

MINUTES OF THE 4J BUDGET COMMITTEE

School District 4J, Lane County, Oregon

Hybrid Meeting (virtual and in-person)

May 8, 2023

6:00 p.m.

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

I. Regular Budget Committee Meeting

1. Call to Order, Roll Call

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

2. Approve Meeting Minutes for April 17, 2023

Mr. Burstein noted that Ms. Beard's first name should be corrected to "Collina."

MOTION: Mr. Burstein, seconded by Ms. Thessen, moved to approve the April 17, 2023, Budget Committee meeting minutes as amended. The motion passed unanimously, 10:0.

II. Review Responses to Questions and Requests from Members during the April 17, 2023, Budget Committee Meeting

Mr. Brown reviewed responses to the following issues raised by committee members at the April 17 committee meeting. A copy of the responses was included in the agenda materials.

- ESSER Plans
- Fund 280 Adjusted Budget Appropriations.
- Special Education Budgets
- Budget Roadshow Presentation
- Class size statistic's through the years
- EWEB Purchase Possibilities
- Free Food Costs
- 30 Educational Assistants (EA) & Potential Funding
- Supply spending

Ms. Newman asked if \$2 million typically reserved for potentially staffing increases would come from the General Fund or ESSER funds. Mr. Brown replied that the \$2 million would be available in what was referred to the Superintendent's Fund in the event that additional staffing was required.

In response to a question from Ms. Newman regarding funding of 30 EA positions, Mr. Brown said he had included a broad spectrum of MAPS (managers, administrators, professionals, supervisors) to illustrate that the category did not consist only of directors; it also contained lower level decision-makers.

Mr. Campbell asked if all ESSER funded FTEs would be eliminated when ESSER funds were no longer available or would they be rolled into other funds. Mr. Brown said there were a mix of positions he anticipated would roll into the General Fund.

Mr. Di Liberto asked how many positions were in the MAPS category. Mr. Brown said there were 135 to 140 in that group.

Ms. Rabasa asked if the District would cover the cost of school supplies in the new year. Superintendent Dey said the District would have required supplies available and work with community partners on other items such as backpacks and clothing to provide as needed. For the coming year there were funds from ESSER and the General Fund to cover all necessary supplies, but there would need to be a decision about whether that could be sustained.

In response to a question from Mr. Burstein, Superintendent Dey said prior to the pandemic the District attempted to reduce fees for some class at the secondary level, such as elective or technology. The District would continue to assure there were no fees associated with core competency classes, or any classes if possible, and provide back-to-school supplies beginning with elementary school and going as far in other grades as finances allowed.

III. Items Raised by the Audience

There was no one wishing to speak.

IV. Superintendent's Time

Superintendent Dey stated that it was Teacher Appreciation Week and personally acknowledged the efforts and impact of the District's over 1,000 educators and other licensed professionals had on students every day. He encouraged everyone to take the opportunity to personally express their gratitude to an educator that had made a difference in their lives and the lives of their loved ones. He said the committee would be discussing allocation of General Fund resources, noting that \$.87 of every \$1.00 was spent on staffing in the District. He encouraged the committee to be cognizant of the following factors as they sought to ensure fiscal stability and sustainability in the years to come:

1. Any reinvestment of District reserves was a one-time investment and would not be responsibly spent on staff positions as the funds would not continue to be available into the future.
2. In the coming year the community would be asked to reauthorize the local option levy that would provide the resources to sustain current operations. The success of that tax measures was still unknown, prematurely allocating resources that might be needed to sustain the District in the absence of community approval was prudent.
3. Eugene was a community with a deep history of collaborative decision-making. Reinvestment without broad community involvement would be inconsistent with community values.

Superintendent Dey recommended that the committee continue with a fiscally conservative approach for the upcoming year to allow the levy and engagement process to occur, allowing the District to responsibly and thoughtfully reinvest in accordance with the community's wishes and District goals. He thanked Budget Committee members for their commitment to the District.

V. Items for Information

1. Budget Committee Presentation

Mr. Brown used a pie chart to illustrate the source and percentage of revenue sources within the General Fund and reviewed a table of General Fund resources and beginning fund balances for FY21, FY22, FY23 (estimated) and FY24 (proposed). He also reviewed expenditures - actual, estimated and proposed - for those fiscal years. He noted that a large portion of the increased personnel costs for FY24 was due to the classified bargaining unit contract agreement. He said there was a higher unappropriated amount than the previous year. The Board policy currently was a five percent reserve, but the Board and Superintendent would have a discussion of what the appropriate reserve amount should be and whether to increase that percentage.

