

**GRESHAM-BARLOW SCHOOL DISTRICT  
Minutes of Budget Committee Meeting (1 of 2)**

**\*\*DRAFT\*\***

**Wednesday, April 9, 2025**

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The Gresham-Barlow School District Budget Committee met on Wednesday, April 9, 2025 in the Partnership Room at the Center for Advanced Learning, 1485 NW Civic Drive, Gresham, Oregon. A Zoom link was provided for virtual meeting attendance.

**Board Members present:**

Blake Petersen, Holly Riegelmann, Kris Howatt, Mayra Gómez, Shawn Farrens

**Budget Committee Members present:**

Dan Corcoran, Erasto Sedda, Garrett Wood, John Hartsock, Nick McWilliams, Vaden Green

**Other Staff in Attendance:**

John Koch, Dr. Tracy Klinger, Dr. Angela Freeman, Dennis Clague, Pete Bejarano, Becky Watt

**A. Opening Items**

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**Procedural: 1. Welcome and Opening Remarks (7:01 p.m.)**

Board Chair Howatt called the meeting to order at 7:01 p.m. and reviewed those in attendance. She noted that they will hear the budget message, have the opportunity to ask questions for clarification, and have the option to adopt the budget that evening.

**Action: 2. Elect Chair and Vice-Chair (7:02 p.m.)**

**MOTION:** Move to elect John Hartsock as Chair of the Gresham-Barlow School District Budget Committee.

Motion by Blake Petersen

Motion carries by unanimous vote.

**MOTION:** Move to elect Dan Corcoran as Vice-Chair of the Gresham-Barlow School District Budget Committee.

Motion by Holly Riegelmann

Motion carries by unanimous vote.

**Procedural: 3. Opening Comments (7:05 p.m.)**

Budget Committee Chair Hartsock turned time over to Mr. Koch for opening remarks.

**B. Discussion Items**

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**Discussion: 1. Proposed Budget and Delivery of Budget Message (7:07 p.m.)**

Interim Superintendent Koch read excerpts of the superintendent's budget message that is included in the proposed budget document. He noted that much of the budget message has been incorporated in the budget overview presentation.

**Information: 2. Proposed Budget Overview (7:07 p.m.)**

Mr. Koch introduced the topics they will cover including the budget vision which uses the board's four conditions of success, safety, belonging, opportunity, and achievement, as guideposts in the process. Their goals for the budget process were to put the safety of their students, staff, partners, and community at the forefront, focus on maintaining quality learning for all students, consider the needs of all students using a tool that prioritizes students who need the most support, and pursue reductions that support financial stability over multiple years. The budget leadership groups included Cabinet, the Instructional Leadership Team (ILT), and school principals. They also consulted with the Gresham-Barlow Education Association (GBEA) and Oregon School Employees Association (OSEA) throughout the process. The budget is determined primarily by student count and demographics. Mr. Koch shared that contributing

factors to the budget shortfall include rising costs associated with inflation, PERS, and employee compensation, limited revenue, and declining enrollment.

### Demographics

They reviewed the enrollment trend starting from 2014-15 to the 2025-26 estimate. Declining enrollment has created a challenge in terms of students with disabilities. The district gets a double weight from the state for students with disabilities, but it does not cover costs districtwide. The costs that aren't covered by the 11% special education cap come out of the general fund. The legislature is talking about raising the cap, but they haven't determined a funding stream for this. Even though enrollment is going down, the number of students with disabilities is going up. Emerging Multilingual Learners (EML) are given a half weight extra for funding. This increase is also substantial and to meet those needs costs are coming from the general fund. There is not a cap on EML's.

### Class Size Ratios

With the reductions they are proposing, the class size ratios will go up a bit. They focused on non-personnel reductions first, which made up 40% of the reductions. Committee members asked if the ratio includes TOSA's. Mr. Koch clarified that the ratio is just classroom teachers. They were able to reduce through temporary or unfilled positions. This still means there is less service overall. The committee asked if building subs were part of that reduction as well. Mr. Koch noted that those were funded out of ESSER and they haven't had building subs this year. Committee members asked if the district has staff that are already retired and working back. Dr. Freeman clarified that those are considered temporary employees and they work year to year. Mr. Koch shared that Human Resources did a deep dive into who is certified for what area, and there are teachers that were impacted and transferred. This was necessary to avoid a Reduction in Force (RIF).

