

SPECIAL BOARD MEETING  
 APRIL 23, 2013  
 DISTRICT ADMINISTRATION OFFICE

TRUSTEES PRESENT: Chairman Alexander, Trustee House, Trustee Checketts, Trustee Donahue

OTHERS PRESENT: Tim McMurtrey, James Gilbert, Cliff Ogborn, Sharon Whitman, Robynn Schipani, Sherri Ybarra, Bobbie Lockett, Karen Kohring, Elyse Pearlman

A special meeting of the Board of Trustees of Mountain Home School District No. 193 was convened at 7:30 p.m., on the 23<sup>rd</sup> day of April, 2013, at the District Administration Office, 470 North 3<sup>rd</sup> East, Mountain Home, Idaho, in said district, pursuant to authority provided by Title 33 Chapter 5, Sections 33-506(2), 33-510, 33-512, 33-701, and Title 67-2342 through 67-2345 Idaho Code, and pursuant to affirmation by the Clerk that notice of the special meeting had been given to each trustee and had been announced by written and posted public notice as required by law. A copy of the Notice of a Special Meeting of School Trustees so posted follows:

**NOTICE OF SPECIAL MEETING  
 BUDGET WORKSHOP MEETING OF THE BOARD OF TRUSTEES  
 MOUNTAIN HOME SCHOOL DISTRICT NO. 193  
 Mountain Home, Elmore County, Idaho**

NOTICE IS HEREBY GIVEN that a special meeting – Budget Workshop, of the Board of Trustees of Mountain Home School District No. 193, will be held on Tuesday, April 23, 2013, at 7:30 p.m., at the District Administration Office located at 470 North 3<sup>rd</sup> East, Mountain Home, Idaho, in said District, during which the following business will be conducted:

- I. Budget Workshop
- II. Adjourn

This Special Meeting of the Board of Trustees of Mountain Home School District No. 193 is called pursuant to Title 33 Chapter 5, Section 33-506(2), 33-510, 33-512, 33-701, and Title 67-2342 through Title 67-2345, Idaho Code.

Dated the 19<sup>th</sup> day of April 2013.



Sharon M. Whitman  
 Clerk, School District No. 193  
 Mountain Home, Elmore, Idaho

At 7:30 p.m., Chairman Alexander convened the special meeting of the Board of Trustees to discuss what the proposed FY13 budget.

- I. **BUDGET WORK SESSION** - Chairman Alexander started the workshop with some questions for Mr. Ogborn.

Chairman Alexander first asked about the transportation costs and reimbursements. We used to be reimbursed 85%, but what are we currently being reimbursed? Mr. Ogborn responded that the Idaho Legislature changed the district reimbursement rate from 85% of allowable costs to a blended cost rate of about 60% of allowable costs plus a distribution from a state funded block grant for a contracted district like MHSD. He explained that allowable transportation costs are only those costs for

transporting students from home to school and back; any athletic or competitive academic trips are non-allowed and must be deducted from total costs before the allowable percentage is applied. Mr. Ogborn informed the Board that we receive about 75% of total allowable transportation costs.

Chairman Alexander then inquired about Impact Aid. Mr. Ogborn informed the Board that we are slightly above the level required for the civilian students ("B" students) to be included in the reimbursement. He mentioned that sequestration might cause a decline in civilian students, but it is unknown at this time if it will occur; without the civilian student count, the Impact Aid reimbursement will drop approximately \$350,000. Mr. Ogborn said that we are receiving 10% less than last year and we should soon receive a \$70,000 Impact Aid check for FY2013; we still need to get some Impact Aid money for FY2011 and FY2012.

Chairman Alexander asked about Federal Forrest funds. Mr. Ogborn stated that we have been using those funds for technology. We anticipate using a large amount for technical upgrades this summer, as our computers are inadequate to run The Smarter Balance testing along with improving the wireless capabilities at the high school and we're going to do a district wide windows licensure that will save us money in the end.

Chairman Alexander inquired into Purchase Services. Mr. Ogborn explained that contracted services are comprised of services performed by outside agencies to do the services we cannot do within the district. He continued to explain that there have been several increases in contracted services over the past several years; the high cost of our HVAC is due to the age and conditions of the systems we have in place; transportation remains the prominent contracted service; the largest contracted service is Special Education contracted services such as Speech and Occupational Therapists, nursing, and Community Partners services, etc. Mr. Ogborn added that we have been notified that we can no longer use paraprofessionals in conjunction with our licensed S/T for our speech therapy and that according to state and federal requirements, we would have to hire licensed S/T, which means we would have to hire an additional four or five; there is not enough S/T in the Treasure Valley for all school districts to hire the amount required by the federal government, not to mention that this is another unfunded mandate. Mr. Ogborn informed the Board that the SDE could withhold funds from us for not complying.

Chairman Alexander asked about the impact of legislature's decision regarding personal property relief. Mr. Ogborn replied that it wouldn't affect us much this year, but we would see the affect next year, as 18% of our levy comes from property tax that has been exempted; it will be a bigger burden on the homeowner. He said that it would hurt us when we have to ask for another \$2.7 million levy.

Trustee Donahue said that with all the changes in Medicaid, what is the amount of reimbursement. Mr. Ogborn replied that the district could bill Medicaid for 70% of some of the special education expenses incurred by special needs students. He said that there are certain criteria that needs to be in place before we can be reimbursed such as having doctor's authorizations prior to services, eligibility of the student, etc., and the people who do the Medicaid billing cannot be paid from these funds. Mr. Ogborn also informed the Board that there is a cap on the amount of what Medicaid will pay the therapists no matter what the therapists charge the district for their services and at only 70% of that cap. He added that the reimbursement could only be used for Medicaid sanctioned services and not for general M & O special education salaries.

