

NEAH-KAH-NIE SCHOOL DISTRICT NO. 56

Regular Board Meeting 6:00 PM

April 25, 2022

New DO Board Room, and Virtual

504 N. Third Ave.

Rockaway Beach, OR 97136

BUDGET COMMITTEE MEMBERS

Rena Scalabrin

Landon Myers, absent

Kari Fleisher

Mike Wantland

Sandra Tyrer

Michele Aeder, virtually

Carol Mahoney

Kristen Coyle

Lisa Hooley, virtually

JoDee Ridderbusch, absent

Damian Laviolette

Tamara Mautner, virtually

Heidi Luquette

Angelica Saucedo

OFFICIAL MINUTES

CALL TO ORDER

Sandy Tyrer, Chairman called to order the Budget Committee Meeting at 6:02 p.m. Ms. Tyrer welcomed staff and patrons of the district. All present stood for the flag salute.

REVIEW ROLES AND RESPONSIBILITIES OF BUDGET COMMITTEE, Mark Sybouts

Mr. Sybouts presented the roles and responsibilities of the budget committee.

- Who is on the committee –equal number of board members and members of the community
- Election of Presiding officer
- Quorum is required – minimum of 6 members
- Hears the budget message
- Discuss the budget
- Receive public comment
- Approve the budget
- Levy the tax

ELECTION OF PRESIDING OFFICER, Sandy Tyrer

Ms. Tyrer called for nomination of the presiding officer. Ms. Aeder nominated Carol Mahoney as the presiding officer; Ms. Mahoney declined the nomination and nominated Ms. Tyrer as the presiding officer. At Ms. Sellars request Ms. Tyrer did a roll call vote for those who are attending the meeting virtually. All those online and in person voted in favor of Ms. Tyrer as the presiding office.

DESIGNATION OF SECRETARY

Ms. Tyrer designated Ms. Sellars as the secretary.

BUDGET MESSAGE, Paul Erlebach

Mr. Erlebach delivered the budget message, which is attached to these minutes. He reviewed revenue, budget increases/decreases, Student Investment Act (SIA) funds, Preschool Promise, Measure 98 grant, Career Technical grant, ESSER funds, Superintendent's Budget Summary Statement, and the Capital Improvement Plan. Mr. Erlebach asked if there were any questions from the budget committee. Mr. Laviolette asked if the ending fund balance is decreasing due to a decrease in state timber revenue or district projects. Mr. Sybouts stated that it is about fifty percent of each. Mr. Laviolette also stated that it seems that the district receives most of the revenue from property tax and it seems that the district views this as a negative, rather than a positive. Mr. Erlebach stated that it a big positive. Mr. Laviolette also asked to have the budget revision explained to him. Mr. Sybouts stated that the budget committee has the ability to make revisions to the budget document which requires a majority vote by the committee.

BUDGET DOCUMENT OVERVIEW, Mark Sybouts

Mr. Sybouts reviewed the budget document. Total revenue is going down by about \$1.1 million dollars. The proposed budget for all funds is \$35,952,090. He then reviewed the general fund and the other various funds. Noting various

changes in staffing and fund allocations.

Nehalem Elementary School

Ms. Fleisher asked about library books and where those are budgeted. Mr. Sybouts stated that for the elementary schools library books are paid for out of the Ann Parks Estate funds. Mr. Sybouts stated that there is just under \$20,000 for each building left in that fund.

He went on to Nehalem Elementary School. Mr. Sybouts stated that the teaching staff is going down by .5 FTE. Ms. Scalabrin asked about the reduction of the two elementary teachers. Mr. Erlebach stated that the board agreed to reduce two teachers to afford the increases the district was looking at. Ms. Luquette stated that she noticed that in the elementary schools there was a budget for TAG, but not at the middle school. Ms. Dilbeck stated that they do have a TAG program, but it is incorporated in the regular classroom and is funded out of the office of the principal.

Middle School

The FTE at the middle school has increased due to the addition of a full-time Art teacher. The Basic Skills program is also being increased due to the fact that we have an increase in students in that program.

He noted the budget for library books at the middle school.

