



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

## ***Budget Committee Meeting***

May 5, 2014

7:00 p.m.

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### ***MINUTES***

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

Budget Committee Chair Will Summers called the May 5, 2014 Budget Committee Meeting to order at 7:00 p.m.

Present were:

Will Summers	Budget Committee Chair
Frank Bricker	Board Chair
Sandi Gordon	Budget Committee Member
Julie Jones	Budget Committee Member
Doug Marteeny	Budget Committee Member
Chris Norman	Budget Committee Member
Micah Smith	Budget Committee Member
Lyle Utt	Budget Committee Member
Jennifer Ward	Budget Committee Member
Maria Delapoer	Superintendent
Frank Caropelo	Assistant Superintendent
Randy Lary	Director of Human Resources
Russell Allen	Director of Business
Ashley Netzel	Controller
Ryan Mattingly	Special Programs Director

There were no others present at the meeting.

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

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

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

1. Approval of Budget Committee minutes for April 21, 2014

Mr. Summers asked if everyone had an opportunity to review the minutes from the April 21, 2014 Budget Committee Meeting and asked if there were any deletions, corrections, or concerns. Ms. Gordon stated that she did not receive a packet and was given one at that time. Mr. Smith stated he had not received a packet either. A copy was made for him.

Ms. Ward asked to clarify a paragraph near the bottom of page two in regards to STEM and International Baccalaureate program models. Her understanding was that teams of teachers looked at both STEM and IB schools and that the response from teachers was that STEM is a catch all label without clear standards for programs and was close to what is already happening in our classrooms. Similarly, a team of teachers looked at IB schools and came to the same conclusion; that much of what they saw in IB classrooms was already

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happening in Albany classrooms and that IB programs have significantly more work and paperwork for teachers to meet the qualifications for the program. Therefore, neither program was pursued. Mr. Caropelo stated that her understanding was correct and the minutes would reflect that detail.

Mr. Utt commented that on the first page Mr. Bricker's title should be Board Chair not Vice Chair. The Minutes were corrected.

Mr. Summers asked if there were any more corrections. There were none. Committee Member Frank Bricker made a motion to accept the April 21, 2014 minutes as corrected. Committee Member Sandi Gordon seconded the motion. Mr. Summers asked for discussion. There was none. **MOTION CARRIED UNANIMOUSLY.** Ms. Jones and Mr. Summers were not present at the last meeting and did not vote.

### ***BUDGET INPUT FORUM***

Mr. Summers asked if there were any comments from the public. There was no one from the public present at the meeting.

### ***RESPONSE TO COMMITTEE REQUESTS FOR INFORMATION***

Director of Business Russ Allen stated that this was his 11<sup>th</sup> year of dealing with the Budget Committee in this district and is the first time that he had received zero questions from the Budget Committee to respond to. He stated that he was here to answer their questions but would speak to the information provided in the packet first. Mr. Allen stated that there was a cover letter that talked about the budget packet. He explained that there were some pages that he asked the Budget Committee members to replace in their budget documents and there were some pages for which the committee needed to take action.

Mr. Allen referred to page 25 entitled State Report Card and AYP Rankings. He explained that there was a middle column, discussed at the last Budget Committee meeting, that didn't belong and that this was a replacement page. Mr. Allen stated that the next item would be classified as an error that can be corrected. On page 109, Transfer of Funds, there is a \$125,000 transfer out of the General Fund to the School Lunch Fund, but there is no record of a transfer in. The School Lunch Fund didn't reflect the full \$125,000 transfer, so what has been done is on the new page 134 there is \$90,000 district transfer "other". The expenditures in the School Lunch Fund have not been changed because the transfer is there in order to buy down the negative fund balance. It is allocated as Unappropriated Fund Balance on page 135. Budget Committee Member Micah Smith asked why the negative beginning fund balance is not showing in 2013/14 on page 134. Mr. Allen responded that the difficulty is that by budget law, your resources have to equal your expenditures, and with a negative fund balance, it will artificially lower the resources. Mr. Smith was agreeable as long as the historical data was not lost. Discussion ensued. Mr. Summers asked if there were any additional questions. There were none.

