



36386 Highway 58  
Pleasant Hill, OR 97455  
Phone: 541-746-9646  
Fax: 541-746-2537  
[www.pleasanthill.k12.or.us](http://www.pleasanthill.k12.or.us)

*Commitment, Excellence, Community*

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**BUDGET COMMITTEE MEETING  
MINUTES**

**Monday, June 1, 2020, 7:00 p.m.  
Pleasant Hill School District**

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**1.0 CALL TO ORDER**

**2.0 APPROVAL OF MINUTES**

- 2.1 Approve May 18, 2020 Budget Committee Minutes (**Exhibit 1920.218**)  
The May 18, 2020 Budget Committee Minutes were approved by consensus.

**3.0 BUDGET DISCUSSION**

3.1 Budget Update (**Exhibit 1920.219**)

Superintendent Linenberger provided an update following the state revenue forecast held on May 20, 2020. With the projected decrease in lottery proceeds by 20%, in addition to the initial estimated 4% reduction to the State School Fund (SSF), the total potential SSF estimated deficit could be \$428 million. School districts are advised to budget based on a \$308-\$428 million-dollar deficit. These reductions would equate to the Pleasant Hill School District budget reduction range of \$257,255-\$357,496.

Measure 98 High School Success, which falls under Special Funds, is primarily used to fund our Career and Technical Education (CTE) programs. There is an expected 35% reduction to this fund statewide for the 2020-21 school year. This account was funded at 100% for the 2020-21 school year, and is expected to decrease from this fully funded amount.

The new Student Investment Account (SIA), also considered a Special Fund, is expected to have at least a 37.3% reduction.

There are individual accounts that are federally funded which are seeing some non-drastic changes. In terms of flow through from federal to state, there have not been specific numbers released regarding reduction amounts. It is assumed that updated forecasts will take into account expected federal funding reductions.

3.2 Recommended Adjustment(s) from the Budget Update

No changes were recommended.

3.3 Receive Responses to Emails Questions Submitted by Budget Members

Board Member Curt Offenbacher submitted a question to the Superintendent and Business Manager regarding Function 1282 (Private Alternative Programs). Mr. Offenbacher requested clarification for the \$105,000 (32.8%) increase in the Private Alternative Programs budget line. This line allows the district to place students whose needs are not able to be met by district staff in a better-suited program outside of the district. These students are still included in the district's enrollment numbers, but are receiving their education at an approved alternative program. The increased budgeted

amount represent current students projected to continue their current out-of-district program for the next school year. It also includes expected full-year tuition costs for the 2020-21 school year for students who enrolled mid-year during 2019-20.

Special Education Director Whitney Connolly informed the board that she intends to continue to build and improve the Special Education program at Pleasant Hill. The staff is looking to expand the continuum of services that match the needs of more students. As a smaller district, Pleasant Hill outsources some services for students with special needs. The intention is to add programs that may meet the needs of multiple students, making it more cost-effective and educationally beneficial to bring more students back in-district.

There has been a steady rise in percentage of students in the special education programs. This is primarily due to better awareness and earlier diagnoses.

Ms. Connolly assured the board that all necessary actions are being taken to ensure out-of-district students are receiving their proper continued education during this time of distance learning due to COVID-19. Their tuitions are still being paid.

### 3.4 Discussion

### 3.5 Additional Questions/Answers

What is the correlation between the Contingency Fund and the projected deficit?

The proposed Contingency Fund is set at 2% and is budgeted for emergencies or unexpected circumstances within the upcoming budget year. Unused Contingency Fund balance will roll into the Ending Fund Balance. It was noted that the proposed Contingency is close to the same amount as the low-end of potential deficits. Budget Committee Member Eric Geyer pointed out that the proposed Contingency amount may assist with the absorption of the funding reductions.

What is being done at a local level to finance distance learning?

