

**LEBANON COMMUNITY SCHOOL DISTRICT
BUDGET COMMITTEE MEETING AGENDA**

May 11, 2017, 7:00 PM

**Lebanon Community School District Office
485 S. 5th Street, Lebanon, Oregon 97355**

- A. CALL TO ORDER – Chair John Snyder**
- B. APPROVAL OF MINUTES (Enclosure 1)**
 - 1. February 9, 2017**
 - 2. April 27, 2017**
- C. PUBLIC COMMENT**
- D. DISCUSSION OF PROPOSED 2017-2018 BUDGET**
- E. MOTION TO APPROVE THE BUDGET**
- F. MOTION TO SET THE TAX RATE**
- G. ADJOURN**

FUTURE BUDGET COMMITTEE MEETINGS

May 25, 2017	7:00 PM	District Office – Board Room
June 8, 2017	6:00 PM	Public Budget Hearing – Pioneer School

**LEBANON COMMUNITY SCHOOL DISTRICT
SCHOOL BOARD MEETING – BUDGET COMMITTEE
MINUTES**

February 9, 2017 - 7:00 PM

Hamilton Creek School, 32135 Berlin Road, Lebanon, Oregon 97355

A Budget Committee Meeting was held at Hamilton Creek School on February 9, 2017. Those present included:

Richard Borden, Director	Bill Barish, Committee Member	Rob Hess, Superintendent
Jerry Williams, Director	John Snyder, Committee Member	Bo Yates, Assistant Superintendent
Russ McUne, Director	Terry Deacon, Committee Member	Jennifer Meckley, Director Human Resources
Mike Martin, Director	Tom Oliver, Committee Member	Linda Darling, Business Director
Kellie Weber, Director	Jeff Vandiver, Committee Member	Renee Sessler, OSBA

Minutes recorded by Nicole Hundley, Executive Secretary.

BUDGET COMMITTEE TRAINING

Renee Sessler, Board Development Specialist with the OSBA, conducted a training on the roles and responsibilities of the Budget Committee. She also explained school funding.

FINANCIAL INFORMATION

Linda Darling explained the current legislative season to the Budget Committee. The Governor's Budget is \$8.0159 billion, but includes not yet passed taxes. The Co-Chairs Budget is \$7.8 billion. Even at the Governor's Budget, we are looking at budget cuts. We are hoping to advocate for more funding, and Linda shared COSA's funding poster. Linda also discussed a few different funding scenarios and showed the Budget Committee a table of how the District's budget is spent if it was based on \$100 (or a percentage). She explained that the weight grace for BLHS has now passed and we will see a decrease of approximately 100 student weights.

BUDGET PARAMETERS EXERCISE

Renee Sessler led the Budget Committee in an exercise to determine what areas they felt should be priorities in the District's budget. She helped the Budget Committee narrow down several ideas into the core categories of: 1) Graduation and Support Services, 2) People/Salaries/Benefits, and 3) Facilities.

REQUESTS FOR INFORMATION

There were no requests for additional information.

PUBLIC COMMENT

There were no public comments.

The Budget Committee Meeting adjourned at 8:50 PM.

Russ McUne, Board Chair

Rob Hess, Superintendent

**LEBANON COMMUNITY SCHOOL DISTRICT
SCHOOL BOARD MEETING – BUDGET COMMITTEE
MINUTES**

April 27, 2017 - 7:00 PM

District Office, 485 S. 5th Street, Lebanon, Oregon 97355

A Budget Committee Meeting was held at District Office on April 27, 2017. Those present included:

Richard Borden, Director	Bill Barish, Committee Member	Rob Hess, Superintendent
Jerry Williams, Director	John Snyder, Committee Member	Jennifer Meckley, Director Human Resources
Russ McUne, Director	Terry Deacon, Committee Member	Linda Darling, Business Director
Mike Martin, Director	Tom Oliver, Committee Member	
	Jeff Vandiver, Committee Member	

Kellie Weber, Director, and Bo Yates, Assistant Superintendent, were absent.

