

**Gervais School District #1  
Budget Committee Meeting Minutes  
Thursday, May 5, 2022  
Via Zoom**

**1.0 CALL TO ORDER**

**1.1 Pledge of Allegiance**

Director Bustamante called the Gervais School District Budget Committee Meeting to order with the Pledge of Allegiance at 6:08 p.m.

**2.0 INTRODUCTION OF COMMITTEE**

Budget Committee Members present included: Henry Bustamante, Maria Caballero, Ana Contreras, Alan Hanson, Karen Herinckx, Jenny Jones, David Moreno, and Angie Toran.

Others present included:

Caryn Davis, Sandra Segura, and Dandy Stevens.

**3.0 ELECTION OF COMMITTEE OFFICERS**

**3.1 Elect Chair**

Director Bustamante moved and Director Caballero seconded to nominate Mr. Alan Hanson as the Budget Committee Chair. Motion passed 8-0.

**3.2 Elect Vice-Chair**

Director Bustamante moved and Director Caballero seconded to nominate Ms. Jenny Jones as the Budget Committee Vice-Chair. Motion passed 8-0.

**4.0 REVIEW BUDGET COMMITTEE POLICY (DBEA)**

Ms. Davis read policy DBEA.

Ms. Stevens welcomed all and thanked them for their volunteer service. She said that the responsibility of this committee is to present the budget, hear any comments from the public, and revise the budget as needed. Ms. Stevens asks the committee members to stop them anytime with any questions regarding the presentation. She stated that the responsibilities of the budget committee are to hear the budget message, to hear and consider public comment, to discuss and revise the budget as needed, to approve the budget, and to approve the tax rate and amount. The budget committee members do not allocate salaries, benefits contract terms, or staffing levels. The budget is created based on the funds that will be needed to function next year and the programs that will be needed to achieve the district goals.

Ms. Stevens asked if there were any questions so far.

No questions were asked.

Director A. Contreras joined the meeting at 6:14 p.m.

Ms. Stevens said she would go over the components of the agenda and go over the proposed budget. The public would also have the opportunity to speak, and if the budget is not approved tonight, a date was scheduled for next week.

**5.0 REVIEW AGENDA & OPTIONS**

A slide was shown with the agenda items for the meeting.

**PUBLIC COMMENT#1**

No comments.

## 6.0 BUDGET MESSAGE

Ms. Stevens proceeded with the budget message. See budget binder for the entire message.

Ms. Jones asked if the district is estimating an increase in enrollment and if Frontier Charter School expects higher Enrollment in the coming year.

Ms. Stevens replied that COVID did not benefit online schools, including Frontier Charter Academy. She also said that ADM for special groups (ELL, teen parents, special education students) get more funding. In addition, the district hopes to have more first-graders and kindergarteners register since some parents chose to keep them at home during the pandemic.

Ms. Stevens asked Ms. Davis to continue with the budget presentation.

## 7.0 FORMULA DISCUSSION – GLOSSARY & TERMS

Ms. Davis started the presentation with "Fund Definitions" and expanded on their meanings.

Ms. Davis reviewed the following areas:

- New fund to put excise tax money in one location
- Change food service account from "250" to "299"
- New funds for retention and recruitment in response to COVID-19. These funds could be spent in several ways, including mentoring new teachers
- District debts, capital projects, small funds
- Enrollment from 2018-2019 to 2020-2021 (noted that kinder enrollment is down 33%). Data shows that decreasing enrollment is a statewide concern.

There was a brief discussion that Frontier Charter has been seeing a decline in enrollment, but more students are joining face to face, too.

## 8.0 GENERAL & SPECIAL FUND DISCUSSION

The following things were shared about the general fund.

- The district will be seeing a decrease in funding due to the two-year look back in enrollment. Last year the district did not allow districts to drop kids, which will hurt district's budgets.
- Another factor that will impact the budget is that the staffing demand was high with all the extra stuff we were doing.
- Money gained from Frontier Charter Academy is set aside in a separate budget area because they can separate from the district anytime they choose. Frontier Charter Academy has its administration, but they are accountable to the district if they do something wrong or unappropriated. FCA leases Pioneer from the district to do professional development. The district receives 5% revenue from them for being the sponsoring district.
- Costs for utilities and supplies continue to go up and impact budgets.
- A graph was shown with data on instructional staff and grant. No grants are connected to salaries for principals, superintendent, or custodial, which is why that line is going higher in the data.
- The area of operations and maintenance cannot be cut because that is where cleaning supplies are bought from, and things have to be kept clean.
- Looking at the object code for the area of the Sped budget, funds will be moved because the district is receiving services from WESD. In that area, the district was able to reduce the budget.
- On the "salaries" function there was reduction of staffing in the elementary. That area was overspent, but they could move some of those positions to be funded through Sped and ESSER funding. Retirees were not replaced.
- The state wants 8% to be set aside for contingency. The district set aside 7.3% contingency and felt it was more important to keep staff. The state pays the district in May and the district pays staff three checks in June. Those funds cannot be touched unless the board approves to release them. So the district is trying it's best to set aside 8% for the contingency fund.