### Budget and Assumptions

The proposed budget is based on the March/April State School Fund proposal of \$11.36 billion and uses the priorities listed in the budget message. Local revenue is expected to offset the state school fund while special revenue grants remain at \$16 million. The debt service levy amount remains at \$2.89 per \$1,000 assuming assessed values increase. Future budget assumptions anticipate that district enrollment will slightly decrease over time. The district used to enroll 800 kindergarteners every year, and now they are getting 660-670 each year. The committee asked if staffing assumptions correlate with declining enrollment. Mr. Koch confirmed they do and noted that they are predicting this based on revenue. They anticipate future negotiated salary increases as they negotiate the collective bargaining agreement for classified staff. They are also planning on ending the school year with a 7.4% ending fund balance (EFB), which is 0.6% below the 8% requirement, and are expecting more PERS increases.

### Resources

Mr. Koch reviewed amounts for the general fund, special revenue funds, and special revenue funds without ESSER beginning in 2017 and projected through 2026. The special revenue is starting to come back in alignment. Resources are everything that comes in. The straight lines are trends of what they would anticipate over time. The special revenue without ESSER is important in terms of grant funds and money they continue to get year after year. Committee members confirmed that SIA is included in special revenue, and asked if overtime there is a possibility to see the general revenue and special revenue lines trade due to accountability measures. Dr. Klinger noted that she hasn't heard that this is what the accountability measures would do. It is more that they would direct the district on how to use part of the general fund and part of SIA.

### Requirements

Requirements are their expenditures, and there is more variability in the bottom lines with special revenue and where ESSER comes into play. They reviewed the funds that include ESSER, special funds that don't include ESSER, and general fund numbers. The committee asked for context around the general fund numbers noting that in 2025 it moves from actuals to budget. Mr. Clague noted that they are having some challenges with transportation and other areas that will decrease the amount shown. Mr. Koch added that historically they have been pretty conservative on how they budget, which allows them to be consistent.

### Sustainability

This looks at expenditures and revenues. They reviewed numbers for general fund resources, expenditures, and revenue noting how the revenues and expenditures track together. Revenues were higher than expenditures early on, and the district was able to work on growing the fund balance. More recently it has been more up and down with overspending some years and underspending others. In general, expenditures have been higher than revenue, which is something that cannot be sustained. They shared with the budget committee the last two years that they were deficit spending and wouldn't be able to do that much longer.

### Fund Balance

Mr. Koch pointed out that it was cheaper to run schools during the pandemic which accounts for the ending fund balance in 2021-22. Now they have been adding staff and deficit spending, and are getting down to the 8% ending fund balance again. Previously, it was set at 5%, but last spring the board changed the balance amount from 5% to

8% instead. The district is on a 12 month cycle for employees, but in June teacher get three paychecks for June, July, and August.

#### The Numbers

Mr. Koch reviewed resources and expenditures numbers moving into next year. This included actuals from previous years, the adopted and projected budget for the current year, and proposed budget for next year. These numbers are based on assumptions of the governor's proposed state school fund of \$11.36 billion, a projected 2% enrollment decline, staffing reductions through attrition and elimination of temporary positions, and increased PERS rates, charter school payments, and transportation costs.

#### Looking Forward

Mr. Koch reviewed bills they are watching in Oregon legislation. Unless the bills come with a finance source they won't help the district. Unfunded mandates put a strain on the system and on classrooms. All of the bills listed have passed the first committee and could still move forward. Federal funding for various programs and legal mandates is uncertain. The fiscal year at the federal level ends September 30, 2025.

#### Roles and Next Steps

The administration presents the proposed budget, and serves in an advisory capacity. The Budget Committee approves at a high level appropriations and tax rates/amounts. The options for the committee are to approve the budget as proposed, increase the appropriation, decrease the appropriation, or move funding between functions. The board can adjust the budget up to 10%, if it is going to be more than 10% the budget committee has to be reconvened and go through the process again.

