

MINUTES
KELSO SCHOOL DISTRICT
WORK SESSION MEETING OF THE BOARD OF DIRECTORS
08/10/20

The Work Session of the Board of Directors of Kelso School District No. 458 was called to order at 4:00 p.m. at the RoyParsons Executive Board Room through a Zoom online/phone platform.

Board Members: Leah Moore (In Person)
Karen Grafton – Vice President (In Person)
Jeane Conrad (In Person)
Mike Haas - President (In Person)
Ron Huntington (In Person)

Cabinet Members: Scott Westlund – Chief Financial Officer (In Person)
Holly Budge – Director of Human Resources (Absent)
Don Iverson – Director of Student Services (Zoom)
Heather Ogden – Director of Special Programs (Zoom)
Kim Yore – Director of Teaching & Learning (Zoom)
Lacey DeWeert – Associate Director of Teaching & Learning (Absent)

Superintendent: Mary Beth Tack (In Person)

Asst. Secretary: Molly Guler (In Person)

OTHERS PRESENT – This meeting was held remotely. Not all of the names of people in attendance were available, or partial names were listed. The names of people in attendance are listed as they were shown and included: Bob Gustin, Marissa Heffernan, Gianne Curry, Kelly Sims, Kalena Gustin, Becky Richards, Daniel Hartley, Merissa Leonard, Ashley Lowry, Michelle Benson-Welch, Tiffany Pavey, Amy Meeker

Budget process was unique due to COVID.

Didn't make a lot of adjustments this year. Only major changes were budget increases that were provided by the state.

2020/21 Budget Highlights

- Inflationary Salary Increases (Inflation Price Deflator, IPD), 1.6% plus .56% for 1 additional day for a total of 2.16%
- Local levy is approved to collect \$6,000,000 for 2020, with an expected rate in the range of \$2.07 per thousand.
- Total Enrollment is budgeted for 4961. This is down -26FTE.
- 110 students are budgeted for Running Start, 20 for KVA, 15 for Loowit, 20 for Open Doors (GED) program and 25 students to attend the CEO program at LCC.
- Total budgeted GF revenues are up by 4.3% from previous year.
- Total GF expenditures are up by 4.3% from previous year.
- Projected use of fund balance: (\$494,099)
- Projected ending fund balance is \$4.1 M, or 5.5% of expected expenditures and transfers
- Total Kelso SD budget across all funds is \$162.2M (largest historical budget)

Future Budgetary Challenges

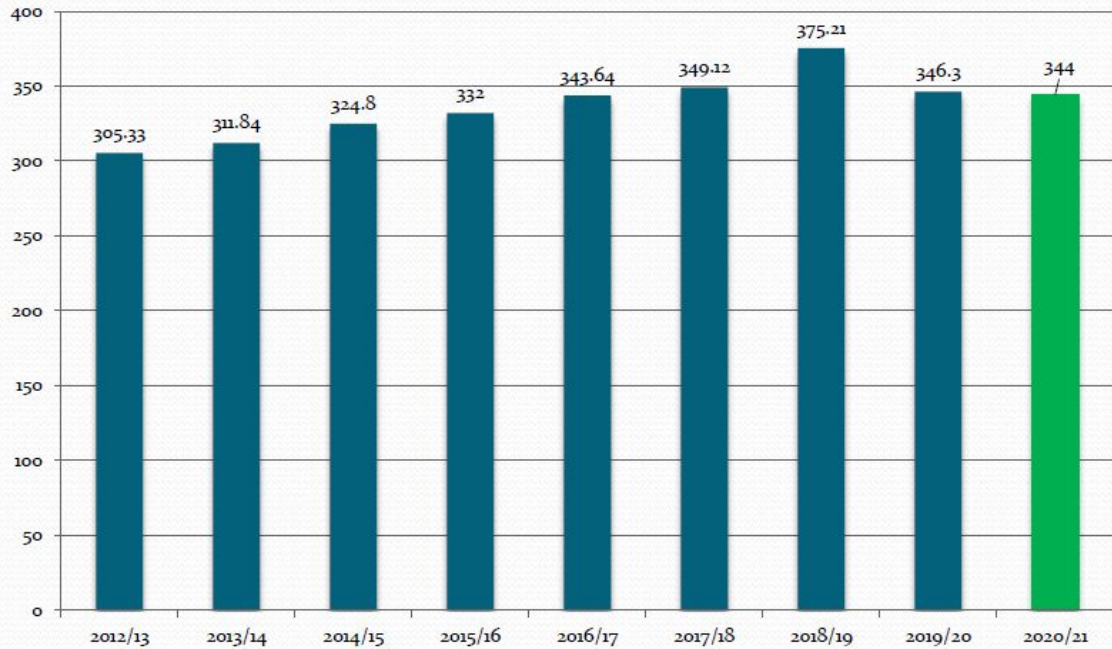
- Further cost saving measures may be necessary moving forward as we deal with the possible impacts of loss of enrollment and unexpected COVID-19 expenditures.
- Continued challenge to meet Board fund balance goal of 8%.
- Continued Pressure on educational programming to be reduced.
- Nutrition Services costs continue to rise without adequate federal and state funding to support. Past due meal payments continue to rise.
- Continued relief for special education funding is still much needed.
- Annual capital improvement funds to "maintain" our current and future facilities. Outside of general maintenance funds, no additional funds beyond the bond monies are provided for large capital expenses and repairs

