

## WORK SESSION MINUTES

Nine Budget Committee members met in a work session on December 13, 2018.

Handout given of Springfield Public Schools Budget Calendar.

### I. WELCOME AND INTRODUCTIONS

Board Chair Zach Bessett called the Springfield Board of Education Budget Committee work session to order in the Board Room of the District Administration Center at 6:00.

#### Attendance

Budget Committee Members present were Board Chair Zach Bessett, Board Vice Chair Emilio Hernandez, Nancy Cameron, Michelle Webber, Naomi Raven, Ken Kohl, Keina Wolf, and John Svoboda.

District staff and community members identified included Superintendent Bruce Smolnisky, David Collins, Jenna McCulley, Brett Yancey, Sheryl Cramer, Brian Megert, Suzy Price, Jeff Michna, Judy Bowden, Anne Goff, Don Lamb, Kim Donaghe, Rebecca Morgan, Whitney McKinley, Joan Bolls, Laura Pavlat, Gary Cole, Melissa Stalder, Brenda Holt, Laura Weiss, Chad Towe, Will Lewis, Jonathan Gault, Kathy Savelich and Tim Duy.

Bruce Smolnisky welcomed Michelle Webber and Naomi Raven (both new to the school board) to their first Budget Committee meeting.

### II. ECONOMIC UPDATE AND PRESENTATION BY TIM DUY

Brett Yancey introduced and welcomed Tim Duy, professor at University of Oregon, thanking him for his return visit and PowerPoint presentation.

Mr. Duy reminds all that Oregon economy typically tracks that of the U.S. economy, that some larger threats to school districts tend to come from State Budget, and the trends of recessions for the economic cycle.

#### Economic Outlook 2019

- ❖ US Economy Accelerated in 2018
- ❖ No Sign of Recession
- ❖ Manufacturing Sector Holding Strong
- ❖ Forward Looking Indicator
- ❖ Unemployment Falling
- ❖ Full Employment?
- ❖ Participation Holding Up
- ❖ Wage Growth Accelerating
- ❖ Consumer Confidence Still High
- ❖ Federal Reserve Raising Interest Rates
- ❖ Housing Activity Takes A Hit
- ❖ Repeat of 2015-16?
- ❖ Inflation Still Soft
- ❖ Ghosts of the Past
- ❖ Equity Bubble? Not Obvious
- ❖ Household Debt Declining as Share of Economy
- ❖ No Obvious Overinvestment

- ❖ Oregon Indicators Generally Solid
- ❖ Oregon Decelerated to US Pace

Mr. Duy called for questions from Committee members and engaged in conversation regarding said questions.

Mr. Smolnisky thanked Mr. Duy for his enlightening presentation.

For the benefit of the Budget Committee and others, Mr. Smolnisky introduced other new persons; Jeff Michna was hired as Technology Director for the District, and Whitney McKinley has begun leading the Middle School Program.

### **III. SUPERINTENDENT SEARCH**

Mr. Smolnisky explained that the district has begun the search for a new superintendent and has hired a firm to assist in the process. The job has been posted on state sources, Oregon School Board Association, the AASA. The hiring firm is also recruiting appropriate candidates. This is a national search and closes January 16, 2019. The hope is that a new superintendent will have been selected before Spring Break.

### **IV. ENROLLMENT UPDATE – BRENDA HOLT & DAVID COLLINS**

Brenda Holt updated the committee on the district’s enrollment, beginning with September 2018, up through December 2018.

- ❖ 2018-19 Enrollment vs Projection by School
- ❖ Springfield School Enrollment: projected number of students was 10,355. Actual number enrolled were 10,365
- ❖ Charter School projections (Willamette Leadership) are down approximately 70 students
- ❖ Enrollment through the school year has declined by 150 students, slightly more than usual
- ❖ Historical Trends, projection for 2018-19, and actual for 2018-19

### **V. CURRENT YEAR BUDGET PROJECTS – BRETT YANCEY**

#### **2018-19 Budget Assumptions**

- ❖ Second year of the 2017-19 biennium budget
- ❖ Started process assuming a “rollover” budget from 2017-18
- ❖ Anticipated \$2.44 Million general fund reduction due to enrollment decline (138 students, including A3)
- ❖ A3 transitioned from a charter school to an SPS high school
- ❖ Utility costs and property/casualty/auto insurance increases estimated at 5%
- ❖ PERS rate maintained for second year of biennium: 22.2% + 6.0% = 28.2%

#### **2018-19 General Fund Revenue Update**

- ❖ Property Taxes – Current Year; Difference \$185,260
- ❖ Property Taxes - Prior Year; Difference (\$50,000)
- ❖ Payment in lieu of Property Taxes – Comcast; Difference \$649,001
- ❖ Other Local Sources – Difference \$0
- ❖ Lane ESD Apportionment -Difference \$0
- ❖ County School Fund – Difference \$0
- ❖ State School Improvement Fund – Difference \$544,739
- ❖ Common School Fund – Difference \$60,603
- ❖ Beginning School Fund – (\$366,779)
- ❖ Total Resources - \$1,022,823

## **VI. GOVERNOR'S RECOMMENDED BUDGET PREVIEW – BRETT YANCEY**

- ❖ State School Fund – Difference \$770 million
- ❖ K-12 PERS Liability – Difference \$100 million
- ❖ Measure 98 Allocation - \$0
- ❖ Seismic Rehabilitation Grants - \$0
- ❖ Oregon School Capital Improvement Matching Program - \$0
- ❖ Educator Pathways Program - \$16 million
- ❖ Safe & Effective Schools Task Force - \$6.3 million African American Student Success & American Indian/Alaska Native State Plan - \$1.5 million
- ❖ Total \$894 million

## **GOVERNORS KEY EDUCATION INVESTMENT RECOMMENDATIONS**

### **TOTAL \$1.84 BILLION (REQUIRES NEW REVENUE)**

- ❖ \$793 million – K12 School Improvement Fund
- ❖ \$133 million – Fully Fund Measure 98 (\$303 million total)
- ❖ \$585 million – Higher Education
- ❖ \$285 million – Expand Early Learning Opportunities for Low Income Children
- ❖ \$45.6 million – Increase Early Intervention/Early Childhood Special Education

## **STATE OF OREGON – NEXT STEPS**

- ❖ Agency Budget Request
- ❖ Governor's Recommended Budget
- ❖ Legislative Adopted Budget
  - Legislative Committee Review
  - Public Hearings, Agency Feedback
  - Budget Bills Created (with possible revision)
  - Budget Bills Adopted and Create the Legislative Adopted Budget

## **VII. KEY DATES AND FUTURE MEETINGS –BRETT YANCEY**

- Budget Calendar
  - Mr. Bessett reviewed the 2019 Budget Committee Calendar, announcing the next meeting held will be a work session on January 17, 2019, 6 pm.
- Questions/Clarifications – There were no further questions.

## **VIII. ADJOURNMENTS – COMMITTEE MEMBERS**

With no further business, Mr. Bessett adjourned the meeting at 7:40 pm.