

**Banks School District
Budget Committee Meeting
June 2, 2020 6:00 PM
Via Zoom**

Present:

Budget Committee:

Raymond Mott, Ron Frame, Norie Dimeo-Ediger, Dan Streblov, Will Moore, Leslee Sipp, Josh Merritt, Tom Forest

Call to Order/Flag Salute/Welcome

Norie Dimeo-Ediger called the meeting to order at 6:00 PM.

Election of Chair and Vice-Chair

Norie Dimeo-Ediger opened nominations for budget committee chair and vice-chair.

Josh Merritt nominated Tom Forest for Chair. Leslee Sipp seconded.

Leslee Sipp nominated Josh Merritt for Vice Chair. Tom Forest seconded.

No other nominations. The vote was unanimous.

Approval of Agenda

Chair Tom Forest asked for a motion to approve the proposed agenda. Raymond Mott moved to approve the agenda as presented. Josh Merritt seconded. The vote was unanimous.

Budget Message

Mr. Leo read the budget message (see attached).

Presentation of Superintendent's Recommended Budget

Joni Spencer, Business Manager, presented the budget. The district must present the proposed budget, and the Budget Committee recommends the budget, or proposes to revise the budget. There is a second meeting of the Budget Committee planned for June 4 if needed. The School board will hold a hearing on June 22 to hear additional public input and to vote on adoption of the approved budget. The district cannot spend outside the adopted budget without board approval.

FUNDS:

- Five different funds make up the district resources, with 70% of resources being accounted for in the General Fund.
- General Fund accounts for the general operations of the district.
- Special Revenue Fund accounts for Student Body Funds, Food Service, Athletics/Activities and grants.
- Debt Service accounts for bond indebtedness and other debt.
- Capital Projects Fund accounts for capital expenditures.
- Internal Service Fund accounts for the pension bond.

REVENUE:

- 68% of General Fund Revenue comes from the State School Fund.
- Local revenue consists primarily of property taxes.
- Local revenue is projected to have a 3% increase.
- State revenue is expected to increase based on the 2/26/20 estimate from ODE.
- Enrollment is expected to remain flat.

EXPENSES

- Expenses will increase from 2019-20.
- Negotiations increased days to 192 with a cost of \$35,000 for additional day. Step and COLA adds another \$250,000.
- Personnel costs comprise 75% of the General Fund budget.
- The NWRESA costs will increase 12%.
- PACE costs are expected to increase next year by 17%.

Without legislative action for Banks School District there will be an \$833,000 reduction in SSF.

We are anticipating a \$107,000 reduction in Measure 98 funds and \$324,000 reduction in SIA Funding

We should receive approximately \$72,000 funding from federal Cares Act. These funds are for COVID-related expenses such as Chromebooks and sanitation. The funds are not for labor.

The legislature is expected to meet in late June to discuss the state budget under the current pandemic.

Public Input:

Tony Richeson, BEA Co-president, commented fund balance is estimated to be 12.5%. Policy is no less than 5%. He asked what the reasoning is for such a high EFB.

Mrs. Spencer said the ending fund balance will help if the district does receive a major reduction in revenue next year. The EFB allows the district to stabilize services for the following year. Rumor is that the legislature does not want to touch the rainy day fund.

There is also a possibility that the legislature may not hold a special session this summer.

Flat funding is projected for the next biennium, expenses are expected to increase 5% to 6% each year. Tom Forest commented that last year the budget committee was in favor of at least a 10% ending fund balance due to the uncertainty of funding.

Committee Discussion

Mrs. Spencer answered questions from Budget Committee members

- \$14,000 in computer software in Elementary: Curriculum - IReady, wonders reading. Mrs. Spencer said the document compares 19/20 budget to 20/21 budget, but does not show actual expenditures to date for 19/20. She said there has been expenditure above budget in this line item and the 20/21 budget reflects the proposed spending.
- Unemployment will go up in all functions in future years due to our participation in Work Share.
- Insurance waivers could not be budgeted in 19/20 due to changes in the law. Then the law changed, it did happen in 19/20 and so for 20/21 it has returned as a line item in the budget.
- Bussing costs have decreased for 19/20 due to the closure of school.
- The district received additional Speech Language Pathologists services from NWRESA for 19/20 and is in the budget for 20/21.
- Account 2190 administrative salaries includes management of Student Services, TAG, 504 and Sped.
- There has been a change of classification for substitutes. They are now being supplied to the district by an outside agency. They are no longer employees of the district.

- Maintenance costs for repairs was \$55,000 in 19/20 - budget is \$57,500 for 20/21
- Technology services were purchased from NWRESD for 19/20 and will also be purchased for 20/21. District salaries in technology have decreased offsetting the increase in purchased services. Cares funding may also be used in the technology area to provide Chromebooks to every student. A suggestion was made to contact Intel to see if they could assist the district. Tom Forest commented the computer hardware was purchased in a 5 year replacement cycle.
- Tom Forest thanked the district for keeping outdoor school for the students.
- Fund 251 is the Student Investment Account. The budget includes K-2 assistants; 2 middle school teachers, 1½ high school teachers, 1½ counselors and a 1 Dean of Students. The legislature could backfill the State School Fund with SIA funding. There has been no answer given yet from the state on adjusting the SIA application. The district is considering the possibility of an online academy using an ODE virtual platform.
- Other Funds include fundraisers, Buxton fund, Construction Excise Tax fund. At this time there are no plans to spend the Buxton or Construction Excise Tax funds.

Review Next Steps

Josh Merritt moved to approve the budget as submitted. Leslee Sipp seconded.
Discussion: There was no discussion. The motion passed unanimously.

The meeting adjourned at 7:47 PM.