

7:00 PM

Tuesday, June 2, 2020

AGENDA
Budget Review Committee of the
BOARD OF DIRECTORS
Corvallis School District 509J

Meeting Details: Tuesday, June 2, 2020, 7:00 PM in the District Office Board Room,
1555 SW 35th Street, Corvallis, OR 97333.

SOCIAL DISTANCING IS ESSENTIAL IN REDUCING THE SPREAD OF THE COVID-19 PANDEMIC.

Oregon law allows public meetings to be held entirely online; therefore, we will NOT have seating available at the meeting site. If you would like to watch live-streaming of the School Board meeting, please navigate to the District's YouTube channel: <https://www.youtube.com/channel/UC9Jtpte5dmilZI9kySBJbVQ?> A recording of the meeting will also be posted to that channel.

I. **CALL TO ORDER**

II. **STAFF AND PUBLIC COMMENT**

Please see the notes at the top of this agenda for information about providing comments during the COVID-19 pandemic. To see these notes, you may also visit: <https://v3.boardbook.org/Public/PublicItemDownload.aspx?mk=50378274&fn=agenda.pdf>

5/22/2020

To: Corvallis School District Budget Committee

The enclosed pages are sent for consideration during the deliberations of the 2020 Budget Committee. I hope many of the questions will be answered during the budget process.

Regards,

Scott Newsham
3050 NW Fillmore Ave
Corvallis, OR 97330

Capital Projects

It is two years since Corvallis voters supported Measure 2-113 — the Corvallis School District's \$200 million facilities improvement bond. It appears program costs will be significantly higher than projected.

CSD Resolution No. 18-0101 states: "the costs of the Project and issuance costs are estimated to be not more than \$199,916,925 from bond funds."

In July 2018, CSD issued \$160 million of the \$199.9 million in bonds authorized by voters. The district collected \$188.7 million — \$28.7 being premiums paid by bond buyers. The district's 2018-19 Consolidated Annual Financial Report says bond interest rates range from 3 to 5%.

As of 3/31/2020 the premium and interest earned since the sale totaled approximately \$36.6 million. The total funds brought into the CSD account as a result of the bond sale appear to be approximately \$196.6 million.

The bond program update provided at the 2/6/2020 school board meeting includes a 12/31/2019 financial summary. Footnote #3 says the bond premium and interest earned on the bond proceeds are considered "Other Funding Sources" and will be used when estimates and contracts exceed the originally budgeted amounts.

The proposed 2020-21 budget says the district anticipates issuing the remaining \$40 million of bonds authorized by Measure 2-113 in 2021. If this takes place, the total amount available as a result of the voter-authorized bonds will be in excess of \$236 million – well above the \$200 million price tag advertised to Corvallis voters.

In e-mail exchanges with a member of the Bond Oversight Committee I was told bond sale premiums and bond interest are considered "Additional funds (not from Corvallis residents)" and "essentially 'found' money that is a wonderful bonus to the district."

Question: Does CSD consider the bond premium and interest earned: (1) part of the "bond funds" mentioned in the board's resolution and (2) from Corvallis voters and taxpayers?

Question: How was it decided that bond premium and interest earned on the bond proceeds are considered "Other Funding Sources" and will be used when estimates and contracts exceed the originally budgeted amounts?

Question: Does CSD still intend to issue the entire authorized amount of bonds in 2021 as shown in the draft budget, even though it has already generated close to the estimated project cost of \$200 million?

Question: Given the flat to declining enrollment projections, is it feasible for CSD to consider scaling back the construction program?

Strategic Financial Plan

The Superintendent’s Budget Message says the district’s Strategic Financial Plan served as the starting point for the budget proposal and will continue to be an important document used in the district’s decision-making process. When the plan was released in December 2018, the cover letter said: “We will continue to update the plan each year on a rolling basis, evaluating activities of the prior year and adding one year to the plan.”

The school board received an update on the plan’s instructional priorities at its January 9, 2020. In February I asked if additional elements related to student achievement, as well as financial history and paying for the priorities — which are included in the original plan — would be updated. I was told: “There are no plans at this time to revisit nor update the multi-year strategic financial plan anytime soon. Staff is currently working on the District’s application for Student Investment Account funds.”

Since the plan is the starting point for the budget, the data on student achievement and how the plan will be paid for appear to be key to conducting a credible assessment of the proposed budget.

Question: When does the district intend to update the Strategic Financial Plan to include the most current student achievement data and how the plan will be paid for?

Question: Is it still the administration’s intention to include in the plan a section on the Academic Return on Investment that is being achieved in each area?

Graduation and Attendance

The Superintendent’s Budget Message says the district’s 2018-19 graduation rate was 89%. Student achievement data on page 228 shows 87%. The state average is 79%.

Oregon Department of Education’s Attendance and Absenteeism data show the percentage of “chronically absent” students (those who DO NOT attend school for 90% of their enrolled days) in the Corvallis School District for the 2018-19 school year was:

9th grade:	26%
10th grade:	34%
11th grade:	45%
12th grade:	52%

ODE chronically absent data for the individual schools show:

Crescent Valley:	34%	Corvallis High:	43%
State average:	20%		

Question: Which CSD graduation figure is correct?

Question: Do you agree there appears to be a weak correlation between attendance/ classroom time and graduation from CSD when graduation rates are significantly **above** the state average and attendance rates well **below** the state average?

Unappropriated Ending Funds Balance

The budget document includes the following definition:

UNAPPROPRIATED ENDING FUND BALANCE: Amount budgeted to carry over to the next year's budget to provide the district with needed cash flow until other money is received and to provide financial stability. This amount cannot be transferred by resolution, or used through a supplemental budget, during the fiscal year. (ORS 294.371)

Board policy DA directs the superintendent to include in the annual proposed budget an UEFB of 5% of total fund resources net of the beginning fund balance.

Page 62 of the budget proposes a UEFB of 3.5% of current resources and assumes there will be a 1.5% "underspending of operating requirements" (appropriated funds) that will be added together to reach the required 5%.

Policy DA states: "The Board believes that the current budget allocations should benefit primarily current year students."

Question: If budgeting for a UEFB is to ensure to the maximum extent possible the district has sufficient funds to start the next school year, why is not the full 5% designated and protected in the budget rather than taking the risk that the historical pattern of "underspending" will continue.

Question: If the board believes current year funds should benefit primarily current year students, why plan to underspend appropriated funds by 1.5% — \$1.34 million in the proposed budget? The budget already appropriates 7.5% of current resources for Contingency and Rainy Day reserves.

Question: How do unspent appropriated funds turn into **un**appropriated funds in the same fiscal year? The current practice appears to effectively begin the year with 9% of resources in appropriated reserves – 7.5% clearly set aside for specific uses – and 1.5% that is in limbo between fiscal years.

Program Review and Sunset

The 2018-19, 2019-20 and the current proposed budget all include the following budget parameter:

CRITICALLY RE-EXAMINE PATTERNS OF SPENDING

Past patterns of spending may no longer be relevant given changing needs of the community and student body. Hence, the budget process should encourage review of past spending decisions and critically change, where necessary. The district should develop and implement a program review and sunset process to identify and discontinue programs that are not achieving their objectives or that are simply not as effective as available alternatives.

Question: If the district has implemented such a program review and sunset process, where can one find more details about it, and how was it used during the current budget process?

Staffing Levels and Budget Implementation

The Budget Committee was told at its May 14 meeting that the current FTE is actually higher than the budgeted FTE, and the 32 FTE increase shown in the proposed budget is actually a reflection of the realities of current staffing levels. I understand this as meaning the current staffing is well above the level approved in the 2019-20 budget – which includes the 3.63 FTE for contingency staffing.

It was also said that after the budget is adopted, departments can spend funds differently than in their approved budget as long as they stay within their overall dollar limit.

Question: What is the current number of FTE in the Corvallis School District?

Question: Did the school administration notify the board when it exceeded the FTE level authorized in the approved budget?

Question: What constraints are there on departmental discretion in spending other than to stay within the adopted budget dollar amount?

Question: The three-sentence budget implementation policy (DBJ) was adopted 12 years ago. Do you recommend the board review and possibly update this policy, as well as the financial reports and statement policy (DIC)?

Budget Calendar & Community Involvement

The budget process discussion beginning on page 3 says the annual budget is prepared in accordance with Oregon's local budget law, which is designed to encourage citizen involvement in the preparation of the budget before its final adoption.

The budget calendar on page 37 does not mention of public involvement until the day the proposed budget document is presented, and this is only to take public comment.

Question: What were the opportunities for citizen involvement in the budget process prior to the committee's first meeting?

PERS Reserves

The 2019 Consolidated Annual Financial Report was presented to the school board for information at its January 9, 2020 meeting. The transmittal letter dated three weeks before says:

"The district, as well as other local government agencies, still have the significant ongoing impact of funding of the state public employees retirement system (PERS) annual budget costs. The PERS employer contribution rates for 2019-2021 for Tier 1/ Tier 2 will increase 4.21% from 14.56% to 18.77%. OPSRP rates will rise from 9.23% to 13.32%, or 4.09%. The increased rates will cost an estimated \$2.8 million per year based on current salary projections. Anticipating an increase to contribution rates, the district has set aside \$3.2 million in a PERS reserve to help smooth costs over the next several years."

Question: As the proposed budget does not include the unappropriated PERS set aside as in recent budgets, does this mean the district no longer believes it will need to smooth the costs of PERS over the next several years?

Question: What are the plans for the \$2.8 million PERS set aside in the current budget?

Out-of-District Students and Future Enrollment

The 2019-20 budget shows school year 2015-16 enrollments of 6,712. The proposed budget shows 2019-20 enrollments of 6,745 – an increase of 33 students.

According to the 2018 Davis Demographics report on student population projections, out-of-district students were 313 in Fall 2015.

Information provided to the Boundary Review Task Force at its December 10, 2019 meeting shows 409 out-of-district students currently – an increase of 96 students.

The breakdown was: 171 elementary, 71 middle, and 167 high school students

The budget committee was told at its first meeting that in our area there is very little if any correlation between new housing construction and enrollment.

Question: How many out-of-district students does CSD project enrolling in 2020-21?

Question: Is the district considering a future where the number of out-of-district students declines and Corvallis remains a high housing cost city, with an aging demographic and where a significant portion of the adult population does not have school age children?

6/2/2020

To: Corvallis School District Budget Committee

The Corvallis School District's "Contact Us" webpage says: "Community members, parents and students are encouraged to reach out to the Corvallis School District. Our staff members welcome questions and are happy to provide information."

