

SEASIDE SCHOOL DISTRICT 10
Budget Committee Meeting - Minutes

Tuesday, April 18, 2023, 6:00 pm

Secondary School Library, 2600 Spruce Drive, Suite 200, Seaside and virtual via ZOOM

PRESENT:

Budget Committee: In-Person: Brian Taylor, Michelle Hawken, Sondra Gomez, Shannon Swedenborg, Mark Truax, Chris Corder, Brian Owen, Mary Bess Gloria, Jason Haag, Nancy McCune, Darryl Walker, Tony Wozniak. Zoom: AJ Wahl. Absent: Ryan Dewey

Administration: In-Person: Superintendent Susan Penrod, Assistant Superintendent Sarah Shields, Business Manager Toni Vandershule, Principals Juli Wozniak and Jeff Roberts. Assistant Principals Jason Boyd and Jeremy Catt.

Staff: In Person: IT Specialist Greg Dotson, Executive Assistant Leslie Garvin.

Others: In Person: Brian Hardebeck and Cate Blakesley. Zoom: Chuck Albright, Jennifer's Phone, Nissa Roberts, RJ Marx, Ryan Hull, Stacie's Phone, Jenny Edwards, Tera's iPhone, Brett Duer, Kerri Boutin.

1. **CALL TO ORDER**

Board Chair Brian Taylor called the Budget Committee Meeting to order at 6:00 pm and explained how to make public comment. A quorum was present.

2. **PLEDGE OF ALLEGANCE**

3. **CALL FOR ELECTION OF THE CHAIR OF THE BUDGET COMMITTEE**

Board Chair Brian Taylor called for nominations for Budget Committee Chair.

Michelle Hawken **MOVED, SECONDED** by Mark Truax to nominate Sondra Gomez as Chair of the Budget Committee.

There being no further nominations, the nominations for Budget Committee Chair were closed and a vote was called.

The MOTION CARRIED (13-0)

4. **CALL FOR ELECTION OF THE VICE-CHAIR OF THE BUDGET COMMITTEE**

Budget Committee Chair Sondra Gomez called for nominations for Budget Committee Vice-Chair.

Brian Taylor **MOVED, SECONDED** by Brian Owen to nominate Michelle Hawken as Vice-Chair of the Budget Committee.

There being no further nominations, the nominations for Budget Committee Vice-Chair were closed and a vote was called.

The MOTION CARRIED (13-0)

5. **PRESENTATION OF THE BUDGET MESSAGE AND DOCUMENT** – Susan Penrod, Superintendent

Superintendent Penrod welcomed all and thanked Business Manager Toni Vandershule, the Leadership Team, and District Office Staff for their work on the budget.

Penrod read the Budget Message:

2023-2024 Budget Message

“Dear Seaside School District Community,

Over the last year, we are seeing the results of prioritizing academic and social-emotional support for students as they transition back to in-person learning. These results include an almost 15% increase in our 2022 graduation rate to 91.5%, as well as improved intervention programs, additional instructional coaching for staff, and the development of an instructional framework. This well-rounded approach to supporting student’s individual needs is the key to increased success. I have heard so many times this year, “It feels like we are getting back to normal”. The new normal gives us the opportunity to bring back honored traditions, improve our practices, and continue to provide our staff with a much-loved wellness program.

Since last October, our school district has launched an outreach campaign to gather feedback from all stakeholders. The Integrated Guidance Plan, initiated by the Oregon Department of Education, consolidates several of our grants into one funding source, offering a more comprehensive view into our programs and priorities, such as Career Technical Education, Multi-Tiered Systems of Support, Early Learning, Literacy, and Attendance. Through this engagement process we have set the following priorities:

The Seaside School District 2023-2024 budget includes the multiple resources provided by federal and state grants designed to continue our goals from 2022-2023:

- *Maintain and expand our CTE programs*
- *Increase student mental health support and access for all students, with a focus on focal student groups*
- *Continue to increase instructional supports and enrichment for students and staff*
- *Increase elective opportunities for secondary students*
- *Evaluate the need for a 6-12 alternative program to further increase graduation rates and college/career readiness*

*We are in our final year receiving grant funds through the Elementary and Secondary School Emergency Relief Fund (ESSER), so our Leadership Team has prioritized essential staffing and programs that support continued improvement. It is truly the best of both worlds when a school district can sustain a sufficient operating contingency **and** provide programs and positions that enable students and staff to excel. We continue to meet our goal of 10% in our contingency fund, providing financial security for our school district.*

The Seaside School District continues our commitment to the core values of equitable, safe learning environments, an engaging well-rounded education, and a focus on collective wellness and community partnerships. Thank you to our entire community for supporting our schools.

