

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

Budget Committee Meeting

May 3, 2011

The Budget Committee of the Beaverton School District conducted a Budget Meeting at the Administration Center on May 3, 2011 at 6:32 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
Craig Irwin	Treasury Specialist
Josh Fritts	Director of Special Education
Mary Jean Katz	Principal
Shirley Brock	Principal
Ken Yarnell	Principal
Steve Day	Principal
John Metcalf	Classified Staff
Guy Weisenbach	Classified Staff
Terry Nolan	Certified Staff
Ari Cosey	Certified Staff
Pete Lukich	Athletic Director

Visitors: 155

Media: 2

Welcome and Opening Remarks

Dave Bouchard
Jerry Colonna

Budget Committee Chair Dave Bouchard opened the meeting at 6:32 pm and welcomed everyone.

Superintendent Jerry Colonna opened by noting past and present budget years have taken a toll on our schools, staff and parents but there is reason to have hope that the spring season brings renewal. State economists are cautiously optimistic about the May forecast. Superintendent Colonna noted that the economic forecast will be on May 12 which is five days before the last scheduled budget committee meeting. Superintendent Colonna also made reference to the updated custodial restructure plan which was outlined by Deputy Superintendent Ron Porterfield. Porterfield commented that the four key changes to the custodial restructure plan were:

- A maximum salary impact of 8% for any individual employee
- All established and probationary employees will remain at 260 day contracts
- The higher paying Custodian II positions will be day shift
- Employees may request particular worksite locations and the District will do whatever they can to accommodate these requests

Superintendent Colonna ended his opening remarks by pointing out the next opportunity for public participation would be at the School Board meeting on May 9.

Information Check In

Dave Bouchard

Chair Bouchard noted the corrections to the reduction list and the changes have impacted the amount to be reduced. Claire Hertz reviewed all of the items that have been updated on the reduction lists and were marked with an asterisk..

Chair Bouchard made reference to the long list of information requests from the end of the last meeting and the survey that was sent out to gather consensus on the top three items from the list. Chair Bouchard asked for comments or questions about the information request items. None were presented.

Approval of Minutes from March 15, 2011 Workshop, as revised, April 12, 2011 Meeting, and April 21, 2011 Listening Session

Dave Bouchard

Brett Baker made a motion to approve the March 15th Workshop minutes as corrected. The motion was seconded by Cameron Irtifa. The motion was unanimously approved.

Baker made a motion to approve the April 12th Meeting minutes as written. The motion was seconded by Cheri McDevitt. The motion was unanimously approved.

Lisa Shultz noted that the listening session documents submitted by Shultz and Maureen Wheeler were not properly labeled and requested their names be added to the document. Baker made a motion to approve the April 21st Listening Session minutes with the noted correction. Sarah Smith seconded the motion. The motion was unanimously approved.

Budget Proposals

Dave Bouchard

Chair Bouchard assured the committee all discussion items were still on the table and available for discussion at this point. Bouchard noted the proposals submitted by committee members were sent out by email and each member who made a proposal will have an opportunity to present their proposals and answer specific clarifying questions. Bouchard commented after the committee hears all the proposals, they would go around the table for each member to have an opportunity to make comments. Bouchard noted the committee was looking for commonalities during this process and the hope was to come out of the meeting with information to include in the approved budget for the May 17 Budget Committee meeting.

The proposals brought forward and discussed were submitted by Carmin Ruiz, Carrie Anderson, Mary VanderWeele, Smith, Ari Cosey, John Burns, Baker, and Irtifa.

Karen Cunningham asked Ruiz to clarify whether her proposal was to add Pre-K programs that are tuition-based or to charge for existing Kindergarten programs? Ruiz responded the proposal was for Pre-K programs. Terry Nolan noted the proposal only shows three furlough days and wondered if this should really be four furlough days. Ruiz responded yes, it should be four days.

LeeAnn Larsen asked Anderson if her proposal included dollar amounts and where the proposal stood if the committee was to go with Anderson's proposal. Anderson responded that she did not have dollar amount information for each item.

Tom Quillin inquired of VanderWeele whether her proposal was supporting both the salary adjustment and the step adjustment. VanderWeele responded no, her proposal only supports reduction of the salary adjustment. Burns asked to clarify if the proposal was still looking at furlough days as well. VanderWeele responded yes.

Burns asked Baker to clarify if his proposal was for both halves of the media specialists or only one half since the media specialists are currently in the reduction list as two separate line items. Baker responded that this was the second half since the first half is already reinstated at the \$5.8 billion funding level.