The May 28, 2020 news release announcing the rescheduling of the budget committee meeting says: "The Corvallis School District Budget Committee remains committed to the public comment process and will consider all public comments submitted."

The Facebook event notice for the 6/2 meeting says: "Any person may make public comment and discuss proposed programs with the Budget Committee."

However, when I submitted input to the committee the school board chair told me: "Whenever a person requests information, it is processed via the public records policy and procedure."

Staff's response to Margit Foss' question 1(b) on the document titled "Questions and Answers #2" appears to imply that my questions are not viewed as related to the proposed budget and should be submitted via other channels and possibly considered a public records request.

I'm hoping to receive clarification on the status of my input - whether it is considered budget related - and what the district means when it says the budget committee "will consider all public comments submitted."

Regards,

Scott Newsham
3050 NW Fillmore Ave
Corvallis, OR 97330

III. COMMITTEE DISCUSSION, QUESTIONS, AND REQUESTS FOR MORE INFORMATION

QUESTIONS AND ANSWERS

Compiled after the May 14, 2020 public meeting of the
BUDGET REVIEW COMMITTEE
Corvallis School District 509J

- Q1: Katherine Bremser 5/12/2020 (e-mail): How has the school closure and switch to remote learning impacted this year's budget and ending balances?
- A1: *Olivia Meyers Buch 5/22/2020 (e-mail to budget committee): There have been savings in areas such as student transportation and substitutes, but there have also been increases in other areas such as technology and facilities and maintenance. While the full impact to this year's budget will not be known until after the close of the 2019-20 fiscal year, the assumption used to estimate the general fund beginning fund balance budgeted for 2020-21 was modified to reflect that the district will spend a smaller percentage of the general fund operating budget in 2019-20. We typically assume a spending of 98%, but that assumption was modified down to 97%, which resulted in an additional \$875,000 budgeted to be carried over into the new fiscal year.*
- Q2: Katherine Bremser 5/12/2020 (e-mail): Has the district finished updating curriculums for now? What percent are electronic?
- A1: *Olivia Meyers Buch 5/22/2020 (e-mail to budget committee): Yes. The current social studies adoption is nearly complete and mostly electronic. Recent language arts adoptions are a hybrid of physical materials and digital materials, as is the curriculum for mathematics. Health and science curriculums are mostly physical materials at this time.*
- Q3: Katherine Bremser 5/12/2020 (e-mail): For the Strategic Financial Plan, could you explain the reasons the funding for various programs went up or down? What has the district learned about the effectiveness of various programs so far?
- A3: *Olivia Meyers Buch 5/22/2020 (e-mail to budget committee): Changes in strategic investments for 2020-21 (as presented on pages 26-27 of the proposed budget document) are summarized below:*
- *Adopt effective instructional and curriculum programs – reduction of \$38,000 reflects one less section of Health 1/Freshman Success at the high school level and one less section of alternative education at the middle school level (funded by the High School Success grant).*
 - *Develop early childhood education programs – reduction of \$18,000 reflects alignment with current practices and programs.*
 - *Improve equity in opportunities and outcomes through the use of culturally relevant practices – increase of \$114,000 reflects more sections of dual language immersion classes at the high school level and increased activities of the Students Advocating for Equity (SAFE) and District Equity Leadership Team Advisory (DELTA) groups.*
 - *Grow and mentor effective educators – increase of \$41,000 reflects change in recruitment activities (job fairs) and teacher mentoring (building buddies).*
 - *Ensure all students are ready for college or career – decrease of \$117,000 reflects unbudgeted non-staffing expenses (supplies, equipment, etc.) related to high school CTE programs (funded by the High School Success grant) and a decrease in sustainability consulting.*

- *Enhance programs that support student social and emotional learning – increase of \$191,000 reflects increase of mental health programming (therapists and skills trainers) and professional development (Collaborative Problem Solving).*

Unfortunately, due to the COVID-19 closures, many of the metrics used to measure our strategic investments will not be available for the 2019-20 school year. For most strategic investments, measurement is based on anecdotal information at this time.

- Q4: Katherine Bremser 5/12/2020 (e-mail): What will be the process for amending the budget when revenue projections become firmer?
- A4: *Olivia Meyers Buch 5/22/2020 (e-mail to budget committee): Budget changes after adoption are outlined in local budget law ([Oregon Revised Statute Chapter 294](#)) and a summary is available at <https://www.oregon.gov/dor/programs/property/Documents/local-budget-changes-after-adoption.pdf>. Reducing appropriations is an option when there is a reduction in available resources. Another option is to spend less than what is appropriated. If appropriations are reduced, that requires board action through the adoption of a supplemental budget at a regular meeting. If the supplemental budget changes any fund by more than 10%, a public hearing is required before the supplemental budget can be adopted.*
- Q5: Katherine Bremser 5/12/2020 (e-mail): How is the urban farm working? What other alternative forms of education are being explored or implemented?
- A5: *Olivia Meyers Buch 5/22/2020 (e-mail to budget committee): Many students who find the comprehensive high school environment difficult find success in the Urban Farm program and remain in the College Hill program after finishing. Other programs may not be alternative in nature but can serve students who might be struggling in a comprehensive high school setting. For example, the Natural Resource/Forestry program of study at Corvallis High School is designed for students who need more hands on learning and math is embedded. At Crescent Valley High School, students often try an alternative education or online classroom offering before exiting to the College Hill program. Due to the COVID-19 closure, a variety of new and innovative models are being explored (including blocked, thematic study and hybrid schooling models) on how to design school around and for disengaged students that may struggle with a traditional model.*
- Q6: Katherine Bremser 5/12/2020 (e-mail): Are we legally committed to spending the money from the local option levy the way it was described for the election?
- A6: *Olivia Meyers Buch 5/22/2020 (e-mail to budget committee): Yes, the summary of Ballot Measure 2-104 from the November 8, 2016 election included the following statement: "The Corvallis School District will use the revenue from this measure to fund teachers at all schools to sustain class sizes; instructional coaches to improve teaching and learning; music, physical education and art instruction for elementary students; vocational and technical education opportunities; counseling for students; and support for high school athletics and activities."*
- Q7: Katherine Bremser 5/12/2020 (e-mail): Has the district done away with all student paid fees and supplies?
- A7: *Olivia Meyers Buch 5/22/2020 (e-mail to budget committee): No, fees are still charged for participation in extracurricular activities.*

Q8: Katherine Bremser 5/12/2020 (e-mail): Will this be the first year for the district to receive funds from the new corporate tax?

A8: *Olivia Meyers Buch 5/22/2020 (e-mail to budget committee): Yes, the new corporate activity tax is applicable to tax years beginning January 1, 2020.*

QUESTIONS AND ANSWERS #2
Compiled after the May 14, 2020 public meeting of the
BUDGET REVIEW COMMITTEE
Corvallis School District 509J

Budget Committee Questions/Comments in Black
District Responses in Blue

Questions/Comments from Peter Sabee-Paulson: Pages 1-4
Questions/Comments from Margit Foss: Pages 4-15
Questions from Sami Al-AbdRabbuh: Page 15
Question from Katherine Bremser: Pages 15-16

Peter Sabee-Paulson 5/20/2020 (via e-mail):

May 20, 2020

Honorable Board Members, Budget Committee Members, Superintendent Noss, Finance Director Ms. Buch and Assistant Finance Director Ms. Schroeder

Please consider the following questions and statement of concern regarding the proposed budget.

Questions relating to emergency sources of revenue

Can the District please provide a forecast of emergency revenues that likely will become available to offset the \$5-9 million revenue shortfall based on conservative assumptions and reflective of the latest, best information available from sources including the following:

- 1) District contingencies and reserves that the administration would request to be dedicated to this budget and subsequent (2021/22 and 2022/23) budgets. *As noted during the first budget committee meeting, the district's rainy day reserve currently has a balance of approximately \$4 million; any specific requests from district administration to the school board for deployment of these funds for the 2020-21 fiscal year (or the following two years) has not yet been determined.*
- 2) State level education specific reserves that the administration expects will be dedicated to this budget and subsequent (2021/22 and 2022/23) budgets. *The May 20, 2020 economic and revenue forecast indicated that the education stability fund currently has a balance of approximately \$708 million; any amounts to be dedicated to the 2020-21 fiscal year (or the following two years) are unknown at this time.*
- 3) Legislative redistribution of across the board budget cuts that the administration expects will impact this budget and subsequent (2021/22 and 2022/23) budgets. *Any redistribution of the 2019-21 legislatively adopted budgets that may impact the 2020-21 fiscal year is still unknown at this time. Any legislative action taken during a special session to address the 2019-21 budget will not have an impact on the 2021-23 biennium as those budgets will be determined during the regular legislative session that will begin in January 2021.*

- 4) Federal Aid that the administration expects will be dedicated to this budget and subsequent (2021/22 and 2022/23) budgets. *At this time, the district expects to receive some funds through the Coronavirus Aid, Relief, and Economic Security (CARES) Act, Elementary and Secondary School Emergency Education Relief Fund (ESSEER) that could be dedicated to the 2020-21 budget. Our initial estimated allocation was \$725,000 but that amount is currently under review as more interpretation is needed at the state level around funding for private schools. Any further distributions of federal assistance funds are unknown at this time.*

Questions relating to measures and adjusting when performance is not in line with goals

Student grade 8 mathematics achievement data has been steadily declining and grade 3 English language arts proficiency does not appear to be improving. Assuming that these assessment results are considered “representative” (the way we measure this proficiency is ok) and the result of some factor within our control, it seems clear that our investments toward these objectives are not, and will likely not achieve the specified objectives. Does the Administration agree that we are not meeting or likely to meet these objectives? Have we started the process of evaluating root causes, or developed or implemented a corrective action plan? *We are working to meet the board goal that all students will read grade-level texts by 3rd grade and successfully complete Algebra I by the end of 9th grade. New language arts curriculum was implemented last year at our non-DLI elementary schools, and this year at our DLI elementary schools. These new adoptions are helping to recalibrate proficiency and putting the focus on materials that are more culturally relevant, and when instructional is culturally relevant, we see greater engagement with the curriculum, which should result in improved proficiency. We have also invested in math at the secondary level through the use of data teams and instructional rounds. Data teams help teachers identify students who are the least well-served in math so that action steps can be developed to support those students. The state is currently in the process of completely restructuring the math sequence and we are planning to do a math materials adoption aligned with the state sequence in 2022 as there is a need to change the way math is taught and learning is measured.*

Questions relating to Covid19

What is the conservative best available information estimate of additional costs (or cost savings) resulting from operation of the District under the three probable school year scenarios? Can these requirements be shown to the level of detail shown on pages 67 and 68 of the budget? If the requirement changes net out to increased costs, will they exceed conservative estimates of expected revenues from contingencies, reserves, redistributions and aid? *As noted during the first budget committee meeting, the district is awaiting guidance from the Oregon Health Authority (OHA) as well as the Oregon Department of Education (ODE) about how schools will begin operating in the fall. In the meantime, we have acknowledged that it is unlikely that schools will reopen in the fall for traditional on-site learning, so the two educational delivery models we are considering at this time are a hybrid model with limited numbers of students and staff in schools and a model of online learning. The district has formed seven rapid development teams to focus on areas of our organization and create a plan for the 2020-21 school year. Teams will begin meeting the week of May 26 for 5-8 hours a week for the following three weeks. One of those teams will focus on budgeting and finance. Under both scenarios being considered at this time, the district anticipates some costs savings, but those estimates will not be available until late June or early July after the work of the rapid development teams is complete.*

Statement relating to budget committee process

I would like to provide fair warning of my current opposition to ratifying the proposed budget. I am taking this position because this budget is based on a revenue forecast that was prepared contrary to District fiscal policy and the District's Multi-Year Financial Plan 2018-2023.

