

SEASIDE SCHOOL DISTRICT 10
Budget Committee Meeting
Tuesday, April 16, 2019 - 6:00 pm
District Administration Office
1801 South Franklin Street, Seaside, Oregon

PRESENT:

Budget Committee: Kelli Brenden, Ryan Dewey, Mary Bess Gloria, Nancy McCune, Cathy Peinhardt, AJ Wahl (via Zoom), Brian Taylor, Michelle Wunderlich, Sondra Gomez, Shannon Swedenborg, Mark Truax, Hugh Stelson (via Zoom).

Administration: Superintendent Sheila Roley, Business Manager Justine Hill; Principals, Jeff Roberts, Natalie Osburn, Juli Wozniak; Assistant Principals, Steve Sherren, Jeremy Catt; Director of Special Services Lynne Griffin.

Others: Katherine LaCaze, Chuck Albright, Amy Fredrickson, Tamra Taylor

CALL TO ORDER

The April 16, 2019 Budget Committee meeting was called to order by Board Chair Mark Truax.

A quorum of the Budget Committee was present.

ELECTION OF CHAIR AND VICE-CHAIR

Board Chair Mark Truax called for nominations for Budget Committee Chair.

A motion nominating Brian Taylor as Chair of the Budget Committee was made by Michelle Wunderlich and seconded by Shannon Swedenborg. Board Chair Mark Truax asked if there were any other nominations for Budget Committee Chair. Hearing none, nominations were closed and the motion carried unanimously.

Budget Chair Brian Taylor called for nominations for Budget Committee Vice-chair.

A motion nominating Kelli Brenden as Vice-chair of the Budget Committee was made by Mark Truax and seconded by Ryan Dewey. Budget Chair Brian Taylor asked if there were any other nominations for Budget Committee Vice-chair. Hearing none, nominations were closed and the motion carried unanimously.

PRESENTATION OF BUDGET MESSAGE AND BUDGET DOCUMENT

Superintendent Sheila Roley read the 2019-2020 Budget Message.

Sheila Roley asked Business Manager Justine Hill to walk the Committee through the budget document.

Justine Hill gave an overview of the Proposed Budget document, using her prepared Budget Narrative. She read directly from the narrative below, with occasional additions or clarifications.

Seaside School District Budget Narrative 2019-2020

A budget document is a written guideline outlining the District's comprehensive fiscal picture for the next operating year. Oregon Budget Law (ORS 294) specifies a process and format for Seaside School District's annual budget. The Oregon Department of Education (ODE) has adopted a chart of accounts that are used to classify revenues and expenditures, which have also been approved by the Oregon Department of Revenue. The accounting system is structured to maintain the identity of the resources, obligations, revenues, expenditures and equities for each Fund. This is accomplished by

providing a complete self-balancing set of accounts. Every Fund within our budget must balance, which means that revenues must equal expenditures.

The Seaside School District's budget is divided into the following ODE Fund categories:

- 1. **100 General Fund.** This Fund is the District's largest Fund with the most transactions. It documents the general operating revenues and expenditures and is considered the District's primary accounting Fund.*
- 2. **200 Special Revenue Funds.** These Funds account for specific revenue sources that are legally restricted to expenditures for specified purposes.*
- 3. **300 Debt Service Funds.** These Funds account for general long-term debt obligations.*
- 4. **400 Capital Projects Funds.** These Funds account for financial resources used to acquire or construct major capital facilities.*
- 5. **700 Trust and Agency Funds.** These Funds account for assets held by our District as an agent for outside organizations.*

For the District's budget, the State mandates that the expenditures in each Fund be broken down into two components: Function and then Object. The Function defines the program or department and the Object defines the type of expenditure.

The revenues of the General Fund and the Special Revenue Funds are presented in summary and detail. Expenditures are presented in a Function summary and an Object summary followed by a detailed breakdown. Debt Services Funds, Capital Projects Funds and Trust and Agency Funds, are presented only in detail. The summary pages are a quick snapshot of the budget; however, the focus of this presentation will be on the detailed information. Only important or significant changes will be discussed during this meeting; however, requests for additional information or questions are welcome.

