

**Equity Committee Meeting
Eugene School District 4J, Lane County, Oregon
4J Education Center - Auditorium
200 N. Monroe Street—Eugene, Oregon**

January 27, 2020
6:00 pm

PRESENT: Gordon Lafer, Elizabeth Price, Alicia Hays (arrived at 6:08 p.m.), Merri Steele, Jim Torrey, Maya Rabasa, Joshua Burstein, Robert Chandler, Mary Walston, Juan Carlos Valle, Judy Newman, Jennifer Winters, Martina Shabram, Anne Marie Levis, members; Superintendent Gustavo Balderas, Andrea Belz, Cydney Vandercar, Kerry Delf, Kyle Tucker, Kat Lange, Oscar Loureiro, Christine Nesbit, Bob Blyth, Sharon Myrand, staff.

Welcome and Introductions

Joshua Burstein noted that the first hour is Budget Committee training followed by the Budget Committee meeting at 7:00 p.m. when public comment will be taken. He proceeded to call roll and to welcome the two new members of the Budget Committee, Maya Rabasa and Juan Carlos Valle, as well as the other two new members who are Board Members, Gordon Lafer and Martina Shabram. He then handed off the discussion to Andrea Belz for the budget committee training.

I. Budget Committee Training

Ms. Belz proceeded to read the annual slide presentation reiterating the budget committee laws and procedures during the allotted hour time slot. For the full outline of budget committee rules and procedures, please visit:

<https://v3.boardbook.org/Public/PublicMeetingMaterials.aspx?ak=1000666&mk=50362483>

II. Budget Committee Meeting

Mr. Burstein called the Budget Committee Meeting to order at 7:12 p.m. He noted that all 14 members of the Budget Committee were present and did not repeat the roll call.

III. Agenda Review

Mr. Burstein reviewed and approved the agenda.

IV. Items for Action at this Meeting Committee Administration

a. Election of Officers

Mary Walston made a motion to reelect Mr. Burstein as chair and Merri Steele as vice chair. Juan Carlos Valle seconded this motion.

Ms. Levis made a comment praising Mr. Burstein for his work as Chair of the Committee. The motion was PASSED unanimously.

b. Approval of Minutes for the May 20, 2019 Budget Committee Meeting

Mary Walston moved to approve the minutes and Judy Newman seconded. It was PASSED with four abstentions due to absence from the May 2019 meeting.

c. Approval of Proposed Budget Committee Meeting Schedule for March-May of 2020:

Mary Walston moved to approve the meeting schedule. Anne Marie Levis seconded. The motion was PASSED unanimously.

There was confirmation that meetings will begin at 6:00 p.m. and typically end at 8:00 p.m.

V. Items Raised by the Audience: Audience members who have signed up to provide public comment at this meeting will have three (3) minutes each to present their thoughts and considerations to the Budget Committee.

Mr. Burstein reviewed the rules around public comment and asked any speakers from the audience to come forward for the public comment portion.

Samantha Bronner spoke to the budget committee. She is the Co-Chair of the local Stand for Children chapter that represents over 400 parents. She spoke about the Budget Committee not making a recommendation on the Student Success Act, and spoke on the organization being committed to seeing the act put into action. She shared their priorities, which were student literacy, lower class sizes in a targeted manner, provide evidence based behavioral and mental health support, fully scheduling high school students, and to consult with CTE teachers on how to best utilize funds for their projects.

VI. Items for Information

1. Superintendent's Message Dr. Gustavo Balderas, Superintendent

Dr. Balderas thanked the Committee for its work. He commented that the District was in historic times and discussed the recent passing of a corporate tax that will provide an extra \$13 million to the District. Dr. Balderas also commented on the fact that there has not been a furlough day in recent years. He also spoke on how thankful he is for the community as the largest bond in Lane County history of \$319 million was passed and the District is building new schools. Dr. Balderas also mentioned the renewal of a \$17 million operating

levy, which is equivalent to the cost of 161 teachers. He told the Committee that this year's state budget at \$9 billion is the highest in history, providing \$4 million in staffing for targeted class reductions as an example. Overall, he spoke on how thankful he was for the extra funding and how they are intended to be targeted to make an impact.