My understanding of the fiscal policy revenue forecasting requirement is as follows:

All revenue forecasts shall be based on conservative assumptions, though reflective of the latest, best information available. Revenue estimates shall be made through an objective, analytical process. The district will not include revenue in budget preparation that cannot be verified with documentation of its source and amount. Key assumptions will be presented in the budget document.

My understanding of the basis for the proposed budget's revenue forecast is that it is based on information generated at the end of the past legislative session (6/30/2019).

This is significant for the following reasons:

1. The Administration has indicated that we should expect that revenue will be \$5 million to \$9 million less than is presented in the proposed budget.
2. The Administration has indicated that this will result in significant budget cuts likely involving the level of staffing.
3. These significant budget cuts will not be available for review by the citizen members of the budget committee.

I believe that I heard Board members and the Administration encourage support of this approach because:

1. This places the District in a better position to make the case to the legislature that the education budget deserves a less substantial cut than most other agencies.
2. State professional organizations are recommending this approach.
3. This is the best revenue information that we have at this time.
4. Having clear priorities in the budget along with what we are going to spend our budget on is adequate for budget committee review.
5. No matter what revenue number is used, it will be wrong, and we will need to adjust the budget again.
6. We do not want to cause stress to potentially impacted stake holders with consideration of possible cuts to programs, services or staff.

I don't think these explanations outweigh the potential downsides of this approach for the following reasons:

1. This approach eliminates the opportunity for citizen members of the committee to review and provide feedback on a budget prepared in line with District fiscal policy.
2. Citizen feedback on the difficult decisions that flow from severe budget cuts is certainly as important if not more important than during periods of stable or growing revenue.
3. This approach prevents budget committee members from discharging components of their duties relating to fiscal sustainability and consistency of spending with priorities and values.

4. Adhering to policy is important. It is especially important when our community is under stress. The fiscal policy and the District's Multi-Year Financial Plan both appear relevant and appropriate to the economic and pandemic conditions that we are experiencing.

For the following reasons, I also don't think the justifications outweigh the need for a policy compliant budget:

1. In April the economy was clearly in steep decline and unemployment was climbing to record levels. We know that this translates to declining state revenue from income tax and consequently to declining resources available to support education. A conservative best available latest information revenue forecast would reflect this information.
2. Clearly any budget requires revision at the point that significant new information is received and at the time that the final number has been established. This is a large burden but completing the extra work is critical to maintaining budget process transparency and transparency is a key component of this process.
3. Adjusting to reduced resources is stressful and painful. Working through program cut options behind closed doors will likely not relieve that stress. It does reduce budget process transparency and eliminates one of the few opportunities for citizens to review and comment on cuts to proposed programs or perhaps offer new viable solutions that might lead to better educational outcomes.
4. Advice and advocacy by professional organizations in support of this budgeting approach with the objective of facilitating their efforts to influence the expected emergency legislative session in favor of education is worth listening to, but the benefits need to be weighed against the budget process constraints that we have adopted and the loss of citizen involvement in the process and the loss of transparency in the process.

Please correct any errors in my understanding.

Thank you very much for the opportunity to be part of the process and for your consideration.

Regards,

Peter Sabee-Paulson

Margit Foss 5/24/2020 (via e-mail):

1. Transparency, Engagement, Accessibility

- Thanks for taking some steps to increase community engagement with the budget.** The CSD budget document is very well written and organized. I appreciate that the district included a **Spanish translation** of the Budget Message, and has started **archiving Budget Committee material on BoardBook**, including Public Comments. For greater transparency, please list these meetings on BoardBook as "Budget Committee Meeting" rather than just "Meeting." *This request has been passed on to district staff who manage BoardBook content.*
- a. **Some other school districts (for example, Beaverton) solicit budget-related questions from community members and provide answers during their Budget Committee meetings.** In Corvallis, the district provides answers to questions from Budget Committee members

- (which I very much appreciate!). However, for community members, although their comments now get publicly archived, their questions don't usually receive an answer – which can be discouraging or frustrating. This practice also deprives Budget Committee members of those answers. **Can the district adopt the Beaverton model for next year?** This would be a huge step forward for increasing transparency and community engagement. *Suggestions on how to improve the budget process are always welcome, and we will look into the Beaverton model.*
- b. **UPDATE:** Because I allowed staff to release my contact info, I was recently contacted by community member and former School Board member Scott Newsham. He sent me his list of budget-related questions – which were insightful and sometimes tough. But isn't that the point? **The budget, which reflects the district's values, gets scrutinized from multiple perspectives and comes out stronger.** This process could be made more effective if questions from community members were posted upon receipt, rather than just a few hours before each Budget Committee meeting. **What would it take to implement community-friendly changes to the budget process (e.g., providing answers to community questions, posting questions upon receipt, etc.)?** Does this require action by the board, or a policy change? Or does the district simply decide to make the change and then do it? *Suggestions on how to improve the budget process are always welcome, but please note that community questions and/or requests for information that are not related to the proposed budget should be directed to the school board or district administration and may be applicable to the guidelines outlined in Policy [KBA](#) and [KBA-AR](#).*
- c. P. 30-32 Because Fiscal Policy DA is inserted into the budget as a scanned document, its text is not searchable by key word. That makes its content less transparent to community members. It also gets pixelated when zoomed in on and the text cannot be copied. In theory, this makes it less accessible to people with low vision or who need to use the text-to-speech feature or put text through a language-translator. **For future budgets (and other material posted to BoardBook, etc.), could you please format all text as searchable, especially when the original document is available as a digital version?** (To be honest, I'm having trouble getting consistent search results even for terms I know are in the budget, depending on whether I type a word into the search box vs. paste in that same word, copied from different parts of the budget, in different font sizes, etc. Not sure if that's some weird incompatibility with my Preview program or if that happens for everyone...) *This request has been passed on to district staff who compile the budget document.*

2. Weighting formulas for Basic School and Discretionary funds: Equity considerations

- a. **I appreciate the addition of the new weightings that promote equity: "Students with disabilities" and "English language learners."** Why not acknowledge these new weighting factors on page 4, along with the two original weighting factors? *The language on page 4 that refers to the factors used in staffing and resource allocations will be updated for the publication of the adopted budget document.*
- b. **The weighting of the "Opportunity for Growth" at the high school level was doubled from 0.25 to 0.50 extra for each student who is struggling academically. Although the added weight is a step in the right direction for equity, I'm troubled by the associated metric. Doubling the weight of a faulty or unreliable metric can actually increase inequity.** According to **Budget Parameters** (p. 29): *"The budget process should be informed by valid and reliable data on fiscal and academic performance."* In my opinion, the metrics used to gauge "Opportunity for Growth" at the high school level are *not* an optimally valid and

reliable way of measuring academic performance. The arguments I made last year still apply.

- i. From p. 228: “The **Grade 9 on-track to graduate** statistic is an indicator of whether students have earned 25% of the credits needed to graduate by the time they finish their first year of high school.” I believe **this metric is problematic because its results are inconsistent with the academic achievement gaps documented between the middle-school feeder schools** (whose demographics differ significantly), **and because the metric fails to acknowledge the differential challenges faced by CHS vs. CV staff during the 9th grade year.**
- ii. As measured by standardized test scores (p. 233), “Proficiency in English Language Arts” and “Proficiency in Math” is, respectively, 69% and 59% for Cheldelin and 59% and 42% for Linus Pauling. I have seen **no data to suggest that the Cheldelin/Linus Pauling “gap” has closed by the end of middle school.**
- iii. And yet, one year later, the “Grade 9 on track to graduate” metric (>95% for CV and 93% for CHS) appears to show: 1.) the gap between the schools has essentially closed; and 2.) the overall percentage of students who are struggling academically has decreased to a very small number. (As an aside, why is CV listed as “>95%” rather than an exact percentage?) **Is it a realistic assumption that fewer than 5-7% of 9th graders are struggling academically – when as recently as middle school, 41-51% of those students failed to meet benchmarks in English Language Arts and 41-58% of students failed to meet benchmarks in Math? I would argue that the “Grade 9 on track to graduate” metric is setting the bar too low to detect most of the students who are still struggling academically.**
- iv. If we take the “Grade 9 on track to graduate” numbers at face value, that means that CHS staff put in an extreme effort to essentially close a gap between the schools of 10 percentage points in English and 17 in math. **If the gap was closed (or in my opinion, narrowed by an unknown degree) during the 9th grade year, that was due to extra effort by CHS staff.** Furthermore, it was done **without additional discretionary resources for CHS – which doesn’t seem equitable.** On average, ninth graders enter CHS with an academic deficit (compared to CV), but that disadvantage is not taken into account in terms of discretionary funding – due to the choice of metric.
- v. As I see it, the problem with the metric is that **some students who are “on track” are earning A’s or B’s in all their classes, while others (who also qualify as “on track”) may be earning all C’s or D’s.** The latter group would likely show up on a standardized test as “not meeting benchmarks” in math and/or language arts. Yet their **struggles are masked, and differences between schools are flattened, by an “On track” metric that looks only at number of credits and not quality of learning.** These students are also less likely to continue successfully along the math series in high school, and will almost certainly be less prepared and have fewer career-path options once they graduate, *if* they manage to graduate. Based on the feeder school performance data and on demographic differences, I would predict that there are more students in this group at CHS than at CV. And because it’s harder and more expensive to get these struggling students up to speed, it’s a problem when CHS is given fewer discretionary dollars based on a faulty, low-bar metric. In addition, college will be more expensive for these struggling students – who may first need to pay tuition to enroll in remedial math and writing classes

before they can start taking the college-level classes required for graduation. Thus, this metric promotes an inequitable outcome for students.

