

- 1.0 **Call to Order**
On April 22, 2013, School Board Chairman, Chris Wyne, called the budget committee meeting to order at approximately 7:03 p.m. in the conference room of the district office.
- 2.0 **Roll Call**
Members Present: George Frasier, Carolyn Jackson, Tim Moore, Dave Goracke, Charley Wolff, Verne Hoyer, Chris Wyne, Josh Harris, Kaye Fox, Denver Pugh, Mike Kirk, Eric Gerber.
Members Absent: Tim Marchbanks and Dan LaCoste
Employees Present: Brian Gardner, Superintendent; Celeste Van Cleave, Deputy Clerk; Susan Beaudin, Board Secretary; Jon Zwemke, Principal; Lacey Stroda, Licensed.
- 3.0 **Introduction of Budget Committee Members** - Committee members introduced themselves.
- 4.0 **Election of Budget Officers** - George Frasier nominated Denver Pugh as Presiding Officer, no second; Denver Pugh nominated Carolyn Jackson as Presiding Officer, no second; Director Wolff nominated Mike Kirk as Presiding Officer, Denver Pugh second the motion. The motion nominating Mike Kirk as Presiding Officer passed 11-1. Mike Kirk voted no. Dan LaCoste and Tim Marchbanks absent for the vote.
- 5.0 **Establish Committee Procedures**
 - 5.1 **Robert's Rules of Order** - It was the consensus of the Committee to hold meetings using Robert's Rules of Order.
 - 5.2 **Review of Adopted Calendar** - The Committee reviewed the budget calendar as adopted by the school board.
 - 5.3 **Review Ground Rules** - It was the consensus of the Committee to follow the basic ground rules as submitted.
- 6.0 **Review Committee Responsibilities** - Superintendent Gardner explained the Committee hears the budget message and reviews the budget document as proposed. The Committee has the authority, at the function level, to appropriate at the function level. As a school district we cannot spend money that has not been appropriated or collected. When setting the funding level the Committee needs to make a thorough review of the proposed budget and determine there is enough appropriated to maintain the budget as proposed.
- 7.0 **Budget Message** - Superintendent Gardner read the budget message in total as submitted and as attached to these meeting minutes. As an alternative to going through the proposed budget line by line, the budget document was completed a week in advance of the meeting for members to review prior to the first meeting. Superintendent Gardner provided the Committee with highlights of the general fund and special revenue to assist in the review of the proposed budget.
- 8.0 **Review Highlighted Changes in General Fund**
 - 8.1 **Revenue Fund** - Superintendent Gardner noted the tax revenue was budgeted on a 2% increase over what was budgeted for 2012-13. He explained how weighted enrollment was determined by the state and how that number effected the state funding formula. The student poverty level was also factored into the formula. The budget is funded almost solely by state school support funds and property taxes with the exception of some Title X federal dollars dedicated for homeless students.

Mr. Gardner discussed the increase in PERS where rates will be increased to 32% beginning July 1, 2013. He mentioned SB822 and how PERS rates are controlled by the state legislature. However, if SB822 passes it will only postpone any real change for another two years. Some school districts are considering managing with less employees, reducing PERS costs, and contracting out some services.

8.2 Expense Fund - Mr. Gardner highlighted new expenditures found in the proposed budget. At the elementary we need to add one teacher due to large 3rd and 4th grade classes. The school will also be purchasing StoryTown for K-2 as its core curriculum. Currently, K-2 are using Reading Mastery which is designed as an intervention. We need to add StoryTown in addition to Reading Mastery which will cover the needed thinking and comprehension skills at this level.

At the high school, the Superintendent discussed adding: stipends to the budget for extracurricular activities for DECA and drama; a 0.67 FTE Social Studies teacher; a 1.0 FTE Ag Teacher; and providing money for contracting a learning lab coordinator. He explained his idea of creating a learning lab where programs like the ASPIRE, YTP, distance learning, alternative education and tutoring would be held all in one place and, incorporate proficiency based learning, all in one lab environment. The district would hire one person to oversee the lab. A person, not necessarily a licensed teacher, but a person who is educated, highly organized and has a rapport with all levels of students.