Turn to Pg 8 and Pg 9 Fund 100 General Fund Revenues Detail

- ✓ According to the latest Oregon Economic and Revenue Forecast, "Oregon continues to see the benefits of a strong economy..." A strong Oregon economy positively impacts the District's property tax revenues which are the District's largest revenue source. According to the county, there are no anticipated impacts on the District's property tax collections. Collections remain consistent with growth.*
- ✓ The District remains grateful to our local taxpayers for continuing the local option levy. Compression loss has been significantly impacting the local option; however, this year the District experienced a decrease in the amount of loss by \$84,734.96. The compression factor is the result of the Real Market Value and Assessed Value on properties moving closer together. This tax gap is used in the local option calculation. As those two values move closer together, the funds received decreases. The real estate market continues to have upward momentum which assists in alleviating some of the impacts of compression loss.*
- ✓ Interest rates continue to be strong.*
- ✓ The majority of Student Fees are due to the Middle School athletics program. Because the District pays the expenditures related to this athletic program, the pay-to-play money that students are required to pay is deposited in the District's General Fund.*
- ✓ The School Board has been allowing several High School athletic positions to be fundraised. The revenue received goes to paying these fundraised positions.*
- ✓ The District is anticipating similar building rental usage as in previous years. Our School Board is very supportive of community use of our facilities.*
- ✓ The largest source of revenue in the Miscellaneous Revenue category is a workers' compensation dividend that our provider distributes each year if they meet financial targets. The District has been experiencing high workers'*

compensation rate claims over a several year period and although we are improving, our claim ratio negatively impacts dividend amounts. A decrease has been allocated. 2017-2018 does have a large amount of revenue; however, this was primarily due to reimbursement for General Fund expenditures by a grant.

- ✓ *According to the latest State Forestry Office projection, timber revenue overall is anticipated to increase by seven (7) percent as a result of a shift in harvesting plans. It was also noted that “recent discussions with industry professionals indicate that market conditions may continue to be soft until early 2019 which will likely result in lower stumpage prices than we realized over the last year.” Overall timber revenue has steadily increased and was extraordinarily high in 2017-2018. As a cautionary note, these revenues are very volatile. Also, the Forestry Office always clearly states on their communications that “any changes and/or additional restrictions imposed by federal and state Endangered Species Act regulations could seriously encumber these projections.” It is important to remember that the District had been reporting both their County School Fund timber and State timber revenues in Revenue 3104. To correctly reflect the distribution of timber revenues, the County School Fund timber was separated and put into Revenue 2101. County School timber funds are distributed to each school District based on student enrollment and represents the largest portion of the District timber revenue.*
- ✓ *The District participates in a Clatsop County wide Special Education Consortium managed by the Northwest Regional Educational Service District (NWRESA). At this time, we do not see any changes in the anticipated revenue from participating in this program. The 2017-2018 amount represents both the standard Consortium revenue, as well as, a discretionary payment to that program.*
- ✓ *As of the March 15 estimate under the State’s Co-Chairs projected budget, the District does not anticipate receiving any funding from the State of Oregon’s School Funding Formula; however, it is important to be aware that the District is very close to being on the formula. At this point, it is estimated that the Seaside School District will receive the majority of its revenues from local property and timber taxes.*
- ✓ *The Common School Fund (CSF) is a program that was established in 1859 to provide resources to schools. The State Treasurer and the Oregon Investment Council invest the Common School Fund and the State Land Board sets the distribution policy. The anticipated revenue amount has been reduced, because in 2018-2019 the District’s CSF revenue was \$35,734.97 less than budgeted. This program is not projected to see any substantial increases.*
- ✓ *State Timber 3104 represents the dedicated plots of timber that are specifically harvested for the Seaside School District. They are traditionally known as “Schoolhouse 40s.”*
- ✓ *The strong beginning fund balance has been anticipated and needed to help absorb Public Employees Retirement System (PERS) rate increases.*
- ✓ *Please be aware that even though the amount of the anticipated beginning Fund balance is over 10%, it is still not enough to cover general operating costs until November when the District receives the majority of its revenue. As usual, the District will need to participate in the Tax Anticipation Notes (TANs) loan program in order to have enough revenue to cover expenditures for the months of July, August, September and October.*