- vi. **What would be a more equitable metric for measuring academic success and allocating Basic School Support and Discretionary Funding at the high school level?** In my opinion, **an equitable metric must account for the achievement gaps that were *not* closed by the end of middle school, to get a good baseline.** Therefore, one component of the metric should include achievement data from the feeder middle school, preferably from standardized tests taken in spring of 8th grade. Another component of the metric could still include “9th grade on track.” But instead of being based exclusively on number of credits completed by the end of 9th grade, **it should also incorporate data on grades, to set the bar higher, and to give a more realistic indication of how many 9th graders are struggling academically.** For example, for those students who are taking Algebra 1 as 9th graders, what grade did they get in that class (e.g., binned into two “grade categories” corresponding to “Likely vs. Unlikely to meet math benchmarks”)? Or what grades are students getting in a basic 9th grade English class? Graduation rates could be a third component of the metric. **Such a metric would require a more complicated algorithm, but would also lead to a more equitable distribution of resources and would set a higher bar for academic success that could translate into higher rates of post-secondary success for CSD students.** *The district utilizes the [GFOA’s Best Practices in School Budgeting](#) when choosing metrics to evaluate the effectiveness of strategic investments. A good metric must be responsive, measurable and specific. The grade 9 on track metric has those characteristics, and is widely used throughout the state to measure high school success.*
 - c. Were there any significant **demographic shifts in the secondary schools due to the Jefferson boundary changes?** If so, were they accounted for in this year’s formulations for discretionary funding of secondary schools? *No boundary changes are being implemented in the 2020-21 school year.*

- 3. **Metrics and Equity** So far, the district has had to rely on anecdotal information (see Q3/A3) to make budgeting decisions, because some performance data is not available (e.g., standardized tests that would have been taken this spring). **Going forward, is the district making a plan to ensure that current metrics will again be available in 2020-2021, and/or a plan to develop and test new distance-learning-compatible metrics? Until district-wide metrics become available again, is there a plan by which classroom teachers will use their own formal or informal metrics to gauge how much achievement gaps are widening, due to COVID and the sub-optimal distance-learning situation – and report results back to the district?** It will be challenging to balance the workload for already overburdened teachers vs. not letting already at-risk students fall farther behind, unnoticed. *Relevant Budget Parameter: Decisions should be informed by data. As noted earlier, we have formed seven rapid development teams to focus on planning for the 2020-21 school year; plans for assessing student growth and progress would fall under the work of the educational delivery team.*
- 4. **Per student spending** To follow up on my question from the May 14th meeting, what categories of expenses are included in the “spending per student” at each school? *Relevant Budget Parameter: Provide every student with equitable access and opportunities. For ESSA school level reporting (pages 232-245), the district follows the recommendations that are outlined in Appendix H (starting on page 111) of the [Program Budgeting and Accounting Manual as published by ODE.](#)*

5. Budget priorities

- In anticipation of budget cuts, the district has stated that its **two top priorities are to maintain school days and maintain a strong work force. How do you reconcile those priorities with this Budget Parameter: “Make student-centered decisions. Budget decisions should be based on what is best for students, not adults. In some cases, there is pressure to develop a budget that puts the interests of adult stakeholders above the interest of students. That priority should be reversed.”** Are you arguing that putting the adult workforce first indirectly benefits students and in a sense puts them first, because the top priority for students is strong teachers? As I see it, we’re entering a new era – one that may involve distance or hybrid learning – and **we don’t yet have data to show what does and doesn’t work best for students.** Some students may do fine with a shorter school year, with concentrated bouts of learning (analogy: adults who become more productive and energized when their office goes to a four-day work week with longer work days). Other students may do better with year-round schooling. Similarly, it’s hard to predict what student-to-teacher ratio works best for distance or hybrid learning. It probably depends on how quickly each teacher is able to adjust to the new reality and acclimate the students to new teaching practices. Flexibility is key. **Are you budgeting for staff training on best practices in distance learning – if such a thing exists yet?** Also, some staff may be reluctant to return to work, due to personal or family health risks. They might lobby for more distance learning – which may or may not be in students’ best interests. For some students, having access to mental health resources or an extracurricular activity or CTE class may impact their education more than the number of school days. **Frankly, I don’t see how the district’s two top priorities align with any of the seven Budget Parameters.** The one possible exception is *“Take a long-term perspective. The district will not be able to make large changes to its educational strategy and resource allocation patterns in a single year.”* That might apply if you consider the district’s “educational strategy and resource allocation patterns” to mean maintaining its workforce and its school year – but even that’s a stretch, since it’s taken out of context. **The top two priorities are straightforward, and would make budgeting decisions relatively easy. But to keep those as your top priorities, you’d almost need to re-write the Budget Parameters. Relevant Budget Parameters: All of them, but especially “Base resourcing decisions on the total value created for students”. We believe that having students in session, receiving instruction and support services from a strong workforce of effective educators, are the most important factors that contribute to a student’s success. There is a great deal of research that shows teacher quality has a significant impact on student achievement; laying off teachers would not benefit teacher quality. As noted earlier, we have formed seven rapid development teams to focus on planning for the 2020-21 school year; planning for staff training on best practices in distance learning would fall under the work of the educational delivery team.**
- a. In the current budget, some **initiatives and hires are slated to be funded through the SSA.** If the SSA is cut more severely than other revenue sources due to reductions in corporate earnings, will cuts to SSA initiatives be comparably severe? Or will you redistribute funds from other sources to retain a greater percentage of the SSA initiatives? *Relevant Budget Parameter: Base resourcing decisions on the total value created for students. If the district experiences a significant decrease in Student Investment Account (SIA) funding, resources would be likely be redistributed to preserve the activities that are outlined in [the district’s SIA plan](#).*
 - b. P. 29 Last year you talked about the importance of giving the proposed **Strategic Initiatives 3-5 years to show positive results**, with the idea that the initiatives deserve time to get fully

- established into the school culture – rather than getting pulled before they have a chance to prove themselves. Are you still on board with prioritizing those initiatives, even though the budget will need to be cut? *Relevant Budget Parameter: Take a long-term perspective. An essential feature of a budget that best aligns resources with student achievement is that spending on activities that support the district’s instructional priorities are ranked above spending on other items. We are committed to prioritizing the strategic investments that are aligned to our instructional priorities, which are aligned to the school board goals.*
- c. P. 7 “...think about our budget as a year in time, and **a thirteenth of the educational opportunities** we provide our students.” Do you see all thirteen of those years as equivalent? Or **do you see a need, in times of budget cuts and COVID, to focus more resources on certain stages**, perhaps on kindergartners (and kindergarten readiness) and on seniors? To follow up on Q3/A3, could you elaborate on the small funding cut to early childhood ed programs? *Relevant Budget Parameter: Base resourcing decisions on the total value created for students. At this time, we are prioritizing students closest to graduation. The changes in early childhood programs factor in budgeted amounts that were not utilized in 2019-20.*

6. Tracking FTE/Salary and Enrollment

- a. A top concern of many parents has been class size (i.e., teacher to student ratios). In contrast, **a top concern of many community members and CSD budget watchers has been the fiscally unsustainable relationship between staff FTE and student enrollment – in which FTE levels have been increasing while student enrollment has remained relatively flat.** To compound the problem, revenue is now declining, while students’ needs for equitable resources, as provided by various FTEs (e.g., mental health, behavioral and academic interventions), is rising. **It would be useful to be clear and consistent about defining numbers.** For example, do all enrollment and FTE figures provided in the budget include Muddy Creek Charter School? Like FRL numbers, enrollment and FTE numbers represent a snapshot in time. Are all enrollment and FTE numbers taken on the same date from one year to the next? How stable are enrollment and FTE numbers throughout a given school year (and how does the maximum FTE in a given year compare to the official FTE count)? How much is FTE increased by principals’ decisions to spend part of their discretionary funds on FTE? Is all discretionary FTE included in the district’s FTE totals? *Relevant Budget Parameter: Be transparent. Enrollment and FTE presented in the proposed budget document does not include Muddy Creek Charter School. Enrollment data is reported as of October 1 of each year, and FTE is reported as either budgeted (adopted or amended), or actual (if a fiscal year is closed). Enrollment and FTE changes frequently throughout the year. Discretionary FTE is included in FTE totals; FTE budgeted in discretionary funds is reported as budgeted FTE.*
- b. **How closely do increases in FTE levels correlate with increases in spending on salaries and benefits?** The red numbers under the chart showing salaries and associated FTEs from 2017-18 to 2020-21 (p. 60) give the % increases in total salary from year to year: 2.5, 5.1, **10.2**, 3.7. Calculating the corresponding % increases in total FTE gives: 2.8, 5.8, **4.3**, 3.8. What happened in 2019-20 to cause such a disproportionate increase in salary (10.2%) compared to FTE (4.3%)? *There is no correlation between percent increases in FTE and percent increases in salary and benefit costs. The outcomes of collective bargaining, combined with an increase in FTE, resulted in a significant increase in salary and benefit costs in 2019-20.*

7. **School Nurses** (See Comments by Denise Cardinali:

<https://v3.boardbook.org/Public/PublicItemDownload.aspx?ik=46404360>)

