



2804 SW Sixth Street, Redmond, Oregon 97756 / p 541.693.5600 f 541.693.5601 / www.hdesd.org

Budget Committee Minutes April 19, 2016

Board Members: Scott Reynolds, Board Chair, Carol Moorehead, Vice-Chair, Directors John Lang, Mike McGowan, Bob Moore, Doug Nelson, Jenni Newby and Ron Radabaugh

Budget Committee: Scott Cooper, Crook County School District, Julie Craig, Bend-La Pine Schools, Brad Henry, Bend-La Pine Schools, Martha Hinman, Redmond School District, Mike McIntosh, Redmond School District, Kathy Steinert, Redmond School District, Sandy Tartaglia, Sisters School District, and Shay Mikalson, Bend-La Pine Schools

HDESD Staff: John Rexford, Superintendent, Paul Andrews, Deputy Superintendent, Shawna Bell, Business Analyst, Greg Munn, Financial Services Director, Rachel Wentte-Chaney, Chief Information Officer and Shelley Knutz, Executive Assistant

Call to Order: Board Chair Scott Reynolds called the meeting to order with a quorum of 16 at 5:30 pm and asked for introductions.

Election of Budget Committee Officers

- Doug Nelson moved and Mike McIntosh seconded a motion to nominate as Brad Henry as Chair of the HDESD Budget Committee for 2016-2017. Motion carried 16-0.

- Scott Cooper moved and Doug Nelson seconded a motion to nominate Ron Radabaugh as Vice-Chair of the HDESD Budget Committee for 2016-2017. Motion carried 16-0.

Budget Message

Superintendent Rexford shared his budget message for 2016-17. The budget development process is focused on implementing our mission of improving student outcomes, as well as meeting the needs of our constituent school districts and other partners.

The 2016-17 budget is based on the best information available at this time. Our general fund budget is constructed around the Oregon Department of Education estimates based on the 2015-17 state appropriations for K-12 education recently approved by the Legislature. As always, our primary cost drivers are related to employing a quality staff to service our customers. We have included a modest increase in employee costs, based on the second year of a two-year collective bargaining agreement completed last spring.

We have worked with each of our four constituent school districts to develop a budget for the local service plan within the general fund that meets their needs to the greatest extent possible. There still may be further adjustments prior to budget adoption based on District requests.

The general fund only represents about a third of our budget. We are budgeting for generally flat revenues for most of our state "grants-in-aid" contracts. As is often the case, funding for these contracts will not be known until after the end of the budget process. As established by the Board, our priority focus for the most recent Legislative session was restoration of funding for Early Intervention/Early Childhood Special Education. It is clear that our efforts, led by our Board of Directors and supported by many of our partners, have raised awareness of the issue around the state. We are thrilled to report that the 2016 Legislature took an important first step by ensuring that funding for the current biennium keeps up with dramatically rising caseloads. We will be able to add back two days and increase staff to improve caseloads.

Last year, we embarked on a new venture to enhance and build a culture of innovation within the ESD. Now in its first full year of implementation. Interested staff members are guided through a multi-step process to develop and hone ideas, big and small for potential funding and implementation. Early results have been exciting to watch, and the potential for the future is fun to imagine.

Tonight, we present our budget plan for the upcoming year. It is always important to remember why we all work or volunteer in this profession: the children. Improving student outcomes will remain our focus and priority as we move through this budget process, and embark on another year serving the region.

Presentation of Budget Document

Greg Munn reviewed the 2016-17 budget presentation.

- This is the second year of state biennial \$7.4B K-12 funding budget.
- Total State School Fund (SSF) formula revenue is up 2.5% to \$11.3M. This is due to a 1.6% increase in the state rate and a projected ADMw increase of .9%.
- SSF is only 25% of the ESD's total revenue and funds District LSP services and a portion of ESD administrative costs. There are nearly 80 other programs across the ESD.
- Early Intervention – Early Childhood Special Education (EI/ECSE) funding includes State General Fund and three federal grants.
- Central Oregon Regional Program (CORP) funding includes State General Fund and IDEA Federal Funds.
- Healthy Families of the High Desert was awarded a 21 month contract through Healthy Families Oregon for a total of \$1,077,277. This covers services for Deschutes, Crook and Jefferson County.
- Per Board Policy, 5% of the total General Fund revenue is unappropriated.
- There are no changes in the ESD PERS rates for 2016-17. We are expecting a significant increase in rates in 2017 and beyond.

Greg encouraged members to review the proposed budget document and forward their questions to him. He will distribute all questions and answers collectively to the entire committee prior to the next meeting.

Opportunity for Citizen Participation

There was no citizen participation.

Adjourn

The April 19, 2016 meeting of the High Desert ESD Budget Committee adjourned at 5:45 pm.

Brad Henry, HDESD Budget Committee Chair

Shelley Knutz, Executive Assistant



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Board of Directors Board Minutes April 19, 2016

Board Members Scott Reynolds, Board Chair, Carol Moorehead, Vice-Chair, Directors John Lang, Mike McGowan, Bob Moore, Doug Nelson, Jenni Newby and Ron Radabaugh

HDES Staff John Rexford, Superintendent, Paul Andrews, Deputy Superintendent, Shawna Bell, Business Analyst, Greg Munn, Director of Fiscal Services, Rachel Wente-Chaney, Chief Information Officer, and Shelley Knutz, Executive Assistant

Call to Order Scott Reynolds called the April 19, 2016 meeting to order at 5:50 pm

REPORTS

Fiscal Report

Greg reviewed the revenue and expenses year-to-date, which continue to track with the historical monthly trend from last year. Revenue collections are up over last year due to an increase in State School Fund revenue and an increase in property tax collections. Expenses are higher than last year due to normal payroll cost increases, including a slight increase in funding for the PERS reserve.