High School

Mr. Erlebach shared some attendance data at the high school. Ms. Buckmaster stated that the high school enrollment is 240 this year and will go up to the 276 next year.

We do have a reduction in licensed salaries in extracurricular due to the addition of the assistant principal/athletic director has been moved to the office of the principal. Mr. Laviolette stated that the assistant principal/athletic director was a new position. Mr. Erlebach stated that we had an assistant and then we eliminated that position and now we are bringing it back.

Mr. Sybouts also stated that the second counselor at the high school is not reflected in the high school budget, but is reflected under the state and local grants as well as the middle school and high school family resource coordinator.

District Office

Mr. Sybouts mentioned the additions at the district office, such as the addition of a secretary that is split three ways (business office, office of the superintendent and special education secretary) and the addition of the sub-finding service. He explained that we pay twenty-six percent of the substitute cost, but we also pay for services up front and then receive a refund for the amount of services that we do not use.

Ms. Hooley asked why the decision was made to go with a sub-finding service? Mr. Sybouts shared the following considerations when the decision was made..

- Length of commitment from previous sub caller
- Greater substitute pool
- PERS costs – ESS does not have to pay PERS costs, so that is a savings to the district. Mr. Sybouts stated that he had to do a cost analysis to present to the Board, and it did save the district money.

There has been a reduction in custodial costs at the district office due to moving the preschool out to the buildings.

Ms. Hooley asked about the \$1 million housing project. Ms. Tyrer stated that it would fall under the Budget Committee Review and Discussion.

Federal Projects

Mr. Sybouts reviewed the Federal Projects funds which include ESSER, Title funds, IDEA, Remediation which is part of the ESSER grant, and Youth Transition.

State and Local Grants

The SIA and Measure 98 grants are reflected here. Funds for textbook adoptions, PreK programs and Summer Enrichment are shown here as well.

Building Maintenance

Mr. Sybouts stated that there is a combination of funds covering the renovation of the Construction Trades classroom and this is where \$130,000 is coming from.

Maintenance Fund

We are transferring in \$400,000 again this year.

Food Service Program

For the last two years, the amount we have received in federal fund to cover costs have increased, most everyone has been receiving free meals during the pandemic, but next year that goes away. Parents will need to qualify for free or reduced meals again starting in the fall of 2022.

Buildings and Facilities

Mr. Sybouts stated that this is the account where the excess cost for the HVAC system and the duplex costs are reflected in this fund.

Ms. Scalabrin asked about the bond issue being paid off in 2025, does that mean that we would no longer have that \$1.4 million dollars in the budget. Mr. Sybouts stated that is correct.

BUDGET COMMITTEE REVIEW AND DISCUSSION, Budget Committee

Mr. Erlebach responded to Ms. Hooley's question about the Duplex plan. He shared that the District would like to build a duplex on the largest of the three lots that the District owns. The idea came about due to the difficulty for new employees to obtain housing and as an incentive to encourage new teachers to come to the district. The original bid that we received was over \$1.6 million dollars. His recommendation to the board was to reject the original bid, but wait and see where we are with our finances before a decision is made. Last year we had an employee live in a camper for over six months. One of the main concerns of prospective employees in affordable housing. Ms. Hooley asked if the district was going to draw up a rental agreement, and how would the district handle an employee who does not pay their rent. Mr. Erlebach shared that he visited Jewell School District who has been doing this for a long time, it has worked out very well for them. Mr. Erlebach shared that the need is obviously there, not just for the school district but also for Tillamook County.

Ms. Hooley stated that she noticed that the contracts for licensed and classified bargained groups expire in July, Mr. Erlebach stated that we are in negotiations with both groups. We have met with licensed staff three times and classified once. She also mentioned the ending fund balance, which is going from \$12,000,000 to just around \$8,000,000. She asked if we have any sense for what timber will do. Mr. Sybouts shared that it is more difficult to get information from State Forestry we have received all time high timber revenue payments recently, but there is a downward trend, but not a deep downward trend. Mr. Erlebach stated that the district still plans for a 75 percent property tax revenue and 25 percent timber revenue. Mr. Erlebach stated that the Habitat Conservation Plan (HCP) and the Forest Management Plan could have an impact on the district.

