



PARKROSE SCHOOL DISTRICT NO. 3
 10636 N.E. Prescott Street
 Portland OR 97220-2699

Budget Committee Meeting
 District No. 3, Multnomah County, Oregon
 Wednesday, May 4, 2011

MINUTES

<p>THE BUDGET MEETING CONVENED</p>	<p><u>CALL MEETING TO ORDER – ALESIA REESE, BUDGET COMMITTEE CHAIR</u> The District Budget Committee of School District No. 3, Multnomah County, Oregon, convened at the Parkrose School District, Administration Office in the said District, County, and State at the hour of 7:00 p.m. on the date hereinabove shown.</p> <p>The second Budget Committee Meeting of the year was called to order by Budget Committee Chair, Alesia Reese, at 7:00 p.m. Chair Reese welcomed all who were present.</p> <p><u>PRESENT:</u></p> <table border="0"> <tr> <td>James Woods</td> <td>John DiPasquale</td> </tr> <tr> <td>Ed Grassel</td> <td>Ruby Falbo</td> </tr> <tr> <td>Adair Fernee</td> <td>Aimee Horton</td> </tr> <tr> <td>Guy Crawford</td> <td>Emily Lippy</td> </tr> <tr> <td>Alesia Reese</td> <td>Earle DeKay</td> </tr> </table> <p>Others in attendance: Superintendent Karen Fischer Gray, Director of Business Services Mary Larson, District Administrators, Parkrose Faculty Association Representatives, OSEA Representatives, patrons of the district and Budget Committee Secretary Becky Nino.</p> <p>Chair Reese read aloud the public participation at board meetings policy.</p>	James Woods	John DiPasquale	Ed Grassel	Ruby Falbo	Adair Fernee	Aimee Horton	Guy Crawford	Emily Lippy	Alesia Reese	Earle DeKay
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<p>4-27-11 MINUTES APPROVED</p>	<p><u>APPROVE MINUTES OF 4-27-11 – ALESIA REESE</u> Chair Reese called for the motion to approve the minutes from April 27, 2011 budget meeting. Chair Reese moved to approve the minutes and called for discussion. There was no discussion. The motion to approve the minutes passed unanimously.</p>										
<p>PARKROSE SCHOOL DISTRICT INFORMATION</p>	<p><u>QUESTIONS/RESPONSES & DISTRICT INFORMATION – MARY LARSON</u> Director of Business Services & Operations, Mary Larson presented the questions received from the budget committee. Below are the questions and responses presented to the committee.</p> <p>Questions Submitted By: James Woods</p> <p>Q2: Can you show me your actual vs. budgeted from prior years? <i>That information is available in all previous audits.</i></p> <p>Q3: How are we adapting for the 100M released being one year not both? <i>The full amount has been budgeted in 2011-12 and it is a resource to balance the expenditures in the proposed budget.</i></p> <p>Q4: How good are we at allocating things like principal time to transportation and the such? This is a revenue source. <i>Principal costs cannot be used as part of the transportation claim for 70% reimbursement. The following question would be asked by Department of Education. How much of a principal's fte would be eliminated if there was no transportation? If the answer is 0%, then you cannot claim any portion of that employee time to transportation grant expenses.</i></p> <p><i>Another example could be a secretary that supports transportation work 50% of their time and 50% maintenance support work. That would be appropriate to claim .50 fte to transportation grant and .50 fte to maintenance. Parkrose School District has done this in the past.</i></p>										

Q5: Do local property tax collections matter at all except for timing of revenue within the year? *Yes, local property tax collections do matter. If statewide there was an overall decline in property tax collections, it would become a larger amount of state school support. However, state school support is a set amount; school districts would then experience less available revenue.*

Tax collections are extremely important for debt service payments for general obligation bonds. That is the only source of revenue for those payments. If payments are not current, then the burden increases the amount for those that do pay their property taxes (their taxes would increase).

Q6: How did you not use any contingency? Are we over-budgeted in all categories?

That is the only way this makes sense. There is an expectation that administrators/supervisors do not over spend their portion of the budget. There are several ways to mitigate this; not replacing staff when there is an opening, delay purchasing of supplies. Contingency is not a day to day activity. Contingency is used only with Board prior authorization. The Board has appropriated contingency in the past but only for those unplanned or emergency type of expenditures. Staff is expected to anticipate expenses and plan accordingly.