- a. P221 The proposed FTE for “2130 Health Services” is **10.98** for 2020-2021. **How does that FTE break down into FTE for registered nurses vs. other categories of health aides?** Have building principals weighed in (post-COVID) on how they would prioritize having an RN and/or health aide on site? Have you consulted with local public-health professionals about whether they’re willing to share public-health resources or personnel with the district? *The FTE proposed in Function 2130 (Health Services) includes 4.20 FTE certified school nurses, 5.59 FTE classified health service assistants, and 1.19 FTE classified administrative assistants. Building principals have historically prioritized health service assistants over school nurses. As noted earlier, we have formed seven rapid development teams to focus on planning for the 2020-21 school year; collaborating with local public health professionals would fall under the work of the health and safety team.*
- b. Denise reminded us that we’re far from meeting (pre-COVID) recommended ratios for students per RN. Especially without an effective vaccine, underfunding healthcare resources and personnel could have grave consequences. We’re now learning about serious post-COVID inflammatory complications in a small subset of children. Who knows what other issues might arise? The district has rightly focused on making school entryways more secure, due in part to demand from parents. **Increasing FTE for RNs would require redistributing already scarce resources. But if parents lose confidence in the district’s plan for addressing health risks (after schools re-open), some may choose homeschooling – which would negatively affect the budget. Have you considered increasing RN FTE as a one- to two-year bridge, until a vaccine is available – if a commitment to long-term funding is not an option?** It will also be challenging to balance the physical risks to students who are medically fragile or in COVID high-risk categories with the need to provide those students with an equitable (in-person?) education. Having adequate healthcare personnel could help with this. *We do not anticipate hiring any additional school nurses at this time; however, as noted earlier, we have formed seven rapid development teams to focus on planning for the 2020-21 school year; addressing health risks would fall under the work of the health and safety team.*
- c. The best school nurses (highly competent, organized, good with kids, etc.) will be in high demand. **If you anticipate hiring one or more RNs, do you have a plan for expediting the hiring process?** *We do not anticipate hiring any additional school nurses at this time.*

8. **Food Service Fund and FRL numbers**

- a. P98 Looking at the **total resources for the Food Service Fund**, as proposed for **2020-2021 – why is this number lower** than both the 2019-2020 total and the total that is forecasted for 2021-2022? Similarly, **why is spending on food** (page 100, object code 450) **down by about 16% from the previous couple of years?** Enrollment for 2020-2021 is expected to increase slightly, and I’m assuming there **will be significantly more students eligible for FRL** (likely meaning that more students will participate in the school lunch program in 2020-2021). *Food service resources are budgeted to decrease due to a decrease in beginning fund balance, which reflects a projected operating deficit in 2019-20. The budget for food may need to be amended once we know more about how school meals will be planned for 2020-21.*
- b. *How do the “Grab and Go” free meals (currently offered due to school closures) factor into the Food Service budget and its ending fund balances? Is Food Service spending down its budget for 2019-2020 despite the school closures? While lower revenues will be offset by*

- less spending on food, the food service budget is still being impacted due to the order to pay all school employees, even though programming has changed.*
- c. Given both the increased financial need among CSD families, and the difficulty with social distancing in crowded cafeterias (amplified by insufficient time in the morning for multiple shifts), have you considered bringing back the free universal “**Breakfast in the Classroom**”? *As noted earlier, we have formed seven rapid development teams to focus on planning for the 2020-21 school year; planning for school meals would fall under the work of the operations team.*
 - d. I assume the district is making an effort to enroll newly qualifying families in the FRL program, despite the school closures. Are you getting a feel for **how FRL numbers are increasing and how it will affect the Food Service’s budget for 2020-2021?** *We are processing some new applications due to interest in the new Pandemic Electronic Benefit Transfer (P-EBT) program that provides additional funding on a per student basis for families to spend on qualifying food purchases. We also anticipate that eligibility will increase in 2020-21 as the state implements new income eligibility guidelines, which may result in less local revenue and more federal revenue.*
 - e. The revised FRL count is also relevant to Denise Cardinali’s public comment regarding the **district’s unstructured approach to waiving fees for extracurricular activities**. Given the economic forecast, it seems unlikely that the district can afford to waive extracurricular fees for all students. If the district instead decides to require verification of a student’s FRL status before waiving fees, it might be useful to make families aware of this as added incentive for completing FRL applications before the start of fall sports season. Question: **How does an increase in the district’s FRL count correlate with the amount of state or federal funding available to the district?** I don’t see an obvious use of FRL numbers in the SSF calculations (p. 218). Is that accurate? What about for federal funding? *Relevant Budget Parameter: Provide every student with equitable access and opportunities. As the district does not waive fees for extracurricular activities, if school-level decisions are made to waive fees, parameters for decision-making and funding sources should be determined by school administration. The percentage of students eligible for free or reduced lunch has little to no impact on state or federal funding made available to the district.*
9. **Title 1 funding** Based on the COVID-driven economic downturn, **what are the chances that additional CSD schools (e.g. Jefferson or Adams) might qualify for Title 1 funding within the next year or two?** If that happens, do you have a rough estimate for how much extra money that would bring in? *Relevant Budget Parameter: Provide every student with equitable access and opportunities. We do not expect any changes in district schools eligible for Title I funding. In order for a school to be eligible for Title I funds, 40% of its students must be classified as low-income by the United States Census.*
10. **Transportation**
- a. Last year, the district increased spending on transportation by 46% over 2018-19 by contracting with a different bus company – to try to improve availability of buses and drivers. (And there’s an additional proposed 7.9% increase over 2019--2020.) **Are you satisfied that the new company is giving the district good value for the money?** *Yes, the district has experienced an improvement in student transportation services including no driver shortages, more home-to-school routes, and more trip availability.*
 - b. **Does the current contract allow the bus service to be turned on and off without penalty,** if there are periodic COVID flareups plus associated school closures? Or if fewer buses are

needed due to last-minute cancellation of sports matches, etc.? *No, the district's transportation agreement provides for a reduced daily base rate per route when the number of service days falls below 170.*

11. Contracting for substitutes

- a. The district recently started paying for substitutes indirectly, by hiring them through a temp agency rather than by paying its own pool of substitutes as district employees. Did this change take place in 2018-2019? **How were/are substitutes classified in terms of FTE?** In 2017-2018 and earlier, when the district paid for subs directly, was that ever classified in the budget as extra FTE (i.e., since regular staff would still be getting paid via sick days or PD days, etc.)? If so, was the substitutes' contribution to FTE excluded from the grand total of district FTE (meaning it would *not* disappear from the total when subs were reclassified as a purchased expense)? **I just want to confirm that we're comparing apples to apples – when looking at changes in total FTE from one year to the next (i.e., pre-2018-2019 vs. 2018-2019 forward).** *Substitutes are not included in FTE calculations.*
- b. Is the **\$1.8 million in object 390 of "All Funds"** the total of **all salary plus benefits for the temp agency** to pay the subs (p. 58)? How would that translate to FTE for substitutes as a group (i.e., by assuming an average salary rate)? *Of the \$1,808,017 budgeted in all funds for Object 390 – Other General Professional and Technological Services, \$1,783,017 is for substitute staffing services; there is no correlation to FTE.*
- c. Has hiring of substitutes through an agency affected the level of competence of our substitutes, or **are we getting largely the same people who were in our pool?** *We are getting largely the same people who were in our pool, and our contractor has the capacity to reach out to a larger audience than we did.*
- d. **Have the subs taken a pay cut** compared to what the district gave them? **Has the change affected our ability to access substitutes with special skills**, such as bilingual teachers, etc.? *Our contractor pays the same rate that the district paid. Finding bilingual subs has always been a challenge, but our contractor has focused some of their marketing towards hiring bilingual subs, further demonstrating that they have been a good partner and are willing to meet our needs.*

12. Out-of-District transfers (See Comments by Scott Newsham:

<https://v3.boardbook.org/Public/PublicItemDownload.aspx?ik=46404384>)

- a. **Are Scott's numbers current – meaning that district enrollment includes ~ 406 out-of-district students or about 6% of total enrollment?** I can see Scott's point that the district needs to carefully consider whether boosting CSD's enrollment (and thus our funding levels) through out-of-district transfers is desirable or sustainable. For example, if we'd previously chosen a path that resulted in 400 fewer students (by restricting out-of-district transfers), maybe in theory we'd have one less elementary school to staff and maintain, and maybe we wouldn't have had to ask Corvallis tax payers for as large of a bond package. That's well worth considering, especially in conjunction with enrollment forecasts and the fiscal consequences of overestimating enrollment. *Relevant Budget Parameter: Be transparent. As of October 1, 2019, 325 students were enrolled with a nonresident identification; however, we do not know how many students residing in the Corvallis SD boundary are attending school in another district, so the net impact is difficult to estimate at this time.*
- b. **Does the district track what percentage of out-of-district transfers are children of CSD staff members who live out of district?** Since Corvallis housing is so expensive, not all staff members can afford to live here. I can also see the argument that by allowing children of

staff to transfer in (to facilitate their work/home and transportation logistics), the district can use this as a perk to recruit and retain top quality staff. *For the 2019-20 school year, we received eight nonresident staff transfer requests, and seven of those were approved. The one that was not approved was a classified staff member and the classified contract had not yet been ratified to include the automatic approval language that is included now.*

13. Fundraising Equity

- a. The Corvallis Public Schools Foundation facilitates meetings that connect PTA/PTO groups across the district. Jennifer Stickland, a **PTA leader at Adams Elementary, recently floated the idea that local PTAs could pool their purchases of online site licenses for supplemental educational materials – to get bulk discounts by purchasing through the district.** With Jennifer’s permission, I’m passing along her idea to help promote community engagement with the budget. Adams PTA currently spends around \$8K per year towards Brain Pop, IXL, Reflex Math, Read Naturally, Learning A-Z, and EPS. For context, \$8K represents 30% of Adams’ allocation for Basic School Support or 10% of its Principal’s Discretionary Fund (p. 231). That’s a lot to ask of a PTA, especially as PTA budgets are shrinking. More learning is taking place online due to COVID; there are gray areas as to which resources qualify as supplemental vs. educational; and there are inherent wealth gaps among PTAs. Given these factors, **would the district be willing to help stretch PTA dollars by facilitating joint/bulk purchases of online educational resources by PTA/PTOs? Alternatively, if some of these resources are considered essential by most or all school principals, would the district consider providing them to all elementary students by supplementing the Basic School Support or Principal’s Discretionary Funds?** This alternative would be more expensive, but more equitable. *Relevant Budget Parameter: Provide every student with equitable access and opportunities. As noted earlier, we have formed seven rapid development teams to focus on planning for the 2020-21 school year; facilitating joint or bulk purchases of online education resources would fall under the work of the educational delivery team.*
- b. In the **Student Body Fund**, there’s a total of \$90,959 listed as salary (p. 143) associated with only 0.25 total FTE (p. 220). Am I misinterpreting that, or is someone really being paid \$90,959 to work 0.25 FTE (i.e., at a rate of \$363,836 per FTE, not including benefits)? Do parent groups still fund FTE at specific schools, or is this something different? *The 0.25 FTE in the Student Body Fund is an Educational Assistant 2 position with salary totaling \$5,959 funded by the Corvallis High School preschool student body account. The remaining \$85,000 in budgeted salaries is additional salary (see page 146).*

