

Board of Education

Beaver County School District

Meeting Date: April 28, 2015
Board Approved May 13, 2015

The following are minutes taken from the Regular Board Meeting, of the Beaver County School District Board of Education, held on April 28, 2015. This meeting was conducted at the District Office located at 291 North Main, Beaver, Utah, 84713.

In compliance with the American with Disabilities Act, persons needing auxiliary communicative aides and services for these meetings should contact Bonnie Bairett at 435.438.2291 or bonnie.bairett@beaver.k12.ut.us, giving at least three working day's notice.

Board Member Attendance:

- Board President—Nicholas Dotson (Precinct 2): Present
- Board Vice President—Carolyn White (Precinct 1): Present
- Board Member—Richard Limb (Precinct 4): Present
- Board Member—Lisa Carter (Precinct 5): Present
- Board Member—Kristina Brown (Precinct 3): Present

School District Personnel in Attendance:

- Dr. Ray Terry, Superintendent
- Todd Burke, Business Administrator
- Jody Heaps, Minersville School
- Karen Johnson, Milford Elementary & Special Education
- Brady Fails, Belknap Elementary & Beaver High School
- David Cluff, Milford High School
- David Green, Beaver High School
- Larry White, High School Counselor
- Richard Rose, High School Counselor
- Linda Bowers, District Office
- Becky Parkinson, District Office
- Bonnie Bairett, District Office

WORK SESSION MEETING – (10:00 am)

Opening & Welcome: President Nicholas Dotson

Pledge of Allegiance: Todd Burke

Superintendent Terry:

- Dr. Terry reviewed standards and goals for all district schools with a focus for secondary schools:
 - SAGE assessment results equivalent to state averages
 - Mathematics
 - Language Arts
 - Reading
 - Science
 - CTE Skills Tests
 - College readiness benchmarks on ACT
 - English 18
 - Math 22
 - Science 23
 - Reading 22
 - School improvement plans
 - 90% of students will be reading on grade level
 - High school graduates will be reading on grade level.
 - Graduation rates
 - State Average: 2013: 81%, 2009: 72%
 - Compliance
 - Schools will be compliant with all district, state, federal requirements, policies, procedures
 - Safety
 - Schools will provide a safe and orderly environment.
- Dr. Terry summarized the upcoming professional development plan and opportunities for teachers.
 - The high school improvement plan includes teacher professional development with a focus on reading, writing, and language development:

- June 1-12: Reading and Writing in the Content Area Part I
 - June 15-26: Reading and Writing in the Content Area Part II
- June 2: Elementary Wonders program review, debriefing, and collaboration
- June 15-18: High school Big 8 training
- June 6-9: Advanced Placement summer institute at Woods Cross High School
- July 8-10: Rural Schools conference at SUU

10:30 am Web Conference with Bruce Williams (state Associate Superintendent) and Von Hortin (state school finance audit specialist)

- Bruce Williams (state Associate Superintendent) and Von Hortin (state school finance audit specialist) reviewed some of the basic roles and responsibilities for budget development and oversight as well as financial management in school districts,
 - Budget development and management:
 - School district budget must be adopted before June 22.
 - Public notice advertisement must be given 10 days before the budget hearing.
 - The budget must be made available to the public on June 1 or sooner.
 - Recommends the District develop a budget calendar which begins in December working forward to budget adoption in June.
 - State law allows the board to maintain an Undistributed Reserve of 5%.
 - 53A-19-103 Undistributed Reserve
 - To be used for emergency purposes
 - Cannot be negotiated or used without board approval
 - Key roles and responsibilities:
 - Key roles and responsibilities are codified in state statute.
 - By law the Superintendent is the budget officer of the District and make final budget decisions which are then proposed to the board for approval.
 - The budget is the Board's budget. The Board is responsible for making sure the budget plan reflects the goals of the board. The Board should review monthly budget reports and ask in depth questions each month.
 - The Business Administrator assists the Superintendent and Board in developing and implementing the budget plan.
 - Recommendations for maintaining a structurally sound budget each year:
 - One-time revenues should only be used for one-time expenditures
 - Be careful to ensure that on-going capital asset needs are included in the budget each year—buildings, technology, transportation, equipment, furniture, etc.
 - Ensure staff levels are adjusted each year to enrollment changes
 - Summary of SB235—School Turn Around

