

Three Rivers School District  
8550 New Hope Road  
Grants Pass, Oregon 97527

5/14/2025

### **Budget Committee Meeting #1 – 5/14/2025**

The Three Rivers School District Budget Committee met for their 2025-2026 organizational meeting in the school district board room at 4:30 p.m., Wednesday, May 14, 2025, 8550 New Hope Road, Grants Pass, Oregon 97527.

**Budget  
Committee  
Met**

**Members Present:**

Jennifer Johnstun - Board Member  
Pat Kelly - Board Member  
Rich Halsted - Board Chair  
Kevin Marr - Budget Committee Member  
Jennifer Vetter - Budget Committee Member  
Bill Ertel - Budget Committee Member  
Rick Nelson - Budget Committee Member  
Shannon Hauberg-Budget Committee Member

**Present**

**Members Absent:**

Jennifer Vetter-Budget Committee Member  
Cameron Camp- Board Member  
Nancy Reese-Board Member

**Absent**

Also Present: Dave Valenzuela, Superintendent; Megan Beck, Accounting Manager; Jessica Knable, Board Secretary, Stephanie Allen Hart, Director of Special Education; Casey Alderson, Deputy Superintendent/Director of Human Resources, Jessica Durrant, Director of Curriculum, Robert Saunders, Director of Technology.

**Also Present**

Board Chair Rich Halsted called the meeting to order at 4:33 p.m. and led the audience in the Pledge of Allegiance.

**Call to Order**

Board Chair Rich Halsted called for an election of the Budget Committee Chairperson. Rick Nelson nominates Bill Ertel, Kevin Marr seconds the nomination. All in favor. Bill Ertel elected as Board Chair.

**Election of  
Chairperson**

Bill requests nominations for vice chair. Kevin Marr nominates Jennifer Johnstun, Board Member. Board Chair Rich Halsted seconds, all in favor. Rich Halsted praised Jennifer Johnstun as vice chair.

**Election of  
Vice Chair**

Superintendent Valenzuela delivered the budget message as submitted in the Proposed Budget. Superintendent Valenzuela highlighted the district's mission statement of "In Three Rivers School District, we will ensure high levels of learning for all students", ensuring that each line of the budget correlates to the mission statement a four-question cycle is taking place across the district within subject at each grade level. Along with ensuring high levels of learning for all students, TRSD strives to produce 'Life-Ready' learners as part of the district's culture of care and part of the district's core values, not only creating a culture of care for students but everyone in our

**Budget  
Message**

school community. School campus security & safety is a top priority as safe environments are essential to achieving the districts mission, core values & along with the mission of TRSD are the foundation for the budgetary priorities, giving specific direction in decision making, many supporting details are required to create environments that are conducive to high levels of learning. Supt Valenzuela emphasized the fact that the team eliminated positions based on attrition. The key was to keep the focus on TRSD's core values and rigorous educational environment. These priorities are what drives the budgetary process. Budget for 25-26 SY includes adoption of new ELA Curriculum in grades 6-8 and 9-12. Team continues to approach this work with heart, and dedication to the mission of TRSD. The school budget reflects who we are-a student center, community focused district that believes in the potential of every member.

Accounting Manager, Megan Beck discussed the responsibilities of the budget committee, along with the process of creating the budget document, and what requests were made for the 25-26 budget. Accounting Manager Megan Beck discussed the process for developing the budget. Roll-up includes steps and COLA and other contracted costs. After that, we evaluate where we are at and this year there was 2.5-million-dollar shortfall, so we had to evaluate what priorities there were and make sure the core values were being met. Had to make sure that the reductions made were the least impactful to students. Student Success and life ready learning is key. Targeted class sizes were at the front. Culture of Care-skills training, mental health counseling. Family Involvement and community centered schools are also front and center in making the budget. Community forums have been created this year and will continue to be held at each school zone. School Safety and Security is a top priority and keeping that in the general fund was also a priority and we were able to do that. At the time of development of the budget, the SSF was 11.3 billion. We will receive 49% for this first year of the biennium with 51% available in the 2<sup>nd</sup> year. Went over local revenue, with an increase expected this year. Local revenue is expected to total just under \$23 million and increase of \$1.5 million. Small decrease to Special Revenues according to current estimates. Increase to PERS costs for 25-27 period, however we will have a little in savings to help with this.

