

BUDGET COMMITTEE WORKSHOP  
BEAVERTON SCHOOL DISTRICT 48  
BEAVERTON SCHOOL DISTRICT ADMINISTRATION CENTER

Budget Committee Workshop

March 15, 2011

The Budget Committee of the Beaverton School District conducted a Budget Workshop at the Administration Center on March 15, 2011 at 6:30 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	Regional Administrator
Brenda Lewis	Regional Administrator
Barbara Evans	Regional Administrator
Vicki Lukich	Regional 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	Certified Staff
Ari Cosey	Certified Staff

Visitors: 28

Media: 3

I. Welcome and Opening Remarks

Dave Bouchard  
Jerry Colonna

Chair Dave Bouchard called the meeting to order at 6:36pm.

Bouchard welcomed everyone and turned it over to Superintendent Jerry Colonna for opening remarks.

Superintendent Colonna made notes about items in the budget packet, specifically the budget assumptions piece of the packet. He stated the District is prepared to move forward with these assumptions. Colonna noted there is a projection of 500 more students next year and how that bodes well for us as a District. We are continuing to budget on a \$5.6 billion biennial budget and when there is information available that indicates anything different, we will move from that number to the new indications. Although the Governor has plans for 52% of revenue in first year and 48% in second year, that is a risk the District Administration does not want to recommend. Instead, Administration proposes budgeting for 49.5% revenue in the first year and 50.5% in second year.

Superintendent Colonna made specific note to the adjustment to item 5 of the budget assumptions which was the beginning fund balance changing from 5.8% to 6.1%. He also noted that the District is looking at reducing 175 positions across the workforce. Colonna made reference to the middle east crisis in relation to increasing fuel costs and District transportation needs. Lastly, Colonna noted that the committee should recommend the School Board to move away from the board policy requirement of a 5% contingency and reduce it to 3.5%. This is item number two on the reduction priority list.

Superintendent Colonna opened for questions relating to the assumptions. There were no questions.

## II. Information Request Check In

Dave Bouchard

Chair Bouchard opened the floor for comments about the level of information requests and satisfaction. John Burns thanked Claire Hertz for all of the great information and her work. He also indicated we are spending approximately \$35 million in disability programs in general fund and asked for some background information about the \$25 million from ADMw.

Mary VanderWeele asked to clarify about the agenda item. She stated that she has a lot of questions but they are very detailed and probably best to discuss offline and continue with the meeting. Chair Bouchard agreed and moved to the next question.

Chair Bouchard wanted to follow up on Roberts Rules of Order and meetings. He commented that all comments and requests should be directed to the chair and that there were some conversations going on that weren't directed to the chair and that needs to be limited. He also encouraged participation from ad hoc members of committee and staff. Chair Bouchard also made note of the two upcoming listening sessions that are scheduled for public comment.

Burns commented that PERS did their analysis in June, July and August and voted in September which resulted in an increase. A major assumption in that was an 8% performance target. Burns wondered if we should be down in Salem asking for updates or alternatives. Superintendent Colonna responded that he has followed PERS very closely over the years and historically, once the board votes and puts the rate out, they stay out for the 2 year period. Hertz commented that the rate that comes forward for two years is actuarially determined and that there is one done for Beaverton that can be shared with those who would like to review it.

VanderWeele raised a question on State School Fund (SSF) given the Board's decision to seek an option levy in November that could affect the second half of the biennium, could the Committee consider a different approach for the second year?

Superintendent Colonna responded that this was certainly a possibility and reiterated that historically the District has done a 49/51% split. In time the Oregon economy will pick up, and we may see the second year in a different light. Hertz commented that ODE sends out SSF estimates and legislature determines the funding. If the District budgets at one level and receives SSF at another level, the District can only spend what it has received. This also causes Maintenance of Effort (MOE) concerns at the state level for federal grant funding.

Burns inquired about the add-back of IDEA resource rooms and disproportionality and whether this is still a part of the plan? Hertz responded that yes it is still something that needs to be done and it is a mandated amount of grant funds the District has to spend on addressing the issue.