Facilities Report

- Tamarack will be painted over the summer.
- Alyce Hatch Center will be installing some additional blinds to comply with our security and lockdown protocols.
- A barrier system is in place at Manzanita to keep the rock chuck from entering the playground.
- ADA renovation of one of the bathrooms at Skyliner Lodge is complete and looks great.
- Doug Nelson asked about increasing the number of high school students at Westside Elementary School in Madras. He is concerned about safety protocols for our preschool children. With the addition of the alternative education program into the Westside Elementary School, they will be installing double doors separating our students from the alternative education program. Our students will enter at the south end of the building. There will also be a receptionist in the building part time.

ACTION ITEMS

Approve Insurance Agent of Record Recommendation

Greg Munn explained the ESD has contracted with PayneWest Insurance (formerly Western States). We received four proposals in response to our RFP, and a group of five individuals met to review the proposals. Based on the results of the evaluation process, the review committee recommends PayneWest Insurance as the Insurance Agent of Record and agent for general liability insurance and La Porte & Associates, Inc. as the agent for workers' compensation services.

- Carol Moorehead moved and Ron Radabaugh seconded a motion to approve the committee's recommendation to select PayneWest Insurance as the ESD's Insurance Agent of Record and as the agent for general liability insurance, and selection of La Porte & Associates, Inc. as the agent for worker's compensation insurance as defined in the RFP. Motion carried 7-0. Mike McGowan abstained from voting.

Consent Agenda

Bob Moore asked if we have done any training on the staff ethics policy. Superintendent Rexford noted this is a new policy to the agency so trainings have not been conducted.

- Doug Nelson moved and Carol Moorehead seconded a motion to approve the Consent Agenda as presented. Motion carried 8-0.
 - Personnel Changes – April 2016
 - Board Policies – Second Reading
 - ✓ GBC – Staff Ethics
 - ✓ KL – Public Complaints
 - Board Minutes – March 15, 2016

DISCUSSION ITEMS

Board Policy – First Reading - GCBDD/GDBDD – Sick Time

The newly implemented Sick Time law is proving to be a challenge for public employers who already provide sick leave. Sick leave will be run concurrently with sick time. We have divided our staff into four categories of employees and the sick time policy will be implemented differently for each. We will let the association know the policy has been brought to the Board for a first reading. Oregon School Board Association (OSBA) has had a couple of webinars on the policy and our staff attorneys have discussed it with the Bureau of Labor and Industry (BOLI)

Superintendent Rexford and the board members discussed each of the four categories of employees. There are concerns about the financial impact this is having on employers. Scott Reynolds wondered how we would accommodate someone transitioning from one category to another. Rachel also noted the importance of this law for our children and families living in poverty.

Superintendent Report

- ✓ Reimagine Education in Oregon – A Community Forum with Dr. Salam Noor on April 25th at 6:00 pm. We will be hosting the forum.
- ✓ Deputy Superintendent Andrews reported that the STEM Hub position of Executive Director closes on Friday. Several of our partners will be helping us with the hiring process.
- ✓ Following bargaining last year, there have been additional meetings to look at workload and caseload. The focus has primarily been on Occupational Therapists. While our caseloads are one of the lowest in the state, a recent time study showed they are spending 1/3 of their time on paperwork.
- ✓ Deputy Superintendent Andrews has been appointed to the Governor's Council on Education Advancement. He will be serving along with Michele Oakes from Bend-La Pine Schools and they will represent Central Oregon on the council.
- ✓ The OAESD Annual Convention will be May 20-21 at Eagle Crest. Please let Shelley know if you plan to attend.
- ✓ We are considering ways the ESD can help provide support to the Redmond School District at Brown Education Center.

Board Chair Report

- ✓ Superintendent Evaluation Survey was sent out last week. Please complete the survey as soon as possible. Shelley will be sending out reminders to those who haven't turned them in.
- ✓ Board Election Update – Doug Nelson is reapplying for his current position representing the Bend-La Pine Schools. The Sisters School District position application period was extended. We have now received an application from Stephen King and Carol Moorehead. The district board members will vote and elect their representative by May 12.
- ✓ Doug Nelson reported the Legislative Policy Committee will be meeting to set policy priorities for the upcoming legislative session.
- ✓ Doug is also working with a group at OSBA focused on Revenue Reform in the state.
- ✓ Bob Moore participated in the OAESD Governance Council last week. They were seeking feedback on filling the Executive Director position. They discussed the increased funding for EI/ECSE. They also began to look at some strategic plans for the coming year. OAESD is trying to work more collaboratively with the Washington Association of ESDs.
- ✓ Mike McGowan had a chance to talk to Rep. Huffman about the Legislative Summit. Rep. Huffman found it to be an excellent opportunity to learn more about the programs. He would encourage another summit next school year.

Adjourn

The April 19, 2016, High Desert ESD Board of Directors Meeting adjourned at 7:00 pm.

Scott Reynolds, Board Chair

Shelley Knutz, Executive Assistant