

**Bend-La Pine Schools
Bend, OR 97703**

The Board of Directors for Bend-La Pine Schools met in a Budget Committee Meeting on April 25, 2017 in room 314 at the Education Center, 520 NW Wall Street, Bend, OR 97703.

Board Members Present

Peggy Kinkade
Cheri Helt
Carrie Douglass
Julie Craig
Stuart Young
Ron Gallinat
Andy High *arrived at 7:04 p.m.*

Budget Committee Members Present

Tasha McFarland
Ron Smith
Heidi Slaybaugh
Rick Olegario
Tom Bahrman
Bruce Reynolds

Budget Committee Members Absent

Matt Hillman

Call to Order

The meeting was called to order at 5:17 p.m. by Chair Kinkade. The Pledge of Allegiance followed.

Review of Agenda

Chair Kinkade reviewed the agenda. There were no changes.

Election of Budget Committee Officers

Chair Kinkade said the current Budget Committee Chair is Tasha McFarland and turned the meeting over to Chair McFarland to lead. McFarland entertained nominations for Budget Committee Chair.

Ron Smith nominated Tasha McFarland. Heidi Slaybaugh seconded the nomination. Unanimous approval.

Chair McFarland entertained nominations for Vice Chair / Secretary.

Ron Smith nominated Tom Bahrman. Heidi Slaybaugh seconded the nomination. Unanimous approval.

Public Input

There was no public input.

Budget Message

Chair McFarland invited Superintendent Mikalson to share his budget message. Mikalson thanked all budget committee and board members for their time and noted he and Zhai Logan will share in presenting the 2017-18 budget document. Mikalson's goals for the meeting are to:

- Review the district's strategic plan and outcomes
- Provide a budget overview
- Review the 2017-18 budget document
- Provide time for question and answer

All were provided a copy of the district's comprehensive plan with an updated investment priorities document, along with a copy of the 2017-18 proposed budget. Mikalson reviewed the comprehensive plan and said the proposed budget maintains staffing levels and instructional days, continues universal full-day kindergarten and continues to prioritize strategic investments in the key areas of safety, choice options, world-class education and system performance as seen in the comprehensive plan.

The proposed budget is \$329.2 million all-funds, of which \$167.7 million comes from the General Fund Operation Budget. The all-funds figure also incorporates resources including: \$7.8 billion State School Fund level, with a 49% / 51% split over the 2017-19 biennium, additional state school funding for an anticipated 1.8% enrollment increase during the biennium, a \$7.5 million reserve from the 2016-17 school year, and dollars from the Measure 98 Fund.

Mikalson explained the proposed budget is a maintenance effort budget, but reminded all that this is a maintenance effort of an ongoing reduction of service and funding in the district. At best, the district will be trying to hold on and maintain current services. There are no new dollars to invest and the district continually seeks ways to creatively manage and repurpose funds in the best manner possible to serve current and future students.

It is a maintenance effort budget, but maintenance of a level of an ongoing reduced level of service / funding in the district. Mikalson emphasized that the current level and reality cannot become the new reality. The district is working to maintain a system that is woefully underfunded. He encouraged all to continue to advocate during this legislative session and shared a video from Oregon Rising that highlighted class size, length of school year and per-student funding needs in Oregon.

Don Stearns shared that May 1 is being recognized around the Nation as a day of action to support education. It is a pro-student, pro-public education stance and encouraged all to wear red as a part of taking the pledge in support of education.

Rick Olegario asked what current initiatives have been successful and if there is a way for budget committee members to see and understand how the eight board ends have been impacted (positively or negatively). Mikalson explained it is premature to provide measures for those priorities since they are relatively new, however, the district continues to work toward targeting dollars on areas where a clear return on investment can be seen.

Zhai Logan walked committee members and board through the proposed budget document. She noted the PERS Employer Rate is a large cost driver for the 2017-19 biennium; and that the PERS increase alone takes up almost \$5 million of the \$7.8 million increase from the state. PERS is not a one biennium problem, this will continue to be a large concern for districts for the next few biennium's.

Logan reviewed each of the tabs in the budget document and noted significant changes from years past. She explained Measure 98 dollars and requirements around recording and responsibility of the district are still being defined at the state level. Measure 98 was designed to provide resources to support high school staffing and programing, therefor the budget document reflects large decrease high school FTE from the general fund operations revenue. Those dollars have been shifted to the Measure 98 fund, as the district will track them separately as part of the special revenue fund.

Tom Bahrman asked if there are any major changes to Title 1 funding that could impact this budget document. Mikalson said at this time, he feels the document is as accurate as possible with dollars, however, there could be decreased Title 1 funding in future years.

Cheri Helt asked about the additional services Measure 98 was supposed to bring districts. Mikalson explained conversations continue at the state level on these funds. If they do become truly new dollars to the district, there will be a focus to fund efforts the bill was designed for: expand CTE programs, increase dual credit options, and increase graduation support. At this point, the district is trying to maintain flexibility in using Measure 98 dollars (i.e. high school staffing). Discussion ensued on Measure 98 funds.

Logan referenced the summary of current to proposed budget in the document as a helpful, overall funding picture. Brad Henry added, this is a similar process to the committee's work in 2013 where they were asked to approve a budget with assumed dollars from the upcoming bond measure, before election results. The budget can always be reduced with board approval, and not have to go through the budget committee process.

Henry also noted the \$7.5 million ending fund balance this year and that the district will work to grow that balance back to meet the 5% requirement set by the board. The board approved spending from the ending fund balance this year due to snow related expenses. He explained the district (and county) are still waiting to hear on the FEMA application submitted, which could reimburse some of the snow related costs. Olegario asked how the Kenwood gym is being accounted for within the document and the status of replacement. Henry explained all the work is currently being funded from insurance and the district continues to work with the city on placement of a temporary structure. The rebuild of Kenwood's gym (like kind, size and code upgrades) will be paid for by insurance.

Carrie Douglass asked about costs associated to iPads and Logan explained the life cycle the district has set for technology equipment and that budget line item has essentially stayed flat over the past few years. Logan explained which accounts show technology expenditures and what is involved to maintain the iPad investment. Discussion ensued around technology, online courses, enrollment and growth of Bend-La Pine Online.

Logan said the next budget committee meeting will be May 9. She asked that any questions be sent to her by May 5, and she will put together and publish a question and answer document prior to the meeting. Logan thanked Cindy Wallskog for her work in developing the budget document and the support of Nick Shein, Roy Burling, Brad Henry and Superintendent Mikalson. Stuart Young complimented the work and said he is consistently impressed with the quality and moving parts that are accounted for during the budget process.

Budget committee meeting adjourned by Chair McFarland at 7:07 p.m.

Chair Kinkade recessed the regular meeting at 7:07 p.m. noting the board will move into an executive session. The regular meeting resumed and was adjourned at 7:39 p.m.

Respectfully submitted,

Andrea Wilson
4.25.2017