

Budget Development Committee
1/15/2019
1:00pm – 2:30pm
Administration Building Room 123B

Attendees:

<input checked="" type="checkbox"/> Dr. Hardebeck	<input checked="" type="checkbox"/> Abby Johnson	<input checked="" type="checkbox"/> Chris Hambuch-Boyle	<input checked="" type="checkbox"/> Lori Bica	<input checked="" type="checkbox"/> Aaron Harder
<input type="checkbox"/> Kay Marks	<input checked="" type="checkbox"/> Jim Schmitt	<input checked="" type="checkbox"/> Kim Koller	<input checked="" type="checkbox"/> Mark Goings	Patti Iverson Note Taker

TOPIC	DISCUSSION	ACTION
1. Public Comment	<ul style="list-style-type: none"> • There was no public comment. 	
2. 2019-20 Budget Planning	<ul style="list-style-type: none"> • Abby shared Power Point . • Fund Balance – Adopted budget projections will bring fund balance down to 16%. Are we comfortable continuing down this path with another projected deficit? None of the Board members were comfortable with this. • Shared 2019-20 revenue assumptions. • Reviewed 2018-19 deferred budget requests in the amount of \$3,265,581. Many of these may come back as requests next year. • Unknowns include: 2019 CPI increase, estimated health and dental insurance rates, salary level changes, and estimated cost of OPEB. Updated actuarial study will be received by the end of January and certified retirements need to be announce by March 1. • Our risk ratio for insurance is still not what it should be to be considered highly favored. Must be in 85% to 90% range and the District is still about 100%. • What are other things BDC is wondering about for planning a budget? • Potential offset reductions to 80% salary/benefit line <ul style="list-style-type: none"> ○ Increase class size ○ Additional time review ○ Operational increments ○ Other increments ○ Increase health deductibles ○ Increase employee health contribution to premium 	<ul style="list-style-type: none"> ✓ Quantify a range of savings if we go to upper end range of class size policy.



Note: Summer school costs vs revenues came out almost even last summer.

- Sample operational increments include lunch supervisor, science area to maintain science rooms. Could we evaluate to see if there might be a more cost-effective way to do these jobs? Operational increments effect the master schedule as well. It can take staff away from other important work, especially collaboration.
- Some questions were raised about how Boards typically work with staff on budgets.
 - What role does Board play in shaping big ticket items?
 - Why would Board make decisions about lesser cost items like mentor program?
 - How does communication happen?
 - Is it normal to engage employees in budget areas?
- Dr. Hardebeck said the Board gives guidance on class size ranges in policy. Board must reflect on what administration can do based on policies and what is outside the policies and potential areas where the Board can step in. Board must think about pieces of the budget that are ambiguous such as increasing health deductibles.
- Chris asked if a committee could be formed to look at salary structure, increments, etc. and also bring others into the conversation to find additional revenue.
- The group talked about ways to engage staff moving forward that would keep within the role the Board plays.
 - Dr. Hardebeck said must be mindful to not get into situations that put you in a bargaining stance.
 - Employee engagement in the compensation plan was highly successful.
 - Could the Board do a better job framing this to get staff involved?
- Abby and Kay met with Aaron to discuss the gap group. There are many different situations that could qualify as being in a 'gap group.' The group that spoke to the group previously have identified about 17

	<p>employees who were hired between 2008 and 2009. However, others have come forward. If you talk about it for one group, all groups want to be included. Dr. Hardebeck said that decisions on the gap group would be made by the full Board and not BDC.</p>	
<p>3. Steps to Address Potential Deficit</p>	<ul style="list-style-type: none"> • What are next steps with OPEB? <ul style="list-style-type: none"> ○ Clarify Board’s decision on this with full Board either in closed or option session. Half of the Board hasn’t been informed on OPEB. ○ Should we ask staff for their opinion? There may be other things to consider that are consequentially different like having caps on health insurance for instance. Staff engagement may help on looking at the bigger picture. ○ Would need to look at essential points of the budget with employees: compensation, OPEB, increments. There isn’t time for a long-involved process as decisions must be made in next 6 to 8 months or less. ○ What about freezing compensation or increasing class sizes? Decisions would need to be made to give staff time to decide if they want to stay in the District. Staffing starts in beginning of February. ○ Abby said there was a goal to move to middle of class size targeted policy, but there was resistance. There was public comment about staff being cut by this, but in the end, there was maybe one cut made. The Board hears these messages and it affects their decisions. • BDC wondered if they should meet more often. Or if the entire Board should set aside time at each meeting to discuss certain aspects of the budget. Dr. Hardebeck suggested that perhaps the Board could handle standard items at the beginning of meetings through written reports. • The group talked about having a philosophical discussion with the Board for approving the budget. <ul style="list-style-type: none"> ○ When bids come for insurance, would be good time to have discussion about philosophy of benefits. How important are they in the compensation package? What adjustments 	<ul style="list-style-type: none"> ✓ Could there be structural tinkering? Board must make decisions, but Board wants guidance from administration of areas to consider. For instance, literacy coaches. Could be absorbed back into the system without cutting person—would shift back to classroom. Not cutting people but cutting positions (FTE). We have retirements, resignations, etc. and could slot those coaching positions into teaching positions. ✓ Example: we have teachers on special assignment at middle schools. They could be collapsed and go back into the classroom. ✓ Do you want to have department chairs at secondary level? Or assign a class and not have a chair? ✓ In agenda setting, will talk about

	<p>might you want to make? Good to talk about specific items that play big role in budget so staff and public can hear what Board's thoughts are. Could then get feedback after committee report from those attending.</p> <ul style="list-style-type: none"> ○ Would be informative for staff to know what goes into special education staffing. ● Full board buy in is important. ● Dr. Hardebeck said that when she has staff meetings, people don't understand the implications of OPEB as an unfunded liability. When talk to them about promises made in good faith and even in lieu of bargaining for lower salary, they have trouble understanding why Board didn't put money aside for those benefits. Now with increases in health/dental the unfunded liability grows, taxpayers are paying more than they would have been if it was accounted for. Another area that isn't understood by some staff is that based on your marital status, you could go out with a different benefit. The benefit given a single employee vs one with spouse or family can be quite different. Should employees be funded differently? <ul style="list-style-type: none"> ○ When talking philosophy are you asking taxpayers to fund the benefit of an employee or the entire family? 	<p>adding budget items to each meeting.</p> <p>✓ As a next step, should we look at differences in benefit packages based on the plan you are enrolled in? Single/Family</p>
<p>4. Agenda Items for Next Meeting</p>		<p>Will be framed with discussions that took place during this meeting</p>

Next Meeting: 2/5/2019