There cannot be deficit spending for any appropriation for any funds.

Q7: Please compare you unappropriated ending fund balance with your forecasts in each year.

	BUDGETED	ACTUAL
2008-09	9,308,755	8,982,248
2009-10	6,158,884	5,636,995
2010-11	3,900,000	3,560,911
2011-12	2,228,749	

Q8: Why is transportation ending fund treated as committed rather than restricted in general? *Transportation Fund has been given a designated under GASB 54 as committed because the Budget Committee has approved a transfer from the general fund to transportation fund in the past. The Board then adopts the budget and only the Board can then change the allocation or transfer amount. The independent audit firm contracted by the board will make the final opinion.*

Q9: How do you cut bus routes when who can be bussed is specified by law? *The amount of stops is not regulated. Combining routes is one area for consideration. The amount of third party vendors used for transportation is another area for efficiency.*

Q10: Is the 20 day reduction vs this year or some base? How many student days in each of the last 5 years? *The 20 day reduction is based upon a full school year and full employment contracts with all Parkrose School District employee groups.*

<u>2006-07</u>	<u>2007-08</u>	<u>2008-09</u>	<u>2009-10</u>	<u>2010-11</u>
0	0	0	1	6 (10 total)

Questions Submitted by Earle DeKay:

Function 1291 ESL

With the same number of FTE for budgeted 2010-11 and proposed 2011-12 is the difference in dollar cost for certified salaries basically attributable to proposed reduction of 20 school days? *Yes. The difference in salaries is due to the 20 day cut.*

Function 2122 Counseling

If generally speaking the proposed reduction of 20 schools days is the reason for the difference between current salary figures and proposed salary figures, why with no change in the FTE figure is there a reduction of \$64,192 in certified salaries and an increase of \$1,284 in the classified salary category under counseling services? *There has*

been some staff changes that can reflect the change. Generally speaking the reduction is taking the 20 days reduction to each employee of the district.

The 20 day cut would reduce compensation for all district staff in salaries due to a loss of being paid for those days. We have to bargain for these days.

Questions Submitted by Adair Fernee:

1) Are any of the \$250,000 funds held in contingency needed for cash flow? Do we use any of those funds to pay current operating expenses and then replace those funds? Where I'm going is that if they are not needed for liquidity, perhaps we use them now to pick up a couple of days of school. If the contingency is reduced, then there is less ability for any emergency use. The contingency has rolled over each year with unappropriated ending fund balance to become a revenue resource as the beginning fund balance for the next year.

Cash flow is important for those months prior to property tax payments. School districts receive a double payment in August to help with cash flow.

2) At the next meeting can we please have a refresher on the \$579,570 ending fund balance. \$250,000 of this is the contingency above and I know we went through it, but I'd like everyone to see what the remaining \$329,570 is since we need to look closely at any unused money the district is holding. Yes.

3) As to cutting days...what is the daily cost of transportation for the district? Would there be any cost savings in taking the cut days in half day segments so that buses would no longer be needed for the 1/2 days at the elementary schools? This would result in 40 cut 1/2 days as opposed to 20 days and would effectively put the elementary schools on a 4 day school week. From a parent stand point, this may be a better scheduling option than days cut here and there. There are 37 weeks of school scheduled for 2011-12. Transportation will continue to transport students on Wednesdays for middle school and high school. High school has a different schedule than K-8. Special needs students attending other programs will attend their schools regardless of the Parkrose School District school calendar.

**DAILY COST FOR TRANSPORTATION
2009-10**

TOTAL COST	DAYS/YEAR	COST PER DAY
ALL FUNCTIONS	188	\$5,376.29
REGULAR HOME TO SCHOOL	188	\$3,065.72
<i>40 DAYS X \$3,065.72 = \$122,628.80</i>		

Last year, we originally cut 10 days. We got 4 of these back. If I remember correctly, 2 were exchanged for snow days. Can you remind me where the funding to buy back the other 2 came from? For the current 2010-11 fiscal year, 10 days were cut from the certified and administrative work year. Of the 10 days cut, 4 days were holidays. That left 6 instructional days. We had 2 snow days which were exchanged as the furlough days instead of April 22nd and April 25th which were the last two designated days.

We did not buy back any days for certified or administrative.

