

LINCOLN COUNTY SCHOOL DISTRICT
Board of Directors- Work Session
Tuesday, February 24, 2009- 7:00 p.m.
Newport High School
Newport, Oregon

Minutes

PRESIDING: Jean Turner, Chairman

Present: Jean Turner, Chairman; Ron Beck, Brenda Brown, Directors

Also Present: Tom Rinearson, Superintendent; Laurie Urquhart, Secretary; approx. 25 members of the staff, media and interested patrons

Call to Order- Establishment of a Quorum

Chairman Turner convened the meeting and called the session to order at 7:05 p.m. with a quorum of three board members present. Directors Cowan and Coulter were excused from the meeting.

Update, 2008/09 Budget

Superintendent Tom Rinearson reported he and Business Manager Julie Baldwin spent the day in Salem with other superintendents and business managers working on the current year's budget. As their meeting began, a press release from the state senate president and house speaker was released outlining a plan to save school days this year. The "School Day Restoration Fund" uses an additional \$51 million in federal stimulus funds to offset the hole in the K-12 education budget.

With this news, the Superintendent said he is "99.9% sure we are going to make it through to the end of this school year" without further reductions. The District expects to receive over \$2 million in state school fund revenue (SSF) from the state plus approximately \$523,000 from the "restoration" fund. Legislators will forward their plan to the governor in the next few days to avoid the governor's plan of across the board cuts for all state agencies.

Any federal monies used this year will decrease the amount available for the next biennium. For the 09-011 biennium, the state faces a shortfall of an additional \$1.7 billion (totaling \$3 billion for the biennium). The district will not know its revenue for the coming year until May, at least- and possibly not until later than that. This does not relieve the district of its obligation to present a balanced budget by June 30, 2009.

Another piece of the puzzle for the coming two-year budget involves special education, Title and school improvement dollars. It is unknown at this juncture how and when these funds will arrive, and whether or not federal rules about their use will be adjusted. Depending on how the state chooses to use its reserve funds, it is possible the next biennium's budget will be close to that for which the district has been planning (a reduction of approximately \$5 million).

Mr. Rinearson stated the importance of having cash on hand (carryover) to deal with fluctuations in the budget, and said the district faces more volatility if too much cash is spent.

The superintendent reported several employees volunteered to a salary freeze for the coming year to help with the dismal budget. He said he has also heard from some employees who froze their salary in the past, then were subjected to ridicule when they were made whole at a later date.

Next, Mr. Rinearson shared two pieces of proposed legislation with the Board. HB 2558 would make Toledo Jr./Sr. a “small” high school for state funding purposes, thus entitled to additional funding. The other proposed legislation has not yet been assigned a number but relates to PERS side accounts. This bill is intended for school districts (like LCSD) who bonded their PERS liability. Funds from the sale of the bonds were put into “side accounts” and invested. At present, LCSD’s side account balance is approximately \$54 million over liabilities. Current law does not allow school districts access to that money; the proposed legislation would allow access.

Thirty school districts in the state bonded their PERS liability, of which Portland is one. A business plan will be developed in the coming months demonstrating how these funds could be used in our district. Initial thoughts are to possibly use it for upcoming retirement costs and bond debt service payments.

Information will be shared as it is learned; the next regular session board meeting is March 10th at Taft High School.

The meeting was adjourned at 7:52 p.m.

Chairman

Superintendent