

Minutes in Brief

MEETING OF THE SOUTHERN OREGON ESD BUDGET COMMITTEE, WEDNESDAY, MAY 10, 2017

Call to Order/Pledge of Allegiance

On Wednesday, May 10, 2017, a meeting of the Southern Oregon ESD Budget Committee was held in the upstairs conference room of the ESD office, located at 101 North Grape Street, Medford, Oregon. Board Chair DonnaJean Wendle called the meeting to order at 6:06 p.m. and led those in attendance in the Pledge of Allegiance.

Attendance

Budget Committee members in attendance were Sam Alvord, Greg Applen, Lori Goodman-Vogel, Jim Harrington, Jamie Jennings, Dave Jensen, Phil Long, Christine Norton-Cotts, Garry Penning, Brian Shumate, Jeff Thomas, and DonnaJean Wendle. Member Doug McKinley joined the meeting via teleconference.

Budget Committee Member Ray Williams was not in attendance.

Also attending the meeting from the SOESD staff were Jessica Bach, Melia Biedscheid, Dale Balme, Howard George, Kim Hosford, Agnes Lee-Wolfe, Susan Peck, and Scott Beveridge, Budget Officer.

Ahrien Johnson, and Dean Wendle were guests in attendance.

Introductions

DonnaJean Wendle, Board Chair, welcomed and thanked the Budget Committee members for their participation. Roundtable introductions of committee members, SOESD staff, and guests were made.

Election of Budget Committee Presiding Officer

Chair Wendle requested the budget committee select a presiding officer. It was moved by Member Harrington and seconded by Member Penning to appoint Dave Jensen as the presiding officer. The motion carried unanimously.

Prior to the Budget Committee meeting, members received the following materials:

- Proposed 2017-2018 Budget Document
- Agenda for the May 10, 2017 meeting
- 2017-2018 Proposed SOESD General Fund Chart
- Memorandum outlining the materials and providing background information.

Budget Message

Superintendent Beveridge thanked members for their time in reviewing the budget proposal and materials. Copies of the night's PowerPoint presentation were made available to budget committee and audience members. The outline for the presentation was reviewed, and the two tasks for the meeting were noted: 1) to review and approve the SOESD budget, and 2) to establish the SOESD tax rate. In presenting the budget message,

Superintendent Beveridge reviewed the mission of SOESD and its cooperative partnership with local school districts. He noted the proposed budget was built with Southern Oregon ESD's motto in mind: *Service, Responsiveness, and Expertise*. Superintendent Beveridge explained that SOESD builds its services model around the expressed needs of local districts, as documented in the 2017-2018 Local Service Plan, in the primary service areas of School Improvement, Special Education, and Technology and Media. In addition, services are provided from Administration and Operations which are not included in the Local Service Plan voting ballot.

**Areas of Change:
Local Service Plan
Process**

Mr. Beveridge described the process of developing the Local Service Plan, which begins with an in-depth assessment of the priorities expressed by the component districts. From that assessment, data-informed decisions are made as service areas are looked at critically to determine needs for increased, decreased, and new support.

**Areas of Change:
Program Changes**

Superintendent Beveridge explained areas of program changes based on the in-depth assessment of data gathered. Declining needs for services were identified in Oregon Online, Interactive Video Conferencing, and Courier Services. Also identified was a need to look more critically at special education costs and Tier One computer support.

The following areas were identified as needing added or increased support:

- School Improvement Services
 - Regional Achievement Collaborative
 - Southern Oregon Success and Klamath Promise
 - Addressing ACEs
 - Building Trauma Informed Approaches
 - College and Career for All
 - Migrant/ELL Staff Training
- Technology
 - Electronic Services
 - Data Center

A need to restructure and align services was noted in:

- Statewide Regional Initiatives
 - Regional Achievement Collaborative (RAC): SORS and Klamath Promise RAC
 - College and Career for All (CC4A)
 - STEM Hub
 - Southern Oregon Early Learning Services (SOELS) Hub
- Curriculum, instruction, and assessment support
- Career Technical Education (CTE)
- Instructional Technology Support
- Migrant Education/ELL
- Teacher Professional Development
- Teacher Induction and Mentoring

**Review of 2016-2017
Fiscal Year**

Business Manager George noted an increase of \$2.8 million in changes during 2016-2017 over the adopted budget. Mr. George reviewed the primary revenue sources that make up the major portion of funding.