Mr. Laviolette stated that with regard to the housing, he does not want anyone to misunderstand that he does support the teachers, and would like to see a survey of parents before those dollars are spent. He suggested using the funds to pay a stipend to teacher to help with rent. Mr. Erlebach stated that you could also look at it as an investment. The district does already own the property. Mr. Wantland stated that he does not see how a duplex could cost \$1.6 million dollars. If we have a better solution to solve this problem, he would like to hear it. We have to have something to draw people here. Ms. Fleisher wanted to bring the conversation back to the role of the budget committee. The board has not made a decision, they are just looking at going out for bid, they haven't accepted any money and no money has been spent except for design work. The purpose of the budget committee is to authorize that expenditure and assign a dollar

amount to that figure. It is not its decision to take the board responsibility of approving or denying a project. It is allowing the spending of funding. Ms. Aeder appreciated what Ms. Fleisher had to say. She had a conversation with a retired teacher from the district who was selling her house, she listed it for \$299,000. She had an open house and received a full cash offer of \$335,000. Ms. Aeder stated that she has heard this story over and over again. She sees the need for housing and supports the district's intentions and does not see a need for another survey. She stated that the Board is elected to make these decisions and believes that there is a level of trust in the communities.

Mr. Laviolette asked what the process is for removing an item from the budget if he does not agree. Should he make a motion to remove it. Mr. Sybouts explained the agenda, and asked that he wait until after the public hearing to allow members of the public time to comment. Mr. Sybouts shared that the budget committee will have another opportunity to discuss items within the budget. Mr. Laviolette also asked about the total projected costs for 22-23 for the HVAC system. Mr. Erlebach shared that the initial estimate is approximately \$2,000,000 for the high school. Then the district would go out for bid to see what the cost would actually be. The elementary schools are in the Capital Improvement Plan, but that would be in the future and the board would have to approve a project like that.

Tamara asked if there have been any further discussions about the additional costs associated with renting and managing a rental property. Mr. Erlebach stated that the district is going to manage and handle the maintenance of the property, and the rental rate would be the market rate. He also stated that the building would be for staff, not just teachers. The district does not have to pay property taxes as long as it is rented to a district employee. We will have a better estimate when the bids come back the end of May. Discussion occurred.

Mr. Erlebach explained that Mr. Sybouts can go over a timeline. Mr. Sybouts stated that we have to approve a budget and the board has the authority to not approve the project, it is easier to reduce the budget rather than increase the budget. Ms. Tyrer stated that for right now this is a placeholder until we know what the project will actually cost.

Ms. Luquette stated that if the bids come in higher than the board is comfortable with, the money remains in the general fund and increases the ending fund balance. She applauded the district for being forward thinking with regard to workforce housing.

Ms. Mahoney stated that anyone who has ever had any work done on their home knows that while you have a bid the work usually comes in higher than expected. She stated that she is okay with leaving the \$1 million in the budget and if the bids come in higher than that, the board will have a decision to make. Ms. Scalabrin agreed, it is up to the board to do their due diligence.

Ms. Mahoney also asked about the full-time Art teacher at the middle school. Mr. Erlebach stated that the middle school has changed their schedule. Before they only had electives at the end of the day and now they are going to have electives all day. Ms. Mahoney also asked about reducing the teaching staff at the elementary schools and how that is affecting classified staff. Mr. Erlebach shared that classified staffing has gone up due to moving the preschool to the buildings; the preschools do have two instructional assistants. Class sizes are going to be around 20 students. Have the elementary schools lost classified staff time and do they have enough classified staff to cover all the movements that go on in the buildings with the addition of the preschool classrooms? Ms. Mahoney asked if that was something that we can look at. Mr. Erlebach asked the elementary principals to address classified staff needs. Ms. Woika stated that she is thankful to have extra custodial time, and she feels she has enough classified staff, but they would keep an eye on class sizes. Ms. Nugent shared that having the two IAs in the preschool is great, but she is struggling to cover all the activities that go on during the day. The two custodians has been awesome. Losing a teacher next year, her class sizes will be around 20.6. Ms. Mahoney asked if there is any way that we can increase classified staff. Mr. Erlebach stated that we will need to watch class sizes.

