

Questions from Budget Committee Members – Kirsten Wyatt

Questions Submitted: June 18, 2020

Responses Submitted: June 20, 2020

Questions from Ms. Wyatt are in BLACK font. Responses are in RED font.

1. *Page 4.4 - might be useful to clarify that these are general descriptions and not specific to West Linn - my first reaction to Function 3000 was "WLWV has a pool?"

Thank you. We will fix this page for the adopted budget making sure it only reflects descriptions that pertain to our district. This includes removing the state budget sample language (e.g. community pool or childcare center) when not applicable or confusing.

2. Page 4.12 & 4.14 - where/how are school resource officers funded? Is it in this fund? Does the District fund these positions or provide funding to the WLPD/WVPD?

School Resource Officers (SROs) have been funded historically in our Operations function (2542) under professional contracted services.

Then in 2018-2019, we utilized the 2546 – Security Services (Building) fund to identify the costs for these two security service positions (see page 4.55). This year, only one SRO is currently funded in this category in the proposed budget. By mistake the other SRO was re-categorized back in the Operations function (2542). We caught that error, and plan to shift it back into the 2546 account fund with the other SRO. This correction will be in place for the adopted budget.

We will also amend the description of this fund to explicitly indicate that our SROs are funded in this account. It is clear that the general description (sample from the state) of this account function does not include School Resources Officers, but it is where we allocate our funding, so we can include that.

We share the cost of our SROs with Clackamas County (for Wilsonville SRO) and the City of West Linn (for West Linn SRO). The officers are selected by their Chiefs and attend special trainings to be school resource officers. Officers who have an interest in working with students and/or have strong relationships with young people and families are often selected by their Chiefs for these positions.

Our cost for the SRO in Wilsonville is projected at \$91,000 for next year. Our cost for the SRO in West Linn is projected at \$55,000 for next year. There are county and city differences in how the costs are determined and shared with the district.

3. Page 4.25 - why isn't 0360 Charter School Payments not on the spreadsheet of changes +- 10%? Is there an anticipated effect on ADM assuming there might be higher enrollment in Charter Schools due to distance learning, and online school? Or some other assumption?

Function 1288 – Charter Schools. This is our payment to Three Rivers Charter School (a G. 4-8 public charter school that sits on Ek Road), which our district sponsors and only serves children/families who live in our district.

By law, public charter schools are also funded by the state/public funds. If they are sponsored by a district, then the funds go first to the district, who in turn, pays the charter school. By law, we must pay our charter (if it serves K-8 students), a minimum of 80% of the ADMw. We have a negotiated contract with them, and it includes a cap on enrollment. We also agreed to pay our charter school 90% of the ADMw (unique to our contract).

Here is more information about charter schools and funding:

[http://www.osba.org/Resources/Article/Charter Schools and Authorizers/Charter school funding.aspx](http://www.osba.org/Resources/Article/Charter%20Schools%20and%20Authorizers/Charter%20school%20funding.aspx)

The enrollment projection for the Charter School for the fiscal year 2020-2021 is projected as the same as the fiscal year 2019-2020 (ADM = 113).

The State School Fund (SSF) has different funding calculations each year. When the Business Office built the budget for the fiscal year 2019-2020 in March of 2019, we used the funding calculation that was offered by the Oregon Department of Education at that time, this amount yielded a proposed budget of \$928,015 for the 2019-2020 fiscal year.

Please note: the State School Fund Grant information released on January 31, 2020 showed the Total Formula Revenue per Extended ADMw for the fiscal year 2019-2020 was \$8,715 per student which was an increase of \$502 per student from the 2019-2020 estimate.

According to the State School Fund (SSF) information from the Department of Education on February 25, 2020, the Total Formula Revenue per Extended ADMw for the fiscal year 2020-2021 will be \$9,060 per student (please see Reference Materials, page 9.2).

We start by calculating our Charter School payments to use the SSF ADMw \$9,060 x 113 ADM = \$1,023,780. But remember, we only pay 90% of the ADMw, so about \$921,402. We have added more into the budget to account for possible more enrollment (as long as they don't exceed their cap)...and if they have any students who receive weighted funding.

Approximately 5% was added to this estimated value to allow for weighted ADM (ADMw) such as students with IEPs, students learning English, poverty, etc. Historically, Three Rivers Charter School has very few students in the weighted category.

Attached: please find information from SSF for FY2019-20 from ODE on January 31, 2020, and FY2020-2021 on February 25, 2020.

4. Page 5.18 - how are Title I funds distributed? Is it based on the schools/students that qualify, or are they spread equally across all schools in the district?

Title IA is a Federal Education Program under the "Every Student Succeeds Act" (ESSA) 2010. The purpose of Title I is to provide additional support for schools that serve children who have risk factors such as poverty or high mobility. This program offers financial

assistance to schools with high counts or high percentages of children from low-income families, to provide any additional supports that may be needed.

Compared to some school districts which may have more families in poverty, we are quite low.

The way our district has chosen to allocate funds may vary from another district's approach, but must fall under the approved guidelines from the federal government. School districts are routinely audited by the federal/state government on the allocations of these funds and the results.

To date, because we receive around \$500,000 in Title IA funding, we have chosen to target our funds into a few schools...instead of spreading it equally across the district, especially where there is relatively little poverty.

We use data from our free & reduced lunch program to determine where we have more students/families in poverty. These schools are designated as Title IA Schools (by law) in order to receive this extra funding. We currently have three schools with this designation: Boones Ferry Primary, Boeckman Creek Primary and Lowrie Primary.

We use our Title IA funds to hire Reading Specialists at each of these primary schools who provide additional tutoring for students who are below grade level in reading.

5. General ? - how does a parent's choice to independently homeschool affect ADM? If that parent opts into WLWV K-12 Online, does ADM stay with the district? What happens to ADM if a parent starts the year homeschooling and then rejoins the school if/when they reopen?

The State School Funding Formula uses a student enrollment value known as Average Daily Membership Resident (ADMr). The enrollment count tracks the number of students enrolled in a district's public schools on an average daily basis over the course of the school year. Each district reports student enrollment to the Oregon Department of Education quarterly. Because it is based on daily attendance, the measure does capture student migration in and out of the district. As such, our district will get a proportionate amount of funding for each student based how much of the school year they were enrolled in our district, whether they are a part of the brick and mortar school or our district's online school.

