

**BUDGET COMMITTEE MEETING
BEAVERTON SCHOOL DISTRICT 48
BEAVERTON SCHOOL DISTRICT ADMINISTRATION CENTER**

Budget Committee Meeting

April 12, 2011

The Budget Committee of the Beaverton School District conducted a Budget Meeting at the Administration Center on April 12, 2011 at 6:34 p.m.

Board Members Present:

Karen Cunningham
Tom Quillin
Mary VanderWeele
Sarah Smith
LeeAnn Larsen
Jeff Hicks
Lisa Shultz

Budget Committee Members Present:

Brett Baker
Dave Bouchard
Carrie Anderson
Carmin Ruiz
John Burns
Cheri McDevitt
Cameron Irtifa

District Administration Members Present:

Jerome Colonna	Superintendent
Carl Mead	Deputy Superintendent
Ron Porterfield	Deputy Superintendent
Claire Hertz	Chief Financial Officer
Sue Robertson	Chief Human Resource Officer
Steve Langford	Chief Information Officer
Maureen Wheeler	Public Communication Officer
Holly Lekas	Level Administrator
Brenda Lewis	Level Administrator
Barbara Evans	Level Administrator
Vicki Lukich	Level Administrator
Dick Steinbrugge	Executive Administrator for Facilities
Robin Kobrowski	Administrator for Assessment and Curriculum
Jon Bridges	Administrator for Accountability
Andre Schellhaas	Finance Manager
Gayellyn Jacobson	Budget Manager
Jessica Ho	Senior Budget Accountant
Mary Jean Katz	Principal
Shirley Brock	Principal
Ken Yarnell	Principal
Steve Day	Principal
John Metcalf	Classified Staff
Guy Weisenbach	Classified Staff
Terry Nolan	Classified Staff
Ari Cosey	Classified Staff

Welcome and Opening Remarks

Dave Bouchard
Jerry Colonna

Budget Committee Chair Bouchard opened the meeting at 6:34 pm. He welcomed everyone.

Superintendent Colonna commented that he would forgo his opening remarks and will speak during the delivery of the budget message later on in the agenda.

Information Check In

Dave Bouchard

Chair Bouchard asked if there were any observations, comments or questions regarding the information provided in the Budget Committee meeting packet.

Lisa Shultz requested additional information on the Media Specialist reduction. She would like to have what the duties of the Media Specialists are and a plan for making the cuts.

Claire Hertz made a request of Teaching and Learning for additional Media Specialist program information. Carl Mead responded that Teaching and Learning would provide the information needed.

John Burns asked about the input from the community and where it fits into the agenda. He requested a discussion about recognizing the most significant of those comments and how to go about the costing out of those ideas that haven't already been accomplished. Hertz suggested that during the discussion time everyone should be able to get answers to their questions. Cheri McDevitt added that there is another Listening Session scheduled for Thursday, April 21, 2011 that could alter what has been handed out tonight.

Dave Bouchard asked if there were any further questions before moving forward with the agenda.

Lisa Shultz asked on line 16 of the proposed budget reductions whether the three Youth Services positions mentioned were the same as the Intervention Specialists from last year with a reduction from six to three. Hertz verified they were.

Approval of Minutes from February 22, 2011 Workshop, March 15, 2011 Workshop and March 30, 2011 Listening Session

Dave Bouchard

Cameron Irtifa requested a correction to the March 15th meeting minutes. Irtifa stated that his comments regarding Media Specialists, closing smaller schools and mixing options schools were omitted along with Superintendent Colonna's response to those comments. Chair Bouchard responded that the minutes would be corrected and brought back to the committee for approval. Irtifa replied that the minutes are a part of public record and should be submitted complete. Bouchard reminded Irtifa that the recordings of the meetings are on the District Website and that any omission was not done deliberately. Superintendent Colonna also wanted to reassure Irtifa of no willful omission on the District's part.

Brett Baker made a motion to approve the February 22nd Workshop minutes as written. The motion was seconded by Tom Quillin. The motion was unanimously approved.

Brett Baker made a motion to approve the March 30th Listening Session minutes as written. Cheri McDevitt seconded the motion. The motion was unanimously approved.