- SB235 provides support and resources to schools who are performing in the bottom 3 percent of the state.
 - A committee will be formed to oversee the turnaround process—including state appointed specialists as well as local stakeholders.
 - The local board of education would help oversee the school turn around process.
 - The criteria used to determine which schools are “low performing schools” is the same criteria used for the state school grade system.
- A review of problems seen throughout the state with management of high school student activity funds:
 - Once funds are deposited into a school checking account, the funds are considered public funds.
 - All compliance requirements are applicable to any public funds deposited in school checking accounts.
 - The importance of proper cash controls at fundraisers, games, camps, etc. was emphasized.
 - Mr. Williams and Mr. Hortin reviewed several situations they have seen over the years problematic to high school management of student activity funds:
 - Private purpose athletic camps
 - Fundraisers
 - Collection of money in classrooms rather than at the office

11:40am Mr. Burke reviewed the key factors, proposed decisions, and estimated budget impact for next year’s budget.

- The education promise made in the Utah Constitution to every child:
 - Article X
 - “The Legislature shall provide for the establishment and maintenance of the state’s education systems including: a) a public education system, which shall be open to all children of the state.”
- The state’s public education provides for a Minimum School Program, of which mandates specific assessments to determine whether the state’s promise is being fulfilled at the local level:
 - SAGE: Language Arts, Mathematics, Science
 - ACT College Readiness: Language Arts, Reading, Mathematics, Science
 - Vocational Skills Assessments: Each CTE vocational course has an assessment
- The District’s annual budget reflects both the state’s promise to children and also the District’s Mission, Vision, Values, & Strategic Goals. The District’s strategic goals are:
 - Continual improvement towards student achievement
 - Data-driven decisions
 - Responsible fiscal management
 - Provide a safe and orderly school environment
 - Open and transparent communication

- The state's Minimum School Program funding structure is the vehicle which the state legislature appropriates funds to our district to meet the state's promise to children.
- Because of the constitutional promise made to children for public education, school academic performance will to some extent be determined by how well our students do with state assessments compared to the other schools in the state.
- The group reviewed together a summary of each school's academic progress along with supporting data.
 - Internal elementary DIBELS reading data
 - SAGE performance measures data
 - Previous state CRT performance measures data
 - ACT college readiness data
 - State vocational skills assessment performance data
- The group collaborated about the information shared, goals, concerns, and options to consider to help improve future student achievement.
- Budget projections and proposed budget decisions:
 - *Handouts & references:* General Fund summary of factors and decisions, General Fund Expenditures by Function (5 year trends), General Fund Expenditures by Object (5 year trends), General Fund Major Revenue Sources (5 year trends), General Fund Expenditures by Program.
 - **Revenues:**
 Overall total revenues are expected to remain constant.

 Property taxes are expected to be approximately \$194,000 less due to one-time redemption collections in FY2015.

 State revenues are expected to be approximately \$226,000 more due to a 4% increase in state funding but offset with changes in student enrollments.

 FY2014 Enrollments: 1,579

 FY2015 Enrollments: 1,516

 FY2016 Projected Enrollments: 1,526

 FY2017 Projected Enrollments: 1,523

 FY2018 Projected Enrollments: 1,517

 Federal revenues are expected to be approximately \$56,000 less due to changes with categorical grants. This projection is based upon information known at the time of this report.

As in past years, the District expects future revenue changes due to program level activity with state and federal funded restricted programs. The District will adjust its expenditures within these programs to match available revenues in many cases. Where restricted program revenues are less than program expenditures, the District budgets general program revenues to support these costs and to maintain structural long-term budget integrity and quality services.

Break for Lunch: approximately 12:15 pm

Work session reconvened: approximately 12:30 pm

- **Expenditures:**

Employee Retirement Incentive Program: In fall of 2014, the District implemented a one-time retirement incentive program to all full-time employees with ten or more years of service. The program is intended to 1) reward long-term employees for their service as they move towards retirement, 2) to facilitate opportunities for restructuring operations in alignment with strategic goals, and 3) fully fund and pay the incentive by June 30, 2015. The District projects the cost of this program to be \$145,600.

Program Staff Reductions: Due to enrollment declines, the budget plan includes a 1.5 FTE reduction in the teaching staff. This reduction is being done in conjunction with attrition to avoid a negative economic impact upon rural communities. The reduction is also designed to be aligned with a projected shift with high school course demands in relation to increased graduation requirements for social sciences and projected shifts in enrollments towards high school music programs. The reduction in cost is estimated to be \$82,500.