Mr. Allen stated that the next two areas are recommendations being made to the Budget Committee to approve changes to the proposed budget. He stated that these changes were the result of the Superintendent announcing her retirement after the proposed budget was complete. He shared that Mr. Bricker had asked if there were funds available in the budget for a superintendent search. Mr. Allen reported that because of the way Ms. Delapoe is structuring her retirement by retiring on June 30, 2014 and working under special contract for 2014/15 school year, there will be some savings generated in Function 2321 on page 87. He stated that the only difference between proposed and approved is found in object codes 210 and 213 which both have to do with PERS. He explained that Ms. Delapoe would be a retired member of PERS and therefore the district will not be responsible for making PERS payments. Mr. Allen stated that the savings generated between the proposed and approved for Function 2321 on page 87 is reflective of Ms. Delapoe's PERS status which is in the amount of \$32,000. He shared that those funds were added to Function 2310 Board of Education, Object Code 385 Management Services in order to maintain a

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balanced budget. Budget Committee Member Lyle Utt asked if the \$32,000 was anywhere close to what the actual potential costs would be. Mr. Allen responded that he didn't know. He explained that there will possibly be a menu of options where the Board can determine what they want to have done regarding the search. Budget Committee Member Jennifer Ward asked for clarification regarding the Superintendent's retirement and PERS. Mr. Allen responded that an individual who goes through the process of retiring from PERS can work 1,039 hours per calendar year. He stated that with schools, the school year is split between two calendar years; Ms. Delapoer will essentially work full-time for 6 months in each calendar year.

Mr. Allen stated that the Budget Committee can deliberate further on this he was just requesting a motion be made at some point during the meeting to approve the changes to the two Functions. Mr. Bricker made a motion to move the \$32,000 from 2321 (210 and 213) to 2310 (385). Mr. Summers asked for discussion. There was none. Mr. Norman seconded the motion. **MOTION APPROVED UNANIMOUSLY.**

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

Mr. Summers asked if there were any questions or discussion of the budget document. He went on to state that he had difficulties trying to find tech expenditures, it got to be a type of spider web. He stated that he did not see an area that encapsulated technology spending for the district to show a coherent computer replacement, software updates, and other backbone technology replacements housed in one function. Mr. Allen responded that the District is bound by the Oregon Department of Education chart of accounts so unlike cities and counties, we have very little discretion on how we can organize our budget document. He stated that it depends on what the items being purchased are used for. If they go into a classroom computers, for example, must show up under direct instruction (1111, 1121, and 1131). If a principal is purchasing a computer for their office, it goes under Office of the Principal (2410). The costs will show up under the Function where the end user belongs. Items not attributable to any particular function, i.e., routers, servers, district-wide licenses are found under Function 2660. Mr. Allen also shared that the district also purchases technology services from ESD through the Tier II funds budget which doesn't show up anywhere in our budget document. Mr. Allen added that the last piece of technology shows up in the E-Rate Fund (286). He explained that these are reimbursements that the district receives from the Federal Government for certain expenditures on technology and that the Board has established that those dollars be spent for infrastructure or technology purposes. Historically they have been used to pay for infrastructure or band-width projects.

In regards to the computer replacement part of the question, Mr. Allen stated that this used to be in the General Fund and would hit the appropriate area of expenses as previously stated. Beginning a few years ago, during the budget crunch, and at a time when we were no longer using the E-Rate Fund for infrastructure needs, the district started using the E-Rate Fund to pay for the student and teacher computer replacement cycle. Mr. Allen commented that in the Budget Highlights, there were some general funds allocated because the computer replacement program was accelerated. He shared that another example of technology that shows in the Budget Highlights is the Technology Innovation Grants where there is \$60,000 set aside in the General Fund for teachers to write proposals as to how technology would be used in their classroom. He added that funds are used from the building level for technology purchases as well from their non-staff allocations.

Mr. Caropelo interjected that in regard to the Innovation grants, the grants are not for basic set-up but for exploring 1:1 models of instruction with iPads, Chrome Books, etc., and adopting models and exploring them. He stated it is a way to move forward without having to buy a lot of technology all at once and possibly not having teachers ready to use it. Mr. Allen stated that there were 7 classrooms touched this year and hope to touch 10 classes this next year.

Ms. Gordon asked why the Superintendent's Office (2321.0112) was set at 1.5 FTE. Mr. Allen responded that it included 1.0 for the superintendent's assistant and 0.5 FTE for the assistant superintendent's assistant who is split half and half between the Superintendent's Office and Improvement of Instruction.

