

**¹MINUTES OF BUDGET COMMITTEE MEETING
EUGENE SCHOOL DISTRICT 4J, LANE COUNTY, OREGON**

Date: April 8, 2026

The Budget Committee of School District No. 4J, Lane County, Eugene, Oregon, held a regular Budget Committee meeting at 6:00 p.m. in-person at the Education Center, 200 North Monroe Street in Eugene, Oregon, via live-stream and broadcast on KRVM. Notice of the meeting was emailed to the media and posted on the 4J website.

ROLL CALL

BUDGET COMMITTEE MEMBERS PRESENT:

Abbie Stillie
David Wallace
Courtney Salic
Scott Fellman
Eric Richardson
Amy Fellows

BOARD MEMBERS PRESENT:

Tom Di Liberto
Ericka Thessen
Maya Rabasa
Jenny Jonak
Morgan Munro
Judy Newman
Rick Hamilton

STAFF:

Miriam Mickelson, Superintendent
Carmen Xiomara Urbina, Chief of Staff
Matt Brown, Director of Financial Services
Bob Blyth, Associate Director of Financial Services
Kelly McIver, Communications Director
Casandra Kamens, Curriculum Administrator
Jill Cuadros, Director of Nutrition Services
Oscar Loureiro, Director of Research and Planning
Christine Nesbit, General Counsel
Dan Farley, Director of Technology
Seth Pfaefflin, Director of Student Services

¹ April 8, 2026 – 4J Budget Committee Meeting
Approved on: April 22, 2026

Kat Lange, Executive Director of Youth and Family Support
Brooke Wagner, Assistant Superintendent for Administrative Services
Lisa Fjordbeck, Operations Coordinator for the Superintendent's Office
Steve Schinninger

EMPLOYEE ASSOCIATIONS:

Lisa Jenkins-Easton, Oregon School Employees Association (OSEA) President
Jamie Meyers, Eugene Education Association (EEA) President
David Wines, Eugene Education Association (EEA) Vice President

MEDIA:

KRVM
KEZI
Lookout Eugene-Springfield

I. CALL TO ORDER/ROLL CALL

Mr. Di Liberto called the Eugene School District 4J Budget Committee meeting to order at 6:04 p.m. He said the names of all members present. He announced that Dakota Boulette will no longer be serving on the Budget Committee and thanked him for his service. He clarified that the Budget Committee may continue with one vacant seat. Mr. Di Liberto presented the meeting agenda for a brief review.

Ms. Rabasa disclosed a potential conflict of interest.

II. ITEM FOR ACTION

1. ELECTION OF CHAIR AND VICE CHAIR

Mr. Di Liberto engaged the Budget Committee in an election process for the Budget Committee Chair and Vice Chair.

Mr. Fellman nominated Ms. Salic to serve as Budget Committee Chair. Ms. Salic accepted the nomination.

Ms. Newman nominated Ms. Stillie to serve as Budget Committee Chair. Ms. Stillie accepted the nomination.

The consensus landed in favor of Ms. Salic to serve as Budget Committee Chair.

Ms. Munro nominated Ms. Stillie as Budget Committee Vice Chair.

The consensus landed unanimously in favor of Ms. Stillie to serve as Budget Committee Vice Chair.

In summary, Ms. Salic was elected to serve as Budget Committee Chair and Ms. Stillie was elected to serve as Vice Chair.

2. APPROVAL OF PREVIOUS YEAR MINUTES:

- April 15, 2025 Budget Committee Meeting Minutes
- April 22, 2025 Budget Committee Meeting Minutes
- April 29, 2025 Budget Committee Meeting Minutes
- May 5, 2025 Budget Committee Meeting Minutes

MOTION: Ms. Fellows moved to approve a set of meeting minutes from the previous year. Ms. Jonak seconded. **The motion passed unanimously, 12:00; Chair Salic, Vice Chair Stillie, Mr. Richardson, Mr. Fellman, Ms. Fellows, Ms. Rabasa, Ms. Jonak, Ms. Munro, Ms. Newman, Mr. Di Liberto, Mr. Hamilton and Ms. Thessen all voting in favor. Mr. Wallace was not present at time of motion.**

III. SUPERINTENDENT WELCOME

Eugene School District 4J Superintendent Miriam Mickelson welcomed attendees and described the purpose of first public Budget Committee meeting of 2026:

Purpose

- Deliver the proposed budget 2026-27 budget message
- Focus on General Fund overview
- Address forecasting challenges

She declared that leadership is presenting a balanced budget for the 2026-27 school year, yet structural deficits remain. She listed a combination of factors, including declining enrollment, rising costs, ongoing unfunded mandates, expenses outpacing revenues, and the ceasing of reserves and federal COVID-relief funds. As a result, budget reductions will be ongoing for the foreseeable future. Superintendent Mickelson explained that this week some employees will receive reduction in force impact notices.

