

**CORBETT SCHOOL DISTRICT NO.39
BUDGET COMMITTEE MEETING
May 27, 2010**

Budget Committee approved June 9, 2010

The Board of Directors and Budget Committee members of Corbett School District No. 39, Multnomah County, Oregon, met at Corbett Grade School Library/Board Room in said district on Thursday, May 27, 2010. The following board members were present: Bob Buttke; Mark Hyzer; Jeff Aho; and Charlie O'Neil. Board members Brian James and Maureen Childs had excused absences. Board member Todd Mickalson was absent. Budget committee members in attendance were Eric Stevens, Presiding Officer; Annette Calcagno; and Michael Wilson. Budget members Stuart Childs, Leota Pulliam and Brad Garrett had excused absences. Budget member Ed Kalberg was absent. Also present were Bob Dunton, Superintendent; Jan Younker and Robin Lindeen-Blakeley, Deputy Clerks and Randy Trani, K-12 Principal. NOTE: The minutes are prepared to coincide with time scheduled matters and the numbering system of the agenda and is not necessarily the actual order of happenings at the meeting.

7:32 p.m.

1.0 CALL TO ORDER - FLAG SALUTE Eric Stevens

Presiding Officer, Mr. Stevens, called the meeting to order and led all in attendance with the pledge of allegiance.

2.0 REVIEW AND ACCEPT AGENDA Eric Stevens

No quorum for the meeting, so there was no review or acceptance of the agenda.

3.0 APPROVAL OF MINUTES Eric Stevens

No quorum for the meeting, so no minutes approved at this meeting.

4.0 QUESTIONS - COMMENTS Eric Stevens

4.1 Audience – none

4.2 Committee – not at this time in the meeting, see 5.0.

5.0 REVIEW OF ALL FUNDS Bob Dunton

In light of the Governor's announcement, there will be a 9% shortfall in the State of Oregon General Fund due to revised estimate on anticipated level of funding (less 235 million in Revenue). This is frustrating, speculative and state cutting based on a report May 25 and then another cut May 26. New projection is middle of the road strategy, equivalent of 5% shortfall next year and the following year to be worse. Mr. Dunton projects a \$300,000 shortfall for our General Fund.

A new one page 2010-2011 Fund Analysis was handed out. We are looking at worst case scenario of \$630,000 Beginning Fund Balance. The rest of the Revenue projections are solid.

Expenditure estimates are aggressive with \$80,000 for substitutes and \$120,000 for coaches. This still leaves our entire program intact.

We would transfer \$100,000 into Capital Improvement, leaving \$200,000 in Contingency. This would give us \$330,000 after spending down as a starting point. Our landing would be \$100-\$200,000 Carry Forward. PERS increase anticipated at 5-6%.

Charlie O'Neil asked about capital outlay.

Mr. Dunton noted transfers to Early Retirement, Food Service, and Capital Improvement. He received a call from Representative VanOrman, and no inclination to have a special session in the legislature. There is a lobbying effort in the federal legislature to save the teachers through a job bill, and the money generated to education from federal side is unprecedented. They filled the \$200 million shortfall last year, but not sure we should assume it will be there next year.

Just prior to this meeting, Mr. Dunton spoke to Eric Stevens about not approving the budget. Now we also have no quorum.

Mr. Dunton suggested reconvening on June 9, 2010 to approve the budget and convene the Corbett School District Board on June 23 for Public Hearing of the Budget. We begin to keep appropriation window open to reasonability, can't spend more than we have.

Mr. Dunton asked for guidance from the budget committee for quarter million in cuts.

Charlie O'Neil speculated the Governor knew what was coming.

Mr. Dunton noted the certain timing a week after the election for an announcement about across the board cuts.

The discretion to under spend is with administration, hoping for the best and planning for the worst.

Charlie O'Neil asked whether our buildings are full.

Mr. Dunton said we can't add to charter.

Jeff Aho wondered if we can push over two years or not.

Mr. Dunton said spend year you're in and don't look further, but with \$300,000 reduction be willing to bite the bullet both years and probably out of room to smooth it out.

Annette Calcagno noted that there are 10 classrooms in grade school, can we bring inter-district transfer students.