Pages 10, 11, 12, 13, 14 and 15 are General Fund Summary sheets (by Function and by Object). These represent a summarized version of the information that I will be covering in more detail. Before I begin discussing specifics, I will give an overview of the payroll cost factors that impact almost every Function and are represented in Objects 111 through 244. This will eliminate the redundancy of hearing the same information multiple times while still giving you a clear vision of the economic factors impacting the largest operating expenditures in this budget (which are payroll associated).

The budget has been prepared with the following payroll assumptions:

- *The District is budgeting a 2.50% salary increase with step (when applicable) on Licensed, Confidential, and Administrative groups; and a 2.25% salary increase with step (when applicable) on Classified. Classified staff negotiated a code change for head custodians and bus drivers. Their salary will move from a code 8 to a code 9 on the union salary schedule.*
- *Retirement – Object 210. Public Employees Retirement System (PERS) rates will increase for T1/T2 16.64% to 21.09% (or 4.45%); for OPSRP 11.31% to 15.64% (or 4.33%). Although strong asset returns in 2017 lowered PERS’ unfunded actuarial liability to \$22.3 billion, Oregon School Districts’ PERS payments are still expected*

to increase \$375 million for 2019-2021, according to the August 2, 2018 report by Milliman Inc., the PERS Board's actuary. The District anticipates consistent increases in our payroll rates over the next 10 years.

- The District's PERS Unfunded Accrued Liability (UAL) bond payment continues to increase on its regular payment schedule.
- Monthly OEBB insurance caps have been negotiated at \$1,625 per month (\$19,500 annual per eligible staff member) on all employee groups.
- Workers' Compensation rates are based on several components (class rate, experience rating modifier, and premium discount). Although the District has a higher than average rate claim ratio, careful monitoring and return to work programs have allowed our rates to stay fairly constant to last year with an anticipated slight decrease in the District's modifier.
- Unemployment rates and workers' assessment benefit fund tax has been budgeted with only minimal increase from the current rates.
- Unused Leave - Object 117. The purpose of this allocation is to allocate for negotiated unused personal leave payments that have to be made when an employee retires or terminates employment. This Object has been allocated throughout the budget.
- Also noteworthy this year and throughout the budget document is the transfer of allocations from Object 121 Licensed Substitutes, Object 122 Classified Substitutes, and all associated payroll costs (Objects 210 through 232) to Object 389 Other Non-Instructional Professional/ Technical. Effective March 4, 2019 the District transitioned to a new substitute management company. The new company has been hired to manage the recruitment, hiring, training and placement of the majority of our licensed and classified substitutes. The majority of substitutes will now be considered contracted employees; however, due to complications with scheduling, some substitute staffing positions, (i.e., Bus Drivers; Custodians; Food Service), will not be hired as contracted employees.

Pg 16 Function 1111 Elementary Instruction K-5

- ✓ Object 121 and 122. As noted previously, a transfer of allocations, including all associated payroll costs, have been made to Object 389 due to the transition of the payments of the majority of our licensed and classified substitutes. These resource transfers will be seen throughout the budget.
- ✓ Object 420. Allocations are to provide instructional materials for the District's Social Studies adoption. This is part of a required State curriculum adoption cycle.
- ✓ Object 480. Allocations have been made for chrome books and replacement purchases as part of the District's regular technology replacement schedule. This is not an increase but a reallocation.

Pg 17 Function 1113 Elementary Extracurricular

- ✓ Object 133. This consists of the K-5 portion of a K-12 Science, technology, engineering and mathematics (STEM) coordinator position and a P-3 coordinator position. These are stipend amounts and are not affiliated with FTE.
- ✓ Object 134. This is a negotiated extra duty salary for elementary licensed staff who participate in an extended outdoor school program. These are also stipend amounts and are not affiliated with FTE.

