

Three Rivers School District
8550 New Hope Road
Grants Pass, Oregon 97527

5/15/2024

Budget Committee Meeting #1 – 5/15/2024

The Three Rivers School District Budget Committee met for their 2024-2025 organizational meeting in the school district board room at 4:30 p.m., Wednesday, May 15, 2024, 8550 New Hope Road, Grants Pass, Oregon 97527.

**Budget
Committee
Met**

Members Present:

Jennifer Johnstun - Board Member
Nancy Reese - Board Member
Pat Kelly - Board Member
Rich Halsted - Board Chair
Kevin Marr - Budget Committee Member
Jennifer Vetter - Budget Committee Member
Bill Ertel - Budget Committee Member
Rick Nelson - Budget Committee Member

Present

Members Absent:

Absent

Also Present: Dave Valenzuela, Superintendent; Lisa Cross, Accounting Manager; Stephanie Allen Hart, Director of Special Education; Casey Alderson, Deputy Superintendent/Director of Human Resources, Jessica Durrant, Director of Curriculum, Robert Saunders, Director of Technology.

Also Present

Board Chair Rich Halsted called the meeting to order at 4:35 p.m. and led the audience in the Pledge of Allegiance.

Call to Order

Board Chair Rich Halsted called for a nomination for the Budget Committee Chairperson. Budget Member Kevin Marr nominated Budget Member Bill Ertel. The motion was seconded by Budget Member Jennifer Vetter. Motion passed unanimously.

**Election of
Chairperson**

Budget Chair Bill Ertel called for a nomination of the Budget Committee Vice Chair. Board Chair Rich Halsted nominated Board Member Nancy Reese. Board Member Nancy Reese declined. Board Member Jennifer Johnstun nominated Budget Member Kevin Marr. Board Chair Rich Halsted seconded the motion and rescinded the nomination of Nancy Reese as Budget Committee Vice Chair. Motion passed unanimously for Kevin Marr as Budget Committee Vice Chair.

**Election of
Vice Chair**

Superintendent Valenzuela delivered the budget message as submitted in the Proposed Budget. Superintendent Valenzuela highlighted the district's mission statement of "In Three Rivers School District, we will ensure high levels of learning for all students", ensuring that each line of the budget correlates to the mission statement a four-question cycle is taking place across the district within subject at each grade level. Along with ensuring high levels of learning for all students, TRSD strives to produce 'Life-Ready' learners as part of the district's culture of care and part of the district's core values, not only creating a culture of care for students but everyone in our school community, school campus security & safety is a top priority as safe environments are essential to achieving the districts mission, core values & along with the mission of TRSD are the foundation for the budgetary priorities, giving specific direction in decision making, many supporting details are required to create environments that are conducive to high levels of learning. These priorities are what

**Budget
Message**

drives the budgetary process.

Accounting Manager, Lisa Cross discussed the responsibilities of the budget committee, along with the process of creating the budget document, and what requests were made for the 24-25 budget. Accounting Manager Lisa Cross explained the reason for fewer resources due to the increase of state mandates that were passed in this year's legislative session, such as the additional classes of employees to receive unemployment benefits which required an additional \$438,000 to the general fund, along with more unfunded mandates from the state that effect the budget. The increase of PERS cost not funded by the state, also explaining district rollup cost and state rollup cost not aligning with the state's methodology for funding at the current service level. Lisa Cross Accounting Manager, explained how the district reevaluate the districts priorities and what reductions were required, although not they may not seem like painful reductions, but they are the dreams of the district that are being cut this next year, including cuts were items such as electives at middle and high schools, moving staffing to other grants, additional mental health supports, reduction of 9 FTE due to attrition or moved to grant funding, additional position were put on hold, differed the capital transfer for 24-25 and using \$3.4 of reserves.

Additional Information

Accounting Manager, Lisa Cross explained the issue with moving staff to grant funding is this causing the grants to be diluted, reducing the ability for the district to add new programs.

Lisa Cross, Accounting Manager, discussed the fact that the district used ESSER dollars to lessen the impact for this year's reduction, the coming year and years coming after that. By the end of the next biennium the expenditures will not be exceeding the revenues.

Accounting Manager, Lisa Cross provided that the general fund revenue is over \$70 million and that the two largest pieces of that are local revenues and state revenues, which doesn't give many options for additional funding in the general fund. These are part of the state school funding. 66% of the general fund are salary and employer cost, purchases including transportation, contract special education services, license substitutes, utilities, charter school payments, repair and maintenance costs are \$15 million, reserves are there to help carry the district through the next couple of years. Special revenues include over \$24 million in grants. Larger special revenues include Title I funds, Stronger Connections, SIA funds, High School Success funds, and food service funds. Debt service funds include loan for IVHS roof, PERS for money that was borrowed for Public Employees Retirement System, turf field loan will be paid off this year, and General Obligation Bond for ballot measure on May ballot. This is to give authorization to spend if the bond passes. Capital project funds including Fleming wastewater treatment plant, Manzanita rest area and sale of Selma property. Capital grants include seismic grants and GO Bond ballot measure 17-118. CTE tax collects \$233,000 approximately each year, which has certain budgeted projects. Self-insurance fund includes high deductibles for property & liability insurance and unemployment insurance fund. Internal Service fund which are indirect charges to certain grants to help pay for staffing for human resources, technology needs and building accessories. Trust and Agency funds include scholarships funds sponsored by private individuals that have requested the district maintain.

