

April 29, 2019

**To the Medford School District 549c Budget Committee:**

I am pleased to present my budget message for the 2019-20 school year. I am honored to serve you and the community of Medford in my fifth year as the Superintendent of the Medford School District. I am convinced that the Medford School District is built on the solid foundations of the past, is currently responding well to the current trends in society and education, and is poised and becoming a leader in educational practice, innovation, and results for students in the state of Oregon and the nation.

I would like to express my appreciation to the members of the Medford School District Board of Education and the members of the Medford School District Budget Committee for their service, support, thoughtful analysis, dialogue, and consideration of this proposed budget.

In this document, I am presenting a balanced budget for your consideration. Prior to presenting the details of the proposed budget, I will outline what the District has implemented and accomplished over the past four years to improve results for students. The subsequent priorities outlined in this budget are a continuation of a comprehensive plan that was set in motion in 2014 and has expanded since.

I have outlined this plan in each of my previous budget messages and we remain committed to this blueprint for the coming year. The general strategies are:

1. Increase quality student-teacher contact time
2. Continue to expand Career Pathways
3. Continue to expand dual and articulated credit offerings
4. Continue to expand instructional technology to improve 21<sup>st</sup> century learning
5. Improve education and operational effectiveness and efficiency
6. Educate the whole child by providing a multitude of social-emotional, behavioral and mental health supports

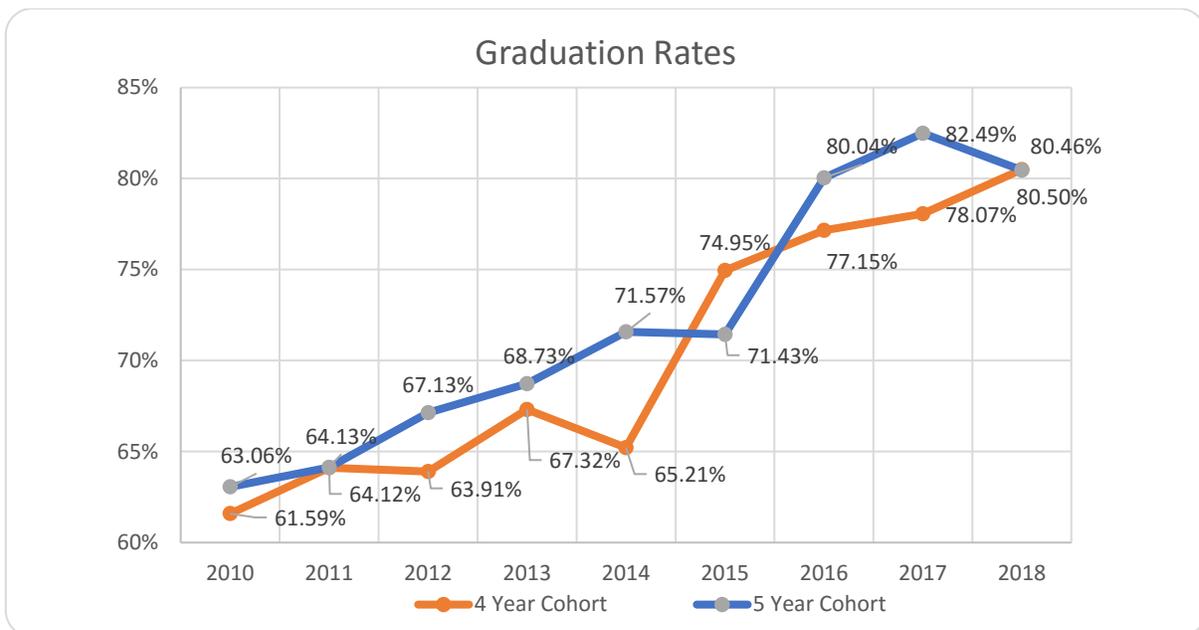
We believe the recent improvements in student achievement and outcomes within the Medford School District are directly attributed to the hard work of Medford's educators and support staff and the implementation of these strategies. To measure the District's effectiveness and to ensure that we remain on a positive trajectory, we consider four specific metrics as key indicators to know if our plan is working:

1. Four-year Graduation Rate
2. Smarter Balanced Assessment Scores
3. Daily Attendance Rate
4. 3<sup>rd</sup> Grade Reading Scores

## Realizing Results

***Graduation Rate:*** The District's graduation rate increased ten (10) percentage points from 2014 to 2015, rose another two (2) percentage points from 2015 to 2016 to a rate of 77.15% and rose again in 2017 to a rate of 78.07%. This district has now increased again with a graduation rate of 80.5% for the class of 2018. This was accomplished first by ensuring that at least 80% of our high school teachers were teaching at least six (6) periods a day, which effectively reduced class sizes in our high schools and increased instructional options for all students. Second, by tracking every student's acquisition of course credits from their first day of high school to their last day of high school to ensure that each student is on track to graduate on time. Initial analysis of this data showed us many high school students who did not graduate in four years had fallen behind during their 9th grade year. However, for the class of 2021 (current sophomores), 88.7% were on track for graduation at the end of the 9th grade year and over 90% were on track for graduation at the end of the 1<sup>st</sup> quarter of the sophomore year. Using our current credit acquisition tracking system, students who now fall behind at any time in their high school career are provided with personalized interventions that include tutoring, intensive academic interventions, access to opportunities for credit recovery including online options, extended day options, and summer school.

The District simultaneously set in motion the development and expansion of focused Career Pathways to ensure that every student finds his/her place in our schools based on each student's interests. We believe that students are most successful when they affiliate with a chosen pathway, where they make connections, find meaning, and ultimately create understanding in their daily school lives. We want all students to be in environments where they have a common mission, are connected with like-minded students, are surrounded by caring adults, and participate in co-curricular activities that they look forward to after school, on weekends and during breaks. We believe the Career Pathways strategy is a long-term strategy that will result in graduation rate gains that will push graduation beyond the 80% threshold established by the board.