Proposed Budget and Delivery of Budget Message

Jerry Colonna
Ron Porterfield
Claire Hertz

Superintendent Colonna read comments made in the media about what our district and Oregon as a whole is going through right now. The problem is not the Beaverton School District; the problem is there isn't enough funding to cover expenditures across the state. The state of Oregon has an inadequate system to fund the needs of education. He shared that the State of Washington is also in a state of financial difficulty but nowhere near Oregon. Our state is \$3.5 billion short to fund the current

service level for 2011-12. The Senate just passed a \$5.7 billion funding level for education across the state. Our administration and the administration from other districts are suggesting that budgeting be based on \$5.8 billion level.

The internal budget committee is recommending a higher level of funding for the first year at 49.75% and 50.25% for the second year. This should help us to reinstate some of the cuts made. Our district is looking at a gain of 542 students for 2011-12. The Beaverton School District continues to grow across all grade levels.

The internal budget committee is recommending three modifications to the proposed budget reductions. These items are in response to community and staff input. The modifications are: changes in the custodial restructuring, fewer reductions of Media Specialist positions, and item #19 on the reduction list of 33 Special Education staff.

Superintendent Colonna delivered the Budget Message. Colonna explained the Guiding Principles were foremost in the minds of administrators when making the Budget Reduction recommendations.

Colonna stated that we will be losing approximately 69 positions due to reductions but there will be work for all but about 10 of those. The Classified workforce is being reduced by 2%, Certified by 2% and Administrators by 5%.

Deputy Superintendent Ron Porterfield began with the challenges we face in bringing forward a quality custodial restructuring plan. This plan will allow the District to provide and maintain high quality with cost reduction. The team cleaning model is much more efficient and proven in other districts. Elementary and Middle schools would maintain the same level of service as in the present. The team cleaning model would primarily be allocated to the High Schools during the school year. The team cleaning model would be utilized at all levels during the summer. The cost savings with this new program will enable the District to purchase much needed equipment and provide ongoing training and support of custodial staff.

The suggested modification would limit an individual's maximum salary loss to 8%, and the plan would be phased in over time. People in 260 day contracts would stay in 260 day contracts. As positions are vacated due to attrition, new hires would be contracted at 185 days and a lower rate of compensation.

Claire Hertz began reviewed the high points of the Proposed Budget document.

The Proposed Budget Document includes a 49.5% distribution of state school funding for 2011-12. This would be changed by the recommended adjustment to the custodial restructuring to a 49.75% distribution of funding in the first year of the biennium. Hertz gave an overview of all funds and the increase in the beginning fund balance due to anticipated savings from 2010-11 and an adjustment to the state school fund for 2009-10. State revenue continues to decline in resources. The District has made an attempt to manage the budget in a way that would affect personnel as little as possible, but when you get to this point some form of personnel reduction is necessary to balance the budget. In the variance report, it was shown that salaries were decreased due to a reduction in days of all staff and a reduction in personnel. There is an increase in rates for PERS and Kaiser health insurance. Special programs are decreasing staffing and there is an increase in the cost of fuel for buses.

Hertz shared that the District had the benefit of a proposal from the OSEA financial analyst that suggested spending down some fund balances that are normally left untouched. Hertz reviewed the funds and the rationale for keeping the balances.

Hertz went over the improvements in the budget document this year as it is being submitted for peer review through the Association of School Business Officials. The following items were added to the budget in an effort to improve the information available to the community:

- Organizational chart
- Board member, zones and pictures
- All Fund Summary
- Student Enrollment History
- History of Personnel Resource Allocation
- Three Year Budget Forecast for General Fund
- Tax Levy Information
- Legal limit for debt for General Obligation Bonds
- State Assessment Charts
- Drop-out Rate History
- Satisfaction surveys from parents, students and staff

The next steps in the Budget Process will be:

- April 21st Listening Session at Beaverton High School
- Budget Committee Meeting May 3rd
- Approve Budget May 17th
- Budget Hearing June 7th
- Board Adopts Budget June 7th

John Burns gave feedback on the custodial restructuring plan. He asked about the additional space that has been opened, and the plans on how to clean it. He thought the plan protected 260 day employees, activities are different in the summer, and perhaps this would be a good time to implement team cleaning. Porterfield agreed that team cleaning in the summer is part of the plan. Burns then asked about the difference in the OSEA's analyst's categorical fund balance and PERS UAL fund balance and the District's. Hertz explained the Categorical fund balance was the March 31, 2011 balance and that the PERS UAL fund balance is already budgeted to be spent down in the 2011-12 budget.

Karen Cunningham had a question about the custodial restructuring. She had concerns about the impact on employees, schools and students. Her biggest concern is the employees in contact with students having student safety foremost in their mind. Cunningham is concerned there are people who might choose to retire because of the restructuring. If there are changes to the restructuring, would employees be able to change their minds with the deadlines in place.