### III. Approval of Minutes from February 22, 2011 Workshop

Dave Bouchard

Chair Bouchard brought forward the approval of the minutes from the February 22, 2011 workshop. Lisa Shultz brought forward a point of order that the minutes do not meet the State Statute for Boards that are 25 members or less. To meet the State Statute, the minutes need to detail each motion including who made the motion, who seconded the motion and how the vote was counted by name.

It was decided that the minutes from the February 22, 2011 Workshop should be corrected as described by the State Statute and brought back for approval at the April 12, 2011 meeting.

### IV. Support of Strategic Plan through Teaching and Learning & Operations Budgets

Carl Mead  
Ron Porterfield

Ron Porterfield and Carl Mead led a discussion about the Strategic Plan Initiative Budgets and the THRIVES document. They outlined the work of each item included in the THRIVES initiative and described the current 2010-11 budget, what is being proposed for the 2011-12 budget and how much it would cost if the item was fully funded in 2011-12.

The following questions and comments were voiced about the presentation:

- General –
  - Carrie Anderson inquired as to the difference between the 2011-12 proposed column vs. 2011-12 full funding column. Mead responded that the 2011-12 proposed column is what Administration is proposing for the 2011-12 budget and the 2011-12 full funding column is what the item would cost if we were able to fund it entirely in 2011-12.
  - Terry Nolan inquired whether the 2011-12 proposed column was inclusive of current service level. Mead responded it includes both current service level and additions for 2011-12.
- Highly Qualified Empowered Teaching Staff –
  - Teach for Beaverton –
    - Lisa Schultz questioned whether the program would exist if the District was not providing the current level of funding? Sue Robertson responded the District did not fund it last year and it was able to operate with two unpaid interns in a pilot program at Kinnaman Elementary. However, it is not a possibility for next year.
    - Anderson inquired how many pilots the program would have next year? Robertson responded there was no limit but

- currently five intern possibilities were being reviewed.
  - Growing Diversity From Within -
    - Sarah Smith commented this item supports the strategic plan, but is it where we need to be looking during this horrible economic time.
- Individual Student Achievement -
  - Standards Based Learning System -
    - John Burns inquired whether we are working on areas that will need to be redone in two years. Mead responded no, we are making sure we are in alignment with current national standards.
    - Cheri McDevitt questioned where the Other Funds Totals were coming from. Mead responded they are coming from two different sources: Title II and Nike School Innovation Fund.
    - McDevitt inquired if this item included proficiency grading. Mead answered it didn't and it was making sure the learning targets and standards are aligned.
    - Schultz inquired whether there was a match required in order for the District to receive the federal dollars. Mead responded there is no match requirement.
- Volunteerism, Service, Engagement -
  - Volunteerism & Engagement Plan/Service Learning Plan -
    - Mary VanderWeele commented that both appear to be areas where we could be investing to create efficiencies and goodwill and reach out to our very supportive community.
- Equity of Access to a High Quality Education -
  - INSPIRE -
    - Claire Hertz commented that we are receiving additional SSF that supports these positions. VanderWeele inquired that if this essentially pays for itself, why wouldn't we fully fund it? Mead responded we don't have all of the students yet and we do not want to hire until we have the students to serve.

## V. Proposed Budget Additions and Reductions

Claire Hertz  
Jerry Colonna

Claire Hertz discussed the budget additions list noting the description and the costs associated with each item. Hertz pointed out that the budget additions list moved the budget shortfall from \$33.1 million to \$33.6 million. The following questions and comments were voiced:

- General -
  - Carrie Anderson and Cameron Irtifa questioned why the amounts shown in the columns in the initiatives documents do not necessarily show up on the additions lists and if they do, why do they not match? Hertz responded the initiatives document includes current year budget plus additions in next year and the additions list only shows additions in next year.
- Scholarships for former students and classified employees for teacher certification - Diversity effort within the District -
  - Anderson inquired why this item is on the list when other items from the initiatives are not. Hertz responded that these are initial general fund expenses that are needed to support the strategic plan.
- Cost for Arco Iris -

- It was questioned whether Arco Iris dollars are essentially pass-through dollars? Hertz responded there is an additional expense when the District has to write a check to Arco Iris, and the district's revenue will also increase. Hertz answered that the District uses a percentage based on past history for in district/out of district students for charter schools, and she would provide an analysis of how the money flows through the district for the next meeting.
- TAG Assessments –
  - Mary VanderWeele inquired about how much the District already spends for TAG identification and whether this is a good move for the current time. Superintendent Colonna responded the information could be provided and the District would like our TAG numbers to be more reflective of the demographics of the student body.
  - Smith questioned how this item would be applied, because all students should have an equal right to be tested already. Superintendent Colonna responded that the District is looking at different types of assessments and noted that some of the assessments that are used are not culturally sensitive.