If a parent reports to the District that they are going to provide homeschooling for their student, then the District will withdraw the student from our enrollment. The parent is advised to register with Clackamas County Educational Service District that their student is being homeschooled (this action does not provide any funding to the ESD, but allows for the state to continue tracking the student's educational status). At that point, the District will no longer be able to claim funding for the student. If a parent opts into our WLWV K-12 Online program, students will continue to be enrolled with WLWV School District, and thus, we will claim the funding for them.

6. General ? - last year we had a good conversation about ending fund balance (EFB) and the goal amount/%. Where are we this year? What's the GFOA recommended amount? Does more work need to be done or policies created to get EFB where it needs to be?

The Government Finance Officers Association (GFOA) recommends, at a minimum, governments maintain an unreserved (not earmarked for a specific purpose) ending fund balance of no less than five (5) to fifteen (15) percent of its general fund operating revenues, or of no less than one to two months of regular general fund operating expenses.

OSBA's recommendation of 5-8% is based upon an average size district and isn't intended to cover districts of all size. Here is the link to OSBA regarding recommended ending fund balance:

[http://www.osba.org/Resources/Article/Budget and Finance/Ending Fund Balance How much is enough.aspx#:~:text=As%20a%20%E2%80%9Crule%20of%20thumb,of%20its%20General%20Fund%20resources.&text=The%20size%20of%20your%20district,of%20bills%2C%20such%20as%20payroll.](http://www.osba.org/Resources/Article/Budget%20and%20Finance/Ending%20Fund%20Balance%20How%20much%20is%20enough.aspx#:~:text=As%20a%20%E2%80%9Crule%20of%20thumb,of%20its%20General%20Fund%20resources.&text=The%20size%20of%20your%20district,of%20bills%2C%20such%20as%20payroll.)

The Business Office estimates to have an Ending Fund Balance of \$10,971,225 ending fund balance (which shows as a beginning fund balance in the 2020-2021 revenue section p. 4.3). This is about 8.83% EFB for this current fiscal year 2019-2020.

Due to the school-year ending early as a result of the COVID-19 crisis, our district was able to identify one-time cost savings as follows: 1) savings from transportation, utilities, and substitute teachers, 2) savings from suspending June summer programs, and 3) savings from untapped Contingency Fund. This helped our EFB for 2019-2020.

Note: Under Section IX, Reference Materials page 9.6, you will see the District Ending Fund Balance over the last five (5) years.

7. General ? - I'd like this year's adopted budget to be formatted to apply for and receive a GFOA Distinguished Budget Award. More information [here](#).

Yes! This is on our to-do list. Thank You!

8. General request - for each fund, it would be great to see both the description of the fund, as well as the analysis for the impact on that fund for the proposed budget year. So essentially adding a short paragraph or few sentences after the existing information about what we're seeing in the fund. And then, similar to what Board Member Hyndes said, adding a column that shows the \$/% for every line on each page so it's clear where the deltas are.

Thank you very much for this recommendation. It is always helpful to know how budget committee members over time prefer their format.

Our District has invested in a budgeting software called Enterprise Scenario Planning (ESP). It is an instrumental piece of software, but, like many software platforms, it has limitations which we cannot override. For example: there are limits to the narratives we

can add for each budget item, and we cannot add a column to show the variance from one year to the next. As a result, we must pick out those items that have a 10%+ variance and address those items in a supplementary format.

Questions from Budget Committee Members – Craig Nelson

Questions Submitted: June 15, 2020

Responses Submitted: June 16, 2020

Questions from Mr. Craig Nelson are in BLACK font. Responses are in RED font.

1) The district has stated that it will be offering a virtual learning option for the 2020-2021 school year. At a high level, can you speak to how this delivery method will be resourced – both in terms of FTE and potentially additional technology or training spend? Have budgetary assumptions related to virtual learning already been incorporated into the budget and, if so, can you highlight specific line items impacted. Note that 2660 Tech Services is one of the few areas with a proposed decrease in FTE.

Kathy – Can you help with virtual learning as I don't know much? Thanks!

Under Function 2660 - Technology Services, the proposed budget for the fiscal year 2020-21 indicates a decrease in FTE because the district has been able to shift some FTE into 2019 Bond. The 2019 Capital Bond was passed by WLWV voters on November 5, 2019 in the amount of \$206.8 million. The \$206.8 million capital bond includes seven major projects spanning across the entire school district, and one of the significant projects includes Technology adoptions in the amount of \$18 million. Because the technology adoption will require staffing for the setup, distribution, and maintenance of the equipment, the 2019 Bond can cover the cost of the FTE for a portion of the department.

2) Liability insurance premiums have increased significantly. Are there alternative providers and has the district explored whether equivalent coverage can be obtained elsewhere at a reduced cost?

The reason for the significant increase in the liability rate is two-fold: 1) Loss ratio of nearly 100% over the last five years, and 2) market conditions.

