



# **Budget Committee Meeting Minutes**

## **February 7, 2017; 9:00 a.m.**

### **Central Administration Office – Board Room**

Present: Board Vice President Brent Seaks (Chair), Board President Sarah Ricks, Superintendent Douglas Sullivan, and Assistant Superintendent Vince Reep. Also present was Mrs. Twila Petersen.

**Called to Order** – The meeting was called to order at 9:00 a.m. by Chair Brent Seaks.

**Additions/Deletions to Agenda Items** – There were no additions or deletions to the agenda.

#### **Old Business**

**K-5 New Positions** – Assistant Superintendent Reep explained there have been meetings with both the elementary principals and the Central Administration Office administrators to discuss the realignment for students in grades K-5. A letter will be sent to approximately 34 parents requesting their child transfer back to their home school so that the District can realign and reduce the amount of new positions required. There will be a section of kindergarten at Heart River moved to either Lincoln or Jefferson. This will change Heart River back to a two-section per grade level school. There will be seven new classrooms next year with the collapsing of five classrooms for a net of two additional classrooms. Vice President Seaks inquired if there have been similar letters in the past sent to parents and what has been the feedback from those parents. Mr. Reep responded there were letters sent out to approximately 16-18 parents from Lincoln Elementary last year regarding moving their child to their home area school. The letter was well received. There were a couple of concerns noted by parents that received the letter.

The committee discussed the kindergarten pre-registration being held this week and further discussed the possible need for additional kindergarten teachers. Assistant Superintendent Reep projected 340 kindergarten students for the fall without taking into consideration any inward migration. He explained the district will be advertising for five new positions; two kindergarten teachers, a first grade teacher, a third grade teacher, and a fifth grade teacher. There was discussion regarding inward migration and the kindergarten enrollment increasing. Mr. Reep and Dr. Sullivan explained a similar situation in the District several years ago and the successful approach that was taken. Consensus was to approve the five new positions.

**2017-2018 Classified Staff Salaries** – Superintendent Sullivan noted the assistant superintendent had discussed at a previous Budget Committee meeting the classified staff salaries. Dr. Sullivan was looking for guidance from the Budget Committee. He noted the different types of salary increases that have been provided in previous years. Vice President Seaks explained a hybrid formula and offered to share the formula with the administration. This topic will be on the agenda for a future Budget Committee meeting.

#### **New Business**

**Foundation Aid** – Assistant Superintendent Reep explained the foundation aid formula and the ramifications from the proposed legislative changes. He noted that Dickinson Public Schools would probably have a similar average daily membership next year as it does for this year. The Hub City

Oil funding went down slightly from what was received the year before. This shortfall budgetarily created a reduction of \$470,000 in foundation aid. The reason for the shortfall was the imputed adjustment for contributions in local property tax. Vice President Seaks inquired what would happen if property taxes would drop, would the foundation aid increase. Mr. Reep responded that Dickinson has a unique base level. In theory with the current equity formula it does work. The maximum amount that can be levied for mills is 112%. He noted that whatever is levied the state will impute a percentage. Chair Seaks thanked Mr. Reep and Dr. Sullivan for the updated and important information they provided.

State Transportation Funding – Assistant Superintendent Reep explained with the Governor’s current education budget all the transportation grant funds would be cut. For DPS, this is approximately \$350,000, or 38% of what is funded for busing. He further noted a cut to ELL and REAs and other entities that are weighted units in the fund. Since DPS is not one of the top six ELL grant recipients it should not receive a reduction in its ELL funding. NDCEL is lobbying to request the funding for ELL be based on the student ELL count in fall rather than spring since some students may qualify in fall. With education the student may no longer need the services in spring. President Ricks inquired if the weighted ADM for ELL would be removed, what would be the ramifications for DPS. Mr. Reep responded DPS receives six weighted units or approximately \$60,000.

Hub City School Oil Funding – Mr. Reep and Dr. Sullivan visited with Senator Wardner during the recent Southwest Night with the Legislators and also at a NDASA breakfast. Senator Wardner explained to them the proposed changes to HB 1366. It would change the current funding for the oil and gas employment formula to the mining industry employment. HB 1366 was introduced by Williston and is co-sponsored by Senator Armstrong. The current formula provides \$125,000 per percentage point. If HB 1366 should pass, there would be an approximate reduction of \$1,875,000 in Hub City funding to DPS. Mr. Reep noted this was a large drop in revenue. Customarily, the District has taken a portion of this funding and used it towards capital projects. The remaining funds are placed in the general fund. Mr. Reep further explained that the funds received by the District are imputed. Mr. Reep encouraged the Board members to visit or email the legislators voicing a concern with the repercussions if this Bill should pass.