Enrollment Trend 2003 – 2021

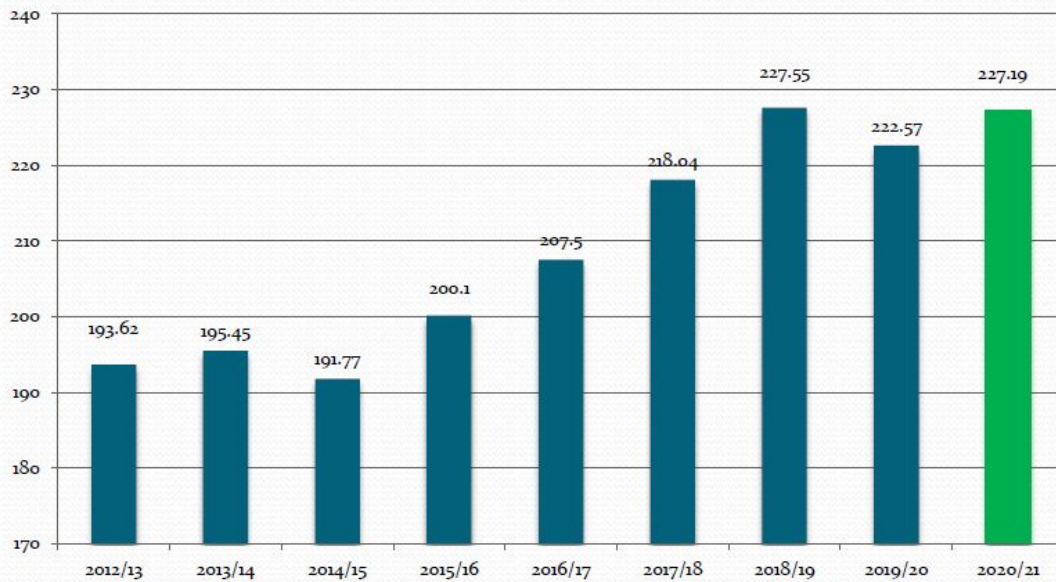
Historical FTE Enrollment (Excluding Running Start)