Mr. Chandler asked if there was a general report that comes later on how funds were spent on staffing and if this would be incorporated into baselines for next year's budget.

Dr. Balderas said that they do their best to provide forecasts on staffing needs and how to best utilize funds to target specific needs.

Ms. Price asked if there was a budget allocation vs. actual spending report. Ms. Belz said that these reports were done. Dr. Balderas mentioned that even when schools have been under-enrolled, no staff have been pulled from schools.

2. Financial Update Andrea Belz, Director of Financial Services

Ms. Belz began by telling the Committee that the General Fund Revenue for 20-21 was \$205.6 million dollars, 87 percent coming from State School Fund Formula. She reminded the Committee that they receive these funds biennially and that the District is in the second year of the current biennium. The remainder of funding comes from property tax collection and state school revenue.

The State School Fund grant is expected to see \$101.9 million for the year, and the general fund is expected to see \$7.1 million in revenue. The District is expecting about \$18.8 million from the local option levy.

Mr. Valle asked about the source of "Other" revenues at 8 percent of the general fund. Ms. Belz clarified that those funds come from multiple sources.

Ms. Rabasa sought clarification of how the State School Fund revenue is calculated. Ms. Belz clarified the formula used to derive the amount of expected revenue.

Looking at enrollment, Ms Belz outlined that enrollment projections drive the level of staffing included in the budget, and the projected enrollment for 2020-21 is 205 students higher than the 10/1/19 enrollment. Most of the projected enrollment gains are concentrated in the elementary and high school levels. For elementary, the entering Kindergarten class in 2019-20 was much larger than expected; for high school, the departing senior class is the smallest in many years, while the incoming ninth grade class is larger than previous groups.

She commented that the end of open enrollment would affect the enrollment rates as well.

Ms. Belz then outlined the State School Fund, and how funds are allocated for students of different demographics.

The high cost disability grant is for students who cost the district more than \$30,000.

Ms. Winters asked about the 14 percent gap for IEPs and how that compared to other districts. Dr. Balderas commented that the gaps in other districts were larger, as high as 16 percent.

Ms. Steele asked whether some of the funds under the State School Fund are federal funds that flow thru to the state. Ms. Belz answered that the State School Fund is primarily comprised of local property taxes and state appropriation for K-12 education and that Flow-through funds are from grants reported in the Special Revenue Fund.

Ms. Belz then moved onto the 5-year financial forecast and the general fund reserve. The 5-year financial forecast and outline of the general fund reserve can be found in detail at <https://v3.boardbook.org/Public/PublicMeetingMaterials.aspx?ak=1000666&mk=50362483>

Ms. Steele asked about teacher experience and where the District's average stands. Ms. Belz replied that the District's teacher average experience is 0.11 years below the state average. She stated that we will know what our current average is in March.

Dr. Balderas expects the average experience to decrease because of a change in PERS spurring staff retirements.

Mr. Burstein requested clarification that the funds received by the District for teacher experience, IEP, etc. are not tied to that particular program and the District can decide how to spend it. Ms. Belz confirmed that the District is not limited to how it spends the funds and typically spends much more.

Future forecast impacts to watch as well are the negotiations with employee groups; EEA in spring of 2020, MAPS in spring of 2020, OSEA economic reopener for 2021-22 and negotiations for a new contract beginning in 2022-23. The outcome of the Oregon Supreme Court case addressing aspects of PERS Reform (Senate Bill 1049) – salary cap of \$195K and Individual Account Program (IAP) redirect. Impact on 2021-23 PERS rates of PERS funding levels and investment portfolio returns for calendar year 2019.

3. Budget Committee Discussion

Mr. Chandler asked about the additional funding discussion, and he outlined a request for a supplemental budget in the future and that the other board members not in the meeting are able to review it.

Ms. Steele informed the committee that she has a potential conflict of interest due to the consulting work she's been asked to do within the District.

Ms. Rabasa asked about how the decisions the District makes impact the equity issues within the district.

Ms. Levis thanked the new board and committee members for attending.

The committee thanked each other for their work and involvement.

VII. Budget Committee Wrap-up

Mr. Burstein adjourned the meeting at 8:38 pm.