

1.0 CALL TO ORDER

On May 7, 2018, Board Chairman, George Frasier called the first budget committee meeting to order at approximately 6:30 p.m. in the cafeteria of the high school.

2.0 ROLL CALL

Members Present: George Frasier, Mark Penrod, Eric Gerber, Carolyn Jackson, Dave Goracke, Gary Margason, Parker Leigh, Rebekah Schneiter, Brian Tenbusch, Kyle Olson, Jamar Bean, David Karo, Willie Tenbusch arrived at approximately 6:40 p.m.

Members Absent: Tim Moore

Employees Present: Brian Gardner, Superintendent: Celeste Van Cleave, Business Manager; Susan Beaudin, Board Secretary; Dena Crowell, SPED Department Secretary

Other: None

3.0 INTRODUCTION OF BUDGET COMMITTEE MEMBERS

Committee members introduced themselves.

4.0 ELECTION OF BUDGET OFFICERS

Dave Goracke nominated Brian Tenbusch as Presiding Chair, Eric Gerber second that motion; Parker Leigh nominated Jamar Bean as Vice Presiding Chair, Eric Gerber second that motion. The motion to elect Brian Tenbusch as Presiding Chair and Jamar Bean as Vice Presiding Chair passed 12-0. Budget committee members Willie Tenbusch and Tim Moore were absent for the vote.

5.0 ESTABLISH COMMITTEE PROCEDURES

5.1 Robert's Rule of Order- Eric Gerber made a motion to follow Robert's Rule of Order, Mark Penrod second that motion. Motion passed 12-0.

5.2 Review of Adopted Calendar – Superintendent Gardner noted a second meeting is on the budget calendar if the Committee needs additional time to approve the budget.

5.3 Ground Rules -Presiding Officer, Brian Tenbusch referenced handout in folder.

6.0 REVIEW COMMITTEE RESPONSIBILITIES

Celeste Van Cleave, Business Manager, read Committee responsibilities from the Oregon School Board Association (OSBA) Budget Committee Handbook. Superintendent Gardner reinforced that budget committee authorizes spending at the function level. State School Fund is allocated over a biennium, this year is the second year. Not a lot of changes from current year, next year will be a different story.

7.0 BUDGET MESSAGE

Superintendent Gardner read the message as submitted and as attached to these minutes.

8.0 REVIEW OF GENERAL FUND

8.1 Revenue: Celeste Van Cleave discussed the State School Fund. State legislature allocated \$8.2 billion for the 2017-19 school years, State School Fund to be paid on a 50/50 split. Central Linn's funded amount for the 2018-19 school year is estimated at \$3,476,542. That

number is down \$124,288 from the 2017-18 distribution due to the number of students reported on the December estimate.

Budget property tax collection is three percent compounded on the 2016-17 actual tax collection. The beginning fund balance is calculated based on year-to-date 2017-18 expenses and anticipated revenue and expenditures to June 30, 2018.

Brian Tenbusch asked how many students were lost this school year, recollection was that the district lost about five students. Superintendent Gardner said we predict in December our enrollment numbers and property tax collection amounts for the next year. The estimates are fluid figures as they are based on two-year-old data. Gary Margason asked about the large State School Fund increase in revenue. Superintendent Gardner said the increase is based on forecasted enrollment numbers from the charter school sponsorship. The district will be using the extra revenue source the charter school provides to help meet the brick and mortar needs of our existing schools. The State School Fund for 2018-19 is estimated to pay \$7,657 per student.

- 8.2 **Expense** - Public Employee Retirement Fund (PERS) rates operate on a biennium. The 2018-19 fiscal year is mid PERS biennium, no changes to rates from the current year. Looking ahead one year to the 2019-20 fiscal year, PERS rates will increase. Current Tier I/II employee rates of 33.2% will increase to 39.59% of gross payroll and the Oregon Public Service Retirement Plan (OPSRP) employee rates will increase 27.87% to 33.97% for the 2019-20 year. Those percentages include the 6% employee pick-up paid by Central Linn. Approximately 14% is of no benefit to employees, that amount represents the unfunded liability. PERS membership has three levels determined by start date; Tier I, Tier II and OPSRP. OPSRP is the lowest benefit to the PERS employee.