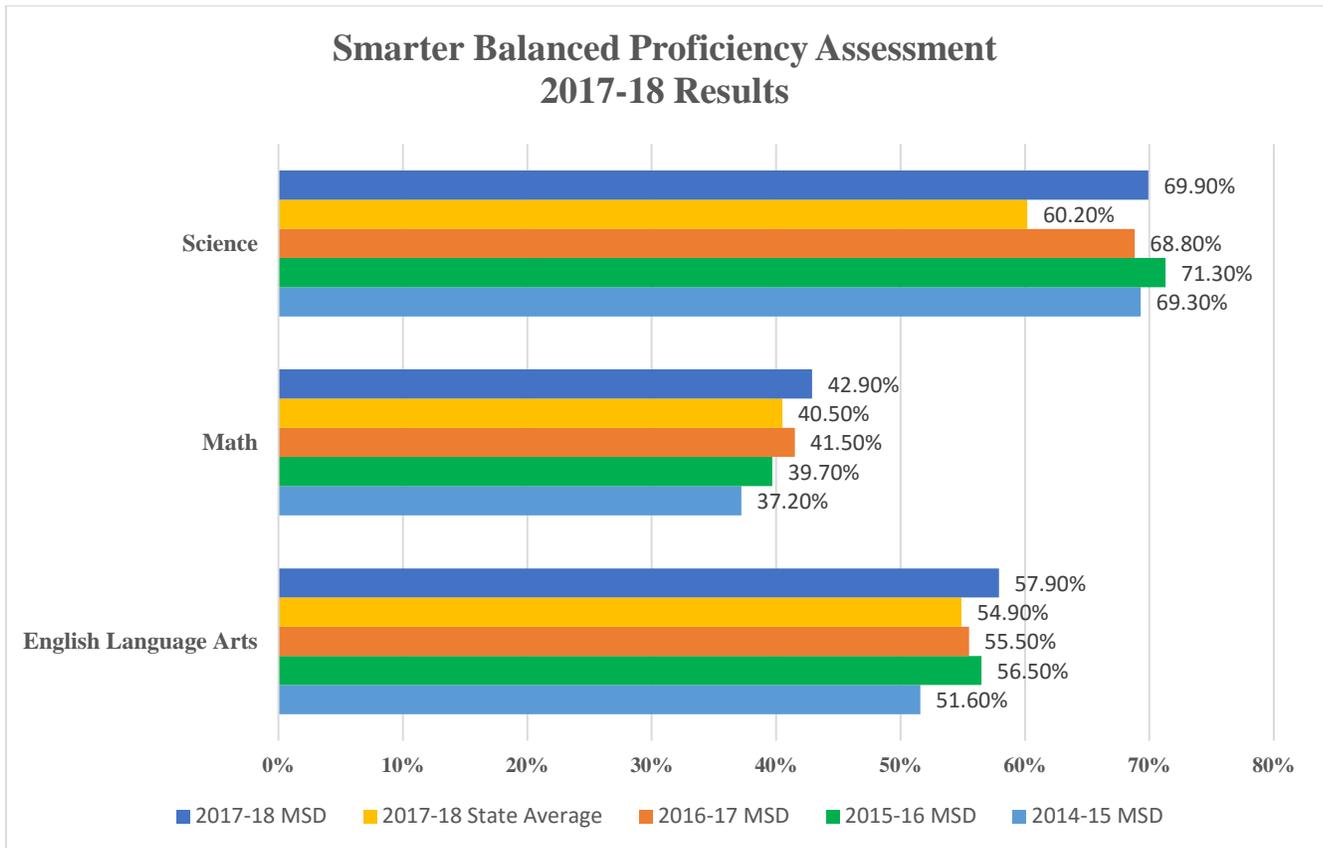


However, if the District is to reach a 90% graduation rate, we must design our school day, credit acquisition opportunities, and credit delivery modalities in innovative and modular ways. The District has

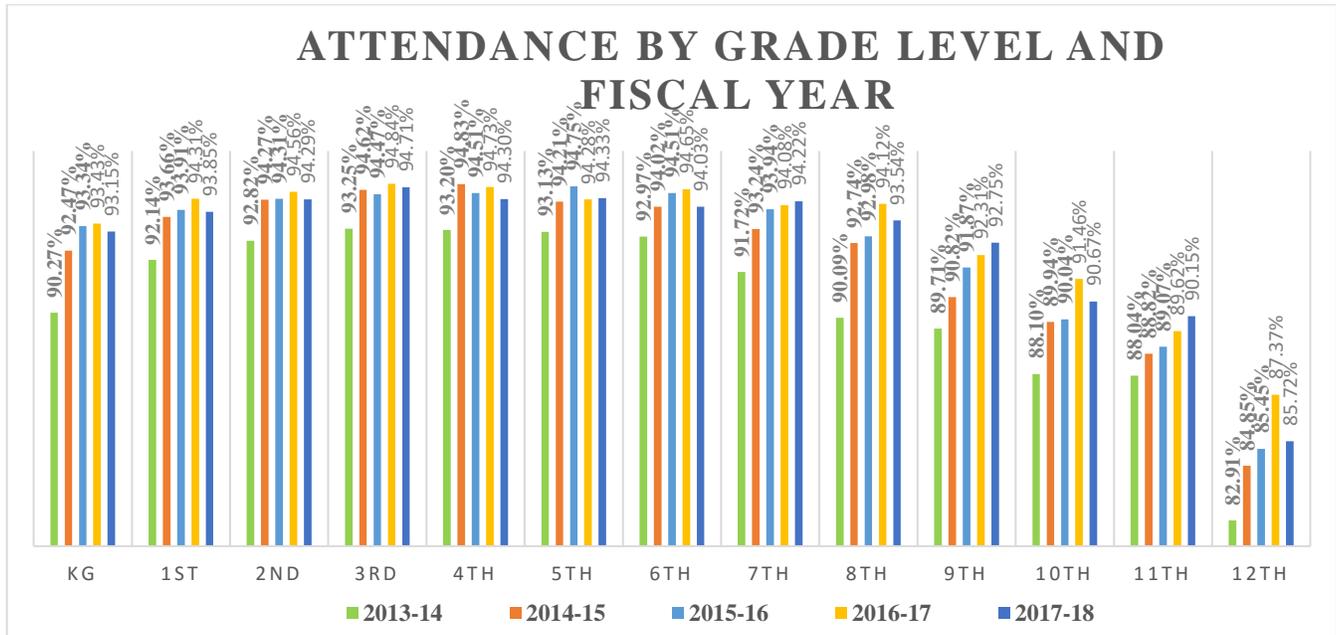
implemented and is expanding its online component that allows students to complete course work at school or remotely at times of their choice. The District is also pursuing more college options, both on our campuses and on college campuses, during the school day, and in the evenings and weekends. Additionally, the District is attempting to expand its Career and Technical Education (CTE) options in the construction fields, health care, and computer programming. Further, the District is now partnering with Rogue Community College (RCC) on the new RCC/CTE academy in which the Medford School District now has the majority of the students.