Mr. Koch concluded the presentation by reminding the group that the budget is informed by the priorities identified in the budget message. Budget development is a multi-month process that started back in November, and this year has been more difficult since they are facing a deficit.

#### **Discussion: 3. Proposed Budget Discussion (7:51 p.m.)**

Budget Committee Chair Hartsock opened the floor for questions and discussion by budget committee members. The committee asked for clarification on positions noting an increase in classified and administrator positions and a decrease in licensed positions. Mr. Koch shared that they have decreased four administrator positions and one district office position. They reviewed a more detailed breakout of FTE toward the back of the budget book. Committee members asked where they are at now with FTE. They wanted to know current numbers compared to how many they will have after reductions. Mr. Koch noted that it is 958 now, and will go down to 908. The committee asked about special revenue and why it is showing an increase. Dr. Klinger shared that specifically with SIA and Measure 98, the reductions they made were funded in SIA. Those positions were reduced or eliminated, so they moved general funds into SIA to keep those positions. They are using the special revenue fund to backfill some of those positions. The committee held extensive conversation around FTE, where there were increases and decreases, and where they would see the reductions.

The committee asked what additional salaries were, and Mr. Bejerano shared that this is for ATTW. Examples of this would be when a teacher needs to cover an extra hour for another teacher, is required to attend an evening staff event, or a curriculum team is pulled together after hours. Committee members asked about charter schools and why there appears to be quite a large increase proposed. Mr. Clague shared that one of the key drivers is MEWA because their grades have grown substantially post pandemic. Additionally, per pupil allocations can be different and higher than what the district gets for their students. The two key drivers for the increase are enrollment in charters in general, and an increase in overall per pupil rate for students attending charter schools. Mr. Koch shared information about a bill that would change the charter school pass through amount. Director Farrens clarified that the bill died, but they are creating a group for charters that may still change the passthrough amount for K-8. Committee members noted that in the past, they budgeted revenue based on lower enrollment and budgeted expenses on higher enrollment, and asked if this is shifting. Mr. Clague noted the first thing they have to set is their revenue, which is based on enrollment projection. Then they start on the expenditure side tying revenues to amounts of expenditures, which should correlate to lower enrollment.

The committee asked about the fluctuation in the transportation budget. Mr. Koch shared that they have had a lot of increases, and he doesn't believe they were calculating those costs correctly. They asked if this year was tracking higher than what is budgeted, and Mr. Koch confirmed it is. Director Petersen shared that at the last business meeting the finance team notified the board that they would probably have to do a supplemental budget transfer to cover transportation. The committee also asked about the copier budget going down, noting that teachers use a lot of paper and it is hard to do activities without paper. They expressed concerns with cutting that. Mr. Koch shared that while it is not easy, they can make cuts to the copier budget. There are other accesses teachers can look at, and ways of teaching that don't require paper. Dr. Klinger added that about 40% of the total reductions were not part of payroll. They dug into copies to identify reductions and efficiencies that can be gained in different ways, such as using the print shop.

The committee noted that insurance costs are going up 35%, but looking at trend liability insurance was over a million dollars and was slashed in half one year. Mr. Koch shared that they have had good claim years and not so good years. Some of that was low claim years during the pandemic. They use five years together to develop the rates. The ice storm this last year created a big spike with injuries. The group asked if there is a high level dollars-per-pupil of revenue year over year. Mr. Clague shared that the state school fund uses a ratio based on the total enrollment in the state, and total funding available in the state. Part of the increase is that the rate for last year and this year increased about \$1,000 per student.

Committee members asked about turf management, noting that both grounds and maintenance property services are higher. Mr. Koch shared that they aren't replacing turf fields right now, and a football field costs about \$3 million. The ice storm from 2023-24 caused a large amount of services that they had to bring in. The grounds and maintenance property services are budgeting what they might anticipate for future years. The committee asked about the School Based Health Center (SBHC) and if that line item is growing. Mr. Clague noted that it is part of the general fund and they pay for the utilities. Most of the work that goes on inside the building is covered by Wallace. Mr. Koch doesn't believe that Wallace pays a property pass through. The committee asked about the length of the contract and Mr. Koch shared that it is for five years and goes through 2029.