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Mr. Smith asked about high school staffing on p. 155. Mr. Allen stated that that was an athletic director. He shared that historically there used to be 2.0 FTE in this position (one for each high school). However, West Albany has been using a different model where they assign one of their assistant principals the duties of the athletic director. The athletic director position is part of the building's staffing allocation, not a district allocated resource. South Albany is using licensed FTE for their athletic director where West is using administrator FTE for those duties.

Mr. Smith then asked about the .5 proposed for the TAG program. Mr. Caropelo responded that last year the Budget Committee allocated .22 FTE for the TAG TOSA position filled by Emily Valdez which was increased with instruction funds to make it a .5 position. This year her position is 1.0 FTE split between Albany Online! and TAG.

Mr. Marteeny asked about the decrease for the Online program on page 64. Mr. Allen responded that we had anticipated more students in this program this year than there were. He stated that we were anticipating 75 this year but they just didn't show up. The program has been growing from approximately 20 to 40 students so we are anticipating 40 students for next year. Mr. Martini asked what the over projection was attributed to. Mr. Caropelo responded that we had looked at the program at Springfield which was well established (more than 5 years) and we were trying to set the number of students to make the costs neutral for staff. We are reducing the expenses by reducing staffing to align with true costs. He added that we didn't advertise as well as we think we can. Mr. Marteeny asked where the enrollment was projected to go over the next 3 to 5 years. Mr. Caropelo responded that it was hard to tell because the market is currently saturated with online programs so our goal is to recapture our own students and home school students. Mr. Martini then asked how many students were participating in other online programs. Mr. Caropelo responded that he was not sure; however he could share that there are 5 students from other online programs who are now brick and mortar students in our district. Mr. Allen stated that individuals who have investigated the program found it actually more difficult than regular bricks and mortar classrooms. He shared that when he put the budget together, he was looking at around 30 students for the program; since then it has gone up to 40 students. Mr. Allen stated that the district is pretty positive about the direction of the program; that it is trending upward and it is getting good word of mouth that was hoped for earlier. He explained that two of the target markets were 1) students in online programs elsewhere and 2) homeschoolers showing parents that they don't have to come to campus to get curriculum for free and allowing students to participate in other activities at school.

Ms. Jones commented that it looked like the reverse was happening with the Advanced Degree program. She asked if those numbers had been underestimated. Mr. Allen responded affirmatively and stated that it was helpful to him because the two programs were balancing each other out. He stated that these were both new programs this year and this budget shows a better guess for 14/15. He reported that they had 135 in the Advanced Diploma Program last semester and down to 106 now; still much higher than originally anticipated. Ms. Jones asked how the estimates were obtained so the program could be budgeted for accurately. Ms. Delapoe responded that the deadline is the same deadline for registration at LBCC. Mr. Caropelo shared that there have been parent meetings and applications have been sent out and that he expects to know before the end of the year because interested students must attend an orientation at LBCC in order to participate in the program. Mr. Allen stated that these two areas are different than other aspects of the budget because the estimates are accurate enough because if the expenses are going up it also means that the revenues are going up.

Mr. Smith asked about the title of Direction of Business Services. Mr. Allen responded that he believes we were using the language from the State for the titles of functions. Mr. Smith then commented that there seems to be a lot of items hidden in object codes i.e., equipment under 5k and other equipment and asked what those funds cover. Mr. Allen responded that he believed that \$60,000 of it is for the purchase of cafeteria tables under 2542 and \$30,000 in 2544 to better reflect actuals and the amounts that were put into 460 for the schools were much higher than in the past. Mr. Smith stated he wondered what 371 "Tuition- In state" represented and why there was a large jump. Mr. Allen replied that it would be the advanced diploma program at LBCC. He explained that LBCC costs hit the budget in more than one place.

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Mr. Summers stated that the Budget Highlights reflected on a lot of new safety upgrades and asked what object codes they would show up under. Mr. Allen responded that these costs were not out of the general fund but out of miscellaneous grants. The funds for Timber Ridge Gym were received in a previous year so those funds showed up in the year it was first received and now is included in the beginning fund balance; it is not separated out in the budget document.