Pg 18 Function 1121 Middle School Instruction

- ✓ Object 111. The budgeted full-time equivalency (FTE) has an increase of 1.0. To meet the educational needs of our Middle School students, a new licensed classroom teacher will be allocated.
- ✓ Object 420. This is to provide instructional materials for the District's Social Studies adoption.
- ✓ Object 470. The decrease represents a change in software licensing needs.
- ✓ Object 480. Allocations have been made for chrome books and replacement purchases as part of the District's regular technology replacement schedule. This is not an increase but a reallocation.

Pg 19 Function 1122 Middle School Extracurricular

- ✓ No significant allocation changes.

Pg 20 Function 1131 High School Instruction

- ✓ *Object 134. Funds have been eliminated due to a specific program no longer needing support.*
- ✓ *Object 322. Resources have been transferred to Object 470.*
- ✓ *Object 340. Some funds have been transferred to Function 1132 to more accurately reflect program needs in Robotics which is associated with High School Extracurricular.*
- ✓ *Object 420. This has been adjusted to provide instructional materials for the District's Social Studies adoption.*
- ✓ *Object 470. Allocations have been transferred to support educational needs.*
- ✓ *Object 480. Funds that were allocated last year to support a new classroom computer lab have been removed.*

Pg 21 Function 1132 High School Extracurricular

- ✓ *Object 340. Funds have been reallocated from Function 1131 because the Robotics program is associated with extracurricular activities.*

Pg 22 Function 1210 Talented and Gifted

- ✓ *Due to restructuring of activities within this program, the salary component is being redistributed to other Objects within this content area.*

Pg 23 Function 1220 Restricted Programs for Students w/Disabilities

- ✓ *Object 112. Due to anticipated student educational needs, allocations for a new educational assistant are represented.*

Pg 24 Function 1227 Extended School Year

- ✓ *The District has a legal obligation to provide support to students with special educational needs. The District is required to provide educational extensions for specific students during school recess periods so that these students do not lose vital educational skills.*
- ✓ *Object 311 and Object 330. There is a slight increase based on anticipated student needs.*

Pg 25 Function 1250 Resource Rooms

- ✓ *Object 111. Some staff salaries are eligible to be partially split between the General Fund Function 1250 and Special Fund 251 Function 1250. The change in licensed staff (.35 FTE) is a redistribution of current employees' FTE between the two Funds. There is no actual change in FTE. Redistribution is due to staying within grant award amounts.*
- ✓ *Object 313. Additional funds have been added to support the District's requirement of providing Early Intervention / Early Childhood Special Education evaluations. As our educational service credits are absorbed by other requirements, allocations need to be assigned to appropriately meet program needs.*

Pg 26 Function 1272 GF Title I

- ✓ *All Objects. In previous years, due to the way the District's Title I program was structured and with the limited financial federal funds, part of the expenditures had to be put in the General Fund. With the implementation of a school-wide Title I model and an increase in our federal grant funding, expenditures are shifted back to the Special Revenue Fund. This is not a decrease, it is just a reallocation to Special Fund 240 Function 1272.*

Pg 27 Function 1280 Alternative Education

- ✓ *No significant allocation changes.*

Pg 28 Function 1288 Alternative Education – Charter School

- ✓ *Object 360. Allocations have been appropriated to provide for financial contributions to Cannon Beach Academy (CBA) Charter School. This payment is based on CBA's projected enrollment, the established State School Fund Charter School rate and resources needed to support CBA.*

Pg 29 Function 1291 English Language Learner

- ✓ *Object 340. Resources have been increased to provide support for our Latinx families through a collaborative community program.*

Pg 30 Function 1410 Elementary Summer School Programs

- ✓ *The District has allocated funds with the assumption that a summer school grant is approved. The grant may require District contributions and expenditures may exceed grant allotments. The grant is budgeted for in Special Revenue Fund 233.*

