

Redmond School District
School Board/Budget Committee Work Session
February 12, 2014

In Attendance: Chair AJ Losoya, Vice-Chair, Ron Munkres, and Directors- Rick Bailey, Bob Perry, and Shane Nelson, Superintendent Mike McIntosh, RSD Staff: Linda Seeberg, Kathy Steinert, Tara Lewellen, Trish Huspek, Kelly Richard, Budget Taskforce members; Lynn Evans, Nicole MacTavish, David Burke, Chris Morton, Sandy Harris, Desiree Margo, Tony Brown, Jeremy Dyer, Sam Platt, Marc Horner, Jensine Lirette, Budget Committee Members; Melissa McVay, David Imig, Don Fields, Thomas Kemper, Media; Leslie Pugmire-Hole (*Bend Bulletin*)

AJ Losoya called the meeting to order with a quorum of five at 5:30 p.m.

Board Chair AJ Losoya stated, “What happened at Bend High School last Friday was a tragedy with the loss of such a young life filled with promise. On behalf of the board, we send our thoughts and prayers to the family and friends of the student. We feel extreme sadness for our friends in the Bend LaPine School District. We have the upmost admiration for the way the district and community have responded since the event. As stated by Superintendent Wilkinson in the Bulletin this morning, their district will continue to see what can be done differently and better to improve safety. With a room of leaders this evening, I encourage all of us to learn from this event and to continue the conversations on what we can do to influence a safer environment.”

Superintendent McIntosh reported that he had an opportunity to speak with Superintendent Ron Wilkinson. “We don’t know why these events occurred. This is tragic in the sense that it wasn’t a school safety issue but a mental health issue. It is an emotional mixed bag as we try to keep kids safe and educate them. I have a deep admiration for the Bend LaPine School District as they have many things in place to address this situation.”

Tonight’s Goals

- Discuss the economic context over planning horizon
- Review the 2015-2019 Long Range Financial Plan with a focus on FY 2014-2015
- Explain the assumptions that underlie the forecast
- Understand the fiscal challenges and future uncertainties
- Respond to questions and concerns
- Discuss next steps

Kathy Steinert, Director of Fiscal Services reviewed with the Board and Budget Committee the following elements that effect the development of the proposed 2014-2015 school budget:

Statewide Education Budget Context

- K-12 Education funding improvements after Great Recession disinvestment.
- 2013 reforms to PERS provided short-term expenditure relief.
- Contract concessions with employee groups still an issue along with “working conditions.”
- State is silent on all day KG funding increases in 2015-16.

Long Range Plan Objectives

- Build on 2013-14 investments in Strategic Plan priorities and objectives.
- Launch all-day kindergarten in 2015-2016.
- Prioritize and resource instructional technology initiatives.

- Maintain successful programs, including CLCs, and equitable class sizes.
- Appropriately resource continued implementation of Proficient Learning Model & Common Core State Standards.
- Provide competitive compensation to attract, recruit and retain highly effective staff.

RSD Strategic Priorities

- **Elevate Student Achievement**
 - Every student graduates college-prepared and/or career ready
- **Support and Develop our Human Resources**
 - A highly effective and professional team that prioritizes student growth, values collaboration and seeks continuous growth and improvement.
- **Sustain Safe and Vibrant School Communities**
 - Personalized supports that nurture stakeholder engagement, student success, and safe and effective school environments.
- **Balance Resources to Maximize Student Achievement**
 - Wise, transparent stewardship of district resources that are prioritized for student achievement.