**Assessment Results:** We believe regular assessments are an important way to measure student progress as well as help students prepare for assessments they will face as they pursue advanced education and career opportunities. By placing emphasis on periodic common assessments throughout the school year and on state and national annual assessments, we have seen appreciable growth in the number of students participating in the assessments, as well as individual student progress on the assessments. On the Smarter Balanced Assessments, the District proficiency rates have now moved ahead of the Oregon state averages in all tested areas (i.e., English Language Arts, Mathematics, Science). Note – this data represents all grades combined.

We attribute this growth to more coherent districtwide curriculum alignment and pacing, better usage of common assessment and data, and more prescriptive tiered interventions to address the needs of a variety of learners. We also give credit to the excellent work in our teacher led Professional Learning Communities (PLCs). These small groups of teachers work in their PLCs to identify specific learning targets, monitor progress toward meeting those targets, and make timely decisions for students who are not meeting targets and those who are meeting targets.

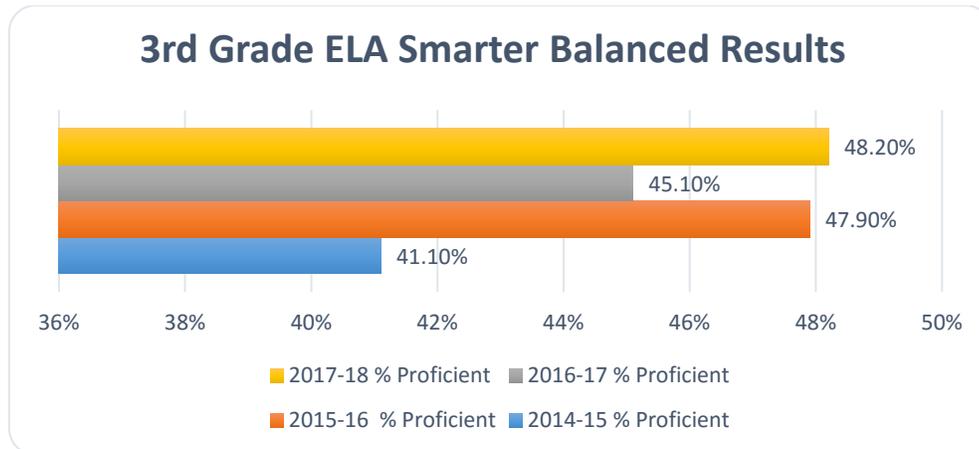


**Student Attendance:** Monitoring student attendance trends assist the District to better assess the culture of student engagement in the learning process. Higher attendance and reduced attrition rates signal that students are finding relevance and meaningful experiences and are present and more engaged in the learning process. We attribute improvement in attendance and retention to enhanced communications to the community regarding our improved results, expanded programs at all levels (e.g., full day kindergarten, middle school engineering program, greater variety of pathway and course offerings and activities for students, expanded Advanced Placement courses) and a sense of caring for every student. Our mantra of creating a ‘Place for Every Kid’ has permeated within the district and we believe that daily attendance is a vital metric in determining if the District’s offerings are meeting the needs of students.