Superintendent Mickelson clearly defined Budget Committee roles and responsibilities, presented School Board Policy DBEA, and listed ways the Budget Committee has prepared for their work.

She outlined values-driven priorities:

- Ensure fiscal sustainability
- Promote focus, efficiency, alignment, and coherence
- Lead with care and clarity
- Protect what is essential
- Center students
- Advance equity and access

Superintendent Mickelson closed her opening statements by thanking educators, staff, and the community for their ongoing support.

IV. BUDGET PROCESS AND REVIEW

Finance Director Matt Brown and Superintendent Mickelson introduced the budget process to date via PowerPoint presentation:

Budget Process

- October – November: Engagement
- December – February: Reduction Phases
- February – March: Finalizing 2026-27 budget
(Note: Prior to spring break, additional operating deficit was identified after completion of phased reductions were added to the budget model)

Relating to the operating deficit, Mr. Brown explained that in mid-March the Finance Department began to see anomalies that caused concern. He said payroll projections were trending higher than original budget projections. At the same time, they were starting to enter projected budgets into the system for schools and departments. They noticed an additional concern that the initial reductions originally identified were not yielding the savings they were expecting. At this time, their department notified the superintendent.

V. SUPERINTENDENT BUDGET MESSAGE FOR 2026-27 BUDGET

Superintendent Mickelson acknowledged the added stress of learning of the deficit. She said identifying it earlier helps reduce the risk of unexpected issues next year that could have led to more disruptive mid-year reductions. She described key leadership takeaways from the experience.

She outlined validation steps:

- Review current and future staffing line-by-line
- Engage with CFOs from other districts
- Review 2025-26 assumptions and projections
- Review 2026-27 assumptions and projections
- Discuss a preliminary 2027-28 forecast
- Compare average salary assumptions with per-employee costing for more precise expenditure projections

She outlined position control:

- Position control = matching
- People
- Jobs
- Funding
- Information in HR and Financial Services

In schools, it is not simple:

- People can work in multiple schools

- Jobs can be paid by multiple funding sources
- Funding can support multiple people

When the funding changes:

- It is not one job = one change
- We must:
 - Follow contracts
 - Honor employee rights
 - Find placements when possible

We want to be clear:

- Our system has not always been aligned
- We are improving HR and Finance systems coordination
- We are building better tracking systems

Mr. Brown explained that historically 4J has used forecasting models similar to other large school districts; in normal times of operations the models have worked well with explained variances. He said now the district is transitioning to a time where normal is not the standard and thus they will adjust the standards that they developed projection models on.

Mr. Brown added that upon recent review of actual costs, their department found that the district will likely not realize salary savings this fiscal year. He said one-time funding and end-of-year adjustments to salaries and benefits to use ESSER dollars created an illusion of salary savings in the forecasting model. He provided pertinent information related to PERS-side account depletion.

VI. REVIEW OF THE 2025-26 BUDGET AND THE DEVELOPMENT OF THE 2026-27 BUDGET

Mr. Brown robustly covered forecasting, next steps, and general fund topics:

Forecasting 2025-26 into 2026-27:

- Salary saving assumptions
- Unemployment costs
- PERS-side account depletion

Reduction process throughout budget timeline:

- Utilizing averages vs. per-employee-costing
- Assumptions of reduced costs
- Position control within our system
- Realized savings better identified in September 2026

Next steps or adjustments for next budgeting cycle:

- Ongoing monthly reconciliation with HR for position control
- Creating new forecasting models using per-employee costing

Proposed Budget 2026-27 General Fund topics:

- Understanding operating revenue and total resources
- Understanding operating expenditures and total requirements
- Projected operating deficit about \$16 million next year
- Bottom line: the 2026-27 General Fund budget
 - Is balanced according to Oregon law
 - Meets Board policy of 5% reserves (3% contingency, 2% unappropriated)

(Reminder: These are projections (not actuals). Variance between projections and actuals are to be expected. Proposed budget document available on district website.)