Minutes recorded by Nicole Hundley, Executive Secretary.

ELECTION OF BUDGET OFFICERS

Terry Deacon made a motion to appoint John Snyder as Budget Committee Chair. Richard Borden seconded the motion. The motion carried unanimously.

Jerry Williams made a motion to appoint Terry Deacon as Budget Committee Vice Chair. Mike Martin seconded the motion. The motion carried unanimously.

BUDGET MESSAGE

Rob Hess read the budget message, which included a reference from the previous budget message that stated that if the funding trend in Oregon did not change in the next biennium, then the District would experience a reduction in staffing or services in subsequent budgets. The 2017-2018 budget includes several cuts that reflect that lack of priority Oregon places on funding public school education.

PROPOSED 2017-2018 BUDGET PRESENTATION

Linda Darling outlined the 2017-2018 Proposed Budget. She noted that the 25% reduction in Title 1 funding that was referenced in the regular Board Meeting public comments is out of the District's control, as this comes from the state and federal level. She stated that the presentation would mostly discuss the General Fund.

Linda discussed the proposed budget revenue. As we do not yet have a concrete funding level from the legislature, it was challenging to build a budget so there are three possible levels of funding. The proposed budget recommended to the Committee is at the \$8.2 billion funding level, with the Governor's Budget at \$8.0 billion and the Co-Chairs Budget at \$7.8 billion. There is currently significant pressure and advocacy to try to reach the \$8.2 billion funding level. Linda described a few different scenarios. If the Committee approves the \$8.2 billion budget, but then the State only funds \$7.8 billion, there is no legal issue and the District would only spend within their means. If the Committee approves the \$7.8 billion budget, but we are funded higher at \$8.2 billion or \$8.0 billion, then the District does not have the authority to spend the additional funds or we would have to do a supplement budget process. It would stay in the reserve and be added to the next budget's beginning fund balance. Discussion ensued regarding the possibility of two spring budgets in 2018. Terry Deacon asked and Linda explained that the only drawback to approving the \$8.2 billion budget is that it can be challenging to explain to staff, especially in a bargaining year, that the funds are not guaranteed yet. Linda noted that she felt there had been several conversations for the staff to understand this scenario and noted that the building principals also created three different budgets:

100% funding (\$8.2 billion), a 15% reduction (\$8.0 billion), and 25% reduction (\$7.8 billion). The system is also set up so that all departments only see the \$7.8 billion funding level until Linda authorizes additional funds if available.

Discussion ensued regarding the PERS reserve.

Linda then reviewed the expenditures included in the proposed budget, based on the Committee's priorities of 1) Graduation and Support Services, 2) People/Salaries/Benefits, and 3) Facilities. AVID has been maintained, though there are reductions in travel. Next summer most of the travel will be on site instead of out of state. Linda noted that three-quarters of AVID travel costs are covered by grants, and only administration's travel has to be covered out of the General Fund. Linda stated that we are not reducing any areas that impact attendance, due to its correlation to graduation rates.

Linda then discussed staff retention. She noted that when the majority of the budget is people and there is a 4.5% PERS increase, it is difficult to not have people impacted. She noted that administration does not feel good about the decrease in staffing, but it is the reality. She compared current staffing levels of 212.18 FTE in licensed, 186.98 FTE in classified, and 16 FTE in administration to the proposed levels of 206.1 FTE, 185.13 FTE, and 14.25 FTE, respectively. Under the \$7.8 billion level, there would be an additional reduction to 204.1 FTE in licensed staff. At this point, all reductions will be accomplished through attrition and there will not be layoffs. Discussion ensued regarding the staffing level necessary to deliver on IEPs and serve our students in special education. Rob Hess noted that we are funded at only 11% for special education services but we serve a student body with 17% of students receiving special education services. Discussion ensued regarding substitutes and benefits.

