

**GRESHAM-BARLOW SCHOOL DISTRICT NO. 10 JT.**  
**Minutes of Budget 101 Workshop**

**Thursday, March 19, 2026**

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The Gresham-Barlow School District Budget Committee met on Thursday, March 19, 2026 in the Partnership Room at the Center for Advanced Learning (CAL), 1484 NW Civic Drive, Gresham, OR. A Zoom link was provided for virtual meeting attendance.

**Board Members present:**

Heather Coleman-Cox, Shawn Farrens (virtual), Kris Howatt, Brenna Puderbaugh (virtual), Holly Riegelmann, Erasto Sedda.

**Budget Committee Members present:**

Vaden Green, John Hartsock, Nick McWilliams, Kelby Whittington, Garret Wood

**Other Staff in Attendance:**

Dr. Tracy Klinger, John Koch, Dr. Sara Deboy, Pete Bejarano, Kevin Holden

**Opening Items**

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**1. Call to Order (7:00 p.m.)**

Board Vice-Chair Holly Riegelmann called the meeting to order at 7:00 p.m.

**2. Roll Call (7:00 p.m.)**

Vice-Chair Riegelmann reviewed those in attendance. Board Chair Blake Petersen and Budget Committee Member Dan Corcoran were absent. Board Directors Farrens and Puderbaugh attended virtually. Position 5 on the Budget Committee is currently vacant.

**3. Approve Meeting Agenda (7:00 p.m.)**

**MOTION 72:** Move to approve the meeting agenda as presented. This motion, made by Kris Howatt and seconded by Heather Coleman-Cox, Carried.

Aye: Heather Coleman-Cox, Shawn Farrens, Kris Howatt, Brenna Puderbaugh, Holly Riegelmann, Erasto Sedda

Aye: 6, No: 0, Absent: 1

**4. Welcome and Opening Remarks (7:01 p.m.)**

Vice-Chair Riegelmann welcomed everyone and turned time over to Mr. Bejarano for the Budget 101 presentation.

**Discussion Items**

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**5. Budget 101 Presentation (7:02 p.m.)**

Superintendent Klinger welcomed the newest budget committee member Kelby Whittington, and noted that Erasto Sedda has been appointed to the board which created a vacancy on the budget committee. This meeting is about level setting expectations before they move into the official presentation of the budget next month.

Roles and Responsibilities

Mr. Bejarano shared that broadly speaking, the board and district management have different roles with the board focusing on the big picture, and district management turning that into action. The Budget Committee has very specific

things that need to happen. The budget process includes nominating a presiding officer, reviewing the budget document, approving Ad Valorem Tax rate, hearing from the community, participating in the budget presentation, and approving the proposed budget at the function level. While that seems like a lot, there are only three key decisions, which are to approve the budget as presented, change appropriation, and approve the tax levy rates. When talking about the budget itself they talk about appropriations. The district is required to pass a balanced budget, and they have revenues and expenses, also referred to as resources and requirements. In appropriations, the budget committee is setting a maximum legal spending level for expenditures. This is the maximum amount the district is allowed to spend. On the revenue side there is no maximum. Their job as district management is making sure they do the best possible at forecasting. Collective best thinking for the future is based on preliminary projections that may or may not change. They will do the best they can with the plan, but reality may not be exactly as predicted, and the law allows for that.

There are a number of different funds in the budget including general fund, special revenue fund, debt service fund, and capital projects fund. Mr. Bejarano reviewed information about each fund and the difference between unrestricted and restricted funds. The general fund is the only unrestricted fund, meaning it can be spent by the district within the appropriation levels set by the board without approval from other entities. Restricted funds can only be spent in very specific ways, and the law requires they be set in a certain way. The district does not have a lot of decision making for these restricted funds.

Mr. Bejarano reviewed the board budget responsibilities sharing that the budget has only one legal page that the board approves. While there are lots of pages in the budget, only one carries legal weight. It appropriates by fund the major function levels. These levels are what the budget committee can have impact on. It is up to the district to build a budget that fits into these functions which include instruction, support, community service, facilities acquisition, transfers out, and contingency. Mr. Bejarano showed the group the different functions and what areas they feed into. The other 180+ pages of the budget allow them to show as much detail to the public as possible.

Mr. Bejarano provided an overview of budgeted positions versus full time equivalents (FTE). In a bargaining environment, both parties will talk about FTE to distinguish between full time and part time positions. The budget document is a legal appropriation of dollars, not FTE. It will include some broad details, but it is not an employment contract, and not a commitment to any specific FTE amount. The FTE broken out by fund and bargaining groups is a plan only and carries no legal weight.

Before moving on, Mr. Bejarano paused for questions. The group asked if the budget would only be digital, or if they would still get a printed copy. He shared that they plan to provide both digital and print copies to the group. Committee members also asked if they need to be an accountant to be able to read the budget. Mr. Bejarano shared that the budget book is what the law requires and the district feels it is best to share it transparently. It is written as plainly as possible, but is restricted by the PBAM (Program Budgeting and Accounting Manual) for wording they have to use per the state.

