



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

## ***Budget Committee Meeting***

May 18, 2011

7:00 p.m.

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### ***MINUTES***

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

Budget Committee Chair Doug Marteeny called the May 18, 2011, Budget Committee Meeting to order at 7:00 p.m.

Present were:

Doug Marteeny	Budget Committee Chair
Liisa Reid	Board Chair
Jerry Boehme	Budget Committee Member
Frank Bricker	Budget Committee Member
John Ewing	Budget Committee Member
Julie Jones	Budget Committee Member
Lyle Utt	Budget Committee Member

Maria Delapoer	Superintendent
Steve Kunke	Assistant Superintendent
Russell Allen	Director of Business
Nancy Hall	Controller

Board Member Bill O'Bryan made previous arrangements to be absent from the meeting. A list of others present at the meeting is attached to the original minutes.

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

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

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

1. Mr. Marteeny asked if everyone had reviewed the March 7, 2011 Budget Committee Minutes. He then asked if there were any amendments, questions or concerns. There were none. Mr. Marteeny then asked for a motion to accept the minutes. Budget Committee Member Frank Bricker made a motion to accept the March 7, 2011 Budget Committee Minutes as presented. Mr. Marteeny asked for discussion. There was none. **MOTION CARRIED UNANIMOUSLY.** Ms Gordon arrived after the ballot at 7:04 p.m.

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

There were none.

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## ***DISTRICT ACCOUNTABILITY PLAN/GOALS***

Mr. Marteeny then asked Assistant Superintendent Steve Kunke for his information on the District Accountability Plan and Goals. Mr. Kunke began by stating that the Board adopted the District Accountability Plan on January 12 of this year. He added that the Board still uses the Core Purpose, Core Values, and Strategic Goals and Vision of Success. He shared that he looked at last year's Budget Committee goals and stated that staffs impression after the previous meetings was that the Budget Committee was in favor of using the District Accountability Plan as a backdrop for the development of the budget. Mr. Kunke pointed out that a statement was added at the top of the page stating that it is the intent of the Budget Committee to support successful achievement of the District's Accountability Plan. Mr. Kunke then stated that he reviewed last year Budget Committee's goals and cross-walked between the two documents to be sure that those goals were identified in the accountability plan. He then stated he would be happy to answer any questions the committee had. There were none. Superintendent Maria Delapoer referred to Strategic Goal 3, Activity 4, which references budget practices which were adopted a few years ago as Operational Guidelines as an example.

## ***BUDGET MESSAGE***

Superintendent Maria Delapoer presented her Budget Message to the committee which is included in the Proposed Budget document. She reinforced that failure is not an option in providing what students need to be successful. Ms. Delapoer shared that the district has reached out to the community for help and ideas; many have stepped up and become involved knowing that these children are our future citizens. She stated that staff has pulled together and carried on despite challenging times and the PLC (professional learning community) progress and results are benefitting individual student learning every day.

Ms. Delapoer thanked employees for their efforts and willingness to shoulder bigger workloads with fewer resources while still getting great results. She stated that in evaluating the options for balancing the budget she weighed each against protecting student learning. She shared that the criteria she used in making recommendations included least impact on student learning, maintaining functional programs, actual savings vs. level of disruption and long-term consequences, and vision for the district when funding levels improve. Ms. Delapoer commented on how the criteria affected each of several areas: use of reserves, school consolidations, deferring science textbook purchases, supplies/activities/athletics, other district-wide cost reductions, and labor savings. She acknowledged that employees have always been willing to come to the bargaining table to help when times are tough and she will be asking again to make wage concessions so students can be provided the very best education possible. She shared that employees are members of the community who also have been impacted by the recession making it difficult for her to ask them to bear some of the burden of the reductions when they are also struggling.

Ms. Delapoer stated that this is not a one-year problem and that for at least 2 years it is anticipated that the district will received a significantly reduced level of state school funding and that she anticipates that there will be a need to look for further reductions in preparation for 2012-2013. She ended with stating that she has faith in our students, staff, parents, and community in working together to survive these difficult financial times and also to rise above and achieve great things.

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

Mr. Marteeny then asked Director of Business Russ Allen for the budget detail. Mr. Allen passed out the proposed budget document to the committee and handed out copies of the Budget Message and Budget Highlights for the audience. He stated that the entire budget document would be available on-line in the morning for anyone interested in the whole document. He read through the Budget Highlights for the committee expanding on some of the information as he went. Mr. Allen explained that the General Fund budget was set using the \$5.7 billion level set by the Oregon State Legislature for funding K-12 Education. He added that Albany was not immune to the 19% deficiency in funding necessary to maintain existing staff and program levels. He stated that this, along with the loss of stimulus IDEA and Title I funds, have had a significant impact on the proposed budget. Mr. Allen added that in addition to limited resources, the single biggest cost driver across all funds is the increase in the rate the district pays to fund PERS. These related costs have increased in the General fund by 68 percent. He shared that for General Fund Revenue that \$1.4 million of reserves is being used to balance the 2011-2012 budget resulting in an ending fund balance of \$3.7 million (after including \$2.5 million in contingency).

