

**Banks School District
Budget Committee Meeting
May 23, 2022 6:00 PM**

Present:

Budget Committee:

Ron Frame, Kristen Accardi, Leslee Sipp, Corissa Mazurkiewicz, Tom Forest

Absent: Will Moore, Dan Streblow

Call to Order/Flag Salute/Welcome

Ron Frame called the meeting to order at 6:00 PM.

Election of Chair and Vice-Chair

Ron Frame opened nominations for budget committee chair and vice-chair.

Tom Forest volunteered to serve as Chair. There were no other nominations. The vote was unanimous.

Ron Frame nominated Kristen Accardi for Vice Chair. Leslee Sipp seconded. No other nominations. The vote was unanimous.

Approval of Agenda

Chair Tom Forest asked for a motion to approve the proposed agenda. Ron Frame moved to approve the agenda as presented. Leslee Sipp seconded. The vote was unanimous.

Budget Message

Mrs.Pence read the budget message (see attached).

Presentation of Superintendent's Recommended Budget

Joni Spencer, Business Manager, presented the budget. She said there is more detail included in the budget document than in the past. The Budget Committee's responsibility is to receive the budget message; provide for public input, and make recommendations and changes to the proposed budget if determined by the majority of the committee. The approved budget is sent to the school board for adoption. The district cannot spend outside the adopted budget without board approval.

FUNDS:

Five different funds make up the district resources, with 67% of resources being accounted for in the General Fund.

General Fund accounts for the general operations of the district.

Special Projects Fund accounts for Student Body Funds, Food Service, Athletics/Activities and restricted grants. This accounts for 20% of the budget.

Debt Service accounts for the collection of property taxes and other debt (8% of the budget).

Capital Projects Fund accounts for facility expansions (3% of the budget).

Internal Service Fund accounts for the pension bond (2% of the budget).

General Fund

This is the district's primary operating fund. It accounts for all revenues and expenditures as allowed by law. Expenditures include salaries, associated payroll costs, materials and supplies. The expenditures are by major function categories.

Major sources of revenue are State School Fund (51%), local property taxes (26%) and beginning fund balance (16%).

Enrollment: during the Pandemic the district lost 80 students; in 2021-22 there was a continuing decline in enrollment. This is true for most districts in Oregon. It is unknown at this time if the numbers will increase for 2022-23. There is new building going on in the district; and hopefully some home-school students will return next year. Kindergarten classes are historically smaller than the graduating class. Enrollment projection is an inherent risk in the budgeting process.

2021-22 the district made an investment in the students of the district by adding staffing hired to work directly with students. 2 additional FTE teachers were hired at the Middle School, one FTE at the high school and a counselor at the elementary. The hiring of additional teaching staff, along with the reduction in enrollment, has resulted in smaller class sizes in 2021-22.

2022-23 General Fund expenditure additions/increases:

- 1.0FTE Teacher Special Education
- .8125FTE Instructional Assistant Special Education
- NWRESD service costs increase 2.5%
- PACE liability rates increase 11%
- Additional resources spent on maintenance
- Additional increases to expenditures due to inflation

There were savings this year in staffing due to inability to fill all positions budgeted.

This is the second year of the biennium. State School Fund is \$9.3 billion, which is \$9,438 per student.

Unrestricted ending fund balance is projected to be 7.3%. This is a reduction of ending fund balance from 15.9% in 2021-22. There is not enough in the 9.3 billion state school funding to cover roll up costs and increased expenditures. The budgeting of the General Fund is 55% for instruction, 35% for support services and 7% for reserves. This is comparable to other districts.

Special Revenue Fund

Revenue from federal, state, county and local sources legally restricted to expenditures for specified purposes.

Federal Restricted Grants will amount to more than \$1.24 million. This will allow for 1.4FTE certified and 4.56FTE classified staff. ESSER funding is for COVID relief. State Restricted Grants is budgeted at \$1.56 million and includes Outdoor School, Measure 98 High School Success, SIA, Staff retention and recruitment and summer learning. The summer learning grant is budgeted at \$100,000 and will be used for kinder academy and high school strands. The state restricted grant funds allow for 1.0FTE administrative, 8.5FTE certified and 1.63FTE classified staff.

Public Input:

Tony Richeson asked about online opportunities for students and dedicating staff to online learning. Mrs. Spencer said the district has budgeted online schooling programs for interested students.