The following information is reflected in the Budget Highlights handout and as attached to these minutes.

Liability Insurance - Educational institutions are limited in choices to use for liability insurance. Property and Casualty Coverage for Education (PACE), is an insurance agency that provides educational liability. PACE is recommending a seven percent increase on actual 2017-18 rates. Liability insurance increase reflected in both property and vehicle 2018-19 insurance premiums.

Labor Assumptions - Classified and certified union contracts are already negotiated for 2018-19. Licensed staff receive a 3.45% step increase and classified staff receive a 3.5% step increase. Both groups are receiving a \$50.00 per month insurance cap increase. Licensed contract will expire next year with negotiations to take place spring 2019. Classified contract will expire the following year, June 2020. A full-time equivalent position (1.0 FTE) for hourly employees is equal to 40 hours a week. There has not been much fluctuation in FTE staff numbers over the past three years. Pie charts demonstrate change in flow of dollars from support services to instructional functional since 2011-12.

Budget Additions and Changes - Addition of a 0.51 FTE Title I Teacher, which will be paid out of the Title I fund. In past years a special education teacher (SPED) filled that position and will be back to full time SPED for 2018-19. Central Linn is adding a new partnership

with Sharing Hands to administer the Friday Fun and Summer Enrichment programs. Sharing Hands will also be adding a pre-kindergarten class at the elementary building. Carolyn Jackson questioned the qualifications to teach this new class. Superintendent Gardner said it is a part of a professional learning group with kindergarten teachers mentoring the preschool teachers. Funding from a Learning Hub grant through Linn Benton Community College (LBCC) will offset the costs.

Continuation of the special education department stipends as trade for hiring an additional 1.0 FTE SPED teacher. Previously, the district had four full time SPED teachers. The remaining three teachers will split the responsibilities equally among themselves.

The coaching pay schedule will be updated. Additional considerations to the coaching schedule include revision of district and state bonuses to factor extended seasons. Carolyn Jackson asked who hires the coaching staff. Superintendent Gardner said they go through the same interviewing procedure as a regular employee. The district does a background check on all volunteers and employees each year.

One loss is the E-rate phone service discount which is no longer available, it has been phased out. E-rate was to help schools offset costs of technology. George Frasier asked if we may reduce costs by using the fiberoptic in Halsey. Central Linn is currently on a five-year contract with CenturyLink. Superintendent Gardner spoke with Alyrica last year. There is a utility port at the elementary site for future connection, but the connection has not yet reached the high school campus. The CenturyLink contract ends June 2019.

The sale of the Brownsville property is recognized in Fund 295; to close May 2018. The sale receipt is budgeted as beginning fund balance.

Bridges Community School (Virtual Charter) – Budget assumes charter school enrollment of 200 students. Contract states first year Bridges will receive 90% of the State School Fund while Central Linn receives 10%. The second through fifth year, Bridges will receive 85% while Central Linn receives 15% of the State School Fund. The charter school sponsorship produces an additional \$1,531,400 in State School Funds. New function 1288 in general fund entitled charter school payments. New area code 010 to recognize district expenses related to charter school sponsorship. For special education funding the contract states Central Linn will receive 60% of the State School Fund SPED IEP weighting up to the 11% cap and Bridges will receive the remaining 40%. District is responsible for testing, paperwork, and administrative expense but will not be responsible for providing services. Enrollment has already begun and will be serving all of Oregon. Central Linn will be fiscally responsible to collect and distribute State School Fund, maintain special education, collect data, and use state data for reporting. If charter school student test scores are consistently below regular district test scores, the district has the right to discontinue charter sponsorship as per contract. The district will honor a five-year contract if the charter school maintains a 200 student per year enrollment. The district has the choice to discontinue the contract if enrollment falls below 200. The state report card will look different; Elementary, Middle/High, Charter. This budget does not recognize the full expense of operating the charter school.

9.0 REVIEW OF SOCIAL REVENUE FUNDS

Fund 210 - Measure 99 passed by voter referendum for Outdoor School. Calapooia Watershed is partnering with Central Linn to provide Outdoor School. Central Linn is the fiscal agent for the grant. This is new state money which did not exist until the state allocated it for Outdoor School. The grant is reported to OSU Extension Service.

