Dayton School Board

609 South Second Streets

# Regular Board Meeting – 6:00 p.m.

May 1, 2019

1. **Call to Order -**

Board Chair Leid called the meeting to order at 6:00 p.m. Board members present were Katie Leid, Dave Bailey, Justin Jaech and Fred White. Student Representative Kaleigh White was absent (excused).

1. **Flag Salute-** Board Chair Leid led the flag salute.
2. **Work Session Topic #1 Educational Program 2019-2020**

Superintendent Johnson provided information to the board regarding the funding issues the district is facing in 2019-2020. Primary concerns include the fact the 2018-2019 budget was a deficit budget and is not sustainable, and the fact the 2019-2020 Enrichment Levy Collection will reduce by approximately $220,000 less than in 2018-2019. The state apportionment will show slight increases but will not be sufficient to offset the areas where the funding will reduce. Superintendent Johnson noted the work session this evening should determine what the board deems is a suitable goal for the ending cash balance for the 2019-2020 budget. He noted for the past ten years we have been trying to maintain a balance between providing sufficient personnel and programs for students, facilities and operating costs while still maintaining the financial health of the district. There were several notable large cash expenditures on facility updates and repairs. He noted the major projects funded by the Capital Levy funds have addressed many of the critical areas including heating system, roofs, asphalt and safety/security measures.

Superintendent Johnson indicated the state auditor assesses the financial health of a district by their cash reserves- with a preference for about 10%- which for Dayton would be approximately $700,000. The board has been comfortable with a smaller reserve in order to continue to provide for the needs of students, programs and aging facilities. This past year an extra elementary teacher was hired with the anticipation of enrollment growth brought about in part by the Columbia Pulp Mill. In spite of that anticipation, the actual enrollment dropped by 15 students.

Superintendent Johnson discussed the large increase in anticipated employee benefits due to the changing insurance structure to SEBB. The State Employee Benefit Board will be the insurance option starting January 1, 2020 for all school employees. Rates and premiums are still being determined, but the costs will increase substantially because there will be no more pro-ration of benefits based on hours worked and all employees working for 630 hours or more per year will receive full time benefits. This will increase the number of employees who will qualify for benefits possibly including some substitutes and coaches if they met the criteria.

Superintendent Johnson asked the board to consider the broad range of class opportunities in the MS/HS buildings- including college prep classes, CTE classes and many electives. The broad range of classes requires more staffing and results in smaller class sizes.

As previously noted, the district has been over in FTE Staffing (beyond the state funding) by as many as 4 certificated FTE and as few as 2.75 depending on the allocations between basic education and other special programs such as Title I and LAP.

Superintendent Johnson reminded the board the contract language and state law dictate any decisions to reduce certificated staff be done by May 15 but noted the reduction can be recalled should the budget not warrant the reduction in force. He also stated other decisions, including those involving classified staff and other reductions can be made later in the budget process- although classified staff must be notified on or before June 1.

Discussion ensued on anticipated changes, and revolved around financial solvency and the need to establish a recommended ending balance. Enrollment numbers were discussed at length and options were debated. Dave Bailey suggested the cash reserve goal for 2019-2020 be $325,000 with the anticipation of increasing it by $25,000 each year. The board agreed to accept the recommendation to plan for the ending cash reserve in 2019-2020 to be approximately $325,000.

Superintendent Johnson provided the board with a Budget Reduction plan and noted several options for cost cutting measures-, which included certificated staff, classified staff, curriculum, shifting allowable costs from basic education to programs and from general fund to the technology levy. Possible program reductions included the Drug and Alcohol Counselor Program, reducing Ski Bluewood to only fifth graders; eliminate substitutes for principal absences, and restructure/reassign Safety Patrol responsibilities. Options were discussed along with corresponding potential cost savings, which totaled $437,850. The board had several items to consider with the first item going back to where they deemed the ending cash balance should be and then considering the revenue reductions. From that point, the issue would be to determine the extent of the cuts needed.

The board recommended the Modified Educational Program reduction to be addressed by reducing the K-12 Counseling Position and 1 MS/HS Certificated Position.

1. **Public Comment-** Dawn McGhan addressed the issue of the curriculum adoption for the ELA at the K-1 level and noted that the curriculum is not in place at this time. She indicated the group has done extensive research to identify and review the best curriculum and she is hopeful the plans can go through to get the chosen curriculum.
2. **Action Items**

Board member Bailey moved to approve Resolution 2018-05 Modified Educational Programs. Motion carried.

1. **Adjournment-** The meeting adjourned at 7:30 p.m. The next regular meeting will be on May 15, 2019 at 6:00 p.m. in the District Boardroom.

 Respectfully submitted,

 Douglas Johnson, Secretary to the Board of Directors

BOARD MEMBERS:

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