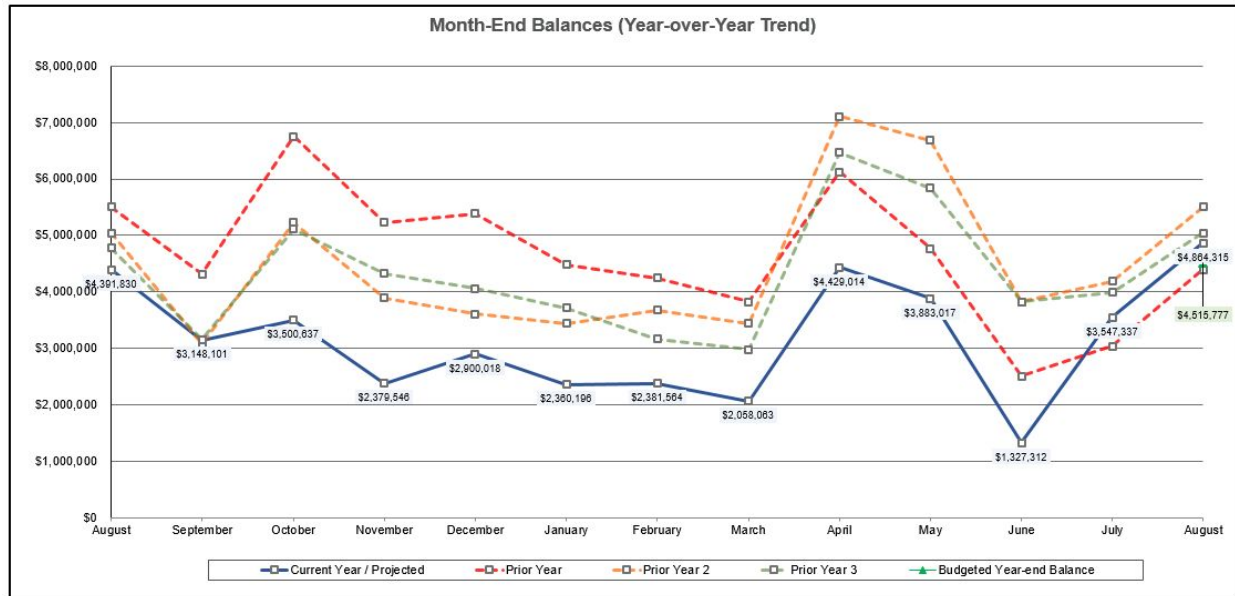
Certificated Staff FTE Comparison



Classified Staff FTE Comparison



General Fund Month End Balances



General Fund Summary

	2019/20 Budget	2020/21 Budget
Beginning Fund Balance	\$5,000,000	\$4,550,000
+ Revenue	\$70,258,589	\$73,271,641
- Expenditures	\$70,602,812	\$73,625,740
- Transfers	\$140,000	\$140,000
	\$(484,223)	\$(494,099)
Total Ending Fund Balance	\$4,515,777	\$4,055,901

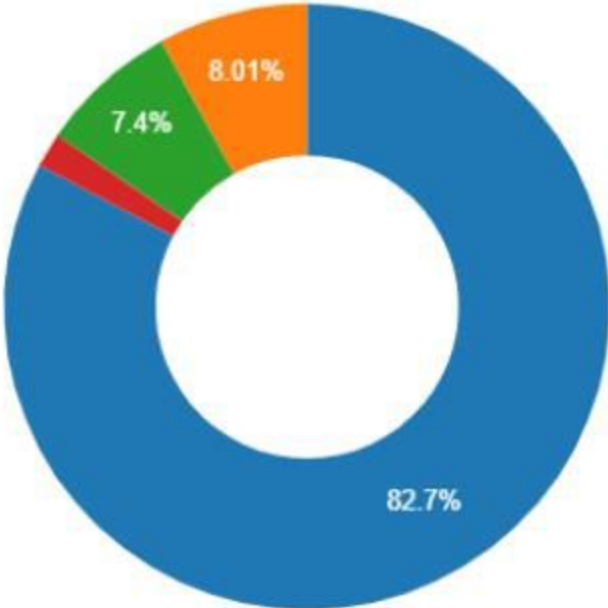
July 31, 2020 Estimate EFB for 2019/20 is \$4,864,315