Superintendent Colonna led a discussion about the budget reduction list. He made note that the list is fluid and is continuing to change. He said the budget is built on four different funding levels ranging between \$33 million and \$26 million worth of reductions. Presently, we are looking at cuts that amount to \$33.3 million and based on funding at \$5.6 billion with 49.5% of revenue in first year and 50.5% in the second year. There are approximately 50-60% sustainable cuts that would carry over into next year unless it was decided that some of the cuts would be added back into the next budget (2012-13).

Superintendent Colonna summarized the proposed budget reductions.

- **State Facility Grant** – we have received money from the state based from building new schools. The District can use these funds in any way except construction.
- **Reduce fund balance to 3.5%** - The internal budget committee is recommending the board waive the 5% policy requirement and bring forward \$4.5 mil to help with the deficit.
- **Voluntary savings from schools and department budgets in 2010-11**– this would bring the ending fund balance up from 5.8% to 6.1%.
- **Limit out of district student transfers to a 1:1 ratio** – surrounding districts had stopped letting their students come to Beaverton but would take ours. From now on, any student leaving our district needs a student coming into our district at a 1:1 ratio.
- **Transfer gains from printing fund to general fund** – small item but another new source of revenue. This is not sustainable. This item is based on what it costs to operate.
- **Recoup savings from open positions** – in place for the last two years. Scoop open position amounts. Estimated savings at the half million dollars.
- **Utility energy savings** – This item has been larger in the past. This is sustainable. Dick Steinbrugge indicated that we will put solar panels on three of our schools. The District will sell the excess energy or utilize it and reduce costs. If this goes well, the program will be expanded throughout the district.
- **Reductions from Central Office** – Involves all seven of the overall district departments. A list of all reductions will be sent out by Friday. The amount of

money that is being cut from administration is close to 10%.

- **Eliminate High School Standards Facilitators** - These positions are six teachers, one at each comprehensive high school and one at option schools.
- **Reduce 3 Assistant Principals K-12** - Yet to be identified. Assistant principal positions are very vital. The overall philosophy is to protect as much direct instruction as possible in the classroom.
- **Savings from limiting use of substitutes** - There is a \$7 million budget for substitutes. Instructional integrity must be considered. Certain positions across the district need substitutes, however we can write some guidelines on when subs could and would not be used. Sustainable.
- **Reduce athletics and activities budget by 10%** - This is 1.2% of the total budget. It is made up of about \$2.8 million in general fund with another \$878,000 in fees and gate receipts. At least half of our high school students were involved in one or more athletic or activity programs. The consensus is fees cannot be raised anymore. This is sustainable. Scholarships are figured into this item.
- **Reduce ESL budget in proportion to decreased enrollment** - The district is seeing a reduction in ESL students so we are decreasing the budget in proportion to the decreasing enrollment. This will ensure 95% of total dollars received will go into the program.
- **Four furlough days** - must be negotiated. This would represent an average 2% decrease in salary, and would be a one year agreement. Further down on the list, two more days are mentioned. This item cannot be moved forward without a Memorandum of Agreement from the employee associations involved.
- **Early Retirement Incentive (ERI)** - must be negotiated. The incentive is a two year monthly amount of money based on the salary an individual was making in the year they retired. The district is currently working with the employee groups on an agreement.
- **Reduce specialists at K-12 media and Youth Services** - we are one of the few districts in the state that has a full time media specialist at each school. This proposal would have two schools for each Media Specialist. In this proposal there would be three youth services positions working on a regional basis to cover schools.
- **Reduce small elementary school specialists** - schools could use the specialists whichever way they like, and would be moving from three to two specialist positions with the Media Specialist reduction.
- **Increase class size by one student (K-8)** - 9-12 is not included because of the tremendous class sizes we are seeing. This item has been moved farther down on the list in hopes of more funding coming forward.