Mr. Richeson asked about maintenance non-instructional services. Mrs. Spencer said the increased cost is for maintenance contracts for aging equipment, such as AC units and generators. She said as our equipment ages the need for yearly preventative maintenance becomes more important.

Mr. Richeson asked about transfers from the General Fund to other accounts. Mrs. Spencer said that \$350,000 is transferred to Fund 232 athletics and activities for coaching staff and additional costs; \$4,000 transferred to the National School Lunch Program which is a required ODE transfer; \$27,300 to debt service for the energy audit done by McKinstry on the lighting and energy upgrades in the buildings. This debt will end in 2027.

Mr. Richeson asked about the ending fund balance and the difference between unappropriated and unrestricted. Mrs. Spencer said the balance is both unrestricted and unappropriated. It is lumped together into one account.

The question was raised about special projects funds, and what happens if it is not used, for example, the \$35,000 budget for Outdoor School. Mrs. Spencer explained to spend any money for Outdoor School it must be budgeted, whether it is all spent, or not. The district does not receive the money if it is not spent.

Pat Marlia asked about HB4030. Mrs. Spencer said that HB4030 is budgeted so when the decisions are made on how the district wants to spend the money, the money has been appropriated.

Mr. Marlia asked about enrollment and how the numbers are projected. It is based on past history and current information. Historically the senior class is larger than the incoming kindergarten class. The estimate of 1040 is used for budgeting for 2022-23.

Jennifer Hill asked about the projected special education staff addition and new classroom. Mrs. Waite-Larkin said that the district will re-allocate classified staff across the district based on need, and the addition of one new classified staff member is considered adequate. Mrs. Spencer said for special education the functions of 1220 and 1250 have to be considered together to look at staffing. For the new classroom the projected costs are in the maintenance budget. Mrs. Hill expressed concern about the possible hazardous conditions in the high school such as asbestos. Mrs. Spencer said the district is aware of the situation. Mrs. Hill asked about an increase in pay to the Instructional Assistants. Mrs. Spencer said the budget is based on the bargaining agreement, and it would be up to the superintendent to reconsider. Mrs. Hill asked about 1 administrative position budgeted for special education. Mrs. Spencer said the allocation is for a 1.0FTE position it does not mean a specific person.

Mrs. Spencer clarified how funding can be reallocated and the need in certain situations for supplemental budgeting.

Kirsten Accardi asked about technology and the 1 to 1 device ratio. Mrs. Spencer said inventory is kept by the technology dept. The district is replacing equipment as it ages. There is General Fund money and grant money used for technology. Mr. Pence said that 1:1 ratio doesn't appear to be the direction the technology is heading. Mrs. Spencer said the technology committee which was in operation pre-pandemic made recommendations on technology for the district. She said she believes this will be looked at again in the near future. Mr. Frame said the device carts are being utilized in the classrooms.

Mrs. Accardi asked if the maintenance budget is for existing equipment or if there money for new building. Mrs. Spencer said it is for existing equipment, the other consideration would be addressed by a facilities committee. She said there is money budgeted to be spent if needed, but again these recommendations would come through the facilities committee and the superintendent to the board. Mrs. Accardi asked about the educator retention and improvement fund. Mrs. Spencer said the district just found about it and there are no decisions yet on how to spend the money. There are programs that help to recruit teachers, there is professional development that could be utilized. Mrs. Accardi asked about summer learning. Mrs. Spencer said we did not spend all the money last year. This year it will be only high school strands and kindergarten academy. Mrs. Waite-Larkin said there are no staff at the middle school that want to run summer school. She said she thinks this is district-wide. Mrs. Spencer said this is true among other districts. Mrs. Accardi asked if outside companies could be used. Mrs. Spencer said that could be considered. Mrs. Accardi asked about behavior specialists in each building. Mr. Pence said that counselors are in high demand in every district. In 2022-23 the district will be fully staffed in the counseling department. Mrs. Spencer said that districts were strongly advised not to use ESSER money for staffing since it is one time funding. Appreciation was expressed for the work done by Mrs. Spencer on the preparation and presentation of the budget. Tom Forest said he has enjoyed working with Mrs. Spencer over the past years.

Review Next Steps

Tom Forest moved to approve the budget as submitted. Ron Frame seconded. Discussion: There was no discussion. The motion passed unanimously.

The meeting adjourned at 7:33 PM.