

CROOK COUNTY SCHOOL DISTRICT
BUDGET COMMITTEE MEETING

April 22, 2014
Prineville Education Center
6:30 p.m.

COMMITTEE MEMBERS PRESENT: Patti Norris, Doug Smith, Wade Flegel, Tammy Hudspeth, Gwen Carr, Diana Ewing, Scott Cooper, Jodie Fleck and Walt Wagner.

DISTRICT STAFF PRESENT: Duane Yecha, Anna Logan, Mona Boyd, Stacy Smith, Michelle Jonas, Kurt Sloper, Cheri Rasmussen, David Robinson, Jim Bates, and recorder Diana Rice.

OTHERS PRESENT: None

At 6:30 p.m., Committee Chair Wade Flegel noted a quorum was present, called the Budget Committee meeting to order and led the pledge of allegiance.

APPROVAL OF PREVIOUS MINUTES (April 14)

Doug Smith moved, Patti Norris seconded to approve the minutes of April 14, 2014 as presented.

OPPORTUNITY FOR CITIZENS TO SPEAK: None

BUDGET SUMMARY

Budget Officer Anna Logan reviewed several pages of the budget document.

- Page 13 – Revenue Summary – All Funds
 - The State Sources amount of \$20,784,645 in the 14-15 Proposed column includes revenue received and passed through to Charter schools.

- Page 14 – Expenditure Summary – All Funds
 - Instruction amount of \$21,633,521 in the 14-15 Proposed column includes \$4 Million charter pass-through expenses.
 - The grand total in the 14-15 Proposed column is higher than prior year actual due to bond proceeds.

- Page 17 – General Fund Summary with Historical Data
 - The ending fund balance consists of \$600,000 in contingency and \$1.1 million in Unappropriated Ending Fund Balance. These two together total \$1.7 million, referred to as total Ending Fund Balance elsewhere in the document.

- Page 18 – General Fund Summary with SubFund Data
 - Ms. Logan prepared this summary to show the General Fund and the Athletics SubFund 136. Fund 136 is new this year and further defines accounting for athletics. In prior years, Fund 236 was used to account for restricted revenues (donations, grants, fund raising) but also funds transferred in from the General Fund. Fund 136 was created as an *operating* sub fund.

- Page 19 – General Fund Resources
 - 4300 – This is the contracted Navy reimbursement for 50% of wages (not including associated payroll costs) for NJROTC instructors. The salary scale is set by the Navy.
 - 4801 – Federal Forest Fees were not budgeted in the Proposed document. The payment received this current year was not budgeted for 13/14, and is included in the ending fund balance. We received over \$300,000. If the District receives a payment in 14/15, the transfer from the PERS Reserve may not be necessary.

BUDGET DETAIL DISCUSSION

Fund 100 – Resources

Jodie Fleck asked if the reimbursement revenue is down for State School Fund Transportation. Anna Logan said no, although it is lower than last year's budget, it is actually higher than this year's projected actual revenue. Last year's budget used the PERS costs that were available at that time, which was before the PERS costs were reduced by the legislature. The District receives 70% reimbursement of transportation costs. Because of the purchase of two new buses, the District will be receiving 70% of 1/10th of those bus purchases each year for ten years.

Fund 202 – CCHS Student Activity Fund

Jodie Fleck asked how does beginning fund balance go from \$20,000 to \$80,000? She'd like to know what the increases are for. Anna Logan explained the \$20,000 in Adopted was an estimate and that the \$80,000 is more in line with current year activities. The student activity funds are student driven and it is not known at budget prep time what the students will choose to do with these funds.

Fund 232 – Title XIX Medicaid – Page 96

Scott Cooper asked about the Title XIX Medicaid Fund. Mona Boyd, Special Ed Director, explained this fund helps pay for the school nurses (and cannot be spent on anything else). On a specified survey date, the nurses participate in timed logging of tasks. The fluctuations occur because the survey dates sometimes fall on a non-school day, or during Outdoor School. The fund was starting to gain an ending fund balance, so a greater portion of the nurse FTE's was budgeted in this fund. Mr. Cooper asked if the Affordable Health Care Act will affect this fund. No, the Medicaid Administrative Costs (MAC) service is an alternative to billing claims to Medicaid, so the District does not bill Medicaid.

Fund 236 – Athletics – Page 97

Diana Ewing noted that Fundraising increased from \$7,500 to \$168,000. She doesn't understand the large increase and feels the budget is over-stated. Ms. Logan explained that the Adopted 13/14 amount was actually higher [\$95,000], and the \$7,500 is an adjusted figure due to the splitting out of fund 236 into 136 and 236. The Proposed amount is estimated high as a placeholder to enable spending, but only under strict internal controls. No one may even create a requisition without having the funds on hand. The 200 level funds are controlled.

Walt Wagner stated he understands it's just raising the spending limit in case the money comes in. Scott Cooper commented that if the budgeted amount is reduced, and subsequently there are more fundraising dollars than budgeted, there is a supplemental budget process which would enable spending.