Pg 31 Function 2110 Attendance Services

- ✓ *No significant allocation changes.*

Pg 32 Function 2120 Guidance Services

- ✓ *No significant allocation changes.*

Pg 33 Function 2130 Health Services

- ✓ *No significant allocation changes.*

Pg 34 Function 2150 Speech Services

- ✓ *No significant allocation changes.*

Pg 35 Function 2190 Student Support Services

- ✓ *Object 112. Budgeted salary has decreased due to staff transition that happened in the 2018-2019 school year.*
- ✓ *Object 113. Although there is no change in FTE, there has been an allocation for a performance-based pay increase and to align salaries with State-wide averages. There was also staff transition in the 2018-2019 school year.*
- ✓ *Object 480. As part of the regular District technology replacement schedule, allocations have been transferred to this program area.*

Pg 36 Function 2210 Improvement in Instructional Services

- ✓ *Object 389. A slight increase in licensed substitute time has been allocated for curriculum adoption.*

Pg 37 Function 2222 Library Services

- ✓ *No significant allocation changes.*

Pg 38 Function 2223 Multimedia Services

- ✓ *No significant allocation changes.*

Pg 39 Function 2230 Assessment and Testing

- ✓ *Object 470. Resources have been decreased to more accurately represent anticipated need.*

Pg 40 Function 2240 Instructional Staff Development

- ✓ *Several Objects have been increased in this program area. As the District continues planning for the transition to a new campus, implementation of an approved District strategic plan and focusing on student educational needs, resources need to be allocated to support the success of our programs.*

Pg 41 Function 2310 Board of Education Services

- ✓ *No significant allocation changes.*

Pg 42 Function 2320 Executive Administration

- ✓ *Object 113. The FTE represents one full-time position (1.0) and one half-time position (.50). In February, the School Board approved an additional full-time position of Assistant Superintendent to provide support and to prepare for transition into a newly consolidated K-12 campus.*
- ✓ *With an additional position, other Object codes were also increased.*

Pg 43 Function 2410 Office of the Principal

- ✓ *Object 134. Allocations have been increased for compensation for additional time requirements for the licensed Teacher on Special Assignment position. This Object also has allocations to support the registration of students at the schools. This process takes place during the month of August before many of the staff that participates are back to work.*

Pg 44 Function 2520 Fiscal Services

- ✓ *Object 113. Allocations for contracted salary increase, as well as, longevity increase.*
- ✓ *Object 245. Funds have been transferred to more accurately represent anticipated need. This is a District level account that provides negotiated tuition reimbursement to staff.*
- ✓ *Object 322. Reduced based on anticipated expenditures but transferred to Object 245.*
- ✓ *Object 385. Resources transferred to Object 640 to more accurately cover anticipated expenditures.*
- ✓ *Object 640. Funds have been increased, as well as, reallocated to more accurately support anticipated expenditures.*

Pg 45 Function 2540 Operation and Maintenance

- ✓ *Object 112 and Object 124. Staff transition in the 2018-2019 school year allowed a reconfiguration of the groundskeeper position. Because it is possible to combine this position with a food service position and transfer funds from Object 124, we were able to increase the groundskeeper from .50 FTE to .66 FTE. Traditionally, the District hires temporary summer workers to assist our maintenance department, with the increase of the groundskeeper's time, the District can transfer the funds needed from the reduction of time needed from a temporary worker. Although the salary amount has decreased, this is due to staff transition not staff time reduction.*
- ✓ *Object 410. Based on historical data and a continued consistent need in this Object, resources have been increased to cover anticipated expenditures.*

Pg 46 Function 2542 Care of Buildings

- ✓ *There is a reduction to allocations in this Function due to the passing of the school relocation bond; however, funds will continue to be reallocated to a Capital Maintenance Reserve Fund (420) to assure that the District has resources to adequately maintain our facilities. The District will continue to only provide routine maintenance to current existing facilities.*

