MINUTES OF THE 4J BUDGET COMMITTEE
School District 4J, Lane County, Oregon
200 North Monroe Street – Eugene, Oregon
Virtual via Zoom

January 25, 2021

PRESENT: Josh Burstein, Gary Campbell, Anne Fifield, Elizabeth Price, Maya Rabasa, Juan Carlos Valle, Jennifer Winters, Appointed Committee members; Mary Walston, Anne Marie Levis, Judy Newman, Alicia Hays, Martina Shabram, Jim Torrey, Board Committee members; Andrea Belz, Kerry Delf, Lisa Fjordbeck, Sharon Myrand, Cydney Vandercar, staff.

I. Call to Order and Roll Call

Mr. Burstein called the 4J Budget Committee meeting together at 6:07 p.m. Everyone present introduced themselves.

II. Agenda Review

Mr. Burstein moved the agenda review and call to order before the Committee training. He approved the agenda as amended.

III. Budget Committee Training

Ms. Belz said that they would receive a short overview of the Budget Committee orientation. Any new member of the Committee that wanted more information could reach out to her.

Ms. Walston welcomed Ms. Fifield and Mr. Campbell to the Committee. She appreciated all members' work on the Committee.

IV. Items for Action

a. Election of Officers

MOTION: Mr. Torrey moved, seconded by Ms. Walston, to elect Jennifer Winters to the position of Chair and Elizabeth Price to the position of Vice Chair.

Ms. Rabasa inquired into if both people were willing to serve in those positions. Ms. Winters said she was happy to act as Chair. She was familiar with the position and felt comfortable. Ms. Price was honored to be Vice Chair. As it was her third year, she felt prepared. Mr. Burstein worked with both people closely and thought they would both do a great job.

VOTE: The motion passed: 12-0-1. Mr. Campbell abstained.

Ms. Winters thanked Mr. Burstein for all the work he had done for the Committee.

b. Approval of Minutes for the April 27th and May 20th Budget Committee Meetings

Ms. Walston noted that there were some edits she sent in for the April 27, 2020 meeting minutes. A few names were misspelled and there were some grammatical issues.

MOTION: Ms. Walston moved, seconded by Mr. Valle, to approve the April 27, 2020, Budget Committee meeting minutes as amended and the May 20, 2020, Budget Committee meeting minutes as presented.

VOTE: The motion passed – 13:0.

c. Approval of Proposed Budget Committee Meeting Schedule for April – May of 2021

Ms. Winters said that the proposed Budget Committee meeting schedule was for them to meet on March 29, 2021, to review all funds budget for District Operations, on April 26, 2021, to receive a presentation on the 2021-22 Superintendent's Proposed Budget, and on May 10, 2021, to approve the 2021-22 Proposed budget and declaration of taxes and levies. She asked if there were any conflicts with the proposed schedule.

Ms. Shabram noted that the March 29, 2021, meeting would be during Passover. Ms. Winters asked if there was another proposed date. Ms. Belz replied that it could be moved to April 5, 2021. That would give them three weeks until the next meeting. Ms. Winters asked if there were any concerns with the new date. There were none.

Mr. Valle asked if between the April 26, 2021, meeting and the May 10, 2021, meeting if the Committee had enough time to digest information and gather public comment. Ms. Belz responded that the normal schedule was to just have those two weeks between meetings. Ms. Winters added that on May 10, 2021, they usually did not have all the details still and had to make decisions based on what they had. She said that there was always some uncertainty when making that vote. Mr. Burstein remembered one year when another meeting was added to the schedule because they wanted to allow more time for public response. He asked if they were prepared to schedule another meeting and still have the Board vote in time. Ms. Walston said that the May 10, 2021, date was important to the Board, so moving the schedule forward would be ideal.

> **MOTION:** Mr. Burstein moved, seconded by Ms. Newman, to approve the Budget Committee meeting dates as Monday April 5, 2021, Monday April 26, 2021, and Monday May 10, 2021.
>
> **VOTE:** The motion passed – 13:0.

V. Items Raised by the Audience

There was no public comment.

VI. Items for Information

a. Superintendent's Message

Superintendent Vandercar said that students were still learning, even if not in the same way. She noted that there was this idea in the community that distanced learning would be cheaper than in-person, but that was not true. There were many people working hard in their buildings to keep schools functioning as normal as possible. Superintendent Vandercar stated that they tried hard not to lay anyone off. Some people were reassigned based on need. They knew that because of these efforts costs would go up the following year. Superintendent Vandercar shared that the budget was set with the idea of the District doing in-person learning in the Fall.

