



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

Budget Committee Meeting

April 28, 2010

7:00 p.m.

MINUTES

CALL MEETING TO ORDER

Budget Committee Chair Lyle Utt called the April 28, 2010, Budget Committee Meeting to order at 7:02 p.m.

Present were:

Lyle Utt	Budget Committee Chair	
Liisa Reid	Board Chair	
Jerry Boehme	Budget Committee Member	Arrived 7:06 p.m.
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	

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 asked if everyone had an opportunity to review the minutes from the April 19, 2010 Budget Committee Meeting. Committee Member Will Summers made a motion to approve the minutes as presented. Mr. Utt asked for discussion. There was none. **MOTION CARRIED UNANIMOUSLY.** Mr. Boehme was not present for the vote.

PUBLIC INPUT FORUM

Mr. Utt asked if there was anyone present who wished to provide input to the Committee. There were no comments from the Public.

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RESPONSE TO COMMITTEE REQUESTS FOR INFORMATION

Mr. Allen began by explaining that the stray budget document included in the packet was another page missed when printing the budget document. He stated that it is a result of the transition between the legacy system (the way we've created budgets in the past) and the new integrated financial system as both were used this year. He shared that the intent is to be completely transitioned to the new system for next year's budget.

Mr. Allen stated that there were four requests for information at the last meeting and that the responses were included in the packet. He shared that there were no more questions asked since the packet was prepared therefore, there is no new information this evening. He then reviewed the responses for the Committee. Individual questions were asked and answered at that time. Mr. Boehme arrived at 7:06 p.m.

During discussions on the text book adoption information presented, Mr. Summers asked for a definition of "consumables". Mr. Kunke responded that consumables would be lab supplies or materials that are expended by conducting an experiment and must be replaced in the kit for the next time it will be used. Another example would be workbooks for mathematics that are used by the students one year and have to be replaced for the next year's class of students. Mr. O'Bryan asked to confirm that the K-8 adoption of mathematics was in 2009 in the amount of \$484,000 and asked where the district was at for the full mathematics adoption. Mr. Allen responded that K-8 was complete but have done nothing yet for grades 9-12. Mr. O'Bryan then asked if the \$350,000 reflected in the budget was representative of the \$275,000 for the mathematics grades 9-12 adoption and \$75,000 for prior adoption purchases and consumables with no money at this time for September science adoption. Mr. Allen responded affirmatively. This would put the district 1 year behind in the state adoption cycle. More discussion ensued.

Mr. Boehme shared concern about allowing adoptions to fall behind and suggested putting aside an extra amount so as not to run into more problems falling farther behind in the future with the impending PERS increases. Mr. Allen shared that there is \$225,000 still available in the textbook stabilization fund that the Board could decide to use to help with these current adoptions. Ms. Reid asked how the state pacing guides were mapped to the curriculum adoptions. Mr. Kunke responded that each year that curriculum adoptions occur, the state goes through a process to update the standards in that content area. Ms. Reid asked if our students are tested on standards that we do not have in our curriculum yet. Mr. Kunke responded that yes, at times, that happens; sometimes because the standards may change at a time different than the adoption or we haven't adopted the curriculum yet. This could happen if we don't stay current with the adoption. Ms. Reid also asked about the textbook stabilization fund and why the fund couldn't be replenished. Mr. Allen responded that because of new GASB rules, it can't be shown as a special fund if its sole funding source was the General Fund. It is still allowable under state budget law but it would cause a comment in our audit. It would have to be something the Board would want to determine if they want to deal with that type of action or not. Ms. Reid asked if the facility funds for Timber Ridge expected from the State could be put in a special fund. Mr. Allen responded that those funds were deposited into a facility grant fund (special fund) and could be used for textbooks. Mr. Boehme asked if those funds were allocated for a specific purpose yet. Mr. Allen responded that it was simply deposited in the Grants funds resources. He added that that the District is not anticipating any additional funds but do have the carry-forward funds. Mr. Boehme asked how much the balance was. Mr. Allen offered to look into the balance of the fund to provide that information at the next meeting. He added that staff has not earmarked those funds for any particular item.

