

UMATILLA SCHOOL DISTRICT 6R

Budget Committee Meeting

May 14, 2025

Chairman Lesly Claustro-Sanguino called the first meeting of the Umatilla School District 6R, Budget Committee to order at approximately 7:00 PM, May 14, 2025, at the Umatilla School District, as advertised in the Umatilla School District website.

PRESENT

Directors	Appointed Members	Staff Members
Lesly Claustro-Sanguino	Arnell Eynon	Heidi Sipe – Superintendent
Travis Eynon-phone	David Wickstrom-phone	Kim Gilsdorf – Business Manager
Jon Lorence	Susan Sotelo	Jared Tesch – UHS Principal
Toby Cranston		Rick Cotterell – CBMS Principal
Jorge Meza		Nicole Coyle - MHES Principal
Steve Warr		Tim Young – CVI Principal
		David Lougee - ELL Director
		Taunya Daniel- Special Ed.
		Delma Bernal- Executive Assistant to the Superintendent/Board Secretary

Director Chairman Claustro-Sanguino called the meeting to order, asked all to stand for the Pledge of Allegiance and welcomed everyone to the meeting. Chairman Claustro-Sanguino then instructed the group that officers needed to be elected.

Election of Officers

Chairman Claustro-Sanguino asked for nominations for Chairman of the Budget Committee. Board Member Lorence nominated Susan Sotelo.

Second: By Board Member Cranston

Voting: Unanimous, voting passes

The gavel was turned over to Chairman Sotelo

Presentation of Budget Message

The Budget Message was read by Superintendent Sipe.

Welcome and Opening Statement:

As Superintendent, I present the proposed budget for the 2025-2026 fiscal year to the Umatilla School District Budget Committee. The \$27.96 million general fund budget will serve as a fiscal map for the coming year. The budget was developed based on financial estimates and data available at the beginning of March.

It should be noted that today, May 14th, the June Economic and Revenue Forecast was released and it shows some concerning figures.

Specifically, the net General Fund and Lottery resources available for the 2025-27 biennium were down \$798 million from the March 2025 forecast (upon which this budget was built). Additionally, the Corporate Activity Tax forecast (which funds the Student Success Act) saw a drop in projected revenue and showed a decrease of \$44.4 million in comparison to the March forecast. While we do not yet know how the legislature will respond to this forecast, we are relying upon the Governor and Co-Chair's budgeted \$11.4 billion for the State School Fund and other core Pre-K-12 programs and services such as the Student Investment Account, High School Success, Early Intervention/Early Childhood Special Education (EI/ECSE), and Regional Inclusive Services. Should the approved revenue in the State School Fund and

associated funding sources listed above be decreased, we will be forced to reduce programs, services, and/or staff to operate in the 2025-26 school year. The budget we will be adopting through the budget process will be a firm, not to exceed budget.

Estimated Revenues:

The state school fund (SSF) for 2025-2026 is estimated to bring \$16,655,000 to the Umatilla School District. In addition to the SSF, the district is expected to receive \$5,300,300 in taxes and \$755,900 in all other revenue sources. An estimated carry-over amount of \$5,250,000 brings our total General Fund to \$27,961,200.

Estimated Expenditures:

Salaries and Fringe Benefits- Consistent with our emphasis on using funds for the greatest student impact, the majority of our expenditures go toward staffing our educational system. Employee costs will account for approximately 78% of the General Fund budget. PERS increases this year have been a significant impact to our overall budget, rising just over \$1 million from the previous year. This means that the increased employee costs (last year, salaries and benefits were 76% of our General Fund budget) do not equate to more staff in our buildings but rather reflect increased personnel roll-up costs. Class sizes remain small, and every elementary teacher has a dedicated educational assistant and each content area at the intermediate, middle, and high school has a dedicated educational assistant. We also continue to offer a variety of specialized programs, from dual-language in the elementary and intermediate levels to a wide variety of elective offerings at the middle and high school level. We have strengthened our collaboration with various industry partners and are excited to expand our career certifications in manufacturing this fall and have a broad variety of job-ready skill development and certification opportunities for students at Umatilla High to complement our long-standing college credit opportunities.

Purchased Services- Utilities, Transportation and Alternative Education make up the majority of the purchased services for our district. Outside counseling contracts to support students' mental health needs are continued. Professional development is also continued for board and staff development and support, though it has been reduced slightly from previous years. Our tuition support for students pursuing college credits (those applying towards an Associates of Arts Transfer Degree or Career Certification) are also reflected in this area. Approximately 13% of our annual General Fund budget is allocated for purchased services.

