

**LEBANON COMMUNITY SCHOOL DISTRICT
SCHOOL BOARD MEETING – BUDGET COMMITTEE
MINUTES**

January 11, 2018 - 5:00 PM

Santiam Travel Station – 750 S. 3rd Street, Lebanon, Oregon 97355

A Budget Committee Meeting was held at the Santiam Travel Station on January 11, 2018. Those present included:

Richard Borden, Director	Bill Barish, Committee Member	Rob Hess, Superintendent
Nick Brooks, Director	Kris Latimer, Committee Member	Bo Yates, Assistant Superintendent
Russ McUne, Director	Terry Deacon, Committee Member	Linda Darling, Business Director
Tom Oliver, Director	Sandi Cox, Committee Member	
	Jeff Vandiver, Committee Member	

Mike Martin, Director, was not present. Minutes recorded by Nicole Hundley, Executive Secretary.

Tom Oliver called the meeting to order.

ROLES AND RESPONSIBILITIES

Linda Darling reviewed the roles and responsibilities booklet that was provided to all Committee members. She noted that the Budget Committee provides suggestions to the District, but they do not have the authority to change programs.

FINANCIAL INFORMATION

Linda Darling then reviewed the financial report. She noted that we have an ending fund balance projection of \$4,111,500 for this year. This funding biennium was a 50/50 split rather than the usually 49/51. We have not used our PERS Reserve, so that may help the District offset increased costs in the second year of the biennium. Linda Darling then reviewed the all funds summary report.

Linda Darling discussed the District's PERS rate. The District's largest cost is people, with 78% of the general fund going towards salaries and benefits. Within that, the largest cost is for PERS and it is out of our control. She discussed how the District's rate is not bonded.

Sandi Cox joined the meeting at 5:15 PM.

Linda Darling reviewed how the preliminary 2017-2019 PERS rate increase is 6.5%, or about \$1,000,000 for the District. We will need to plan for that potential impact in the 2019-2020 budget as we plan the 2018-2019 budget. Linda Darling also discussed Measure 101. If the measure is not passed, the impact would be approximately \$300-\$320 million to the State's general fund. The State school fund is approximately 39% of the State's general fund, so we may see a mid-biennium correction to funding. Linda Darling also discussed federal tax revisions. We do not yet know how the revisions may impact the District as they go into effect and impact at the State level. We will be following the discussion at the legislature. Linda Darling noted that we have no local control over any of these potential impacts. The CET Ad Hoc Committee is looking into a new potential revenue stream for the District via construction excise tax. It would not be large, but any amount helps. Discussion ensued regarding how CET funds would be restricted for capital improvements and a long term facilities plan would be necessary, making any potential revenue not available until 2019-2020. Another option for additional revenue would be a local option levy.

ENROLLMENT

The Committee reviewed the District's enrollment history. This drives how much we receive in funding from the State. Linda Darling explained average daily membership weights and noted when we began receiving full funding

for full day kindergarten in 2015-2016. The intent would be to build a budget on the projection of 4,180 students for 2018-2019. Discussion ensued regarding the District's special education population being at 17% but state funding for special education being capped at 11%.

We should know more about potential funding impacts by the end of February. The first Budget Committee Meeting is in April.

Discussion ensued regarding population increase for Lebanon. The City projects a 1% annual increase in population, but our enrollment has been fairly stagnant. Discussion also ensued regarding home school, private school and interdistrict transfer options that families utilize.

REQUESTS FOR INFORMATION

There were no requests for additional information.

PUBLIC COMMENT

Tom Oliver welcomed public comment. There was none.

ADJOURN

The meeting adjourned at 5:40 PM.

Tom Oliver, Board Chair

Rob Hess, Superintendent