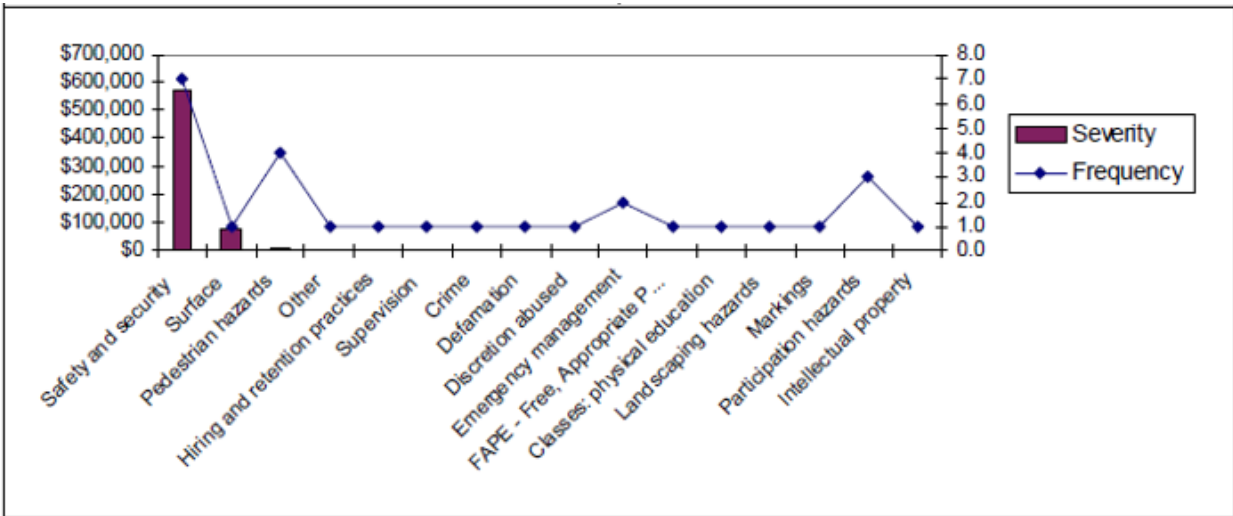
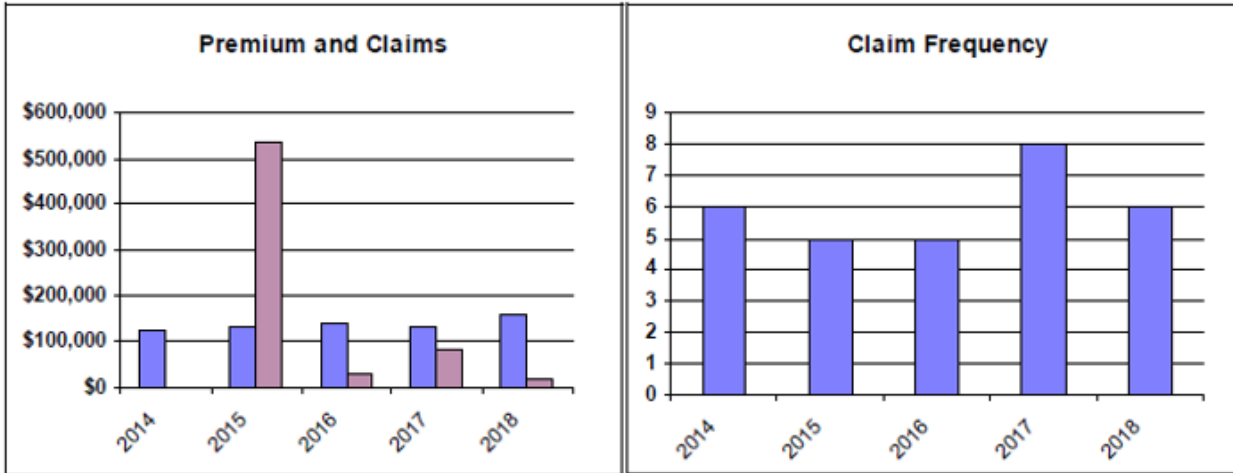
1) Loss ratio of nearly 100% over the last five years: please see the detailed information below

Property and Casualty Coverage for Education

West Linn-Wilsonville School District

General Liability

Policy Year	Premium	Paid	Reserved	Expense	Incurred	Count	Loss Ratio
2014	\$124,313	\$1,020	\$0	\$0	\$1,020	6	0.82%
2015	\$135,398	\$0	\$391,042	\$143,958	\$535,000	5	395.13%
2016	\$136,477	\$6,255	\$0	\$24,083	\$30,338	5	22.23%
2017	\$134,568	\$75,000	\$5,000	\$1,125	\$81,125	8	60.29%
2018	\$156,917	\$434	\$0	\$14,223	\$14,657	6	9.34%
	\$687,673	\$82,709	\$396,042	\$183,388	\$662,140	30	96.29%



2) **Market Conditions:** Across the board, insurers' profitability has been hurt badly by recent events. In addition to the catastrophic storms and resulting flooding from Harvey, Irma, and Maria, the uncertainty brought about by the COVID-19 crisis have all lead to the creation of a perfect storm in the property insurance market. To show an example, here is a link to a story about the Treasure Island Casino & Hotel in Las Vegas, who is suing their property insurer for \$1 billion for coverage due to business interruption losses as a result of the COVID-19 crisis: [https://www.businessinsurance.com/article/20200603/NEWS06/912334935/Casino-sues-FM-Global-unit-for-up-to-\\$1-billion-in-coronavirus-cover-COVID-19-Tr](https://www.businessinsurance.com/article/20200603/NEWS06/912334935/Casino-sues-FM-Global-unit-for-up-to-$1-billion-in-coronavirus-cover-COVID-19-Tr)

Our broker, Brown & Brown Northwest (BBNW), has researched alternative providers for our school district. However, BBNW cannot get anywhere near \$20 mil of abuse coverage, which our district currently has outside of PACE. And with a 100% loss ratio, no insurer is going to offer less premium than what PACE is providing, and they have better coverage.

Abuse claims are a huge concern for insurers. Juries are giving significant awards in favor of plaintiffs, such as the recent Gresham Barlow School District's \$3mil verdict. It's difficult to defend against allegations of abuse in today's environment as individuals who allege abuse are viewed favorably by jurors. Our broker, Brown & Brown Northwest

(BBNW), believes premiums will continue to rise through the next renewal cycle as we are in some tough times for the foreseeable future.

3) High School "Other Supplies" (0411) has nearly doubled and increased by ~\$200k. What is driving the increase?

On page 1.6, under the *Reduction Area*, Dr. Ludwig mentioned that School Budgets are being reduced by 20% to save approximately \$400,000 for the district. Below is the detailed breakdown for each school level:

- **Primary Level: 100.1111.0411.009.000 - \$135,321**
- **Middle Level: 100.1121.0411.009.000 - \$72,337**
- **High School Level: 100.1131.0411.009.000 - \$217,006**

Instead of putting these savings into the Ending Fund Balance for the fiscal year 2020-2021, the Business Office created a place holder for each level. By holding the savings in the place holder account, the funds will remain available for emergencies if school buildings require more money than their budget allows for with the 20% reduction. Because of the place holder account in 0411 object supplies code, we see an increase of \$200,000 in High School Level supplies.

4) Health Services (2130) requirements are essentially flat year-over-year. In the current environment, I would have anticipated an increase. Thoughts?