Pg 47 Function 2543 Care of Grounds

- ✓ *No significant allocation changes.*

Pg 48 Function 2550 Student Transportation

- ✓ *Object 112. The increase of .72 FTE is a student transportation monitor position that has been piloted in the 2018-2019 school year. This position provides support to students that are required to be transported to locations outside of the District's boundaries. This person assists the bus driver with loading, unloading and student management on the school bus.*

- ✓ *Object 541. Allocations for the purchase of two new buses have been appropriated as part of a regular vehicle replacement schedule. The District will continue the same procedure for vehicle replacement as it did this year. A new bus will be purchased for delivery in November after the majority of tax revenue is collected and any additional purchases will be made if revenue targets are met in late January.*

Pg 49 Function 2660 Technology Services

- ✓ *Object 470. The District has essential software needs that have annual renewal agreements. Historically, some of these software agreements have been charged to our Special Funds E-Rate; however, as the funds in this federally funded program have decreased, we will be required to move them over to the General Fund.*

Pg 50 Function 2700 Retirement Program

- ✓ *No significant allocation changes.*

Pg 51 Function 5110 Long Term Debt Service

- ✓ *Objects 610 and 622. No resources have been allocated due to the completion of bus lease payments.*

Also Pg 51 Function 5200 Transfer of Funds

- ✓ *Object 790. Six transfers have been allocated. A transfer of \$174,728.92 is needed to support the District's food service program. A \$9,867.51 transfer has been allocated to support the High School ASPIRE program which receives a yearly State grant award (\$2,400). A \$61,095.78 transfer to Special Fund 261 Equity in Education. A \$856.98 transfer to Special Fund 246 Title IV. A \$20,000 transfer to Special Fund 233 Wellness. A \$259,688.38 transfer to initiate the Capital Maintenance Reserve Fund which will ensure the District has resources to adequately maintain our K-12 facilities.*

Also Pg 51 Function 6110 Operating Contingency

- ✓ *Object 700. The District is allocating \$450,000 to contingency.*

Also Pg 51 Function 7000 Unappropriated Fund Balance

- ✓ *Object 820. There are no significant changes to this area. The District is required to provide a balanced budget.*

This concludes the General Fund Detail and now we will continue with the Special Funds. Pages 52, 53, 54, 55, 56, 57 and 58 have summary information and again the focus will be on the detail.

Please turn to Pg 59 and Pg 60 Fund 211 Food Service Program

- ✓ *Local Sources. The District's elementary schools are participating in a Universal Lunch and School Breakfast Program. All students enrolled at either of the elementary schools may participate in the breakfast and lunch program at no charge to them but they are required to take a reimbursable meal. Implementing this program has significantly decreased our local food service revenues and will be something that will continue to be critically reviewed.*
- ✓ *A transfer of \$174,728.92 has been allocated from the General Fund to support this program.*

Pg 61 and Pg 62 Fund 220 Student Body Fund

- ✓ *The budgeted distribution of allocations in these Objects changes based on yearly needs. There is no obligation for the schools to spend their entire student body funds; however, the majority of resources are allocated so that the funds are available as if the schools intended to spend them.*

Pg 63 and Pg 64 Fund 232 College and Career Readiness

- ✓ *The purpose of this Fund, High School Graduation and College and Career Readiness Act of 2016 (Measure 98), is to provide direct funding to increase high school graduation rates. The three specific focus areas are to: establish or expand career and technical education programs in high schools, establish or expand college-level*

educational opportunities for students in high schools, and establish or expand dropout-prevention strategies in high schools. The 1.0 FTE represented in this program currently supports the High School's Culinary Arts/Hospitality program.