**3<sup>rd</sup> Grade Reading:** We know that students who are reading on grade level at the end of the 3<sup>rd</sup> grade have more likelihood of successful progression through our K-12 system and remain on track for graduation. The District invested in a coherent English Language Arts curriculum, more coherent teacher professional development, and a systematic reading assessment, i-Ready. The i-Ready assessment is administered three times per year for grades 1-6. The i-Ready assessment is a very accurate predictor of Smarter Balanced proficiency and we are closely monitoring mid-year assessment results and are predicting that the Smarter Balanced 3<sup>rd</sup> grade reading scores will increase this spring.

While the progress has varied year to year, we are seeing incremental gains in overall reading proficiency and the i-Ready formative assessment data is proving more valuable each year. Principals and teachers are using the i-Ready data to make informed decisions throughout the school year, which we believe will result in increased student achievement.



### **Budget Priorities**

I have outlined this plan in each of my previous budget messages and we remain committed to this blueprint for the coming year. The general strategies are:

1. Increase quality student-teacher contact time:

- a. Maintain lower class sizes at the elementary level
- b. Have more high school teachers teaching 6 classes
- c. Maintain a full day kindergarten program (5th year)
- d. Expand out-of-school instructional opportunities after school hours and during breaks
- e. Continue to expand 6th Grade Academies at both middle schools
- f. Implement a co-teaching model with SpEd and regular education teachers
- g. Revise the high school bell schedule to have better access to office hours three days per week and increase the instructional minutes each school day
- h. Hire two technology teachers to service students enrolled in online courses
- i. Increase the requirements for high school students to take full schedules (7 classes for grades 9-11 and at least 6 classes for grade 12)

2. Continue to expand Career Pathways:

- a. Expand Pathways for all high school students in these areas: Academic, Fine and Performing Arts, Career and Technical Education, and in Pre-Professional Pathways
- b. Continue funding the Pathways Coordinator position with Measure 98 funds
- c. Add additional Pathways in:
  - i. Computer programming
  - ii. Level III Pre-Education
  - iii. Level III Pre-Law
  - iv. Level IV Project Lead the Way Pre-Engineering
  - v. Expanding a Healthcare pathway to include an Nursing program of study
  - vi. Construction Trades (e.g., plumbing, electrical, construction technology)
- d. Continue partnering with RCC on the RCC/CTE academy
- e. Implement college and career exploration in the 6<sup>th</sup> grade

3. Continue to expand dual and articulated credit offerings:
  - a. Pay student tuition for RCC and SOU course work
  - b. Expand access to Advanced Placement courses and exams
  - c. Provide free ACT exams to all juniors
  - d. Continue funding the Bulldogs/Hornets to Raiders program at all secondary schools
  - e. Continue funding additional staff to improve our comprehensive guidance and counseling services
  - f. Create coherent and systematic guidance and counseling services
  - g. Continue to expand the College and Career course in high schools
  
4. Continue to expand instructional technology to improve 21<sup>st</sup> century learning:
  - a. Continue funding the Edgenuity online coursework platform
  - b. Continue funding the Online Program Coordinator position
  - c. Technology in the Classroom:
    - i. Increase student access to technology for learning in classrooms grades 2-12 by deploying Chromebooks
    - ii. Expand professional development in technology integration through hiring a Tech Integration Coach
    - iii. Create Online Programs for credit recovery, initial credit, and homeschool outreach
  - d. Implement the 1:1 Chromebook program for all 9<sup>th</sup> graders with expansion in subsequent years
  