General Fund Summary

	BUDGET		
	2020	2021	% Δ
REVENUE			
Local Revenue	\$4,537,174	\$5,869,674	29.4%
State Revenue	59,736,252	60,620,888	1.5%
Federal Revenue	4,625,163	5,421,079	17.2%
Other Sources	1,358,500	1,358,500	0.0%
TOTAL REVENUE	\$70,257,089	\$73,270,141	4.3%
EXPENDITURES			
Regular Instruction	\$36,300,538	\$37,945,467	4.5%
Special Education Instruction	10,448,266	9,999,664	(4.3%)
Vocational Education Instruction	2,919,019	3,390,937	16.2%
Skills Center Instruction	0	0	
Compensatory Education Instruction	5,192,729	5,593,128	7.7%
Other Instructional Programs	1,507,435	1,529,750	1.5%
Community Services	49,789	40,533	(18.6%)
Support Services	14,185,044	15,126,261	6.6%
TOTAL EXPENDITURES	\$70,602,820	\$73,625,740	4.3%
SURPLUS / DEFICIT	(\$345,731)	(\$355,599)	
OTHER FINANCING SOURCES / USES			
Other Financing Sources	\$1,500	\$1,500	
Other Financing Uses	(\$140,000)	(\$140,000)	
NET CHANGE IN FUND BALANCE	(\$484,231)	(\$494,099)	

Sources of Revenue

FY21 Budget Revenues by Source



- State Sources
- Local Sources
- Federal Sources
- Other Sources

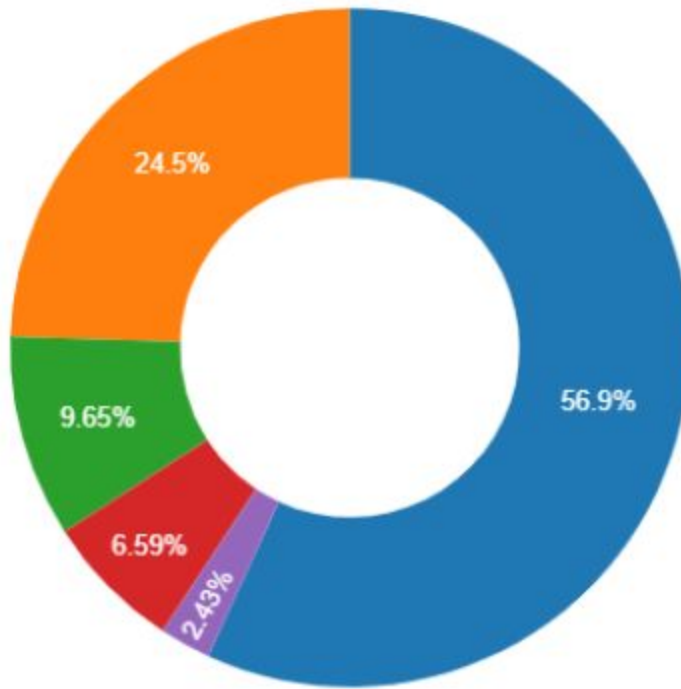
Expenditure Projections by Object

	2019/20 Budget	2020/21 Budget
Certificated Salaries	\$28,752,063	\$29,596,860
Classified Salaries	\$11,131,253	\$11,714,473
Benefits	\$17,144,725	\$18,411,833
Supplies/Materials	\$4,588,137	\$5,504,711
Contractual Services	\$7,369,796	\$6,776,044
Travel	\$156,838	\$158,819
Capital Outlay	<u>\$1,460,000</u>	<u>\$1,463,000</u>
Total	\$70,602,812	\$73,625,740

*2019/20 & 2020/21 include \$1.3M budget capacity (assigned to Capital Outlay)

Expenditures by Object

FY21 Budget Expenses by Object



■ Salaries ■ Benefits ■ Supplies ■ Purchased Services ■ Other Objects

ASB Fund Summary

	2020/21 Budget
Beginning Fund Balance	\$395,000
Revenue & Other Sources	\$1,057,445
Expenditures	\$1,117,540
Surplus / (Deficit)	\$(60,095)
Ending Fund Balance	\$334,905

