



2804 SW Sixth Street, Redmond, OR 97756 / P 541.693.5600 / F 541.638.9646 / www.hdesd.org

Budget Committee Minutes April 21, 2020

- Board Members** Scott Reynolds, Board Chair, Seana Barry, Vice-Chair, Directors Kathy Biles, Gwen Carr, Peggy Kinkade, John Lang, Matt McGowan, Bob Moore and Carol Moorehead
- Budget Committee** Scott Cooper, Crook County; Julie Craig, Bend-La Pine Schools; Brad Henry, Bend-La Pine Schools; Sherry Joseph, Sisters School District; Sara Johnson, Crook County; Karen Jordan, Redmond School District; Mike McIntosh, Redmond School District; Shay Mikalson, Bend-La Pine Schools; Kathy Steinert, Redmond School District
- HDESD Staff** Paul Andrews, Superintendent; Sandy Bishop, Assistant Superintendent; Rochelle Friend, Chief Financial Officer; Jayel Hayden, Chief Human Resources Officer; Anna Higgins, Executive Director of Innovation; Amy Joint, Special Programs Executive Director; Angella La Fontaine, Business Analyst; Diane Tipton, Early Childhood Executive Director; Rachel Wenten-Chaney, Chief Information Officer and Shelley Knutz, Executive Assistant
- Guest** Lora Nordquist, Bend-La Pine Schools
- Call to Order** Board Chair Scott Reynolds called the Budget Committee meeting to order with a quorum at 5:33pm.

Superintendent Andrews introduced all staff members participating in the Zoom meeting.

Election of Budget Committee Officers

- **Bob Moore made a motion to nominate Brad Henry as Chair of the HDESD Budget Committee for 2020-21. Kathy Biles seconded the motion. Motion carried unanimously.**
- **Scott Reynolds made a motion to nominate Mike McIntosh as Vice-Chair of the HDESD Budget Committee for 2020-21. Julie Craig seconded the motion. Motion carried unanimously.**

Budget Message

Superintendent Paul Andrews presented his Budget Message for 2020-21. This budget is a difficult one to navigate due to the impact of COVID-19. Through those uncertainties, however, our budget development process remains focused on implementing our mission of improving student outcomes with Excellence, Equity and Efficiency. As well as meeting the needs of our constituent school districts and other partners to the best of our abilities. Our guiding purpose is to provide added value to the great work our districts and partners do by providing economies of scale, focused excellence and a commitment to equity.

The 20-21 budget has been developed based on the best information available at the time of this writing. Our general fund budget is based on the budget the legislature passed last year for the 2019-21 biennium. We have used current enrollment estimates from our constituent school districts and other programs. Our primary cost drivers are related to employing outstanding staff. We have included reasonable salary and insurance increases, which will need to be negotiated this spring as our current collective bargaining agreement ends June 30. PERS cost drivers are significant again this year and are reflected in this budget.

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. While the general fund is central to our work, it represents less than a third of our overall budget. Most of our budget consists of state and federal grants and contracts.

Tonight, we present our budget plan for the upcoming year. In doing so, we present a document that is based on the data we have right now, but which also recognizes we are in uncharted and potentially fraught waters as we move forward. We will keep our focus and priority on improving student outcomes and supporting our districts/ partners as we embark on another year of serving the region.

Presentation of the Budget Document

Rochelle Friend, Chief Financial Officer, presented and reviewed the 2020-21 proposed budget document. As with any budget, this is our plan for next year. The difference this year is we are in the middle of a pandemic. Understandably, there will be changes between adoption and implementation. She highlighted several sections of the budget:

- Total revenue for 2020-21 is \$61,674,106. This represents a 9% increase over 2019-20.
- Revenue comes from several sources State School Fund at 24% of budget, grants 30%, fund balance 8%, transfers 10%, services 21% and other 8%.
- ADMw for 20-21 is estimated at 34,982, which is a rate per ADMw of 411.38.
- Our indirect rate of 7.5% has not changed for three years.
- Staffing costs in the 2020-21 proposed budget are based on the assumption of steps and lanes where eligible. It includes a 2.75% cost of living and \$40 health insurance cap increase that is subject to negotiations under the collective bargaining agreement.
- Expenses by fund and category.
- Budget has increased to accommodate PERS funding for retirees.
- Significant changes in grant funding resulted in a 27% increase from the 2019-20 budget.

Questions Regarding Budget Document

Peggy Kinkade asked about the 1% increase in supplies. Rochelle explained we are purchasing and using more supplies for students and teachers with the increase in grant funding. Some of those grants allocate supplies to districts as part of the grant – thus an increase in that budget line item.