Chairman Alexander revisited the "B" Impact Aid students and asked that with the sequestration, and the reduction in construction on military installations, and fewer federally connected students, if we were in danger of losing our "B" student reimbursement. Mr. Ogborn said yes, that we are 30 students above the minimum requirement for reimbursement for "B" students. He said that the number of students with military connections drives the federal revenue. Mr. Ogborn explained that students are categorized into two groups, "A" students are students whose parents live and work on a military installation, and "B" students are students whose parents work on federal property but live in a civilian location. He continued to explain that for the last year finalized by the Federal Government (2010), the

district received \$3,955 for each "A" student and \$591 for each "B" student; last year, we received \$3,467 and \$693 respectively, and for each student that moves from the base to town, we suffer a net revenue loss of \$3,300. Mr. Ogborn stated that his concern is that if we fall below the minimum required for Impact Aid reimbursement, we lose the students not only in the direct reimbursement but in the percentage of military affiliated that is used in the A & B reimbursement calculations; currently that means a loss of \$350,000. He said that we are budgeting for a \$100,000 reduction in Impact Aid funding for Sequestration impact of 5% to account for the 5% furlough of the civilian employees. Mr. Ogborn informed the Board that there is also a concern that when the one squadron is deployed for six months starting in May, our enrollment might be affected due to the spouse and children possibly moving elsewhere to be closer to family. Discussion began regarding the runway reconstruction in a couple of years and that means no planes can land at MHAFB until the runway is finished and that means the possibility of families moving to Boise.

Mr. Gilbert informed the Board that he and Mr. McMurtrey recently met with Mr. Will Goodman, the new Rechnology Director. He then informed the Board that our computers are not capable of running the required Smarter Balance Assessment, so we don't have any choice but to upgrade a few hundred computers over the next two years. Chairman Alexander responded that the difficult part of that is that technology is no longer funded. Mr. Gilbert stated that this would be a mandatory upgrade.

Mr. Ogborn went on to review the proposed FY13/14 budget. He explained how the Support Units are calculated and how enrollment is part of the equation. Mr. Ogborn reviewed and explained the preliminary revenues including local, county, state, federal, etc. He said that the SDE is paying us \$3 million less for salaries than last year. He also said that the Legislators have assimilated 2/3 of the Lottery money into the Foundation payment and require the remaining 1/3 distributed to the school districts to be spent on maintenance costs; MHSD's Lottery money in FY 2014 would have been \$240,000, but is now going to be \$80,000, with the rest of the Lottery money buried in the Foundation payment. Mr. Ogborn continued to explain that the county revenue includes the current supplemental levy of \$2.7 million and that we anticipate the levy will need to be renewed for the same amount in May 2014.

Mr. Ogborn explained the preliminary expenses including salaries, benefits, purchased services, supplies, etc. He said the actual salary expense exceeds State reimbursement for all categories of employees and that historically, Impact Aid allowed us to pay competitive wages and attract potential teachers from the Boise and Twin Falls area. Mr. Ogborn continued to say that we are currently one administrator under what the SDE reimburses us and we are one certified (teacher) and one classified employee over what we are reimbursed. He added that healthcare benefits are not reimbursed by the SDE and that the district has shifted costs to the employees over the years as premiums have risen by increasing the out of pocket limits, deductible amounts, and premiums increases. Mr. Ogborn informed the Board that we received notification that the track needs repairs and that without a Plant Facility Levy; we have added \$75,000 to the General Fund for the estimate to do a two-layer resurface. He reminded the Board that utility rates might increase by 8%.

Discussion began regarding the minimum maintenance of the buildings due to there being no Plant Facility funds. Chairman Alexander stated that if we should lose a roof, we would probably lose that building before we could pass a bond to replace the roof or our WWII boilers. He said we needed to have some sort of Plant Facility fund and we will need to run a levy next year. Discussion continued including that the SDE chose to fund their rainy day fund in lieu of giving school districts additional funding that could be used for maintenance.

Trustee Donahue asked if we were looking at any cuts. Mr. Ogborn replied that we're looking at moving some certified staff and possibly combining some positions, and in addition to what we have already "shaved-off" of utilities, we are looking at reducing even more energy consumption. Discussion continued including how Bennett Mountain High School and Pine Elementary School basically pay for themselves.

Mr. Gilbert reminded everyone that Impact Aid paid for many of the extras in this district and with the decrease in Impact Aid; we no longer are able to. He asked the Board for guidance. Discussion ensued regarding elementary music and PE, and possibly reducing electives offered at MHHS, etc. He added that we should not cut any more classes K-6. Chairman Alexander responded by stating that the time has come to do something with music and PE at the elementary level, possibly have roaming instructors, and there will be fewer options regarding electives such as foreign language. He said we will have to painstakingly look at such changes and cuts at the high school level. Mr. Gilbert mentioned that we did a good job protecting our contracted days when the surrounding districts cut contracted days.

Discussion began regarding fewer positions means fewer educational opportunities for students and employees are going to leave Mountain Home to find jobs elsewhere, thus affecting the economy of Mountain Home.

- II. **ADJOURN** – All business of the Board having been completed, Chairman Alexander called for a motion to adjourn. A motion from Trustee Donahue to adjourn was seconded by Trustee House. Motion passed. Meeting adjourned at 8:43 p.m.

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Chairman Alexander

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Clerk Whitman