

1.0 CALL TO ORDER

On May 4, 2015, Board Chairman, David Goracke, called the first budget committee meeting to order at approximately 7:00 p.m. in the conference room of the district office.

2.0 ROLL CALL

Members Present: David Goracke, Willie Tenbusch, Carolyn Jackson, Mark Penrod, Tim Moore, George Frasier, DeeDee Thomas, Denver Pugh, Kaye Fox, Mike Kirk, Chris Wyne, Charley Wolff,

Members Absent: Eric Gerber, Josh Harris

Employees Present: Brian Gardner, Superintendent; Celeste Van Cleave, Business Manager; Susan Beaudin, Board Secretary; Bart Rothenberger, Director of Facilities; Robyn Bailey, Licensed; Amanda O'Brien and Jon Zwemke, Principals.

3.0 INTRODUCTION OF BUDGET COMMITTEE MEMBERS

Committee members introduced themselves.

4.0 ELECTION OF BUDGET OFFICERS

Denver Pugh nominated Mike Kirk as Budget Chairman, Charley Wolff second. Mike Kirk nominated Willie Tenbusch as Vice Chairman, Carolyn Jackson second. Charley Wolff moved to approve nominations, Carolyn Jackson second, motion passed 12-0. Josh Harris and Eric Gerber were absent for the vote.

5.0 ESTABLISH COMMITTEE PROCEDURES

5.1 Robert's Rules of Order – Consensus to hold meetings using Robert's Rules of Order.

5.2 Review of Adopted Calendar – Committee reviewed the adopted budget calendar.

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 approves the budget document as submitted or as revised by the Committee. The Committee has the authority, at the function level, to appropriate at the function level. 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 or revised. The Committee also specifies the property tax amount or rate for all funds in the approved budget.

7.0 BUDGET MESSAGE

Superintendent Gardner read the budget message in total as submitted and as attached to these meeting minutes. Although he was presenting a balanced budget, it was his recommendation that the Committee strive for an additional \$250,000 in savings before the proposed budget is adopted. The budget as presented leaves little or no cash reserves and the district could be facing a \$300,000 - \$600,000 deficit in 2016-17.

He reported since generating this message the Oregon Supreme Court determined \$500 million in PERS savings shall be paid back to employees/retirees which will increase the PERS rate employers pay effective in the next biennium. The next state budget forecast will be out May 14th. *If* the state general fund is estimated higher for next biennium than the February forecast, 40% of the additional revenue will go to K-12 Education. That *could* mean another \$40,000 (approximate) for Central Linn. There has also been discussion at the state level of some additional money to schools in the form of a school improvement grant with a list of acceptable expenditures, which *could* produce another \$40-\$60,000. There is also the possibility the state income tax "kicker" *could* be distributed to schools. Mr. Gardner explained while state revenue is being split 50/50 throughout this biennium, this proposed budget is built based on a 49/51 split with the difference between the two, approximately \$68,000, placed in a new budget function for unappropriated ending fund balance that cannot be used in 2015/16. This was done to help offset known rolup costs for 2016/17.

## 8.0 REVIEW HIGHLIGHTED CHANGES IN GENERAL FUND

8.1 Revenue Fund – Celeste Van Cleave, Business Manager, reviewed the revenue section of the budget highlights. She explained the beginning fund balance was calculated on year to date 2014/15 expenses and anticipated revenue and expenditures to June 30, 2015. While the district will be gaining federal forest fees next year it will be a wash for losing the small high school grant (\$40,128) which sunsets June 30, this year.

Committee members questioned and confirmed: majority of facility rent comes from renting the Brownsville facility; proposed budget uses the entire ending fund balance to balance the budget with no savings; PERS rates next biennium could be over 30% of an employee's gross wages; the \$155,000 budgeted this year for possible PERS increase was never transferred but used to balance this proposed budget; general fund support services include items such as: library, counselor, speech, psychology, maintenance, transportation, not instruction; ESDs collect 4.6% of state school formula and disperse to districts as Tier One/Two funds; Tier One pays for special education testing, behavioral services, student systems, services that all component districts agree to; Tier Two pays for occupational therapy, desk top technician, small software programs and other services chosen specifically for Central Linn. The Friday Enrichment program is budgeted under Community Services.