Sarah Smith expressed concern the custodial restructuring and the cutting of days would impact the same group of employees twice. She would like more information on the reduction of management part of Terry Graham's proposal and how the evaluation process would go. She has not heard anything within the restructuring process that addresses inspections, training or staff development, or evaluations. Porterfield responded that with the short timeline we are dealing with the most pressing piece was presenting the financial change tonight and more would come forward at the next budget meeting.

Lisa Shultz had requested job descriptions and the proposal focused on the cleaning aspect. Shultz requested more information, and possibly a presentation at a later meeting on the Custodial Foreman job description and how it relates to Board Policy.

Brett Baker asked for clarification regarding the compensation for custodians being reduced by 8%. Porterfield confirmed that the reduction would be no more than 8% and went on to clarify that as attrition occurred the new hires would come on with a 185 contract and a lower rate of pay.

Cameron Irtifa shared his concerns that the restructuring proposal is not an improvement, but just the same jobs being done at a lower rate of pay. He is concerned that there are no new ideas. He suggested a subcommittee made up of different groups to get fresh ideas.

Tom Quillin asked for clarification on the dollar impact cap. Is the dollar impact cap to be understood as a budget line item or for an individual custodian? Porterfield replied that if you looked at the 8% cap it would cost the District an additional \$964K to bring each individual to a maximum loss of salary to an 8% reduction.

Mary VanderWeele asked if the 8% reduction would apply to new custodians as well. Porterfield responded that this was calculated on existing custodians. The new hires would be hired at a lower rate with a fewer number of days. VanderWeele asked if we knew what the reduction would be, referring back to Karen Cunningham's concerns about the safety of students and commitment of employees.

Porterfield replied the District would do its best to bring forward more details for the meeting in early May.

Lisa Shultz asked for clarification about the reduction. Is the job description changing or is it just a reduction in days? Porterfield responded the job description is still changing; a Custodial Foreman will become a Custodian, along with a reduction in days.

Shultz then shared that she wasn't aware of the committee getting an initial proposal of the custodial restructuring. She asked if it was still in the proposal to change job titles and descriptions. Porterfield responded it is still in the plan, but the administration is open to new suggestions and proposals as the District moves forward.

Cheri McDevitt shared that she has seen nothing that would indicate the students would be placed in jeopardy. The District is dedicated to taking the utmost care to hire the best people and hold the students safety in the forefront.

Brett Baker stated that he agreed with McDevitt, and did not need to see job descriptions to move forward and make decisions.

Carrie Anderson asked for clarification about not seeing a previous proposal but we have heard that job titles and assignments will change. There will be an 8% reduction in compensation as well as furlough days. Will the custodians be assigned to the building they are in now or will they be assigned elsewhere?

Colonna shared until attrition is factored out, we can't determine who will be assigned to specific buildings. The desire is to keep custodians assigned to the buildings they are in, but we will not know for sure until June or the end of June.

Anderson had questions regarding the change in current service level in the budget assumptions including budget reductions. Hertz said she would include an overview in the next budget meeting packet of the 2011-12 budget from the current service

level assumption to the proposed budget document.

Anderson then asked for clarification about how many Administrators were being cut. Colonna stated there are six being cut, which equates to 5% of the work force. Three from the school level and three from the central level.

John Burns asked whether the increase for Kaiser health care is for 2011-12 or for two years. Hertz confirmed that the increase is for next year only.

Tom Quillin shared his views on the Budget Committee being versed in the state funding vocabulary and being a part of that dialog. He then voiced his concerns about the federal funding cuts affecting any of our federally funded programs. Colonna stated there is a possibility of a \$5.6 Billion cut from a \$61 Billion federal education budget.

VanderWeele asked whether Administration is aware of what is happening in other districts regarding their ending fund balance. Hertz stated that Forest Grove had a significant drop in enrollment and they have cut days this year, and Salem is at 4%. Hertz will poll large districts around the state and bring information to the next meeting.

Leann Larsen shared whatever custodial plan comes back it would be great to get delineated efficiencies and she would like to see custodians at the table involved in discussions.

Proposed Budget Discussion

Cheri McDevitt

McDevitt shared some comments to lay the ground work for the agenda item. She asked if there was any further clarification needed around the Budget Message.

Tom Quillin requested additional information about federal funding and its impact on our federally funded programs.

Cameron Irtifa voiced his concern about the proposed cuts not being even across the board.