#### **Additional Information**

Accounting Manager, Megan Beck explained the shortfall and contributing factors. Due to limited funding and rising costs. There is less special revenue and fewer students enrolling. Numbers have started to go up since COVID, but we are still not up to Pre-Covid numbers. Funding is dependent on student enrollment. Appx 300 students less than pre covid. Strategic reductions have been put in place. We deferred some maintenance projects; reductions were made to some FTE position due to vacancies or attrition.

Accounting Manager, Megan Beck provided that the general fund revenue is over \$70 million and that the two largest pieces of that are local revenues and state revenues, which doesn't give many options for additional funding in the general fund. Expenditures have to equal our revenues. Megan Beck explained that 68% of the general fund are salary and employer costs, purchases including transportation, custodial contract special education services, license substitutes, utilities, charter school payments, repair and maintenance costs are \$15 million, reserves are there to help carry the district through the next couple of years. Special revenues include over \$24 million in grants. Larger special revenues include Title I funds, Stronger Connections, SIA funds, High School Success funds, and food service funds. Debt service funds include loan for IVHS roof, PERS for money that was borrowed for Public Employees Retirement System. Capital project funds including Fleming wastewater treatment plant, Manzanita rest area and sale of Selma property. Capital grants include seismic grants and GO Bond ballot measure 17-118. Received another Seismic Grant for Ft Vannoy and LSMS. Last year we were able to do Evergreen.

Self-insurance fund used to pay high-cost deductibles for property & liability insurance and unemployment insurance fund. Internal Service fund which are indirect charges to certain grants to help pay for staffing for human resources, technology needs and building accessories. Trust and Agency funds include scholarships sponsored by private individuals that have requested the district maintain.

Future Budget Assumptions-PERS cost will continue to increase. Currently the PERS is set at 20.65% and 17.45%. SB 849 was just passed which will help school districts reduce their portion of PERS payments by 1.68%. Increase to salaries due to bargaining agreements. Increase to unfunded state mandates.

Acct Manager Addressed questions received:

What steps is the district taking to manage the rising cost of PERS?

Money received from the passing of the Senate Bill will significantly help with those costs. Had a goal to create a savings account to pay for those, but unfortunately that was one of the things that had to be reduced to keep our budget closer to where it needed to be.

What steps are we taking to help bring more students in?

Supt V addressed the question-creating a space where students don't want to leave. Increasing MS electives, ensuring that elementary students are experiencing academic success, HS increasing CTE, AP/college level courses and electives. Many students are not accessing public schools in any way shape or form. Addressing ways to meet our community where they are at and adapting to the needs of our county. Brought back a charter school, SOSA, and are looking at another way to bring in another Charter school that adapts to our students in Josephine County. Biggest focus is to get a steady enrollment. Bill Ertel asked what level would be looked at for the Charter school-Supt Valenzuela said that the emphasis would be on K-8 at this point because we currently have the HS level addressed. Resources are available for outlying areas. Bill Ertel expressed that there will be more funding needed to do such a school, and Supt Valenzuela explained that it wouldn't be an increase in cost since it would increase enrollment and that would also increase funding. There are appx 350 students in our district that are homeschooled. Discussed the homeschool numbers and continued discussion on homeschool students.

Rick Nelson-Question-How many students? Just over 4000. Rick Nelson stated that the state of Oregon says there are 4300 and Supt said that is including our charter schools. Mr. Nelson stated that parents keep kids out of public school due to what is being taught. Supt V said that is conjecture and we do survey as to why parents are putting kids in school.

Pat Kelly asked if there are funds available to solicit and reach out to parents who don't have kids in public School. Dave addressed it and said that district leaders are trying to explore ways to connect with the public and reach out.

Rich Halsted also contributed that other districts are also dealing with the same issues of lower enrollment and looking for ways to create programs that families want their kids to be a part of. Stephanie Allen Hart said that in reaching out to families and getting information and feedback as to what parents want is more flexibility. Meeting parents where they are at and looking at more options online schooling. Non-budgetary conversation continued between Nelson and Marr. Megan Beck re-directed the conversation back to the budget.

