

Sherwood Education Levy

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Superintendent


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Need For An Education Levy In Sherwood

**The legislature has
consistently failed to
provide stable and
adequate funding for
Oregon public schools.**

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- The Quality Education Model has never been fully funded
 - School funding is always in jeopardy of being impacted by current economic conditions
 - K-12 funding competes with other agendas that are seen as higher priorities

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- The top portion of the slide features a photograph of the Oregon State Capitol dome, with a golden statue on top, set against a clear blue sky. Green tree branches are visible in the upper left and right corners.
- At the state level, the Current Service Level Calculation for the 2023-24 biennium would result in Sherwood Schools receiving less money in 2023-24 than we did in 2022-23.
 - At the same time 12-month inflation in our region for 2021 was 7.10%, and for 2022 was 6.20%.
 - Schools will also be taking on additional unfunded costs through Paid Leave Oregon and a PERS rate increase.
 - With costs increasing at a faster rate than state funding levels, school budgets must absorb those costs – at the expense of educational programs and staffing.



Sherwood Schools 2022-23 Budget Deficit

In October 2022, our district announced budget shortfalls caused by:

- **Overestimation of revenue**
- **Insufficient reductions in 2021-22 in response to enrollment loss**
- **Inadequate financial reporting**
- **Fiscal mismanagement by previous employees**

These factors resulted in the depletion of district reserves in 2021-22 fiscal year.



Sherwood Schools 2022-23 Budget Deficit

Upon discovering this budget deficit, the New Superintendent and New Chief Financial Officer announced need for \$2.2million in immediate reductions for the current-year budget.

Reductions taken included:

- **8.6% of Administrator FTE**
- **5.6% of Classified FTE**
- **1.10% of Certified FTE**
- Of these reductions, **57.88%** came from the District Office level.



Sherwood Schools 2022-23 Budget Deficit

Since implementing reductions in fall 2022, the District has continued to experience increases in operating costs in such areas as:

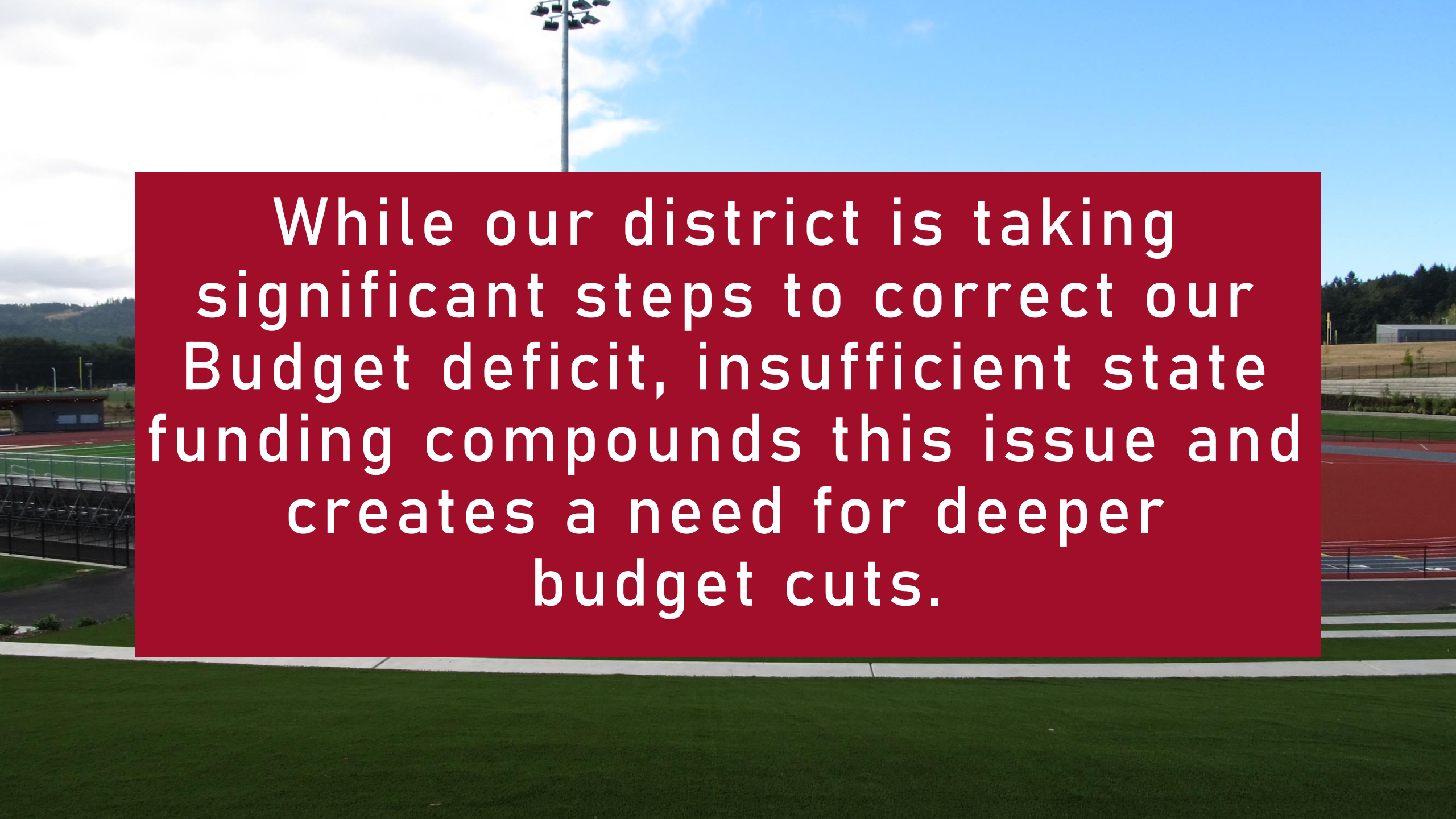
- **Certified substitutes**
- **Water, fuel, and electricity**
- **General inflation for services**

