

**LEBANON COMMUNITY SCHOOL DISTRICT
BUDGET COMMITTEE MEETING
MAY 16, 2019, 6:00 PM**

Lebanon High School Library

1700 S. 5th Street, Lebanon, OR 97355

BUDGET COMMITTEE MEETING MINUTES

A meeting of the Lebanon Community School District Budget committee was held on May 16, 2019. Those present included the following:

Sandi Cox, Committee Chair
Terry Deacon, Committee Vice Chair
Kris Latimer, Committee Member
Jeff Vandiver, Committee Member
Tom Oliver, Board Chair
Nick Brooks, Board Vice Chair
Richard Borden, Member

Bo Yates, Interim Superintendent
Jennifer Meckley, Human Resources and
Community Relations Director
William Lewis, Business Director

William Barish, Committee Member, was absent.
Tammy Schilling, Board Member, was absent.
Mike Martin, Board Member, was absent.

The meeting minutes were digitally recorded and transcribed by Ruth Hopkins, Interim Executive Secretary.

1. Call to Order

Sandi Cox, Budget Committee Chair, was not present at the beginning of the meeting, therefore, Terry Deacon, Budget Committee Vice Chair, called the budget meeting to order at 6:00 PM.

2. Approval of February 14, 2019 Meeting Minutes

Upon motion made by Borden, seconded by Brooks, the Board and Committee voted unanimously to approve the February 14, 2019 Budget Committee meeting minutes.

3. Presentation of Budget Message

Interim Superintendent presented the proposed Lebanon Community School District budget for the 2019-20 School Year. He shared that district goals and priorities are as follows: Increased student achievement, graduate 90% of intact cohort on time, 100% of our cohort students reading at grade level by third grade, students below grade level will receive immediate support in math and reading, and student focused alternative programs will be developed in order to support a more diverse student population.

He shared that over the past school year we have aggressively addressed preceding goals by supporting the following: Increased Title support; reading and math support for all levels; curriculum alignment and refinement; assessment utilization and expectations refinement;

increased special education staffing; increased behavior support staffing; social emotional program development; and mental health support.

There have also been some funding adjustments that have impacted the 2018-19 EFB and the 2019-2020 BFB and those were: Funding adjustment from ODE from 2017-18 in the amount of -\$755,646, a 3% salary increase which amounted to about \$1,000,000, and increase special education support and behavior support in the amount of \$1,156,671.

He shared that maintaining our current staffing levels is not an option for the 2019-20 biennium, however all reductions in staffing will be made through attrition and staff reassignment. All schools are currently staffed at 25:1, and that is a small adjustment from current staffing, which is 23:1.

Yates said with the passage of HB 3427, the district will potentially be receiving an increase in funding beginning in 2020. This increase will allow the district to support programs at a higher level and provide funding for targeted program expansion.

4. Information and Discussion of Proposed 2019-20 Budget

William Lewis shared information to the Board for the proposed 2019-20 budget. He shared a slide presentation that covered the proposed revenue and the increase in PERS.

Budget Chair Sandi Cox joined the meeting at 6:20 PM.

Lewis shared that we had an adjustment to the budget from ODE in the amount of -\$755,646, which reflected an overpayment in ADM from the state. He shared the adjusted numbers of the budget and how it was arrived at.

Lewis then went through the 2019-20 proposed budget book in detail with the committee. Page 14 showed that the proposed budget is based on a \$9 billion budget from the state, with a 49/51 split. Page 16 is the general fund revenue and expense summary, which shows all revenues and all expenses on one page.

Page 17 covers the actual enrollment by grade for the district over the last 10 years and page 18 covered the actual and projected enrollment totals by school. Lewis said that alternative education was included in the Lebanon High School fund.

Oliver asked about the increase in FTE on page 16. Lewis said that there has been a steady increase in special education expenses that is reflected in the FTE, as well as an increase in the alternative education expenses.

Lewis continued to review the general fund expenses on pages 20-25 as listed by individual functions, then the fund breakdown, and then listed by object. He then went over the general fund transfers. He shared that the district has a strategy to cover the increase in PERS costs and that they would be moving \$850,000 from the PERS reserve fund to cover the cost of the increase this year, and then would be putting 2.4% in the reserve fund each year to cover the ongoing PERS costs. Overall, the transfers were reduced from \$2.6 million to \$1.1 million as he has worked to tighten up the budget.

He then reviewed the general fund revenue as described on pages 26-27, and then the required state report, which starts on page 29.

Lewis then discussed the staffing reductions through attrition, as well as adjustments made to current staffing without having to go through any layoffs.

Oliver asked if we should talk about the legislation that was passed this week and what we should anticipate seeing moving forward.

Lewis agreed. He said that we still did not have confirmation yet on the budget. He said that everything that they had read and seen would be that the governor would sign and it would be done. He said everything they had seen was a revenue estimate, but until we actually go through this we do not know the actual numbers yet. He mentioned that there would be strings attached, meaning that we would receive money but that it would be for a specific agenda item that ODE wanted to look at.

He stated he did not know how much would be added back, but for anything that was over a 10% allocation, that we would need to go back to the board to reallocate the budget. He said he is hearing that we would not get it until January 2020, so we will be halfway through our fiscal year before seeing any additional resources, which is why the decision was made to go with this school budget.

Yates shared from what he understood, that 50% of the money coming out would be available for schools to request for general fund items to help schools out, 20% goes toward preschool and toddlers, and the remaining 30% would go toward funding Measure 98, which is currently funded at 50%. That would allow us to expand our CTE programs.

A discussion was held around the adjustment to the ODE for overpayment in ADM.

A discussion was held around what would be added back into the budget if the district received additional funding.

Oliver suggested that we decrease the ending fund balance by \$250,000 and move it to the staffing budget, in the event the district would need funding for additional staff. Lewis agreed, stating that was a reasonable amount and would give us a little flexibility in the fall.

5. Request for Information

There were no requests made for further information.

6. Public Comment

No members of the audience requested the opportunity to address the Budget Committee.

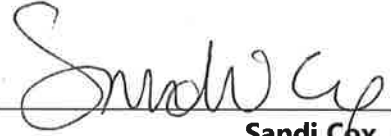
7. Adjournment

There being no further information before the Committee, Chair Cox adjourned the meeting at 7:04 PM.

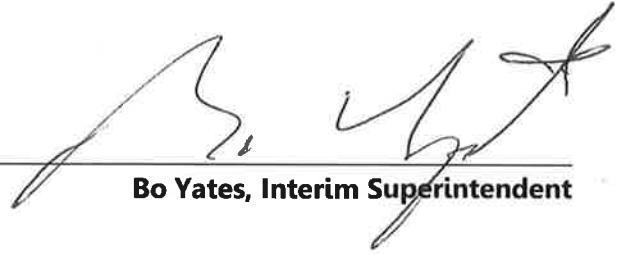
Future Budget Committee Meetings:

May 23, 2019 Budget Committee Meeting at LHS library at 6:00 PM

June 13, 2019 Public Budget Hearing & Board Meeting at the Santiam Station at 6:00 PM

A handwritten signature in cursive script, appearing to read "Sandi Cox", written above a horizontal line.

Sandi Cox, Chair

A handwritten signature in cursive script, appearing to read "Bo Yates", written above a horizontal line.

Bo Yates, Interim Superintendent