

**Gervais School District #1
Budget Committee Meeting Minutes
Tuesday, May 2, 2023**

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

Director Bustamante welcomed all to the meeting and asked everyone to introduce themselves.

Budget Committee Members present included: Henry Bustamante, Maria Contreras, Alan Hanson, Karen Herinckx, Jenny Jones, David Moreno, Arturo Oropeza (joined via Zoom), and Angie Toran.

Others present included:

Caryn Davis, Sandra Segura, and Dandy Stevens.

3.0 ELECTION OF COMMITTEE OFFICERS

Director Bustamante for nominations to elect a chair and a vice-chair to lead the meeting.

3.1 Elect Chair

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

3.2 Elect Vice-Chair

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

Ms. Stevens read the responsibilities of the budget committee members (see budget binder for the full list of responsibilities).

Ms. Stevens said that this is the first scheduled budget meeting. Once the budget is presented, if there are no further questions the Budget committee may approve the budget as presented in this first meeting. If the Budget Committee decides to approve as presented tonight, then it will go to the School Board to approve and adopt the budget at the next board meeting. If the budget is not approved tonight, another date is scheduled. The public would also have the opportunity to speak.

4.0 REVIEW BUDGET COMMITTEE POLICY (DBEA & DBE)

Ms. Davi continued with the budget presentation that included the following information.

Budget Committee

- Listed names of the Budget Committee members and the duration of their terms.
- Included policies for the Budget Committee and Budget Preparation

5.0 REVIEW AGENDA & OPTIONS

A handout was provided to the Budget Committee with the agenda items for the meeting.

PUBLIC COMMENT#1

Director Toran asked if there were any public comments.

No comments.

6.0 BUDGET MESSAGE

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

7.0 GENERAL & SPECIAL FUND DISCUSSION

Ms. Davis explained the details and purpose of the following fund areas:

General Fund- comprise of three funds. One of those funds is the clustering of Frontier Charter School. Fund 101 which is the Grant indirect.

Special Review Funds-there are several funds within the special review funds. Some of these funds roll over to the following year and the district alternates using the funds. Funds are at capacity because money is not guaranteed.

Debt Service Funds-

Capital Projects Funds-there is only one fund in this category. There is nothing in those funds but if the bond passes an account would need to be reactivated and would have to approve a supplemental budget for the bond proceeds.

Enrollment/State School Fund/Staffing-an enrollment change analysis was presented for 2019-20 to 2022-23, enrollment by grade, district student counts from 2015-16 to 2022-23 show a decrease in enrollment over the years.

8.0 FORMULA DISCUSSION – GLOSSARY & TERMS

Ms. Davis showed a document explaining in detail how the funding formula is calculated for student funding. She went over the enrollment numbers that the district anticipated. She said that funding is impacted when districts partner with a charter school. She explained that for 2023-24 the anticipated enrollment numbers with the Frontier Charter school is 1579 and with the two-year look back the state will look at 2022-23 which enrollment was at 1601. Another factor is that the state does a special formula when districts sponsor an online-only charter school. Only a certain percentage is given looking at the two-year look back. Things have been changing frequently, but the numbers will be close to what is being presented tonight. Ms. Davis added that the charter school is being conservative on anticipated enrollment numbers because they do not want to receive the funding and then find that they need payback due to not having the enrollment that was anticipated. The district hopes that enrollment comes close to what is anticipated or higher otherwise the district would have to ask the board to use charter school contingency funds to support us through the school year.

There was a brief discussion by the group that the district meets with Frontier Charter School on a regular basis to discuss enrollment and to ensure that the numbers reported are conservative, so funds do not have to be paid back. It was also discussed that funding was also impacted by a law that was passed that impacted funding for charter schools. Other factors that impact the funding formula are teacher experience and the amount that is reimbursed to districts on transportation.