Fund 275, 276 – Previously, both building student activity accounts flowed through one fund. In 2017-18 the district changed software which requires student activity accounts operate in two separate building funds; CLHS Student Activities (275) and CLES Student Activities (276).

Fund 282 - Measure 98; High School Success Grant. The money is granted to districts who apply for career and technical support in High Schools. Fund 282 is new money, effective 2017-18, that will not be part of State School Fund. This money is restricted; Central Linn is spending it on high school dropout prevention and career and technical education. Currently, Central Linn is funding a school to life counselor, providing college visits, and working with local industries to show students outside interest areas of opportunity. Central Linn also has an AVID program to help college readiness for students. Currently, only utilized in seventh grade; next year grades 7, 8 and 9 will be adding AVID; eventually school wide. Money has been spent on equipment in High School; \$10,000 on new shop equipment for the ag department. Next year, Central Linn would like to use a third of the money to fund a virtual reality lab, which will help with drop-out prevention. Fund 282 also funds a staff member a couple hours a week, to track eighth and ninth grade on their behavior and work production.

Fund 295 – Beginning fund balance \$255,000 from sale of the Brownsville property.

Fund 410 - Capital Projects Fund. We have contracted with Alternative Construction Concepts (ACC) for flat roof life extension project. The district is seeking financing for \$700,000 to meet contractor terms and will pay one quarter current fiscal year. Budget reflects that Central Linn will pay the balance of the contract after July 1, 2018.

10.0 INPUT FROM THE AUDIENCE

No input

11.0 COMMITTEE DISCUSSION

Carolyn Jackson questioned whether bus drivers were part-time or full-time employees. Superintendent Gardner replied; the contract starting 2016-17 states benefits are prorated based on an eight-hour day. Newly hired bus drivers start with a four-hour day, with the option of additional trips. In December, the drive hours are added up and divided by the number of school weeks which determines their benefit status.

The Committee asked, by adding the additional debts of the roof life project, is it putting the district in jeopardy? Superintendent Gardner stated with the 2017-18 budget, Central Linn was more conservative resulting in higher revenue, the State School Fund is estimated to receive an additional \$200,000. Additional savings will be recognized through: Sharing Hands

Enrichment partnership and health services with nurse retirement and contracting with ESD. No programs reductions are needed.

The Committee questioned food service participation. Celeste Van Cleave said there were approximately 640 students in district; 140-150 per building were participating in school meals (approximately 54% eligible for free and reduced). Though they qualified does not mean that they utilize it. Legislature adopted a "No Lunch Shaming" Bill, meaning if a student has an unpaid bill, you now serve that student the same as other students. This new Bill has now created a statewide issue of high unpaid lunch balances. The district sends out statements operating due diligence to collect money.

12.0 APPROVE BUDGET OR SET TOPICS FOR SECOND MEETING

Dave Gorake made a motion that the proposed Central Linn School District budget in the aggregate amount of \$11,257,614 be approved, and that the permanent tax rate of \$4,6179 per \$1,000 of assessed value be assessed support of the General Fund. This permanent tax rate is expected to raise \$3,165,544 (estimated tax levy for the General Fund). Mark Penrod second the motion, no further discussion, motion passed 13-0.

Connection
PO

13.0 ADJOURN

With no further business before the Committee the meeting was adjourned at approximately 8:28 p.m.



Susan Beaudin, Board Secretary

5-14-18

Date Approved



George Frasier, Board Chair

CENTRAL LINN SCHOOL DISTRICT 552C

2018 BUDGET MESSAGE

In writing this year's budget message I found myself reading the previous six that I have written. In many areas the quality of our problems has greatly improved; in other areas some challenges remain. We have grown in innovation, quality of education, staff retention, community partners, fiscal stability, fiscal transparency, and school culture. We still need to work on communication, our Board goals, and a solution to our facility problems that the community will support.

After our second bond failure last fall I think our school community has gone through a range of emotions; almost a grieving process. Most of us have worked through that and are prepared to move forward with our educational focus. This does not mean that the building issues have gone away, and I know the Board is committed to engaging the community in search of answers; I will be focusing on the education of the communities' youth. In the meantime, we are moving forward this summer with a roof life extension project at the high school and for the flat roof portions of the elementary school. This will impact our general fund expenditures by roughly \$86,000 a year for the next 10 years; but doing nothing was not an option.