2014-2015 Revenue Assumptions

- Legislature’s Education Budget
 - \$6.55 Billion + \$100 Million K-12 Allocation
 - 51% in second year
 - Poverty data change & weights increased
- Growth in local revenues of 4.3%
- Flat enrollment
 - Non-charter grows 0.2%
 - RPA declines 2.5%

Revenue Challenges & Uncertainties – Future Impact

- State School Fund Task Force Recommendations due in October on the following:
 - High Cost Disability Grant and ELL Weights
 - Advanced Diploma
 - Definition of Equity
- Adequacy of formula revenues for all day kindergarten
- Potential volatility of poverty data & weights (will be changing on an annual basis)
- Tax Reform – Potential impact
- Enrollment Growth

As a result of data that became available in the economic forecast, it is likely we will receive additional money per ADM. We are due to get an official number in early March. The District is currently working off the numbers that were given when the poverty weights were made public.

2014-15 Expenditure Assumptions - Staffing

- Class Size Ratios

	<u>Target</u>		<u>Target</u>
KG	20.00 (23.00)	High School	33.20 (34.00)
Grades 1-5	27.60 (27.00)	Redmond K-12 Online	68.00 (75.00)
Middle School	31.75 (32.00)		
- Minimal FTE Growth – 1.2%
 - Licensed – No growth
 - Classified – 4.06 FTE increase (Technology)

- A result of a technology shift in the district; desktop support and administration. Currently paid for through our Local Service Plan.
- Admin – 3.00 FTE (Technology; Planning Principal)
- Planning Principal – The Hartman Building will become a K-5 elementary school in 2015-16 to accommodate all day kindergarten and to relieve large class sizes at other schools.

2014-15 Expenditure Assumptions – Salary

- Salary Related
 - No additional days restored (3 workdays short)*
 - Horizontal & vertical salary schedule movement
 - No COLA*
- Related Payroll Costs
 - PERS rates – no change in rates in 2014-15
 - Medical Insurance Cap – no increase from \$1,145.00*
 - No restoration of tuition reimbursement*

*Note – The items above will need to be bargained with both associations

Tony Brown stated that it is nice to know that we came through the last few years with relationships intact. The things we went through built those strong relationships.

2014-15 Expenditure Assumptions - Other

- Purchased Services
 - Decrease of \$370,000 due to shift from HDESD service to RSD salaries
 - Charter School Payments increase \$270,900 due to estimated growth in ADMw (poverty weights) and increase in Charter School rate/ADMw
 - Very modest utility cost increases
- Consumable Supplies & Materials
 - CPI-U – 1.4%
 - Instructional Technology - \$250,000 boost to Computer Refresh budget of \$250,000
 - Advanced Placement at RHS - \$40,200 in 2014-15
 - Diesel Fuel – modest price decrease
 - Textbooks – CCSS English Language Arts & Literacy Adoption – slight increase cost of Interim CCSS English & Math adoption in the current year.

Expenditure Challenges & Uncertainties – 2014-15 Impact

- Instructional Technology
- All day kindergarten ramp-up
- Portland/Medford impact on bargaining
- Future of Community Learning Centers

Expenditure Challenges & Uncertainties – Future Impact

- PERS
 - Court Ruling (on PERS reforms being either constitutional or not)
 - Future rates
- Textbooks vs. e-Resources
- TIF Grant – last year 2014-15
- ESEA (NCLB) Waiver impacts – in jeopardy of not being renewed by the Feds
- Alternative teacher compensation models
- Alternative education programs (COIC, Heart of Oregon, etc.)
- Title IA – Targeted Assistance to School-wide Programming Model

Also Reviewed were:

- Analysis of General Fund Revenue and Expenditures
- Analysis of General Fund Revenue and Expenditures – Base Scenario in financial plan
- Analysis of General Fund Revenue and Expenditures – Break Even in 2015-16
- K-12 Education’s Share of the State Budget Break Even in 2015-16
- Analysis of General Fund Revenue and Expenditures – Break Even in 2015-17

Next Steps

- Budget Development
- First Budget Committee Meeting – April 30
- Second Budget Committee Meeting & Public Input – May 7
- Last Budget Committee Meeting & Public Input – May 21
- Budget Hearing – School Board Adoption – June 25

ADJOURN

The Work Session was adjourned at 7:45pm.

AJ Losoya, Board Chair

Trish Huspek, Executive Assistant