Mr. Dunton replied that there are two difficulties, we can't order up on demand and be prepared for years, like the charter can. Inter-district transfers are on a year by year basis, tricky business.

Annette Calcagno asked if there are a lot of kindergartners; say 15 to 20 more than anticipated what strategy used.

Mr. Dunton answered it would be a building call, but we receive only half funding for kindergartners.

Charlie O'Neil wondered if we could go to half day kindergarten.

Mr. Dunton expressed then transportation issues; we would need to add a lunch run.

Jeff Aho asked about the waiting list from Corbett Charter School.

Mr. Dunton responded that the building is fuller with bigger class sizes, so it is a trade off.

We will keep an eye on it, but not well programmatically.

Charlie O'Neil asked how much cost for middle school sports, versus teachers doing it.

Mr. Dunton countered that it becomes a planning period for teacher and we pay for that.

Eric Stevens assumed it was better with coaches cost.

Mr. Dunton answered that conversations are fewer; \$50,000 is irrelevant. As when he first arrived, big chunks are better.

Rany Trani added that program by program is scrutinized at each level.

Eric Stevens asked where we are with Corbett Charter School agreement. It looks like \$20,000 per classroom or \$280,000, does it pull the string?

Mr. Dunton said the Corbett Charter School takes a hit already with less latitude, no Carry Forward of \$630,000. Sustainability questioned.

Bob Buttke mentioned that since 80% of budget is salaries and benefits, we would need to come from below that line except for charter school support.

Charlie O'Neil asked if salaries included pay raises.

Mr. Dunton said not for teachers.

Jeff Aho asked about raises for classified.

Bob Buttke asked about step increases.

Mr. Dunton answered yes and yes.

Charlie O'Neil asked about cutting school days back.

Mr. Dunton said that is a common strategy, roll backs or cutting days. It can only be done without layoffs.

Charlie O'Neil wondered what was better, shorter school year or larger classrooms. If scores go down, there go our recruitment tools.

Dr. Trani admitted quarter million is three teachers. Classroom sizes are then 33 for K-3rd, 34 for 4th/5th/6th and 37 for 7th/8th. High School requires band, Spanish and art.

Annette Calcagno wanted to sustain school first, is there anything we might not offer again like AP.

Dr. Trani suggested we still have to offer regular English, science.

Annette Calcagno asked what the extra cost was for AP.
Dr. Trani admitted extras are cost of test and maybe \$10-\$20 more per textbook.
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Charlie O'Neil added that the expensive part of AP is the initial training of teachers.
Mr. Dunton said most training is already done by teachers. Not offering opportunities is not worth it.
Eric Stevens noted that he has a senior going through process/electives and based on assessment of his AP classes, it has been important and attractive to colleges. It has opened doors for his son.
Mr. Dunton mentioned the visitors from AP. Some private high schools have prestige to write letters and get their students into Harvard, etc. AP is what gives Corbett High School the pipeline and democracy.
Michael Wilson added that it not only gets students into college but prepares them to succeed.
Bob Buttke confirmed that 8-10 years ago students from here hit college and they were in trouble.
Annette Calcagno wondered if the classes of three grade levels will prove the same, as we are seeing two grade level classes graduating now.
Mr. Dunton concluded that assessment results are good.
Annette Calcagno asked if kids are tested as much.
Mr. Dunton replied yes, same amount, based on state requirements.
Charlie O'Neil mentioned that other schools need more testing to get their students to pass.
Mr. Dunton confirmed that we test less because 60% pass the first time, all 3rd-8th and grade 10, and also let 9th graders test for 10th grade assessment.
Class size numbers noted by Mr. Trani scary, but the rest of the state is already there. Mr. Dunton believes that class size is less important than losing days of instruction. 25-35 class size instruction about the same, if reduced to 15 students, good.
Annette Calcagno asked if multi-age the same.
Mr. Dunton said that in multi-age a good teacher doesn't try to teach all at once.
Mr. Dunton expressed that there is no comfortable way to make quarter million in cuts on heel of \$180,000 in PERS increase.
Charlie O'Neil commented it's a bad year.
Jeff Aho questioned increase in PERS.
Mr. Dunton reminded that it is the following year's budget with 6% increase and probably 8% over the next three.
Charlie O'Neil suggested cut in buses, longer trips by consolidating routes?
Bob Buttke reminded that money for transportation tied in with state funding formula.
Mr. Dunton added that cutting transportation doesn't help.
Charlie O'Neil asked about looking at transportation to and from athletic events.
Eric Stevens commented that if parents drove, they'd have a lot more miles to go with four kids in a car.
Charlie O'Neil reminded all that the athletic levy went down a couple of years ago, so ramification there is better than in classrooms. Maybe no frosh teams, minimum numbers on teams for next year in 3A.
Mr. Dunton said it is not the result of minimum, we have too many.
Eric Stevens suggested no cuts and that the expectation is for full teams and frosh boys and girls' basketball and frosh girls' soccer. Wrestling may be the least bang for the buck.
Charlie O'Neil said that can change and only Ranier is new to our league (wrestling).
Jeff Aho asked Dr. Trani what he thought of inheriting this as Superintendent (in July).
Dr. Trani answered that there are hard decisions and the top two lines will be where, so could be worse than a quarter million.
Mr. Dunton echoed closer to \$300,000.
Charlie O'Neil mentioned sports.
Eric Stevens noted that co-ed spring league for soccer at another school, and that those kids not involved in sports often find trouble.
Charlie O'Neil asked if our pay to play is comparable.
Eric Stevens answered yes.
Charlie O'Neil noted our school policy where you can't walk at graduation if you haven't paid.
Mr. Dunton is wary of making parents pay, public education should be funded. Financially, the levy would have made it work.

