

Troy Stoops
Superintendent

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June 1, 2020

Dear Mt. Angel School District Budget Committee,

The Mt. Angel School District budget message is intended to provide a summary of the proposed budget and how this budget differs from the prior year. In developing this budget, our focus continues to be on the District's Strategic Plan, the District Consolidated Improvement Plan and the Student Investment Act Plan. As of the publication of this document we face unprecedented challenges at the local, national and global levels. Economic factors are more uncertain and complex than possibly ever before. The impacts of the COVID-19 health crisis are only just beginning to be seen and the long-term effects remain a mystery to all.

This budget is built based on Oregon's latest economic forecast, released May 20, 2020. The 2019-21 biennial budget and State School Fund distributions are predicated on a \$9.0 billion State appropriation; this amount has not yet been amended by the legislature as of the date of this document. There are certainly reasons to believe this funding level may continue to change based upon the current economic factors as a result of the health crisis. Oregon income tax and property tax collections are down from current estimates, however, we have no way of determining what the final impact may be at this time.

The district staff are proposing a budget that allows the District to continue services to students and move toward our continuous improvement plan based on existing estimates. At the same time, staff have worked to establish potential reductions should we face reductions in our State School Fund Grant in the 2020-21 fiscal year. To aide in balancing the budget for 2020-2021, the district implemented five furlough days at the end of the 2019-2020 school year.

In addition, the long-anticipated SIA funding is estimated to be down by 37% due to the economic uncertainties. This budget reflects current funding estimate for SIA funding; however, we have also developed potential reductions in this area as well. Currently, we are recommending funding staff for academic, behavior and social-emotional supports.

Regardless of the many challenges we face, we are committed to developing a budget that will best serve the students of our community. The steps taken will allow us flexibility to move quickly as the economic story in Oregon continues to unfold.

At the writing of this budget message, there is significant uncertainty about the financial outlook for the 2020-2021 school year. The COVID 19 global pandemic has drastically changed the budget outlook in Oregon from just a few months ago. As a district and community, we have spent the past five months engaging stakeholders about how to best use our Student

Investment Account (SIA) dollars to serve our most marginalized youth. It is heart breaking to know that full funding of our SIA plan will likely be postponed for at least the 2020-21 school year due to insufficient Corporate Activity Tax (CAT) collections as a result of the economic crisis caused by the COVID 19 pandemic.

Unemployment is nearing record highs and will likely cause a decrease in the \$9.0B State School Fund estimate without significant backfill from other sources. Due to the uncertainty of both the State School Fund (SSF) estimate, and the availability of SIA funds, this proposed budget assumes 63% funding, we will plan for tiered reductions as we receive more accurate information. In the case of the general fund budget (Fund 100), we will also identify expenditures that will be suspended in increments should full funding not be available (\$100m reductions to the \$9.0b statewide SSF allocation). For the Student Investment Account funds (Fund 251), we will have a plan for increments of 25% reductions to our overall allocation originally estimated in May 2020.

Federal funds, particularly Title I and IDEA funds for student identified with disabilities are expected to be reduced by 2.3% and 18.3% respectively. Title II funds are expected to increase 5%. Estimates for Title III are pending at this time.

It is always this district's mission to ensure "We develop virtuous students who honor Mt. Angel's diverse culture and inspire their pursuit of academic success." and we will continue to work hard to achieve this vision regardless of funding levels.

Respectfully Submitted,

A handwritten signature in black ink, appearing to read 'Troy Stoops', with a long horizontal flourish extending to the right.

Troy Stoops

Superintendent