Yes, we agreed. The district anticipated an increase in staff in the fiscal year 2020-21 for the Health Services Program under function 2130. We plan to utilize some of the funding from the Student Investment Account (SIA) grant to help cover this additional cost for the Health Services Program. Please see Fund 271 – Student Investment Act (\$4 mil) on page 5.26.

5) I recognize that there is a fair amount of speculation and that forecasting in the current environment is extremely difficult. With that being said, does the district have or is the district working on a contingency plan in the event that actual enrollment materially differs from the ADM forecast?

Since the district will be offering a virtual learning option for the 2020-2021 school year, we don't anticipate having any difference from the actual enrollment and the ADM forecast.

Questions from Board Director Ginger Fitch

Questions Submitted: June 19, 2020

Responses Submitted: June 20, 2020

Questions from Director Fitch are in BLACK font. Responses are in RED font.

1. How can these two options [remote and in class] be offered without higher costs? If there are higher costs, where are they reflected in the budget?

In Class/Hybrid Projected Costs: Currently, we plan to use existing staff to provide in-class/hybrid instruction next year. There will likely be costs to health and safety supplies, however (face coverings, cleaning supplies, plexiglass). We have received some refunds from SAIF (insurance compensation). We also will receive about \$460,000 from the federal CARES Act, Elementary & Secondary School Emergency Education Relief Fund (220 Acct. ESSEER, p. 5.8) that is to be directed to impacts from COVID-19.

New Optional Online K12 Program: The launch for this program was written into the Student Investment Account grant (271 Account, p. 5.26), not quite at this new scale but with about \$360,000 allocated towards 2 teachers and curriculum as a start. We are anticipating at least some of this funding to come through. If it does, we will have that funding amount to apply either to curriculum costs or personnel costs for the program.

We also anticipate that as some of our students opt to stay home to learn, we will then assign current staff to be their online teachers.

There are two other funding sources for this type of technology expense that can be utilized if the SIA grant is not sufficient next year: the capital bond (under technology purchases) and/or the Construction Excise Tax (492 Account, p. 7.5). CET funds 492-4000-0470 is allowable for computer software because it is considered a capital improvement.

2. Are protective measures planned for in the budget? (Plexiglass, cleaners, more maintenance crews [I see 3 additional ftes between 2541-0112 and 2544-0112], longer hours?) [How does 220 fit into that?]

Protective Measures: The District does not currently know to what extent protective measures may be required or at what scale when school resumes. Any materials necessary (plexiglass, cleaning supplies and equipment, etc.) will be purchased either within the existing Maintenance (2544 function) and Custodial (2542 function) budgets or through refunds from SAIF. We also will receive about \$460,000 from the federal CARES Act, Elementary & Secondary School Emergency Education Relief Fund (220 Acct. ESSEER, p. 5.8) that is to be directed to impacts from COVID-19. We have placed some line item “personnel placeholders” in that account for now, but could adjust it (between personnel and supplies) if need be. We have not yet received our final, confirmed amount for this relief fund, nor the documents stating the expenditure guidance.

Additional FTE: Three permanent FTE positions were added to the Custodial Department (2542 function) to eliminate four substitute custodial positions during the fiscal year 2019-

2020. One position was transferred to Maintenance Department (2544) as a substitute Engineer during the day shift to fill in for Engineer/Custodial/Grounds absenteeism.

3. Budget assumptions - if the local option property tax has historically increased by 10% why are we assuming a 3% increase? (thank you for the index!)

The District received a Memorandum from the Department of Assessment and Taxation on May 1, 2020 regarding 2020-2021 Value Growth Estimates (please see the attached). The estimated growth in the assessed value (AV) is an approximate between 3.5-4%. It is typical for all Business Office in Clackamas County to use this suggestion and reduce it down by .5% to make room for some uncollectable taxes from taxpayers to the prior year. Therefore, the proposed Budget assumes a Local Option Tax Levy based on a 3% increase in fiscal year 2020-2021.

4. In 1111-0400, 1121-0400, 1131-0411 is this the adjustment for the pandemic?

Yes, you are correct! Function 1111-0400, 1121-0400, 1131-0411 factored in the 20% reduction for school's supplies budget but instead of putting these savings into the Ending Fund Balance for the fiscal year 2020-2021, the Business Office created a place holder for each level. By holding the savings in the place holder account, the funds will remain available for emergencies if school buildings require more money than their budget allows for with the 20% reduction. (See Superintendent's Budget Message p. 1.6)

5. Staffing was reduced in elementary and middle schools but not high school, 132-011 and 0112, is this due to the additional funding through the student investment act, 271? Did remote learning place more or less burden on licensed staff at particular levels?

You are correct. The District has not reduced any FTEs in the Primary School Level, Middle School Level and/or High School Level yet (see Superintendent's Budget Message p. 1.6). That will only happen if we have to make the \$7.5 million reduction.

You are seeing fewer FTE assigned to these accounts because we were able to move some FTE from General Fund 132-011 and 0112 into the Student Investment Act, fund 271.

In the spring of 2019-2020, shifting to Distance Learning was generally a greater "learning curve" for our primary and middle school teachers than our high school teachers. Many high school teachers were already using learning platforms such as Google to post assignments or communicate remotely with their students. Professional Development to learn about learning platforms or Zoom conferencing was made available to all staff. We were careful to create a Distance Learning week that allowed time for staff to design curriculum lessons for online learning, respond to student learning during the week and attend to online meetings or PLC collaborative time. Many of our staff also became the teachers for their own children at home, so Distance Learning was a unique situation.

6. Same question as Director Hydes regarding cost savings to the preschool program.

This decision to suspend the program for one year is as much about avoiding unexpected expenditures as predicted cost savings. We have eleven part-time pre-school teachers contracted to teach next year. If we received absolutely no tuition from any families, the cost to pay these teachers (without any funding from the state) is approximately \$700,000. That would be our worst-case scenario loss for next year. If we received full tuition funding from all eligible families, we would still be at a loss of approximately \$100,000 because we pay more into the program than we receive from tuition payments. Therefore, we know we are saving \$100,000 for sure by suspending the program. In addition, we are avoiding a potential \$100,000 - \$700,000 extra cost, depending on how low enrollment and tuition would have factored in next year.

We needed to make the decision early, in fairness to families to find alternatives and in fairness to our teachers for job placement preference and security.