Capital Projects Fund Summary

	2020/21 Budget
Beginning Fund Balance	\$45,000,000
Revenue & Other Sources	\$37,640,000
Expenditures	\$80,000,000
Transfers*	\$140,000
Surplus / (Deficit)	\$(42,500,000)
Ending Fund Balance	\$2,500,000

*Energy Grant Loan Transfers to Debt Service

Debt Service Fund Summary

	2020/21 Budget
Beginning Fund Balance	\$2,700,000
Revenue & Other Sources	\$7,332,750
Expenditures	\$7,481,609
Surplus / (Deficit)	\$(148,859)
Ending Fund Balance	\$2,551,141

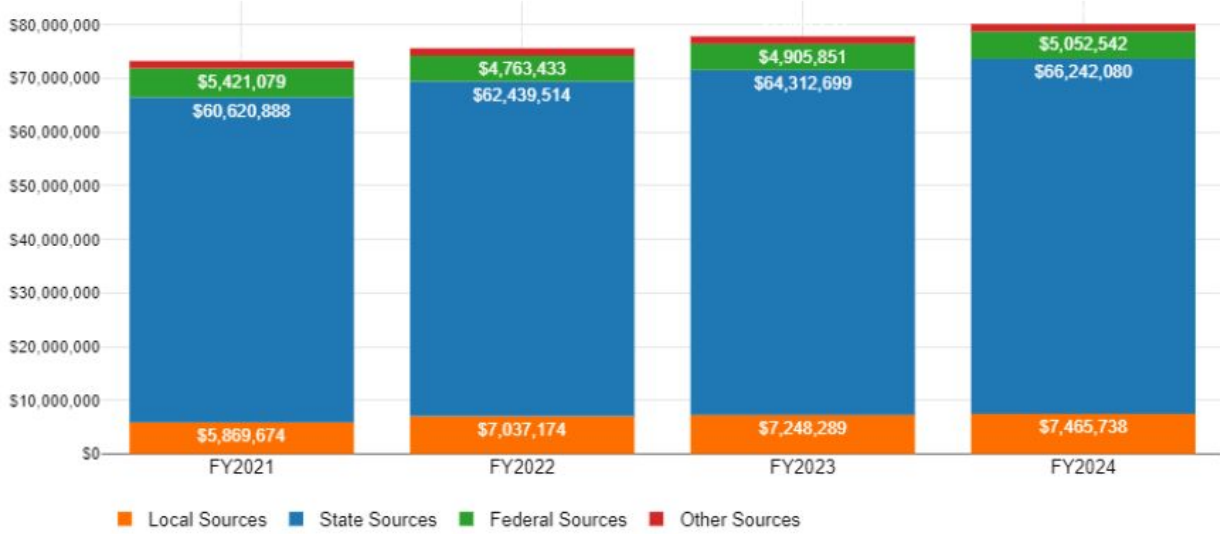
Transportation Vehicle Fund Summary

	2020/21 Budget
Beginning Fund Balance	\$290,000
Revenue & Other Sources (Depreciation, Interest Earnings)	\$230,500
Expenditures	\$0.00
Transfers Out (Loan Payment)	\$260,000
Surplus / (Deficit)	\$29,500
Ending Fund Balance	\$260,500