Accounting Manager, Lisa Cross explains what the next steps are to adopt the budget along with addressing any questions of the budget that have been received.

No public comments were submitted prior to the meeting.

Committee Questions

Board Member, Jennifer Johnstun was impressed to see a balanced budget. She asked what does the future look like considering using reserves now and will we be looking at cut days? Accounting Manager, Lisa Cross informed her that in past years there had not been any unappropriated ending fund balance which is used for emergencies, but there will be an ending fund balance just not as large. Board Member, Jennifer Johnstun also asked if the state includes things such as the IVHS roof loan as a rollup cost. Accounting Manager, Lisa Cross explained that it is not included, but what is included in the state rollup cost are things such as cost of living.

Budget Chair Bill Ertel, asked for clarification on the state formula or current service level. Lisa Cross, Accounting Manager, explained how the current service level is determined. Further discussion was had about how the funds for the district are determined based on enrollment numbers along with what the state decides is the current service level. Bill Ertel, Budget Chair also asked about how the 4 day school week affects the funds received and Lisa Cross, Accounting Manager explained how this does not have an effect on the funds received to the district.

Budget Chair, Bill Ertel asked if there was any control over the cost of the transportation. Robert Saunders, Director of Technology explained how the routes are examined each year along with the state requirements for student transportation. Clarification was made on the state reimbursement for transportation.

Budget Vice Chair, Kevin Marr asked who the debt services were through. Lisa Cross, Accounting Manager explained that IVHS was a loan from a bank, PERS debt service are bonds, and the turf loans are through Evergreen Federal.

Board Member, Pat Kelly asked how much was the student enrollment decline for the current year and Accounting Manager, Lisa Cross explained that the district is currently down 163 students from the beginning of the current school year, including charter schools. Pat Kelly, Board Member asked if an increase in student enrollment would have an effect on the current funding for the district. Lisa Cross, Accounting Manager explained that yes it would increase the funding the district receives.

Budget Vice Chair, Kevin Marr asked how many students are being homeschooled. Stephanie Allen-Hart explained the number of students within the district that are currently homeschooled. Kevin Marr, Budget Vice Chair asked about coaches being paid along with club coaches. Casey Alderson, Deputy Superintendent explained that they are being paid.

Budget Chair Bill Ertel, asked about the wastewater treatment plant. Lisa Cross, Accounting Manager explained how the district is trying to get away from the wastewater treatment business and how it is currently being funded. Superintendent, Dave Valenzuela, explained how we are trying to just treat the district's needs and get away from treating the rest area and industrial park.

Budget Chair Bill Ertel, asked about the self-insurance fund. Lisa Cross, Accounting Manager explained those funds are for property & liability deductibles along with the unemployment cost, and workers compensation.

Budget Member Rick Nelson, asked about the enrollment graph and the number presented on the slides. Lisa Cross, Accounting Manager explained how the graph did not include the charter schools or the additional weights and went into detail about how the state gives additional weights for specific reasons such as special education.

Budget Member Rick Nelson asked about the difference in a 4 day and 5 day school week. Superintendent, Dave Valenzuela explained how it will take some time to gather

the information for a comparison due to the timing of the 4 day school week implementation and COVID, but currently the district is working on this information.

Bill Ertel, Budget Chair asked about the carryover. Lisa Cross Accounting Manager explained that a little over \$5 million will be carried over and then the district would like to have about \$2 million to carryover into the next biennium.

Budget Member, Jennifer Vetter asked if RCC provided anything financial to the district. Dave Valenzuela, Superintendent explained that it does not, but it provides a great opportunity to TRSD students.

Budget Member, Jennifer Vetter asked if the district offers online services. Superintendent, Dave Valenzuela explained how SOSA does provide online services and in-person.

Budget Member, Jennifer Vetter asked if there was a 5 to 10 year plan. Dave Valenzuela, Superintendent explained that a 5 to 10 year plan is difficult to do, considering the state school funding changing every couple of years and being unknown, but a three year plan is what the district does to ensure a balanced budget.

Budget Member, Kevin Marr made a motion to approve the budget. "I move that the Three Rivers School District budget committee approve the proposed budget as presented and approve taxes for the 2024-2025 fiscal year at the rate of \$3.7262 per \$1,000 of assessed value for operating purposes, and in the amount of \$3,359,213 for payment of bond principal and interest." Board Member, Pat Kelly seconded motion. Motion passed unanimously. 2024– 2025 budget approved.

**Motion to
approve**

Meeting Adjourned at 5:58 p.m.

Respectfully Submitted,

Megan Beck

Megan Beck
Recording Secretary

Adjourned