Budget Committee Member Eric Geyer asked if there are any resources being put towards distance learning at a local level. It is an opinion, from the student & parent views to the governor's, that distance learning can be drastically moving forward. Superintendent Linenberger shared that the Pleasant Hill School District has been awarded a federal grant that will fund improvements and continued education through distance learning, traditional in-class learning, and/or a hybrid model of both. This grant is currently in place and can be used through September of 2021. This grant may be utilized for nearly any cost incurred due to the current pandemic situation. Administrators are continuously discussing options and costs for future learning. The state is expected to release parameters for the upcoming school year on or shortly after June 8, 2020. This will determine what types of improvements and changes need to be made.

Why is the Contingency amount not included in the 2019-20 projection on the Summary Page?

Historically an "underspending" amount had been built into the proposed budget of approximately 3%. Business Manager Sheri Longobardo has included this amount into the Budget Surplus total, rather than specifying an underspending dollar amount.

Why did the Computer Network Tech reduce to .88 from 1.0 in FTE?

The position has not been removed, but rather redistributed and absorbed by other staff in the district. This position is at its preferred maximum FTE. In the future, there may be a potential for growth in this department as distance learning continues and more tech assistance is needed. The federal grant mentioned earlier may be used for some costs related to FTE increase in this area.

If the budget isn't approved tonight, would there be any additional impacting info presented in the next two weeks?

The legislature is not anticipated to come out with more information until the middle of June. With the deadline to submit our budget, there will not likely be solid information that could sway opinions/thoughts in one way or another. The budget is designed with the ability to make certain cuts without having to have multiple meetings, thus not meeting the submittal deadline.

What are individual committee members' opinions about the current proposed budget?

Curt – Fortunately the district has a healthy Ending Fund Balance from last year. There have been many variations with enrollment, funding, etc., that have both negatively and positively affected this, and we should be cautious in our spending with such drastic possible funding cuts.

Drew – Since we have the ability to absorb the possible loss, the district should fund the programs. Particularly since it will only put us down to an 18.9% Ending Fund Balance. The students deserve to have these services provided to them. This can be revisited next year to assess and make appropriate adjustments.

Eric – This budget seems optimistic, and it is preferred not to overspend in one year and not have the ability to recover. On the other hand, we do have a healthier Contingency than last year, and it can absorb some of the challenges of a reasonably downside forecast of the state. The proposed Ending Fund Balance along with the Contingency are comforting after a slightly disorienting presentation of different proposed vs. actual amounts in certain areas.

Dan – We should not be cutting FTE and programming at this time if it is not absolutely necessary.

Jeff – Supporting the budget's proposed FTE and leaving it where it is currently. The Board, Business Manager, and Superintendent have proven to be fiscally sound and give no reason to believe this year will be the same. It is trusted they will adjust as needed with the district's best interests in mind.

Jessica – In a vote of confidence, the decision to not make any cuts to FTE or otherwise is a good plan.

John – Budget Committees have historically planned for situations like these by carrying the Ending Fund Balances they way they have. It was meant to support these bumps in the road, and there appear to be adequate funds to cover potential losses for a couple of years. After working on 17 budgets and seeing losses of up to half of the Ending Fund Balance in order to protect the classroom as much as possible. We are fortunate to have sufficient funds to avoid cutting FTE and programs and avoid impacting students more than they already have been this year.

Wylde – John and Jeff have great points and the Superintendent and Business Manager have done a great job.

#### **4.0 PUBLIC COMMENTS**

4.1 Read Emails questions and/or comments (if any)

#### **5.0 ACTION ITEMS**

5.1 Motion to Approve 2020-21 Proposed Budget


***Eric Geyer moved to approve the budget as read by Scott Linenberger. Dan Kimball seconded the motion. The motion passed unanimously.***

**6.0 FUTURE MEETING DATES**

- Board and Budget Committee Meeting (if needed) – June 8, 2020
- Board Meeting – Budget Hearing and Adoption – June 22, 2020 7:00 p.m.

**7.0 OTHER**

**8.0 ADJOURNMENT – 8:14 p.m.**

Signed:  \_\_\_\_\_, this 22 day of June, 2020.  
Board Chair