Mr. Brown explained that the district will be using one-time funds previously placed in real estate and major maintenance funds. The district will utilize just under \$13 million from the accounts to help create a balanced budget. He presented a budget message, General Fund overview, and savings and reduction pathway:

Budget Message

- Budget document presentation
- Financial policy changes – reserve policy and fiscal year reminder
- Built based on fiscal realities and district priorities and values
- Balanced budget for 2026-27
 - General Fund budget reductions to create that balanced
 - Projected operating deficit about \$16 million next year
 - One-time transfer money utilized
 - Ongoing structural deficit to address

General Fund Overview

- Board authority was approved for up to 269 FTE; we did not exceed this authority with currently filled positions and we will not be seeking authority for additional reductions
- Even with reductions, we still have a projected operating deficit of about \$16 million between revenue and expenditures for next year
- We will close the deficit with one-time funds and part of our beginning fund balance
- We are presenting a balanced budget for 2026-27 but deeper structural challenges remain to have revenue and expenses align in the future

Savings and Reduction Pathway

- After the per-employee costing our intentent \$30.0 million reductions yield a projected savings of \$25.5 million
- A second round of staff reductions result in an additional projected savings of \$2.2 million
- Total projected reduction savings for the 2026-27 budget are \$27.7 million

Mr. Brown displayed operating revenue, total resources, operating expenditures, total requirements, and operating deficit:

**Finer details were provided in the PowerPoint presentation*

Operating Revenue

\$258,598,800

Total Resources

\$291,473,800

Operating Expenditures

\$274,991,982

Total Requirements

\$291,473,800

Operating Deficit (difference between operating revenue and operating expenditures)

\$16,393,182

Mr. Brown presented the following information for closing the gap:

One-time utilization strategies

Wells Fargo building sale proceeds: \$2,900,000

Facilities maintenance fund transfer: \$10,000,000

Beginning fund balance: \$3,493,182

Operating deficit (gap) for 2026-27: \$16,393,182

Superintendent Mickelson added that the key takeaways are the district enters 2026-27 with a balanced budget and in compliance with legal requirements and Board reserve policy, but long-term structural imbalances remain that will require continued careful financial planning.

Mr. Brown highlighted one-time federal pandemic relief funding (ESSER) used for ongoing expenses and unfunded mandates.

He mentioned the following related to forecasting for 2027-28:

**Finer details were provided in the presentation*

- New budget biennium for the Oregon Legislature
- 4J has no large, one-time funding to use for 2027-28

- Planning for a funding gap for 2027-28

VII. PREPARING FOR THE 2026-27 SCHOOL YEAR

Chief of Staff Carmen Xiomara Urbina presented system planning for 2026-27 via PowerPoint presentation.

Communicate with clarity and care:

- Continue to provide timely, transparent updates
- Partner with employee groups to support impacted staff

Support people and communities through change:

- Center dignity, compassion, and stability for impacted staff, schools, and families

Plan responsibly for today and tomorrow:

- Align our work across three phases into a clear, coherent strategy;
 - Part I: Budget process – stabilize and align our financial foundation through a transparent and responsible budget development process
 - Part II: Finish 2025-26 strong – maintain focus on students, protect core operations, and end the year with stability and discipline
 - Part III: One system leadership model and de-siloing implementation – fully implement our system redesign to ensure long-term coherence, alignment, and sustainability
 - Reimagine service delivery to ensure long-term sustainability for 2026-27 and beyond

Ms. Urbina closed with a commitment to leading with care and moving forward with clarity and purpose.

VIII. QUESTIONS AND DISCUSSION

Responding to Ms. Jonak's request for further clarification about the funding gap, Associate Financial Director Mr. Blyth provided additional context, including that there were impacts overlooked, or not realized at the time, that resulted in the district not getting the savings they were anticipating. He provided examples. He also cited staff unemployment and other benefits costs.

Superintendent Mickelson committed to following up with more detailed information about the funding gap at the next Budget Committee meeting. She reemphasized the importance of position control and touched on recent improvements to align Finance Department and Human Resources tracking systems.

Mr. Brown added that their department is upgrading their financial software system.

Vice Chair Stillie asked for an estimate of the cost of unfunded mandates and FTE costs this year.

Mr. Brown committed to following up with the information.

Responding to a question posed by Ms. Newman related to filling the operating deficit, Mr. Brown explained that the district is building a budget that meets contingency requirements (3% contingency, 2% unappropriated); and since the contingency amount is a little bit over 3%, there may be an opportunity to use those funds.

Ms. Rabasa requested that FTE numbers be broken down by employee group when presented.

Ms. Munro noted the utilization of one-time funds to bridge the operating deficit. She expressed deep concern about the district budget looking forward, pointing out that expenses will remain higher than revenues. She acknowledged the stress due to the district not having any remaining one-time funds.

