

MINUTES OF THE 4J BUDGET COMMITTEE

School District 4J, Lane County, Oregon
Hybrid Meeting (virtual and in-person)

March 20, 2023
6:00 p.m.

PRESENT: Gary Campbell, Chair; Dakota Boulette, Vice Chair; Josh Burstein, Tom Di Liberto, Anne Fifield, Keerti Hasija Kauffman, Alicia Hays, Michelle Hsu, Gordon Lafer, Judy Newman, Laural O'Rourke, Eric Richardson, Ericka Thessen, members; Superintendent Andy Dey; Matt Brown, Director of Finance; Colina Beard, Chief Administrative Officer; Lisa Fjordbeck, Department Operations Coordinator; Bob Blyth, Associate Director of Financial Services, 4J staff.

I. Regular Budget Committee Meeting

II. Call to Order, Roll Call

Mr. Campbell called the 4J Budget Committee meeting to order and called the roll. A quorum was established.

III. Items for Action at this Meeting

1. Approve Meeting Minutes for May 16, 2022, and January 30, 2023

MOTION: Mr. Boulette, seconded by Mr. Di Liberto, moved to approve the May 16, 2022, Budget Committee meeting minutes as presented. The motion passed unanimously, 12:0.

MOTION: Mr. Boulette, seconded by Mr. Di Liberto, moved to approve the January 30, 2023, Budget Committee meeting minutes as presented. The motion passed unanimously, 12:0.

Ms. Fifield joined the meeting at 6:06 p.m.

IV. Review Responses to Questions and Requests from Members during the January 30 Budget Committee Meeting

Mr. Brown noted that responses to issues raised during the previous meeting were distributed to committee members prior to the meeting and included in the agenda packet. He reviewed 4J enrollment data, including charter schools, home schooling and the Eugene Online Academy (EOA) and the ALICE report and invited questions.

Mr. Di Liberto observed that EOA enrollments fluctuated throughout the school year and asked for more context for the data. The data points were taken during the period October 2021 through October 2022 and he realized the pandemic had an impact, but some of the fluctuations were much larger than those for a brick and mortar school.

Superintendent Dey said it would be difficult to understand the fluctuations without more data. There were many factors involved such as disruptions in the school year due to the pandemic and school choice enrollments. The enrollment patterns were similar to brick and mortar schools,

but a better analysis could be done at the end of the current school year when additional data was available.

Mr. Di Liberto said he was also interested in the percentage of Title IV students in EOA and how that compared to brick and mortar schools.

V. Items Raised by the Audience

Jim Torrey, Eugene, stated he had previously served on the 4J School Board for 14 years. He said it was never more important to be transparent in the budget process. While there was sufficient funding for the current budget, many of the dollars were one-time funding during the pandemic. It was critical to let the community know how the District planned to address the shortfall when those funds were no longer available. He listed the following questions that should be addressed during public meetings and provided prior to approval of the 2023-24 budget:

- How much of the current ending fund balance, the reserves and the federal COVID-19 funds will be available for the 2024-25 budget year?
- If staffing cuts were required to balance the 2024-25 budget, what steps would be taken to assure that the cuts will limit negative impacts on student outcomes?

Mr. Torrey said many students continue to be impacted and would require additional support during the post-COVID-19 years and into the future. Students with intellectual and physical disabilities continued to be a major concern. Additional issues that were still important to the community included:

- When would the next local option levy be placed before voters for renewal?
- How many dollars remained unspent from the current 2018 bond measure?
- What plans existed for any new projects using the unspent 2018 bond dollars?
- When would the District expect to bring the next bond measure before the voters?
- Had the District identified projects for a future bond measure?
- What were the results of the community comments regarding the future use of the current North Eugene High School building?

Mr. Torrey reminded the committee it could do anything it wanted, just not everything it wanted and students should always be the first priority. He thanked committee members for their service.

VI. Superintendent's Message

Superintendent Dey said the meeting's focus would be on capital funds, debt service funds and insurance reserve funds. The intent was to dedicate the conversation at each meeting on a specific set of funds. He announced that the School Board had approved the integrated guidance program for the year and a plan would be submitted to the State. The plan described how the District would implement six major programs funded by state and federal dollars with three priority outcomes:

1. Engaged community - timely communications and meaningful engagement
2. Equity advanced - coordinated cohesive focus on equitable access and advancement for all, with focus on those who have been historically underserved
3. Well-rounded education - safety and well-being of students and staff

VII. Items for Information

1. Budget Committee Presentation

Mr. Brown used a slide presentation, included in agenda materials, to review Fund 300 - General Obligation Debt Service and Fund 370 - PERS Debt Service. The review included a history of issuances, debt service schedules and proposed appropriations.