**2017-2018 Financial
Review**

Overview of All Funds

Mr. George explained that the entire budget is a composition of many funding sources beyond the general fund requiring the committee's authority to spend. Federal and state awards must be tracked separately. All funds were reviewed and explained.

General Fund: Resolution Program Changes

Mr. George explained the requirement by state statute that SOESD spend 90% of revenue received from the State School Fund on resolution services. For fiscal year 2017-2018, 90.48% of the state funding level is going into resolution services, continuing what has historically been the philosophy of SOESD to fund as much as possible to component districts. The budget is predicated on the state's \$7.8 billion funding projection released on March 3, 2017.

General fund service changes were reviewed and explained.

- Administration/Operations (change of \$275,700)
 - Reduction in district provided early retirement
 - Addition of 1.0 FTE for personnel support
 - Addition for special education program support
- Special Education (change of \$132,675)
 - Increase in Choice & Equity allocation
- Technology/Media Services (change of \$29,910)
 - Reduction of courier services
 - Reduction of Interactive Video Conferencing
 - Increase to Electronic Services
 - Increase to equipment transfers for regional Data Center
- School Improvement (change of \$276,936)
 - Increase for regional/statewide initiatives (RACs/CC4A)
 - Increase for Migrant/ELL training
 - Decrease in staff workshop funding
 - Reduction in Oregon Online program contributions

A sample Choice and Equity sheet was provided so budget committee members could see the menu of special education choices from which the districts choose. Business Manager George recapped the services included in special education Choice and Equity. Allocation is based on districts' resident average daily membership from the previous June 30 and it can be very challenging to estimate the usage and allocations in the spring. Once the number is determined, it does not change for the year. Reconciliation of the final usage takes place in June. Districts requesting more in service

costs than their allocation receive an invoice for the overage; districts requesting less in service costs than their allocation receive cash in lieu of services.

General Fund: Cash Position

Compliance with the 90% annual spending statutory requirement makes it hard to build a contingency balance, and Mr. George explained that there is very little room in the cash position. A chart displaying the historical general fund cash balance from 2006 to present was shown.

Operations/Changes in Cash Position

Mr. George provided background and explanation of the \$380,538 budgeted to cover the district-provided retirement obligation. The projected actuarial contributions continue to decline.

**Discussion and
Comments from the
Audience**

Superintendent Beveridge provided a brief summary to close the presentation. Presiding Chair Jensen opened the floor for discussion and comments.

Member Penning began a discussion regarding the model for Grants Pass School District, the only district withdrawn from SOESD, to purchase back services in 2017-2018.

Business Manager George explained that Grants Pass School District's opt out allocation of 90% was accounted for in the general fund, as required by state statute. All other buy-back services are accounted for outside of the general fund. The proposed budget, if approved, would set the model for Grants Pass School District as in the past. Mr. George also clarified that the statute for a withdrawn district to re-join the ESD requires notice of that decision be made to the ESD by November 1.

After some discussion, Member Thomas noted that the Budget Committee's purpose that evening was to approve the proposed budget, and that the discussion regarding a model for purchasing back services was outside the charge of the committee. It was clarified that approving the budget as presented would result in no damages to Grants Pass School District and continued the opportunity for a buy-back model in 2017-2018.

The discussion concluded, and Superintendent Beveridge stated that he would continue to work with Superintendent Kolb to identify the district's service needs.

There were no further questions or comments from the committee or the audience.

Budget Committee

It was moved by Member Alvord, seconded by Member McKinley, and

Action unanimously carried to approve the proposed 2017-2018 budget in the amount of \$54,703,767 and set the rate of .3524 per one thousand dollars of assessed value.

Adjournment There being no further business to conduct, Presiding Chair Jensen adjourned the meeting at 8:09 p.m.

DonnaJean Wendle, Chair
Southern Oregon ESD Board of Directors

Scott Beveridge
Superintendent