14. Distance/Hybrid Learning

- a. Since Distance Learning is apparently somewhat less expensive (and might be fully or partially implemented in 2020-2021), **do you have a mechanism for funneling any savings into providing extra help for students who have lost ground relative to their peers** (due to constraints of distance learning and/or for at-risk subgroups) – to minimize gap widening? *Relevant Budget Parameter: Provide every student with equitable access and opportunities. As noted earlier, we have formed seven rapid development teams to focus on planning for the 2020-21 school year; developing mechanisms for funneling any savings into providing extra help for student who have lost ground relative to their peers would fall under the collaborative work of the educational delivery, equity, and budget and finance teams. At this time, Student Study Teams (SST) are continuing to meet and discuss individual student needs and supports that the district can provide.*

- b. If there are periodic local COVID flareups, do you anticipate any significant **shut-down and start-up costs** associated with **switching between in-person and distance learning**? *As noted earlier, we have formed seven rapid development teams to focus on planning for the 2020-21 school year; planning for shutdown and start-up costs associated with switching between in-person and distance learning would fall under the collaborative work of the educational delivery and budget and finance teams.*
- c. Any plans to amend the **timelines on certain construction projects to accommodate social distancing**? For example, **expedite construction of covered playgrounds or outdoor learning spaces**, so students can spend more time outside? *At this time, the district does not have any plans to amend the timelines on any construction projects to accommodate social distancing.*

15. Inconsistencies

- a. The **four-year cohort graduation rate** for 2018-2019 is listed as **87%** (p. 228). However, graduation rates for 2018-2019 are listed as **89%** on both HS profiles (p. 244-245), in the Budget Message (p. 6-7), and on ESSA School Level Reporting (p. 232). On p. 232, it's called "**on-time graduation rate**" – which implies a four-year graduation rate. Are the two terms defined differently to get the different rates? If so, please add an operational definition of "on-time graduation rate" to p.228 to avoid confusion. *According to cohort graduation rate data published by ODE, the four-year cohort graduation rate for all students in 2018-19 was 88.93%. On-time graduation refers to the four-year graduation rate. The data in the chart on page 228 will be corrected for the publication of the adopted budget document.*
- b. On the "School Discretionary Allocations" table (p. 231), **why is CV given \$69 in the "\$ per weight" column for Basic School Support, whereas CHS is given only \$68 per weight?** Those numbers should be identical, right? (Also, by multiplying the numbers in the "Weighted Student Count" column by either \$68 or \$69, the number in the Basic School Support "Allocation" column is slightly off.) Why the non-round numbers (\$68/\$69), when all the other numbers in the "\$ per Weight" columns for Basic School Support and Principal's Discretion are round (\$50, \$150, \$275)? Is there a typo somewhere? *The allocation per weighted student count for both high schools is \$68; the data in the chart on page 231 will be corrected for the publication of the adopted budget document. The base allocation of \$65 per weighted student count is increased by \$3 to account for alternative pathways discretionary funding.*
- c. Page 231 Three numbers in "**Weighted Student Count**" column are incorrect (due to **summing error** of projected enrollment plus four weighted counts). Franklin K-5 should be 204, not 193. Hoover should be 425, not 424. Lincoln should be 522 not 459. Nonetheless the allocations for Basic School Support and Principal's Discretion are correct for Franklin K-5 and Lincoln, and only slightly off for Hoover. *The data in the chart on page 231 will be corrected for the publication of the adopted budget document.*
- d. **On which dates were FRL counts taken?** Different FRL counts are used for ESSA (p. 232-233) and school profile data (p. 234-245) vs. for calculations of discretionary funding (p. 231). Would improve transparency to either use consistent FRL counts throughout, or else to note dates on which each count was made. The choice of date can have significant consequences for schools. **To take the most extreme example, if the ESSA FRL figure had been used, CHS would have had 39% FRL instead of the 31% FRL that was actually used.** This **decision cost CHS \$8600** total between the Basic School Supplies and the Principal's Discretionary Fund. *Relevant Budget Parameter: Provide every student with equitable access and opportunities. The data on pages 232 -245 is based on 2019-20 free and reduced*

price eligibility by school as published by ODE on April 13, 2020. All of the data on page 231 is based on 2018-19 at-a-glance school profiles as published by ODE (as data for 2019-20 was not yet available when discretionary allocations were developed).

- e. Page 230 **Four-year change for Free and Reduced Lunch** for Franklin. Should say “+2%” instead of “+4%” (unless “19%” or “21%” has typo). *The data on page 230 will be corrected for the publication of the adopted budget document.*
- f. Page 234-245. On demographic profiles for individual schools, there are two “PER STUDENT” headings in red font. The first one (below “SCHOOL STAFFING” table) either **has the wrong heading or else the ratio needs to be flipped**. Red numbers to right of “PER STUDENT” are *not* # staff members PER STUDENT. They are # students PER STAFF MEMBER. This was done last year too, so may have automatically carried over. (The second “PER STUDENT” heading on each page is correct.) *The data on pages 234-245 will be corrected for the publication of the adopted budget document.*

Sami Al-AbdRabbuh 5/25/2020 (via e-mail):

1. If the district considers early retirement programs (similar to the ones we had in Fund 299) in the next fiscal year or two, is it feasible to forecast how much that would save the district? If so, what would such savings look like? *At this time, the district is exploring the option of a one-time early retirement incentive of \$20,000, pro-rated based on an employee’s FTE. Below is an example of how the cost savings would work; total savings to be achieved is difficult to predict at this time without knowing how many employees will choose to retire and take the incentive benefit.*

<i>1.00 FTE certified teacher (MA+45, Step 18) retires</i>	<i>(126,191)</i>
<i>Pay out early retirement incentive (including 7.65% FICA/Medicare costs)</i>	<i>21,530</i>
<i>1.00 FTE certified teacher (MA, Step 7) replaces retiree (instead of layoff)</i>	<i>86,186</i>
<i><u>Unemployment savings due to no layoff (maximum benefit)</u></i>	<i><u>(16,848)</u></i>
<i>Total savings</i>	<i>35,323</i>

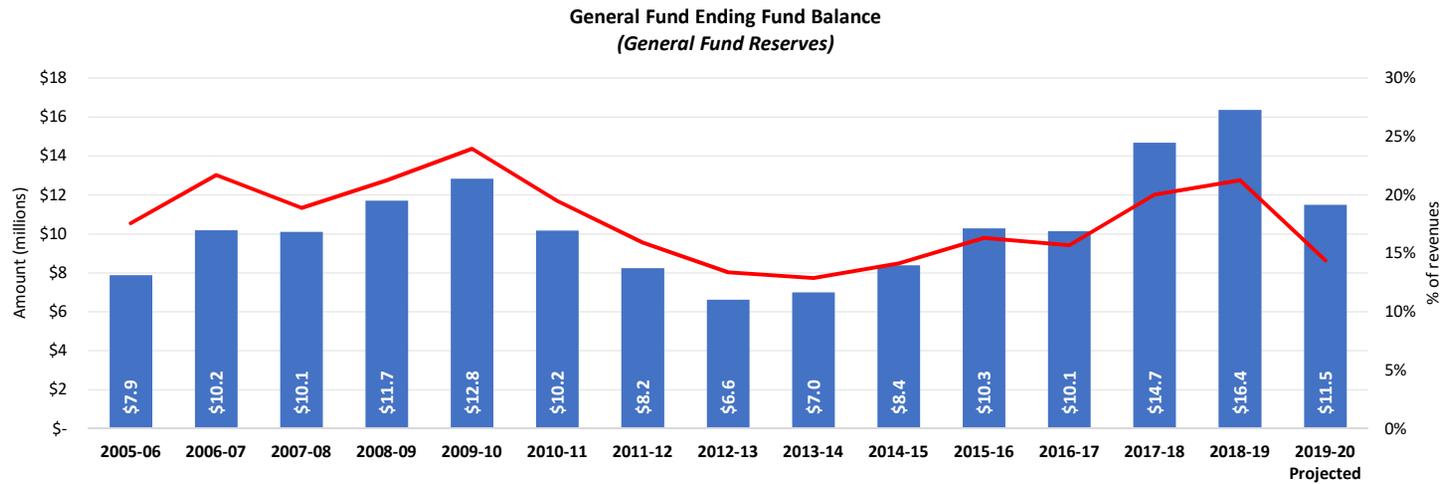
2. What is the current forecast for PERS rates? Given the updated economic outlook, in which direction do we expect PERS rates go? *PERS employer contribution rates effective July 1, 2021 through June 30, 2023 will be based on the district’s PERS valuation and rate report as of December 31, 2019, which will be released in the fall of 2020. At this time, due to favorable returns in 2019 combined with legislative changes implemented through Senate Bill 1049 (2019), we don’t anticipate any significant increases in our PERS employer contribution rates for the 2021-23 biennium. At this time, it is too early to predict how PERS employer contribution rates may be affected in the 2023-25 biennium.*
3. The last payment we did to mitigate impacts due to anticipated increases to PERS rates was a \$3 million lump sum payment back in 2017-2018 (Fund 301). Is there a forecast on when we would be scheduling a similar payment? Would that be changing given the anticipated economic and revenue forecast? *The district does not have any additional reserves in Fund 301 at this time to dedicate toward another lump sum payment.*

Katherine Bremser 5/27/2020 (via e-mail):

1. I feel like we, the budget committee, have a responsibility to talk about the use of reserves in the upcoming budget. I've been trying to think about how that is likely to happen and decided that it might be good to give you a heads up. The starting point for me is a question -- I came onto the committee in 2013 when the district was starting to rebuild reserves and recover from 2008/2009 (I think). Is there anyone who knows / remembers how the district approached the use of reserves then? I have the sense that the district used the reserves over several years to soften the needed cuts -- taking some and using reserves in addition? *Attached is a history of the General Fund ending fund balance (reserves) over the last fifteen years, including the projection for this year. For each fiscal year, the operating surplus (deficit) indicates whether reserves are increasing or decreasing. This shows that reserves were used in 2010-11, 2011-12, and 2012-13 to offset operating deficits, and then replenished over the next three years. [Board Policy DA](#) provides guidelines for the use and replenishment of reserves; per the policy, the rainy day reserve (currently projected at ~\$4 million) can be used to address adverse economic conditions which negatively affect the district's revenues and ability to meet the needs of students. The policy also states that, in the event the Board authorizes use of reserves, the superintendent shall propose a plan to restore budget sustainability and replenish reserves within three years of use.*