Sincerely, Susan Penrod, Superintendent and Budget Officer”

At the conclusion of the budget message, Penrod asked the committee to turn to page two and she read page two:

“BUDGET PROCESS

INTRODUCTION

The Seaside School District prepares its annual budget in accordance with Oregon Local Budget Law (ORS294), which provides standard procedures for preparation, presentation, and administration of budgets. Opportunity for public involvement in the budget process is mandated by the law. Oregon Local Budget Law also requires that the budget be balanced – projected resources must equal projected requirements in each fund.

Preparation of the budget involves many steps and months of work by District staff, with guidance from the School Board. Once a proposed budget is developed, the Superintendent presents it and the Budget Message to the Budget Committee, which then reviews the proposed budget and receives public comment. The Budget Committee recommends revisions to the budget, if needed, and approves a budget for adoption by the School Board. No new program shall be considered for the budget estimate that has not previously been submitted to the board.

HOW THE BUDGET IS ADOPTED

After the Budget Committee approves a budget, the budget is forwarded to the School Board for further public testimony and review. A summary of the approved budget and notice of budget hearing is published in the local newspaper in advance of the hearing. The notice indicates where the complete budget document is available for inspections.

After the budget hearing and consideration of public testimony, the School Board adopts the budget at the June business meeting. The adopted budget becomes the basic short term operational plan and fiscal guideline for the Seaside School District board of directors and administrative staff for the 2023-2024 fiscal year.

SUPPLEMENTAL BUDGETS

If the school district receives unanticipated revenues or a change in financial planning is required, a supplemental budget may be adopted to authorize a change in the budget within a fiscal year. A supplemental budget cannot be used to authorize a tax levy.

The School Board may adopt a supplemental budget at a regular public meeting if expenditures in the supplemental budget are less than 10 percent of the annual budget of the fund being adjusted. If the expenditures are greater than 10 percent, the School Board must first publish the supplemental budget and hold a special hearing.

BUDGET FORMAT

The Oregon Department of Education (ODE), through the administrative rule process, adopts a chart of accounts that is used to classify revenues and expenditures. All Oregon school districts are expected to follow the chart of accounts for budgeting and financial reporting. The Seaside School District appropriates its expenditure budget at the major function level. The function areas, as defined by ODE, are Instruction (1000), Support Services (2000), Enterprise and Community Services (3000), Facilities Acquisition and Construction (4000), Other Uses, which are mainly transfers and debt service (5000), Contingency (6000), and Unappropriated Ending Fund Balance (7000).”

Penrod introduced Business Manager Toni Vandershule, who indicated that the committee has a Notes on the Budget document, which Vandershule proceeded to read:

“NOTES ON THE BUDGET

HIGHLIGHTS THAT AFFECT MANY AREAS OF OUR BUDGET FOR 23/24

Please recognize that our fiscal year 21/22 remains unaudited and may change slightly from these figures. We are one of 12 districts, with at least 1 ESD, that does not have theirs completed. There are footnotes on the affected pages, and it is only the 21/22 actuals column.

We are currently managing 48 grants, 31 of which are in fund 233, miscellaneous federal grants and 250 miscellaneous non-federal grants. The budget for these allocations change depending on the grants funded.

Opt-out stipends were reallocated to Medical/Dental Insurance throughout the budget.

We moved positions from general fund and ESSER into SIA and other sustainable funded grants wherever possible. We added teachers, and an administrator. During the year there were 3 classifieds that were unfilled, and a teacher was hired in their place. This is also reflected in this year's budget.

Our budget reflects a required increase to supplies and services.

There is a significant increase in technology, and an added technology support specialist, as we implement our cyber-security program. It will better protect our data, and give us faster connections in the coming year. This is also a requirement by PACE, our insurance company, to keep our cyber liability insurance.

I do not anticipate the inflation rate dropping. Our budget reflects a required increase to supplies and services.

GENERAL FUND:

Page 4 Our summary of All Funds. We have a total of 229.06 FTE's for this year. An increase of 3.01 FTE's total. Our total budget for the year is \$53,091,367. An increase of \$3,974,521.

Page 7 is a summary of our General Fund Revenue. Our proposed budget for the General Fund is \$27,606,259.

Page 8 is a summary of expenditures in all major functions. The highest cost is in Instruction.

Page 9 is a summary of expenditures in all major objects in the General Fund. We have moved a lot of our salaries to stable grant funding and therefore have lowered our salary costs in General Fund.

Page 10 is our General Fund revenue. Due to high interest rates, we have an increase in interest. I have projected that we will have a significant decrease in our state managed county timber.