The committee asked about the debt service transfers on page 3. Ms. Watt shared that this came from an audit finding and they have to change how they respond. It is not a new actual number, but it must be reflected differently in the budget. There is an offset for it. Dr. Klinger added that they switched audit firms this year so there was a different approach and different priorities with how to approach the audit that are starting to be reflected. The committee also asked about property acquisition, and the district clarified that the amount is for the Chase Road property. They received the money for the sale, and the property acquisition is a placeholder to show that they still have that money. Mr. Bejerano further clarified that object 520 doesn't mean brick and mortar buildings, it can be anything that is considered capital equipment. Anything valued at over \$5,000 must be categorized under capital purchases under object 520.

## C. Public Comment

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### **Procedural: 1. Opportunity for Public Comment** (8:46 p.m.)

Samantha McWilliams, PTSO President at Hogan Cedars Elementary School and a substitute in the district, was in attendance to ask questions during the public comments portion of the agenda. She noted that as she was looking through the budget, in ELL (English Language Learner) programs there is about a \$200,000 reduction. She is curious about how many FTE's that is and how it will affect DLI (Dual-Language Immersion) classes or the small group pull out sessions for ELLs. She wants to know what that will look like. Dr. Klinger shared that part of what is happening with DLI is that they are adding classroom teachers, and there are general fund teachers who also have endorsements to cover those services. They can reduce some of that EML (Emergent Multilingual Learner) support because in DLI schools all of it is EML support. Some of it they are offsetting by adding FTE to a classroom. Mr. Koch added that they used to have newcomer centers at the elementary level, but for Spanish speaking students they are going to DLI programs now. They don't need as much support because they are being served in the classroom.

Olivia Green, a math teacher at Gresham High School, shared comments around copier services. She shared experiences in her building of having to borrow from other teachers to get copies, and some teachers going to Kinkos to pay for their own copies when they run out of the allotted amount for the month. She noted that taking \$150,000 out of an essential line item for teachers will hinder them when they are trying to provide for students that don't come to school with supplies. She encourage staff to think about that when they are looking at those day to day supplies. Mrs. McWilliams shared that she also sees how much the students still need those paper worksheets. When she was subbing that day students were on their tablets for daily rotations and she had to keep redirecting them to stay on task. Having a paper worksheet is still very valuable. Mr. Koch noted that these points are well taken and these decisions are difficult. They are looking at people and supplies.

Jeremiah Hickman, a teacher at Dexter McCarty Middle School, shared information with the group about the good things happening in the middle schools as they work to support the extra curricular activities. When penny pinching it is easy to lose track of things that don't happen when they reduce. He shared the story of a student who is an 8th grader this year that was hit by a car the summer before starting 6th grade. The student was in a wheelchair and having to do lots of physical therapy to correct some movement skills. He has been consistently participating in basketball and wrestling. He is consistently positive, even though he knew he wouldn't make the varsity team, but still works really hard. How can they get kids away from screens to be active, to increase personal health and fitness when they are way behind where they were 10 years ago with kids activity levels and fitness. After school programs offer such a huge support to this. When they don't have these programs they're not building the community, and not getting people into the buildings. Other things that grow with these activities is respect for each other, and respect

and pride for the school they are in. Confidence is growing because they have this avenue to practice skills and grown in leadership. The number of kids willing to go through try-outs at the high school level has increased. He asked the group to keep that in mind and do what they can to secure that after school middle school program.

The committee asked about middle school and high school athletics. Mr. Koch shared that they made a specific choice to not go down that route. It is status quo and there is not a reduction in those programs. Dr. Deboy added that it is a bit complicated and they have been working closely with the OST Coordinators. They added a sport this year with men's volleyball and they were unsure exactly what that would cost. They had an amazing turnout and it cost about \$100,000. It is significant and they are looking at all the ways to keep programs. They have no intention to cut these programs, but they need to think about ways to make it more efficient.

