

MINUTES

A meeting of the Lane County School District No. 19 Budget Committee Work Session was held February 16, 2017 in the boardroom of the Administration Center.

**Attendance**

Budget Committee members in attendance were Laurie Adams, Zach Bessett, Erik Bishoff, Sandra Boyst, Nancy Cameron, Tina DeHaven, Emilio Hernandez, Ken Kohl, Steve Irvin, included District staff, students and community members identified included Dr. Sue Rieke-Smith, Brett Yancey, David Collins, Michael Henry, Tom Lindly, Jenna McCulley, Don Lamb, Anne Goff, Brenda Holt, Laura Pavlat, Judy Bowden, Michael Henry, Marie Wilson, Tim Stephens, Gary Cole, Sheryl Cramer, and Linda Henry.

**I. CALL MEETING TO ORDER – Welcome – Dr. Sue Rieke-Smith**

Dr. Rieke-Smith called the meeting to order and welcomed new committee member Nancy Cameron. Those present introduced themselves.

**II. 2015-2016 AUDITED FINANCIALS – Brett Yancey**

Mr. Yancey said due to inclement weather in December 2016, the Budget Committee was not able to meet at its scheduled times. Unfortunately, the economic update from Tim Duy could not be rescheduled. Additionally, local legislators who traditionally attended the December meetings could not attend tonight's meeting because the Legislature was in session. Mr. Yancey directed committee members to a document entitled *Comprehensive Annual Financial Report (CAFR)—For the Year Ended June 30, 2016*. He explained the annual audit was required by Oregon Revised Statutes (ORS) and the Audit Report must be filed with the Secretary of State's office and the Oregon Department of Education (ODE). Additionally, the audit was filed with the Government Finance Officers' Association (GFOA). Mr. Yancey offered a PowerPoint presentation entitled *Springfield School District #19—Budget Committee Work Session—February 16, 2017*.

In response to Mr. Hernandez, Mr. Yancey said the District adopted an investment policy about ten years ago. Ms. Holt stated operating cash was currently held in the government LGIP account, which was invested in a variety of funds. Non-liquid cash investments, including scholarship funds, insurance funds and bond funds, were invested in government backed bonds.

**III. 2016 - 2017 YEAR TO DATE FINANCIAL REPORT – Brett Yancey**

Mr. Yancey reviewed the document entitled *Springfield School District 19—2016-2017 Revenue/Expenditure Forecast as of 1/31/17*, which detailed the District's revenues and expenditures.

**IV. ENROLLMENT UPDATE/PROJECTIONS – Brenda Holt**

Ms. Holt directed committee members to the document entitled *Springfield School Enrollment*, which showed District enrollment for 2008-09 through 2017-18, for the District’s public schools, charter schools, alternative education—in district, and alternative education—other.

## **V. REVIEW OF 2016-17 ADOPTED BUDGET – Brett Yancey**

### **a) Additions and adjustments**

Mr. Yancey explained the 2016-2017 adopted budget adjustments totaled approximately \$6.2 million. He reviewed the specific line items, as described in the report. In response to Mr. Yancey, Mr. Collins explained 12.0 full time equivalent (FTE) additional certified staff positions were added to Teachers on Special Assignment (TOSA) in all schools to provide support in the areas of instruction and behavior. In response to Ms. Adams, Mr. Collins said the majority of additional funds for Mental Health Supports had been spent for classified staffing and support directly for buildings. The funds were also combined with other funding for professional development.

### **b) Music and/or art support**

Mr. Yancey reported that support for music and/or art was increased by \$41,500 for elementary, middle and high school programs in the District.

### **c) Club and Activity support update**

Mr. Yancey reported that support for club and activities was increased by \$28,000. Funds had been requested by and allocated to Agnes Stewart Middle School and Briggs Middle School for after school programs, and to Thurston High School for the robotics program, the women’s wrestling coach, club advisors, and printing and supplies. In response to Ms. Adams, Mr. Yancey said he expected all of the increases, with the exception of the repair to Silke Field, which was a onetime expense, would be carried forward to the 2017-2018 budget.

## **VI. 2017-2018 BUDGET PROJECTIONS – Brett Yancey**

### **a) Beginning Expenditure Assumptions**

Mr. Yancey explained assumptions were that all expenditures, including salaries; payroll costs; services, supplies, and materials; capital outlay; property, casualty and liability insurance; and the unappropriated ending fund balance, would move forward to 2017-2018. In response to Mr. Kohl, Mr. Yancey said cost of living adjustments (COLA) would be budgeted at 2.0 percent. The increase in the minimum wage would be reflected in the 2018-2019 budget. The only anticipated increase in payroll costs was an increase in the PERS rate of 4.0 percent.

### **b) Revenue Assumptions/Scenarios**

Mr. Yancey directed committee members to the graph entitled *2017-2018 General Fund Budget Scenarios* which provided information on four funding levels for education in Oregon.

- The Co-Chair’s Proposal of \$7.8 billion, would result in a statewide decrease of \$7.8 million and a decrease in the Springfield Public School (SPS) budget of \$4.9 million.
- The Governor’s Proposal of \$8.015 billion would result in a decrease in the SPS budget of \$3.1 million.
- The Current Service Level \$8.4 billion would result in a decrease in the SPS budget of \$210,000.
- The Quality Education Model \$9.97 billion would result in an increase in the SPS budget of \$13.57 million.

### **c) Co-Chair’s Framework**

Mr. Yancey directed committee members to the State of Oregon Co-Chair's Existing Resources Budget Framework document and reviewed the financial impacts of PERS, the Extended Oregon Health Plan Coverage, Ballot Measure 98 for CTE and Career Readiness programs, and Ballot Measure 99 for Outdoor School programs.

#### **VII. KEY DATES AND FUTURE MEETINGS – Brett Yancey**

Mr. Yancey reviewed the document entitled *Budget Building Process & Next Steps*, which provided information on the key dates for preparation and adoption of the 2017-2018 SPS budget. Administrative staff were going out to the schools and asking for input from staff for things the District could do this year to increase reserves between now and the end of the school year to potentially offset some anticipated reductions. Spending had not been frozen but the District had reduced schools' current budgets by 5 percent or \$320,000, and eliminated out of state travel supported by the General Fund. No trips were cancelled and all trips needed to be approved by the Cabinet. The hiring review committee was looking at potential expenditures to determine if they were necessary this year or if they could be deferred.

Mr. Yancey iterated that Dr. Rieke-Smith, Ms. McCully and he were visiting all SPS schools and departments between January 20, 2017 and April 27, 2017, seeking input from SPS staff. Enrollment projections would be finalized on March 2, 2017 and staff would be finalized on April 12, 2017. The budget would be finalized by May 4, 2017. Additional Budget Committee meetings would be held on May 11, May 18 and May 25 if needed. The Board would hold a Budget Hearing and adopt the final budget on June 12, 2017.

- **March 16<sup>th</sup> Agenda Topics**

Budget Committee members were encouraged to contact Mr. Yancey if they had specific issues they wanted to have on the agenda.

- **Questions/Clarifications**

In response to Mr. Hernandez, Mr. Yancey said the District expected fifty positions would be vacated at the end of the school year. The Recruitment Fair held on February 11, 2017 was very successful. Dr. Rieke-Smith added the District hoped to offer employment contracts to candidates within the next two weeks.

#### **VIII. ADJOURNMENT – Committee Members**

With no further business, the meeting was adjourned at 7:50 pm.

*(Minutes recorded by Linda Henry)*