Four Year Budget Projections

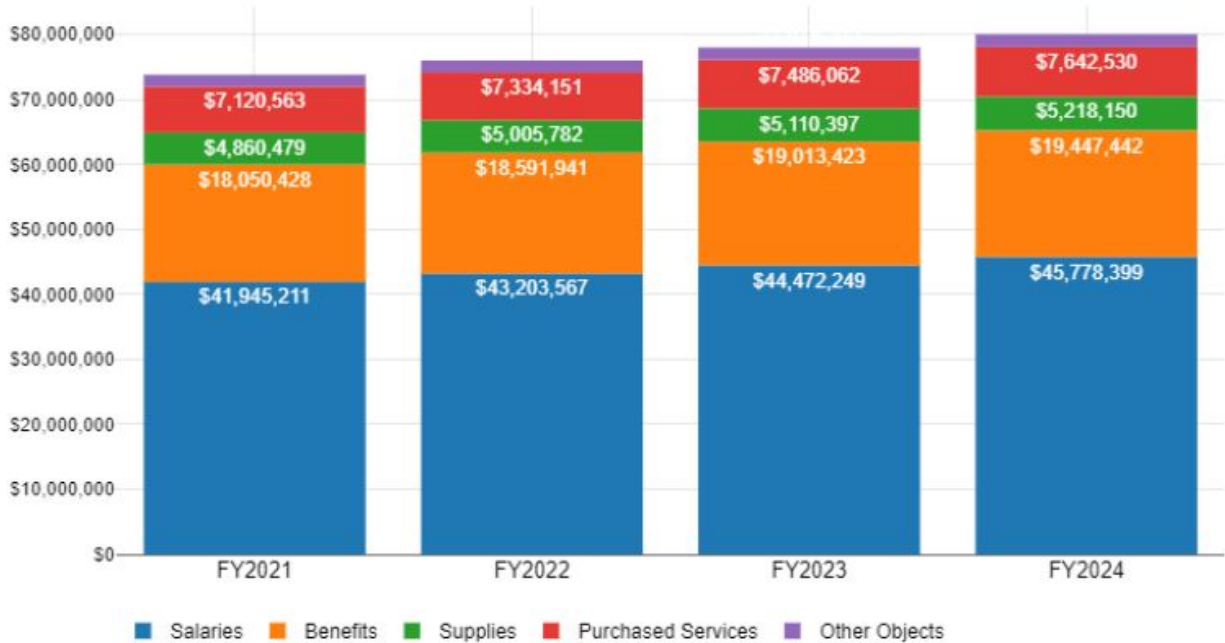
General Fund - Projected Finances at a Glance

Projected Revenues by Source

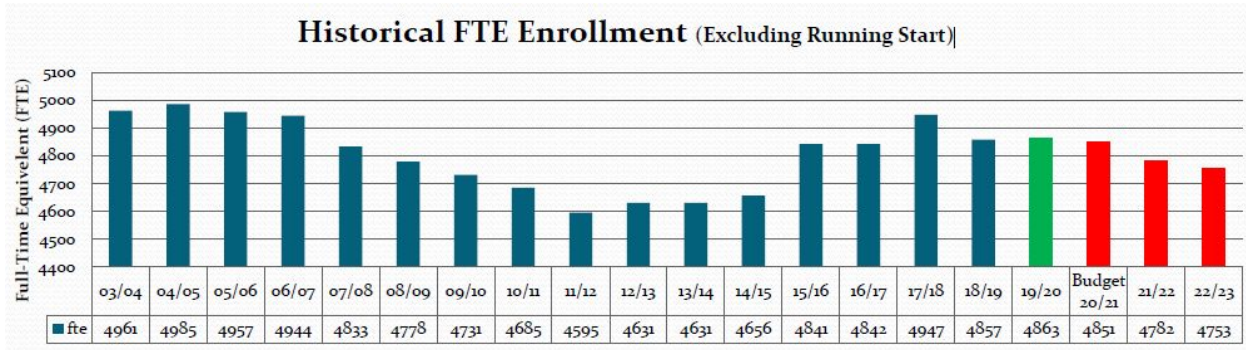
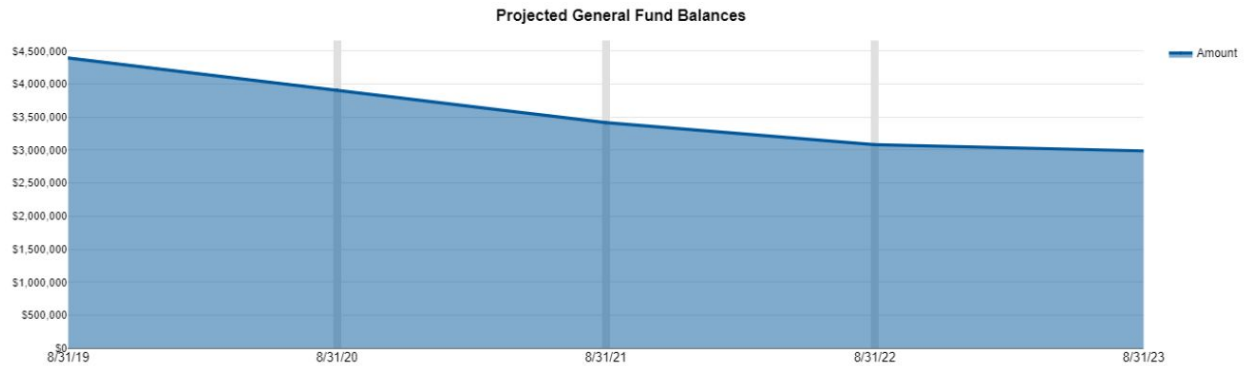