Ms. Fifield asked if the pension bonds issues for Fund 370 had gone to the voters. Mr. Brown replied that they had not gone to the voters.

Ms. Fifield asked how the PERS debt was backed. Mr. Blyth explained that the PERS pension bond was taken out in order to reduce the amount of the District's obligation to PERS and the percentage that had to be charged to payroll. PERS liability was reduced by about three percent.

Regarding Fund 300, Mr. Lafer asked if \$40 million was the amount remaining from the bonds that had been issued previously. Mr. Blyth said that was correct.

Mr. Brown continued with a review of the following capital funds, including proposed appropriations for each fund:

- Fund 400 - Capital Projects - used by Facilities Department for non-bond related maintenance cost and staff
- Funds 410, 420, 460, 461, 462, 463, 464, 465, 466 - Bond Funds - used for actual improvement spending of bond funds
- Fund 450 - Property Sales - currently held revenue from previous property sales
- Fund 490 - Capital Equipment - used for ongoing capital purchases for student technology, vehicles and buses/activity vans

Mr. Lafer said there had been discussions about additional funding for the Kelly Middle School and Y-G building beyond what was initially budgeted in the bond and asked if any of the unappropriated dollars might be available for that purpose. Mr. Brown replied that the funds were appropriated in general use currently without an associated specific project. The School Board could decide to use those funds for the Kelly/Y-G project.

Superintendent Dey said staff had taken into account some of those funds in the total proposed available funding for the Kelly/Y-G project; unappropriated funds could represent a possible increase to that amount.

Ms. Newman noted that Fund 450 contained over \$4 million in unappropriated dollars and asked if that entire amount was expected to roll over to the next fiscal year. Mr. Brown said that was correct.

In response to a question from Ms. Rabasa, Superintendent Dey said examples of Fund 464 projects would be upgrading CTE (career and technical education) teaching spaces so students had access to an environment that mimicked what was found in the workplace and Title IX-related improvements.

Ms. Hsu asked about Fund 464 projects related to equitable access. Superintendent Dey said those projects were for the purpose of ensuring athletic facility parity across schools.

In response to a question from Mr. Lafer, Mr. Brown said the committee would be provided more

detailed information on placeholder appropriations without specific plans and what projects were planned. He said it would be helpful to know the amount of funds expected to be rolled over to the next fiscal year in order for the committee to determine where funds might be available for other purposes. Mr. Brown said staff would provide that information.

Ms. Newman asked what unanticipated things might arise during the year from the Facilities Department's past experience. Superintendent Dey said there would be a list of projects to be done, plus a very long list of deferred maintenance projects that far exceeded what the District currently had in reserves. An example of an unanticipated need would be a leaking roof. More information from the Facilities Department would be provided.

Ms. Thessen asked about the nature of ongoing curriculum updates in Fund 465 would be helpful. Superintendent Dey said curriculum updates would occur in grades K-12, including science, math, English language arts and social studies.

Mr. Brown concluded the presentation with a review of the following insurance reserve funds, including proposed appropriations for each fund:

- Fund 600 - Insurance Reserves - home to the Risk Management Department
- Fund 610 - Insurance Reserves Licensed - funds held for licensed employees to assist in buying down insurance rates
- Fund 620 - Insurance Reserves Classified - funds held for classified employees to assist in buy down insurance rates
- Fund 630 - Insurance Reserves Admin - funds held for MAPS employees to assist in buying down insurance rates
- Fund 640 - Wellness Clinic - funds for operation of the Wellness Clinic
- Fund 650 - Post Employment Benefits - early retirement benefit payments (offered in the past)

Mr. Blyth explained that reserve funds helped to buy down the rates employees paid for health insurance; if transfers were not paid it would drastically affect what employees paid monthly. The subsidies were part of contractual negotiations and a joint benefits committee met periodically to review reserve levels and the projected cost of insurance for the coming year. There were no transfers in the current year to Funds 610, 620 and 630.

Ms. Newman asked if there had been any discussion of opting out of Oregon Educators Benefit Board (OEBB). It seemed as though the District was at a disadvantage being in OEBB with the cost of benefits. Superintendent Dey said there had been some discussions, although they were not productive. Mr. Brown said it was difficult to opt out and might not be possible at this point.

