

LINCOLN COUNTY SCHOOL DISTRICT
Budget Committee Meeting Minutes
Zoom Meeting Presented from Teaching and Learning Center
Newport, OR
May 14, 2020

Members Present:

Larry Armstrong, Amanda Remund, Jenny Demaris, Liz Martin, Ron Beck, Thomas Hurst, Terry Bugghagen, Megan Cawley, Larry Anthony

Members Absent:

Also Present:

Dr. Karen Gray, Superintendent; Kim Cusick, Business Services Director; Carole Kunde, Business Services Supervisor & Meeting Recorder; Rhea Warren, Board Secretary & Zoom Facilitator

LCSD Administration Learning Support Team: Dr. Tiana Tucker, Human Resources Director; Susan Van Liew, Student Support Services Director

Call to Order & Election of Chairperson:

The meeting was called to order at 7:16 pm. Thomas Hurst was appointed chairman of the 2020-21 Budget Committee.

Public Comment:

No requests for public comment were submitted and no public comment was provided.

Establishment of Quorum, Procedural Rules:

Quorum was established with nine members present. Ms. Cusick provided agenda and sample procedural rules to the committee via email and posted in the meeting chat.

Responsibility of Budget Committee:

Superintendent Gray briefly described the duties of the budget committee members and asked if there were questions. There were no questions.

Presentation of Superintendent's Budget Message:

The Superintendent's budget message is in the Proposed Budget Document and on the LCSD website. Dr. Gray opted not to read her message in its entirety due to the on-line and telephone challenges of the meeting. She described the unusual circumstances of this year's budget development, which was based on being in year 2 of a \$9 billion State School Fund biennium. State guidance was to budget at this level, although there is the looming reality of a significant reduction of revenue to the state, the magnitude of which is not yet fully known. The Proposed

2020-21 Budget is a balanced budget based on District goals, including alignment of academics throughout the District. She also commented on the huge and unprecedented efforts ongoing in the current budget year due to the COVID19 closure of schools. The district abruptly has pivoted to distance learning for the remainder of this school year and is also delivering meals to students across the District.

Assumptions Used in Budget Development:

Business Services Director, Kim Cusick, presented the assumptions used to create the proposed budget. She detailed the Budget Committee Duties and time lines required to adopt the budget by the June 30th deadline, including dates for additional meetings should they be required. Assumptions were explained in detail. The PowerPoint presentation is located on the district web site at www.lincoln.k12.or.us . Two corrections to the Proposed Budget document were noted for the Committee's consideration.

Discussion:

Mr. Armstrong had no questions.

Mr. Buggenhagen commended the District staff on the effort and quality of the budget work product produced.

Mr. Anthony asked about what he perceived as a reduction of building maintenance funding. Ms. Cusick explained that the department's budget has not been reduced, but increased 2%. The reduction in the Building Maintenance Special Fund (293) over prior year budget was because of the transfer specifically to complete the Teaching and Learning Center renovation from the old swimming pool to a new District Office. He also asked about reductions to object lines in the Technology Operations function. Ms. Cusick explained that the budget from year to year may fluctuate as to which line dollars are budget on, but the overall increase was 2% and the Technology Special Fund (298) was also used for some of these technology expenditures. Additionally, Ms. Cusick described the change of substitute costs, which under the E.S.S. West Inc. contract are budgeted under purchased services objects rather than payroll.

Mr. Hurst commented that in the overall budget and cumulative increase of around \$14 million, he did not note a significant increase in teachers to reduce class sizes, one of the District's stated goals. Ms. Cusick noted that most of the increases were specific grants that are for specific uses. The Student Investment Account budget (\$4.7 million) did add Licensed staff positions and supports, but that budget was the culmination of months of planning including significant input from the community. Other large increases in the budget were \$1.6 million in possible funding from the CARES Act Elementary and Secondary School Emergency Relief (ESSER) Fund and \$2.5 million for a pending Seismic Rehabilitation grant application.

Dr. Gray elaborated on Mr. Hurst's comment about adding administrative positions. She explained that the change in administrative staff was accomplished mainly by restructuring current positions with a minimal net increase of expenditures. More specifically, one TOSA position at Crestview Heights will be replaced with an Assistant Principal to better support the building Principal with supervision and evaluation, which cannot be done by licensed staff. The Educational Technology Administrator will coordinate the adoption/implementation of technology to support teaching and learning. These changes are deemed important to move the District forward towards its goals.

Dr. Gray added that functional reductions in class size require many additional classroom teachers, but also require additional classrooms, which are not currently available (even after the TLC was completed and support personnel and departments were moved out of classroom space at several school sites).