Needs Assessment and Building-Level Administrative Support – Superintendent Sullivan provided a handout listing the needs assessment for the school district based on feedback from Cabinet members. The item with the most support was building-level administrative support. Dr. Sullivan explained this could be a teacher on special assignment. Through administrative discussion regarding this topic, a quantitative approach was being considered. An example would be a 4-section school would be eligible for one teacher on special assignment; a 3-section school would be eligible for a .5 teacher on special assignment. Administration would like the Budget Committee to consider three teachers on special assignment for the 2017-2018 school year with a priority consideration for Prairie Rose Elementary due to current enrollment and projected enrollment. Dr. Sullivan noted the School Board requested a technology director. The estimated salary and benefits for this position would be \$117,000 which is the same cost of a teacher on special assignment. Additionally, the District needs to move forward with advertising for the business manager position with an estimated salary and benefits of \$145,000. He added there also needs to be an administrative assistant for Ms. Egeness. The Central Office reorganization has not taken place yet. All these positions are a deficit the administration is not prepared for. Superintendent Sullivan requested, at a minimum, one teacher on special assignment for Prairie Rose and a technology director. Vice President Seaks inquired if it would be possible to have a volunteer or volunteers meet some of the needs on the needs assessment. President Ricks noted the Board’s implementation plan included a curriculum coordinator. There was discussion regarding the salary for the curriculum coordinator.

President Ricks inquired what the Cabinet's priority would be; a curriculum coordinator or a technology director. Dr. Sullivan was uncertain. President Ricks felt the administration should not be tied down by the addition of the technology director. If only one position can be hired, the discussion could be brought back to the table. Vice President Seaks concurred and added that some decisions are made from a different financial perspective. Vice President Seaks inquired if there are different avenues for financial revenue, such as donations. Mr. Reep explained what he projects for the upcoming general fund mills. He suggested a more conservative approach. Vice President Seaks appreciated the conservative approach but added he personally would prefer a more aggressive approach, possibly using some of the reserve funds if this would help to make the needed improvements in the District now. All agreed that they were anxious to find out what will happen in April with the legislation. Mr. Reep explained the District was fortunate to have the capacity for growth as he has visited with other business managers and superintendents who are facing reduction in force. He noted that 50% of the special reserve fund could be moved to the general fund but it cannot be more than 15 mills. Vice President Seaks said it would be good to educate the public and constituents. Consensus was for the District to advertise for one teacher on special assignment.

2017-2018 Extra-Curricular Salary Adjustments – Mr. Reep reported the Extra-Curricular Committee recently met. They have been meeting every two years. The committee requested salary adjustments for coaches and advisors totaling approximately \$24,000. Part of the request reflected the addition of sixth grade athletics. This topic was informational only with no action requested by the committee.

School Land Purchase - Superintendent Sullivan reported the kindergarten enrollment projections are based on live birth rates. Projections indicate the District will need to consider another K-5 building. Dr. Sullivan and Mr. Reep have been working with a developer from the Meyer Group and Mr. Kramer from the Dickinson Park and Recreation in a collaborative approach to finding potential building sites. There are two potential sites but the asking price is above the amount budgeted for land purchases. One site is in Pine Crest Addition and the other site is west of Sierra Ridge. The asking price is \$26,600-\$30,000 per acre. Vice President Seaks inquired if there are any other potential sites at this time. Dr. Sullivan explained the Hagen football field would be available but it was not an optimal site. Another area with potential is in the Sundance Village development. Mr. Reep referenced the District's land purchase in the 1980s that is the site that Prairie Rose Elementary was recently built. This foresight was very valuable to the District. Both President Ricks and Vice President Seaks felt that purchasing the two potential sites appeared to be a smart move for the School District and should be pursued.

Other – There were no other topics for discussion.

Adjournment – Chair Seaks declared the meeting adjourned at 10:36 a.m.