



**West Linn-Wilsonville School District**  
22210 SW Stafford Rd, Tualatin, OR 97062  
Phone: 503-673-7000 – Fax: 503-673-7001

1. **5:00 p.m. CALL TO ORDER**
2. **5:00 p.m. ROLL CALL**
3. **5:05 p.m. COMMUNITY FEEDBACK - INPUT**

A. *Expected Outcome: Board Chair acknowledges community feedback*

1. Due to the coronavirus state-wide restrictions and in keeping with the efforts of social distancing to reduce the spread of the coronavirus, the meeting of the West Linn-Wilsonville School Board will be conducted online, rather than in person.

Public Comment will not be taken verbally during the virtual meeting, but will be accepted via email until 3:00 p.m. on August 27th, 2020. Please email Board Secretary Kelly Douglas with relevant public comments at: [douglask@wlwv.k12.or.us](mailto:douglask@wlwv.k12.or.us).

Please note: Comments submitted are subject to Public Records Requests.

To view this Public Board Meeting live on-line, please visit the West Linn-Wilsonville District Website for virtual meeting details on Thursday, August 27th.

4. **BOARD BUSINESS - GENERAL ADMINISTRATION**

A. **BUSINESS OFFICE** - Dr. Son Le Hughes, Chief Financial Officer

1. **Proposed Adjustment to 2020-2021 School Budget, Including Interfund Loan- BOARD ACTION** - Superintendent Dr. Kathy Ludwig & Chief Financial Officer, Dr. Son Le Hughes

a. *Expected Outcome: Board reviews proposed budget adjustment, takes action.*

3

5. **IMPORTANT DATES FOR THE BOARD**

- A. 9-14-20 @ 6:00 p.m. Regular Board Meeting
- B. 9-21-20 @ 5:00 Board Work Session
- C. 10-5-20 @ 6:00 p.m. Regular Board Meeting
- D. 10-19-20 @ 5:00 p.m. Board Work Session
- E. 11-9-20 @ 6:00 p.m. Regular Board Meeting
- F. 11-16-20 @ 5:00 p.m. Board Work Session
- G. 12-7-20 @ 6:00 p.m. Regular Board Meeting

6. **5:55 p.m. ADJOURN**





**WEST LINN / WILSONVILLE SCHOOL DISTRICT**

To: School Board Members  
From: Kathy Ludwig, Superintendent and Son Le Hughes, Chief Financial Officer  
Re: Adjustment to 2020-2021 School Budget, including Interfund Loan  
Date: August 27, 2020

---

Due to unforeseen expenses related to state grant shortfalls, curriculum & instruction needs for online learning and a need to hire an additional 5.8 FTE, district staff will present a budget adjustment proposal to accommodate these shortfalls at a Special Session Board Meeting on August 27, 2020.

**Current Shortfall for the 2020-2021 WLWV School Budget**

The following areas represent unexpected expenses since the budget was adopted.

- 1) Student Investment Account (SIA) Grant = \$1,500,000 less grant allocation than projected in the budget
- 2) Digital Curriculum for 2020-2021 = \$2,000,000 (\$200/per student) not in the current adopted budget
- 3) Training for Licensed Staff with Digital Curriculum = \$190,000
- 4) Additional 5.8 FTE to support secondary schools = \$720,000

*Total shortfall = \$4,410,000*

**Cost-Savings Revenue to Offset Current Shortfall**

The following areas represent cost-savings we expect that will help mitigate some of the shortfall in revenue.

- 1) 20% Budget Reductions to School Budgets = \$375,000
- 2) Summer, September/October Utilities Savings = \$400,000

*Total additional revenue = \$775,000*

**Special Revenue Sources to Offset Current Shortfall**

The first three areas are sources of revenue from state and federal grants, followed by two areas of revenue that are already within the adopted budget but are recommended to be reallocated to the General Fund.