Necessarily Existent Small Schools (NESS) Program Changes: Three schools receive NESS funding from the state. In recent years, the state legislature has substantially increased NESS funding to help provide stability for small schools with fluctuating enrollments and also provide increased educational services to students attending small rural schools. The following summarizes changes to NESS budget plans:

Full-Time Music Teachers: Due to increases in Necessarily Existent Small Schools funding from the state, both high schools are planning to have in place a full-time music teacher at each school. A conservative estimate for both full-time positions is \$139,000. If the actual cost is less, the NESS budget plan will be revised to ensure each school receives its NESS allocation for school programs.

Teacher Certification & Endorsements: Because of the rural environment, finding qualified applicants to teach in rural schools is often difficult. Many teachers have been employed without having state certifications and endorsements to teach in their respective assignments—particularly at the high school level.

Approximately \$80,000 has been set aside to help newly employed teachers obtain state certifications and endorsements.

Music Equipment: \$10,000 has been earmarked to purchase music equipment for the new full-time music program at Milford High School.

Music Paraprofessional: \$10,000 has been earmarked to put in place a new paraprofessional assistant to assist the new full-time music teacher at Milford High School.

College Readiness – ACT Test Student Reimbursement Program: A new program is being put in place to encourage high school students to take and retake the college readiness ACT test. Students who improve their test results may seek reimbursement for the cost of the test. Approximately \$11,500 has been set aside for this purpose.

High School Interventions Specialist: Approximately \$10,000 has been set aside to pay for the new interventions specialist in conjunction with Milford High School at-risk student services.

Secretarial & Custodial Costs: Approximately \$26,500 has been set aside to help pay for costs associated with having secretarial and custodial staffing at levels greater than normal due to the rural small size of schools—Minersville and Milford High School.

General Program Teacher Endorsements & Certifications: \$20,000 has been set aside to assist teachers to obtain needed state certifications and endorsements with respect to their teaching assignments. This budget is geared to support schools not receiving NESS state funding—Milford Elementary School and Belknap Elementary School.

High School Improvement: \$57,055 has been earmarked to help provide support, training, and curriculum development to both high schools. Plans are currently being put in place to 1) provide professional development with curriculum alignment and mapping to the state curriculum, 2) provide professional development to help teachers improve teaching strategies, methods, and pedagogy, 3) provide specific training to teachers to help implement cross-curricular reading and writing teaching strategies, and 4) implement high rigor and honors courses such as Advanced Placement classes.

BTS Music/Art Elementary Teacher: The budget plan includes a provision for three elementary schools to share a music teacher partially paid for from the state BTS music grant program. A conservative estimated cost for the teacher is \$66,000. The budget will be adjusted to the actual amount approved in future months through the grant program. The amount the BTS grant program would provide was not known at the time

of this report. Consequently, the budget plan projects \$40,000 to be paid from the grant, and the remainder costs will be funded from the general program.

High School & Adult Education Interventions Specialist: The budget plan includes a new position created to provide intervention services for at-risk high school and adult education students. The primary purpose of this position is to help at-risk students continue working towards obtaining a high school or equivalent diploma. The cost of this position is estimated to be \$134,400, and the position will be paid for and shared between the general program and adult education program. At least two paraprofessional positions will be eliminated from the adult education program to allow for this new position.

Utilities – 3% Increase: The utilities expenditure budget includes a 3 percent expected increase due to installation of air conditioning systems in both high schools as well as normal inflationary adjustments.

Transportation Fuel – 10% Increase: The transportation budgets include a 10 percent expected increase due to normal fluctuations in fuel prices as well as annual variances in distances traveled for activities and field trips.

Opening Institute: The District plans to schedule a beginning of year Opening Institute with the purpose of providing employee training and collaboration. The estimated cost is \$7,000.

HSA Incentive: The District intends to continue an incentive program to encourage eligible employees to elect health insurance coverage under a high deductible and health savings account plan. The incentive contributes \$1,000 through the first year to a first-time participant. The budget amount set for next year is \$10,000.

Level 4 Math Teacher: As part of a high school improvement plan, a level 4 math teacher was recruited for employment at the high school level. The fiscal year 2015 closing budget plan includes a recruitment signing bonus of \$10,000 with related benefits.

Special Education – Director: Given increased state and federal compliance and reporting requirements, the director's contract is planned to change from 210 to 230 days for both fiscal years 2015 and 2016. The annual cost for this change is expected to be at least \$9,900.