Mr. Erlebach asked the elementary to report out on the investment of the play structure. Ms. Woika stated that the play structures have been amazing through the pandemic and now that they are in person. Ms. Nugent agreed with everything Ms. Woika stated. Ms. Scalabrin stated that having a space for children to go play has been a benefit for our communities.

Ms. Coyle asked about the difference in the beginning fund balance from what was budgeted. Mr. Sybouts shared that it was due to less operating contingency. She stated that it would be helpful to have a glossary with the budget so that the budget committee would know what all the abbreviations mean and how long they are expected to last. Mr. Erlebach stated that several years ago the public voted 5-6 years ago to support \$800 per students for career technical education. Then 3-4 years ago, the public voted in the corporate tax, which supports the SIA funds. ESSER grants are COVID grants and need to be spent by 2023.

Mr. Wantland asked about the Construction Trades grant, the grant is specifically for that classroom, the Board also approve \$300,000 to complete that renovation project. The only space we have for home economics and is not included in that grant. He also mention that he is concerned about families having to go back to the application process, he feels that we also need more support in special needs classroom. Mr. Wantland is also concerned about the amount of time that the Athletic Director is going to have to work with the athletics and the fact that we are moving up a league.

Ms. Scalabrin asked about the class sizes, what would we need to do if those numbers go up. Mr. Sybouts stated that it could be a transfer from operating contingency by way of a resolution. Mr. Erlebach stated that he would keep the board informed.

OPEN PUBLIC HEARING FOR PUBLIC COMMENT

Ms. Tyrer opened the public hearing at 9:00 p.m. to hear comments from the public. Hearing no comments from the public hearing was closed at 9:01 p.m.

ADDITIONAL BUDGET COMMITTEE DISCUSSION, Budget Committee

Mr. Laviolette asked if this is now the time for him to recommend the removal of the \$1 million for the housing and the \$2,000,000 for the HVAC

M-Laviolette/2nd Wantland to remove the \$1,000,000 for staff housing from the budget. Discussion – Ms. Hooley asked about the additional date of May 16th on the budget calendar, is that a place holder in case the budget committee feels they need another meeting. Mr. Sybouts stated that is was, but if the budget committee waited that long he would have two days to publish the financial summary notice that needs to be published for the June board meeting public hearing. Ms. Tyrer called for a roll call vote: No – Saucedo, Tyrer, Coyle, Wantland, Luquette, Fleisher, Scalabrin, Mahoney, Aeder, Mautner, Hooley; Yes – Laviolette. The motion failed.

M-Laviolette/2nd Wantland to remove the \$2,000,000 for the HVAC project from the 2022-2023 budget. Discussion - Ms. Coyle asked if that project is not funded by the ESSER grant. Mr. Erlebach stated that \$1.6 million dollars of the \$2 million dollars is funded by the ESSER grant; the district would have to pay the additional \$400,000. Ms. Aeder asked that if we do not approve the HVAC project are we then going to go through the winter with windows open again. Ms. Coyle asked if we do not do the HVAC project, what are the constraints for using that money? Mr. Erlebach stated that the use of these funds it is pretty defined, and must be approved by ODE. Mr. Laviolette stated that we need a group to look at how these funds can be used and encouraged the budget committee to research what the ESSER funds can be used for. Mr. Erlebach read how ESSER funds can be used. Discussion continued.

Roll call vote: No – Mahoney, Scalabrin, Fleisher, Luquette, Coyle, Tyrer, Wantland, Hooley, Mautner, Aeder; Yes – Laviolette, Wantland, Saucedo. Motion failed.

APPROVE CHANGES TO THE BUDGET

There were no changes recommended to the budget document except that the dates over the last three columns are wrong on pages 94 and 102 they have the wrong years. Mr. Sybouts stated that those dates will be corrected before the budget document is adopted.

