

**BOARD APPROVED**

Redmond School District
Special Board Meeting and Budget Committee Work Session
February 7, 2018

Board Members in Attendance: Chair Rick Bailey, Vice Chair Tim Carpenter, Directors Shawn Hartfield, Johnny Corbin, Travis Bennett.

PROCEDURAL ITEMS

Chair Bailey called the meeting to order at 5:30 p.m. and established a quorum.

PRESENTATIONSJeremy Wright, Wright Public Affairs – Bond Survey Results

Wright Public Affairs conducted a survey on behalf of the district regarding the possibility of an upcoming bond. They surveyed 400 likely voters with a live telephone survey using professional interviewers January 19-22. They found good support in the bond, but their advice would be to put the bond on the November ballot to give the district more time to reach and educate more voters on the condition of our schools. We moved 11 points throughout the survey as different questions were asked and that is very rare to see. The challenge is that we have a lot of people still to reach. There is great possibility here, we have the right messages, we just need to get out and make the case, often, and in a repetitive manner.

ACTION ITEM

Vice Chair Carpenter made a motion to accept the January 24, 2018 board meeting minutes as presented. Director Hartfield seconded the motion. Motion carried, 5-0.

Vice Chair Carpenter made a motion to adjourn the Special Board meeting at 6:20 pm. Director Hartfield seconded the motion. Motion carried 5-0.

BUDGET COMMITTEE WORK SESSION**Budget Committee Work Session**

The Budget Committee work session was called to order at 6:31 pm and introductions were made since we have a new Budget Committee member Tom Linhares.

Kathy Steinert presented the District's Long Range Financial Plan. A financial plan connects our investments to our Strategic Priorities. It is a financial forecast that quantifies the District's desired investments to meet the strategic plan goals. While it is a starting point for the budget process, it is different than the proposed budget we will be presenting in April which will be a *balanced* budget. The objectives for the financial plan are to build on 2017-18 and prior year investments in strategic plan priorities and objectives, maintain equitable class sizes, provide competitive compensation to attract, recruit and retain highly effective staff, prioritize and resource instructional technology initiatives, and expand opportunities for Measure 98.

Statewide Education Budget Context – During the 2017 Legislative Session, they passed a budget of \$8.2 billion for the 2017-19, which was \$200 million short of maintaining status quo. Legislators also allocated that with a 50/50 split, but our district will never budget for a 50/50 split, we design an expenditure budget that is a 49/51 split.

Measure 101 - States revenue forecast continues to be positive. Oregon's general fund revenue continues a steady pattern of growth. There is not a risk for our fiscal allocation in the next year. Oregon's budget is primarily personal income taxes, which means with the recent tax reform we could see some changes.

Ballooning PERS costs - The PERS unfunded liability has grown to an estimated \$25.3 billion, raising costs for all public employers. In the next biennium, districts are projected to pay \$1.47 billion.

House Bill 4113 – This would allow negotiations of class size. It would give teachers the right to strike over class size and this bill is sponsored by teachers unions. While the bill does not target an actual class size, it states it could be negotiated. Bend La Pine School District is reporting that if they were to lower their class size by three students, they would need to hire 85 additional teachers and that would cost \$17-18 million.

2018-19 Revenue Assumptions

- Statewide Formula Revenue
 - No increase in state revenue for formula
 - Effectively, a 4.3% increase for RSD since we budgeted for 49/51 split
 - .45% growth in statewide ADMw
- Growth in property taxes of 3.5% statewide
- Steady, modest enrollment growth
 - Non charter grows 0.89%, 59 students (in-migration)
 - RPA flat (for in-district students)
 - PSU projects 1-2% growth rate over the years

2018-19 Expenditure Assumptions – Staffing

- Target class sizes
- FTE Growth in the General Fund (12.71 FTE) – this includes FTE at the elementary level (KG), graduation coaches (Measure 98), CTE computer science student tech team, school psychologist, restructuring of Student Services, and taking over Behavioral Program from HDESD

2018-19 Expenditure Assumptions

- Salary Related
 - Restoring one day to our licensed calendar for a full 190 days
 - Step increase
 - 2.0% COLA
 - Total salary increase is \$2.4 million (including new FTE, COLA, step increases, 1 day restoration, full year work days)
- Payroll Related
 - PERS rates – 3.18 percentage point increase for 2017-19 biennium
 - Increase of health insurance cap from \$1,240 to \$1,270 (2.4% increase)

2019-2023 Strategic Investments

- Professional development – Open Doors to Math (paid by grant funds), looking at Open Doors to Technology as well
- Assessments – Associated with providing students with school day SATs, potentially we may see a state level reimbursement cost
- Staff technology – refreshes of staff technology continues, next year about \$400,000 to replace devices next year, this includes document cameras, projectors, etc.
- Chromebooks in Classrooms – By 2022-23 (last year in 5-year plan) in the elementary and middle levels we will have Chromebook carts in all classrooms

- Curriculum – Textbook Adoption
 - 2017-18 Science
 - 2018-19 Health & PE
 - 2019-20 Social Studies
 - 2020-21 Language & the Arts
 - 2021-22 English Language Arts
 - 2022-23 English language Development
- AVID – Currently in RVHS and EGMS, planning on expanding at RHS, OMS and Terrebonne
- Dual Language Immersion

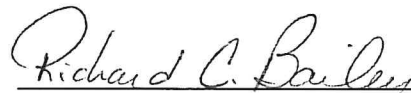
Annual Operating Surplus / (Deficit)

- We are looking at a \$1.0 million hole in 2018-19
- Our requirement is to budget a 6.5% reserve
- With status quo funding, we will not be able to afford status quo programming

Next Steps

- Collect Budget Task Force input
- Present Proposed Budget Wednesday, April 25, 2018 to the Budget Committee
- Collect public input
- Approve Budget

Work Session adjourned at 8:10 pm.



Richard C. Bailey, Chair



Gina Blanchette, Executive Assistant