

**LEBANON COMMUNITY SCHOOL DISTRICT
BUDGET COMMITTEE MEETING
MAY 23, 2019, 6:00 PM**

Lebanon High School Library

1700 S. 5th Street, Lebanon, OR 97355

MEETING AGENDA

- 1. Call to Order**
- 2. Approval of May 16, 2019 Meeting Minutes**
- 3. Information and Discussion of Proposed 2019-20 Budget**
Will Lewis, Business Director
- 4. Move for Final Budget Approval**
- 6. Public Comment**
- 7. Adjournment**

Upcoming Board Meeting Dates:

June 13, 2019 Regular Board Meeting and Budget Committee Meeting (Santiam Station)

**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

Sandi Cox, Chair

Bo Yates, Interim Superintendent

Dear Budget Committee Members and Community Members:

I submit for your consideration the Proposed Budget for the Lebanon Community School District for fiscal year 2019-2020. This budget proposal strives to maintain the strategic investments we have made over the past nine months while recognizing the very real financial challenges Lebanon Community School District faces over the next biennium. In order to provide context for the proposed budget it is necessary to have a clear understanding of our current goals and priorities as well as an understanding of the efforts made over the past year in support of these goals.

District Goals and Priorities:

1. Increased Student Achievement
2. Graduate 90% of intact cohort on time
3. 100% of our cohort students reading at grade level by third grade
4. Students below grade level will receive immediate support in math and reading.
5. Student focused alternative programs will be developed in order to support a more diverse student population.

2018-2019 Review

Over the past year (2018-2019) we have aggressively addressed the preceding goals by supporting the following:

- Increased Title support
- Reading and math support for all levels (after school programs)
- Curriculum alignment and refinement (K-5 reading curriculum)
- Assessment utilization and expectations refinement (STAR formative assessment tool)
- Increased special education staffing (Alt, RV, LHS, GA, Cas)
- Increased behavior support staffing (all sites)
- Social emotional program development (Cas, GA, Lac, 7Oak)
- Mental Health support (School Psychologist)

We have also had the following budget adjustments which have impacted our 2018-2019 EFB and 2019-2020 BFB:

- Funding adjustment from ODE from 2017-2018, (\$755,646.00)
- 3% salary increase, (approximately \$1,000,000.00)
- Increased special education and behavior support (\$1,156,671.00)

2019-2020

Educating students is dependent upon a talented, caring and dedicated staff. We currently have such a staff. In order to provide our students with the best opportunity to truly be exceptional, we must continue to improve our classroom culture, building expectations and support of a continual improvement model. All of

our students should be provided the support and resources necessary to achieve and grow. No student should have their ability to learn impacted by poor behavior or low expectations. It is essential that we continue to support our goals and priorities while improving our processes and systems.

Maintaining staffing levels at the current level for the 2019-2021 biennium is not an option given our increase in PERS contributions and increase in salary costs. Balancing a budget predominately allocated on staffing leaves very few options in regards to adjusting for higher costs or reduced funding levels. The proposed budget includes a small reduction in current staffing for certified, classified, and administrative personnel. All reductions will be made through attrition and staff reassignment. We have staffed all of our schools at 25:1, which is a small adjustment from our current staffing which is set at 23:1. We have made reductions in departmental budgets where there have been large carryovers. Our focus has been to make strategic reductions in order to maximize resources to classrooms.

Our situation is shared throughout Oregon. We are striving to provide a budget model which can support our goals without being overly vulnerable to funding challenges.

Addendum:

With the passage HB 3427, we potentially will be receiving an increase in funding beginning in 2020. This increase in funding will allow us to support programs at a higher level and provide funding for targeted program expansion. We are asking the budget committee to approve the following budget with the understanding that there will be increased funding on the horizon which may require a supplemental budget. The following budgets are areas that should receive consideration for increased allocations if funds become available.

Targets for expanded investment:

- Increase in staffing and budget support to 18/19 level
- Mental health support
- Behavior support as needed
- Extended learning opportunities
- Lower classroom ratios for k-3
- Dedicated music fund
- Increased funding for maintenance and custodial
- CTE component for middle school students
- Addition of a school volunteer coordinator
- CTE development coordinator
- Middle school athletics expansion
- EFB

LEBANON COMMUNITY SCHOOL DISTRICT #9

Budget Committee Meeting

May 16, 2019

Bo Yates, Interim Superintendent

Will Lewis, Business Director



\$3,124,940

Total Revenue Increase 2019-20

-\$1,700,924

Total PERS increases 2019-20

\$1,424,016

Total new revenue for all 2019-20 increases

-\$755,646

2017-18 Adjustment

\$668,370

2019-20 Total New Revenue Minus PERS Expenditures