Ms. Davis continued with her presentation presenting a document with staffing comparison numbers for 22-23. The document consisted of adopted, current, and proposed numbers for 22-23. She shared the process that is followed by the district to come up with the numbers and expressed that special considerations are considered. She stated that the ratio of the teacher to student is higher for higher grades and lower for lower grades.

Ms. Davis continued sharing budget reports for the following funding areas.

General Fund

- State School Support for Gervais SD
- State School Support for Frontier Charter
- Beginning Fund Balance for Gervais SD
- Beginning Fund Balance for Frontier Charter
- A graph was shared containing data from 2017-19 to 2023-2024 actuals, the budget proposed (2023-2024) for the district, and Frontier Charter
- A report was shared without the Frontier Charter with the adopted budget for 2022-2023 and actuals proposed for 2023-2024 (higher than the amount adopted the previous year due to more revenue the district received).
- Other reports that were presented were:
 - Frontier Charter adopted budget for 2022-23 and proposed budget for 2023-24.

- Comparison of Requirements by Function 2022-2023 adopted to 2023-2024 proposed
- Pie graph containing percentages for 23-24 General Fund proposed requirements by major function excluding Frontier Charter School. The percentages listed were for contingencies, instruction, support services, and other uses.
- Data on percentages for 2023-2024 general fund requirements by object excluding Frontier Charter. The graph included percentages for purchase services, supplies, other objects, transfers, and contingency. This is the main area where salaries are paid from.
- Budget for the elementary school. There is a noticeable increase at the elementary under “instructional professional” for sub charges. The amount of 166K was moved to the general fund because there was nothing else left from the WESD services amount allocated. An amount of over 200K has been spent for licensed and classified subs. The district hired a total of six subs to cover absences and the subs are kept busy districtwide. The labor shortage is not going away.
- Shared a report showing numbers on how valuable it has been for the district to receive SIA funds to be able to proceed with expensive textbook adoptions for Language Arts, Math, and English Language Learners and next year it will be Science. An area that the district had not been addressing for a while, but now is able to do the adoption because of the SIA funds.
- The budget for the middle school staff was shifted around to use other funds to pay for licensed salaries which is the reason why there is a decrease in salaries proposed for 2023-24. Classified salaries also decrease and that is due to IA’s being re-coded to ELL funds. The district gets additional funding for ELL and if the position fits with ELL funds, then it’s re-coded to use those funds instead.
- The budget for the high school there was a significant change in “computer hardware” that is due to a software testing system and credit recovery classes called Odyssey that the high school is using. That should not be taken out of their funds. That expenditure was changed to a technology budget because it requires software for students and should not be coming out of discretionary funds from the high school. The district was able to purchase a three-year subscription and was able to save.
- Programs for the talented and gifted. There was an increase in classified salaries to the students’ needs and more classified employees were hired.
- Under maintenance/custodial there was an increase of 1 FTE. It was not caught last year that that department was short one FTE.
- Under managerial classified that increased due to a new assistant facilities manager that was moved into that budget. Before the pandemic, there were 2 FTE under management for maintenance custodians, and one retired and was never replaced. The district thought that department could be handled by only 1 FTE, but it didn’t work that way, that is the reason why a .5 FTE was added to management this year.
- Proposed FTE increase from 104.29 to 106.50 in the general fund and that is due because some positions were funded from state funding that will be going away such as ESSER funding.
- Frontier Charter School under transfers and funds there was an amount of 360K just in case funds would need to be moved around you would not have to do a supplemental budget to move out of contingencies. If there is no increase in enrollment or the state does not fund enough, then the district will need to take some of those funds.
- Presented a grand total for the general fund of \$19,455,77 to \$20,442,047.