Annette Calcagno asked if some of the alternative school students could be brought back. Mr. Dunton explained that they are in alternative school because it didn't work here. If it's not in the best interest of the student, there are legal ramifications.

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Charlie O'Neil noted that we brought kids back from Alpha.

Mr. Dunton replied yes

Dr. Trani said we brought those students back because it was cheaper and also met the needs of the kids.

Annette Calcagno asked about \$130,000 for rent + \$70,000?

Mr. Dunton said it would not be sustainable over two years.

Charlie O'Neil said then the Corbett Charter School takes a hit. The contract is not yet negotiated with the Board.

Mr. Dunton noted that this question is also not driven by the budget committee.

Charlie O'Neil explained that keeping the charter whole keeps District whole.

Bob Buttke reiterated it keeps the high school solid.

Charlie O'Neil noted that the going rate for rent is usually \$17,000 per classroom for other charters, so \$20,000 is better. We do have a better campus than many. Charter schools get almost the same State School Funding, but it's not like the public pays for it, like our bond payment does instead of rent. Also, all Corbett Charter School teachers are licensed, which they wouldn't have to be by charter law.

Jeff Aho asked if there is value for depth of cut to Revenue.

Bob Buttke answered that it is charter school budget, they can't be in hole or we'll be in trouble.

Jeff Aho asked the charter school agreement negotiation committee members, Mark Hyzer and Bob Buttke, how far out for negotiation.

Bob Buttke answered that they've had discussions, but has to go to charter school board first and then back to Corbett School District Board, possibly July?

Annette Calcagno concluded that District is first and foremost.

Eric Stevens countered that you can't really separate.

Mark Hyzer reminded that we have talked about this for years. This leadership and administration has brought us through to the charter and 'saved our bacon'.

Charlie O'Neil added that his kids were gone for six to seven years from Corbett School District. His family all graduated from Corbett High School. The vitality of the campus is alive again. The value of students that transfer in is irreplaceable. With other districts pulling out of inter-district transfers of students, it would have been a spiral down as kids started to leave the district again. When Mr. Dunton was hired it took about four to five years to see the spiral upwards again, and down happens a lot faster. The dollars will be the message sent and not good if students' success is tied with that combination.

Annette Calcagno agreed, first goal is District and charter too, to keep relationship healthy and keep all welcome.

Jeff Aho asked where we are with negotiation.

Bob Buttke concluded that if you take charter out you can put all numbers at zero Ending Fund Balance. If you take out more kids you have one to two million in Revenue losses.

Mr. Dunton replied that without charter nine to 12 teachers would be lost.

Annette Calcagno implored it's necessary to have this understanding and discuss.