Bob Moore asked how the ESD would make adjustments if needed. Rochelle confirmed we are currently working on contingency budgets for programs that could be impacted. We will have a better understanding of our actual budget after the May revenue forecast and will apply contingency budgets as needed. Superintendent Andrews noted that replacement positions are being filled. New positions and postings for new SSA positions are pending. Rochelle said we expect things will change and we will be closely following those changes between the approval of the proposed budget and adoption of the actual budget.

Brad Henry asked how other districts plan for budgeting during these uncertain times. Bend-La Pine is moving forward with the budget they created weeks ago based on what the state has indicated. Superintendent Sara Johnson said they are hiring to staff a new school but that is all.

Julie Craig asked how the ESD would communicate with the budget committee if there were more drastic cuts based on actual funding. Superintendent Andrews said he would communicate directly with the superintendents and with the budget committee members if needed. Julie asked if it would be good to hold another budget meeting in May to know more about funding. Superintendent Andrews said the earliest we would know is from the Revenue Forecast due out May 20. The legislature will decide whether to hold a special session after hearing that forecast in May.

Peggy Kinkade asked about the increase in the legal services fund. At the request of our districts, the legal services department will be hiring a .3 investigator, .5 legal assistant and 1.0 attorney.

Opportunity for Citizen Participation

There was no citizen participation.

Brad Henry asked if the committee would like to move forward with a vote to adopt the budget as presented or schedule another meeting. Bob Moore asked if Julie Craig was comfortable with Superintendent Andrews

communicating any budget adjustments to the superintendents. She thinks that is a good alternative. Bob Moore said based on that, he was prepared to make a motion to approve the 2020-21 Budget.

Resolution 65-50 Approving the 2020-21 Budget

- **Bob Moore made a motion that the High Desert ESD Budget Committee approve the 2020-21 fiscal year budget as presented in the amount of \$61,674,106 and property taxes at the rate of \$0.0964 per \$1,000 of assessed value for operating purposes. Kathy Biles seconded the motion. Motion carried unanimously.**

Superintendent Andrews thanked the Budget Committee on behalf of the High Desert ESD for taking their time to participate in the budget process. He appreciates how the committee includes representation from each of our districts. This helps ensure the ESD is meeting the needs of the districts. He thanked Brad Henry for his leadership and Rachel Wenten-Chaney for her assistance with the Zoom meeting.

Julie Craig congratulated the High Desert ESD on hiring Superintendent Shay Mikalson. She has enjoyed working with Shay for the last 4 years and looks forward to working with him in the future. She noted Lora Nordquist will start serving as Interim Superintendent beginning July 1. Lora will be participating in this budget process next year and will be a valuable addition.

Adjourn

The April 21, 2020 meeting of the High Desert ESD Budget Committee adjourned at 6:23 pm.

Brad Henry, HDESD Budget Committee Chair

Shelley Knutz, Executive Assistant



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Board of Directors Board Minutes April 21, 2020

Board Members Scott Reynolds, Board Chair, Seana Barry, Vice-Chair, Directors Kathy Biles, Gwen Carr, Peggy Kinkade, John Lang, Matt McGowan, Bob Moore and Carol Moorehead

HDESD Staff Paul Andrews, Superintendent; Sandy Bishop, Assistant Superintendent; Rochelle Friend, Chief Financial Officer; Jayel Hayden, Chief Human Resources Officer; Anna Higgins, Executive Director of Innovation, Amy Joint; Special Programs Executive Director; Angella La Fontaine, Business Analyst; Diane Tipton, Early Childhood Executive Director; Rachel Wente-Chaney, Chief Information Officer and Shelley Knutz, Executive Assistant

Call to Order Board Chair Scott Reynolds called the April 21, 2020 meeting to order at 5:30 pm

Action Item

Approve 2020-21 Budget Committee (moved from the March meeting due to cancellation)

- Seana Barry made a motion to approve the 2020-21 Budget Committee as presented. Gwen Carr seconded the motion. Motion carried unanimously.

Adjourn

The regular session adjourned at 5:32 pm.

The 2020-21 Budget Meeting was in session from 5:35-6:25 pm.

Call to Order Board Chair Scott Reynolds called the April 21, 2020 meeting to order at 6:25 pm

REPORTS

Fiscal Report

Rochelle Friend noted that we are still uncertain all the ways in which the pandemic will affect us financially. State School Funds remain unchanged for the current year as long as we fulfill the mandates laid out in the Governor's executive order. As of right now, we do not anticipate a reduction in grant funding for the remainder of this year.