Note – even if a budgeted amount in Fund 236 (or any other 200 fund) were reduced, these funds cannot be used in the General Fund.

Fund 261 – Title I – Page 112

Diana Ewing asked about the reduced reimbursement. Stacy Smith stated he initially expected more, but lost 8% and that is continuing to go down. The formula for calculating poverty aligned Federal and State and he was actually expecting more reimbursement, but is getting less.

Dual Language Program

Wade Flegel referred to the Dual Language item in the Appendix, Page 251 – budget includes an additional .5 FTE for 3rd grade Dual Language teacher. With the recent Board decision to extend the Dual Language Program through the 5th grade, Dr. Yecha explained that there will need to be another FTE added.

Superintendent Duane Yecha said the District will work within the existing budget for 14/15. When we move to two elementary schools in 15/16, there will be opportunity to turn one instructional coach into a Dual Language teacher, and there may be other options available. He has asked ODE consultant Kim Miller for ideas.

Kindergarten Class Sizes

There is another 0.5 FTE in the budget as “unassigned” set aside for Kindergarten in case of population increase. Current KG class sizes: Ochoco: 27, 28, 29; Crooked River: 27, 27; Cecil Sly: 20, 26, 28. When principals were asked if they had an extra FTE, would KG be their priority? All answered No, 1st grade would be priority.

The KG aides at Cecil Sly each had two hours at the beginning of this year, but had to be increased to three hours. They are finishing the year with one aide being at three hours. The Proposed budget does not include hours for EAs because the 0.5 teaching FTE was planned to cover an unexpected Kindergarten enrollment increase.

Staffing

Dr. Yecha stated the need to fund one more FTE. The average cost to add a teacher is \$92,000.

Walt Wagner stated the need for a bi-lingual elementary counselor. This would alleviate the need at the higher grade levels. Scott Cooper asked Stacy Smith if one of the Middle School’s administrative FTE’s could go to an elementary counselor. No – he has two administrators, three secretaries, and one counselor/dean. The Middle School used to have a separate Dean, but it was cut. He also lost one Special Ed employee who was housed at his site.

Scott Cooper wondered if there would be any savings to send Ochoco students to Crooked River and Cecil Sly and reduce the staff at Ochoco, maybe shutting down a wing, and maybe get another FTE. The principals thought this would be difficult for the families, judging from their experience with relocations for the purpose of class resizing.

Wade Flegel asked if there is any chance of moving Dual Language to Crooked River. Principals thought it would be disruptive and there would be bussing issues.

Referencing Page 252, the \$70,000 not budgeted for truancy staff, Scott Cooper said we should consider the revenue offset with the additional ADM generated with student attendance.

Jodie Fleck asked about the Webmaster. This is not a staffing change. A portion of one Technology staff member’s FTE is currently being paid from the ESD Local Service Plan funds as a shared service with other districts. The time spent on the project of upgrading websites is diminishing, so the General Fund needs to re-absorb the portion being paid by the LSP.

Transportation

Jodie Fleck asked about home-to-school route analysis, citing her own students as having to stay on the bus an extra 40 minutes (20 minutes each way). Other students in the Paulina area ride much longer. She said a bus needs to start at Paulina and drive straight through to the schools, like it was in the past before major budget cuts changed the bus service. Dr. Yecha agreed the routes need to be reviewed. Kurt Sloper, Paulina Rural School Principal, stated that over Spring Break, Deen Hylton and his Transportation staff were reviewing the Paulina routes.

High School Graduation Fees

Wade Flegel objected to the fee assessed to graduating students for the diploma and cover. If the fees are not paid, the student gets to walk, but does not receive a diploma, only an empty cover. Principal Michelle Jonas explained the \$20 fee actually includes the senior trip, as well as the diplomas and covers. Dr. Yecha explained the fees are reviewed each year, so he will make a note to consider this.

Health Insurance

Anna Logan stated the newly bargained health insurance cap increased from \$1120 to \$1140 per month. Additionally, both labor agreements now include an option to select the high-deductible plan, in which case the District will deposit the difference between the cap and the actual premium directly into the employee’s Health Savings Account (HSA). This will be tracked in the same Object 241.

Jodie Fleck asked if the new Cadillac Health Tax will affect the schools. Not this year. The District's plan year starts October 2014 and the premiums don't meet the threshold for this tax. The District is trying to avoid reaching the threshold by offering higher deductible plans.

Liability Insurance – Object 651

Jodie Fleck noticed the liability insurance in 2310 is down substantially. Anna Logan explained this was a coding change. Liability was changed from Function 2310 to 2528. Property insurance remained with Function 2542. There was no savings, only code change.

1122-151-002 – Middle School Club Advisor

The Proposed is significantly higher than prior history, \$6,762 to \$24,458. Ms. Logan will check on this.