#### **\$5.8 Billion Funding Level**

- **Reduce Special Education staff** - includes non-salary, licensed (21.5 positions) and classified (11.5 positions) staff. This covers Resource Rooms, secretarial staff and Instructional Assistants.

#### **\$5.75 Billion Funding Level**

- **Reduce remaining K-12 Media specialists** - would leave only six to eight hour classified media assistants in the libraries and no Certified Media Specialists.

#### **\$5.7 Billion Funding Level**

- **Reduce school non-salary budget by 5%** - this was higher but schools are getting cut in so many different areas, to cut this might take away a lot of flexibility. This item is sustainable.
- **One furlough day** - must be negotiated. This item would add a 5<sup>th</sup> day and would reduce average salaries by 2.5%.

#### **\$5.6 Billion Funding Level**

- **One furlough day** – must be negotiated. This item would result in a 3% salary cut and would add 6<sup>th</sup> day.
- **Increase class size allocation by .1 student (K-12)**
- **Class size allocation increase by 1.1 students across K-12 – 55 positions.**  
This item is sustainable.

Chair Bouchard asked if there were questions or concerns. Quillin thanked Superintendent Colonna and staff for the work that was done and asked what would happen if we are unable to reach a Memorandum of Agreement? Colonna stated that item 25 (Class size allocation increase by 1.1 student K-12) would move higher on the list. Cameron Irtifa voiced his appreciation of every ones hard work. Irtifa asked about the process to add additional line items. Colonna stated that time is a factor when talking about closing schools and option programs, these two items reside with the school board. ~~If you want to add something to the list, then you need to do that please don't ask for administration to do so. We can cost it out if it is added to the list.~~ ***It is not the collective judgement of administration to shutdown option schools or small schools at this time. Although the economic situation is bad it is not bad enough to warrant this action. Rather the administration is suggesting a long range plan based on a five year local option levy in conjunction with the almost 60% sustainable cuts brought forward in this proposed budget to lead the district forward. It may seem like we are saying that these are the only choices but that is not the case. The budget committee does not need to wait for the administration to suggest items. The committee can and should submit ideas that the district will attempt to cost out.*** Sarah Smith commented this is why we have listening sessions. The community hasn't had a chance to speak yet. A more expanded list was requested where costs are itemized. Hertz shared the item will be included on the April 12 agenda.

#### VI. Additional Listening & Format Session Decision

Dave Bouchard

Chair Bouchard stated that everyone has the format in their packet. If there are any major issues with it, please send him an email. There were no objections to the plan. Bouchard commented on the Budget Committee calendar being congested. His suggestion is to potentially schedule some time at the beginning of the May 3<sup>rd</sup> meeting for public input but would like an Agenda item for April 12<sup>th</sup> to discuss the matter. Cheri McDevitt wanted to note that it is mandatory for all committee members to be at listening sessions. Bouchard wanted to remind everyone that the Listening Session is on Wednesday, March 30 and all members should be present by 6:15 PM.

#### VII. Set Agenda for Next Meeting March 30<sup>th</sup> Listening Session & April 12<sup>th</sup> Committee Meeting

Dave Bouchard  
Gayellyn Jacobson

The following are information requests for the April 12<sup>th</sup> meeting: Arco Iris reconciliation, current costs for TAG identification, scholarships for athletics, analysis of closing schools, adequately discuss items that were brought forward tonight, how to make suggestions to the current list, range of options from which the committee could choose, what is the impact on kids from the media specialists cut, status of past initiatives. Hertz stated the proposed budget document will be brought forward, Superintendent Colonna will deliver the budget message, updated assumptions and prior year initiatives.

#### VIII. Closing Remarks

Jerry Colonna

Superintendent Colonna stated potential cuts had been shared with staff yesterday. Chair Bouchard asked for a motion to adjourn. Cheri McDevitt moved to adjourn. Tom Quillin seconded the motion. The motion to adjourn the meeting was unanimously approved.

Budget Workshop adjourned at 10:26 P.M.

Dave Bouchard  
Budget Committee Chair

Debby Wohlmutter  
Recording Secretary