Superintendent Vandercar noted that some of their funds went towards building a swing school for Edison Elementary School and Camas Ridge Elementary School at Willard. They also updated the Kelly Middle School building to make room for Yujin Gakuen Elementary School.

Superintendent Vandercar said that they were still serving all students who needed a meal and that no changes would be made to those services. She noted that high school and middle

school students were less likely to sign up for meal services, so they used the elementary school data to assess need. The need at the elementary school level was 50%.

Superintendent Vandercar shared that their graduation rate was 81.5%, which was up 4% from last year and 7% from the year before. She noted that their enrollment was down 679 students below projections, which was 474 below the number of students from the previous year.

Mr. Torrey asked if the SSA (Student Success Act) budget was separate from the general budget. He wanted to know how they were budgeting SSA and if they were prepared for future federal funds. Superintendent Vandercar replied that SIA (Student Investment Account funded by SSA) was lower than projected but they were still happy with the funds allocated. They were able to hire a social worker who spoke Spanish to work in their wrap around services and used federal funds on one-time issues like employing temporary workers and buying bipolar ionization units. Those units cost the District half a million dollars. Ms. Belz added that SIA and federal funds were budgeted separately in the proposed budget. They would talk more at their April 5, 2021, meeting.

Mr. Valle said that 81.5% graduation rate was good. He wanted to see the breakdown of graduation rates for each group. Also, Mr. Valle wanted to know if teachers' paid time off and sick leave was cut because of COVID-19 and if not, what was being done with those hours. He also wanted to know what happened to the part of the budget used for EAs (Educational Assistants). Superintendent Vandercar said that EAs were reporting to work but had different duties than before COVID-19. Guest teachers needed to understand the online platforms and it was the District's job to train them. They used that leftover money to do those extra trainings so that if a teacher wanted to take a day off then EAs were trained. She stated that unused sick leave for staff would carry over to the next year. There was an additional protection from the federal government for teachers to use COVID-19 leave if they or a family member got sick. This kept their leave bank untouched. Superintendent Vandercar shared that the Board had also approved additional leave time for teachers. However, personal time off was handled by the union. There was a cap on personal time but not sick leave.

Ms. Price stated that lots of students were not absorbing information like they normally would. She asked if there was a budget line item focused on helping kids prepare for the next year in-person. Superintendent Vandercar expected there to be federal funds for Summer instruction. Some students had in-person supports available to them if they did not pass the previous semester. She did not know if there would be a line item, but they would give more information.

Ms. Rabasa appreciated how flexible staff had been to community feedback. She asked what the end date was for the ten day drop moratorium and if that would impact their enrollment numbers. Ms. Rabasa was impressed that they had not laid anyone off yet and hoped they would not need to in the coming year since they had lower numbers. Superintendent Vandercar responded that there were enrollment issues statewide and the Governor was working to make sure there are no lasting effects as a result. Their temporary teachers would be with them until June 30, but that was not a layoff.

b. Financial Update

Ms. Belz said that their General Fund revenues for 2021-22 were $205,600,000. She stated that they were similar to the revenue from the current year. There would be a few changes in the next year, however. The State School Fund formula would be different. It usually increased 6%, but they had seen 8% and 10% increase in the last few bienniums. Ms. Belz noted that expenditures had gone up a lot more than the funding. She said that usually funds were split up

between two years so that the first year got 49% of the funding and the second year got 51%. This was a way to keep up with price increases. However, this year the legislature was looking at splitting the years evenly at 50%.

Ms. Belz noted that they had a slight increase in their property tax collections. The total collection was $78,430,000 which amounted to a 3.46% increase. The State School Fund grant was $100,065,000. The taxes and grant combined were the State School Fund formula which accounted for 88% of their revenue. Ms. Belz said that on top of the Formula they would get $20,210,000 from the local option levy and $5,003,000 from other sources.

Looking at the State School Fund grant more closely Ms. Belz said that they were down by $800,000. One reason for this was enrollment being down. They had the option to go off their enrollment from the previous year. She said that they had decided to do that since 81% of the grant was based on enrollment. The rest was made up of 1% from their Students Learning English as a Second Language (ESL) program, 4% from charter school enrollment, 4% from students in poverty, and 10% from students with individual education plans (IEP). In the coming year they would also receive $1,800,000 from a high-cost disability grant. 4J oversaw paying the first $40,000 of expenditures before the grant kicked in. Ms. Belz noted that this was a grant that encompassed the entire State.