- 1) Full Funding of Measure 98 (when we were expecting 35% less) = \$800,000
- 2) CARES Act ESSER Grant = \$450,000
- 3) Comprehensive Distance Learning Grant (CDL) = \$192,000
- 4) Construction Excise Tax Fund (Acct 492) to the General Budget to help offset costs with the Digital Curriculum and the shortfall from the SIA Grant = \$700,000
- 5) Interfund loan from the Land Proceeds Fund (Account 294) to the General Fund through a Resolution from the School Board, authorized by ORS 294.468, to help offset costs with the Digital Curriculum = \$1,500,000

*Total Special Revenue sources = \$3,642,000*

### **Summary of Final Budget Adjustment Totals**

The figures below represent the shortfall and the revenue sources to adjust for the shortfall.

*Total shortfall = - \$4,410,000*

*+ Cost savings revenue = + \$775,000*

*+ Total Special Revenue sources = + \$3,642,000*

*+ \$7,000 additional revenue*

### **Resolution to Authorize an Interfund Loan From Land Proceeds to General Fund**

The School Board will be presented with Resolution 2020-04 recommending an interfund loan (as authorized by ORS 294.468) of \$1,500,000 from Land Proceeds (Acct 294) to the General Budget to pay for the capital outlay of Digital Curriculum expenditure this year.

The Resolution will include the conditions of repayment of the \$1,500,000 interfund loan back into the Land Proceeds Fund (Acct 294) over the next ten (10) years through an annual amount of \$150,000 each year from the Contingency Fund. No interest shall be applied. The Contingency Fund is annually set for \$1.0 million. This means, \$150,000 each year for ten years will be allocated into the Land Proceeds Fund (Acct 294), and \$850,000 each year will carry over into the next fiscal year's Beginning Fund Balance.

This recommendation has been presented to the West Linn-Wilsonville legal counsel and the contracted Wilcox Arredondo Audit Firm for legal and fiscal scrutiny, and was met with approval by both parties.

If, at any time in the future, the School Board chooses to increase the annual repayment amount and restore the Land Proceeds Fund sooner, that would be within the purview of the Board.

# ADJUSTMENT TO FY20–21 BUDGET

Kathy Ludwig, Superintendent  
Son Lê Hughes, Chief Financial Officer

**WEST LINN-WILSONVILLE SCHOOL DISTRICT**  
**Budget Adjustment FY2020-21 | Allocation from Land Proceed**

August 27, 2020

	Fiscal Year 2020-21			Notes
	Adopted	Adjusted	Working	
<b>ADDITIONAL REVENUE</b>				
Student Investment Account(SIA)	4,000,000	(1,500,000)	2,500,000	67% Reduction (\$2.5M is 33% of \$7.6M original)
Measure 98	1,598,460	800,000	2,398,460	The district was expecting 35% less
CARES Act ESSER Grant	-	450,000	450,000	Approved in July
Comprehensive Distance Learning Grant	-	192,000	192,000	Approved in Aug
<b>TOTAL ADDITIONAL REVENUE</b>	<b>5,598,460</b>	<b>(58,000)</b>	<b>5,540,460</b>	
<b>ADDITIONAL EXPENDITURES</b>				
Digital Curriculum FY20-21	-	2,000,000	2,000,000	Online program
Training for Licensed Staff/Digital Curriculum	-	190,000	190,000	1 day training
Additional 5.8FTE	-	720,000	720,000	Additional FTEs to support secondary schools
<b>TOTAL ADDITIONAL EXPENDITURES</b>	<b>-</b>	<b>2,910,000</b>	<b>2,910,000</b>	
<b>SURPLUS/(DEFICIT)</b>	<b>5,598,460</b>	<b>(2,968,000)</b>	<b>2,630,460</b>	
<b>SURPLUS/(DEFICIT)</b>	<b>-</b>	<b>(2,968,000)</b>	<b>-</b>	<b>SHORTFALL</b>
20% Reductions to School Budget	-	375,000	-	General Fund
Saving on Utilities (July-Oct)	-	400,000	-	General Fund
Construction Excise Tax (CET)	-	700,000	-	Capital Project Fund 492 - Construction Excise Tax (CET)
Land Proceed	-	1,500,000	-	Special Revenue Fund 294 Land Proceed
<b>SURPLUS/(DEFICIT)</b>	<b>-</b>	<b>7,000</b>	<b>-</b>	