CORVALLIS SCHOOL DISTRICT
General Fund Ending Fund Balance

	2005-06	2006-07	2007-08	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20 Projected
Revenues	44,872,234	46,932,718	53,505,044	55,105,744	53,578,847	52,218,728	51,850,028	49,513,809	54,335,608	59,337,906	62,967,623	64,553,216	73,239,337	76,974,807	79,916,574
Expenditures	41,607,246	44,636,104	53,576,015	53,503,442	52,458,294	54,881,099	53,771,875	51,133,764	53,963,730	57,951,549	61,077,241	64,692,813	68,697,630	75,281,617	84,797,313
Operating Surplus (Deficit)	3,264,988	2,296,614	(70,971)	1,602,302	1,120,553	(2,662,371)	(1,921,847)	(1,619,955)	371,878	1,386,357	1,890,382	(139,597)	4,541,707	1,693,190	(4,880,739)
Ending Fund Balance	7,885,631	10,182,245	10,111,274	11,713,576	12,834,129	10,171,758	8,249,911	6,629,956	7,001,834	8,388,191	10,278,573	10,138,976	14,680,683	16,373,873	11,493,134
% of Revenues	17.6%	21.7%	18.9%	21.3%	24.0%	19.5%	15.9%	13.4%	12.9%	14.1%	16.3%	15.7%	20.0%	21.3%	14.4%



IV. APPROVAL OF 2020-21 BUDGET, TAX RATE, AND TAX AMOUNT

V. ADOPT MINUTES -- MAY 14, 2020

MINUTES
Meeting of the
BUDGET COMMITTEE
Corvallis School District 509J

I. CALL TO ORDER AND ROLL CALL

The meeting was called to order at 6:31 p.m. in the Board Room of the Central Administration Building, 1555 SW 35th Street, Corvallis, OR 97333, and live streamed on the district’s [YouTube](https://www.youtube.com/watch?v=wqS4JHO-mIQ) channel: <https://www.youtube.com/watch?v=wqS4JHO-mIQ>. The secretary recorded those present as listed below.

<u>COMMITTEE MEMBERS PRESENT</u>	<u>DISTRICT STAFF PRESENT</u>
Sami Al-AbdRabbuh	Ryan Noss, Superintendent
Vincent Adams	Olivia Meyers Buch, Finance & Operations Director
LeeAnn Baker	Melissa Harder, Assistant Superintendent
Tina Baker	
Katherine Bremser	
Joshua Clark	
Jay Conroy	
Bill Dougherty	
Andrew Freborg	
Sarah Finger McDonald	
Margit Foss	
Terese Jones	
Peter Sabee-Paulson	
Luhui Whitebear	

A quorum was present and due notice had been published.

II. NOMINATION AND ELECTION OF OFFICERS

Board Chair Al-AbdRabbuh took nominations for Budget Committee Chair. Ms. Finger McDonald and Mr. Sabee-Paulson were nominated, but declined their nominations.

MOTION

Mr. Adams moved to nominate Ms. LeeAnn Baker as Budget Committee Chair. The motion was seconded by Ms. Jones. Ms. LeeAnn Baker accepted the nomination and Board Chair Al-AbdRabbuh called for a vote. Ms. LeeAnn Baker was elected Chair of the Budget Committee with a unanimous vote.

Board Chair Al-AbdRabbuh turned the meeting over to Committee Chair Baker. Committee Chair Baker called for Budget Committee Vice-Chair nominations.

MOTION

Mr. Adams moved that Mr. Sabee-Paulson be nominated as Vice-Chair of the Budget Committee. Mr. Sabee-Paulson accepted this nomination and it was seconded by Ms. Jones. Committee Chair Baker called for a vote and Peter was unanimously elected Vice-Chair of the Budget Committee.

Committee Chair Baker invited Superintendent Noss to present his budget message.

III. SUPERINTENDENT'S BUDGET MESSAGE and BUDGET OFFICER HIGHLIGHTS OF THE 2020-21 PROPOSED BUDGET

Superintendent Noss presented his Budget Message as printed on pages 6-9 of the proposed budget document. Budget Officer Olivia Meyers Buch presented highlights of the proposed budget and reviewed strategic investments in alignment with the school board goals as presented on pages 26-27 of the proposed budget document.

IV. PUBLIC AND STAFF COMMENT

Committee Chair Baker opened public comment. Committee Secretary Jennifer Schroeder noted written testimony of two citizens was distributed to the committee via email this afternoon and is posted online with materials related to this meeting.

Denise Cardinali, *6017 SW Grand Oaks Dr, Corvallis, OR 97330, Corvallis Community Member*

- Ms. Cardinali's comments, related to school nurse staffing and support as well as equity and inclusion related to high school student activities, are filed with materials related to this meeting.

Scott Newsham, *3050 NW Fillmore Ave, Corvallis, OR 97330, Corvallis Community Member*

- Mr. Newsham's comments, centered around the sustainability of the district's 2019-20 budget and student enrollment, are filed with materials related to this meeting.

VI. COMMITTEE DISCUSSION, QUESTIONS, AND REQUESTS FOR MORE INFORMATION

Committee Chair Baker offered the group an opportunity to make any disclosures. No such disclosures were made. Committee Chair Baker opened the meeting for committee discussion, questions, and requests for more information. Below is a summary of the resulting comments.

State Revenue Outlook

Mr. Dougherty asked for comments related to the state's sources of funds as presented in the proposed budget and the state's current economic reality, in particular, the anticipated economic forecast to be released on May 20, 2020. Ms. Meyers Buch commented that as noted in the Superintendent's Budget Message, the proposed budget does not make any assumptions based on the current COVID-19 pandemic. We expect that the revenue forecast released on May 20 will indicate a decrease in available revenues, but it will not tell us what to expect in regards to impacts to education funding.

We assume that the May forecast will prompt the legislature to convene in a special session with the opportunity to modify the state school fund allocation or deploy the use of state reserves to offset a revenue shortfall. As such, we probably will not know specifics as to what our actual shortfall will be until mid-July. Once we have that information, we will need to act quickly to implement changes as needed, so we have been spending time identifying areas for reduction and will continue to do so. The Superintendent has indicated his priorities around any kind of reduction is to maintain school days and a strong work force. Because we spend most of our budget on salaries and benefits, we know it is unlikely we will be able to achieve balance without reducing salary and benefit costs. However, we are focusing primarily on non-staff reductions at this time.

If the state legislature convenes for a special session, there will be advocacy efforts to protect education funding similar to prior years, but the timeline is very different. At this time, we expect that our reduction could be anywhere between \$5 to \$9 million; a \$5 million reduction is about 5% of our operating budget.

Ms. Finger McDonald shared that she recently attended an Oregon School Boards Association (OSBA) Legislative Policy Committee meeting where the level of funding used in proposed budgets was a topic. She reported that there was a general feeling that school districts have worked very hard to achieve the current allocation of funding from the state and that this current level is barely adequate. As such, it was felt that districts should not adopt budgets based on anticipated shortfalls due to COVID-19 because we need to communicate to the legislature that school budgets are not the place for the state to balance its budget.

COVID-19 Impacts on Budget

Mr. Clark asked if COVID-19 related expenditures for sanitization, social distancing, and related staff training were embedded in the current proposed budget and if those types of additional costs were expected. Ms. Meyers Buch noted that while the district is experiencing savings related to student transportation and substitutes, there have been some new expenses in the technology and facilities departments to support distance learning for all and cleaning, sanitization, and personal protective equipment. Mr. Noss added that the district would receive guidance from the Oregon Health Authority (OHA) as well as the Oregon Department of Education (ODE) regarding guidelines about operating schools in the fall. He stated that the beginning of the school year will look unlike any other school year that we have had and that the district will need to continue to be responsive; the specifics of what that will look like are

still unknown. At this time, we are developing contingency plans including maintaining distance learning, going back to traditional on-site learning, or a hybrid of the two.

Ms. Foss noted that Denise Cardinali's testimony to this committee highlighted the timely need for additional nursing staff as well as medical tracking software, which are worth considering in planning for COVID-related schooling.

Budget Committee Roles & Responsibilities

Ms. Foss noted that the purpose of the budget committee as described on the district's website indicates that they should test the budget against board priorities, including determining if the assumptions presented were realistic and if revenues were adequate to support the budget as presented. She wondered if that was possible to do this year in light of COVID and assumed revenue reductions in the near future. She asked what staff felt the role of the budget committee could be this year.

Ms. Meyers Buch recommended that the committee review the budget as presented, and in particular, the alignment to board goals. That discussion is still very relevant to this conversation. She indicated that she would stand behind the assumptions as presented in the budget because at this time, while there is speculation, there are no other figures available. Unfortunately, that information will likely not be available until after June 30, the date by which Oregon law requires us to adopt a budget. It is definitely an odd year, but the reality is that the budget was built on the best information we have at this time, and we do not think it is prudent to make changes. Having clear priorities in our budget assists us if we need to make reductions down the road; so having the budget committee review those priorities is a useful tool.

Mr. Noss added that guidance from our professional organizations has led districts to build budgets based on the legislatively adopted allocation of \$9 billion. Mr. Al-AbdRabbuh concurred and added that he is framing this process as an extension of a promise from the legislature during their last budget process. Based on that expectation, we are building the requirements and the budget committee's role should be to check for alignment with board goals. He voiced his opinion that we need to pass a budget based on what we require, not what we expect to receive in revenue. Ms. Finger McDonald and Mr. Adams concurred with Mr. Al-AbdRabbuh's comments.

Ms. Jones noted that the community will have questions as to what the district is doing to prepare for upcoming budget shortfalls. She expressed her desire that the budget committee process be a platform through which we can communicate to the public in an open and transparent way and that it serve as a way in which community members can be involved with the decision making process. She agreed with the sentiment that we should pass a budget that says what we need based on what the legislature previously told us to expect, but expressed concern about the other side of the coin that we may be cutting off the community from active engagement if we need to make adjustments. She wondered how to make sure the community voice isn't lost in this process as we balance the lack of solid information known at this time with the legal time constraints associated with adopting a budget.