In response to a question from Mr. Campbell, Mr. Brown said the insurance reserves were for all employees, both classified and licensed.

Ms. Newman asked if the District could sustain its contributions to insurance reserves. Mr. Blyth said currently the District was not contributing funds beyond regular employment benefits. He said in past years there was concern when reserves decreased, but there had been recent increases due to several factors, such as adjustments in the types of insurance offered that were less expensive. He said there were contractual caps on the reserves and if those caps were reached any additional dollars would go back to the General Fund.

Ms. Kauffman joined the meeting at 6:45 p.m.

2. Approve the Proposed/Updated Budget Committee Meeting Dates

Mr. Brown reviewed the proposed meeting schedule. Committee members discussed options for adding dates.

MOTION: Ms. Thessen, seconded by Mr. Boulette, moved to approve April 17, May 8, May 15 and May 22 as the Budget Committee's next meeting dates. The motion passed unanimously, 14:0.

VIII. Budget Committee Wrap-up

Mr. Boulette asked about the cost of hiring more educational assistants (EA) in schools. Mr. Brown replied that staff was currently developing information on the cost of all positions in schools.

Mr. Lafer asked about the cost of providing universal free meals during the coming year. Mr. Brown said the current cost was about \$965,000, which was a transfer made from the General Fund. That issue would be addressed when the General Fund budget was presented at the May 8 meeting.

Ms. Thessen expressed her support for free meals. She asked if a cost analysis could be done for providing breakfast and lunch, and for lunch only. She preferred to see both meals daily, but if that was not possible, lunch was the most critical.

Ms. Hays stressed the importance of having no stigma attached to free lunches; the beauty of a universal free meal program was that there was no stigma. She encouraged the District to look at creative options that might allow some families to opt out without stigmatizing those who opted in.

Superintendent Dey said the Board could provide direction to staff on exploring options for free meals in the schools. He said an unintended consequence of the universal program was that often families did not fill out paperwork to indicated free and reduced status, which prevented access to other benefits such as athletic participation. The District could seek a more elegant solution that achieved the District's goal with stigma or undue administrative burden.

Mr. Boulette was opposed to an opt out option as that did not remove the stigma associated with free meals.

Mr. Di Liberto agreed it was critical to remove the stigma and agreed with Ms. Hays that the District could explore other options that would support a free meals program and prevent any stigma attaching to it.

Ms. Hays said she did not want to focus on stigma; she appreciated Superintendent Dey's remark about an elegant approach.

Ms. Hsu said during one of the committee's meetings last year the Director of Nutrition Services indicated that breakfast and lunch would be provided by the District and there were some families who donated to the nutrition program if they had the capacity to do so. She asked if

there was a possibility of pooling those funds to support students who did not have access to other programs and services. That would be an elegant approach.

Ms. Rabasa agreed with the remarks of other committee members who opposed an opt in/opt out approach to free meals. She asked to hear from someone in the Communications Department about creative strategies for encouraging parents to complete paperwork. She also asked if the free and reduced lunch forms were used to determine a school's Title I status.

Ms. Kaufmann agreed with Ms. Rabasa's comments and request. She said free meals at school might be the only meals some students had during the day. She said when everyone was eating together there was some peer pressure to join in. Many schools had fund raisers as donations made it possible for them to function. She asked what type of mechanisms the District had that allowed people to contribute to programs like nutrition. She was not looking at alternatives to feeding students, but perhaps options like a morning snack instead of breakfast could be considered.

Ms. Thessen asked how many languages the free and reduced lunch forms were translated into. She asked if it would be possible to use the District's volunteer pool for activities like food rescue at grocery stores in order to provide grab-and-go snacks for students.

Ms. Newman discussed other options such as partnering with community organizations like EEF and having a donate button or another way on the District's website that people could provide financial support in an area of need. She asked if school-based health centers provided physicals required for athletic participation at no cost.

Mr. Richardson supported providing universal free breakfast and lunch. He said it helped meet students' nutritional needs and also brought people together. He noted that in other communities there were community-based caterers and families that provided enticing traditional indigenous meals that encouraged students to be part of that experience.

Mr. Campbell noted that the committee had requested a list of projects related to the funding codes for the next committee meeting.

IX. Adjourn

Mr. Campbell adjourned the meeting at 7:24 p.m.

(Recorded by Lynn Taylor)