



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

Budget Committee Meeting
District No. 3, Multnomah County, Oregon
Wednesday, April 23, 2014

M I N U T E S

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 6:30 p.m. on the date hereinabove shown.

1. Call to Order – Budget Committee Meeting – 6:30 p.m.

School Board Chair Ed Grassel called the Budget Committee Meeting to order at 6:30 p.m. and welcomed everyone in attendance.

Members present were: MaryLu Baetkey, James Trujillo, Thuy Tran, Ed Grassel, Erick Flores, Ashley Parks, Chris Ebert, Dave Carter, Katie Larsell and John DiPasquale.

Others in attendance: Superintendent Dr. Karen Fischer Gray, Director of Business Services Mary Larson, District Administrators, District Accountant Scotti Erickson and Budget Committee Secretary Becky Nino.

2. Welcome and Introductions – Dr. Karen Fischer Gray

Superintendent Gray welcomed everyone. Self-introductions were made.

3. Election of Budget Committee Officers

A. Elect Chair

School Board Chair Ed Grassel called for nominations for the position of Chair of the Budget Committee for 2013-2014.

Grassel/Trujillo nominated Thuy Tran and Baetkey/Flores nominated Dave Carter to Chair the Budget Committee. A vote was held. Thuy Tran was elected to Chair the 2013-2014 Budget Committee in accordance with ORS 294.423. The vote was 7-3 in favor of Thuy Tran.

B. Elect Vice Chair

Budget Committee Chair Thuy Tran called for nominations for the position of Vice Chair of the Budget Committee for 2013-2014.

Baetkey/Trujillo nominated Dave Carter for Vice Chair of the Budget Committee for 2013-2014 in accordance with ORS 294.423. There were no other nominations. By a unanimous vote, Dave Carter was elected Vice Chair of the Budget Committee.

C. Appoint Secretary

The committee unanimously recognized the appointment of Becky Nino as Secretary of the Budget Committee.

Chair Tran stated that the Board strives to be good stewards and reaches out to community members throughout the year looking for feedback regarding district matters. She commented that the Board is legally bound to meet federal, state and local mandates. The Board's priority is to bring back a full school year and maintain programs with high leverage and impact for students such as Advancement Via Individual Determination (AVID) and full day kindergarten. She thanked Superintendent Gray and staff for their preparation of the budget.

Chair Tran turned the meeting over to Superintendent, Dr. Karen Fischer Gray.

4. **Budget Message – Superintendent, Dr. Karen Fischer Gray**

In accordance with ORS 294.403, Superintendent Gray presented the 2014-2015 Budget Message. Below is a summary:

- Parkrose Vision Statement – “All students read and think critically at high levels, graduating college and career ready”.
- State School Funding
- Expected Revenues 2014-15
- Expected Expenditures 2014-15
- Cornerstones of Success
 - Budgeted for a full school year
 - Focus Schools
 - AVID Advancement Via Individual Determination K-12
 - Equity and Access to Opportunities for all kids
 - Increasing the Graduation Rate and Access to Dual College Credit
 - Full Day Kindergarten

In her concluding remarks Superintendent Gray extended a special thanks to the Parkrose Community members who have volunteered to serve on the Budget Committee. She stated that the proposed 2014-15 budget presented is balanced and reflects the educational goals and objectives of the school district in hopes of increasing educational opportunity and access for all kids.

The complete budget message can be found on the website at: www.parkrose.k12.or.us

5. **Parkrose School District Information – Mary Larson**

Director of Business Services & Operations, Mary Larson began her presentation with a focus on the General Fund. She presented detailed budget information regarding the following:

- Administrative Priorities
Ms. Larson shared that SUN Schools, Full School Year, Financial Stability, Equity, Lower Class Size, AVID K-12 are administrative priorities and reflected in the budget.
- Explanation of Federal Funds – Usage of these funds is highly restricted.
At the request of the Budget Committee, Ms. Larson detailed the Federal Funds and the uses for each.
- Account Code Structure
Ms. Larson defined the account code structure and how to read the budget document.
- Designating Funds and Classifications
A chart was presented showing Fund designations and classifications.
- Textbook Fund – Transfer Balance to General Fund
Erick Flores asked if it was pertinent to change the Textbook Fund to a Software Fund. Ms. Larson responded that the balance of the Textbook Fund was transferred to the General Fund to balance it. Superintendent Gray asked Christine Blouke, Director of Technology, for input regarding educational software versus textbook adoptions. Ms. Blouke added that so much information is available on the internet and at significantly lower cost than traditional textbooks.