In the area of special education, Deputy Clerk, Celeste Van Cleave, noted he would be moving one-on-one special education teachers from IDEA funding to general fund to maximize our high cost disability claim. Teachers and educational assistants working with small groups would be paid from IDEA funds. We would also be adding a 0.30 FTE administrative assistant and a 0.50 educational assistant both to maintain special education files and help complete mandatory reporting. A 0.10 FTE portion of his own salary will be funded from special education to reflect his split duties as Superintendent/Special Education Director. An amount has also been budgeted in contracted services for behavior treatment in the event it is needed next year.

The alternative education portion of the budget includes \$9,000 for stipends for teachers grading OdysseyWare instruction (online instruction). Due to budget constraints the district moved away from using Aventa online courses where the teacher was on the other end of the instruction and assigned the student course credit. The cost of each Aventa course was approximately \$300. We moved to OdysseyWare where a teacher here, with the correct endorsement in the subject matter of the course, can oversee and assign credit; stipends are \$1,800 for those teachers.

The proposed budget includes increasing the guidance counselor time from 0.50 FTE to 1.0 FTE. The counselor will assume the ASPIRE duties in conjunction with the learning lab guidance next year, eliminating the need for an ASPIRE stipend.

The District will continue to contract our nurse to Harrisburg next year and most likely Monroe School District as well. As such, the proposed budget reflects increasing the nurse's time to nine hours a day. The nurse will also continue to function as the District's Homeless Liaison.

The position of Elementary School Dean of Students was eliminated for next year but leaving a stipend for specific projects.

In the maintenance area of the budget the property insurance premium for 2013-14 increased 15% over this year's premium. Since the budget was printed the agent has informed the District the increase will be closer to 22%. The district did decrease electricity and fuel with the

assumption of closing the old section of the Brownsville facility; the installation of more efficient heating units at the elementary school and the re-calibration of heating units at the high school.

Superintendent Gardner explained the boiler that serves the older section of the Brownsville facility has been leaking and is 40 years past its useful life. The District's Facilities Committee has recommended to the school board closing the older section of the building. The Transportation offices will be relocating back to the high school next year and tenants (KidCo Head Start and Sharing Hands) have been notified those spaces will not be available to rent next year.

The proposed budget reflects the elimination of the grant writer position and contracted services in technology reflect broadband costs (20%) after the e-rate discount of 80%. The Superintendent explained the E-rateable netbooks, at the cost of \$55,000 for 400 netbooks, were not included in the budget but do appear on his "add back" list.

Payroll budget assumptions for next year were noted as: PERS OPSRP at 30.69%; PERS Tier I/II at 32.69%; Social Security at 6.2%; Medicare at 1.45%; Workers Comp Professional at 2.16%; Workers Comp Bus Drivers at 5.95%; Workers Comp Food Service at 5.35%; and Workers Comp Custodial at 5.67%.

9.0 Review of Special Revenue Funds

It was noted there would be a transfer from general fund for one-third of the matching grant for YTP services. This program is supported through disability services with federal money and pays for two-thirds of the program. Students primarily with disabilities are helped to transition from high school to their next step in life. The District would also see a decreased in revenue allocation (5% - 10%) due to the sequester in Title I, Title IV, IDEA and Title IIA.

Superintendent Gardner noted the need for additional educational assistants to decrease Reading Mastery group sizes which is reflected in the Title I expenditures. And, the District will continue to provide the elementary school with a math coach, that stipend of \$7,200 is reflected in the Title IIA expenditures.

Mr. Gardner explained that the proposed budget is based on the State's revenue forecast of \$6.55 billion. If the State Revenue Committee agrees to the \$6.55 billion and SB822 passes (PERS Lite) the State will need to raise another \$289 million to meet the \$6.55 billion. If this revenue is not raised it will translate to a \$200,000 budget reduction for Central Linn. Secondly, the outcome on the legislative bill for funding Education Service Districts is still unknown. ESD services are vital to small districts. If state funding for ESDs is reduced it would mean another \$200,000 reduction for Central Linn. The outcomes on this revenue information may not be available until July 1st. In preparation for any change in funding the Superintendent drafted an "Add Back/Reduction List" (attached to these minutes). Mr. Gardner stressed this was only an idea list and asked for input from the Committee.

