024 revenue statement and was discovered in the Superintendents meeting with the Business Manager on April 3, 2024. After a weekend of review, the findings were reported to the School Board at their regular meeting (April 8, 2024), then the following day during an interview at the radio. The entire scenario was dealt with very quickly.

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**Will the ESD staff we contract with have 8 furlough days as well? If not, will we have to pay the ESD for their services during that time?**

4-16-24 This is the subject of an active discussion at the ESD at this time. We do not have this answer yet.

**Why did you ignore past practice and the bargaining process and announce the cut days on KDUN before negotiating the change in contracts with both unions?**

Several questions here:

Reedsport reportedly had a furlough in the past (2011 ??) and there is memory of discussing it with the administration at the time. On April 8, 2024, once the urgency of our situation was realized, the union was only given a heads up that the School Board

would be receiving notice during that evening's meeting. The interview on KDUN was the second public announcement. Prior to the evening board meeting, a meeting with staff was scheduled for the following day (within 24 hours).

Furloughs are not a mandatory subject of bargaining. They are a change to the school calendar in our situation. Given the expectations that people would need to spread furlough impacted pay over several months, the timeline for action was incredibly short.

Both unions have had the opportunity since the sudden news to work in progressing the furloughs forward as best as possible given the circumstances.

**Will you reinstate days IF more money comes in? This is something that should have been bargained in an MOU.**

This is certainly an interesting thing to hope for. Depending on the timing and on the amount of money that might arrive, this could hypothetically happen. The closer we get to the end of the school year or the smaller the amount of money, the less likely that change would happen.

After talking with State Representative Wright, visiting with officials from the ODE, and reviewing the matter with other education lobbyists, I do not feel any hope of a "bail out" for any of the district in Oregon experiencing this. And the report is that there are many of them.

**How will our days be reported to PERS? Past MOUs kept our PERS contributions whole and we were credited with completing a full contract. What is your plan? Do you plan to bargain this?**

At the staff meeting on 4-15-24, it seemed like this was a topic that was going to be bargained in the coming days

**How are you calculating the daily/hourly deduction for certified employees? This should have been bargained in an MOU.**

**Why didn't you make cuts as soon as you realized employees were hired with ESSER funds and you were now paying them out of the general fund?**

We did immediately begin planning to absorb these positions through attrition over the years following and at the time had sufficient funds planned and realized to enact that plan. It saved people's immediate jobs and prevented lay offs. When the state surprised school districts on March 28 with adjustments, the plan was no longer appropriate.

**Why weren't estimates and state funding forecasts with our enrollment figures used to realize this problem sooner? Did the state funding formula change?**

The formula numbers and estimates provided are reviewed every time they are released. The March 28 release contained new numbers and adjustments from any previous release. This is the issue being realized around the state by other districts as well. The formula has not changed this year but the numbers being entered into the formula did.

**Why aren't you cutting PD days?**

PD day cuts do not impact all staff and the furlough impact would be taken primarily by licensed staff.



<b>Will June the 6<sup>th</sup> be a full day or a half day for students?</b>
<b>Can the grading day on June 14<sup>th</sup> be moved to Friday June 7<sup>th</sup>?</b>
<b>How do you define a furlough? Are coaches able to attend games with their athletes? Doesn't this put them in a tough situation? Are the grounds fully closed? Can playoff games happen on district property? Past practice was that all district property was CLOSED. Youth baseball, softball, and T-ball – can they happen on district property? This should have been bargained in an MOU.</b>
<p>“suspension or discharge of a worker or workers on account of economic conditions or <u>shortage</u> of work, especially when temporary.” Under a reduced school calendar, 8 days of school and therefore work will not occur.</p> <p>4-17-24 As the realities of sports becomes clearer, we will address this on a case-by-case decision. My feeling is that because all coaches are given a stipend and stipends are not being affected by the furlough, then coaches are not affected in their coaching work.</p> <p>I don't know how to evaluate this question. The furlough is putting everyone in a tough situation is my default assumption, but I am not sure if this questions is looking for another element.</p> <p>The grounds are not fully closed. Barrone park for example is maintained as a city park even though it is district property. There will not be ant custodial or maintenance staff to support issues to the park.</p> <p>We will assess how to conduct any playoff games once we know more details. This is still unknown currently.</p> <p>Reedsport Summer Recreation Association (RSRA) has access to the Barrone Park facilities during the furlough. There will not be any custodial or maintenance staff but RSRA has demonstrated a strong partnership and has maintained the park in cooperation with school staff.</p>
<b>Why didn't you take athletics(baseball/softball) into consideration when cutting days?</b>
All four sports programs of the spring (baseball/softball/track/golf) were considered when looking at the calendar for furlough days along with Graduation, Outdoor School, State testing, and many other activities.
<b>What is the savings per day for certified? Classified? Administrative/confidential?</b>
<p>Certified – 17,281.40</p> <p>Classified- 10,146.05</p> <p>Administrative- 4570.05</p>
<b>What is the plan to save 1.4 million dollars?</b>
4-17-24 The plan for reducing expenditures for next year is still being worked on. It will very likely require reductions in programs, staffing, and systems. This will be presented to the School District Budget Committee no later than May 8, 2024 for them to begin their process of providing input on the budget.

**Did the School Board vote to cut these days?**

No