# QUESTIONS



**West Linn-Wilsonville School District**  
BUSINESS OFFICE  
22210 SW Stafford Rd.  
Tualatin, Oregon 97062  
P: (503) 673-7000  
F: (503) 673-7001  
www.wlww.k12.or.us

**Dr. Son Lê Hughes**  
Chief Financial Officer

**Fiscal Accountant**  
aliej@wlww.k12.or.us

**Grants & Contracts**  
grayc@wlww.k12.or.us

**Dr. Kathy Ludwig**  
Superintendent

**Payroll & Benefits**  
pr-ben@wlww.k12.or.us

**Accounts Payable**  
wlww-ap@wlww.k12.or.us

## **RESOLUTION 2020-4**

**A RESOLUTION OF WEST LINN-WILSONVILLE SCHOOL DISTRICT NO. 3JT, CLACKAMAS AND WASHINGTON COUNTIES, OREGON AUTHORIZING A CAPITAL INTERFUND LOAN IN AN AMOUNT NOT TO EXCEED \$1,500,000.00 FROM THE LAND PROCEEDS (FUND 294) TO THE GENERAL BUDGET.**

**WHEREAS**, the School Board of West Linn-Wilsonville School District No. 3Jt, Clackamas and Washington Counties, Oregon (the “District”) finds:

- A. The District is authorized pursuant to Oregon Revised Statutes (“ORS”) Section 294.468, to enter into an interfund capital loan from one District fund to another over a term not to exceed 10 years, provided the interfund loan shall not be made from any debt service funds, debt service reserve funds or fund credited with moneys that are restricted to specific uses except as provided by ORS 294.468; and
- B. ORS 294.468 requires an ordinance or resolution of the Board authorizing the interfund loan; and
- C. The District has entered into a contract to provide digital curriculum (the “Project”); and
- D. After due consideration, it is in the best interest of the District to authorize an interfund loan to provide funds to pay the costs of the Project.

**NOW, THEREFORE, THE SCHOOL BOARD OF WEST LINN-WILSONVILLE SCHOOL DISTRICT NO. 3JT, CLACKAMAS AND WASHINGTON COUNTIES, OREGON RESOLVES AS FOLLOWS:**

1. Authorization. The School Board hereby authorizes an interfund loan in the maximum principal amount of \$1,500,000.00 to provide financing for the Project. The loan shall be made from the Land Proceeds (Fund 294) to the General Budget. The loan is a capital loan and pursuant to ORS 294.468(2)(c)(B), the loan shall bear interest at 0.0% per annum. The loan shall be repaid to the Land Proceeds (Fund 294) from the Contingency Fund in equal annual payments of \$150,000.00 for ten (10) years.
2. Prepayment. The loan may be prepaid in whole or in part before the maturity date without penalty. In addition, the repayment schedule may be revised to reflect any prepayments according to the authority delegated in the following section herein, provided that in all such cases such revised schedule shall provide for repayment of the loan over a maximum term of (10) ten years.
3. Authorized Representative. The Superintendent or the Chief Financial Officer (each an “Authorized Representative”) is authorized to take necessary action and execute and deliver any necessary or desirable agreements, certificates or other documents to direct the interfund loan. The Authorized Representative may determine the final amount and repayment schedule of the interfund loan, subject to the limitations in the previous sections hereof and ORS 294.468.

This resolution shall take effect immediately upon its adoption by the School Board.

ADOPTED by the School Board of West Linn-Wilsonville School District No. 3Jt, Clackamas and Washington Counties, Oregon at a special meeting this 27<sup>th</sup> day of August 2020.

WEST LINN-WILSONVILLE SCHOOL DISTRICT NO. 3Jt  
CLACKAMAS AND WASHINGTON COUNTIES,  
OREGON

By: \_\_\_\_\_  
Chair

ATTEST:

By: \_\_\_\_\_  
Clerk