CLOSURE

M-Tyrer/Mahoney to approve the proposed budget, establish the maximum tax levy rate/amount at \$4.5002/\$1,000 of assessed valuation for the General Fund, and to establish the maximum Debt Service Fund tax levy amount of \$1,257,973. Roll call vote: Yes – Mahoney, Scalabrin, Fleisher, Luquette, Wantland, Coyle, Tyrer, Saucedo, Mautner, Hooley, Aeder; No – Laviolette. Motion carried by a majority of the budget committee.

ADJOURN

Hearing nothing more to come before the budget committee the meeting adjourned at 9:41 p.m.

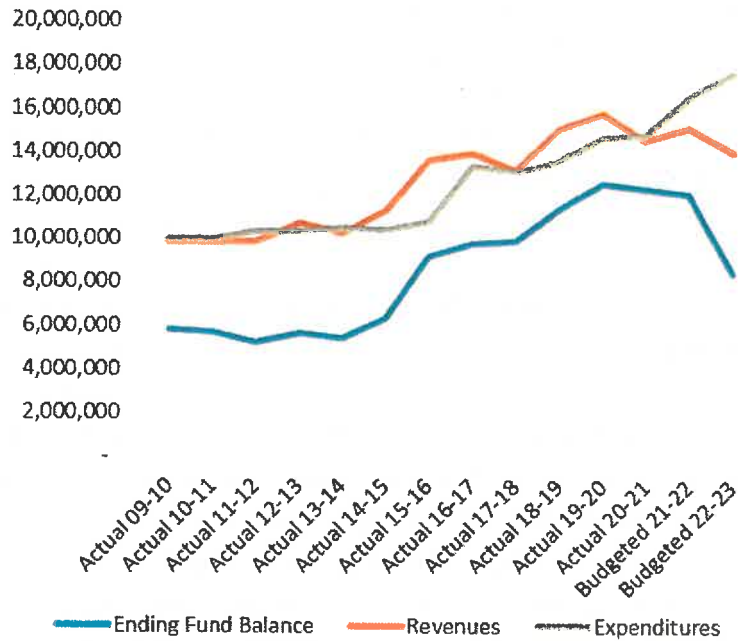
Budget Message

The 2021-22 school year was a “transition year” from online instruction to in person instruction. As safety protocols were reduced, school services (transportation, instruction, food service, etc.) returned to pre-COVID levels. The school district’s North Star continues to be, “Provide equitable and inclusive access to full time, in-person learning for every student, every school day.” There were many celebrations this year including moving the half-day preschool at the district office to full-day preschools at Garibaldi Grade School and Nehalem Elementary. The NKN Student Health & Wellness Center opened and now serves PK-12 students. A \$125,000 Career Technical Education (CTE) Grant will augment the school district’s \$300,000 investment to renovate the high school construction trades classroom. A Response to Instruction & Intervention teacher was hired at the middle school. A Family Resource Coordinator now serves middle and high school parents. A district Hispanic Family Resource Coordinator position is advertised. An instructional technology coach was hired to assist teachers with technology needs. Next year, each elementary school will have full time physical education teachers. Art education was added to the middle school curriculum along with a drama class at the high school. This summer, the high school stage will be completely renovated for drama classes, speech &

debate competitions, band & choir performances, etc. School nurse services increased from half time to full time. Custodial hours were increased. The school district used ESSER funds for the coordination of preparedness and response efforts to prevent, prepare for, and respond to the coronavirus. ESSER funds are anticipated to be invested in an HVAC system at the high school. These are examples of how the school district invested in students, staff, and facilities, this year.

Projected General Fund revenues (property taxes and state timber) for 2021-22 are estimated to be about the same as expenditures. The projected forecast for 2022-23 indicates the ending fund balance **trends downward** due to a decrease in state timber revenue, an increase in property taxes, and increase in major projects.