Megan Beck addressed the question of how Capital projects is utilized to address the need identified in the Facilities Assessment Report-Fruitdale Heating; there was a seismic grant for FMS. Seismic grants have been awarded to many of our schools. We apply every year. 2.5-million-dollar grant. Capital Funds are not adequate to address the needs of the district. Many projects are put off every year because the funds are

**Committee  
Questions**

not there. \$145,000 for the next 8 years to pay off IVHS roof. We will look at doing other schools if we cannot pass the bond. Work with Energy Trust of Oregon for getting rebates and put forward to other projects in other schools. Critical needs are addressed, but larger projects

Bill Ertel asked about the 1.89 million and what those funds were used for. Megan Beck explained that those funds are used for wastewater facilities, maintenance and other day to day repairs. Supt Valenzuela explained that is the amount to cover costs of the entire district. Roofs need to be done, but there are a lot of domestic water issues as well. Bill brought up the Madrona septic and said that is something that could potentially happen at other schools as well, and Supt V said that is possible. Explained that \$500,000 is appx the cost of the septic so that is going to take away a large portion of these funds.

Megan Beck answered next question, which state mandates are underfunded? Unemployment-required by law, we are self-insured so we must cover that. Sped stipend, which we must cover employer costs, required SPED, PE mandate, had to hire PE teachers at all levels. Increased FTE. Rich added the cost of transportation and the gap in what is provided and what we must cover.

Cost of insurance in the district, addressed by Casey Alderson. Contribution for employees is negotiated in all 4 bargaining groups. Part of OEGB, they dictate the cost increase. SB 1067 sets a cap on how much they can increase. 3.4% is the cap. Many steps for employees to choose from.

PACE is the districts insurance and the biggest threat in Oregon is Cyber Security and that has caused rates to increase. Bill Ertel asked how well protected our school is from a cyber-attack. Casey explained that we are very well covered, Rob Saunders said that we rely on ESD for support for security of tech services. We leverage them to keep our data safe. Staff training is in place, but issues will come up and tech employees must be vigilant.

Accounting Manager, Megan Beck explains what the next steps are to adopt the budget along with addressing any questions of the budget that have been received. Approve the budget or schedule another meeting. Board approves the budget or schedules another meeting. Board adopts the 25-26 budget during the budget hearing on June 11<sup>th</sup>. New fiscal year begins on July 1<sup>st</sup>, 2025. Short video shown as to why we do what we do.

#### Discussion and Questions:

Bill E asked if there were any questions or discussions.

Kevin Marr asked about the Stronger Connections Grant Fund 217. Jessica Durrant said they did not come through ESD but from the Feds. Will federal cuts impact this grant? J Durrant said that funds are being expedited to be used by Sept 2025. Mr. Marr said that school lunches are also being cut, but Rob Saunders said that he has not heard anything of school food funding being cut. Kevin Marr suggested contacting local reps proactively about making sure these wouldn't be cut. Pat Kelly said that we shouldn't make assumptions that these programs are being cut. There was continued discussion not related to the budget

Bill E asked a question about page 31, regarding transportation. Student Transportation Services. Expenditures, trans costs that SIA is covering. Megan Beck said that she couldn't address the question at this time.

Pat Kelly summarized the meeting in his own words, less money this year, having to make cuts that minimize impact students the least. Commended Megan Beck on putting

the budget together. Megan said that it was a team effort.

Rick Nelson, said that special revenue funds decreased slightly, with a decrease of 6 million dollars. Megan Beck explained that the decrease was due to the loss of ESSER funds. Rick also pointed out a repeated sentence in the budget. Pointed out that there is \$176, 000 allotted for OYA. Megan said that she can get Rick the detailed breakdown of all the Roll up numbers. Rick asked again about line-item reductions. Durrant explained that those are paid out of SIA funds.

Pat Kelly once again commended the budget team on working on less monies.

No public comments were submitted prior to the meeting.

Budget Member, Bill E made a motion to approve the budget. Kevin Marr "I move that the Three Rivers School District budget committee approve the proposed budget as presented and approve taxes for the 2025-2026 fiscal year at the rate of \$3.7262 per \$1000 of assessed value for operating purposes." Pat Kelly seconded. Motion passed unanimously. 2025-2026 budget approved.

**Motion to  
approve**

Meeting Adjourned at 5:53 p.m.

**Adjourned**

Respectfully Submitted,

*Krystal Graham*

Krystal Graham  
Recording Secretary