

**BUDGET COMMITTEE APPROVED 4/24/2019**

Redmond School District
Budget Committee Work Session
February 13, 2019

Budget Committee Members in Attendance: Tim Carpenter, Shawn Hartfield, Rick Bailey, Johnny Corbin, Ed Danielson, Tom Linares, Mike Baumgartner, Travis Browning. Absent: Travis Bennett, Eryn Buermann

BUDGET COMMITTEE WORK SESSION

Budget meeting called to order at 5:32 pm. Travis Browning joins the Budget Committee as the newest member. Browning returns to us having served on the Budget Committee in past years.

2020-2024 Long Range Financial Plan – Kathy Steinert

The district's five-year financial forecast serves as a starting point for the annual budget process. The Long Range Financial Plan is not a budget and does not have to balance. It builds on 2018-19 and prior years' investments in strategic plan priorities and objectives.

2019-21 Governor's Recommended Budget

Base Balanced Budget:

- \$8.97 billion State School Fund + \$100 million for K-12 PERS Liability = \$9.07 billion
- \$170 million for Measure 98 – High School Grad & College and Career Readiness Funds
- \$100 million for Seismic Rehabilitation Grants
- \$100 million for OSCIM
- \$16 million for scholarships and educator pathway programs
- \$6.3 million for Safe and Effective Schools

Key Investments (tied to new revenues):

- \$793 million K-12 school improvement fund
- \$133 million to fully fund Measure 98
- \$585 million for higher education
- \$285 million for expanding early learning opportunities for low income children
- \$45.6 million for EI/ECSE funding increase

Enrollment is another driver in our budget. RSD does not anticipate any dramatic jumps in enrollment. Although the community is growing, those moving to Redmond are not bringing school-aged children.

2019-20 Expenditure Assumptions

We have established class size targets. We anticipate decreasing 3.0 FTE. We do have some increases such as replicating the Credit Recovery program at RVHS, Instructional Coach, SPED Adaptive PE teacher, some classified and admin FTE changes.

Mental Health & Behavioral Crises - Martha Hinman

We were running mental health and behavioral programs regionally through ESD, we were able to create our own programming with StepUP. We are serving student on and off campus. The difference of how many students receiving services jumped from 37 (last year) to currently serving 137.

As of the end of October, we had 89 new students who receive special education services. Eight of those new students require additional adult support. Nine of those new students have required placement at the StepUP program, as they are not ready to access their main campus. Additionally, we have deployed four new staff members to support other students since October.

We have a partnership with the Child Center and have a mental health specialist at each high school. The scholarship fund is for those students that do not qualify for OHP, underinsured, or uninsured.

Central Oregon Health Council has a regional grant and we will be hiring three Culture of Care Coaches for Bend, Redmond, Sisters/Madras. This is a partnership through Oregon Health Council and United Way.

Expenditures

PERS – The rate increase from 2018-19 to 2019-20 is 4.45 percentage points. The impact of this rate increase alone on the budget is \$1,677,000 for 2019-20 and \$3.3 million for the biennium. The total increase in Formula Revenue for 2019-20 is \$5.2 million. We have about the PERS issue, as does the legislators, but there are arguments about how to correct it. They are discussing ideas such as capping how much people receive, or capping the salary amount for calculating benefits, etc. If we continue with our current plan, we will spend our reserve balance by 2022.

Salaries & Related Payroll Costs 2015-16 to 2023-24

Related payroll costs will jump from 55% in 2019-19 to 63% in 2023-24, due to the jump in PERS rates. Health insurance is a related payroll cost and we assumed a \$30 insurance increase to the current \$1270 cap. COLA and insurance caps are bargained.

2020-2021 – Strategic Investments

- Chromebooks in Classrooms – Since 2015-16 implementation of one-to-one Chromebooks, we have spent \$1.8 million on Instructional Technology
- AVID
- Camp 9 – This was a grant funded initiative, we believed strongly enough in its success that we are funding it now
- Odysseyware - We are expanding Odysseyware to RVHS, which means investing double the current amount in the curriculum

Overview

We are spending \$3.3 million more in revenue than the Governor's base balanced budget. Our challenges include:

- Special Education Resources
- Measure 98 Flat Funding
- PERS – Negative Investment Returns & Continued Rate Increases
- Facilities' Maintenance Funding
- Nutrition Services Unpaid Meal Accounts
- Growing Athletics Expenditures

Next Steps

- Budget Development
- First Budget Committee meeting – April 24
- Second Budget Committee meeting – May 8
- Public Input
- Approved Budget
- Budget Hearing – School Board Adoption – June 26

Meeting adjourn at 7:54pm.



Budget Committee Chair



Gina Blanchette, Executive Assistant