



Greater Albany Public School District 8J  
718 Seventh Avenue SW  
Albany, Oregon 97321-2399  
Maria Delapoer, Superintendent

## ***Budget Committee Meeting***

April 19, 2010

7:00 p.m.

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### ***MINUTES***

#### ***CALL MEETING TO ORDER***

Budget Committee Chair Lyle Utt called the April 19, 2010, Budget Committee Meeting to order at 7:00 p.m.

Present were:

Lyle Utt	Budget Committee Chair
Liisa Reid	Board Chair
Jerry Boehme	Budget Committee Member
Frank Bricker	Budget Committee Member
John Ewing	Budget Committee Member
Sandi Gordon	Budget Committee Member
Julie Jones	Budget Committee Member
Doug Marteeny	Budget Committee Member
Bill O'Bryan	Budget Committee Member
Will Summer	Budget Committee Member
Maria Delapoer	Superintendent
Steve Kunke	Assistant Superintendent
Russell Allen	Director of Business
Randy Lary	Director of Human Resources

Arrived 7:02 p.m.

A list of others present at the meeting is attached to the original minutes.

#### ***PLEDGE OF ALLEGIANCE***

Mr. Utt led those present in the Pledge of Allegiance.

#### ***BUDGET COMMITTEE OPERATIONAL TASKS***

1. Mr. Utt stated that everyone should have had an opportunity to review the minutes from the March 10, 2010, Special Budget Committee Meeting and asked for any comments, questions or corrections. Committee Member Frank Bricker made a motion to approve the minutes as presented. Mr. Utt asked for discussion. There was none. **MOTION CARRIED UNANIMOUSLY.** Ms. Gordon was present for the vote.

#### ***COMMENTS FROM THE PUBLIC***

There were no comments from the Public.

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## ***SUPERINTENDENTS BUDGET MESSAGE***

Ms. Delapoer presented her budget message to the Committee. The budget message as presented is found in the Proposed Budget Document.

## ***PRESENTATION OF BUDGET DETAIL***

Mr. Allen passed out the proposed budget document to those present. He began by reviewing the budget highlights for the Committee as presented in the Proposed Budget Document. He emphasized that the most important information for this Committee was the 2<sup>nd</sup> paragraph where the highlights comment that the proposed budget maintains the savings generated in 2009/10 and adds approximately \$200,000 in additional savings budgeted for in 2010/11. He proceeded to go through the highlights. Mr. Allen asked if there were any questions. Mr. Boehme asked what the penalty was for being behind on the mathematics adoption. Assistant Superintendent Steve Kunke responded that the District would be deemed to be substandard but beyond that staff has not received answers to their questions. Mr. O'Bryan asked what the impact would be. Mr. Kunke responded that the state would require the District to create a plan to become standard within 1 year. Mr. Boehme then asked if the science adoption put the District behind. Mr. Allen responded that the plan was to push science off to get the mathematics adoption funded. He shared that if the entire science adoption was completed in 2011/12, the District would remain standard.

Mr. Boehme asked if there was any chance that the funds for West Albany High School cameras could be paid for by bond residual dollars. Mr. Allen responded that he believed that the project is bond eligible but that would have to be taken up by the Board to use bond residual dollars. Mr. Boehme then asked if the \$225,000 in maintenance includes the foreman position. Mr. Allen responded that the \$225,000 was over the current year's budget, the foreman was included in the current year budget. It is a combination of restoring one position that was previously cut, a low-voltage technician, adding a plumber position, and then a small increase in the contracting out budget. Mr. O'Bryan asked if those funds were all personnel. Mr. Allen responded that it is not all personnel; it is partially personnel, additional contracting out, and materials for the positions. Mr. O'Bryan asked what the increase percent on the maintenance budget was. Mr. Allen responded that he believed it was 15 percent.

Mr. Summers asked what the ramifications are of taking the insurance reserve fund and moving it to the general fund. Mr. Allen responded that there is approximately \$75,000 worth of expenditures that are in the Insurance Reserve Fund. One of those expenditures is unemployment insurance. When unemployment insurance comes out of the Insurance Reserve Fund, many different funds would bear that expense depending on which fund had been paying the wages; settlements would be borne by the general fund. Out of \$50,000 to 75,000 each year of Insurance Reserve Fund expenditures, the General Fund would absorb \$40,000 to \$60,000 more than the proposed budget.