Baker requested Irtifa to clarify in his proposal that the administration has grown at a faster rate proportionally than other areas as the population has grown? Irtifa responded that in comparing 2001-02 to 2011-12, the central office administration has increased in the wrong direction. Baker inquired about Chalkboard and how Beaverton compared to other districts. Superintendent Colonna responded the information is on the District's website and Beaverton is substantially lower than other districts for central office administration. Burns pointed out that Chalkboard and the CAFR are not comparable exactly, as Chalkboard counts people and the CAFR uses FTE. Cunningham requested Hertz address this point. Hertz made reference to the updated document from page 118 of the CAFR and the narrative that was emailed explaining the variances. Data reflects school administration has increased and not central office administration. Irtifa noted the Nutrition Services' FTE from 2001-02 to 2011-12 has stayed constant which means we are serving more students with the same FTE and wondered why we can't do this across the board. Larsen suggested the athletic reductions be removed from the reduction list due to the amount identified in reductions at the \$5.75 billion funding is more than is needed with the budget reduction target numbers provided this evening.

Chair Bouchard continued discussion by asking all budget committee members including ad hoc members make comments on proposals and specifically indicate

what items should be restored and how to offset the costs of the items to be restored. Bouchard began the discussion by stating he would like to restore Item 12 - Athletics and Item 16 - Media Specialists. His offsets were one additional furlough day and salary adjustments. If more offset was needed, then consider the step increase.

McDevitt asked to restore item 17 - Small School Specialists and item 12 - Athletics. She does not support targeting specific sports but does support increasing fees by \$5. McDevitt does not support adding back World Language at the middle school level, and does support furlough days and COLA freeze for all employee groups. She also noted the school administration support item on the CAFR should be reviewed as a potential place to make reductions.

Quillin asked to restore line 17 - Small School Specialists and line 12 - Athletics. He is concerned that cutting small school specialists could be especially harmful to Title I schools and would like to see if we can reduce the impact of line 12 by raising fees instead of cutting programs. Quillin expressed his concern about the tendency to recommend cutting more days.

Ruiz suggested restoring line 12 - Athletics and line 18 - Maintain Current Class Size. She does support the COLA freeze, step freeze and transportation to option schools as offsets.

Smith asked to add back line 12 - Athletics, line 16 - Media Specialists, and line 18 - Maintain Current Class Size. Smith supports adding \$5 to fees for athletics, adding back full-time media specialists to elementary schools, but only half-time media specialists at middle and high schools. She included in the offset list: transportation to option schools, eliminating TAG testing, a half year to full year COLA freeze, sharing administration at small schools, furlough days at winter break and closing some schools during summer months.

Ken Yarnell supports the original list as brought forward by Administration.

Jeff Hicks asked to add back line 17 - Small School Specialists, line 12 - Athletics and the to remove the Custodial Restructuring Plan. Hicks supports raising athletic fees and keeping the custodial structure as it is currently. He would like to avoid cutting more days, supports negotiating COLA and delaying the step adjustment.

Steve Day supports the original list as brought forward by Administration.

VanderWeele asked to add back line 12 - Athletics, line 16 - Media Specialists, line 17 - Small School Specialists, and line 18 - Maintain Current Class Size. She supports several items on Burns' proposal. For offsets to the add backs, CAFR trends should be considered, as well as reducing bus routes, consolidating middle and high school schedules, and changing administrators to 11 month schedules. VanderWeele does not support custodial restructuring.

Anderson supports adding back line 12 - Athletics, line 14 - Four Furlough Days, line 17 - Small School Specialists, and line 18 - Maintain Current Class Size. Her offsets were the COLA freeze, no vacations for classified or administrators, or administrators working 11 months. She also noted that places to look for additional reductions are cell phone and travel stipends and areas on the CAFR page 118.

Shirley Brock supports the original list as brought forward by Administration and the custodial restructuring changes.

Nolan supports the original list as brought forward by Administration even though the furlough days and class ratios are hard areas to support. She does not support the step or COLA adjustments because then everyone is working more for less. Cosey supports the tuition-based Pre-K program and restoring line 17 - Small School Specialists.

Mary Jean Katz supports the original list as brought forward by Administration, but if there is any extra money, she supports restoring line 17 - Small School Specialists.

Burns asked to restore line 12 - Athletics, line 14 - Four Furlough Days, line 16 - Media Specialists, line 17 - Small School Specialists, and line 18 - Maintain Current Class Size. He supports adding \$5 to athletic fees to help offset and a COLA freeze instead of furlough days. The rest of the balancing is in his proposal.