Page 11 We have moved our preschool classified staff to the Preschool Promise grant.

Pages 12 there were no significant changes.

Page 13 we have an increase in textbook requirements. There is a need for middle school extra-curricular activities, and the increase in salaries reflects those additional hours.

Page 14 the middle school extra-curricular supplies budget was reinstated and increased for more

activities. We have moved Staff from ESSER to General Fund.

Page 15 we moved substitute licensed to extra duty salary.

Page 16 we moved all of pre-kindergarten to the Preschool Promise grant

Page 17 there were no significant changes.

Page 18 We have added needed FTE's to our Special Services department, that were in other funds. Most of them had been funded through ESSER."

Penrod interjected that you will see a pattern throughout, with ESSER and SIA ending this year, in order to sustain programs things have been moved into the general fund.

Vandershule continued:

"Page 19, 20, 21, 22 there were no significant changes.

Page 23 an increase in supplies was needed in Special Services. The FTE in function 2210 was moved to 2320, the Superintendent's Office.

Page 24 an Educational Assistant was added to this function.

Page 25 An increase was necessary for staff development across function 2240. We are finding more and more meetings and trainings are no longer virtual.

Page 26 The FTE in function 2210 was moved to 2320, the Superintendent's Office.

Page 27 We have added an Assistant Principal at PRE. They are funded half General Fund and half SIA.

Page 28 We are adding back a half time FTE in the District Office. This will facilitate the increased workload in grant tracking and clerical work.

Page 29 We are purchasing a software program named DebtBook. It is required by our auditors for the new GASB rules for leases and software contracts.

Page 30 We are adding a Custodial staff at the High School to cover rentals and off hours. We are also increasing our substitute and temporary staff. We charge the renter for our custodial staff hours when appropriate, to offset this cost.

Page 31 We have added a half time bus driver, and will be rehiring a mechanic this coming school year.

Page 32 Our bus replacements continue. This reflects 2 vehicle purchases. There is a requirement in

December 2023 to purchase vehicles with lower emissions. We are researching alternatives.

Page 33 there were no significant changes.

Page 34 We are planning reserves in the amount of \$2,750,000 which is approximately 10% of our general fund budget, as required by board policy.

SPECIAL REVENUE FUNDS:

Page 37 this is one of our miscellaneous revenue funds and expenditure requirements change with each grant received.

Page 38 through 40, TITLE IIA there were no significant changes.

Page 41 through 49 ESSER This is the last year of our ESSER funding. We must spend all of the remaining funds in fiscal year 23/24. We have moved all FTE's out of ESSER and into more stable funding streams. We have added extra duty salaries for exploring other added programs. We have 3 curriculum adoptions this year, a generator at PRE, and some of our cyber-security program."

Jason Haag asked: if the cyber-security was a one-time expense? Vandershule said it is for replacing servers and other items and would be a one-time expense.

AJ Wahl asked: if, given that ESSER funds are ending, were there any programs that weren't moved and that won't continue? Penrod answered that we were able to move them all.

Vandershule continued:

"Page 50 and 51 Technology Grants will be paying 80% of a new upgraded WiFi system.

Page 52 and 53 MAC will continue to pay our Health Services staff.

Page 55 through 57 are historical information. We no longer receive this grant.

Page 58 and 59 ASPIRE there were no significant changes.

Pages 60 and 61 Title I We moved 2 staff to SIA.

Pages 62 and 63 IDEA there were no significant changes.

Pages 64 and 65 Rural and Low Income Schools there were no significant changes.

Pages 66 and 67 Title IV – SSAE there is an increase in funding and we will use those for supplies and textbooks.

Pages 68 through 72 Miscellaneous Grants Non-Federal, There are several grants in this fund and

budget allocations change depending on the parameters of the grants funding it. Examples are: \$500 from NWRESA for a classroom, \$1200 for a stipend for a training, etc.

Pages 73 through 83 SIA and Graduation and College/Career Readiness We have moved 4 FTE's into these funds. This and our next fund are driven by our Integrated Guidance. Susan can share more about this."

Penrod interjected that the Student Investment Account (SIA) is funded by the corporate activity tax. There is always the potential for this to go up or down, but we have been told it is likely to go up.

Vandershule continued:

"Pages 84 through 87 are for historical information. We do not anticipate receiving the Summer Enrichment and Learning Grant this year.

Pages 88 and 89 English Language Learners has no significant changes.

Pages 90 through 92 Energy Efficient Schools has no significant changes.

Pages 93 and 94 Equitable Education has no significant changes.