McDevitt shared this input is from building administrators and input from others within the District. Decisions are being made to cut costs across the District. No one specific group is being targeted.

Colonna stated we did address the Media Specialists by moving the funding level and brought positions back in the budget. There are 70.8 positions to be eliminated in all areas. There are a variety of people who will be affected.

Mary VanderWeele stated there is a large amount of data and input. How do we synthesize this data?

Colonna shared the Budget committee has two options: recommend not to move the budget forward and tell the administration what concerns would need to be addressed to have approval, or another approach would be for the committee to make changes at the line item level.

Quillin shared the decision making model is important. This is a forum that we can come and distill those comments and bring them forward to staff.

Burns commented that the Board unanimously passed goals in December. He shared his agreement with Irtifa's previous comments. The list of possible reductions has not been changed. We are committed to the public. We need an efficient way to go through this input and bring back our proposal.

Terry Nolan shared her perception of absorption of pain that is missing from the conversation. As you look at line items it is important to look at the impact to students and it is important that it is understood that if you decide to move a line item ahead of another, how it will affect service somewhere in the District. Workloads have increased over the years and we continue to try to keep the same level of service.

Irtifa commented on our limited resources. Do we need to do something different? In looking at the CAFR it appears that our central office staff has increased and our enrollment has not made a significant increase. His suggestion is to go back and analyze the statistical data from the CAFR and find out why the district is increasing in certain areas. He proposed the creation of a smaller group within this committee. One option is don't approve this until we analyze it by item.

Mary Vanderweele commented on Colonna's suggestion of budget committee representation on the internal budget committee. Her suggestion was to form a small work group to do some work between this meeting and the next because of the time constraints and the amount of information and public initiatives.

Sarah Smith said her focus was the same as VanderWeele's. We need someone to bring this information forward so it can be shared with our community. There is more information that still needs to be discussed and costed out. A small committee would help with that.

Quillin suggested this is the meeting where suggestions are to be brought to the table. He encouraged members to bring their recommendations to the staff now.

Mary VanderWeele made a motion to create a workgroup to synthesize the public data and make suggestions and review initiatives. John Burns seconded the motion.

Shultz said she liked the idea of the workgroup and the part about the CAFR. Part of this group's work is to look into the future and how decisions we make will impact that future.

Baker commented he was not in favor of a subcommittee. His perspective is one of a banker and the budget committee as an oversight committee.

VanderWeele said there was a misunderstanding. Her intention to create a subcommittee was to facilitate the budget committee and to synthesize the data.

Irtifa shared the value of what the district is doing. We have a responsibility to listen and make informed decisions.

Burns stated that the goal of creating the subcommittee is to leverage time and effort and bring it back to the committee.

McDevitt commented in regard to the goal of the committee to take into consideration input from staff and those affected by these recommendations. We cannot accommodate all of the requests being given us. We have done the best we can with the resources given to us. I don't agree with coming up with a subcommittee. If you

have a suggestion to make on the budget, please do so now.

Quillin shared he would not support the motion. There is not much more information needed before we approve a budget.

Bouchard stated he worked in a public utility on the administrative side for many years. What you get with public process is usually opposition with your proposal, you get don't usually hear from the public that support the proposal. It is not safe to assume that what is being heard is the sum of all the public opinion.

Irtifa commented about the difference between the public sector and private sector and how their goals are different. He would like to see more creative thinking when coming up with solutions to the budget issues we face.

Shultz requested clarification of the motion including the Chief Financial Officer and the Chief Communications Officer on the committee.

VanderWeele stated that was her intention.

Quillin raised objections about the proper process of this motion and the creation of the subcommittee.

Burns stated that his experience is that a subcommittee can be created for assistance.

VanderWeele explained her goal was to create the subcommittee for assistance for a limited duration and that it would consist of three committee members and two district members. Vanderweele asked for volunteers to serve on the subcommittee. Irtifa, Burns, and McDevitt volunteered. VanderWeele again stated her motion to create a five person subcommittee to include Hertz and Wheeler.

Shultz shared that this subcommittee must be a part of public meeting law.

Cunningham shared her belief that we do have such a subcommittee. There is a planning meeting that occurs with the Chair and Vice Chair that meets with the administration. There is an agreement on roles and responsibilities and is based on trust.

McDevitt called for a vote on the motion as presented. The motion failed with Baker, Cunningham, Hicks, Larsen, Mc Devitt, Bouchard, Quillin, and Ruiz voting against it.