Larsen asked to restore line 12 - Athletics and line 18 - Maintain Current Class Size. She supports looking at the COLA and keeping class-size where it is. She is concerned about line 19 - Special Education staff and wonders if this will be a Maintenance of Effort issue.

John Metcalfe supports adding back line 16 - Media Specialists and line 17 - Small School Specialists. His offsets would be additional furlough days or COLA freeze.

Baker generally supports the proposal as brought forward by Administration, because he trusts the Administration. However, based on public testimony he would add back line 12 - Athletics, line 16 - Media Specialists, and line 17 - Small School Specialists. Baker is not really supportive of cutting more days. He also commented that the committee should be mindful of the people who did not come to give testimony.

Cunningham does not support cutting any particular sport and believes that it is a management decision on how that happens. She suggested a temporary suspension of extended pay for coaches should their teams make it to the playoffs. She also voiced concern about the COLA freeze as it is not sustainable.

Guy Weisenbach supports the original list as presented by Administration.

Irtifa asked to restore line 16 - Media Specials and line 17 - Small School Specialists. He suggested protecting small school specialists by consolidating administration at those schools.

Shultz supports adding back line 12 - Athletics, line 16 - Media Specialists, line 17 - Small School Specialists, and line 18 - Maintain Current Class Size. Shultz does not support cutting individual sports or the custodial restructure. Potential offsets include sharing administrators at small schools, furlough days, and considering the COLA and step freeze.

The Committee took a break while Chair Bouchard, Vice Chair McDevitt, Superintendent Colonna, and Hertz compiled the comments by common areas.

McDevitt brought forward the items the committee had a lot of support to add back into the budget:

- Line 12 - Athletics
- Line 16 - Media Specialists
- Line 17 - Small School Specialists

- Line 18 - Maintain Current Class Size

The committee suggested the following as possible offsets to the add backs to the budget:

- COLA Freeze
- Additional Furlough Days

McDevitt noted another option was to move from the 49.75%/50.25% split to a 50%/50% split, which would add \$750,000 to the budget.

McDevitt identified a second list of add backs that had some support from the committee:

- Keeping Custodial Structure as it is currently
- Consolidating small school administration
- Considering reviewing page 118 of the CAFR for personnel cuts

McDevitt asked the committee if there were additional items that should be on the lists.

Day commented there were several people who supported the proposal as it was originally brought forward by Administration and this should be included on one of the lists. McDevitt responded that it should be added to the first list by the number of members who supported it. Irtifa noted Burns' proposal had several members who supported it and it should also be listed. McDevitt responded that it will be added to the second list add backs with some support.

McDevitt asked if anyone had strong arguments about anything on these lists. Shultz inquired whether we are looking at cuts versus add backs separately. McDevitt responded yes, at this point we just need some common ground so we are looking for feedback.

Katz brought forward a concern about special education and the allocation ratio of one resource room teacher for every 50 students with the loss of special education aides is not possible. Hertz called upon Josh Fritts to discuss the impact of the loss of general and federal funds supporting the special education budget.

Burns commented on the support of proposed budget as presented and that there were issues with efficiencies.

Smith commented she has no support for putting small school specialists back into the budget. Cunningham agreed.

Irtifa asked if the committee could look at consolidating small school administration in order to keep the small school specialists. McDevitt responded that it was on the list to be discussed.

Quillin commented about the work of media specialists being highly aligned with the strategic plan and was also thinking about Burns' comment about efficiencies. Larsen supported this view as well and noted the committee needs to prioritize. Smith commented that she would like to look at elementary media specialists and middle and high school media specialists separately. Burns requested clarification between the 25.5 positions on the reduction list and the 33 elementary schools. Hertz

responded media specialists are allocated and may be converted to another position as it is decided by the building administrator. Smith and Cunningham stated they were adverse to the add back of media specialists.

Quillin stated he is adverse to cutting class sizes. VanderWeele commented that increasing class sizes penalizes students. McDevitt noted the District has a 1% holdback so adjustments can be made in the fall. Superintendent Colonna clarified the 1% holdback equates to approximately 15.7 positions. Cunningham stated she is adverse to adding back positions to maintain class size at the cost of teachers losing salary adjustments.