Beaver High School – Stipend for New Principal: The fiscal year 2015 budget includes a one-time stipend for work to be performed by the new principal not covered under normal contract. The expected cost for this is estimated to be \$10,000.

Summer Technology Maintenance Specialist: The fiscal year 2015 and 2016 budgets include a provision to hire a temporary summer worker to assist technology personnel

with repairs, maintenance, and projects in preparation for the next school year. Annual cost of this non-benefit temporary position is estimated to be approximately \$10,000 for work to be performed in May, June, July, & August. This position is in relation to the new 1:1 technology initiative put in place during fiscal year 215. The District currently plans to have this position in place in forthcoming years.

Increased Technology Software Costs: The District continues to experience increased costs related to software and database systems. The District has received information that it may be required to purchase software and related support for student information systems. The District estimates these new costs to be approximately \$10,000.

Impact of Employee Turnover: Retirements and employment terminations are expected to produce approximately \$120,000 less in annual on-going salaries and benefits. This reduction is being directed towards the 3.5% cost of living increase proposed in the budget for current employees.

On-Going Personnel Compensation Changes: The General Fund budget plan include projections based upon planned on-going compensation as follows:

State Retirement Benefits: There is no change in the retirement system contribution rates for fiscal year 2016. Retirement system benefits are expected to increase given proposed increases in salaries and wages. After all staffing adjustments have been made and included in estimations, retirement benefits are estimated to increase by \$25,500.

Insurance Benefits: The budget plan includes a 4 percent increase in insurance premiums.

Teacher Salaries: The budget plan includes a projected increase of 6.8 percent to on-going teacher salaries. This projection includes salary schedule steps and lane changes as well as a 3.5 percent cost of living increase to the teacher salary schedule.

Classified Employees: The budget plan includes a projected increase ranging from 5.66 percent to 7.28 percent to on-going classified employee wages, depending upon employee classification. The projection includes wage schedule step changes as well as a 3.5 percent cost of living increase added to the classified wage schedule.

Administration Employees: The budget plan includes a projected increase of 6.2 percent to on-going administration salaries. The projection includes salary schedule steps and lane changes as well as a 3.5 percent cost of living increase added to the salary schedule.

Alternative Compensation Mixes: Future compensation is subject to negotiations with employee associations. Other compensation mixes which equate to comparable budget impact include:

Insurance: 4%	COLA Wage/Salary Increase: 3.5%
Insurance: 13%	COLA Wage/Salary Increase: 1.25%
Insurance: 0%	COLA Wage/Salary Increase: 4.5%

General Fund Financial & Structural Integrity

General Fund Financial & Structural Integrity - The Board of Education and the entire District is committed to maintaining the financial and structural integrity of the General Fund. The District is subject to many uncontrollable factors and risks which can affect long-term stability. These factors include fluctuations with enrollments linked to state funding, state and federal compliance, unknown future financial emergencies, decisions which are difficult to translate into financial impact, and unknown future decisions made locally and at the state/federal levels. The District's budget plan provides for a reasonable, but not absolute, contingency plan as follows:

Minimum Fund Balance Policy – In past years, the Board of Education has put in place minimum fund balance policies to protect the long-term financial stability of the District and related services to children.

5% Undistributed Reserve – State law allows the Board of Education to set aside a maximum General Fund, fund balance, equivalent to 5 percent of General Fund expenditures, for economic stability purposes.

17% Minimum Total Fund Balance – The District also implements best practices to ensure a minimum 17 percent total fund balance is maintained. This provides flexibility to operations for timing of cash flows, interest earnings, and uncontrollable factors associated with revenues and expenditures.

Average State General Fund, Fund Balances – In previous years, total fund balances for Utah School Districts were analyzed by our district to determine the average total fund balances of each district. The average throughout the state was found to be at approximately 24 percent. As a result, the District targets a minimum fund balance of 24 percent in order to ensure our District's financial integrity is maintained at or above the state average.

Minimum 1.5% Contingency – The District's best practices require a minimum 1.5% contingency be budgeted within the General Fund's expenditure structure. The contingency is put in place to offset risks associated with property tax collection rates and other revenue sources, unknown possibilities with future

financial emergencies, changes with compliance, and other unknown factors that may affect the General Fund's financial integrity. The General Fund includes a \$225,000 contingency in each year's budget plan. If this contingency is not used, the plan directs the contingency to be used for non-recurring expenditures in order to maintain the financial and structural integrity of the General Fund.