MaryLu Baetkey commented that the Textbook Fund was like a saving account for textbook adoptions. Ms. Larson responded that was the case and was also true for the Technology Fund and Retirement Fund. Ms. Larson reminded the committee that the strategy for sustainability with the Multnomah County I-Tax years ago was to fund in this way so that the General Fund would

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not have extreme fluctuations for major purchases such as textbook adoptions, and technology equipment replacement.

- Ending Fund Balance – Historical information presented.
Ms. Larson stated that the district has had a dangerously low ending fund balance for the past several years.

Chair Tran expressed her appreciation for keeping the district going through such difficult economic times. Ms. Larson said that it has been particularly difficult at the building level to maintain this serious lack of revenue.

Mr. Flores voiced his support for going out for a levy because it is in the interest of the students to do so.

- Contingency – Historical information was presented.
Superintendent Gray asked Ms. Larson to explain ending fund balance and beginning fund balance. She explained that adding back reduced days is extremely difficult without having an adequate ending fund balance.
- Fund Transfers
Ms. Larson said that the General Fund was balanced for 2014-15 year by transfers from the Thompson Fund, Risk Management Fund and Textbook Fund. Thompson Fund also has a transfer to the Community Center Fund.

Chair Tran asked if there was any money left in the Thompson Fund for things such as roof maintenance for the rental buildings. Ms. Larson said yes.

Ms. Larson reminded the Committee that there used to be a Daycare Fund that transferred in to the Thompson Fund to provide playground equipment for elementary buildings. Since that fund no longer exists, the Thompson Fund continues to fund playground replacement equipment as funds allow.

Chris Ebert asked for explanation of the Thompson Fund expenditures.

Ms. Larson replied that items such as a portion of maintenance staff, paving projects, fencing and summer paint and grounds crews are a few of the expenditures from Thompson Fund. Projects are prioritized with staff and budgeted for as revenue allows each year. She added that the Thompson Fund cannot continue to have a transfer to support General Fund.

Superintendent Gray asked Ms. Larson to speak about Capital Projects Fund which was created as a result of the sale of Heights Junior High School and used to support infrastructure projects in the district. The district has continued to fund the Capital Projects Fund which was used to purchase the new soccer field at the high school in partnership with the City of Portland and other partners. Revenue from the construction excise tax and SB1149 funds are also put into the Capital Projects Fund. These funds must be used for district projects.

Ms. Larson also explained the Capital Equipment Fund which is being used for large equipment purchases.

- State School Fund – What drives school district budgets?
Ms. Larson presented a detailed review of the State School Fund and Formula explaining that prior, current, and next fiscal years are continually being evaluated. The number of students drives the revenue received. Every item included in the Formula was explained and discussed.

Chair Tran stated that the Formula does not represent Parkrose School District.

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Ms. Larson said that every few years there is a conversation at the state level regarding the Formula calculation but that it is the entire pot of money that is the issue. There needs to be more revenue. She added that the State School Fund does give equity to Districts.

Mr. Flores inquired if English Language Learners enrollment has grown over the years.

Ms. Larson stated that the numbers have declined in recent years. She continued by stating that the Formula controls how much SSF we receive. If property tax increases, SSF is decreased by that amount.

Superintendent Gray added that there are several reasons for the decrease in enrollment in Parkrose.

1. Gentrification along Sandy Boulevard
2. Districts Transfer Policies
3. Older population in Parkrose
4. Availability for new housing

Chair Tran also added that the District needs to better its reputation. Share the good things in Parkrose, communicate on a large scale.