Mr. Allen reported that General Fund staffing levels were impacted as a result of reductions in force, enrollment shifts, and the loss of stimulus funds. School consolidations resulted in approximately 34 hours of classified time and 0.55 administrative FTE. Additional savings of approximately \$2 million are assumed in negotiated labor savings. Mr. Allen shared that total salaries in the general fund are assumed to be down 3.1 percent which is a combination of reduction in force and anticipated negotiated labor savings; however, total benefits are up fueled by increases in PERS costs. This causes total personnel costs as a percentage of the overall budget to increase slightly to 89.4 percent. He stated that there are no new textbook adoptions funded but allocations are available to maintain previous adoptions. Mr. Allen commented that the non-staff allocations were reduced 5 percent in addition to the 5 percent reduction made during the 2010-2011 school year resulting in numbers that are now approximately 80 percent of 2008-2009 levels.

Mr. Allen shared that beginning in 2011-2012, the 1111 and 1112 functions have been combined into a single function 1111. He also shared that high school extracurricular activities were reduced by \$50,000. This loss is being partially offset by increased participation fees and, in addition, all game duty costs have been moved from the General Fund to the building level along with the revenue from participation fees. Summer School programs were reduced as the middle school program has been unfunded and the risk management activities that were once carried in the Insurance Reserve Fund have been moved to the General Fund. The most notable expense in this function is a \$250,000 amount budgeted for possible unemployment claims against the district.

Mr. Allen reported that IDEA and Title funds are declining resulting in the closing of two specialized classrooms. He also reported that the district was the recipient of a \$2.5 million Teacher Incentive Fund grant (over 5 years) which will be piloted at Calapooia, Memorial, Lafayette, Periwinkle, Tangent, Waverly, Sunrise, and South Shore. Mr. Allen shared that the district was recently awarded a \$1.1 million (over 3 years) School Improvement grant for improvement activities at Albany Options School. Under the Bus Replacement Fund, Mr. Allen reported that given the financial situation of the district, the replacement of only two Special Education buses have been included in the budget.

Mr. Marteeny thanked Mr. Allen and asked for questions. There were none right away so Mr. Marteeny asked about the specialized classroom closure discussed in the Budget Highlights. Mr. Allen responded that

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he did not have the specifics on that particular item. Mr. Kunke reported that Special Ed. Director Ryan Mattingly was expected to be at the meeting at 8:00 and would be able to answer those specific questions at that time.

Mr. Boehme asked if there was a fee for activities or just athletics. Mr. Allen responded that anything not related to a classroom was considered an after school activity which could correlate with athletics. He added that if it was an OSAA sanctioned activity, students are charged the same participation fee. Mr. Boehme asked about speech or debate clubs and why they do they not pay the same fees. He stated that he felt that athletics and activities should all be treated the same. Mr. Allen responded that he believed that the fee for all athletics was the same but there was probably a significant cost difference between sports and activities. Mr. Utt commented that at West Albany the dance team was considered a club and the fees to participate were over \$700 per participant. Mr. Allen responded that if an activity has a club status it must be self-supporting. Mr. Boehme then asked about funding at the middle school level. Mr. Allen responded that the middle schools are provided only 2 paid advisors each. Fees were charged for the middle school track program. Staff agreed to gather information on fees currently charged for after school activities.

Mr. Marteeny asked what is considered an extra-curricular activity and how much do fees offset the cost. Mr. Allen responded that at its last meeting, the Board agreed to increase athletic fees from \$100 to \$150 per student with maximums for multiple sports and multiple siblings. He stated that with the fee increases, the results would show roughly \$38,000. This includes concession for a certain number of waivers.

Mr. Ewing asked for more information on the construction excise tax as to what the limits are and legal stipulations as to how the funds can be spent. Mr. Allen responded that currently we have construction excise tax agreements with 4 out of 5 jurisdictions and the final one with Linn County will go into effect on July 1. He stated that there are restrictions as to how the money can be spent, somewhat similar to general obligation bond money, however he believed it allowed for more maintenance type of activities than bond dollars. Mr. Allen commented that none of the funds have been spent yet and is in the budget for appropriation authority but the Board has not yet set up a plan for those funds. Mr. Ewing asked that if the money could be used for maintenance could they be used for staffing, like an electrician or plumber. Mr. Allen responded that he didn't have an answer on that and he would check into it for him.