Jeff Aho added that dollars and cents need conversation.

Chairman Stevens talked about salaries and benefits, and summarized about options - three teachers, classroom sizes and/or shorter days.

Dr. Trani said could cut athletics or band. Like the culinary arts decision, not easy.

Bob Buttke remarked cutting state champions (band)?

Charlie O'Neil mentioned privatizing bus drivers, but when that was considered (1998?) it was not penny wise but pound foolish. Contracting out is not his idea of good schooling, but trading out for corporate profits.

Annette Calcagno asked about shortened days.

Dr. Trani said shortening days would be ok.

Michael Wilson wondered if we were right at minimum for State.

Mr. Dunton said it is figured by hours, and we're right at minimum for high school, but for bus routes, we have all campus on same schedule basically, and it helps for simplicity in paying teachers. The State allows a one year waiver for hardship, but that is not really a solution, what then is strategy for two years out.

Dr. Trani added "or in December" next year.

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Annette Calcagno has heard rumors of septic system failure.

Mr. Dunton explained that at the high school something was flushed down that shouldn't have been. The septic truck pulled up at the grade school.

Dr. Trani confirmed that bathroom toilets in the high school were plugged.

Charlie O'Neil asked if this affected basement in middle school.

Dr. Trani said no, but all tanks connected, so they pumped out sewage.

Eric Stevens returned to the three teachers as a lousy option. 5.9 million after salaries and benefits for charter teachers?

Mr. Dunton said that SSF is charter school support. Layoffs would be for teachers with 4 to 4.5 years teaching experience.

Charlie O'Neil asked if we would pay unemployment.

Mr. Dunton replied yes.

Bob Buttke chimed we should throw this back at State.

Michael Wilson assumed larger districts not having the same impacts.

Mr. Dunton concurred, not the same conversation.

Bob Buttke asked about new laws.

Mark Hyzer noted a try at solutions from a number of places and the last budget meeting we gave more money back to sports. Maybe get an open dialogue with the teachers for input into the solution.

Mr. Dunton noted that there is conversation every budget cycle. We can't make more pie, less to more people. There is \$70,000 in taking step versus not taking step increases, and conversation could be \$100,000. Teachers do more for their living, volunteering more hours than others. Oregon is too cheap to fund.

Mark Hyzer agreed that is why Corbett School District is so successful, but private sector does and has taken cuts and we've taken good care of (teachers).

Mr. Dunton said they (teachers) recognize.

Bob Buttke asked if AP costs about \$50,000.

Dr. Trani said about \$48,000, \$34,000 is Corbett High School and the rest is Corbett Charter School.

Mr. Dunton has talked with Roger Mackaness, CEF President, with exploratory conversation regarding funding AP versus scholarship.

Dr. Trani asked about the School Improvement Plan/dollars.

Mr. Dunton said it expires this year.

Eric Stevens asked about grants.

Mr. Dunton answered that 40% or more of our students would need to be on free and reduced lunches (poverty) and since we're middle class, not likely.

Charlie O'Neil added that we also are too close in proximity to other districts (for remote funding).

Eric Stevens said it would take a lot of bake sales.

Dr. Trani said only one necessary if we were at Riverdale.

Charlie O'Neil admitted optimism for federal stimulus dollars.

Mr. Dunton questioned if it is out there. He would like the budget committee to think about between now and June 9, for advice to the Board and Administration.

Option 1 – cut nowhere and have Contingency at \$200,000.

Bob Buttke noted projections for \$340,000 cut. He suggested we move on with this.

Charlie O'Neil agreed, but said they're looking for a laundry list.

Mr. Dunton said yes, before next November.

Charlie O'Neil reminded all of history when Superintendent Dick Jones was here, and the committee showed no support/backbone for his administrative recommendations, except that he and Kathy (O'Neil) did. He would like administration to tell us what to cut; he has faith in our administration.

Eric Stevens mentioned the track record about inter-district transfers and how Gresham-Barlow (when they lived in that district) wanted his children to stay. He has appreciated the support here. Mr. Dunton and Dr. Trani have done a phenomenal job. Sink or swim, keep swimming, kids don't take long to notice. Annette Calcagno sees community balance, and especially if we stop passing bonds. Eric Stevens's supports talking and understanding and where else does a Superintendent teach in the classroom.