At 8:15 p.m., Chair Tran called for a break. The meeting resumed at 8:26 p.m.

Ms. Larson continued her presentation:

- Enrollment
Current and historical enrollment information was presented. Ms. Larson stated that enrollment is down. At the staffing level, maintaining equity between the buildings is a priority.

Ms. Baetkey asked if the students placed in out of district programs are counted as district enrolled students. Ms. Larson replied yes.

- Revenues
Ms. Larson explained that the budget is largely staff, so when reducing for lack of revenue, its jobs and programs that get cut.

Mr. Flores asked about Charter Schools in the District. Ms. Larson said that Parkrose sends high school students to ACE Academy but that the district is not the fiscal agent for the Charter School.

Chair Tran suggested that if there is increased revenue, some money goes toward supplies for the schools. Ms. Larson responded that staff in the buildings, would rather have additional staff if there was increased funding.

Mr. Ebert asked if other Funds in the budget support salaries. Ms. Larson replied that most support release time support for staff training but there are some salaries in the other funds.

Mr. Grassel stated that when enrollment is up statewide, then the pool of revenue increases. It's not only on a local basis.

Questions and answers from the prior year's budget committee were distributed to committee members. Superintendent Gray suggested that the Committee use them as a reference point.

A handout on Division 22 Standards and Instructional Hours was distributed to the Committee. Superintendent Gray stated that the district was in abeyance but that is now over. The district must meet the mandates and have a full school year. The District did not meet the standard with 9 furlough days.

Ms. Larson briefed the Committee on the budget document and pointed out specifics on how to read it.

Presentation materials can be found on the website at: www.parkrose.k12.or.us

Chair Tran thanked Ms. Larson for her presentation.

At this point, Budget Committee Member Katie Larsell asked the Budget Committee to consider drafting a letter to Mayor Hales, as they did last year. The letter would ask the Mayor to consider the impact of the budget to school districts and how much districts depend on them honoring their commitment to SUN Schools.

Larsell/Flores made a motion to approve having the Budget Committee produce a letter to Mayor Hales and Multnomah County Commissioners to show support for budget items that the City of Portland is considering as follows: SUN Schools, Earl Boyles Community Center, Restorative Justice, East Portland Action Plan, and School Resource Officers. The vote was unanimous to approve the motion.

6. Budget Committee Discussion – Thuy Tran, Budget Committee Chair

Budget Committee questions and discussion took place throughout the presentation above. Chair Tran asked for further discussion, after hearing none, she moved to the next agenda topic.

7. Oregon School Employees Association Comments

There were no comments.

8. Parkrose Faculty Association Comments

There were no comments.

9. Audience Time/Citizen Comments – Thuy Tran, Budget Committee Chair

No citizen comments this evening.

10. Summary of Meeting – Budget Committee Chair

Chair Tran briefly reviewed this evening's presentation and thanked the administration and committee for a successful meeting. Questions from the committee should be e-mailed to Superintendent Gray and Mary Larson no later than Friday at 5:00 p.m. in order for responses to be prepared for the next meeting.

11. Resolution to Approve 2014-15 All Funds

This agenda item was postponed to the next meeting.

12. Correspondence/Announcements/Requests

- a. Upcoming Board Meetings
 - i. Board Regular Session, Monday, April 28, 2014 District Office Boardroom, 6:30 p.m.
- b. Upcoming Bond Meetings
 - i. Bond Oversight Committee, Monday, May 5, 2014 District Office Boardroom, 6:30 p.m.
 - ii. Bond Executive Team meets every other Friday afternoon at 1:00 p.m.
- c. Upcoming Budget Meetings
 - i. Budget Committee Meeting, Wednesday, April 30, 2014 District Office Boardroom, 6:30 p.m.
 - ii. (if needed) Budget Committee Meeting, Wednesday, May 7, 2014 District Office Boardroom, 6:30 p.m.

13. Adjournment

Chair Tran adjourned the meeting at 9:16 p.m.