7. Why is 1280 a separate function rather than just subsumed in instruction at each level?

The 1200 function category is for Special Programs. These are for learning experiences for students having special needs. The 1280 function within this category for Alternative Education is for students at risk of dropping out of school. We have some funds allocated in this area to cover support in this category. Keeping this separate allows us to track and be accountable to providing the support.

8. Where are the safety resource officer costs found? 2546-0300?

School Resource Officers (SROs) have been funded historically in our Operations function (2542) under professional contracted services.

Then in 2018-2019, we utilized the 2546 – Security Services (Building) fund to identify the costs for these two security service positions (see page 4.55). This year, only one SRO is currently funded in this category in the proposed budget. By mistake the other SRO was re-categorized back in the Operations function (2542). We caught that error, and plan to shift it back into the 2546 account fund with the other SRO. This correction will be in place for the adopted budget.

We will also amend the description of this fund to explicitly indicate that our SROs are funded in this account. It is clear that the general description (sample from the state) of this account function does not include School Resources Officers, but it is where we allocate our funding, so we can include that.

We share the cost of our SROs with Clackamas County (for Wilsonville SRO) and the City of West Linn (for West Linn SRO). The officers are selected by their Chiefs and attend special trainings to be school resource officers. Officers who have an interest in working with students and/or have strong relationships with young people and families are often selected by their Chiefs for these positions.

Our cost for the SRO in Wilsonville is projected at \$91,000 for next year. Our cost for the SRO in West Linn is projected at \$55,000 for next year. There are county and city differences in how the costs are determined and shared with the district.

9. Does the district anticipate more families being eligible for school lunches? Does any increase have a negligible impact on the budget because it is offset by an increase in federal reimbursement?

We may have more families being eligible for free and reduced school lunches in fiscal year 2020-2021 due to the economic downturn. It is important to note that EVERYONE is eligible for school lunches, but some are free and reduced prices and some are paid for by families. In Oregon, even our reduced priced eligible families receive free meals as Oregon pays the difference from the Federal reduced rate to make it free.

The increase in participation from families who apply for and are approved for free and reduced meals should not have a negligible effect on the budget as we are reimbursed per student, not at a flat rate. To further clarify, the District is reimbursed for the days the eligible students eat, not just if they're eligible.

The increase from families who participate in lunch but may not be paying their balances at all or consistently would be a concern as that has been an existing issue. Business Office and Nutrition Services have been working on continuing to get as many families as possible on the program who are eligible to minimize unpaid balances from those situations. However, some families are under the "paid status" and we don't always receive payment from them which causes a negative overall balance. There is guidance around how we can gather these funds in Oregon, or discuss them that make this process more complex.

Families who experience a sudden economic challenge, can apply at any time or multiple times during the year for free or reduced priced lunches, so this adjusts our numbers along the way. The District could also have families eligible now who apply and are approved but then their family's job situations improve and they decide to pack meals half the week, all week or choose to take themselves off the program and pay for their meals.

Finally, even though the District expect an increase in families being eligible for free and reduced meals, which would in return increase participation in those categories, the District may not see an overall increase in meals due to a variety of factors. If so, staffing would potentially need to be adjusted.

The District does potentially see a higher ratio of labor costs to students served to accommodative the more complex and time consuming serving model of pre-packaging everything. We are working on minimizing that impact now.

10. Title IV-A funding (General Information) – needs explanation on this fund.

The Oregon Department of Education, under federal guidance from the “Every Student Succeeds Act” (passed in 2015), has allocated Title IV-A funds to ensure student support and academic enrichment. Districts have broad discretion to use those funds to expand

capacity in those areas to add to existing programs or initiate new ones. Districts may also combine Title IV-A funds with Title II funds to build capacity with a program, especially if they do not receive enough funding to fully implement a program in either Title II or Title IV-A. Funds may be used to directly support students and provide academic enrichment or provide the necessary professional learning to ensure instruction supports students and offers enrichment. The funding districts receive each year varies based on federal allocations for ESSA. ODE allocates the federal funds based on Title I information.

11. General page 5.3 – what to look at and what this means? (I just can't figure out what I am looking at and what it might tell me)

Total Special Revenue has a proposed total budget of \$26,243,942 for 2020-2021. Page 5.1 shows the reader where the funding resources come from and page 5.2-5.3 shows the reader how the District anticipates spending these funding resources. Page 5.2 shows the expenditure or the requirements by functions such as: 1) 1000 instruction – classroom function, and 2) Support Services – non-classroom function, and so on. Page 5.3 shows the expenditure or the requirements by objects which group under category such as: 1) 0100 salary, 2) 0200 Associate Payroll Cost and so on. In general, page 5.2 and 5.3 accomplish the same mission of showing how the district anticipates spending its special revenue in fiscal year 2020-2021.

These pages are “summary” tables that get further detailed out in subsequent pages 5.4 and onwards.

One of the larger changes (2019-2020 to 2020-2021) you will notice in these graphs and tables, is the change to salaries (p. 5.3) due to the projected Student Investment Account grant p. 5.26.

Another change you will notice in these graphs and tables, is the change to 0500 and 0800 (Capital Outlay, Other uses of funds). Some of this large change is if the Board makes any land purchases this year (p. 5.29), there could be a change reflected in these areas.

12. The increases in facilities acquisition and construction fees are paid for out of the bond monies? Remind me how that is permitted.

Technically, there is no Board Policy or ORS that sets a limit on administrative cost on bond monies. In a Board presentation, the Office of Capital Construction gave a historical percentage of what a typical Bond program could expect to dedicate to Program Management and Administrative cost. The approximate percentage for the 2014 Bond was around 4.5%. As the 2019 Bond is over twice the size, requiring more Program Administration, the Office of Capital Construction estimated that the total cost for Program Management would be in the 5-7% range. These costs are for the true Bond office management and Professional Services contract with CBRE/Heery. The Office of Capital Construction believes that this estimate is still valid and expect to fall within that range. This percentage is typical for programs of this size, both locally and nationally.

In light of the recent Operating Budget projections, the Office of Capital Construction were asked to look for every potential Classified and Administrative position that could be

partially funded through the Bond. They have submitted a list of those employees that they believe are eligible and will perform work on Bond projects.

Questions from Board Director Ginger Fitch

Questions Submitted: June 08, 2020

Responses Submitted: June 20, 2020

Questions from Director Fitch are in BLACK font. Responses are in RED font.