The Committee questioned on the "Add Back" list what Maintenance/PM meant. Mr. Gardner explained he would like to see a Project Manager (\$75,000) hired for maintenance. Currently we use contracted services or a bus driver that works three hours a day in maintenance. The Committee questioned what Building Planning (\$10,000) included. Mr. Gardner responded the District Facilities Committee may be making recommendations to the Central Linn Community which would require some expense. They also questioned MAPS testing (\$9,000). Mr. Gardner explained as the state cuts back on the number of opportunities to test a student's progress, MAPS is another way to monitor progress. The high school currently does not have a monitoring tool.

10.0 Input from the Audience - None

11.0 Committee Discussion

The Committee questioned what the savings would be in contracting out buses. Mr. Gardner stated he would need to study it further but thought if he could contract out personnel to a nonprofit company to get around the PERS increase there would be a significant savings. He reminded the Committee that Central Linn still has Jr High Sports, Elementary Music and a PE Specialist; and, we haven't contracted out food service or buses. Other districts have gone without some of these programs over the years to save money and/or have contracted their food service or transportation. The District has done the easier reductions but if we have to go into another round of reductions it is serious. Next years PERS increase totals \$250,000. Other districts have local bonds to help with increases. We only have state formula dollars. Our community has to decide if they want to invest in our schools. If we contract transportation we lose local control. The community has also voiced the need for a full-time Ag program.

The Committee questioned what the effect would be if we did eliminate the High School Dean position. Mr. Gardner stated the Athletic Director stipend would be picked up by another staff member and the discipline duties would be assigned to the principal. They questioned reducing the nurse's hours. The Superintendent stated if we reduced her hours he would need to sit down with her to determine the ramifications but it is only a small amount of money. The 0.67 FTE on the reduction list would mean we would not hire additional social studies. Mr. Gardner stated the athletic budget has gone up the last three years which is currently at \$120,000 plus transportation; however, the athletic director is working on a cut list. Transportation for sports is not state reimbursable.

The Committee questioned if there were any other districts with out-of-the-box ideas to help get around state costs like increased liability insurance and PERS. Superintendent Gardner stated Kings Valley Charter School has only one employee, the superintendent. The entire workforce is contracted with a non-profit company, and making any labor contracts null and void. He doesn't see this happening as a whole for Central Linn; perhaps people could choose but state union groups probably wouldn't allow it.

12.0 Adopt Budget or Set Topics for Second Meeting

It was the consensus of the Committee to move forward with a second budget committee meeting. This will allow for any state revenue updates and for the Committee to further study the proposed budget. The next meeting will be held on Monday, May 13, at the high school in the music room.

13.0 Adjourn

With no further business before the Committee, the meeting was adjourned at approximately 9:00 p.m.

Susan Beaudin
Susan Beaudin, Board Secretary

Mike Kirk
Mike Kirk, Presiding Officer

5-13-13
Date Approved

CENTRAL LINN SCHOOL DISTRICT 552C

2013 BUDGET MESSAGE

As we look forward to the 2013-2014 school year and how we are going to spend our budget, I think it is first prudent to look at how far we have come in a relatively short period of time, in a very difficult fiscal environment. Due to missed budget expectations in 2010-2011, lower local revenue in 2011-2012, and additional state budget cuts in 2012-2013; we have had to find over \$672,000 in savings over the last two years. This represents over 11% of our current general fund budget. We have been able to do this and still maintain many programs that have disappeared in many, if not most, districts across the state. These programs include Elementary PE and Music, Jr. High Sports, a High School Agriculture program, full funding of High School Sports; as well as enrichment activities such as Friday School, Friday Fun, Robotics, FFA, DECA, summer programs and Outdoor School. These accomplishments could not have been possible without a tremendous amount of support from our PTC, Cobra Boosters, the Willamette Country Music Festival, the Brownsville Art Association, FFA Alumni, Teacher and Classified Unions, parents, community members, local seniors, a supportive school board, and a growing culture of "no excuses, let's just make it happen." The district and the children owe a great deal of thanks to all of these groups; I am sorry if I have missed anyone. My hat is off to a community that is committed to providing an excellent education for all students no matter what the economy and the State of Oregon has thrown our way.