Mr. Blyth agreed that there many unknowns looking ahead to the 2027-28 school year.

Ms. Munro suggested using range forecasting to help with informed decision-making.

In response to Ms. Munro's suggestion, Superintendent Mickelson and Mr. Blyth touched on multi scenario modeling.

The Committee further discussed the factors that have led the district to budget uncertainty.

Ms. Jonak mentioned that the use of one-time funds was not how the Budget Committee wanted to balance the budget. She reemphasized the importance of having information sooner.

Vice Chair Stillie asked if operationally it matters when the district discovered the shortfall.

Superintendent Mickelson responded no, explaining that the district had already exhausted its capacity to "right the ship" for the 2026-27 school year.

Ms. Fellows inquired about furlough days.

Mr. Blyth responded that furlough days are a onetime fix and do not address the structural deficit.

Ms. Rabasa sought clarification that the district no longer relies on vacancy savings.

Mr. Brown responded that previously vacancy savings were a variable not utilized in forecasting, sometimes resulting in wide savings and anomalies. He clarified that this year they did put in a vacancy variable of 2.5%. He touched on intricacies related to the variable.

Superintendent Mickelson provided closing comments describing best practices for vacancies as they relate to balancing the district budget.

MOTION: Mr. Fellman moved to provide no more than 20 minutes for Budget Committee members to pose questions to staff following the public and employee group comment portion of the meeting. Mr. Hamilton seconded. **The motion passed unanimously, 13:0:0; Chair Salic, Vice Chair Stillie, Mr. Richardson, Mr. Fellman, Mr. Wallace, Ms. Fellows, Ms. Rabasa, Ms. Jonak, Ms. Munro, Ms. Newman, Mr. Di Liberto, Mr. Hamilton, and Ms. Thessen all voting in favor.**

IX. ITEMS RAISED BY AUDIENCE

Patrick Newson, Farm to School Network Procurement Hub Coordinator, provided comments related to Nutrition Services, specifically about the prospect of developing a bond-funded processing and production kitchen. He said it has the potential to increase the use of local produce, introduce systems that limit waste and inefficiencies, and provide an additional income stream for the district, citing exploring non 4J-student meals as a potential revenue opportunity. Mr. Newson provided the Committee with an informational handout.

Jaime Hock, 4J parent and mental health therapist, spoke with urgency about the importance of roles like hers in the district. She highlighted the necessity of meeting the basic needs of students before achieving academic goals. She added her perspective that enrollment will suffer without CTE programs, physical education, and music.

X. COMMENTS BY EMPLOYEE GROUPS

Eugene Education Association (EEA) President Jamie Meyers provided comments. Regarding the \$30 million in budget cuts, she said the entire system has felt the weight. She acknowledged news of a further \$16 million deficit and said employees are feeling a range of emotions and have numerous questions. She urged that further clarity and details be provided to district employees.

Oregon School Employees Association (OSEA) President Lisa Jenkins-Easton provided comments. On behalf of classified staff, she cited fear of retaliation and the perceived siloing of information. She emphasized a need to correct the workplace culture that the current budget crisis has created. She hopes the budget cycle offers the opportunity to correct unbalanced organizational structure. She noted concern about deep impacts to the Nutrition Services department, specifically impacts to employee access to health insurance.

XI. QUESTIONS FROM THE BUDGET COMMITTEE

Vice Chair Stillie observed that often times Budget Committee members learn of cuts to

programs during public comment. She suggested receiving information about the scope of cuts earlier.

Ms. Thessen asked if the Finance Department has factored in an increase in diesel fuel into the budget.

Mr. Brown responded affirmatively.

Ms. Rabasa sought a future explanation about the mention of Nutrition Services employees potentially losing their health insurance.

Ms. Fellows sought clarification about potential impacts to special education students given budgetary reductions.

Mr. Fellman acknowledged that the budgetary crisis is influenced by factors at the state and federal level and suggested potential engagement and advocacy.

Responding to the Mr. Newsom's public comment, Ms. Newman said if there is an entrepreneurial opportunity for the district to generate revenue, she is open to learning more.

Mr. Richardson agreed.

Mr. Di Liberto, who serves as Chair of the Board of Directors, provided an acknowledgment and message of hope regarding the district's current budget reality.

The next Budget Committee meeting is scheduled for Wednesday, April 22 at 6:00 p.m.

XII. ADJOURN

Mr. Di Liberto adjourned the meeting at 8:48 p.m.