8.2 Expense Fund – Ms. Van Cleave and Superintendent Gardner explained full day kindergarten would no longer be funded with Title funds but entirely from the general fund due to state mandated full day kindergarten. Shared the importance for acquiring a learning management system for tracking student proficiencies. Discussed even with the reduction of a classified position (retirement not filled) the necessity for district to transfer money from general fund to food service next year. This is due mostly to new nutrition requirements resulting in lesser participation.

Some savings noted in proposed budget were: reduction of two bus routes made possible with the purchase of the larger buses and modifying some routes; elementary physical education teacher has requested a reduction of hours next year to return to school for licensure requirements; and decrease in the number of Friday enrichment assistants.

Committee members questioned and confirmed: shrinking enrollment was due to reduction in number of PATH students and students/parents not understanding proficiency-based grading; teacher incentive (teacher retention) is continuing education, and loan forgiveness program for teachers; Red Cat machines are classroom amplification systems (not headphones); FTE reduction of elementary office staff was transferring FTE to the high school to save on overtime hours in high school office; reduction of athletic travel will depend on Boosters and fundraising to help pay for travel costs to state championships; and District may claim PATH (fifth year) students but are only paid by the state if students *complete* the college coursework. Committee member asked to know the earliest and the latest time a bus leaves and returns. Superintendent Gardner will obtain that information.

Budget Activity – Superintendent Gardner provided each committee member three sets of cards with suggested additional savings. Members were asked to prioritize \$100,000, \$200,000 and \$300,000 worth of reductions and post them as such on the wall. He explained the activity clarified suggested additional savings listed in the budget highlights. The Committee discussed additional savings and what each one of the options represents regarding money savings. The activity indicated the majority of the committee would look to reduce the proposed budget by \$200,000.

9.0 REVIEW OF SPECIAL REVENUE FUNDS

Ms. Van Cleave and Superintendent Gardner reported there were no reserve fund transfers in the propose budget. There was inadequate funding for any long term plans for maintenance, track replacement or vehicle purchases. We will be experiencing a decrease in Title I funds (\$40,000 directly from Focus School) and Title II and Perkins due to the Sequester of two years ago. Committee questioned the percentage of non-payers on property taxes last year. Ms. Van Cleave responded the County's projection remains the same at 6.4%.

10.0 INPUT FROM THE AUDIENCE

None

11.0 COMMITTEE DISCUSSION

Moved to agenda 12.0

12.0 APPROVE 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 and possible reductions. The next meeting will be held on Monday, May 18, at 7:00 p.m. at the district office.

13.0 ADJOURN

With no further business before the Committee, the meeting was adjourned at approximately 9:03 p.m.

  
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Susan Beaudin, Board Secretary

  
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Mike Kirk, Budget Committee Chair

5-18-15  
\_\_\_\_\_  
Date Approved

# CENTRAL LINN SCHOOL DISTRICT 552C

## 2015 BUDGET MESSAGE

As I finish my fourth year as your superintendent, I present my fourth budget for consideration. I started here in tough economic times and am proud of the progress we have made both financially as well as educationally. Each of those previous years we have made progress towards our goals and the budgets I submitted reflected those goals; I was confident that the budgets submitted were moving us forward. This year is different. I have submitted a balanced budget, but I cannot recommend its adoption or implementation. As a budget committee and board, there are some hard decisions to be made; I felt it improper for me to make them on my own.

Before we get into the details of this year, I think we need to take a look at where we have come from, the progress that we have made, acknowledge the people who have made this possible, and celebrate the achievements of Central Linn.

Four years ago we were faced with a budget deficit and an adopted budget that was overly optimistic. Central Linn had buildings without heat or adequate technology for learning, underperforming learners, under compensated staff, and seemingly little direction. The only thing we had to do was to address those issues and cut \$700,000 out of the next two years. This is a time in Central Linn history that I do not want to relive. The good news is that we were able to meet those goals. Not that there are still needs to address, but we have made certain progress.