Ms. Belz brought up the breakdown of the other revenues for the General Fund. She said that the biggest change was in their interest on investments. Interest rates had plummeted and currently they were looking at 75 basis points (.75%) from the local governments' investment pool. That year they originally hoped for $1,750,000 in investment interest but were now looking at the current year and next year being $500,000.

Ms. Belz pointed out that they had a long-standing trend of enrollment declines. They had high hopes for growth in the 2021 school year. She said that they were expecting an increase in enrollment in 2022. Enrollment projections for 2020-21 were more uncertain than they had been in previous years due to the high uncertainty levels in the evolution of the public health situation and the economy. Ms. Belz said that the projected enrollment for 2021-22 was 674 students higher than their October 1, 2020, enrollment, but that was in-line with their original projections for 2020-21 prior the COVID-19 pandemic.

Ms. Newman asked if they knew how the grades broke down for the charter schools. Ms. Belz said that from a planning perspective they were not expecting an increase in grades other than first and kindergarten. There was not a significant decline in other grades. Ms. Walston said that the drop might also be a generational dip and people were having less children. She asked staff if data showed that birth rates were on the decline. Ms. Belz replied that she would talk with Oscar Loureiro and see if he could talk to the Board about that.

Ms. Belz said that of the 2021-22 General Fund expenditures, most of the funds (84%) will be going towards personnel ($175,685,000). Personnel costs had gone up a little bit because of increases in salaries. She said that most other expenditures had stayed the same.

Ms. Belz said that looking at the five-year General Fund forecast they were looking at small operating deficits and small surpluses. She pointed out that the expenditures line said "status quo starting in 2021-22." This indicated that all their employee groups were out of contract as of 2021-22. They had a contract with their classified employees in 2021-22 but they did not have economic terms for that year. As a result, the forecast went with the status quo. Ms. Belz said

that they had yet to start calculating additional costs for the coming years, but they were expecting increases.

Ms. Levis wanted to hear more about the 5% closing fund balance line item. Ms. Belz responded that the 5% was to cover the harder times for the budget, which usually happened in the Fall. That money gave them flexibility.

For the 2020-21 forecast a decrease of $2,100,000 was projected for the State School Fund related to the 2020-21 enrollment declines. Also, the forecast for 2020-21 included a 1.75% COLA for licensed staff as well as administrators, professionals, and supervisors. It also included $30 a month in additional insurance contributions. Those additions were not included in the Adopted Budget.

Ms. Belz said that Oregon would soon receive an additional $449,200,000 in funding for the Elementary and Secondary School Emergency Relief (ESSER) grant. There would be additional money in grant funds to 4J. Staff had not heard what their allocation would be, but they were expecting to have $13,000,000. She explained that this funding was based on their 2020-21 Title I allocation. The eligibility period for expenditures was March 13, 2020, to September 30, 2023. Ms. Belz explained that there were three new allowable use categories: addressing learning loss; preparing schools for reopening; and testing, repairing, and upgrading projects to improve air quality in school buildings.

For the 2021-22 forecast the State School Fund was expected to be at $9,100,000,000. Ms. Belz said that the PERS rate would decrease 3.50 percentage points from 34% to 30.5% of eligible salaries. The forecast for 2021-22 presented staff compensation at “status quo,” regular step increases for eligible employees, and a full work year for licensed staff as well as administrators, professionals, and supervisors.

Ms. Belz said that there were some expenditure assumptions related to PERS. The following year the District’s average PERS rate would decrease significantly to 30.5% in 2021-23. That decrease would save the District an additional $3,500,000 annually beginning in 2021-22.

Ms. Belz went over some future forecast impacts that they were watching for. First was the employee compensation agreements: EEA contract negotiations in Spring of 2021, MAPS agreement in Spring of 2021, OSEA economic reopener for 2021-22 and negotiations for a new contract beginning in 2022-23, pay equity and new federal funding for COVID-19 pandemic costs, and the Final State School Fund appropriation for the 2021-23 biennium and actions taken by the 2021 Oregon Legislature.

Ms. Levis thanked Ms. Belz for all the work and for teaching them so much. She was glad to see PERS change and compression.

VII. Adjournment

Ms. Winters closed the meeting at 8:16 p.m.

(Minutes recorded by Lydia Dysart)