Questions Submitted by Jerry Landreth:

1. How much money would be saved by switching to 1/2 day kindergarten? How many FTE would that represent? The reduction would be 6.0 FTE. The average Parkrose teacher cost is \$84,000. That would be a total reduction of \$504,000. However, under contract language the

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	<p><i>bumping order is by seniority. The savings would be less.</i></p> <p>2. How much money was spent on administrative and board travel and professional dues last year? Is this an area we could contain this next year?</p> <table border="0" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 40%;"></th> <th style="width: 20%; text-align: center;"><i>ADMINISTRATIVE</i></th> <th style="width: 20%; text-align: center;"><i>BOARD</i></th> <th style="width: 20%; text-align: center;"><i>CERTIFIED</i></th> </tr> </thead> <tbody> <tr> <td><i>Professional Dues</i></td> <td style="text-align: right;">\$13,230</td> <td style="text-align: right;">\$9,950</td> <td></td> </tr> <tr> <td><i>Professional Development</i></td> <td style="text-align: right;">\$15,696</td> <td></td> <td style="text-align: right;">\$127,864</td> </tr> <tr> <td><i>Travel</i></td> <td style="text-align: right;">\$7,951</td> <td style="text-align: right;">\$2,410</td> <td></td> </tr> <tr> <td><i>Dues/Fees</i></td> <td style="text-align: right;">\$7,628</td> <td></td> <td></td> </tr> <tr> <td>TOTAL</td> <td style="text-align: right;">\$44,505</td> <td style="text-align: right;">\$12,360</td> <td style="text-align: right;">\$127,864</td> </tr> <tr> <td>FTE</td> <td style="text-align: center;">24</td> <td style="text-align: center;">5</td> <td style="text-align: center;">191</td> </tr> <tr> <td>COST PER PERSON</td> <td style="text-align: right;">\$1,855</td> <td style="text-align: right;">\$2,472</td> <td style="text-align: right;">\$669</td> </tr> <tr> <td>WITHOUT OSBA DUES</td> <td></td> <td style="text-align: right;">\$482</td> <td></td> </tr> </tbody> </table>		<i>ADMINISTRATIVE</i>	<i>BOARD</i>	<i>CERTIFIED</i>	<i>Professional Dues</i>	\$13,230	\$9,950		<i>Professional Development</i>	\$15,696		\$127,864	<i>Travel</i>	\$7,951	\$2,410		<i>Dues/Fees</i>	\$7,628			TOTAL	\$44,505	\$12,360	\$127,864	FTE	24	5	191	COST PER PERSON	\$1,855	\$2,472	\$669	WITHOUT OSBA DUES		\$482	
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<p>BUDGET COMMITTEE DISCUSSION</p>	<p><u>BUDGET COMMITTEE DISCUSSION – ALESIA REESE</u></p> <p>Chair Reese asked for budget committee discussion. Each member of the budget committee made a statement about the budget. Below are budget committee member comments:</p> <p>Ed Grassel: considering situation not staff fault, concern about blame, done best with possible resources that we have, satisfied with budget, talk to legislature & governor, contact legislative representatives</p> <p>Ruby Falbo: reviewed information & funds, satisfied with what's been done</p> <p>Guy Crawford: 4th budget cycle, significantly smaller revenue and looking at reductions next year, increasingly desperate, given & given, best we can do</p> <p>Earle DeKay: not thrilled about prospect of losing teachers & days, no indication of increased revenue anytime soon, out of necessity will go with this budget but not happy</p> <p>James Woods: spending down ending fund balance over years, uncomfortable about days or class size options, unsure about cut days, we owe students the best possible budget, teachers are generalists, need specialists, one size fits all approach, reading coaches perhaps will work better</p> <p>John DiPasquale: faced with tough choices, options are more limited, unclear as to what is best choice, class size or days, appropriate budget considering revenues, next year no better less of a challenge perhaps, options to consider</p> <p>Adair Fernee: can't image 20 days cut and providing students the best education we can, not going to happen, not happy about losing teachers or days</p> <p>Aimee Horton: no more money left to find at this point, let legislature know, a lot of work done on the budget but is it the best we can do for kids, best with what we have now</p> <p>Emily Lippy: agrees with Aimee, best we can with what state dealt us, must have a balanced budget</p> <p>Chair Reese stated that it was time to move forward on the agenda.</p>																																				
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<p>PFA COMMENTS</p>	<p>Parkrose Faculty Association President, Jerry Landreth made a statement to the committee on the following topics:</p> <ul style="list-style-type: none"> • Red shirts worn by PFA Staff, welcomed OSEA members, stand united • Listed the names of certified staff who will be reduced from the budget along with various program cuts • Previous requests to sell buildings, spend down reserves, to save jobs • Frustrated and angry • Presumptuous to have budget approval on the agenda • Suggested retirement incentives, returning to ½ day kindergarten, reducing instructional coaches • Administration not carrying the burden • Suggested ½ time administrators, said all cuts to Certified and Classified staff • Encouraged a NO vote on the budget
<p>OSEA COMMENTS</p>	<p><u>PARKROSE CLASSIFIED ASSOCIATION COMMENTS</u> Oregon School Employees Association President, Rebecca Smillie made a statement to the committee regarding the budget reductions and the negative impact it will have on staff and students. Below is a summary of her comments:</p> <ul style="list-style-type: none"> • Acknowledge revenue crisis is school funding • Growth in administrative positions • Deep & ugly cuts should be fair and equitable among groups • Reductions would jeopardize quality of programs for students • Hard decisions for the committee • Prior to making decision on budget, come to schools & work along a classified staff member • Prepared to work with district on the difficult choices ahead <p>Ms. Smillie introduced OSEA State President, Bonnie Luisi who made a statement to the committee. Ms Luisi gave a brief statement to the committee regarding her experience throughout the state with budget reductions and provided some examples of what she has seen done in other districts.</p>
<p>AUDIENCE TIME/PUBLIC COMMENTS</p>	<p><u>AUDIENCE TIME/CITIZEN COMMENTS – ALESIA REESE</u> <u>Karen Loh:</u> Ms Loh voiced her concern about the reductions to classified staff members who work with students with disabilities. Voicing her concern for a free and appropriate education for all students. She questioned if that may be at risk and wondered if IDEA violations may be a result of the cuts. She continued by stating the serious consequences of reducing the one to one educational assistants. She wanted everyone to think about pride through performance.</p> <p><u>Wanda Raschke:</u> Ms Raschke, Educational Assistant, Parkrose Middle School, commented that the proposed cuts to Classified staff would result in a non living wage. She stated that it is very hard to be working to do their best when their own needs are not being met. Students need the best we can do. We are losing more that we are gaining. Respect and caring focus of staff. Ms Raschke stated that Classified Staff are not the leaves of a tree that blow away in the wind but are the roots that keep it standing.</p> <p><u>Julie Archuleta Poirier:</u> Ms Poirier is a parent, who voiced her concern about full inclusion of students and how the district will provide services with the reductions to staff members. She encouraged site visits to schools and listed things that classified staff do for students. She provided the committee with examples involving her experiences.</p> <p><u>Beau Iwersen:</u> Mr. Iwersen, Kindergarten/1st Grade Teacher, Sacramento School, asked the</p>