Mr. Noss replied that his goals as superintendent during this time are that we retain school days and retain a strong work force. He acknowledged that there will be tension between those goals and future financial constraints. To that end, he noted that this year there could be an additional role for budget committee members to support advocacy efforts at the state level. Ms. Jones wondered where the community might have input into those goals. Mr. Noss noted that the community was invited to participate in the development of board goals and that work will be leveraged by this process.

Ms. Finger McDonald acknowledged the struggle that Ms. Foss and Ms. Jones voiced. She shared that budgets are a statement of our values. Mr. Noss's goals are a statement to the community that our bare minimum values are school days and staff. Thinking of this budget in that context, she is more comfortable working with this budget. Mr. Sabee-Paulson expressed that he felt it is a great approach to send a message and supports this concept. This process can be painful, but it is a conversation with the public and it is a way to communicate those concepts.

Budget Adoption Timeline and Changes After Adoption

Mr. Sabee-Paulson asked if it turns out that we do need to make cuts, at what point will you need to reconvene the budget committee? And, is there a legal basis for the sustainability of the budget? And, what kinds of contingency plans are being considered at this time as we face a \$5 million shortfall?

Ms. Meyers Buch stated that changes made to the budget after adoption are governed by local budget law. While there are several methods allowed, the school board conducts those actions, and changes over 10% in any fund require a public hearing. In terms of sustainability, this is a balanced budget with all reserves fully funded in alignment with board policy. She reminded the committee that while the discussion so far tonight has focused on revenue assumptions, there are also assumptions made in the proposed budget related to expenditures as the district is currently negotiating salaries and benefits with both employee associations. In this particular year, we have some unknowns on both sides – state funding on the revenue side and personnel costs on the expenditure side. While we know that one furlough day for all staff would save \$230,000 and that the average cost per FTE is \$90,000, in light of the superintendent's stated goals of preserving school days and personnel, we remain cautious about specific impacts until we have more information.

Mr. Noss added that we have started looking at our spending habits compared to similar districts, that the administrative employee group has already taken a pay freeze for next year, and that we are not filling vacant positions. If the goals are to maintain school days and a strong work force, we must look elsewhere first. Those are the conversations happening now with the administrative team, with both association presidents, and these will be ongoing conversations. Mr. Noss also stated that he understands the committee's trepidation with accepting a budget with so many unknowns, but he is hesitant to use a different resource assumption on which to build a budget at this time.

Mr. Conroy commented that he feels the board should commit to a future process that would include budget committee citizen members and the community before we finalize cuts. He feels that this is a good budget to serve our community and that this is a situation where rainy day reserves should be used.

Ms. Whitebear asked if there has been an official ask to make cuts at this point. Ms. Meyers Buch confirmed that such direction has not been provided. Ms. Whitebear expressed her desire that the group not get too stuck on concerns about potential cuts rather than waiting to see the actual numbers. She asked if the budget process could be delayed in anticipation of better information. Ms. Meyers Buch stated that the budget committee could meet again in June; however, that meeting would need to take place prior to the last school board meeting of the year, currently scheduled for June 11. The school board must adopt a budget prior to June 30. She expressed that it is unlikely that any firm information will be known before that date. Ms. Whitebear suggested the involvement of the public to gather ideas for additional revenues or other creative options to continue services.

Mr. Noss reiterated there has been no official request to reduce our budgets at this time. He further shared that it is highly unlikely that there will be any information released substantive enough to impact this process before the June 30 deadline. He knows that there will be avenues worth considering and expressed his hope that community members would bring those ideas forward. He expressed his appreciation that the district does have a local option levy as an added stream of revenue.

Mr. Conroy expressed his appreciation for the discussion thus far. He noted that embedded in this process is the requirement that this body approve tax rates and levy amounts for the upcoming fiscal year. He noted that this decision, also required by law, must be done without the benefit of knowing more about our financial future. He noted that we are in between a rock and a hard place – we don't have certainty, but there are also things that we must do. He likes the idea of bringing citizen committee members back for further discussion. He acknowledged that staff are working on two budgets – the one presented here, and a contingency based on assumptions regarding cuts.

Capital Projects Fund

Mr. Clark asked for clarity regarding the budget for capital projects – are we on schedule and on budget? Ms. Meyers Buch stated that our projects and our project budgets are in alignment with where we thought they would be. All planned projects are proceeding, with the exception of the project at Crescent Valley High School, which has been postponed for one year. Work is currently underway at Garfield and Lincoln Elementary Schools as well as Cheldelin Middle School. Smaller projects, such as a roofing replacement at Corvallis High School, are also happening. Many projects have started earlier than anticipated due to building availability under the school closure. Mr. Noss added that we have been paying close attention to the supply chain as well as social distancing measures at worksites.

Enrollment Projections and Staffing Increases

Chair Baker asked how enrollment projections are made. Ms. Meyers Buch stated that for grades 1-12, we use a cohort survival ratio method, which looks at changes from one grade to the next over trended years to determine a survival ratio. To estimate kindergarten enrollment, we look at birth rate trends. Other information, such as additional housing units in an area, are not necessarily as useful in our district.

Chair Baker noted that staffing increases noted on page 18 appear to be greater proportion to enrollment trends. Ms. Meyers Buch noted that the actual FTE for 2019-20 will be higher than shown on page 18, so rolled forward to 2020-21 proposed, it is actually more flat. This change is often due to adjustments after the budget is adopted (increases in FTE to address unanticipated student needs, but within the dollar amount allocated).

Substitute Costs

Ms. Whitebear noted that substitute expenditures have decreased dramatically. Ms. Meyers Buch explained that this is a result of a shift towards use of a staffing agency to provide substitutes. Utilization of an agency allowed the district access to a larger pool of substitutes and has been successful thus far. Salaries for district employees (including substitutes) are classified in object 100, while contracted services are shown in object 390.

Process for Staff Layoffs

Mr. Conroy wondered how, with current timing constraints, we would go about notifying staff of potential layoffs. He suggested that the board could convene an additional committee outside of local budget law requirements if they so choose. He also asked if they could change tax rates if need be during the year. Ms. Meyers Buch stated that once the school board adopts tax rates, that information is submitted to Benton and Linn Counties prior to July 15 for certification. Once that occurs, they are set for the year and cannot be changed. Mr. Noss noted that there is language in our contracts regarding a process for layoffs. In terms of a committee, he would be cautious regarding the type of committee convened due to staff support costs.

ESSA School Level Reporting

Ms. Foss indicated she was looking at the school spending per student (pages 232-233) and wondered if non-instructional expenditures (utilities, etc.) could be removed from the figures to provide a better look at instructional spending at each location. Ms. Meyers Buch stated that she could provide more information as to what is included; depending on specifics of the request, it may take quite a bit of staff time to manually reclassify expenditures.

Student Demographics

Ms. Whitebear noted that the way in which race and ethnicity are reported, it is important to remember that the way we track that data could affect our ability to seek additional funding. Mr. Noss responded that the district is aware of that issue and working with data managers on this topic.

VII. ADOPT MINUTES – MAY 16, 2019

MOTION

Ms. Finger McDonald moved that the meeting minutes from May 16, 2019 be adopted as presented. This was seconded by Mr. Conroy. The motion carried with 12 committee members voting to adopt. Ms. Whitebear and Mr. Freborg abstained from the vote as they were not present.

VII. ADJOURNMENT

Chair Baker reminded the group that the next Budget Committee meeting is scheduled for Thursday, May 28th, at 6:30 p.m.

Mr. Al-AbdRabbuh asked if there was a deadline by which staff would like to have requests emailed to them. Ms. Meyers Buch responded that questions submitted prior to the end of day on Monday, May 25, 2020, will be answered in time for the meeting. Public testimony will be accepted until noon on May 28, 2020.

MOTION

Ms. Jones moved that the meeting be adjourned; this was seconded by Ms. Finger McDonald. Chair Baker adjourned the meeting at 8:50 p.m.

LeeAnn Baker, Committee Chair

Olivia Meyers Buch, Budget Officer

Prepared By: Jennifer Schroeder

VI. ADJOURNMENT

*All times are approximate.

Note: The Chair of the Board may alter the order of business as they deem proper and necessary.

Agendas – Agendas and supporting materials are available online at <https://v3.boardbook.org/Public/PublicHome.aspx?ak=1000829> a few days before each School Board meeting. For more information, please contact Julie Catala at kimberly.nelson@corvallis.k12.or.us.

Communication With The School Board – Communication with the Board can be made by telephone, letter, e-mail and public testimony. Letters may be addressed to individual Board members or the Board as a whole and sent to 1555 SW 35th Street, Corvallis, OR 97333. E-mail may be sent to schoolboard@corvallis.k12.or.us and will be sent to all board members simultaneously as well as to key District Office staff. For more information, please contact Kim Nelson at kimberly.nelson@corvallis.k12.or.us.

Consolidated Action Agenda – The purpose of the consolidated action agenda is to expedite action on routine agenda items. All agenda items that are not held for discussion at the request of a Board member or staff member will be approved/accepted as written as part of the consolidated motion. Items designated or held for discussion will be acted upon individually.

Public Comment – Guidelines are at: <https://www.csd509j.net/about-us/school-board/provide-input-and-be-informed/>

Executive Session – Permissible purposes of Executive Sessions include: ORS 192.660(2)(a) – Employment of Public Officers, Employees and Agents; ORS 192.660(2)(b) – Discipline of Public Officers and Employees; ORS 192.660(2)(d) – Labor Negotiator Consultations; ORS 192.660(2)(e) – Real Property Transactions; ORS 192.660(2)(f) – Exempt Public Records; ORS 192.660(2)(h) – Legal Counsel; ORS 192.660(2)(i) – Performance Evaluations of Public Officers and Employees; ORS 192.660(2)(j) – Public Investments.

SCHOOL BOARD MEMBERS			
Vincent Adams	541-738-4324	Terese Jones	541-230-1673
Sami Al-Abdrabbuh	541-283-6611	Shauna Tominey, Co-Vice Chair	541-829-8411
Tina Baker	541-223-1997	Luhui Whitebear, Co-Vice Chair	541-632-3568
Sarah Finger McDonald, Chair	541-908-3756		

EXECUTIVE STAFF MEMBERS	
Ryan Noss, Superintendent	541-757-5841
Melissa Harder, Assistant Superintendent	541-766-4857
Olivia Meyers Buch, Finance and Operations Director	541-757-5874
Jennifer Duvall, Human Resources Director	541-757-5840
Kim Nelson, Executive Assistant to the Superintendent; Board Secretary	541-757-5841