Pages 262 95 through 97 Due to the individual schools maintaining their own accounting systems, and are audited on those accounts separately, we no longer have to break out their expenses in the District's system. Therefore we are allowed to budget them in their supplies category. They do not have significant changes from year to year.

Pages 98 through 100 Preschool Promise We have added several FTE's as we believe this is a stable funding source.

Page 101 through 104 Ann Lewis and Vellutini Scholarship has no significant changes.

Page 105 through 107 Food Service We are currently being audited by ODE for Provision 2. We are anticipating the continuation of free meals for students. If Provision 2 does not renew, we have funding set aside in ESSER. The 1 FTE was reallocated to substitute classified staff."

Penrod added that we currently offer free breakfast and lunch to all of our students, which is a priority, and we have funded it just in case we do not get Provision 2.

Pages 108 through 119 These are our debt services and have no significant changes.

Pages 120 through 124 Capital Improvements and Bond. In these funds we are budgeting several improvements. The majority of this is allocated to the Softball Field. However, there is also a need for a new roof and other improvements at the warehouse/bus barn, as well as a new IT server at PRE.

Page 125 and 126 Capital Maintenance Reserve has no significant changes.

Page 127 is the Grand Total of all revenues.

Page 128 is the Grand Total of all expenses.

Pages 129 through 132 is an appendix with budget terminology that you might find useful.”

6. DISCUSSION OF THE 2023-2024 BUDGET

AJ Wahl had a question – It seems that a big theme is to increase graduation rates and prepare students for careers, is there any data that shows what students do after high school? Penrod answered no, there is not, but it is a goal to be able to track this. We are in touch with the college to be able to track some of this data and we are in ongoing discussions with the college. Principal Jeff Roberts noted that this is an exceptionally difficult number to track – once students leave us, there is no easy way to find out what they did. We do get numbers from the OUS system, but that only shows state schools. The best data we have is anecdotal.

There was some general discussion about the audit and why it is late.

Chris Corder asked Vandershule to explain the drop in managed timber money. Vandershule responded that it is because of conservation, they will not be logging as much, so they will not have as much revenue.

Jason Haag asked about the taxes increase. Vandershule answered that there is a tax increase every year, but she thinks there will be even more grants this year and we will keep going after those. Haag asked about pending grants and how much is anticipated. Vandershule said she did not know about potential grants. Penrod said there are just a few that are under consideration that may need to be revised. She continued that some grants depend on the number of students we have and sometimes the state does not get the full funding they anticipate. Measure 98 funds have been committed and the state is trying to fund other areas. We did find out today that the state is not going to fund summer school this year.

AJ Wahl said in last years’ budget there was funding for field trips, a portable stage, and a STEAM position at PRE, these additions are directly tied to the strategic plan goal of expanding real world opportunities for students...she asked for a follow up about this. Penrod noted that the stage was a onetime purchase, but the STEAM position is continuing and an additional elective position is being added at the middle school.

Chris Corder asked how the final ESSER funds will be spent. Penrod noted that we have curriculum adoption for language arts, which is one of the most expensive adoptions, which will come out of ESSER. This will allow us to save for a math adoption next year.

Mark Truax asked how close we are to the state school fund. Vandershule said that we are not close right now. Vandershule explained what the state school fund is. Haag asked how much we exceed the state school fund. Vandershule said she didn’t know but she can look it up.

Jason Haag asked how we did last year, from proposed to executed. Vandershule answered, we had an increase in revenues, we received about \$150,000 in interest and our ending fund balance is healthy; I believe we are on track this year.

Chris Corder asked what happens if we go over budget on the softball field project. Vandershule said there is 1 million in contingency. Penrod noted that she is confident we are going to be able to stick to our budget, but we have a backup plan.

There was discussion about TANS loans and the fact that we have not needed one for the past two years.

Superintendent Penrod encouraged members to feel free to reach out over the next month if there are questions.

7. **PUBLIC COMMENT**

Chuck Albright asked where the budget can be found. Leslie Garvin said it became available at the beginning of the meeting on the Seaside School District website Finance page.

Chuck Albright asked where Wellness is funded. Vandershule said approximately \$30,000 is funded out of 2240.

Chuck Albright – There is a House Bill 2690 about creating a higher floor for teacher salaries. Since we are not state funded, do we have to follow what the state does, or could we do our own thing?

Penrod: I don't know the answer to that, but I will find out.

8. **ADJOURN BUDGET COMMITTEE MEETING**

9. **NEXT MEETING OF THE BUDGET COMMITTEE**

- Tuesday, May 18, 2022, 6:00 pm

Leslie Garvin
Executive Assistant