Ms. Gordon asked if staff had heard any more about the receipt of any additional grants from the legislature. Mr. Allen responded that what staff knows is that there has been a bill submitted in the U.S. Senate that would provide additional stimulus dollars for education. At this point it is merely a bill being supported by a senator and we don't know if it has "legs" or not. There are discussions in Washington DC with regards to a year or two more years of stimulus dollars specifically to education; however, there is no assumption built into this budget that there will be any additional stimulus dollars at this time.

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Mr. O'Bryan asked if this budget shows a 3.7 percent increase over last year's budget. Mr. Allen responded that if one looks at the total dollars that are anticipated to be expended, which means you take out contingency and ending fund balance from both years, it is about \$3.5 million anticipated being spent in 2010/11 over 2009/10. Mr. Allen added that the budget anticipates that in the current fiscal year we will add approximately \$2.4 million to the fund balance, consisting of \$1.8 million additional funds from ODE that we did not spend and \$600,000 under budget on non-staff (supplies and materials). It is anticipated that the 2010/11 budget will under spend its revenues by about \$200,000 resulting in a \$2.6 million savings from this biennium and a total savings of \$4.2 million going into the new biennium to help with increased costs expected in 2011/13 biennium. Discussion ensued. Mr. O'Bryan asked what percent of the budget was for salaries. Mr. Allen provided a handout for the Committee to review in regards to salary assumptions and reviewed it for them. He emphasized that with administrators/managers and classified there is a 0% which is assumed in that those increases are subject to negotiations. He also commented that normally increases consider the CPI increases and the applicable CPI was -0.4%. The step is an estimated number and is net of attrition. All bargaining groups took furlough days this year which was very helpful for the district and a sacrifice for employees. It was a one-year savings though and those days being restored increases costs from last year. Mr. Allen also noted that the 3% budgeted for the insurance cap for administrators and classified is also subject to negotiations.

Mr. Boehme asked what the plan would be to get the district to standard in regards to the textbook adoptions. Mr. Allen responded that for the district to stay standard, we would need to adopt the science adoption which is estimated to be about \$800,000, by the end of next fiscal year. Mr. Boehme commented that his concern was if it was pushed off with everything else that is anticipated to happen in the next biennium, there are a lot of things to deal with. Mr. Allen agreed but stated that it comes out either now or later it all comes out of the same bucket of money. He added that this budget assumes the \$350,000 necessary to complete last year's math adoption.

Mr. Allen provided another handout that covered the latest information from the Department of Administrative Services Budget and Management Division. He explained that what DAS is tasked to do is take a look at budgets at the state level for 2009/11 and come up with an essential budget level, which is what they believe it would take to maintain the programs budgeted in 2009/11 into 2011/13. He commented that according to the handout, to maintain existing programs in 2011/13, the State School Fund would have to be \$6.96 billion. Mr. Allen pointed out that the largest increase shown was in the area of human services and the smallest was education. He also pointed out that it shows that they would be about \$2.5 billion short in order to maintain existing service levels, which is approximately 16% short. Discussion ensued.

Mr. Allen referred to two handouts located at each committee member's place which was information requested from Mr. Bricker and asked the recorder to explain what it is and what the column headings would be. Ms. Caldwell responded that the first handout contained information about class sizes at the elementary and secondary level by school and the second handout contained information on In-District Transfers and Inter-District Transfers. Mr. Bricker commented that he had requested this information because the Budget Document refers to class size as 26:1 which really doesn't show the real count in classes.

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## ***BUDGET COMMITTEE DISCUSSION OF BUDGET DOCUMENT***

Mr. O'Bryan asked how many FTE were added to the budget in total. Mr. Allen responded that the classified hours were constant and the licensed was increased by 4.5 FTE as previously discussed. Ms. Gordon asked how many retirements were expected this year. Mr. Lary responded that he believes there are about 15 individuals retiring at the end of this year. He stated that there is no way to really know how many more may be anticipating retirement. Ms. Gordon asked how much notice was required to be given. Mr. Lary responded that typically if an employee wants to retire, the district doesn't necessarily require advanced notice but typically individuals give about 60 days notice. Ms. Gordon then asked for an explanation of how the two directors for curriculum will play out. Ms. Delapoer responded that it is two individuals but it is taking the same number of people and repackaging how they are used. Some of the Title duties from Special Ed are being repackaged so there will be an Elementary Curriculum Director that will have responsibility for working with Elementary School Principals as well as Title efforts and a Secondary Curriculum Director that will have Title responsibilities also. Mr. Kunke stated that he had created job descriptions for both positions that he would provide to the committee.