Capital Asset Replacements & Improvements – The District's best practices requires the District to ensure capital assets are being replaced and improved through a reasonable on-going effort. Consequently, the District provides a General Fund Program Expenditures report in the forthcoming report which reports capital asset replacement and improvement program expenditure trends. The District uses prior year trends as a basis to determine a reasonable funding plan and contribution to capital asset replacements and improvements.

***\$225,000 General Fund Contingency:** The General Fund Program Expenditures report indicates the District intends to use this contingency for capital asset replacement & improvements if it is not needed. This is a very important part to the District's budget plan in order to ensure the financial integrity and structure of the district is maintained. This helps ensure on-going services to children are not inhibited by deteriorating capital assets.*

Use of Prior Year Unspent Budgets: Often times, allocated budgets in prior years are not completely spent by the responsibility center(s) to which the budgets were allocated to. When this occurs, the District considers these funds to be one-time available funds and will direct them towards expenditures such as capital asset improvements. The current plan does not include an estimation for this. Once the current year is closed, the District will determine availability of one-time funds, work through a prioritization process, present a plan to the school board for consideration, and implement a board approved plan at that time. This helps to ensure a long-term sustainable budget is implemented each year.

Impact of Staffing Changes with Career Technology Education Program: Although a planned 1.5 FTE staffing reduction is planned in CTE programs, the program is planning to employ outside mechanic and machine shop specialists to teach related courses at Milford High School. In addition, the impact of enrollment shifts towards high school music and social science programs is unknown at this time, and changing enrollment shifts at high schools will affect future CTE state funding. The CTE budget plan includes an expenditure provision of approximately \$60,000 to mitigate risks associated with this situation.

Alignment of On-Going Revenues with On-Going Expenditures: The District implements best practices which align on-going revenues with on-going expenditures. In cases where programs have expenditures that are projected to

be greater than their restricted funding sources, the budget plan requires “overages” to be paid for from general unrestricted funding sources to ensure the financial integrity and structure of the General Fund is maintained. Use of reserves are treated as a one-time funding source being used for one-time expenditures.

The group discussed the budget proposal and possible impact. Overall the group’s consensus was to move forward with the budget proposal.

REGULAR BOARD MEETING - ADJOURNMENT (2:30 pm)

President Dotson adjourned and dismissed the meeting at 4:45 pm.

CLOSED MEETING (2:30 pm)

Closed meetings by law may be held for the purpose of discussions related to the Competence and Character of Individuals, Collective Bargaining, Property (Purchase and/or Sale), and Security.

Purpose of Closed Meeting: Collective Bargaining

Motion to Enter Closed Meeting Made By: Carolyn White

Motion Seconded By: Kristina Brown

Board Vote: Unanimous

President Dotson: Aye

Vice President White: Aye

Board Member Carter: Aye

Board Member Brown: Aye

Board Member Limb: Aye

Those present during the closed meeting:

- Board President Dotson
- Board Vice President White
- Board Member Carter
- Board Member Limb
- Board Member Brown
- Superintendent Terry

- Business Administrator, Todd Burke

Closed Meeting Ended At: 3:00 pm

Motion to End Closed Meeting Made By: Lisa Carter

Motion Seconded By: Richard Limb

Board Vote: Unanimous

CLOSED MEETING (3:00 pm)

Closed meetings by law may be held for the purpose of discussions related to the Competence and Character of Individuals, Collective Bargaining, Property (Purchase and/or Sale), and Security.

Purpose of Closed Meeting: Competence and Character of Individuals

Motion to Enter Closed Meeting Made By: Carolyn White

Motion Seconded By: Lisa Carter

Board Vote: Unanimous

President Dotson: Aye

Vice President White: Aye

Board Member Carter: Aye

Board Member Brown: Aye

Board Member Limb: Aye

Those present during the closed meeting:

- Board President Dotson
- Board Vice President White
- Board Member Carter
- Board Member Limb
- Board Member Brown
- Superintendent Terry
- Business Administrator, Todd Burke

Closed Meeting Ended At: 3:45 pm

Motion to End Closed Meeting Made By: Carolyn White

Motion Seconded By: Richard Limb

Board Vote: Unanimous

Board Reminders – Belknap Elementary Principle Hiring Process:

- Screening for BES principal on the 11th
- Same selection system as BHS principal hire
- Screening committee and 2 interview committees
- Interviews on 19th

Nicholas Dotson, Board of Education President

Todd S. Burke, Business Administrator