#### **D. Action Item (If Needed)**

##### **Action: 1. Proposed Budget Approval (9:04 p.m.)**

Budget Chair Hartsock shared that they can adjourn and meet again, or they can make a motion for approval. There was discussion among committee members on their comfort level of approving the budget tonight or holding another meeting. Concerns were expressed about taking away paper copies and if they might be cutting that area too steeply. It was noted that this is a line item decision and it can be adjusted throughout the year. There was additional discussion about the FTE question asked earlier in the meeting. Mr. Koch shared that he could give an exact number, but that is not something that is included in the budget book. Budget committee members expressed concern about approving the budget based on questions that were brought up around the FTE numbers. The group discussed the difference in employee numbers versus FTE noting that not all employees are a full FTE. There was conversation around how to view the numbers to understand reductions of actual people compared to reductions of FTE. Committee members noted that it could be helpful to look at the categories of licensed, classified, and admin to see how these three major categories have moved over time. Ms. Watt shared that the shifting from general fund is very complex, even though those numbers are still sifting out. Their plan reflects about -50 licensed FTE from the general fund and +20 into special revenue. There was additional conversation around this section of the budget, and Budget Chair Hartsock reminded them that they are approving the total budget, not pieces, parts and individuals. After extensive conversation, the committee noted that they feel comfortable moving forward with approving the budget at this meeting.

**MOTION:** Motion is made to approve the budget as proposed, to establish the maximum total expenditures for each fund, as follows:

	<b>As Proposed</b>	<b>Adjustment</b>	<b>Approved</b>
General Fund	\$181,215,683	\$	\$
Special Revenue Fund	66,200,191		
Debt Service Fund	34,230,767		
Capital Projects Fund	4,948,000		
<b>TOTAL, ALL FUNDS</b>	<b>\$286,594,641</b>		

Motion by Garret Wood, second by Kris Howatt.

Final Resolution: Motion Carries

Aye: Blake Petersen, Holly Riegelmann, Kris Howatt, Mayra Gómez, Shawn Farrens, Dan Corcoran, Erasto Sedda, Garrett Wood, John Hartsock, Nick McWilliams, Vaden Green

Following the motion, the committee discussed the process moving forward. If the motion fails, they can make a motion to have another meeting. If it passes, the board will make a motion to decide if the budget is approved or not. The committee asked at what level would a change be so substantial that it would reconvene the committee. Ms. Watt shared that if there is a change of 10% of total expenditures in any fund they would have to reconvene the committee. Committee members asked for any additional information to be sent to them because it is helpful and valid information in this process.

**MOTION:** It is further moved that the approved budget is to include assessment of the permanent tax rate of \$4.5268 per \$1,000 of taxable property value, which will levy approximately \$37,441,000 in net taxes for General Fund operations, and is also to include a Debt Service Fund tax levy of \$23,654,755 for the purpose of servicing the district's general obligation bond long-term debt.

Motion by Garrett Wood, second by Kris Howatt

Aye: Blake Petersen, Holly Riegelmann, Kris Howatt, Mayra Gómez, Shawn Farrens, Dan Corcoran, Erasto Sedda, Garrett Wood, John Hartsock, Nick McWilliams, Vaden Green

Following the motion, committee members asked if this is part of the existing levies they pay, and Mr. Clague confirmed it is the current rates.

## **E. Closing Items**

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### **Procedural: 1. Set Agenda for Next Meeting (if needed)** (9:25 p.m.)

The committee approved the budget at this meeting, and no additional meeting is needed.

### **Procedural: 2. Closing Remarks** (9:25 p.m.)

Interim Superintendent Koch thanked the committee for the deep conversation and for their comfort in asking those questions. He thanked them for their work and dedication.

### **Procedural: 3. Adjournment** (9:27 p.m.)

There being no further business, the meeting was adjourned at 9:27 p.m.

Submitted by: \_\_\_\_\_

Sarah Avery  
Executive Assistant to the Superintendent and  
Board of Directors

Note: These minutes were approved by the board on \_\_\_\_\_:sa