The Brownsville building was sold this year and the finalized sale should close in May 2018. It was sold to Pioneer Christian Academy for \$255,000. This money is set aside in fund 295, Maintenance Reserve, in this budget. The Board will determine the best use of these funds at a later date.

We are excited to be moving into a partnership with Sharing Hands, a wonderful local non-profit, on two projects this next fiscal year. The first is a new pre-k program that will be located at the elementary school. It will be a three day a week program beginning in the Fall of 2018 for learners that will enter our kindergarten in the Fall of 2019. This program will be funded in part using money received by the District from the Early Learning Hub through LBCC. The second is a contract for the management of our Friday and Summer Enrichment programs. Our current coordinator, Linda Hoyer, is in the process of retiring and will assist Sharing Hands this next year with the transition. The budget fiscal impact is modest, but savings should grow next fiscal year to approximately \$30,000.

As many of you know, we are sponsoring a state wide, K-8 virtual school, called *Bridges Community School* (BCS), beginning with the 2018-2019 school year. BCS should have little or no impact on CLSD enrollment, but could have a significant positive fiscal impact over time. In the first year we will be retaining 10% of state school funds generated by BCS and 15% in years 2-5 of the contract. In an effort to continue our fiscally conservative posture, we will not be realizing any of the anticipated financial benefits in this budget for District programming; we will wait until we have a year behind us. Not counting our chickens before they hatch so to speak.

As far as our District educational programs; according to Schooldigger.com, Central Linn School District is ranked 52nd in the state out of 147 districts. Scio is the only district in Linn County rated higher (36th). This is good news, but it also leaves us plenty of room for improvement. I am excited to work with the Board to set policy in place that will address some of our weaknesses.

We have been able to maintain many programs that have disappeared across the state such as: Elementary PE and Music, Jr High Sports, a Jr/Sr High School Agriculture program, full funding of High School Sports, Choir, Band; as well as activities such as Friday School, Friday Enrichment, FFA, DECA, TAG, summer programs for all learners, and Outdoor School.

We have also been able to move our district towards our vision of “an individualized education for all learners.” This work is evident in proficiency based grading; an innovative High School Humanities program; a flexible Friday School that is designed to help learners be proficient in their skills, not just get through a class; a math curriculum that is aligned K-12; progress monitoring that aids teachers in delivering instruction that the learners need, rather than what’s next; and a staff that is active in their own professional development.

These accomplishments could not have been possible without a tremendous amount of support from our PTC, Cobra Booster Club, FFA Alumni, Teacher and Classified Unions, Parents, Community Members, local seniors, a supportive School Board, and a culture of ‘no excuses’. The district and the children owe a great deal of thanks to all of these groups; I am sorry if I have missed anyone.

This budget celebrates and supports our accomplishments’ as well as moves us forward in developing the organizational capacity to propel us towards our vision. By no means is our work complete, it will continue with diligence and at times it will be uncomfortable; but Central Linn is becoming a district in the lead of a movement that puts the focus on our learners’ needs, rather than the needs of the adults. We are recognized for this around the state by invitations to present at conferences, other Districts doing site visits, as well as just the talk amongst educational leaders.

I believe this is a budget built around the needs of our learners and reflects the input that I have received from staff. I want to remind the community that I consider this document still fluid based on conditions we as a district do not control; but I will always honor its intentions. This proposed budget is balanced.

Sincerely,

A handwritten signature in black ink, appearing to read "Brian Gardner", written in a cursive style.