There was additional discussion about when the budget book would be available.

### Budget Overview

There was discussion focused on why the district is where it is at with budgeting. Current Service Level (CSL) is a term used by the state legislature to speak about the funding level needed to keep current programs and staffing unchanged or status quo each biennium to provide the same level of educational service year to year. The inability to sustain CSL has been ongoing for over 30 yrs. Since 1992 in Oregon, cost increases have consistently been greater than state allocations. This is a separate issue from unfunded mandates.

MESD put together a slide for what budget reductions mean for students. When budgets are reduced the district has to

choose between things, and it creates an unsustainable cycle of reductions that limits student opportunity year after year. During last year's budget process, the legislature allocated \$11.36 billion for the biennium, but they needed \$12.1 billion to maintain current service level. Gresham-Barlow reduced their 2025-26 budget by \$8.1 million. Earlier this year, the governor asked all state departments to submit potential mid-year budget reductions, however, the legislature decided not to reduce ODE's portion of core support mid-year. Mr. Bejarano reviewed general fund numbers and percentages noting that the majority of general fund expense goes to staffing. The majority of general fund revenue comes from the state school fund and is driven by enrollment, which has been on a steady decline for the past 10 years and is forecasted to continue for the next 10 years. This means the general fund will be reducing by some amount each year. He shared a comparison of neighboring districts and noted declining enrollment is affecting everyone. Overall, for the slope of enrollment compared to positions/FTE, they would expect them to be similar but they are not. They saw a major uptick in 2020-21, 2021-22, and 2022-23 due to ESSER funding from the pandemic. Because they are out of alignment is part of why they are where they're at right now. When looking at FTE by bargaining group, Admin and Confidential stays relatively flat and stable. The only time it changes are the years that other categories are going up.

Financial reserves are like a savings account to only be used in emergencies. For example, to maintain normal operations during government shutdowns, or pay for repairs from weather damage before emergency funding from FEMA or insurance claims. Mr. Bejarano reviewed the percentages for budgeted expenses noting that not only is salary and benefits paying for people, but the purchased services also pay for transportation providers, food workers, and after school programs. The PERS expense is 11% of the overall budget and 17% of payroll as a whole. Factors impacting next year's budget include state funding not keeping pace with rising costs, declining enrollment, and increasing uncertainty for state and federal grants. Payroll, PERS, utility and insurance costs are increasing more than state funding, which puts pressure on the overall budget.

PERS is an investment account for employees. Money is paid in every year, and used by the Oregon Treasury Department to earn returns. As a market-based investment it is susceptible to market swings, and their rates of return bounce around like the markets do. Investments aren't making as much as expected leading to a massive unanticipated increase in overall wages, and declining enrollment. The group asked if there are less people participating in PERS if that means less money is going to the employee. Mr. Bejarano noted that this is complex. The way the PERS formula works is that people get paid out based on a certain number of their last year of employment. Less people paying in and other people leaving creates part of that disparity. He shared that they don't have control over the rates set by the legislature, and those rates have gone up about 7-9% which is double inflation. Projections for next biennium show the rates going up another 10%.

Mr. Bejarano shared information about state unfunded mandates. This happens when the state passes laws saying the district has to do new things, but doesn't provide funds for the new requirements. Senate Bill 3 added graduation requirements requiring additional FTE in high school. Accountability Bill SB141 requires assessments and data reporting, and the state is currently working on an overhaul of the PBAM which will change things at a fundamental level and require extensive training. He noted these are the most recent unfunded mandates and this is not a complete list.

Federal Grant Funding remains below 2011 levels. Ever since then the district has been losing to inflation, which started to really make a difference in 2022. The funding level is still flat, and that difference is material. When they get flat funded as a district, they still have contracts and have to pay people the new rates, which means they have to make reductions. The ending fund balance reserves went up in 2020-21 because there was less spending in the pandemic. Ever since they have been eating into the reserves to keep things going without substantial changes to staffing level. The district is below the 8% ending fund balance defined in policy, and the direction is unsustainable. Previously, they weren't going to make drastic changes until they knew kids weren't coming back and they kept things sustainable. Now they are at that point.

Mr. Bejarano reviewed what some of the neighboring districts are doing in terms of ending fund balance. For 2024-25, they were right around 8%, and at the end of this year they will be down to about 6%. Superintendent Klinger noted that some of the differences in the neighboring districts are based on where people are at in their negotiations cycle. Some districts also have a local option levy. Committee members asked if property taxes affect this as well, and Mr. Bejarano confirmed that they can have an effect.