Mr. Hurst expressed concern about the split duties of the Student Services Director at .2 FTE and new Assistant Superintendent position at .8 FTE (this was reversed and incorrect on page 11). Dr. Gray explained that this change reflected the support she would need while she devotes more time to advance goals of the Board such as developing a new strategic plan. This is not an increase in FTE, but rather a shift of duties. This very experienced Director is already the Superintendent's designee when she is not available. The Special Program administrators have become seasoned and are taking on more responsibilities in the daily operations of Student Support Services.

Mr. Hurst asked if the budget includes a change in policy in the support of Middle School Athletics. Ms. Cusick confirmed that this would be a change in policy, but would only be supported from Student Investment Account (SIA) funding. Dr. Gray added that covering the Athletic Participation Fees fell under the Well-Rounded Student goal of SIA initiatives and was asked for by the community. It is not known if there will be adequate funding, in which case the District would continue to seek support from community Booster organizations and participation fees.

Ms. Remund asked for clarification of the outside support for coaching salaries amount for Middle School Sports in the budget. Ms. Cusick explained that of the \$33,000 outside funding required, about \$5,000 was for high school sports and the rest was for middle school.

Ms. Remund also inquired about the increase of \$75,000 for custodial costs in the Food Service Special Fund. Ms. Cusick indicated that this was a shift of costs previously paid from the General Fund, as the Food Services fund is adequately funded to pay a portion of the school kitchen janitorial costs.

Ms. Martin expressed concern about the likely revenue reductions to the SIA and the large impact that would have on the District's strategic plan. She also expressed appreciation to the Budget Committee members for their detailed

questions which help illuminate aspects of the budget that could be concerns to the community at large.

Ms. Cawley noted that her questions had been answered already in the presentation and discussion and did not have additional questions.

Ms. Demaris said that her questions had also been covered. She expressed her expectation and confidence that the District administrative team is planning now, rather than waiting for more details from other government agencies, as to how the expected reduction in revenue will impact the District next year. This would include how the impact and changes should be communicated to the public. She also thanked Ms. Cusick for the graphs that are included in the Budget for high-level visualization of the expenditure and revenue categories detailed in the document. She expressed that she has confidence in those preparing the budget, and in Ms. Cusick's work as evidenced by her ability to answer questions and concerns about the details in the budget and the assumptions used in its development. She concluded that she felt comfortable voting to approve the budget.

Mr. Beck also expressed confidence in a well-developed budget and a talented and cohesive staff. He noted that the District and the State are better prepared to handle another economic downturn than past situations he has seen in his long experience with the District. He reiterated that the Board policy to reserve 7% of general fund ending fund balance puts the District in a significantly better position to handle a recession than has been the case in past years.

Mr. Beck posed the question as to whether waiting for the May 20th state revenue forecast would provide any benefit rather than moving on to vote on the Proposed budget. Dr. Gray reminded the Committee that a reduction to the State School Fund budget would require action from the State Legislature. The State's rainy day funds and school stability funds will likely be at play, but with the timing and scope undefined, this would not provide enough information or time to retool the entire budget by the deadline. Ms. Cusick concurred.

Mr. Hurst thanked Ms. Cusick for the presentation and the Budget document. A motion was made to make a correction mentioned in Ms. Cusick's presentation which does not change the budget total but puts the transfers in balance. He asked her to read the requested correction change:

To increase the general fund miscellaneous revenue by \$10 and decrease general fund transfers in by \$10,

Mr. Anthony motioned, Ms. Demaris seconded the motion and the committee unanimously approved the motion.

Motion to Approve Proposed Budget:

Mr. Hurst entertained the motion to approve the budget. Mr. Buggenhagen read the motion:

The Lincoln County School District budget committee hereby approves the budget for the 2020-2021 fiscal year, in the aggregate amount of \$127,986,957. Further, the budget committee moves that the permanent tax rate of \$4.9092 per \$1,000 of assessed value be assessed in support of the General Fund. This permanent tax rate is expected to raise \$37,956,087.

Mr. Anthony seconded the motion. The committee unanimously approved the motion.

Mr. Buggenhagen also motioned:

The budget committee hereby approves the GO Bond Debt Service Funds budget of \$6,989,538, with \$6,545,952 being assessed against the assessed property values of Lincoln County.

After clarification on the assessment amount, Mr. Beck seconded the motion. The motion passed unanimously.

Adjournment:

Mr. Hurst made closing remarks and thanked all. Meeting adjourned at 8:59 p.m.

Chairperson

Superintendent Gray