Mr. Smith commented that it looked like that the majority of increases were in salaries and asked how the district stands in the 85/15 paradigm. He referred to the top of page 48 on the far right; there was 88.2% in 13/14 and 88.1% in the current budget. He stated that both sides of the equation increased at the same rate. Ms. Delapoer commented that the \$400,000 that is being spent on safety is not reflected in the ratio because it is not general fund.

Mr. Smith commented that one thing discussed last year with Ms. Delapoer was an effort to eliminate blended classrooms. He asked how many blended classrooms still existed. Mr. Lary reported that two years ago there were 12 to 15 blended classrooms, this year there were six. He stated that if students come in as expected, there are no split classes anticipated for this fall. Mr. Smith commented that a split class is great for the first year but it kills the students' drive the second year.

Mr. Smith asked if there is any budget being set aside for kindergarten readiness and assessments for the fall. Ms. Delapoer shared that Janell Ediger who is retiring from Liberty this year will be contracted with ESD dollars to plan for all day kindergarten and pre-kindergarten outreach next year through the Instruction Department to help facilitate that process and expand the pre-k outreach. Mr. Caropelo commented that this year Clover Ridge piloted a model for starting kindergarteners doing kindergarten readiness assessments the first week of school. After discussions with the Elementary principals, it was decided that they will do the traditional model this year because Clover Ridge has 100 kindergarteners where most of the others do not. Next year they will find ways to do group interviews and find ways to get the assessments done. Some schools with a single kindergarten class will be able to assessments as usual but may revisit the process for 15/16 all-day kindergarten to gain instructional time then revisit the process again going forward. Mr. Smith stated he had concerns with assessing kindergarteners and moving them along; especially those that have no formal experience being interviewed in groups could be problematic. Mr. Caropelo stated that students, in groups of 10, can be brought in to do assessments required by the state. The state requires us to assess 95% of kindergarteners giving us an idea of kindergarteners who will need help with learning. Ms. Delapoer responded that information about expectations for kindergarteners is being shared with community groups to help get the message out so they can incorporate it into their programs.

Ms. Gordon asked if there had been any thought about bringing kindergarten kids to school in the spring to do assessments. Mr. Caropelo responded that that state has a specific window as to when the assessments have to be done. There are special needs transition meetings taking place in the spring, but there is no clear way to do assessments for general education students now. The kindergarten teachers use the week at the beginning of September, before the kindergarteners start, to get these assessments done. Mr. Caropelo stated that the big question is how they could be started sooner. Ms. Gordon asked if there was going to be a spring orientation for kindergarten parents. Ms. Delapoer responded that there was one taking place tomorrow. Mr. Caropelo commented that some title schools bring students into the schools in August to learn what school is all about but with no academics at that time.

Mr. Summers stated that he can't remember where the athletic fees, under 1740, go. Mr. Allen stated that in the past, athletic fees were split between the district and the schools. In 2010/11, in an effort to make athletic fees more efficient, schools kept the pay to play fees but were then responsible for game duty costs. The incentive to keep the funds has helped keep the game duty costs down.

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Mr. Summers asked if there were any more questions or discussion. There was none. Mr. Allen commented that if the Budget Committee was interested in approving the proposed budget there was verbiage available at their place to assist them with their motion.

Budget Committee Member Micah Smith made a motion that the Greater Albany Public School District 8J Budget Committee approve the Proposed Budget as amended in the amount of \$113,891,407 and approve property taxes for the 2014-2015 fiscal year at the rate of \$4.5855 per \$1,000 of assessed value for operating purposes, and in the amount of \$8,267,204 for payment of bond principal and interest. Budget Committee Member Sandi Gordon seconded the motion. Mr. Summers asked for discussion. There was none. He asked for a vote. **MOTION CARRIED UNANIMOUSLY.**

Mr. Smith asked if the Committee needed to cancel any upcoming Budget Committee meetings on the calendar. Mr. Allen stated that it would be a good idea to do so. Mr. Smith made a motion to cancel any future Budget Committee meeting on the calendar for this year. Ms. Ward seconded his motion. **MOTION CARRIED UNANIMOUSLY.**

Mr. Allen thanked the individuals on the Committee for their time and effort this year.

Mr. Summers adjourned the meeting at 8:22 p.m.

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Will Summers, Committee Chair

Recorded by Kathie Caldwell