Mr. Bejarano summarized the budget challenges and reductions. There are local, state, and federal issues causing impacts. Locally there is an existing shortfall for salary and PERS that needs to be dealt with moving forward, and the ending fund balance is projected at 6% which is below the board policy requiring 8%. At the state level PERS rates are expected to grow, far outpacing inflation, and costs continue to increase faster than revenues. Federally the US House and Congress have agreed on Federal Grant funding for education, but flat funding with inflation is still a cut. The federal level can also delay when districts get money. Solutions have to be ongoing; they can't look for a one-time solution. As far as the size of budget reductions, they are looking between \$10 million to 11.5 million. Last year they cut \$8 million. For context, \$10 million is 5.5% of the general fund. One day of expenses is \$710,000 and a 6% ending fund balance gives them about 14 days of operating costs.

### Budget Timeline

They are still in the beginning of the budget development stages. They have received community engagement and are working it into some key decisions. The next step is for the budget committee to review budget and hear public comments. Once they approve the budget, it is forwarded to the school board for adoption. The next budget committee meeting is April 29th, and the proposed budget document will be ready for review. The committee may approve, request additional information, or ask staff to make changes. The details are the plan, but not what is being recommended. The appropriation level is what is being recommended. There is a second meeting scheduled for May 13th if needed. June 4th a budget hearing would be held and the board would legally adopt the budget. The budget must be approved and in place by June 30th. If it is not in place the district is not allowed to spend a single dollar and work would have to stop. Mr. Bejarano closed his presentation by reminding the group of their roles and responsibilities.

### **6. Question & Answer Session (8:02 p.m.)**

Following the presentation, there was time for questions from the budget committee. They asked about the expected cut in percentage and it was noted that it would be 6-7% of the overall budget. Committee members asked about school occupancy numbers and if closing a school would help make up the gap. Superintendent Klinger shared that closing a school is not being considered for this budgeting year. If it was something that wanted to be considered, it would have to go through the board and community input. They have closed two schools in the last 6-8 years, West Gresham Elementary and Damascus Middle. Closing another school is something they would have to look at in the long term.

They asked for an explanation on the difference in QEM and current service level. Mr. Bejarano shared that the QEM (Quality Education Model) is an involved rubric about more than just maintaining the status quo like current service level. It is much more multi-faceted. Superintendent Klinger added that QEM is more about what is the optimal amount, it is more aspirational and tends to be based on national trends and averages. The state has never been close to QEM. Current Service Level is how they maintain programming year to year. Committee members asked what would happen if the committee approved the budget, but the board doesn't adopt it. Mr. Bejarano shared that they would need to get into the technical legalities of that. The idea is that any proposals for changes would take place in committee. There was discussion about the TSCC (Tax Supervising and Conservation Commission) and how they are a next level of review. At the winter retreat, the board voted to move away from that temporarily, specifically related to concerns about people hearing things in the wrong way. Going forward they hope to utilize them again.

The group asked about the transportation contract with First Student and if the rise in fuel prices is being passed on to the district. Mr. Bejarano noted it is a complex mixture with multiple contracts. First Alt provides some specialized transportation for special education students. There is a provision for fuel prices to go up to a certain capped amount. There was discussion about insurance and how it has increased industrywide. Conversation also touched on private insurance versus a public pool. Currently, it is still more cost effective for the district to continue with the public pool insurance. Committee members asked about a Reduction in Force (RIF). Superintendent Klinger shared that the way they've planned is to make sure they are cutting deep enough so they can meet their level, then they can recall people back. They have tried to work within a range on different tiers and they have been able to narrow that.

The committee asked where charter schools fall, asking if they are cutting all of these teachers are they also cutting for charter schools. Superintendent Klinger clarified that they provide and pay for their own space. When the district shows enrollment numbers, they include charters. The district gets funding, then there is a percentage that they pass through to the charters. Lupine and Gresham Arthur get 80%, MEWA and CAL get 95%. The money comes to the district because they are their students. The money that goes out is the charter's portion, and they decide on their staffing and if they can afford their lease. They do all those operational items on their own, then there are management things the district does on top of that.

There was extensive discussion around budget issues and impacts facing the district including urban renewal, a possible local option levy and the ability to pass one, and needing deeper conversation about closing schools in the future. For the levy, they discussed needing more current polling to see how the community feels about a levy. This hasn't been done in many years and some felt that perspectives of Gresham community members have changed. A poll would help them determine if a levy had a better chance of passing than in the past. Superintendent Klinger noted that when talking about current service level, the needs of their students have also changed, and they aren't keeping up with providing for their needs either. Last year there were lots of questions and open conversations. Their goal in this process is to give the committee the information to make decisions about what they are thinking. The value is in the conversations and is part of where transparency comes through with the community. This is also why they pulled the budget committee in early this year. The more time people have to wrestle with where they are at financially, the better they are to be emotionally detached from that to make decisions. She appreciates everyone's commitment to the conversation.

## **Closing Items**

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### **7. Adjournment (8:43 p.m.)**

Vice-Chair Riegelmann noted that the next Budget Committee meeting will be in the same room at CAL on April 29th. There being no further business, the meeting was adjourned at 8:43 p.m.

Submitted by: \_\_\_\_\_  
Sarah Avery  
Executive Assistant to the Superintendent and  
Board of Directors

Note: These minutes were approved by the board on \_\_\_\_\_:sa