5. Improve educational and operational effectiveness and efficiency:
  - a. Guaranteed curriculum:
    - i. Align and refine learning targets and common assessments in all grade levels and subject areas
    - ii. Invest in high quality curriculum aligned to state standards
  - b. Teacher and Administrator Evaluation System
    - i. Continue to refine regular feedback systems using TeachBoost
  - c. Assessment System
    - i. Implement i-Ready reading (grades 1-6) and math assessments (grades 2-10)
  - d. Invest in a new Synergy student information system
  - e. Invest in software solution integration to improve our human resources and business functions
  - f. Continue to fund facilities capital improvements and maintenance functions to improve safety and energy efficiency
  
6. Educating the Whole Child:
  - a. Reduce barriers for students, including financial support for fees, field trips, fines, college tuition, musical instruments, and unified sports
  - b. Enhance support to reduce disruptive student behaviors
  - c. Enhance supports for homeless students
  - d. Continue to provide mental health support for students during the school day
  - e. Continue supporting mentorship programs with peer and adult support
  - f. Continue systematic crisis and suicide prevention supports
  - g. Maintain the fresh fruits and vegetables and elementary physical education grants
  - h. Provide all District staff training in Adverse Childhood Experiences (ACEs) and Trauma Informed Practices (TIPs)
  - i. Provide quality elementary and middle after school programs

- j. Expand professional development for Universal Design for Learning (UDL), Differentiated Instruction, Collaborative Problem Solving (CPS), and Restorative Justice
- k. Provide outdoor education for all 6<sup>th</sup> graders

### **Current and Future Considerations**

Increased enrollment and limited space in our elementary and middle schools are the most pressing concern for this District. The District must seriously consider renovating and/or expanding current facilities or building new facilities in the very near future. Other than the addition of Central Medford High School eight years ago, this District has not added a school site since 1995 (ALE).

Secondly, the current PERS crisis in Oregon is and will continue to create a strain on the budget and potentially affect services to students. The District is now forced to budget for approximately \$3.9 million/year or \$7.8 million the 2019-21 biennium due to increases in PERS costs for current staff. The District's PERS contributions exceed 30% of total payroll costs.

Further, as the District enrollment has continued to grow slowly (8.2% since 2013), the number of students receiving special education services has grown 36.5% since 2013. The percent of students receiving special education services in our District currently is 15.06%, up from 11.7% in 2013. It is important to note that the District only receives additional funding (double weightings from ODE) for approximately 11% of our students. If this trend continues, this will place a significant strain on the general fund budget and resources will have to be reallocated.

The budget includes another round of expanded use of Chromebooks for instruction. Every 9th grade student will receive a Chromebook in the fall of 2019 for work in and outside of the classroom. Over the past several years, we have intentionally ramped up the use of Chromebooks and other classroom-based technology to address the needs of the 21st century learner. We have also been intentional about updating our curriculum as well as to align classroom lesson planning, pacing and instructional fidelity to ensure student success. This will continue to be a focus within this budget and in the coming years.

Lastly, the existence of Measure 98 (even with partial 56.6% funding) has allowed the District to accelerate its efforts in expanding CTE offerings, providing better services for dropout prevention, and working to ensure that all students are college and career ready upon graduation. This current budget is built on partial funding at approximately \$3.5 million for the 2019-21 biennium. If Measure 98 is fully funded, we will be able to further accelerate these efforts very strategically, especially in CTE expansion, with increased staffing and equipment. However, our high schools do not have classroom space at this point to expand CTE facilities any further. In addition to elementary and middle school expansion, the District will have to seriously consider CTE facilities expansion if we want to effectively utilize the Measure 98 funds.

### **Funding Outlook and a Proposed General Fund Balanced Budget**

For the Proposed Budget, the district used the 2019-21 biennium budget proposed by the state's Joint Committee on Ways and Means, often referred to as the co-chairs budget. This includes \$8.8715 billion in the state school funding for the biennium an increase of 8.18% over the prior biennium funding of \$8.2 billion. Measure 98 funding is equal to the amount provided in the prior biennium. The state school fund will be allocated with 49% of the funds will be distributed in the first year of the biennium (2019-20) and 51% will be distributed in the second year (2020-21).