Ms. Delapoer commented that when we say that there has been 4.5 FTE added to the budget, it is not 4.5 FTE new people added to the budget but it is bringing over 4.5 FTE to the general fund that used to be paid for out of other funds and moved over to the general fund.

Mr. Boehme asked if there had been any consideration made about funding a grant writer. Ms. Delapoer responded that there has been an individual contracted out to help with grant writing on an hourly basis but have not funded a position full-time. She added that there are other agencies in the community that the district has talked with about writing grants together but a grant-writing position was not funded. Mr. Allen added that in the past it was determined that the grant-writing position was not generating significant offsets in order to support the position.

Mr. O'Bryan asked if there were any programs that were eliminated from the budget this year. Mr. Allen responded that he was not aware of any that were eliminated. Mr. Summers asked how PERS escalations will affect future budgets. Mr. Allen responded that the PERS change does not impact the 2010/11 budget. The District will be notified in September as to what the PERS rate will be for July 1, 2011. The PERS rate in this budget is the same rate in 2009/10. He stated that school districts as a rule will see an increase of 5%, we will see an estimated increase of 7% as a result of the fact that we bonded and have side accounts. As the PERS rates are set every two years and that 60% of PERS Dollars come from investment earnings, it will depend on what the market does. Mr. Bricker asked to have the software available at the next meeting to see how differences in the PERS numbers affect the beginning and ending fund balances over the next few years. Discussion ensued.

## ***BUDGET INPUT FORUM/BUDGET COMMITTEE MEETING***

Mr. Utt shared that the Budget Input Forum and the next Budget Committee Meeting will be held Wednesday, April 28, 2010, at 7:00 p.m. here at the District Office. Mr. Allen commented that the information Mr. Utt shared is the same information that has been published in the newspaper and the budget document was now a public document. He added that the focus of the next meeting is to receive input from the public on the budget document, then if there is not an overwhelming number of patrons who wish to talk, then the Budget Committee can then discuss the budget document further. Mr. Allen stated that it was the

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Budget Committee's prerogative to change this process if it chose to do so. There was no additional input from the Committee.

## ***COMMENTS FROM THE PUBLIC***

Lisa Shogren, OEA President asked for more explanation regarding the replacement of the curriculum director, and where the .75 FTE comes from. She added that she was happy that the position was being split she just wanted some information as how the reorganization worked. Mr. Kunke reported that 0.5 FTE will come from Title. He explained that by reorganizing, the title responsibilities are being shifted to regular programs. Recently there have been three positions handled from other parts of the district and one position here in the District Office. The reorganization will make it two and two. He stated that it was just a repackaging effect using the same funding sources, with a net increase of .25 FTE from the General Fund. Mr. Utt asked if there were any other comments from the public. There were none.

## ***BUDGET COMMITTEE REQUESTS FOR INFORMATION***

1. Mr. Ewing asked if the Committee could be provided with a current average teacher salary with benefits and a history of those numbers.
2. Mr. O'Bryan requested that Mr. Allen bring the dashboard program to the next meeting so the Committee could look at variations in the textbook adoptions. Mr. Summers agreed that it could also help with looking at worst case scenarios depending on state level funding.
3. Ms. Jones asked if the Committee could get a copy of the textbook adoption schedule.
4. Mr. Boehme asked about the health insurance listed on page 37 under object code 240 if the number stated reflected the 3% cap increase. Mr. Allen responded that this year we are slightly over budget and 3% has been assumed for staff, however he anticipates it could be higher than 3.8% due to additional staff. He stated that he would provide a breakdown for the next meeting.

Other questions were asked which were answered at that time. Mr. Allen stated that if the Committee had any other questions, to please e-mail them to him and he will include them with the other responses.

## ***ADJOURN***

Mr. Utt adjourned the meeting at 8:35 p.m.

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Lyle Utt, Committee Chair

Recorded by Kathie Caldwell-Sullivan