	BUDGET		REVENUE / EXPENDITURE PROJECTIONS								
	2020	2021	% Δ	2022	% Δ	2023	% Δ	2024	% Δ	2025	% Δ
REVENUE											
Local Revenue	\$4,537,174	\$5,869,674	29.4%	\$7,037,174	19.9%	\$7,248,289	3.0%	\$7,465,738	3.0%	\$7,689,710	3.0%
State Revenue	\$9,736,252	\$60,620,888	1.5%	\$62,439,514	3.0%	\$64,312,699	3.0%	\$66,242,080	3.0%	\$68,229,342	3.0%
Federal Revenue	\$4,625,163	\$5,421,079	17.2%	\$4,763,433	(12.1%)	\$4,905,851	3.0%	\$5,052,542	3.0%	\$5,203,633	3.0%
Other Sources	\$1,358,500	\$1,358,500	0.0%	\$1,399,255	3.0%	\$1,399,255	0.0%	\$1,399,255	0.0%	\$1,399,255	0.0%
TOTAL REVENUE	\$70,257,089	\$73,270,141	4.3%	\$75,639,376	3.2%	\$77,866,094	2.9%	\$80,159,615	2.9%	\$82,521,940	2.9%

Projected Expenses by Object



EXPENDITURES											
Regular Instruction	\$36,300,538	\$37,945,467	4.5%	\$39,083,831	3.0%	\$39,969,408	2.3%	\$40,880,850	2.3%	\$41,818,921	2.3%
Special Education Instruction	10,448,266	9,999,664	(4.3%)	10,299,654	3.0%	10,608,643	3.0%	10,926,903	3.0%	11,254,710	3.0%
Vocational Education Instruction	2,919,019	3,390,937	16.2%	3,492,666	3.0%	3,597,446	3.0%	3,705,369	3.0%	3,816,530	3.0%
Skills Center Instruction	0	0		0		0		0		0	
Compensatory Education Instruction	5,192,729	5,593,128	7.7%	5,760,382	3.0%	5,932,653	3.0%	6,110,093	3.0%	6,292,855	3.0%
Other Instructional Programs	1,507,435	1,529,750	1.5%	1,575,643	3.0%	1,622,912	3.0%	1,671,599	3.0%	1,721,747	3.0%
Community Services	49,789	40,533	(18.6%)	41,749	3.0%	43,002	3.0%	44,292	3.0%	45,620	3.0%
Support Services	14,185,044	15,126,261	6.6%	15,580,049	3.0%	16,047,450	3.0%	16,528,874	3.0%	17,024,740	3.0%
TOTAL EXPENDITURES	\$70,602,820	\$73,625,740	4.3%	\$75,833,973	3.0%	\$77,821,513	2.6%	\$79,867,980	2.6%	\$81,975,124	2.6%



Adjourn meeting 5:52 pm

X _____

President

X _____

Secretary