Special Revenue Funds

- The budget detailed estimate shows the alternating of accounts mentioned earlier in the agenda. There were new funds added. One was added for the building lease fund from Frontier Charter, the insurance reserve fund, GEAR UP Grant, and Latinx Grant. Details were shared of the reason why those funds were created.
- Another budget detailed estimate sheet was shared listed by funds by function. It was shared how the district receives funds for the preschool program and the process of how some students are approved by the state.
- Certain positions are paid for out of the Student Investment Account. For example, TOSA position, resource officer, professional development, etc.
- Extra funds had to be allocated to pay for an extra teacher at the elementary school to help support our staff that was needed because it was coming out of the general fund.
- Adjusted the High school program for licensed salaries paid out of ESSER and Measure 98. An adjustment was also made for a classified salary special ed. assistant that is funded for credit recovery from SIA funds.
- Hired a licensed coordinator for the preschool program.
- With Title I classified salaries went down and that is because the need was not in that funded source and things moved around.

- GEAR UP Coordinator gets paid from a grant, but it will face out of the grant and as the years progress and then get paid out general fund.
- Daycare will be closing. The program did not sustain itself. The cap of rates was too high. The district was not charging for the staffing that was being used in that program. Some teachers' kids were attending, and the district was able to use ESSER funds for this program, but it can no longer use those funds.
- Total was provided for Special Revenue funds. It will go down from \$7,934,831 to \$73,53,454.
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Investment Act Breakout

- More slots were purchased for students to go to Willamette Career Academy (WCA). It was mentioned that the district ask that more funding is provided and will be getting it to support the students to attend WCA.
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Success (M98) Breakout

- Projection do not indicate that funds will increase.
- Looking at the EMT program and using M98 funds. Five seniors will go to this program and be certified.

Food Service Breakout

- Had a great boost of revenue during COVID. Now we are not getting as much back. The amount that gets reimbursed from the state does not cover all that is required to feed children and does not cover staff salaries.

Debt Service Breakout

- Pointed out details on the transfers on energy projects, consolidated loans, and PERS UAL. Details were also shared about a PERS account created for paper trail purposes.

9.0 COMMITTEE QUESTIONS / DISCUSSION

The Budget Committee asked the following questions during the presentation.

General Fund Questions

Why is there a decrease in the alternative fund?

Ms. Davis said that the reason why that amount decreased is because Samuel Brown no longer exists, and that program has been moved to the high school building. Funds were allocated to pay an instructional assistant.

The psychologist's services amount is just an estimate of how much will be spent.

Ms. Davis said that the funds were set aside in SIA funds but needed to be put back in the general fund.

Ms. Stevens added that there are several services that are provided by the WESD, and the district is only responsible for paying for a portion of those services. The WESD estimates the number of hours needed depending on student enrollment. Another thing to keep in mind is that the psychologists' hours are kept track to bill Medicaid. In the end, the district gets reimbursed for those hours from the State (Medicaid) and ends up generating more money from Medicaid. This has been done in the last three years.

What are we doing for sub shortages?

The district hired six subs (three classified and three licensed) for the district, and they have been covering for staff every day except for the first day of school.

Why was there a significant increase in this area? (on page 49 of the budget presentation)

Ms. Davis said that is due to inflation that she allocated more funds in that area for the purchase of big equipment for the maintenance department.

Ms. Stevens said that it could be such a boiler at the elementary going out. The district wants to make sure we have something saved for that kind of thing that might come up.

How many kids does the district retain that are in the preschool program and are they local?

Ms. Stevens replied that there are kids that are local, and Dr. Helms has created a kinder readiness class, so kids are prepared with the right skills when they start kindergarten. She said that most of the kids stay in the district.

10.0 APPROVE BUDGET PROPOSAL

Director Toran asked them if there were any further questions.

No further questions were asked by the group.

Director Bustamante moved and M. Contreras second the motion that the Gervais School District #1 Budget Committee approve the 2023/24 budget in the aggregate amount of \$29,546,286. Motion 8-0

Director Bustamante moved and Director Toran 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.


Ms. Davis thanked the Budget Committee for their service.

The group thanked Ms. Davis for all the work put into the budget.

11.0 ADJOURN

Director Toran adjourned the meeting at 7:50 p.m.

Approved:



Board Chair



Secretary