1. How many preschoolers are impacted by the budget cut of preschool programs?

WLWV School District offers preschool programs at six schools: 1) Boeckman Creek PS, 2) Bolton PS, 3) Boones Ferry PS, 4) Cedaroak Park PS, 5) Stafford PS, and 6) Sunset PS.

There were 143 preschool children enrolled in our programs during the 2019-2020 school year, prior to March 13th closure. We do not know how many would have enrolled in 2020-2021.

Is there any disproportionate impact on a particular area or city?

Wilsonville Preschools: 36 children West Linn Preschools: 107 children

A minority group?

Below is the total enrollment for each school breakdown by Ethnicity:

Schools	Asian	Black	Hispanic	American Native	Multi-Racial	Pacific Islander	White
Boeckman Creek PS	1	0	2	0	1	0	9
Bolton PS	1	0	1	0	2	0	26
Boones Ferry PS	0	0	13	0	2	0	8
Cedaroak Park PS	0	0	4	0	1	0	27
Stafford PS	1	0	0	0	2	0	12
Sunset PS	2	0	2	1	3	0	22
TOTAL	5	0	22	1	11	0	104

Below is the total enrollment for each school breakdown by Female and Male:

Building	Female	Male	Total
Boeckman Creek	7	6	13
Bolton	13	17	30
Boones Ferry	10	13	23
Cedaroak Park	20	12	32
Stafford	4	11	15
Sunset	16	14	30
TOTAL	70	73	143

The working poor?

When we look at trends of revenue (tuition) and expense, the West Linn preschools collect more tuition payments and have fewer scholarships (almost breaking even). The preschools in Wilsonville have significantly less revenue than expense. However, we see providing preschool as an investment and part of our equity work.

Comment: Our preschools are only 3-hour/daily programs. Most working families tell us that they need childcare in addition to preschool or a full-day program. They tend to attend elsewhere for full-day childcare/preschool service.

Questions from Board Director Dylan Hydes

Questions Submitted: June 9, 2020

Responses Submitted: June 10, 2020

Questions from Director Hydes are in BLACK font. Responses are in RED font.

1. I was surprised to see that a one-year suspension of the pre-school program saved just \$100,000. How many kids are serviced by this program? As a heads up, I expect I will be interested in having a discussion with my fellow board members about the cost-benefit analysis of cutting all pre-school to essentially save one FTE.

Response: This decision to suspend the program for one year is as much about avoiding unexpected expenditures as cost savings. We have eleven part-time pre-school teachers contracted to teach next year. If we received absolutely no tuition from any families, the cost to pay these teachers (without any funding from the state) is approximately \$700,000. So, that would be an added worst-case scenario loss for next year. If we received full tuition funding from all eligible families, we would still be at a loss of approximately \$100,000 because we pay more into the program than we receive from tuition payments (less scholarships). Therefore, we know we are saving \$100,000 for sure by suspending the program. In addition, we are avoiding a potential \$100,000 - \$700,000 extra cost, depending on how enrollment and tuition would have factored in next year.

2. I see there is a 20% "school budget" reduction which produces a savings of \$400,000. In a district of 16 schools, this means each school is getting, on average, \$125,000 per year in "school budget" and we are reducing each school's budget, on average, to \$100,000 (let me know if my math is incorrect). Can you share what these "school budgets" are typically used for? Do principals have complete discretion over them?

Response: In the West Linn-Wilsonville School District, we have three levels: primary schools, middle schools, and high schools. School budgets vary based on school size and enrollment counts. For example, West Linn High School has an enrollment of 1,864 students; therefore, they have a larger budget compared to Bolton Primary School, which has an enrollment of 333 students.

Each February, the Business Office meets with each school principal to discuss their school budget for the upcoming year. At that time, the principal makes decisions about what will work best for their school, based on the District Investment Strategic Plan. After the budget is adopted, the principal must adhere to the plan to which they mutually agreed. The only discretionary item in the school budget is Function 2410 - Office of the Principal.

School budgets are NOT assigned for personnel or large expenditure items, such as a new boiler or districtwide curriculum/textbook adoptions. They are used for consumable supply purchases (such as paper, toner, school supplies - items you would find in a school workroom), small appliances, extra technology that is beyond what the district provides, student assemblies, school events, extracurricular programs, some teacher-requested supplies, and principal-directed professional development (including the cost of substitute teachers). These are budgets that the principals have discretion over.

Below is a table that shows items that each school level must consider as they prioritize their budget:

School Budget Items			
Function	Primary Schools	Middle Schools	High Schools
1000 - Classroom Instruction	Textbooks & Classroom Supplies	Textbooks & Classroom Supplies	Textbooks & Classroom Supplies
	Printing & Printing Supplies	Printing & printing supplies	Printing & printing supplies
	Repairs & Maintenance	Repairs & Maintenance	Repairs & Maintenance
	Pre-K Program Supplies	Computer Software & Hardware	Tuition Payments to Other Districts in Oregon
	TAG Instructional Supplies	English Department Textbooks & Supplies	HS Graduation
	Chinese Language Program Supplies	Social Studies Department Textbooks & Supplies	Computer Software & Hardware
	English Learner Program Supplies	Science Department Textbooks & Supplies	English Department Textbooks & Supplies
	Support for Students w/ Disabilities Textbooks & Supplies	The Arts Department Textbooks & Supplies	Social Studies Department Textbooks & Supplies
	Special Education Textbooks & Supplies	Mathematics Department Textbooks & Supplies	Science Department Textbooks & Supplies
		Health & PE Department Textbooks, Equipment & Supplies	The Arts Department Textbooks & Supplies
		Second Language Department Textbooks & Supplies	Mathematics Department Textbooks & Supplies
		English Learner Program Supplies	Robotics Department Textbooks & Supplies
		Middle School Extracurricular	Health & PE Department Textbooks, Equipment & Supplies
		Professional Service Fees (officials)	Second Language Department Textbooks & Supplies
		Rentals	Technology Department Textbooks & Supplies
	Athletic Equipment & Supplies	Career Related Learning Department Textbooks & Supplies	
	Computer Software & Hardware	Engineering Systems Department Textbooks & Supplies	
	TAG Instructional Supplies	Natural Resources Systems Department Textbooks & Supplies	
	Chinese Language Program Supplies	High School Extracurricular	
	Support for Students w Disabilities Textbooks, Supplies, Computers	Professional Service Fees (officials)	
	Special Education Textbooks, Supplies, Computers	Equipment Repair & Maintenance	
	English Learner Program Supplies	Rentals	
		Athletic Equipment & Supplies	
		Computer Software & Hardware	
		Competition Entry Fees	
		Support for Students w Disabilities Textbooks, Supplies, Computers	
		Special Education Textbooks, Supplies, Computers	
		English Learner Program Supplies	
1000 - Support Services	Counseling Services Supplies	Counseling Services Supplies & Software Services	Counseling Services Supplies & Software Services
	Library Books, Periodicals & Supplies	Library	Library
	Multimedia Services Repairs & Supplies	Books & Periodicals	Books & Periodicals
	Office of the Principal	Repairs & Maintenance Services	Repairs & Maintenance Services
	Instructional Improvement Programs	Consumable Supplies	Consumable Supplies
	Equipment Repairs & Maintenance	Multimedia Services Repairs & Supplies	Multimedia Services
	Travel Expenses	Office of the Principal	Repairs & Maintenance Services
	Professional Memberships & Dues	Instructional Improvement Programs	Consumable Supplies
	Non-instructional Printing & Supplies	Equipment Repairs & Maintenance	Computer Hardware
		Non-instructional Printing & Supplies	Office of the Principal
		Travel Expenses	Instructional Improvement Programs
		Professional Memberships & Dues	Equipment Repairs & Maintenance
			Non-instructional Printing & Supplies
			Travel Expenses
			Professional & Technological Services
		Professional Memberships & Dues	