The general fund revenue forecast for the 2013-2014 fiscal year is \$6,167,263; although I expect changes that will impact this document between now and when the Oregon State Legislature adjourns June 30th. This budget represents the best judgment that I can make at this time. This forecasted revenue represents a \$464,042 increase over the 2012-2013 school year. On the surface this sounds like a windfall year; unfortunately that is only on the surface. We have a number of mandatory expenditures that have made the composition of this budget somewhat frustrating. The largest mandated expenditure is the PERS rate increase that takes effect July 1st; this increase will consume over \$250,000 of the new revenues without a positive impact on benefits for our current work force. Under current state law we are not allowed to seek an alternative retirement plan that may be more beneficial to current employees or the district. The current licensed contract and the classified contract that is currently under negotiations will cost the district approximately \$130,000: these increases are long overdue and insufficient in light of the sacrifices these folks have made over the last four years. There is no doubt in my mind that real PERS reform is the key to more equitable contracts and providing the resources necessary to implement needed reforms here at Central Linn; I encourage community members to get involved in the policy discussion that is taking place right now in Salem. These two factors leave us with approximately \$84,000 to offset the almost \$700,000 we have had to cut out of our budget in the last two years; hardly a windfall. Once again we are looking for smarter ways of doing things, as well as outright sacrifices, in order to finance the things we need in the classroom.

We did receive an increase in our Title I dollars last year that allowed us to drive the group sizes in our Reading Mastery program down to an average of 5-6 rather than 9-12; however it is unclear at this time how much of this increase will be taken back due to the federal government's mandatory spending cuts commonly known as "the sequester."

I am also concerned with the uncertainty of Educational Service District (ESD) funding that could undermine our ability to make this budget work; a decision that will be made in Salem. This could impact us up to \$200,000, and will most likely not be known until the end of June.

The questions I asked myself in developing this budget were as follows:

1. What is the impact on student and classroom instruction?
2. How does this decision impact school board goals?
3. Do people have the tools they need to accomplish the job we have asked them to do?

This budget does not adequately address:

- Needed technology in the classroom;
- The building of a reserve to ensure sustainability;
- Provide needed additional support to an exhausted Administrative team;
- Address the crumbling condition of our buildings;
- Unfunded liabilities such as deferred maintenance or employee sick leave; and
- Our need to bring our labor contracts in line with surrounding districts (although progress is being made).

These are real needs that we must confront; but I have reluctantly acknowledged that it will take a few years of prudent management, as well as additional community involvement, to achieve them without significantly harming the education of our children.

What this budget does accomplish:

- Pay for a full school year without furlough days;
- Restore the agricultural program at the high school by hiring a full time teacher;
- Add a half-time (0.67 FTE) social studies teacher;
- Provide a "core" reading curriculum for K-2;
- Add one elementary teacher (1.0 FTE);
- Development of a "Learning Lab" at the high school (you will hear more about this in the coming months);
- Continue funding the Advanced Diploma for up to 20 students, giving them a free jump on college;
- Continue the summer feeding program;
- Provide summer enrichment and academic classes at the elementary school;
- Maintain Friday programs;
- Maintain music and P.E., K-12;
- Support the school board's goals; and
- Maintain our commitment to serving all students.
- Increase high school counselor to full-time (1.0 FTE)

This is not the budget that I had hoped to submit this year; but I do believe that it is a budget built around the needs of our students and reflects the input that I have received from the Central Linn Community. I regret to inform the community that I consider this document still fluid based on conditions we as a district do not control. This proposed budget is balanced.

Respectfully submitted,



Brian Gardner