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committee to focus on kids. He stated his concern that Title I funds should be allocated for kids. He encouraged the committee to take additional time before voting on the budget to find why money is not being spent on kids. He encouraged those in attendance to submit questions to him.

Sue Landreth: Ms Landreth, 3rd Grade Teacher, Russell Academy, said that she was speaking tonight in support of educational assistants. She stated that teachers could not do their work without the help of educational assistants. She listed a number of duties that classified staff do such as; reading, intervention help, writing, assessments, recess and the relationships built with students. She voiced her concern on the loss of benefits to Classified staff and the loss to the district if they are forced to find work elsewhere. She encouraged the committee not to approve the budget tonight and to come see what Classified Staff are doing everyday in the buildings.

MaryLu Baetkey: Ms Baetkey, patron of the district, stated that she is concerned about what she is hearing tonight. She reminded the committee that kids come first and encouraged the committee not to vote on the budget tonight. She stated that there is a limited pot of money available that should be divided up with students in mind. She questioned why there are four Principals at the high school and whether Title money should be spent differently. Ms Baetkey stated that this budget is not benefiting kids, employees or the community.

Karmin Williams: Ms Williams, Teacher, Parkrose High School, voiced her concerns about the cuts to staff at the high school. Stating that the staff cuts and reductions to the elective choices for students are putting the possibility of college at risk for many students. Many students that she comes in contact with are the first in their families to have the chance to go to college. She said that she does not want that possibility jeopardized. Ms Williams stated that Parkrose Alumni are outraged at the cuts. College readiness will be gone if we move forward with the proposed reductions. She questioned the rationale and planning done for the budget. She asked that the budget be solved another way by cutting the extras, and said that it's not comfortable but needs to be done.