3. The budget reports indicate that because of a reduction in the State School Fund, we are looking at a reduction of revenue of \$7.5 million? So a few questions about this:
 - o Can you clarify how this is a reduction? Does this mean a reduction of what we expected? Because the revenue sheets show an increase in revenue and an increase in our general operating budget from 19-20 to 20-21? (\$119 million to \$127 million).

Response: For the 2019-2020 biennium, the Governor funded schools at \$9.0 billion. 49% of that was for 2019-2020 fiscal year, and 51% for 2020-2021. For the Fiscal Year 2019-2020, WLWV School District has accomplished living within the 49%. The reduction (due to the COVID-19 crisis) is for the second half of the biennium, 2020-2021. Instead of receiving the amount we expected for next year (51% or \$127 million), we will receive \$7.5 million less than expected. However, the Proposed Budget Document is based on \$9.0 billion from the Governor's school funding for the biennium, assuming no reduction. The table on page 1.6 of the Superintendent's Budget Message shows how we will need to reduce staff and programs next year, should the \$7.5 million remain a projected loss.

If the Governor or state legislators decide to activate the Education Stability Fund or the Rainy Day Fund (which together have approximately \$1.7 billion), then we could see either the General Fund fully or somewhat restored. We may not have to adjust for the full \$7.5 million reductions. If that is the case, our priority will be toward keeping personnel. We will still suspend the pre-school and mentor programs as those teachers have already been placed into other classroom positions. After fully restoring all staffing positions, and if we feel confident about our budget, we would cautiously restore the school budgets and not use our CET fund.

- I thought we were told by the state that we should expect a 14% reduction in our budget, but this budget looks like a 6% increase in total revenue from 2019-20 (again, \$119 million to \$127 million) with increases in every category of revenue (e.g., federal, state, and local sources). Am I missing an important detail?

Response: There were many projections before the [May 20 Economic Forecast](#) that just occurred. At one point, the projection was a \$3.0 billion loss, which prompted the Governor in April to ask statewide programs to prepare for an 8.5% reduction across their biennium budgets. Since we already have expended the first year's budget of the biennium, this meant a 17% reduction for the 2020-2021 year. This translates to approximately \$9.75 million to WLWV.

Just a reminder, last year's budget was adopted while reflecting a state school fund of \$8.87 billion (see Superintendent's Budget Message 2019-2020). Shortly after the budget was adopted, the Governor increased the state school fund to \$9.0 billion. Therefore, we received more revenue than the \$119 million stated in the 2019-2020 budget book. In the 2019-2020 Superintendent's Budget Message, p. 1.5, we added an "Amendment Budget Plan" in case we did receive more than \$8.87. With that, we prioritized adding back personnel, which we did. [The Business Office submitted the Amendment Budget to the Board to reflect this increase, and the Board approved it.](#)

[In our Proposed Budget Document for Fiscal Year 2020-21](#), we went ahead and built our budget based on \$9.0 billion, but have factored in an amendment to reduce \$7.5 million (see 2020-2021 Superintendent's Budget Message p. 1.6) should the reduction stay fixed through next year.

Also, as a reminder, the state funds our biennium on a 49/51% basis. Meaning we get 49% the first year (FY2019-20) and 51% the second year (FY2020-21). Because of the roll-up, the amount increases from year to year.

- My reading of the budget and the budget message is that to have a budget that would cover all "roll-up" costs, we'd need a general operating budget of \$135 million. Is that right? Does that mean roll-up costs from 19-20 to 20-21 are \$16 million or 13.5% of the 19-20 budget? That seems like a ton of "roll-up" costs. Can you give me a rough idea of what comprises this \$16 million in roll-up costs? It looks like \$3.5 million is PERS increases, but what about the other \$12.5 million?

Response: There are several roll-up costs from year to year. Some we know ahead of time and can factor in more accurately. Yet, others, we estimate and then adjust as the exact amounts come in during the year (e.g., utilities, supplies, etc.). However, some are unexpected.

On page 2.5 of the Proposed Budget Book, there is a page titled Budget Assumptions. (By the way, we caught a typo, and it should say 2020-2021.) You can see some proposed roll-up costs on that page, such as health benefits and transportation. We had a significant and unexpected cost increase from our insurance provider, PACE, this year (up 20%). We also have a considerable transportation increase, which was expected due to a new contract which will begin in August 2020.

The predominant roll-up costs, other than PERS, are payroll costs, insurance costs, utilities, services, supplies, and transportation (see p. 2.5 Budget Assumptions 2020-2021).