Quillin shared his suggestions. He received some good ideas from the public input about revenue opportunities like charging for text books and raising fees. He requested clarification about a line item he is unfamiliar with. It was \$3.7million for additional salaries and he would like to know what it is included in the budget.

Anderson stated the need to go over the list again and discuss the items that don't touch the children.

Burns commented on a communication the committee received. The main point of the communication focused on impact. His first point was the impact of cuts. The second point from the public was whether we tried to accomplish too much with the options programs? The third was about busing.

Hicks shared comments from his school and areas of asset management, concern about school plan time issues, collaboration and PLC's, using staff to give teachers

time for staff development, and the Local Option Levy and what it will be used for?

Irtifa commented on his concern about the Local Option Levy and how the funds are going to be used.

Shultz commented that the Option Levy should be an important part of the discussion.

Larson shared that the School Board would be discussing the Local Option Levy at length at the School Board Work Session and invited the members to come and bring their ideas to that meeting.

Ruiz suggested all comments and suggestions be sent to administrators in email format and then present them at the next meeting.

Shultz had a point of information for the committee. In the book of Robert's Rules, page 66 discusses how to create an Adhoc committee.

Burns reviewed his requests of a plan for retiring facilities, buses, secondary school schedule, items DD and EE, staff working 11 months, and would like to see reports projected out two years.

Larsen wanted custodial efficiencies.

Quillin wanted to support Burns comment about the need to focus on future years.

VanderWeele supported Anderson and Hick's comments on the Media Specialists and Larsen's comments on the Custodian's. She requested the impact of the 2.5 reduction of small school specialists, ending fund balance benchmarking, prior initiative effectiveness of programs, increases in personnel reflected in the CAFR and how that is required by law or supports student achievement.

Anderson requested more information on other items in public comment like busing choices, no vacations for administrators or classified, administrators working 11 months, trimet bus passes for High School and Option Schools.

Smith voiced her concern that when ideas are emailed, they don't get discussed publicly. She would like the committee to consider student transportation, Teach for Beaverton, adding testing fees for TAG, consider moving Science and Technology into Health Sciences, build up Capital Center to house additional students instead of spending on buying more land, create a fund for staffing with the BEF, cancel Spring conferences instead of days, and feels it is short sided to cut librarians.

Set Agenda for Next Meeting: April 21st Listening Session and May 3rd Committee Meeting

Dave Bouchard
Gayellyn Jacobson

Gayellyn Jacobson gave a recap of the meeting and shared a compiled list of requests.

- Correct the March 15th minutes and resubmit them for approval
- Bring more information on custodial restructuring plan of all levels in custodial maintenance including supervisors
- Analysis of building up the Capital Center to consolidate programs
- Cancel Spring Conferences
- Custodial job descriptions in relation to Board Policy

- Current service level assumptions from last time compared to the proposed budget
- More information on other items: no vacations for Administrators or Classified, Administrators working eleven months, Trimet passes for high school and options schools
- Other large districts and their ending fund balance policies
- Prior initiatives effectiveness
- Delineate efficiencies in custodial plan
- Federally Funded programs and their impact
- A quick and efficient way to capture the most notable community suggestions with associated costs and then recalculate the budget
- Expanded information on object 0130 (additional pay)
- Long range view of cuts to include two years of budgeting in reporting
- Plan for retiring old facilities
- Secondary school schedule for next year
- Closing options programs and small schools
- Significant increases in the CAFR and how that is required by law or supports student achievement

John Burns requested that Jacobson get the list out to committee tomorrow by email.

Bouchard commented on the next Listening session April 21st at Beaverton High School.

Closing Remarks

Jerry Colonna

Superintendent Colonna commented on how lean our workforce is at the Administration Center. He is concerned about the amount of requests. He suggests the committee focus and pick out their priorities to be addressed. He also shared his concern about the parental and staff backlash the committee would receive if they should decide to close small schools or options programs without any community input. His request for the last four years has been, as a committee you recommend that the school board create a task force at the end of the year and come to the new committee the next year with recommendations. He commented on the District's growing enrollment and asked if the committee knew of any growing district in the state closing schools. Our small schools are starting to add students again and what will you do about boundaries? You are going to make decision that will continue into future years.

Dave Bouchard asked for a motion to adjourn the meeting. Cherie McDevitt made the motion. John Burns seconded the motion. The motion was unanimously approved.

Budget Meeting adjourned at 10:18 p.m.

Dave Bouchard
Budget Committee Chair

Debby Wohlmutter
Recording Secretary