Pg 65, 66, 67, and 68 Fund 233 Miscellaneous Grants

- ✓ *This Fund is a compilation of many potential grants that the District may receive. Expenditures for individual grant requirements are placed in the anticipated Functions and Objects. There is no guarantee that the District will receive any of the grants.*
- ✓ *The District has been awarded a \$100,000 Employee Wellness Grant from the Oregon Education Association Choice Trust. This grant will be used over the next five years to support the well-being of all of our District employees. This grant requires a District contribution. For budgetary purposes, all required allocations have been transferred to the grant (\$20,000); however, all of these funds may not be needed because some of the District's contributions may be done in-kind or with other grant funding.*

Pg 69 and Pg 70 Fund 234 Title II-A Teacher Quality

- ✓ *No significant allocation changes.*

Pg 71 Fund 236 District Restricted Technology Services (ERATE)

- ✓ *Because of the uncertainty of this funding source, expenditures will only be approved as revenues are received by the District. This is a federally funded program and revenues are projected to decrease.*
- ✓ *Function 2660 Object 470. Allocations for general operating software programs are budgeted here. These systems include things like District financial program, staff training program, school website hosting and student data warehouse program. Because this revenue source has been decreasing, software needs have been moved back to the General Fund Function 2660 Object 470.*

Pg 72 and Pg 73 Fund 237 District Restricted Medicaid Administrative Claims (MAC)

- ✓ *This program consists of participating Districts completing a survey three times a year and as a result obtaining reimbursement for time spent by employees on things that would be considered potentially covered by Medicaid. The District participates in this program through Northwest Regional Educational Service District.*
- ✓ *Expenditures will be focused on providing support to our students in need of health/medical services; as well as, the continued effort to comply with ADA requirements.*
- ✓ *Because of the uncertainty of this funding resource, expenditures will only be approved as revenues are received by the District.*

Pg 74 Fund 239 Access to Student Assistance Programs in Reach of Everyone (ASPIRE) Program

- ✓ *A transfer of \$9,867.51 from the General Fund has been allocated because the High School would like to support the program but does not have enough grant funds to cover expenditures.*

Pg 75 Fund 240 Title I-A

- ✓ *No significant allocation changes.*

Pg 76 Fund 243 Title III Limited English and Immigrant

- ✓ *The District has budgeted with the intent of potentially receiving funds in the program area.*

Pg 77 and Pg 78 Fund 245 Title VI (Six)-B Rural and Low Income Schools

- ✓ *Based on student poverty rate information submitted to the Department of Education, the District again anticipates qualifying for these additional resources. Appropriations have been made in anticipation of receiving the funds.*

Pg 79 Fund 246 Title IV Student Support and Academic Enrichment (SSAE)

- ✓ *Newly authorized under subpart 1 of Title IV, the SSAE program is intended to: provide all students with access to a well-rounded education; improve school conditions for student learning; and, improve the use of technology in order to improve the academic achievement and digital literacy of all students.*
- ✓ *A transfer has been allocated to cover expenses that were charged in the 2017-2018 school year before the grant award date was authorized.*

Pg 80 Fund 251 IDEA Part B, Section 611

- ✓ *Object 111. As discussed earlier, some staff salaries are eligible to be partially split between the General Fund Function 1250 and Special Fund 251 Function 1250. The change in licensed staff (.35 FTE) is a redistribution of current employees' FTE between the two Funds. There is no actual change in FTE. Redistribution is due to staying within grant award amounts.*

Pg 81 Fund 260 SB 1149 Energy Efficient Schools Program

- ✓ *This is a special program that is State mandated. It requires a portion of all Pacific Power and Northwest Natural Gas receipts to go to schools in those utility companies' areas.*
- ✓ *Expenditures will be allocated to pay for the loan that the District needed to complete a 2012-2013 mechanical systems project at The Heights; as well as, any eligible maintenance that may be required on that system.*

Pg 82 and 83 Fund 261 Equity in Education

- ✓ *This is a grant through the Meyer Memorial Trust. The goal of the grant is "through equitable education, transform our District to improve college and career readiness for English Learners and students in poverty."*
- ✓ *This grant requires a District contribution. For budgetary purposes, all required allocations have been transferred (\$61,095.78) to the grant; however, all of these funds may not be needed because some of the District's contributions may be done in-kind or with other grant funding.*
- ✓ *Expenditures have been based upon specifically agreed upon requirements of the grant application.*

Pg 84 Funds 271 through 286 Scholarship Funds

- ✓ *Object 374. There are two remaining District held scholarships. Scholarships are now being established through Seaside Scholarships, Inc. which is a non-profit community organization.*

Pg 85 is the District's Debt Service Payment Schedule for the PERS Unfunded Actuarial Liability Bond.

