

Minutes in Brief **MEETING OF THE SOUTHERN OREGON ESD BUDGET COMMITTEE,
WEDNESDAY, MAY 8, 2019**

Call to Order/Pledge of Allegiance On Wednesday, May 8, 2019, 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. Vice-Chair Norton-Cotts called the meeting to order at 6:05 p.m. and led those in attendance in the Pledge of Allegiance.

Attendance Budget Committee members in attendance:

Sam Alvord	Dave Jensen	Maud Powell
Rosie Converse	Phil Long	Annie Valtierra-Sanchez
Jim Horner	Mary Middleton	Ray Williams
Jamie Jennings	Christine Norton-Cotts	

Budget Committee members absent:
Doug McKinley
Garry Penning
Brian Shumate

SOESD staff members in attendance:
Jessica Bach Susan Peck
Scott Beveridge Daniel Weaver

Introductions Christine Norton-Cotts, Board Vice-Chair, welcomed and thanked the Budget Committee members for their participation. Roundtable introductions of committee members and SOESD staff were made.

Election of Budget Committee Presiding Officer Vice-Chair Norton-Cotts requested the budget committee select a presiding officer. **IT WAS MOVED BY MEMBER ALVORD AND SECONDED BY MEMBER JENNINGS TO:** Appoint Phil Long as the presiding officer.

IT WAS THEN MOVED BY MEMBER JENSEN, SECONDED BY MEMBER WILLIAMS TO: Close further nominations for Budget Committee Presiding Officer.
MOTION CARRIED: 10-0
Member Converse had not arrived at the time of the vote.

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

- Proposed 2019-2020 Budget Document
- Agenda for the May 8, 2019 meeting
- 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. The two tasks for the meeting were noted: 1) to review and approve the SOESD budget, and 2) to establish the SOESD tax rate. Superintendent Beveridge explained the committee's role as the governing body to approve the anticipated budget and authorize expenditure authority. In presenting the budget message, Superintendent Beveridge reviewed the mission of SOESD and the regional advantage achieved through its partnership with local school districts to

provide valuable opportunities for students and families, and to improve teaching, learning, and student achievement. Mr. Beveridge shared that data is reviewed frequently and input is solicited from the region's districts and communities to determine and hone SOESD's array of service offerings.

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

As defined in ORS 334.175, the SOESD Local Service Plan must include the following resolution services:

- Administrative
- Special Education
- School Improvement
- Technology Support

Mr. Beveridge provided a historical recap of changes in the process to develop the 2017-18, 2018-2019 and 2019-2020 Local Service Plans (LSP). SOESD engaged districts in a process to assess priorities and needs, data drove discussions around areas to expand or decrease, and rigorous self-assessment created internal costs savings and efficiencies in service models and program operations. Superintendent Beveridge reviewed restructuring and shifts in core service areas that were made in the 2018-2019 LSP. In 2018-2019, districts made three-year commitments to various service selections; the 2019-2020 LSP is a continuation of the menu model. Because of the multi-year commitments made by districts, the 2019-2020 LSP does not make extensive shifts in those areas when compared to 2018-2019 program offerings.

**Areas of Change:
Program Changes**

Superintendent Beveridge explained the budgetary impact of the 2019-2020 Local Service Plan and areas of program changes.

- **Special Education:** Current service demands and discussions with districts were used to project anticipated needs. Actual service agreements from districts, once finalized, could materially impact the budget.
- **Electronic Services:** SOESD maintained current Electronic Services levels in 2018-19 based on anticipation of expanded contracts beyond those initially committed to by districts, given that multiple districts had pending capital bond and other projects that were expected to result in increased needs for Electronic Services. However, multiple district bonds were not approved. Hence the 2019-20 budget reflects reduction in this area. Current staffing levels correspond with the budgeted amount.
- **English Language Learners:** An increase of approximately \$25,000 to the 2018-19 Budget is reflected in the 2019-20 Budget for potential increased commitments by districts for highly demanded teacher training on effective instructional practices that support ELL students.
- **School Improvement and Technology:** No significant other material budget changes were made in areas of current menu items due to continuation of service plan and multi-year selections by districts.
- **Substitute Services:** Currently, SOESD provides substitute services to districts for licensed staff. An increase of approximately \$200,000 is reflected in the 2019-20 budget for potential increased commitments by districts for highly demanded classified substitute services.
- **Special Education Cost Subsidies:** Following guidance from the 2018-2019 budget committee, SOESD will be phasing out subsidies for Special Education programs. In 2019-2020, SOESD will cover approximately \$125,000 for special

education administrative costs, half the amount funded in the previous year.