Supplies- We strive to provide most general supplies for learning at school and have revised classroom supply lists at the elementary level to reduce the amount of supplies requested from families each year. This year is a health adoption year and we have budgeted for textbook adoption, though we are waiting to adopt until the Federal and State guidance for health and sexual education are better aligned so we can insure an investment in materials that will be of use for the entire adoption cycle. Approximately 5% of the General Fund budget will go to support all supply and equipment needs.

Other- Other areas (transfers, contingency) make up the remainder of the General Fund. We have maintained a slight contingency line item this year to address unforeseen or unusual events (sharp rise in enrollment, natural disaster, etc.). We are utilizing \$320,000 of our previously held ESSER off-set carryover to support a full-time roaming substitute in each school. This will reduce our ESSER off-sets by roughly half, allowing us to continue the roaming subs into the 2026-2027 year before the funds are exhausted.

Debt Services:

Debt service is for long-term financing. These funds are used to finance and account for the interest and principal payments on all PERS and general obligation bonds. In our district, we have two debt service areas:

- General Obligation Bonds – issued in 2023 to fund the construction of Columbia Vista Intermediate and the UHS Career Tech Education building and support remodeling at Clara Brownell Middle and McNary Heights Elementary to support their transitions to 7-8 and K-3 buildings respectively. We have payments of \$2,295,000 scheduled for this debt service area.
- Public Employee Retirement System (PERS) Bonds – issued to address our PERS liabilities. When interest rates were at an all-time low, we completed a bond issue in 2021 nearly cutting the PERS rates in half at that time. We have payments of \$1,250,000 for this debt service area.

Capital Outlay:

Commonly known as the “building fund,” the capital projects fund is intended for expenditures for land or existing buildings, improvement of grounds, construction of buildings, remodeling or additions to buildings and equipment. The passage of the bond to build Columbia Vista Intermediate on South Hill, a new Career Technical Education building at UHS and to convert CBMS to a 7-8 building and MHES to a K-3 building represents a significant amount of our overall district budget. We have completed the seismic improvements at Clara Brownell and the HVAC upgrades at McNary Heights. We are nearing completion of the new buildings and are excited to open them to students this fall. A lot has happened since our official groundbreaking ceremony in June of 2024 and I hope you'll be able to join us for the ribbon cutting of the new facilities in August. Remodeling of the former CTE shop at UHS to convert it to an elective space for Clara Brownell will begin this summer as will an update to the science lab at CBMS and minor renovations to McNary Heights Elementary. The renovations are expected to be fully completed by fall of 2026.

Other Funds:

All federal and other funds are budgeted within the guidelines and constraints of each unique fund. Specific questions regarding these funds will be answered on a case-by-case basis. It is important to acknowledge the uncertainty in Federal funding at this time. While it will take congressional action to approve the final budget, a number of educational programs have been highlighted in President Trump's “Skinny” FY26 budget proposal. The proposal aims to consolidate a number of programs but does not identify which; however, other communications from the administration suggest they may include Titles II or Title IV funds. In our district, we use Titles II and IV for: instructional coaches, after-school programming, counseling services and technology. We receive just under \$600,000 per year in these Title II or Title IV funds, with \$500,000 of it supporting our STEAM Academy each year (through the competitive CCLC grant program). President Trump's budget proposal also specifies Title III for elimination. We currently receive just under \$50,000 for Title III and use those funds to support English Language Acquisition for our English Language Learner students. If these funds are reduced or eliminated, we will need to reduce and/or adjust our offerings for students and families accordingly.

Summary:

The 2025-2026 total estimated expenditures are \$66,197,421. This is a decrease from the prior year by \$20.5 million due to the bond funds that have been spent for our construction projects. Generally, the overall instruction and operations budget is similar in size as compared to the current year budget; however, the construction bond accounts for the large increase in budgeted funds. The district continues to use and leverage state funding from the Student Investment Account totaling \$1,942,000 to support students.

It is very important to note that the district continues to experience fluctuations in enrollment; however, some of the declines from 2023-24 have been corrected. Last year, we were concerned by our 90 students in Kindergarten and noted that we needed at least 100 new kindergarteners in 2025 to maintain staffing and prevent reassignment or position elimination. Thankfully, 103 kindergarten students enrolled in fall of 2024 and we are already seeing strong kindergarten registration numbers during our spring kinder round-up events.