Pg 86 is the Debt Service Payment Schedule for the 2017 General Obligation School Relocation Bond that was passed in November of 2016.

Pg 87 Fund 300 Debt Service

- ✓ *Function 5110 Object 610 and 621. Payment allocations have been made for the 2017 General Obligation bond sales. This is a levied tax imposed on our voters.*

Pg 88 and 89 Fund 400 Capital Projects

- ✓ *At this point, the primary purpose of this Fund is to keep funds available for the obligation of future field replacement at Broadway Field.*
- ✓ *Function 5200 Object 790. An interfund transfer has been allocated if funds are needed to support the relocation construction project. These funds will only be transferred if they are needed.*

Pg 90 and 91 Fund 410 2017 General Obligation (GO) Bond Project

- ✓ *In November 2016, voters gave the District authorization to sell GO Bonds not to exceed \$99.7 million. In February of last year, the District sold two series of bonds totaling \$97.4 million which also resulted in an additional \$11.6 million in bond premium. A bond trades at a premium when it offers a coupon rate higher*

than prevailing interest rates because investors want a higher yield and will pay more for it. Taxpayers are not responsible for paying for the additional funds that bond premiums generate. They are responsible only for the \$97.4 million sold. Because the District did not issue the full \$99.7 million, it still has a remaining \$2.3 million that can be sold at a later date. All revenues in this fund, including bond premium and interest earned, can only be spent on the K-12 campus project.

- ✓ *Revenue 5200. Interfund transfers have been budgeted from Fund 400 (\$398,012.69) and Fund 420 (\$656,248.04). These transfers will only occur if the resources are needed to complete the scope of the project requirements.*
- ✓ *Function 4150. Based on the cash flow projections provided by our project management firm, allocations have been made as construction continues on our new campus project.*

Pg 92 Fund 420 Capital Maintenance Reserve Fund

- ✓ *The objective of this Fund is to start accumulating resources to ensure that the District is able to adequately maintain our new school facilities. The purpose of these resources is to cover substantial maintenance projects. The resources will not be used for regular operating maintenance and supplies.*
- ✓ *Object 5200. A transfer from the General Fund has been allocated. In the past, these resources have been allocated in the General Fund Function 2542 to maintain our current ailing facilities. Because new facilities are a reality, there is no reason to invest any substantial maintenance repairs in the current facilities.*
- ✓ *Function 5200 Object 790. An interfund transfer has been allocated if funds are needed to support the relocation construction project. These funds will only be transferred if they are needed.*

Pg 93 Fund 700 Trust and Agency

- ✓ *The District is no longer a grant authority for any outside organizations. No appropriations have been made to this Fund.*

Budget Chair Brian Taylor asked the Budget Committee if they had any questions regarding the Budget Message and Budget Document. Hearing none, he asked if there were any questions from the public.

Chuck Albright inquired about the impact of the Student Success Act (HB 2019) on the SSD budget. Sheila Roley responded that if HB 2019 passes it will not have an effect on whether we are in the State School Funding Formula. If passed, all districts will get funds, regardless of the State School Funding Formula. Funds would not likely be available right away, and will be restricted to certain spending requirements.

Chuck Albright asked if substitutes, who are now considered contract services under ESS, are still getting contributions to PERS. Justine Hill responded that as contracted service, subs do not get PERS contributions.

Business Manager Justine Hill encouraged members to contact her prior to the next Budget Committee meeting if they have any questions.

Superintendent Roley thanked Justine Hill and her team for all of their work on the budget.

SCHEDULE NEXT MEETING

The second meeting of the Budget Committee is scheduled for Tuesday, May 21, 2019, 6:00 pm at the District Office.

The Budget Committee meeting was adjourned.

Leslie Garvin
Executive Assistant