There was a brief discussion staff retention. The district only has some people retiring and some resignations; for the most part, the district can absorb those positions.

There was a brief discussion that the state dictates when textbook adoptions take place. This year the district was able to do a full adoption for K-12 Language Arts and a portion of Social Studies textbooks for the high school, including digital resources, SIA funds were used. It is otherwise not possible to do a full adoption due to how expensive it is. Typically, not much money can be allocated for textbook adoption.

Ms. Davis stated that the district's goal is to create greater capacity to spend with grants and that the district tries its best to leave a cushion. A breakdown was given of all the grants the district received and an example of the district's funding from Medicaid reimbursements was provided.

Ms. Stevens said that the district accounts for time spent with the students with certain activities that can be claimed. There are staff that are being funded from these funds.

Ms. Davis says that other miscellaneous grants are also included in those numbers.

**Other areas discussed:**

**SIA**-projecting lower amounts because the district projected to get the same amount it received last year. We will not be receiving the same amount and some of the staff that are paid from that account had to be shifted out.

**Food Services funds**-funding is uncertain because it's all COVID related. Fund's budget is \$526,495 lower than 2021-2022 budget. Due to adjusting back to normal services, from the anomaly in 2019-2020 through 2020-2021. The district is looking for the "Capacity" to spend when needs arise. The district will likely adjust this figure for 2022-2023, but the district is in uncertain times and needs to keep this capacity high until things settle down.

**Debt Services**-noted a discrepancy in the fund number for the new PERS pension fund.

**Capital Projects**-funds are gone if the bond does not pass, but if it passes, that will change. The way line items are planned out in this section of the budget is that you plan estimates on how much funds might be used in order to balance the budget.

There was a brief discussion that many repairs need to be done throughout the district, such as the high school roof. If the bond does not pass the district is not prepared if something significant happens and something needs to be done within the next three years. Insurance does not cover a lot of things due to aging buildings. There are some funds reserved from property sales, FCA funds collected, and excise tax funds, but it is not enough to cover even replacing the roof at the high school.

## **9.0 COMMITTEE QUESTIONS / DISCUSSION**

Mr. Hanson asked the public if anyone had any comments or questions.

No public comment was made.

The following comments/questions were made by the committee:

**What areas are being impacted by budget cuts?**

Ms. Stevens said that the district is keeping students harmless to the cuts. The district looked at blending classes, has not added more days, and supports all the current programs.

**Will maintenance continue to be deferred?**

Ms. Stevens said that, unfortunately, if the bond does not pass, there are only so many years that it can be deferred due to the age of the buildings.

**What are the class sizes?**

Ms. Stevens said that some classes have 18 students.

**What are enrollment numbers for kindergarteners?**

Ms. Stevens said that there are about 52 students enrolled but we expect about 15 more. The elementary staff was asked to figure out how to find kids to see where kids are that skipped kindergarten and are 1<sup>st</sup> graders. The district will have a strategy in place to find these students.

**If the district gets an influx of students, will funding be increased?**

Ms. Stevens said that the district would adjust to meet the needs, and we will be working on targeting recruitment. She said that she hears an influx of middle and high school students is coming to us. In addition, parents want a small community where their kids are known.

**Does the district have a student recruitment plan, and what would the selling point be?**

Ms. Stevens said that a person was contracted to help the district with a recruitment packet.

**Do we have any idea how Amazon will impact the district?**

Ms. Stevens said that Amazon and the rising costs of housing would be a trickle effect on the influx of students. She said that when she worked for the Silver Falls School District, agreements were made between Silver Falls and Mt. Angel district to transport students. It's uncertain who is moving to the homes being built in the Woodburn School District, but she is open to doing something similar with Woodburn School District.

**10.0 APPROVE BUDGET PROPOSAL**

Mr. Hanson asked the budget committee if they were comfortable voting to approve the budget today or if they would like another meeting?

The budget committee proceeded to approve the proposed budget.

Mr. Hanson moved and Director Herinckx second the motion that the Gervais School District #1 Budget Committee approve the 2022/23 budget in the aggregate amount of \$29,096,113. Motion 8-0

Mr. Bustamante moved and Director Herinckx seconded the motion that the permanent tax rate of \$4.6427 per \$1000 of assessed value be assessed in support of the general fund. Motion passed 8-0.

**11.0 ADJOURN**

Mr. Hanson adjourned the meeting at 7:51 p.m.

Approved:

  
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Board Chair

  
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Secretary