McDevitt led the committee in voting on the items on the list. Votes for add backs were as follows:

ADD BACKS	YES	NO	ABSTAINED	
Line 12 - Athletics	13	1	0	Quillin voted NO
Line 16 - Media Specialists	9	5	0	Quillin, McDevitt, Hicks, Larsen, Cunningham voted NO
Line 17 - Small School Specialists	8	6	0	Quillin, Ruiz, Smith, Hicks, Larsen, Cunningham voted NO
Line 18 - Maintain Current Class Size	6	8	0	Burns, VanderWeele, Anderson, Shultz, Ruiz, Larsen voted YES
Proposed Budgets as Presented by Administration	3	11	0	Quillin, Baker, Cunningham voted YES

Cunningham commented on the consolidation of administration at small schools noting that it had been done before and did not work out well. She commented she was uneasy about the custodial restructure plan and would like more work on the proposal. Smith supported the custodial restructuring.

McDevitt asked for those who supported a review of the CAFR page 118 to bring forward specific lines to look for reductions. VanderWeele responded the instructional staff support and school administration lines should be reviewed.

The proposal by Burns was tabled. It was agreed a meeting with Hertz, Burns and Anderson would be scheduled to review the reconciliation of Current Service Level and the Proposed Budget.

Superintendent Colonna suggested the committee work on voting on the non-negotiable items first, then the items that would need to be negotiated.

McDevitt continued the voting for possible offsets to the add backs:

OFFSET	YES	NO	ABSTAINED	
Keep Custodial Structure As Is	6	8	0	Shultz, Irtifa, Burns,

Currently				VanderWeele, Anderson, Hicks voted YES
Support for 50%/50% Split - Approximately \$750,000	14	0	0	Unanimous for YES
Consolidate Small School Administration	3	10	1	Burnes, Irtifa, Shultz voted YES and VanderWeele Abstained
Consider Reductions from CAFR Page 118 (instructional staff support, school administration, and certified/support)	5	8	1	Shultz, Irtifa, Burns, VanderWeele, Anderson voted YES and Ruiz abstained
COLA Freeze for All Employees	12	2	0	Baker, Cunningham voted NO
Additional Furlough Days	3	10	1	Shultz, Cunningham, Smith voted YES and Irtifa abstained
Reduction of Extended Contracts for Playoffs	12	1	1	Larsen voted NO and Irtifa abstained

Quillin proposed making the increase for athletic fees to \$70 as a \$5 increase would only bring in approximately \$20,000. Ruiz inquired where we fall with other districts. Superintendent Colonna called upon Athletic Director Pete Lukich. Lukich responded the District is in the middle of the road on fees. The District built in a 20% scholarship rate last year when the fees were raised. If we moved the fees up by an additional \$70, we would have to move the scholarship rate up to about 30%.

OFFSET	YES	NO	ABSTAINED	
Increase Athletic Fees by \$70	0	14	0	Unanimous for NO

McDevitt made a motion to eliminate ~~line 12~~—Athletics from the reductions list, ~~line 16~~—eliminate the Small School Specialists from the reductions list and restore Media Specialists based on committee support, and ~~line 17~~—Small School Specialists from the reduction list and to offset those decreases to budget reductions, we will pay for those by using the 50%/50% split by changing the percentage by year in the biennium, we will negotiating with employee groups for some level of salary COLA adjustment, and also implement the to reduce reduction of extended contracts for coaches playoffs. Irtifa seconded the motion.

Motion was opened for discussion. Baker inquired how the salary adjustment negotiation would occur. Superintendent Colonna responded the District cannot force the associations into doing anything that's in the contract. District Administration would meet with employee associations and discuss a willingness to do this. Irtifa wondered if we could go back to the CAFR item. Hertz responded that negotiations

would probably take longer than the budget process and if it can't be done within the timeline, Administration would continue the work to balance the budget. Bouchard commented that the budget is just a financial plan. Superintendent Colonna reminded the committee that last year's budget was out of balance and was left up to Administration to balance.

The vote on the Motion by McDevitt passed with 9 Yes, and 5 No (Bouchard, Quillin, Hicks, Baker, Cunningham).

Chair Bouchard noted the motion passed and that District staff should bring forward a budget under these assumptions for the May 17th meeting.

Set Agenda for Next Meeting: May 17th Meeting

Dave Bouchard

Chair Bouchard noted for the next meeting, District staff would bring forward a budget under the assumptions of the motion made by McDevitt. Also, there would be an extended discussion on special education at the next meeting.

Closing Remarks

Jerry Colonna

Superintendent Colonna decided to forego his closing remarks.

Chair Bouchard moved to adjourn the meeting. Cheri McDevitt seconded the motion. The motion was unanimously approved.

Budget Meeting adjourned at 11:10 p.m.

Dave Bouchard
Budget Committee Chair

Jessica Ho
Senior Budget Accountant
(Substitute Recording Secretary)