The district is anticipating receiving \$151.1 million in funding for the general fund, an increase of \$5.91 million or 4.1% over the prior year. State revenue is up \$4.62 million or 4.5%, Local revenue, primarily property taxes, is up \$1.25 million or 3.1% and intermediate revenue, primarily SOESD pass through, is up \$0.04 million or 1.36%. Of the \$5.91 million General Fund Revenue increase, 83% or \$4.93 million will be spent on increases in payroll benefits primarily driven by a \$3.84 million increase in PERS contributions and a \$0.79 million increase in healthcare.

As we look at our overall cost trend, costs to maintain currently existing programs and projected staff of 1,290.36 FTE continue to increase. The proposed budget for the General Fund includes projected increases in medical plan costs of \$0.79 million, contractual employee pay for step raises of \$1.2 million, and two percent cost of living adjustments (COLA) raises of \$1.2 million. Both union contracts (teacher and classified) are being negotiated at this time, so employee wage increases, steps and medical benefits are subject to change depending on the outcome of negotiations. This Proposed budget is heavily impacted by a projected \$3.84 million dollar increase in PERS costs primarily driven by rate increases attempting to address the plans unfunded liability. The increases noted in this paragraph will be partially offset by a cost reductions estimated at \$0.3 million for lower wage compensation for approximately eight positions where new employees will be hired at the lower end of the pay scale to replace retirees that were previously paid at the top of the pay scale.

There are 10.97 FTE additions to staffing in the proposed budget including 6.0 FTE in Special Education and 4.97 FTE in non-Special Education areas. The 6.0 FTE additions in Special Education include 4.0 FTE (3.0 FTE Classified and 1.0 FTE Licensed) in Psychological Services and 2.0 FTE Success Specialists in Early Intervening Services. The 3.0 Classified additions in Psychological Services are offset by reductions in Professional Services. The other 4.97 FTE additions include 2.0 FTE for Online School, 1.0 FTE in Information Technology Services, 1.0 FTE in Network Telecom, 1.0 FTE Career Center, 1.0 FTE in English Language Learners for a Dual Language Coordinator, and 0.47 FTE IMC partially offset by reductions of 1.0 FTE Check and Connect and 0.50 Certified FTE NMHS.

### **Looking to the Near Future**

Our District implemented a plan to get to an 80% graduation and rate and realized that goal in 2018. I mentioned in my budget message last year that the next ten (10) percentage point increase in graduation rate must include a comprehensive approach that draws upon all aspects of education and student engagement. As a district, we have launched plans to provide blended learning options for students beginning in our middle schools that include traditional classroom course offerings, more elective options to engage students, online course offerings and partnerships with colleges, universities and industry partners. We believe full day kindergarten, smaller class sizes and wrap-around services for our most vulnerable students will also eventually positively impact graduation success for students. The use of technology in and outside of the classroom and community support for pre-kindergarten programs are likely vital to continue to see improvements in student success.

I would be remiss if I did not point out in my last few months on the job that we are largely out of classroom space and the time to address it has arrived. I have engaged a community-led effort to assess and evaluate options to improve this situation. Online school is one strategy to help alleviate space, but the district also needs space to expand course offerings in career and technical programs and the arts. The district is continuing its plan to have all 6th grade students attend middle school in what will become 6th through 8th grade middle schools. The best use of public funds will be to convert the current Central Medford High School site into a third middle school and there is some wisdom to consider a fourth middle school in the near future. The alternative high school services currently provided at Central Medford High School will be moved to expanded programs at North Medford and South Medford high

schools. As you know, I will not be here to execute this budget, but I leave you with this final piece of advice about where to place a new middle school and add to it my appeal for you to continue the pathway programs and expansion of CTE course offerings. I am confident these are part of the long-term path to relevance and success of K-12 schools across the nation.

Respectfully,

A handwritten signature in black ink, appearing to read "Brian T. Shumate", written over a light gray rectangular background.

Brian T. Shumate, Ph.D.  
Superintendent