BUDGET COMMITTEE APPROVES 2011-2012 BUDGET

APPROVE BUDGET ALL FUNDS 2011-2012
 Chair Reese read the Resolution to Approve the 2011-12 Budget as follows:

BE IT THEREFORE RESOLVED that the Budget Committee of the Parkrose School District #3, Multnomah County, State of Oregon, hereby approves the 2011-2012 budget in the aggregate amount of \$111,092,265 as follows:

	<u>General Education</u>	<u>Excluded From Limitation</u>
Permanent Rate	\$4.8906	
Bonded Debt		\$2,960,024

Chair Reese moved to approve the resolution approving the budget for 2011-12. The vote was 6 to 4 to approve as follows: Ed Grassel (YES), Ruby Falbo (YES), Guy Crawford (YES), Early DeKay (YES), James Woods (NO), John DiPasquale (YES), Adair Fernee (NO), Aimee Horton (NO), Emily Lippy (NO), Alesia Reese (YES).

Each Budget Committee member voiced their concerns about the lack of funding in the 2011-12 Budget along with their dismay regarding cutting staff, hours, and days. Below are committee member comments:

Ed Grassel: sympathetic to all in the room, has helped in classrooms, knows the work being done, budget process is very complex and thoughtfully done, a lot of consideration, asked tough questions, programs equal people, 86% budget is people, obligation to students, navigate through dilemma, missing days are never made up, feeling stuck in the middle, in business world there is some control but not so with school funding, understands personal

BUDGET COMMITTEE STATEMENTS

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	<p>loss of staff, voice opinion to legislature, can only control expenditures at this point</p> <p>Ruby Falbo: 20 days is a lot of days, effect on education, gone over budget closely, nothing else to cut</p> <p>Guy Crawford: personal issues same as Ed, cut in pay & no benefits, invested in district, fellow board members & administrators struggle to find the best options for students, extremely painful choices</p> <p>Earle DeKay: been around awhile, first time budget's been at this point, very little problem with budgets in past, education required was different years ago, educators have changed over the years, don't like cutting, kids don't get back days and they need all they can get, if there is any other revenue source which has not been alluded to or checked out that would benefit district, he'd like to hear it.</p> <p>James Woods: convinced it's wrong to cut days, larger class sizes, more days are his preference, people sacrificed most are kids, incorrect to cut days</p> <p>John DiPasquale: serious responsibility to be on the budget committee, administrators of the district are top quality and have accomplished much with the funds available, problem with revenue is that we're in an extraordinary point in history, won't claim to have depth of knowledge about class size but stands behind those making the decisions</p> <p>Adair Fernee: have no better answers, referenced Ed's statement about contacting legislators</p> <p>Aimee Horton: balancing revenues and expenditures is difficult, 20 days an issue but how would it change, look at budget more</p> <p>Emily Lippy: confident that many have done the best they could, sickening situation, 20 days is risky</p> <p>Alesia Reese: cuts are difficult, black & white, need to balance a budget, it's going to get tougher</p>
<p>MEETING SUMMARY</p>	<p><u>SUMMARY OF MEETING – ALESIA REESE</u> This agenda item was taken out of order, prior to the vote on the proposed budget.</p> <p>Chair Reese thanked everyone for their attendance. She commented that these conversations were going on all over the state. It is not just a Parkrose issue. She stated that she understands the passionate positions heard tonight. After drawing down reserves, damage control, options are more and more limited. This budget demonstrates the best we can do today but she is not happy with it.</p>
<p>FUTURE MEETINGS</p>	<p><u>ANNOUNCE FUTURE MEETINGS – ALESIA REESE</u> a> Budget Committee Chair announced the following meetings:</p> <ul style="list-style-type: none"> ● Budget Hearing, Monday, May 23, 2011, Parkrose District Office, 6:30 p.m. ● Board Meeting, Monday, May 23, 2011, Parkrose District Office, 6:30 p.m., immediately following Budget Hearing
<p>ADJOURNMENT</p>	<p><u>ADJOURNMENT</u> Budget Committee Chair Reese adjourned the meeting at 8:50 p.m.</p>