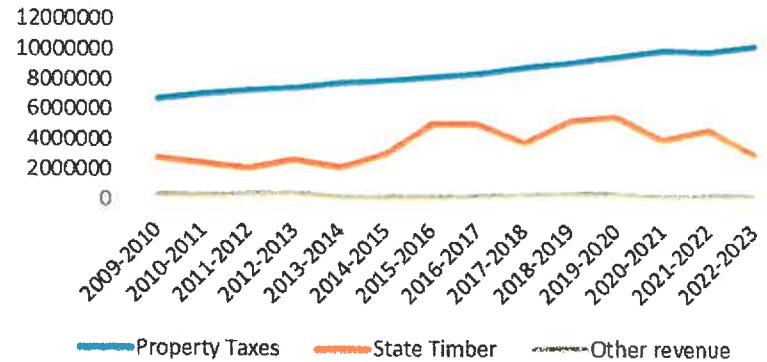
General Fund



General Fund Revenues

The chart below shows the trend of General Fund revenues by major categories. Property taxes are increasing; however due to the current economic situation, this estimated amount may not be received in the year the tax is levied. State timber revenue is estimated to decrease in 2022-23, and is subject to the economic impact of the current economy.

General Fund revenues



General Fund Budget Increases for 2022-23	
Cost-of-Living Adjustment (COLA)	292,606
Salary step increases (classified and licensed)	167,476
Payroll benefit costs (FICA, PERS, & workers compensation) based on above increases	153,587
Insurance benefits increases anticipated due to contract negotiation completion	55,465
1 FTE elementary PE teacher	135,972
1 FTE school nurse *	89,120
1 FTE high school associate principal	198,498
1 FTE middle school art teacher	120,960
2.19 FTE district-wide custodial staff	139,419
Transfer to Building & Facilities Fund	600,000
Total	<u>1,953,103</u>

General Fund Decreases from 2021-22 Budget	
Contracted school nurse service *	35,000
2 FTE elementary school teacher	256,603
1 FTE district grounds/maintenance	81,048
Transfer to Maintenance Fund	350,000
Total	<u>722,651</u>

Student Success Act/Student Investment Account

The original estimate for the Student Investment Account Grant was \$713,000. The district received \$658,491 in 2021-2022. The district will receive \$686,170 in 2022-2023. These funds will pay for the following employee costs:

MS & HS Counselors, Hispanic Family Resource Coordinator/ELD instructional assistant, Preschool teacher and instructional assistants, Response to Instruction & Intervention coach middle school, and MS/HS Family Resource Coordinator

Preschool Promise

The school district will continue to receive Preschool Promise Grant funds.

Measure 98 (Career Technical Education) Grant

This year, Measure 98 provided \$260,464 in grant funding. Next year, the amount will be similar.

Career Technical Education (CTE) Grant

\$125,000 renovation of high school construction trades classroom.

Federal CARES Act

Comprehensive Distance Learning \$131K

ESSER I \$188K Technology

ESSER II \$693K HVAC

ESSER III \$1,557K HVAC/allowable activities

Superintendent’s Budget Summary Statement

Neah-Kah-Nie School District is one of a select few school districts in Oregon that does not receive State Basic School Support funding. Neah-Kah-Nie School District receives approximately 76% of its funding from property taxes and 24% from Tillamook State Forest timber revenue. The school district receives more in property taxes and State timber revenue than it would from State Basic School Support.

This year, the assessed value for property taxes is anticipated to increase from \$2.366B to \$2.437B. The property tax collection rate is expected to be 93%. In 2022-2023, the District estimates it will receive \$10M in current property tax revenue and \$250,000 in prior year property tax revenue.

Budgeted state timber revenue is projected to decrease from \$4,821,835 to \$3,275,037 in 2022-23. The overall revenue forecast from property taxes and timber revenue is expected to decrease from \$15,205,790 to \$14,105,520, in 2022-23. State timber revenue is estimated to decrease in 2022-23. It is important to stress that timber revenue is always uncertain. The District can only forecast projected timber revenue with available information; frequently, this information changes. As property taxes increase and state timber revenue fluctuates, expenditures continue to increase.

We do not anticipate receiving any portion of the Linn County state timber lawsuit settlement in 2022-23 or in the near future.

The ending fund balance has decreased. The June 30, 2021 fund balance was \$12,342,742 and is projected to be approximately \$12,000,000 by June 30, 2022. This fund balance pays for all district operations from July 1 to November 15. This fund balance indicates projected revenues and expenditures to be about the same amount for 2021-22. This fund balance is what allows for a \$1,400,000 transfer to the Capital Projects – Building/Facilities Fund. This fund, along with the Capital Projects/Construction Excise Tax Fund, Federal ESSER Grants and State Small High School Grant, provides the resources to fund the Capital Improvement Plan.

technology & robotics, dual credit, after school tutoring, absentee prevention, etc.