While the reductions taken have improved the overall district financial position, that improvement has not been to the extent hoped for.



Looking Ahead to 2023-24 School Year

- Cost of operations for next school year is estimated to increase with same staffing and expenditure levels currently in place
- Cost increases are due to factors such as inflation impacts on materials and services, expiration of current grants, and payroll expenses such as COLA allowances built into contracts
- District must begin to rebuild reserves, targeting 2% of expenditures for Ending Fund Balance in 2023-24



While our district is taking significant steps to correct our Budget deficit, insufficient state funding compounds this issue and creates a need for deeper budget cuts.



The Sherwood Education Levy will maintain critical staff levels and programs.

The Current State Of Sherwood Schools

- Student-centered engagement
- High commitment to extracurricular programs
- Very strong parent commitment and involvement
- Very strong community identity
- High-performance despite funding challenges





The Sherwood Education Levy
will keep Sherwood tax dollars
in Sherwood

(The levy is not subject to state equalization)

Sherwood Schools and Community Growth

- Parents move to Sherwood for the strong school system, thus positively impacting home values and residential growth
- The quality of the Sherwood School District impacts the decision of employers to locate their businesses in Sherwood
- The quality of life in Sherwood is created by a strong bond between the City of Sherwood and the Sherwood School District



The 2023-24 Sherwood Budget Without the Education Levy Support

- Significant layoffs of teachers
- Large class sizes at every grade
- Reduced district support for extracurricular activities
- Potential shorter school year
- Loss of competitive programs
- Community “talent drain” impact



Key Message

**Inadequate state
funding for
Sherwood Schools**



**The need to MAINTAIN
Sherwood Schools with
a levy**



**Not having to make
critical cuts to
staffing and student
programs**

Next Steps

- **Board Work Session – February 1**
 - Board will discuss potential levy scenarios and ballot language
 - No vote will be taken during this Work Session
- **Board Meeting – February 8**
 - Board will likely vote on a potential levy for the May 2023 ballot