Brian Gardner
Superintendent

2018-2019 BUDGET HIGHLIGHTS

State School Fund

- \$8.2 billion allocated by legislature for 2017-2019 biennium to be paid on a 50/50 split
- Central Linn 18/19 estimate \$3,476,542
- Down \$124,288 from 17/18 distribution due to estimated ADM for 18/19

General Fund Revenue

- Taxes: 3% compounded increase on 16/17 actual tax collection
- Beginning Fund Balance: calculated on YTD 17/18 expenses and anticipated revenue and expenditures to June 30, 2018



PERS

- 18/19 fiscal year is mid PERS biennium = no change in rates from current year
- Looking to 19/20 fiscal year PERS rate increase for 2019-21 biennium
- Tier I/II

18/19	19/20
33.2%	39.59%
- OPSRP

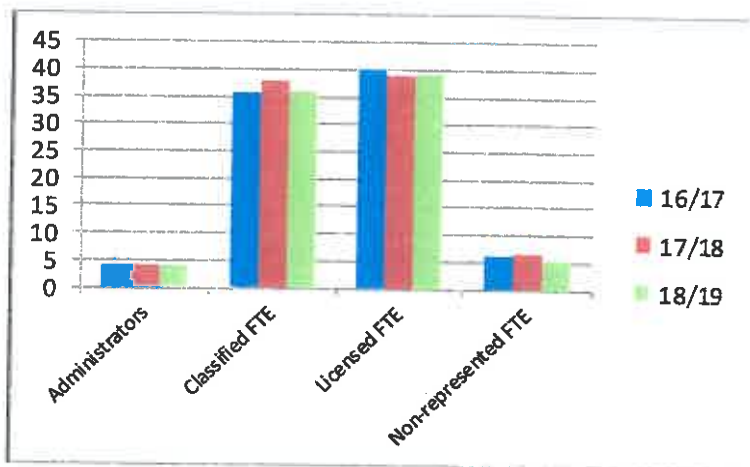
18/19	19/20
27.87%	33.97%
- Central Linn pays 6% employee pick-up included in the percentages stated above

Liability Insurance

- PACE is recommending a 7% increase over 2017-18 actual rates
- Liability insurance increase reflected in both property and vehicle 2018-19 insurance premiums

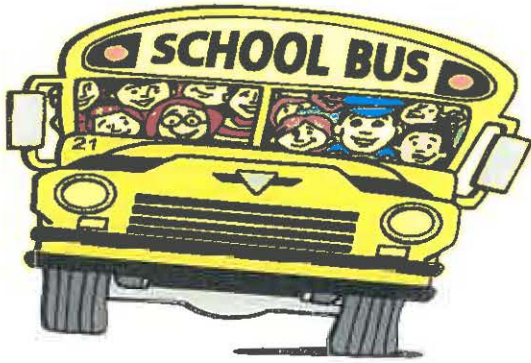
Labor Assumptions

- Both classified and certified unions have ratified contracts for 18/19
- Licensed staff receiving 3.45% steps and classified staff receiving 3.5% rate increase
- Both groups receiving \$50 per month insurance cap increase and district paid life insurance
- Licensed contract expires June 30, 2019. Negotiations to take place spring 2019
- Classified contract expires June 30, 2020



	16/17	17/18	18/19
Administrators	4	4	4
Classified FTE	35.7	37.85	36.125
Licensed FTE	40.2	39.15	39.61
Non-represented FTE	6.3	6.6	5.55

BUDGET ADDITIONS AND CHANGES



- Add 0.51 FTE Title I teacher
- Partnership with Sharing Hands to administer Friday and Summer Enrichment programs
- Partnership with Sharing Hands to add a pre-Kindergarten at CLES location
- Continue SPED department stipends as trade for hiring an additional 1.0 FTE SPED teacher
- Recognize increase on coaching salary schedule
- E-rate phone service discount no longer available—phased out
- Sale of Brownsville building reflected as beginning fund balance in fund 295 Maintenance Reserve

CENTRAL LINN SPONSORSHIP OF BRIDGES COMMUNITY SCHOOL (CHARTER)

- Assuming enrollment of 200+ students
- Contract year 1 Bridges receives 90% of SSF, Central Linn receives 10%. Contract year 2-5 Bridges receives 85%, Central Linn receives 15%
- Additional \$1,531,400 State School Fund for charter school students
- New function 1288 in general fund entitled Charter School payments
- New area code 010 to recognize district expenses related to charter school sponsorship
- Charter school contract states Central Linn to receive 60% of State School Fund SPED IEP weighting up to 11% cap and Bridges to receive the remaining 40%
- First year charter school proceeds beyond expenditures budgeted in contingency, not utilized for CLSD programming



Notes:



Central Linn School
District Purpose

*Individualized
Education for All
Learners*