Ms. Jones asked what textbook adoptions are scheduled following the science adoption. Mr. Kunke responded that he didn't remember the exact order but would include it in the next packet.

Mr. Bohme asked what Plan B is if negotiations are not as productive as hoped. Ms. Delapoer responded that negotiations may not be concluded until sometime next year; therefore we would need to continue with the current reduction plan until that time. Then the Board would have to make a decision as to what would need to be done at that time. Mr. Boehme then asked what timing was needed for additional layoffs if necessary. The response was 4 weeks for licensed and 2 weeks for classified.

Mr. Allen shared that the Board had been informally notified about a seismic fund grant the district has received. This grant has been included in the budget document but the detailed information on the grant is in the Board packet for Monday night's agenda. Discussion ensued. Ms. Gordon asked how the School Improvement Grant would affect AOS. Mr. Allen responded that he didn't think it would reduce costs but provide extra services. Mr. Kunke stated that the program is intended to capture more students which would generate more revenue. It will provide funds to add a classified employee, a licensed employee, a counselor

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and .25 of the AOS principal to help raise graduation rates. With the grant's help we are expecting to see AOS become more cost-effective by servicing more students for the same amount of money.

Mr. Marteeny commented that Ms. Delapoer indicated that this was not a one year problem and asked how the future affects AOS as it was previously being considered to be closed and what cuts are anticipated next year. Ms. Delapoer responded that the Grant will help fund AOS for the next three years. In response to anticipated cuts; part of it depends on negotiated labor savings, but being considered are cutting all athletics, another look at a 4-day school week, and the possibility of closing another small elementary school. Mr. Allen commented that there are potentially sufficient reserves to take some of these options off of the table as the Board sees fit; however these are a one-time option.

Ms. Jones asked what the graduation rate was for AOS. Mr. Kunke responded that he was not sure but would get that information for her.

Mr. Marteeny asked if there were any further questions. There were none.

## ***BUDGET INPUT FORUM***

Mr. Marteeny announced that the Budget Input Forum would take place next Wednesday at 7:00 p.m. followed by Budget Committee discussion. Mr. Allen added that in the past this was a separate meeting for a formal Budget Input Forum; however, over the last couple of years, it has been a meeting starting with the forum followed by a regular Budget Committee Meeting. Everyone was in agreement for this process.

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

There were none.

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

Mr. Marteeny asked if there were any requests for information. Mr. Boehme asked where the TAG program was in the budget. Mr. Allen directed him to the appropriate page and explained that there was no change in the program; it continues to provide funds for extra-curricular opportunities such as those provided by OSU in the past.

Special Ed. Director Ryan Mattingly arrived at 8:00 p.m. Ms. Reid commented that since Mr. Mattingly had arrived, that he might be able to answer some of the previous questions about the reduction of certain Special Ed. Programs. Mr. Marteeny asked Mr. Mattingly to the podium. Mr. Mattingly was asked for more information regarding the specialized classrooms reduction. Mr. Mattingly responded that enrollments that required these programs were down in particular schools so students were shifted to another school's program. Another question was regarding Speech and Audiology regarding in-state tuition costs. Mr. Mattingly responded that those costs were for students attending the Oregon School for the Deaf in Salem and the Salem-Keizer School District through Willamette ESD who provide a program for our students. He stated that there should be 3 students next year therefore the cost should be lower. The last question was regarding the new budget item for Student Treatment Services. Mr. Mattingly responded that providing a respiratory specialist is a medical requirement for one of our students. This is presently the most cost effective way to allow the student to attend school.

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Mr. Boehme asked Mr. Ewing if Eugene was doing the same type of cuts and/or changes. Mr. Ewing responded that they were very similar however, more drastic.

Summary of questions posed by the Committee:

1. What fees are charged for after school activities where a district paid advisor is provided?
2. What can be funded with Construction Excise Tax dollars? Specifically can positions be funded?
3. What are the future textbook adoption cycles?
4. What are the graduation rates for Albany Options School? What is the AYP Target?
5. Can five or more days be cut from the end of the school year without triggering unemployment costs?
6. Why the sharp increase in administrative salaries in function 2640 (Human Resources)?

### ***ADJOURN***

Mr. Marteeny adjourned the meeting at 8:05 p.m.

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Doug Marteeny, Committee Chair

Recorded by Kathie Caldwell-Sullivan