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Mr. Allen ended with an explanation regarding the curriculum positions.

Mr. Allen stated that there had been a request for information for the forecasting software and was prepared to provide that information whenever the Committee would like to see it.

BUDGET COMMITTEE DISCUSSION OF BUDGET DOCUMENT

Mr. Utt then called for Committee discussion of the budget document. Mr. O'Bryan asked about the increase in salaries on page 37 under the supplemental retirement stipend. Mr. Allen responded that the increase is a shift from the amounts that used to be captured in insurance and moving to stipends. At one time, employees who qualified for early retirement benefits were required to take a portion of the funds for insurance purposes only, however it was bargained recently that the employees who qualify now have the option to take all the funds in a stipend rather than in insurance. Mr. Allen stated that the overall level of expenditure on early retirement has remained steady and will decline as there are only a set number of employees who are still eligible for the program. Ms. Shogren added that those individuals hired after 2005 do not qualify for early retirement and there is a group hired before 2005 that had the option of staying in the early retirement program or opting for a TSA. Mr. Allen stated that he did not have those numbers at the tip of his fingers but could provide them for the Committee. Mr. O'Bryan confirmed that these were part of contract negotiations. Mr. Allen affirmed.

Mr. O'Bryan then asked about a 39% increase in extra duty for licensed staff. Mr. Allen responded that it was the result of function 1271 where the Summer School Intervention Program used to be in the School Improvement Fund and the School Improvement Fund is no more. The program was deemed to be important (and required by Board Policy) so it was brought over into the General Fund. In addition, a contractual change wasn't captured in the current budget in regards to coaching and extended seasons so the actual shown is under-budgeted. Discussion ensued.

Mr. O'Bryan asked about an increase in workers compensation of 40% over last year. Mr. Allen stated he hadn't seen any firm information back from the insurance company yet but would be happy to bring the information back at the next meeting. He stated that he knows that there will be an increase in the workers compensation rate because the district is losing a good year and adding a bad year. Mr. O'Bryan had more questions that Mr. Allen answered. Mr. Summers asked about a significant increase in substitutes and temporary employees. Mr. Allen responded that when the 2009/10 budget was put together the number amount for substitutes was reduced to help balance the budget yet the lower level turned out to be unrealistic. Discussion ensued. Mr. O'Bryan asked about the projected \$4 million increase in state and federal sources in the proposed budget. Mr. Allen responded that the 2009/10 budget was budgeted at a \$5.7 billion State School Fund level but we were actually funded at a higher level. In addition, it was believed that the stimulus dollars were going to be part of the State School Fund however, after the budget was finalized it was determined by the Feds that the stimulus dollars had to be separated out. The increase is more of a reflection of the fact that we anticipated reduced revenues in 2009/10 and actually paid a greater amount, which is how we are generating the large ending fund balance. Mr. O'Bryan asked if that money is assured. Mr. Allen responded that there are no guarantees. He added that over the last 7 years there have been two times where the number has drastically changed because the State General Fund had not come in where expected, therefore as long as the state revenue estimates for the State General Fund are accurate we are in good shape. Mr. O'Bryan commented that the resources are part of his overall concern.

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Ms. Gordon and Ms. Jones asked some questions regarding supplies which Mr. Allen answered. Discussions ensued. Ms. Gordon asked to identify the negative funds in the school lunch fund. She stated that there have been many discussions regarding this but would like some more information. Mr. Allen responded that the Board will receive an update as far as the current status of that fund at their next meeting. He shared that it was discussed today as to how best to depict the fund in the budget. Staff has no experience in budgeting for funds with negative fund balances. Mr. O'Bryan asked how the results match the projections. Mr. Allen responded that the Board will hear that they are operating in the black but not making up as much ground this year as projected. Discussion ensued.