Ms. Hays arrived at 6:35 p.m.

In response to a question from Mr. Burstein, Ms. Rabasa said that future discussions of the appropriate amount of reserve would be held in a public setting.

Ms. Fifield asked about the variations between fiscal years of budgets and expenditures for items such as supplies and materials, noting that the fiscal data provided only went back to FY21 during the pandemic. Mr. Brown replied that the pandemic, including school closures and online teaching that occurred during that period, had a significant impact on expenditures in some categories.

Mr. Brown reviewed General Fund transfers for items such as deferred maintenance, nutrition, curriculum, risk management and FICA reserves. In response to a question from Mr. Boulette, he said the nutrition services transfer would cover the cost of free meals for all students.

Mr. Brown reviewed a series of slides showing District employees by FTE groups and staffing to enrollments comparisons since 2014. He said a small increase in staff was anticipated in FY24. Superintendent Dey said the District was stay very close to the current proportions.

Mr. Burstein asked if enrollments had recovered sufficiently to project enrollments in out years. Superintendent Dey comments that enrollment decreases were being seen across the state, although 4J had not been impacted as significantly as other districts. Factors in that decrease included online school, a drop in the birth rate five to six years ago and lack of affordable housing in Eugene.

In response to a question from Ms. Newman, Mr. Brown added that 4J's drop in enrollments was similar to other schools and he did not expect that the District would experience a decrease in its percentage of funding. He reviewed four forecasting scenarios based on passage or defeat of the local option levy:

- Status quo - with levy
- Status quo - without levy
- Within means - with levy
- Within means - without levy

In response to a question from Ms. Newman, Mr. Brown said projected cuts in some of the scenarios would be not only to staffing, but to categories across the board.

Ms. Fifield noted that the estimated savings of \$6 million in staffing costs expected for the current year would provide additional funds in the next fiscal year.

Mr. Campbell comments that the unappropriated funds represented a good "rainy day" fund. Mr. Brown agreed that 4J was in a much better financial position than some districts and could leverage those fund balances to help weather the next few years and avoid large layoffs.

Ms. Hays reflected on drastic cuts in the past and appreciated the actions of previous boards to look at future years and take action to assure reserves that would prevent those large cuts to staffing and programs.

Mr. Burstein agreed with Ms. Hays. He expressed some frustration that the Budget Committee only look at one year at a time as it was difficult not to make long term commitments to important things like the free meal program. He thanked Ms. Hays for her service on the Board.

VI. Items for Action at this Meeting

1. Approval of Budget and Declaration of Taxes/Levies

Mr. Brown reviewed the proposed actions.

MOTION: Mr. Boulette, seconded by Ms. Hays, moved to recommend the budget total for all funds, including the General Fund Total of \$296,486,000 and Other Funds Total of \$352,475,693. The motion passed unanimously, 11:0.

MOTION: Mr. Boulette, seconded by Mr. Campbell, moved to declare the tax rates and debt service levy for the General Fund tax rate of \$4.7485 per \$1,000 assessed valuation of the district, and for the Local Option Levy tax rate of \$1.50 per \$1,000 of assessed valuation of the district, and for the Debt Service Fund tax levy of \$41,731,915. The motion passed unanimously, 11:0.

VII. Budget Committee Wrap-up

Members of the committee thanked staff on behalf for their work and support of the Budget Committee's efforts.

Mr. Brown stated he would provide follow-up information to the committee responding to questions during the meeting.

Ms. Hays announced that this was her last Budget Committee meeting as she was retiring after 18 years on the School Board. Members expressed their appreciation for her years of service to the District and the community.

Mr. Burstein recognized Mr. Campbell and Mr. Boulette for their leadership as chair and vice chair of the committee.

Mr. Campbell expressed his thanks for the participation and efforts of Budget Committee members and encouraged everyone to vote in the upcoming election.

IX. Adjourn

Mr. Campbell adjourned the meeting at 7:15 p.m.

(Recorded by Lynn Taylor)

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