Response

The dollar amount in this line item includes budgeted amounts for the athletic director and extra duty contracts for advisors for yearbook, honor society, and leadership, as well as extra duty contracts for band & choir teachers. The payroll system grouped the budget for all Object 15x codes into code 151, but the actual expenditures will be posted to 150, 151, and 154.

Paulina

Jodie Fleck asked why there is no Rural School Supervisor in the Paulina budget. Ms. Logan explained this is a coding change. In the State's Program Budgeting and Accounting Manual, there is no code 2411, which was created for District use several years ago, and has to be 'rolled up' to 2410 in State reporting. The current principal of Paulina is the principal of the Middle School as well, and his Paulina duties are funded in an extra duty contract.

Ms. Fleck also asked about the extreme drop in the amount for telephone expense, from \$2,270 to \$120. Ms. Logan will check on this.

Response

Ms. Logan subsequently discovered that this reduction was simply an oversight. Two types of telephone expenses are normally expended from this account, and one of them was inadvertently missed. Telephone expenses for other areas of the district were reviewed to determine whether this error occurred elsewhere, and it appears that the error in the Paulina budget was the only instance. Because total district telephone expenses budgeted is approximately equal to the projected expenses for the current year, no budget adjustment is necessary at this time. No reduction in phone services is planned for the Paulina school.

The amount for garbage went down from \$500 to \$166. This one is reasonable, based on history. The Adopted amount for 13/14 was estimated too high.

Maintenance Reserve

Everyone agreed the District needs to better fund the maintenance reserve to take care of buildings in a timely fashion. Scott Cooper would like to see functions 2542 and 2544 merged into Center 011, rather than coding to individual building sites. Ms. Logan explained that 2542 is for custodial staff and utilities at each building and is part of accounting for expenses by site to determine how much it costs to operate a school

Brothers

The Brothers facility (no longer Brothers School District, just a school building) is part of Crook County's school boundary but is still in Deschutes County and on Deschutes County's tax rolls. The budgeted items in this center cover the wages for the maintenance person who takes care of the building and grounds, plus the electricity and insurance.

Scott Cooper would like to dispose of the facility, and even suggested moving it to Crook County as a site for Pioneer High School. Ms. Logan stated she needs to do some research to determine what would happen to the tax revenue of approximately \$80,000/year if the school facilities cease to exist. Because the location is in a different taxing district, those property taxes may return to a district in Deschutes County rather than to CCSD.

COIC

The reason there is no prior history is because this expense was funded from the ESD's Local Service Plan. The proposed budget amount increased because both student count and expenses increased. The amount budgeted for current year was inadequate.

Summer School

Summer School has been funded by fees charged to students, now paid from the General Fund.

Insight Alternative

The enrollment for Insight Alternative has decreased significantly. One possible reason for this is that the enrollment process is easier for students to participate in Insight Online Charter. The current year's cost for Insight Alternative will end up below the current year budget.

Advanced Diploma

The staffing code was changed from Function 1131 to Function 2122. This is a correction as it applies to the Aspire staff who are not instructors. The interest in the Advanced Diploma program is increasing. The chart on page 247 shows flat enrollment except for Advanced Diploma.

State School Fund Grant

Committee members would like to have a copy of the State School Fund Grant report. The link to the online report is: <http://www.ode.state.or.us/search/results/?id=344> This site is frequently updated so there are multiple reports available to select.

Patti Norris complimented Anna Logan for her work on the budget, specifically referencing the appendices and budget summaries.

Wade Flegel requested for next year a column showing year-to-date expenditures.

Scott Cooper said it is highly probable that the District will receive a payment for Federal Forest Fees in 14/15. This will allow funding for the previously-discussed elementary FTE estimated to be \$92,000.

Motion to Amend Proposed Budget

Scott Cooper moved, Doug Smith seconded, to add appropriations of \$92,000 to fund one additional instructional staff FTE. Motion carried unanimously (ayes-9).

Motion to Approve Amended Proposed Budget

Scott Cooper moved, Patti Norris seconded, that the following Crook County School District proposed budgets for 2014-2015, as amended, in the aggregate amount of \$78,245,364 be approved, and that the permanent tax rate of \$4.7856 per \$1,000 of assessed value be assessed in support of the General Fund.

(contd.)

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|-----------|----------------------------------|----------------------|
| 100 Funds | General | \$ 33,632,395 |
| 200 Funds | ASB, Reserves, Grants, Contracts | \$ 7,982,790 |
| 300 Funds | Debt Service | \$ 4,430,179 |
| 400 Funds | Capital Projects | <u>\$ 32,200,000</u> |
| | Total | \$ 78,245,364 |

And further, that a tax levy of \$1,051,448 be approved for the debt service fund for the purpose of retiring bonded debt owed by the school district.

Motion carried unanimously (ayes-9).

ADJOURNMENT

Chair Flegel declared the Budget Committee adjourned at 9:30 p.m.

Respectfully submitted,

Diana Rice, Recorder

Tammy Hudspeth, Secretary

Acknowledged but not Approved
Date