Mr. Boehme commented that it is difficult to compare the proposed budget to the budgeted amounts and wanted to know if there was a way to see where the district was at the current year to compare against the proposed budget. Mr. Allen stated that it would be possible to provide the information on summary pages but not to provide a new column on all the detail pages as the budget has 600 or so data points. He added that he is anticipating that we may be able to do more of this next year by using the new budgeting portion of the integrated financial system.

Mr. Summers asked if the new salaries for maintenance are reflective in the \$225,000 increase in the maintenance budget. Mr. Allen responded in the affirmative. He stated that there is a different mentality in the maintenance department in that properly managed, things can be done cheaper in-house rather than always contracting out for areas such as plumbing and low voltage electrical. He shared that the classified salary increase is for two reasons; one is a restoration of a low-voltage technician and an additional position of plumber. It is believed that those positions will more than pay for themselves with the work that is required in just ongoing maintenance in those areas rather than using outside contractors. Mr. Allen pointed out that at the last meeting he stated that contracted repairs had gone up slightly when there is actually a small reduction. Mr. Summers commented that the evaluation of the effectiveness and anticipated gains in productivity will not be able to be evaluated for a year or two. Mr. Allen responded that the department has actual figures in what they have been spending on contracting out for those services. They understand that there will be times when there are too many issues at once for one staff member to handle and an outside source will be needed for some emergency repairs.

Ms. Jones asked about the building supplies under the maintenance function. Mr. Allen responded that it is all district related because by adding staff we will be buying new supplies necessary for the two new positions such as plumbing supplies that we currently do not have. Mr. Bricker asked if they were going to be buying adequate supplies for 6 to 8 months or buy them as needed. Mr. Allen responded that it would depend on what the item would be. Many items would be kept in stock but it doesn't stop them from having to make special trips for special parts. Mr. Bricker commented that his concern was that savings can be used up by having to drive back and forth if not on hand. Mr. Allen responded that mileage is being reviewed on a regular basis to try to reduce the amount of miles traveled on a daily basis. Ms. Reid asked if more vehicles would be required for these additional staff. Mr. Allen responded that the maintenance department is looking at an additional vehicle and believe they will be able to acquire it at the end of this fiscal year with the dollars they currently have in their budget. Discussion ensued.

Mr. Summers asked about how the committee can understand building level "carry-overs" so they have an idea as to what is going on. Mr. Allen responded that three years ago the district adopted a policy in regards to carry-over funds. The sites are able to carry over up to 20% of whatever their allocation was that year. He commented that in some districts the policy is use it or lose it and towards the end of the year one doesn't

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necessarily see good decisions being made relative to the purchase of supplies and equipment. We don't want to have this which is why the new policy went into effect. Mr. Allen added that if the schools are saving up for a big item then they can request a variance to carry-over more than the 20%. We feel this is a very good balance.

Mr. Marteeny commented that individuals that he interacts with are concerned about classroom size. He asked if there is some kind of a goal or plan in place to measure so that the number of students in the classroom can be driven down. He stated that a concern is that some parents start taking their students to private schools when the class sizes get too large and the quality of teachers jobs diminish as the number of students in their classes grows. He asked about what other districts have been doing to measure class size and drive it down and what our district is doing. Mr. Allen responded that it is measured and shows up in the Highlights portion of the budget. He stated that it identifies that a couple of years ago the district was at a ratio of 23.6 to 1 (students to licensed staff) that is allocated to the schools. Last year it had to be increased to 26.0 to 1. After add-backs this year it was reduced to 25.1 to 1. This budget maintains that level. Mr. Allen also explained that when a budget is put together one of the very first things that gets answered is "what is the lowest possible class size we can afford?" It is by far the most expensive part of the budget document. Ms. Delapoer commented that when the district ended up with more money last spring, the first priority was to buy back staff. Mr. Marteeny then asked if there was a goal or something that directs lower class sizes in the long term. Mr. Allen commented that there is a board policy in regard to class size. Mr. Bricker shared that it was 18 kindergarten, 22 first and second, and 24 in third, fourth, and fifth. He added that we have never come close of meeting those numbers. Mr. Allen added that if there were any additional monies available, this would be the first place it would go, to reduce class size. Discussion ensued.