The good news is the district is able to maintain, and in some cases enhance, current staffing levels and programs.

Average class sizes at the elementary level will continue to be below state averages. All schools have full time counselors, Family Resource Coordinators, physical education teachers, and music programs. High School class sizes will be at current levels. High school students continue to have a strong offering of core classes (math, science, English Language Arts, social studies) in addition to art, music, band, choir, Spanish, business, building trades, small engine repair, welding, STEM, Robotics, and physical education. Middle and high school students have a wide variety of after school activities with an activity bus available.

The NKN Student Health & Wellness Center is available for all students and staff. Once again, school district administrators are creating plans to access state funds dedicated to K-12 summer academic support programs, enrichment activities, and childcare grants.

The school district's bond issue will be paid off June, 2025. In 2015, Standard and Poor's gave the district bonds a AA-/Stable rating. The *Long Term Rating* is AA+/Stable.

Due to the school district being financially responsible with property tax and state timber revenues and being

fiscally conservative with expenditures, this budget meets the budget goals set by the Board:

- 1) Preserve small class sizes pre-kindergarten to 5th grade.
- 2) Ending fund balance not to go below \$7,204,000.
(Based on November CPI-W US City All Items 7.6%.)
- 3) Maintain a high level of professional development.
- 4) Retain current programs.
- 5) Commitment to replacement cycle transfer costs:
 - a. Technology \$150,000
 - b. Maintenance \$400,000
 - c. Vehicle replacement \$ 25,000
 - d. Furniture replacement \$ 12,000
 - e. Textbook adoption \$100,000
- 6) Continued commitment to Capital Improvement Plan.
 - a) One time transfer to Capital Projects Fund \$400,000 (HVAC high school)
 - b) Employee duplex estimated cost \$1,000,000 (2000 square feet x 500 = \$1,000,000)
- 7) Maintain adequate staffing for district goals.
- 8) Be current with textbook adoption cycle.
- 9) Faithful implementation of the school district's Continuous Improvement Plan.

Respectfully submitted,



Paul Erlebach, Superintendent
Neah-Kah-Nie School District

The Capital Improvement Plan's anticipated projects for 2022-23 include:

- \$2,000,000 estimate of building ventilation projects at the high school (funded by \$1.6M ESSER Grants and General Fund transfer).
- \$1,000,000 duplex for staff recruiting due to housing shortage.
- \$300,000 for High School Construction Trades renovation and upgrades.
- \$70,000 Nehalem Elementary intercom replacement.
- \$150,000 high school stage renovation
- Other district-wide prioritized improvements identified in the Capital Improvement Plan.

Student Pre-K-12 enrollment is 744. Last year's March enrollment was 717. During the pandemic, many parents enrolled in online programs or homeschooled their children, according to survey results, many of these students will return to school in the fall.

The licensed and classified contracts expire July 1, 2022.

The 2021-2022 table of maximum district paid insurance contributions is the following:

Tier	Amount
Full Family	\$2,424.65
Employee/Spouse	\$1,720.69
Employee/Child	\$1,486.08
Employee only	\$ 782.15

The District must closely monitor insurance costs and review policies and procedures around health insurance in order to meet the requirements of the unpredictable federal health care law. Oregon Legislature limits insurance cost increases each year to 3.4%.

The District's Public Employee Retirement System (PERS) current rate for Tier I & Tier II staff is 26.83% for Tier I & Tier II staff and 23.72% for Oregon Public Service Retirement Plan (OPSRP).

Next year, the school district will receive approximately \$260,464 in Measure 98 funds. The total amount the district will receive depends on State Legislature funding. M98 funds must be used for teacher collaboration, systems to ensure students graduate on time, chronic absenteeism, community partnerships, equity, and dropout prevention. A plan was developed to comply with these requirements. Components of the plan include: .5 funding for 1 FTE high school building trades/welding teacher, expansion of high/middle