- STEPS and STEPS Plus: No budgetary changes are proposed.
- Youth Transition Program (YTP): YTP services will be expanded through increased funding from a Vocational Rehabilitation Services grant. The grant requires one-third of a general fund match in the budget for expansion of the program.
- Attendance Initiative: Funding provided in 2018-19 reflected the funds from the entire 2017-19 biennium, and hence funds budgeted in 2019-20 are expected to be half the amount previously received. However, it is expected that the 1.0 FTE to support the Attendance Initiative will continue as a requirement of the revenue and contract.
- Superintendent Beveridge provided an overview of the Oregon legislative process and the impact pending outcomes may have on the SOESD budget. Programs that may be affected by legislative action include Career Pathways; New Administrator and Teacher Mentoring; Blind and Visually Impaired; Early Intervention/Early Childhood Special Education; Long Term Care and Treatment; Regional Programs; and potential funding to support districts in defined areas outlined in the Student Success Act.
- Grants Pass School District (GPSD) has provided notice of its intent to rejoin the SOESD on July 1, 2019. The budgetary shifts previously in place as an accounting mechanism for the district's previous withdrawal are no longer necessary. On July 1, 2019, all districts will be SOESD members.

**Presentation of
2019-2020
Proposed Budget**

Business Manager Weaver presented the 2019-2020 proposed budget and reviewed the primary revenue sources that make up the major portion of funding.

**2019-2020
Financial Review**

Overview of All Funds

Mr. Weaver explained the major funding sources of the entire budget beyond the general fund requiring the committee's authority to spend.

Federal and State/Other Funds

Federal and state grants and contracts must be tracked separately. All funds were reviewed and explained.

General Fund Program

By state statute, SOESD must spend 90% of revenue received from the State School Fund on resolution services. For fiscal year 2019-2020, 91.2% of the state funding level is allocated into resolution services. Business Manager Weaver reviewed and explained General Fund service changes.

Resolution Programs

Pursuant to ORS 334.175, the 2019-2020 resolution services are:

- Special Education Services
- Technology and Media Services
- School Improvement Services
- Administrative Services/Operations

A breakdown of funding changes in each resolution service area was provided.

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.

Allocation is based on districts' resident average daily membership. 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.

The cost for SOESD's district-provided early retirement obligation is budgeted in Administrative Services/Operations and is not included in the resolution percentage. The early retirement benefits were sunset for classified staff in 2000 and licensed staff in 2001. The projected actuarial contribution requirement continues to decline. The amount budgeted in 2019-20 is a slight reduction from 2018-2019.

Operational/Changes in Cash Position

Compliance with the 90% annual spending statutory requirement makes it hard to build a contingency balance, and Mr. Weaver explained that there is very little room in the cash position.

In conclusion, Business Manager Weaver noted that the budget, as proposed, was based on the March 15, 2019 State School Fund (SSF) estimate from the Oregon Department of Education. The funding level of this estimate was \$8.87 billion.

**Discussion and
Comments from
the Audience**

Presiding Chair Long opened the floor for discussion and comments.

**Budget
Committee Action**

IT WAS MOVED BY MEMBER ALVORD, SECONDED BY MEMBER JENSEN TO:
Approve the proposed 2019-2020 budget in the amount of \$60,931,469.00 and set the rate of .3524 per one thousand dollars of assessed value.
MOTION CARRIED: 11-0

Adjournment

There being no further business to conduct, Presiding Chair Long adjourned the meeting at 7:50 p.m.



Doug McKinley, Chair
Southern Oregon ESD Board of Directors

Scott Beveridge, Superintendent