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Annette Calcagno is cautious about kindergartner not reading, and not leaving kids behind. Mr. Dunton noted that at that age not alarming. It starts to be a concern for an eight year old. This is not based on how school works. Our 6th graders passed math at 52% and now as 9th graders are at 86% math passing rate.

Annette Calcagno asked about a kid that goes backwards.

Mr. Dunton assumed it is a bad assessment.

Dr. Trani talked about grade level and bell shaped curves for the range and is that kid making progress for himself/herself. Some are ahead and some are behind the curve.

Mr. Dunton mentioned that in 12th grade it needs to be working well, as industry surrounds that. A fourth grader may not be reading, but can then pass the fifth grade assessment, a third grader may be reading at 10th grade level. This is not teacher controlled, but developmental and potential differences. Kids here have the curriculum that is ready for them.

Michael Wilson mentioned that in regards to the bell curve, not every kid will go on to college, but still our education gives them self-confidence for progress.

Mr. Dunton indicated that grade age levels have a devastating effect.

Annette Calcagno believes there are tools for adapting and catching at a younger age.

Chairman Stevens reiterated that the committee should think about \$250,000 in cuts between now and June 9. He likes Mr. Buttke's idea of pushing with what we have, but think about options of full appropriations with less Expenditure.

Michael Wilson said if we stay with this budget, ask voters to look at (levy) again.

Eric Stevens said there are many perspectives on voting, and we need a crystal ball.

Mr. Dunton referred to Mr. O'Neil's point. The administration will bring in some reductions. A levy is hard to convince public about, but don't have to impose a levy every year if it is passed, that is an annual authority option. There can be unexpected windfalls. He appreciated the discussion and time. It is helpful to reflect.

Dr. Trani said this would be the first year in twelve years without talking about cuts.

Charlie O'Neil is ok with passing this, but the caveat is for next year. Cut back this year and save a little for next year.

Jeff Aho wondered about teaching staff and decreasing morale. At what point do you look at conversation and get input from teachers.

Mr. Dunton answered that our teacher association only exists when it is time for negotiations, and it is time.

Jeff Aho asked if they are aware.

Mr. Dunton said yes, they are savvy, no formal need.

Dr. Trani added that they (with teachers) have informal talks all the time.

Charlie O'Neil mentioned PERS.

Jeff Aho asked if they (teachers) would be involved in the salary and benefits conversation.

Dr. Trani noted that at Christmas time they conversed and wanted to stand pat for a year. With \$600,000 or more maybe a raise, but it is cloudy again. So we have less people make more money or more people making less money. They will talk and trust.

Bob Buttke warned be careful.

Mr. Dunton said ECBC has to sign off. The give back conversation is they would rather see layoffs, it strengthens the union.

Bob Buttke asked opinion about shorter school year.

Mr. Dunton tends not to like a shorter school year.

Charlie O'Neil asked if the union would have to agree.

Mr. Dunton said no, the Board could declare an emergency.
 Bob Buttke noted that would fire everyone up.
 Mr. Dunton said days could be negotiated.
 Annette Calcagno wondered if we could start school later.
 Charlie O'Neil asked about the saving card for next year and what about two to three years down the road.
 Mr. Dunton hoped for absorption and no "Doonesbury".

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6.0 DISCUSSION Eric Stevens

As noted in 5.0.

7.0 APPROVAL/RECOMMENDATIONS Eric Stevens

7.1 Motion to approve the 2010-2011 Corbett School District budget of _____ including the general fund budget in the amount of \$7,439,120 _____ and all other fund budgets in the amount of _____.

No action, no quorum.

7.2 Motion to approve the amount and/or rate of the following property taxes to be imposed.

FUND	TYPE	AUTHORIZED
General	Permanent Rate	\$4.5941
Debt Service	Bond Levy	\$ _____

No action, no quorum.

7.3 Motion to recognize the need and authority of the Board to adjust both revenue and expenditures in the document that is to be presented at the Public Hearing/Adoption of the Budget to the Budget Committee for their final approval.

No action, no quorum.

8.0 ADJOURNMENT at 9:20 p.m.

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