



Budget Committee Meeting Minutes

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The Lincoln County School District Budget Committee met on May 19, 2015 at Newport High School with 9 committee members and approximately 20 members of the staff, media and patrons present.

Election of Chairperson and Establishment of Rules and Calendar

Larry Anthony was elected as chairperson. The committee elected to allow public comment at both the beginning and end of the meeting. Two additional meetings were scheduled for May 21st and May 26th if needed.

Public Comment

Peter Lohonyay Toledo Jr/Sr teacher and LCEA President cited figures from the latest board financial reports and the district's May warrants as indicators of increased revenue to the district. He noted the State has recently indicated there will be additional funds distributed to school districts throughout the state. He believes there will be flexibility in the budget because the district will have considerably more money than proposed.

Margie Grinnell, retired teacher now subbing at Waldport High, advocated for additional funding for the school to restore electives such as music, home economics and a Spanish teacher in order to utilize the new building to its full potential.

Budget Committee Responsibilities

Steve Boynton, Superintendent reminded the budget committee of their responsibilities: 1) receive the budget document, 2) hear the budget message, 3) hear and consider public comment, 4) discuss and revise the proposed budget as needed, 5) approve the budget and approve the tax rate set by the State.

Superintendent's Budget Message

Superintendent Boynton read his budget message. The full message is contained in the proposed budget document available on the district's web site at www.lincoln.k12.or.us.

Budget Assumptions

Business Manager Julie Baldwin gave a PowerPoint presentation on the assumptions used in creating the proposed budget document. This presentation can be found on the district web site.

Ms. Baldwin additionally noted the numerous external factors outside of the district's control affecting the State School Fund (SSF) formula which determines the funding LCSD receives from the State. These include "carve outs" from the total funding for special expenditure that are not distributed to school districts as part of the formula, local revenue receipts, ADMw, and teacher experience compared to the statewide average. She had several of the SSF estimates available for the committee to review with her if they wished.

Ms. Baldwin noted the budget includes \$300,000 for possible SSF increases. In addition, after the proposed budget was created, the State indicated they will fund another approximate \$1,000,000 over the biennium. This may come to the district split 50/50 or all in year 2 of the biennium. For expenditure purposes the district proposes allocating \$500,000 in year 1. The budget committee will need to make adjustments to the budget in order to spend this potential revenue in 15/16.

The Special Revenue funds budget includes \$1.2 million dollars in possible State Initiative Funding. Currently these state funds are distributed based on a competitive grant basis. Current Legislative discussions include allocating these Initiative funds by formula which would mean additional funding for LCSD. However, these funds must be spent on specific Initiative criteria.

Superintendent Boynton identified a prioritized listing of add-backs should State funding be realized. He cautioned the committee about making specific expenditure decisions as it could restrict the district's ability to use potential state initiative dollars. The legislature has not indicated

how the additional State School funding will be distributed. He recommended moving some funds from Unallocated Ending Fund Balance to an expenditure line so cash reserves can be used in 15/16 if the legislature allocates all of the funds to year 2 of the biennium.

He urged the committee to leave some flexibility in the budget to allow the district to negotiate reasonably in the ongoing licensed and classified union contract negotiations.

Ms. Baldwin noted that a continual effort to allocate as many resources as possible to direct student learning is an ongoing goal of the board, superintendent and staff.

Discussion

Superintendent Boynton and Ms. Baldwin provided clarifying details for the committee's questions.

Because LCSD lags well behind other similar sized districts in technology, the district budgeted for technology devices and infrastructure to support connections for the additional devices instead of textbooks.

North area member Dave Price recommended addressing the number of counselors in the North area schools. He feels the high poverty rates in North County contribute to more socio-economic issues that need to be addressed.

Superintendent Boynton said he strategically cut the counselor positions in order to better utilize potential state initiatives, the majority of which will provide additional counselors for those schools who do not already have them budgeted. If those funds are not available there are other ways to add those positions back which is his first priority. A North Area Assistant Principal will rotate at the schools to fill this need until counselors can be hired.