The tuition-based programs such as Drivers Education and EI/ECSE preschool, have experienced reduced tuition revenues for the Spring. We have been working with them during this time. A few grant opportunities may help reimburse for costs related to preventing the spread of COVID-19. We have also established a method for tracking all new costs related to COVID-19.

Per the Governor's order, we are regularly paying all employees. We are also paying substitutes who had scheduled jobs that were cancelled due to closures in March, as well as long term subs assigned through the rest of the year. The CARES act may help bring relief to the ESD. We are waiting to see how it will be distributed.

Scott Reynolds thanked Rochelle Friend for her report and the budget report. He mentioned that in the short time she has been with the ESD, she is doing a great job.

DISCUSSION ITEMS

Superintendent Report

- ✓ We have an SSA contract for the biennium with ODE and believe they will continue to honor the contract.
- ✓ The state is still expecting to pull in money from the CAT tax. The initial estimate was \$1B a year but we are not sure what the actual income will be – we expect it to be significantly less.
- ✓ We are moving ahead with interviewing for the Mental Health Director. Carol Moorehead asked how many employees we have hired using SSA funds. Superintendent confirmed we have filled two positions, Shay Mikalson, Chief Student Success Officer and Rutila Galvan-Rodriguez, Director of Youth and Family Engagement. The plan is to hire a Director of Mental Health and Data Engineer.
- ✓ There are concerns over funding for EI/ECSE. It was set to receive significant funding from the SSA.
- ✓ The CARES act includes two funds relevant to us. ODE can hold back 10% from one fund that ESDs may be eligible to access. Governor Brown has access to relief funds of \$32M. Those funds will be used at her discretion. It calls out higher education specifically as well as K-12.
- ✓ We are erring on the side of caution and all are working from home. Kudos to Rachel Wentz-Chaney and her team, they have been very responsive and helpful during the transition.
- ✓ We stand ready to provide childcare for essential workers but the demand is less than originally thought.
- ✓ The Executive Team is meeting on a regular basis. The administrative leadership team and superintendents are meeting weekly. Statewide, superintendents are meeting twice a week with Colt Gill and COSA.
- ✓ Superintendent Andrews said he might need to approach the Board for some contingency funding if other resources don't come in to cover programs like Drivers Education and EI/ECSE.
- ✓ Superintendent Andrews and Jayel Hayden will be meeting with the Bargaining Team on Friday. The Association has asked if we would be interested in talking about a one-year roll up agreement.
- ✓ The OAESD Spring Conference has been cancelled

Matt McGowan asked if Superintendent Andrews was concerned with the hiring timelines. He agreed we may be waiting a little longer to hire the Mental Health Director, but it does help that we are in the middle of the biennium.

Superintendent Andrews referred to the April Facilities Update. We have received the Skyliner Contract with the USFS. Extended the Prineville Education Center lease by 1 year and the Bend-La Pine lease by 5 years. All leases have been signed. He encouraged the board members to review the Facilities Report for additional information.

Scott Reynolds encouraged board members to reach out to Superintendent Andrews if they have additional questions.

Board Chair Report

- ✓ Scott Reynolds noted that normally the Vice-Chair would start the 360 superintendent evaluation process in April. Because all of our stakeholders are focusing on distance learning, we decided to approach the evaluation differently this year. They agree it is valuable to give Superintendent Andrews feedback but they are not set on the format. Scott will work with Seana Barry to determine the process and report to the Board.
- ✓ Board member election packets have been sent. The two elected positions have been posted on the HDES Website and in the Bulletin. The deadline for returning applications is May 1.

Consent Agenda

- **Gwen Carr moved to approve the Consent Agenda as presented. Carol Moorehead seconded the motion. Motion passed unanimously.**
 - Personnel Changes March/April 2020
 - BBF – Board Member Standards of Conduct
 - BDDG/BDDK – Minutes of Board Meetings

- ECACB – Unmanned Aircraft System aka Drone
- GBA – Equal Employment Opportunity
- GBEA – Workplace Harassment
- Board Minutes February 18, 2020

Closing Comments

Scott Reynolds thanked Rachel, Shelley, Paul and Rochelle for all their work to ensure this virtual meeting went smoothly.

Adjourn

The April 21, 2020, High Desert ESD Board of Directors Meeting adjourned at 7:10 pm.

Scott Reynolds, Board Chair

Shelley Knutz, Executive Assistant

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