We have attained a positive ending fund balance for the last two years and will continue to carry one this year. Our educational system is on the cutting edge of creating a learner centered system with the ultimate goal of providing an 'individualized education for all learners'. Technology has been upgraded; staff contracts are more competitive; we have improved the agricultural program, we have expanded our music department, and I hope we have restored some trust in our school district with the Central Linn community.

These accomplishments could not have been possible without a tremendous amount of support from our PTC, Cobra Boosters, the Willamette Country Music Festival, FFA Alumni, licensed and classified unions, parents, community members, local seniors, our generous former groundskeeper Dave Grieves, an amazingly supportive School Board, our hard-working young learners, 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.

Our current and near future circumstances have their roots in three basic areas. First, and most egregious, is the Oregon State Legislature's unwillingness to fund education at anything close to adequate. K-12 Education continues to lose percentage of state general fund to human services and public safety. The 15/16 General Purpose Grant Per learner has increased by less than 1% over 14/15. This small increase does not even begin to cover our contractual obligations, let alone move us towards

the quality education that our learners deserve. Please contact your legislator and ask them to fund schools adequately. Second, we have experienced a small decline in enrollment. This will not affect us greatly for the 15/16 budget year, but will become significant for 16/17 if our enrollment does not bounce back. Finally, state regulation and ever changing expectations have created additional costs. When the state transitioned to 'Common Core' standards, they made much of our current curriculum obsolete yet they have provided no additional funding to purchase or create more; the almost super hero efforts of Central Linn teachers is the lone attribute that has kept us afloat. It is also noteworthy to mention the States' reorganization' of K-20 has created considerably more bureaucracy and reporting without removing any of the old accountability structure; this creates cost and stress on our organization.

So what does all of this mean? It means that even after considerable cuts in the presented proposed budget, we may be facing more devastating cuts in 16/17 if the District does not make difficult decisions now. In order to maintain current programs and support this proposed budget leaves us with little or no cash reserves after its execution. Although the state has promised to 'do everything they can' to provide more funding, we must decide if we bank on that promise. If they do not produce, and our enrollment does not bounce back, and state mandates continue, we could be facing a \$300,000 - \$600,000 deficit in 16/17; a return to the years that I did not want to relive.

It is my recommendation that the Budget Committee review the suggested ideas for savings, add additional savings or take some off the list, prioritize, and strive for an additional \$250,000 in savings before this budget is adopted. It is possible we will have additional clarity when the May state forecast is received on May 14th and as the legislative session continues, but we have the statutory obligation to have an adopted budget by June 30<sup>th</sup>. We have been through difficult times before and I have faith that we will weather this storm as well, as long as we keep young people at the center of all of our decisions.



Brian Gardner

\$100,000												
Engineer Budget	PATH	ES Tchr	HS Tchr	Facilities/Transp	Friday Enrich	No Cause Supt Terminate	Friday Sch & Prof. Dev.	Cut Sports 20%	Tchr Incentives	Ag Tchr	Drop Spanish	Cells
10	11	0	0	2	9	0	3	8	9	0	2	1
\$200,000												
Engineer Budget	PATH	ES Tchr	HS Tchr	Facilities/Transp	Friday Enrich	No Cause Supt Terminate	Friday Sch & Prof. Dev.	Cut Sports 20%	Tchr Incentives	Ag Tchr	Drop Spanish	
10	10	1	2	6	12	1	6	11	9	1	4	
\$300,000												
Engineer Budget	PATH	ES Tchr	HS Tchr	Facilities/Transp	Friday Enrich	No Cause Supt Terminate	Friday Sch & Prof. Dev.	Cut Sports 20%	Tchr Incentives	Ag Tchr	Drop Spanish	
11	11	2	3	9	12	2	10	11	11	2	5	

Budget Committee  
Reductions Activity  
5/4/2015

Engineer Budget	\$30,000	
PATH	\$16,000	
Elem Tchr	\$62,754	
HS Tchr	\$63,779	
Facilities/Transp	\$77,700 -	\$86,308
Friday Enrich	\$16,825	
No Cause Supt	\$81,107	
Fri Sch Prof Dev	\$115,971	
Sports by 20%	\$27,271	
Tchr Incentives	\$10,000	
Ag Tchr	\$22,150	
Drop Spanish		
Cell Phones	7,000	