Mr. Ewing asked what Saturday School was and how many students did it serve. Mr. Lary responded that it is a middle and high school program. It is a place where students can be assigned in lieu of suspension from school. Mr. Lary added that it is not direct instruction but the students are not allowed to stay unless they have something to work on. It is a licensed extra-duty position so that if a student needs extra help on their studies, the help is available. Mr. Ewing then stated that he noticed that the ELL program was down 1 FTE and asked for information regarding the services being provided in that area. Mr. Allen responded that staffing should have been constant, and he would have to see what may have happened. Mr. Kunke reported that the number of students eligible to receive ELL services is up to about 450 students. He stated that students are monitored for two additional years after they test out of the program. He reported that there are Federal requirements in terms of the percentage of students that exit the program in a 5-year period and meet measurable achievement objectives. He shared that in the last 2 years, the district has met only one of the three requirements. Mr. Kunke explained that the ELL program the requirements go up each year so once behind it is very difficult to catch up.

Mr. Ewing asked why salaries under library services jumped so much. Mr. Allen explained that like non-staff allocations, each building is given a specific number of FTE and it is up to the schools to determine how those FTE are used whether it be a teacher, counselor, or a librarian. When the budget is put together he has to assume where the FTE will be placed and last year he assumed wrong. Mr. Ewing clarified that there was a jump in next year's average cost that he was concerned about. Mr. Allen stated that he would look into it.

Ms. Gordon asked about the jump in building level allocations at the middle school level. Mr. Allen commented that all schools received a 10% in their non-staff allocations, but the number provided for

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2009/10 was the budgeted amount rather than the actual amount. He added that Memorial had many more students show up which changed their total amount for the year. He explained that non-staff allocations are reconciled each year so their final non-staff allocation reflects on the actual number of students they get in the building; therefore, the actual amount that Memorial ended up with was higher than the \$76,985 budgeted. Mr. Utt then asked if the amount for 2010/11 is the anticipated amount. Mr. Allen responded that it is what they currently base their budgets on but each principal knows that the amount of money they will get to spend next year actually depends on the number of bodies that are in their school next year. Therefore these numbers will go up or down for the principal depending on the number of students that actually show up. Mr. Utt commented that his concern was the number of kindergarteners going into first grade. Mr. Allen responded that the number of kindergarteners were unexpected this year and if it happened again next year, the principal will first have to talk with Mr. Lary about staff but in regards to their non-staff, they will get exactly what they are supposed to get for that number of students.

COMMENTS FROM THE PUBLIC

Lisa Shogren, OEA President thanked staff for the chart explaining in detail the FTE information for the Elementary and Secondary Curriculum positions. She stated that she would share this information with the teachers.

Mr. Utt asked if there were any other comments from the public. There were none.

BUDGET COMMITTEE REQUESTS FOR INFORMATION

1. A report of the balance in the Facility Grants Fund.
2. The number of individuals included in the early retirement program and when are they expected to be gone.
3. Worker's Compensation increases.
4. Look into the staffing of ELL program, 11 or 12 FTE and why the drop if so.
5. Look into the jump in average cost in library salaries.
6. Mr. O'Bryan asked for the dashboard program to be available at the next meeting.

ADJOURN

Mr. Utt stated that the next meeting would be on May 5. He adjourned the meeting at 8:55 p.m.

Lyle Utt, Committee Chair

Recorded by Kathie Caldwell-Sullivan