I am thankful for the proactive approach you approved in previous budgets to ensure we were prepared for the opening of our new buildings this fall. Because of the pre-planning, we have a healthy reserve that we are using in this budget which was necessary to prepare for additional operating and staffing costs in our new facilities.

As we move forward into the 2025-26 school year and beyond with uncertainty in our Oregon and Federal funding levels, it is important for us to continue to seek local and other revenue sources. We have attempted to work with the City of Umatilla and Umatilla County to access some of the significant funds they have received from payments in lieu of taxes, enterprise zone agreements and strategic investment program funds. Thus far, they have not been responsive to requests from the various impacted taxing districts to collaborate and develop a revenue sharing formula similar to the Columbia River Enterprise Zone and others; however, we will continue to push on this topic. The City of Umatilla and Umatilla County have each received over \$20 million in funding from these various programs since 2018 and these are funds provided in lieu of the property taxes each of the taxing districts would have received and are provided to offset the community impact of development. The school district believes that a collaborative approach, developed in coordination with each of the taxing districts impacted, would be a more

community minded approach to much-needed funds. Our school board members and I have been speaking at City Council meetings and with County Commissioners and we will continue to advocate for the needs of all taxing districts in our community- not just those of the City and County.

As we head into 2025-2026, I am thankful for a community that genuinely cares for and supports students. I remain honored to work with our dedicated staff and appreciate working for our incredible school board. I look forward to a year buzzing with excitement for our new facilities and a fresh year of learning for our community's treasure- our children.

Thank you for considering this proposal.

Presentations by Staff

Nicole Coyle: Mrs. Coyle presented the budget for McNary Heights Elementary School. The biggest changes to the MHES budget are the 410 and 460. Those will be transferred to CVI. A change to the computer software line.

Tim Young: Mr. Young presented the budget for Columbia Vista Intermediate School. Most of the funds 410 and 460 are coming from 4th and 5th grade in MHES and from the 6th grade at CBMS. There are three copiers because the building is two levels.

Rick Cotterell: Mr. Cotterell presented the budget for the Clara Brownell Middle School. They will be losing the 6th graders and will be a 7th and 8th grade building only. The biggest shift in the budget is in the consumable and non-consumable supplies. He is shifting some of the printing budget money to the software budget due to the increase in teachers to software and the decrease in printing.

Anthony Brown: Mr. Brown presented the budget for the Clara Brownell Middle School athletics. They are keeping the budget the same. The cost for refs has gone up. They want to continue their partnership and host fewer games next school year.

Jared Tesch: Mr. Tesch presented the budget for the Umatilla High School. Most of the budget in each area has stayed the same. They had more students than ever taking college credits. They will continue to do that and find ways to pay for them. He skimmed a little bit from every budget account to have another \$20,000.00 to use for college credits.

Mr. Tesch also presented the athletics budget. It also stayed flat. Where the adjustments come in are in sports, depending on how many participants there are. One of the largest expenses that wasn't in previous years is Annie Fowler Media athletic coverage.

David Lougee: Mr. Lougee presented the budgets for ESL and Library and said the budget stayed the same.

Taunya Daniel: Mrs. Daniel presented the budget for Special Education. There was a private school tuition that they had not used in the last couple of years, in the amount of \$21,000 that was taken out. Another one that was also taken out is called special ed. life skills, user membership, which was \$26,500. This was their YTP, Youth Transition Program, for some of their higher needs students. Some things that were increased were purchasing new and updated testing kits to evaluate or re-evaluate students to determine their eligibility for special education services.

Deliberation

Ms. Sotelo asked the committee if anyone had any questions or thoughts.

Motion: By Arnell Eynon, to approve the Umatilla School District's 2025-2026 proposed budget in the aggregate amount of \$66,197,421 for the entire operations of the District.

She also moved to approve the taxes for the 2025-2026 fiscal year at the permanent tax rate of \$4.9224 per \$1,000 of assessed valuation for operating purposes in the general fund, and in the amount of \$2,348,009 for bonds.

Second: By Board Member Cranston

Voting: Unanimous, motion passes

There being no further business the meeting adjourned at approximately 7:58 pm.

Susan Sotelo, Budget Committee Chairman

Heidi Sipe, Budget Officer, Superintendent