Linda then discussed facilities. She noted a slight reduction in objects but not personnel. The proposed budget at all levels maintains the capital improvement fund because there are several large replacements that need to be continued, such as a roof and boilers. The funding scenario is a long term problem, not a short term hiccup, so these items should not be postponed.

Linda then reviewed the general reductions between the proposed \$8.2 billion budget and the \$7.8 budget: -\$57,063 in travel, -\$181,063 in supplies and materials, -\$25,000 in depreciable equipment, and -\$585,000 in contingency.

Linda also provided an outline of transfers from 2016-2017 that apply to all budget scenarios: +\$80,000 in vocational house fund (to allow the lot purchase and build for the program), -\$225,000 in technology (because of the e-rate funding for current projects), -\$25,000 in classroom furniture, -\$250,000 in textbooks, +\$10,000 in athletics (to offset PERS increase), +\$75,000 in unemployment, -\$500,000 in PERS Reserve, -\$100,000 in nutrition service, and +\$35,000 in debt services. Discussion ensued regarding the contingency fund, nutrition fund, and PERS reserve fund. The Committee reviewed graphs showing a visual representation of the allocation of revenue and expenditures. They also reviewed enrollment history, which is currently staying fairly flat with Beyond LHS as the biggest change. Discussion ensued regarding ADM funding.

Linda then showed the Committee the detail of each fund. Discussion ensued regarding several funds and line items.

Tom Oliver asked and the Committee discussed if the priorities determined at the February meeting were still valid. Discussion also ensued regarding the PERS reserve and contingency funds. Jerry Williams asked and Linda further explained the cuts to Title 1.

Some Committee members commented that given the uncertainty in funding, it is unlikely that the Committee could come up with any better solutions to the budget. Some felt they would like more time to digest the budget nonetheless. Bill Barish asked and Linda noted that other districts are all doing different budgeting scenarios based on their current needs and non-state school funding sources. She explained the differences in funding and expenditures for Sweet Home, Albany and Corvallis. Discussion ensued regarding additional revenue sources such as a construction excise tax, levy, or bond.

PUBLIC COMMENT

Chair John Snyder then welcomed public comments.

Michelle O'Driscoll asked for clarification on how the staff reductions via attrition would work. Administration explained that staff would be shifted to ensure all grade levels and buildings were covered.

Maureen Twomey, LEA President, commented regarding her concerns about class size given staff reductions and the rising costs of health care. She noted that the District portion towards health insurance premiums has not increased in 5 years, yet staff is looking at an 8.5% increase in the least expensive plan.

Della Long expressed concerned about the proposal that Hamilton Creek and Lacombe share a principal next year. She noted that her current class at Lacombe is very high needs and she is worried that the staff will not have sufficient support for student behavior.

APPROVE BUDGET

Terry Deacon made a motion to approve the proposed budget for the 2017-2018 fiscal year in the amount of \$58,881,239. Bill Barish seconded the motion. Tom Oliver expressed that he felt an obligation to more thoroughly review. Mike Martin asked about the garden assistant and the music teacher position at Hamilton Creek and Lacombe. Rob Hess stated that while the grant ended for the garden assistant position, it is included in the proposed General Fund budget. He also noted that the music position has been increased to full time and posted for 2017-2018. Jennifer Meckley stated that now that it is posted early and full time, we are hopeful it will be filled. Bill Barish asked for clarification on what the Committee is allowed to do. Linda Darling noted that the Committee cannot cut programs. They can ask that the contingency fund be increased or decreased and they can ask questions and then administration can make suggestions or changes based on the Committee's feedback. Rob Hess noted that the Board has more authority than the Committee. Discussion ensued. The motion failed nine to one, with Terry Deacon as the only affirmative vote.

REQUEST FOR INFORMATION

Chair John Snyder recommended the Committee ask Linda Darling for any information they need in advance. The Committee was also reminded that they cannot meet to discuss the budget in any group that consists of a quorum.

ADJOURN

The Budget Committee Meeting adjourned at 9:00 PM.

Russ McUne, Board Chair

Rob Hess, Superintendent