Mr. Price questioned the reduction to the TAG (Talented And Gifted) program over the past several years. Ms. Baldwin indicated the District moved from 1.75 FTE TAG teachers district wide to building allocations. The proposed budget includes a stipend for a TAG coordinator at each school and stipends to provide staff professional development and regular meetings to collaborate on best practices. Mr. Price believes that the changes do not provide the same level of services as previously provided.

Jeff Doyle questioned the administrative increases. Mr. Boynton explained increases are proposed to bring salaries up to the state average based on COSA's annual report of administrative and licensed positions. The salaries of all employee groups are being compared to bring them up to state averages. Some members felt there was a mixed message in cutting some positions but giving administrators raises while still negotiating with the unions. Others noted that there is a need in all employee groups to retain talented and trained staff.

In reviewing administrative salary lines it is important to realize some positions have been previously paid with special revenue or bond funds and are now fully funded in the general fund.

Central reductions include the Student Services Administrator, Communications Coordinator and two Alternative Education classified positions.

Ms. Baldwin noted there is information on the district web site regarding employee turnover for the last three years. The district is known to be an excellent training ground until a position opens up closer to home or where there are more social and housing opportunities. Superintendent Boynton noted that Corvallis is seeing the same turnover. Member Terry Buggenhagen noted that we are not the only industry in the county with this problem.

The district is currently working with Oregon Coast Community College to provide a Spanish teacher at Waldport High.

Ms. Martin expressed her concern regarding the reduction of the Communications Coordinator. Superintendent Boynton said this position is low on the list of items to add back because it doesn't directly affect students.

Ms. Baldwin explained the reduction in contracted maintenance is due to the maintenance department now being staffed with an electrician and a plumber which eliminates the need to contract for these services. The district is budgeting more for materials and uses staff to complete the maintenance instead of relying on more expensive contracted services.

The committee noted that they are making tough decisions on how to allocate increased resources.

However, the student population has increased so those resources are also being spread more thinly. Superintendent Boynton noted that the bottom line number is bigger but because of the way schools are funded and the contractual roll up costs school districts incur, current state funding doesn't cover all day kindergarten plus the roll up costs for existing staff state wide.

Had the district not implemented full day kindergarten it would have had further cuts but instead was able to also reopen a school and fund three teaching positions. The kindergarten impact document can be found on the district web site.

Thomas Hurst was concerned that the district appeared to be budgeting more for testing and less for teacher professional development and evaluation/improvement of current curriculum. Ms. Baldwin noted that the bulk of the district's robust professional development program is provided by grant funding. Additionally, some FTE positions for testing have been shifted from special revenue funds to the general fund which skews comparisons from one year to the next.

Additional Public Comment

Ms. Grinnell was glad the committee brought up their concerns and asked good questions. She again advocated for more resources being allocated to Waldport High School.

Mr. Lohonyay commended the committee for the valuable work they do. He felt it was wise to build in flexibility to handle any extra funds. He noted the district is in the middle of two contract negotiations. Even if this budget is approved that will be a consideration at a future date. He said the committee is doing a good job to best serve the public with the funds available.

Ms. Baldwin noted that any reallocation of budgeted potential increases in revenue would be done transparently in a public board meeting. The committee chair expressed his confidence that the funds would be used appropriately.

Approval of Proposed Budget

The committee amended the proposed budget to balance the \$5 placeholder for transfers to and from the general fund, moved \$800,000 from Unallocated Ending Fund Balance to an instructional expenditure function and increased the

general fund \$500,000 for possible additional State School Funding.

The budget was approved as amended in the aggregate amount of \$89,000,289. Further, the budget committee moved that the permanent tax rate of \$4.9092 per \$1,000 of assessed value be assessed in support of the General Fund. This permanent tax rate is expected to raise \$30,311,250.

The committee also approved the Debt Service Fund budget in the amount of \$6,151,775, with \$5,197,395 being assessed against the assessed property values of Lincoln County.

Conclusion and Adjournment

Several members commended district staff on providing a very detailed and transparent budget document.

Board Chair Liz Martin thanked the committee for their time spent reviewing the budget document and providing their feedback.

The meeting was adjourned at 9:25 pm.