4. Most importantly, where are the descriptors of large budget changes? For the past two budget cycles, I have lamented the fact that much of our budget process is spent asking, "Why did this go up?" and "Why did this go down?" I gently asked two years ago that any sizable changes in the budget (I think I said of more than 10%) be accompanied by a brief note as to why. A year later when it did not happen, I firmly made the request for budgets going forward so as to help all budget committee members better understand the budget, have information to answer community questions, and help our budget meetings run more efficiently. My understanding is that this would be happening for the the 2020-21 budget process. I ran my understanding by a fellow board member and she had the same understanding. Can we get this done in time for all budget committee members to have a chance to review it before our next meeting?

Response: Our complete apologies for forgetting about this ask from last year. This was simply an unfortunate oversight on our part. With so many disruptions to the typical year this spring (closed school, staff working from home, etc.), unfortunately, we forgot this request. Below is a listing of categories with a change of over 10%, with an explanation.

**West Linn - Wilsonville School District 3JT
General Fund Fiscal Year 2020-2021**

Items that are over or under 10% increase or decrease.

Revenue	2019/20 Adopted \$	2020/21 Proposed \$	Percentage Over/Under %	NOTE
Major Object - Object				
Tuition and Fees	1,978,675	1,421,478	-28.16%	Due to the COVID-19 crisis, we anticipate that many families will withdraw their students from Summer School, extracurricular programs, and athletics
Interest on Investments	412,000	493,000	19.66%	We chose to take a conservative approach when we budgeted the interest on investments for FY19-20. The actual interest that we earned was much higher than anticipated. Due to the COVID-19 crisis, I continue to have a conservative budget for this item.
5400 - Beginning Fund Balance	8,065,755	10,971,225	36.02%	Due to the COVID-19 crisis, we have a one-time cost saving in the areas of transportation, utilities, and substitute teacher pay.

Expenditure	2019/20 Adopted \$	2020/21 Proposed \$	Percentage Over/Under %	NOTE
Object				
Function 2218 - Professional Development- Class	1,400	10,000	614.29%	This is a result of the Bargaining Contract.
Function 2230 - Assessment and Testing	100,000	150,000	50.00%	This is due to the increase for MAP assessment systems.
Function 2552 and 2558 Transportation	5,175,341	5,904,406	14.09%	Contract Renewal: 12.5% increased in FY20-21. In addition, there was a small increase in FY19-20 that was not reflected in the FY19-20 adopted budget as the contract renewal did not happen. In the past, we have been under budget for liability insurance. In FY19-20, the actual liability insurance cost was \$772,592. However, we had only budgeted \$515,112. Based on the information I had when creating the FY19-20 budget proposal, I only applied a 5% increase. This year, PACE sent out advance notification that the cost will increase by 17-22%. The proposed budget of \$903,933 is based on the actual expenditure in FY19-20. The Business Office is implementing an electronic Time & Attendance system which will allow the district to eliminate the use of paper timesheets.
Function 2520 Liability Insurance	515,112	903,933	75.48%	Purchase of an add-on payroll financial module within the Infinite Visions software that we currently use.
Function 2520 Other Due and Fees	41,362	65,878	59.27%	This is the result of the State requirement to provide interpreter services to families whose first language is not English.
Function 2520 Other General Prof. & Technology Ser	-	35,000	100.00%	
Function 2680 - Interpretation and Translation Serv.	7,115	27,934	292.61%	

Questions from Board Director Christy Thompson

Questions Submitted: June 18, 2020

Responses Submitted: June 20, 2020

Questions from Director Thompson are in BLACK font. Responses are in RED font.

- 1- Dr. Hughes sent an email on June 9 with the responses from the 20-21 Budget Feedback survey. Almost 80% of the participants cited “effective class size ranges” as a strategy they wanted to see prioritized in the 20-21 District budget. In addition, of the 47 written answers to the question, “What additional advice would you give to District leaders and the Budget Committee as we balance the budget for 20-21,” 17 mentioned maintaining smaller class sizes or not reducing the number of teachers. How is this feedback reflected in the 20-21 budget?

WLWV School District relies on community feedback for better decision-making on behalf of the community and to ensure that we are representing the needs and values of our stakeholders. Thank you for reading all of the responses and considering the input as a member of the Budget Committee.

Effective class sizes have been a priority in this community and for the school district for decades. The passing of the Local Option Levy is a major contributor of supplemental funds that allows us to keep our class size ranges stable over the years.

In order to prioritize effective class sizes, the current budget has factored in a “roll-up” of current staffing with a projected “0” enrollment growth. In other words, keeping class size ranges the same for next year.

However, if the projected \$7.5 million reduction goes forward (with no additional revenue relief from the federal government or our Governor or state legislators), then reductions in personnel will be made (see Superintendent’s budget message p. 1.6). Licensed staff would be reduced by 16 and classified hours would be reduced by 54 hours.

When personnel reductions are made, they are considered across levels and wherever we can still maintain effective class sizes. This might mean reducing non-classroom personnel, or creating blended classes at the primary level, or enrolling classes on the higher end of the class size range. We work really hard to keep our class sizes still in effective ranges.

Should the Governor release additional funds to help with K-12 school funding for next year, the district will prioritize restoration of licensed and classified positions (see Supt.’s Budget Message p. 1.6).

- 2- Just to clarify, other than the suspension of the Teacher-Mentor Program and the WLWV Preschool Program for 20-21, the other reduction areas listed in the table on page 1.6 are not reflected in the proposed budget?

Yes, you are correct. The other reduction areas listed in the table on page 1.6 are not reflected in the Proposed Budget Document. These reductions only happen if the State School Fund remains at its current shortfall and we have to cut \$7.5 million.

The reason these are already factored into the proposed budget is because we had to make the decision early and place these impacted staff into positions for next year.

Even if we do not have to make the \$7.5 million reduction, we will keep these two programs suspended for the year. We do not know when the Governor will hold a special session addressing school funding. It could be very late in the summer.

- 3- Page 4.31 lists \$1000 for "Student Safety." I know it is a tiny percentage of our budget, but why the new expense?

This line item is related to the two School Resource Officers (SRO) at West Linn High School and Wilsonville High School. There are incidental expenses related to maintaining their offices, such as the purchase of chairs, printing materials, or office supplies, that principals or the district office may charge to this account as a way of tracking these types of expenses.