

Morrow County School District #1  
Budget Committee Meeting Minutes  
May 12, 2025

**Roll Call:**

The budget committee meeting was held on May 12, 2025 at A.C. Houghton Elementary in Irrigon, OR and started at 5:30pm. The Budget committee members and other staff introduced themselves.

In attendance were the budget committee members, Andy Fletcher(zoom), Kyle Freeland, Natasha Rockwell, Lisa Wedam, Loren Dieter, Emily Sandberg (zoom), Keenan Jack (zoom), Becky Kindel, Brian Kollman, Mary Killion, Ashley Lindsay, Erin Anderson, Richard Cole and Rosa Delgado. Also, in attendance were Matt Combe, Superintendent, Marie Shimer, Director of Educational Services, Erin Stocker, Exc. Director HR, Gabriel Hansen, Business Manager, Barbara Phillips, Executive Secretary.

**Visitors:** Brandi Sweeney, Rachel Herron,

Richard Cole, Board Chair, opened the meeting at 5:30pm.

**The Pledge of Allegiance was recited.**

**Election of Chair and Vice Chair:**

Becky Kindel nominated Andy Fletcher as Chair, with Brian Kollman seconding the motion. The nomination passed unanimously.

Andy Fletcher nominated Brian Kollman as Vice Chair, with Becky Kindel seconding the motion. The nomination passed unanimously.

Chair Andy Fletcher called the Budget meeting to order at 5:32pm.

**The Pledge of Allegiance was recited.**

**Presentation of Budget Message:**

Mr. Combe presented the proposed 2025–2026 budget to the Morrow County School District Budget Committee. This budget is the result of thoughtful, strategic conversations with principals, district administration, Board members, and community. Our ongoing commitment remains centered on educating the children in our communities within a safe, engaging learning environment, while also providing essential wraparound services that help support their physical and mental health.

The proposed 2025–2026 budget totals \$169,798,179, including a General Fund of \$40,997,225. The District has based its budget on 49% of the state's \$11.4 billion allocation to the State School Fund, following the state's funding estimate. This proposal was developed using the Governor's recommended budget and current student enrollment levels.

Student counts have declined by approximately 120 ADMw compared to the 2022–2023 school year, reflecting a notable shift in enrollment during the 2023–2024 and the current 2024–2025 school years. As a result, staffing levels are being adjusted accordingly, with our current student-to-staff ratios driving a general decrease in staffing. The District's General Fund supports the majority of annual operating costs, including payroll, instructional supplies, and repairs and maintenance of school facilities. It's important to note that a significant portion of payroll is also supported by special revenue funds.

The Board-approved bond proposal is also incorporated into the proposed budget. The estimated resources reflect the planned sale of \$50 million in bonds, representing the first of two anticipated issuances. Because a significant portion of these funds must be spent within a relatively short timeframe, splitting the bond into multiple sales helps meet that requirement. The proceeds from the bond sale are reflected in the Debt Service Fund, while the related expenditures for building improvements are budgeted in the Capital Projects Fund. A transfer between these funds is included to account for the allocation of resources.

The District extends its sincere thanks to our community partners who continue to support our schools. The Morrow County Unified Recreation District plays a vital role by making after-school sports programs accessible to students at little to no cost.

These programs are further strengthened by the dedication of parent volunteers and the generous support of local businesses.

Morrow County Schools, in partnership with families and communities, provide each student the opportunity to develop values, knowledge, skills and self-confidence to become life-long learners and responsible citizens.

We are also deeply grateful to the Morrow Education Foundation for its continued partnership as they have provided substantial support for our wraparound services, including counseling, school resource officers, and our district preschool programs - services that are essential to the well-being of students and families across our communities.

The District is grateful to the Morrow County Board of Commissioners for providing funds from Wheatridge to support STEAM based educational opportunities for all students. We also extend our thanks to the State of Oregon, which has responded to voters' commitment to improving educational opportunities by investing in multiple funding sources beyond the State School Fund. These Integrated Programs include the Student Investment Account (SIA), High School Success (HSS), and the Early Literacy Success School District Grant. Additionally, the State has provided summer school grants aimed at enhancing academic and enrichment opportunities during the summer months.

Federal funding is expected to continue supporting food services, special education, and Title I, II, III, and IV programs.

The District places a high priority on maintaining a General Fund ending balance that can absorb unforeseen expenses. In the previous year, the ending fund balance declined due to several unexpected events, including required structural shoring at IJSHS and continued rising costs driven by inflation. These challenges are reflected in the proposed budget. One positive aspect of the District's recent financial performance has been increased interest earnings. Higher interest rates on district savings have provided valuable support to the General Fund. The proposed budget anticipates that this trend will continue through the 2025-2026 fiscal year.

The District maintains a PERS Reserve Fund of \$1,448,889, established by thoughtful and forward-looking leadership. This reserve serves as a safeguard against potential volatility in the PERS rates the District must pay for retirement benefits. Approved PERS rates for the upcoming biennium have nearly doubled for the Morrow County School District, presenting an additional significant financial challenge. The goal of the proposed budget is to avoid reactionary cuts that could negatively impact student success. In light of these rising costs, it may be necessary to utilize a portion of the PERS reserve to help maintain stability.

This budget represents another year of commitment to providing a high-quality education for all students in the Morrow County School District. Thank you for your consideration of this proposal.

#### **Budget Review:**

Gabe Hansen reviewed the 2024-2025 budget documents with the committee. Highlights of the Summary document included:

- General Fund - The proposed budget for 2025/26, compared to previous years, reflects a decline in both resources and expenditures proposed.
- Ending Fund balance has decreased some as well as a decrease in enrollment affected revenue in the current year and this reflects the change significantly.
- State School Funding - fund is increasing about 6%, resources from state and local governments is increasing.
- Special Revenue Funds are expected to stay consistent in most aspects. Federal funding and state grants are expected to stay flat with no change in 2025-26.
- Debt service – The proposed bond has been added. There would be two sales of bonds with the first sale at \$50 million, this has been added to the debt service as well as property taxes to be levied..
- Capital projects fund has increased for the amount of funds that would be available for construction.

The budget committee had questions and discussed the following:

- Are there any contingencies in place if the revenues do not come in from expected federal and/or state funds to make sure appropriations and expenditures fall in line with the budget? Gabe Hanson responded that the district budgets to spend all funds available. Expenditures in budget are slightly higher than what is most likely to occur and expect a little higher fund end balance.
- Can the district put the bond funds into the budget when the election has not occurred yet? Gabe Hanson responded; yes, that portion of the budget would be removed if the bond does not pass. You can decrease the budget but not increase.
- Bond sales - The first series of bond sales would be for \$50 million and would be spent mostly on planning and architect fees and as construction began the remaining bonds would be sold.

Opportunity for Public Comment: None

Action on Budget:

BE IT RESOLVED, upon motion by Brian Kollman, seconded by Becky Kindle, which carried unanimously, the Budget Committee approved the Morrow County School District #1's 2025-26 budget in the amount of \$169,798,179 for the entire operations of the District.

BE IT RESOLVED, upon motion by Becky Kindle, seconded by Ashley Lindsay, which carried unanimously, the Budget Committee approved the Morrow County School District #1's property taxes for the 2025-26 fiscal year at the rate of \$4.0342 per \$1,000 of assessed value for the permanent rate tax levy.

BE IT RESOLVED, upon motion by Erin Anderson, seconded by Brian Kollman, which carried unanimously, the Budget Committee of the Morrow County School District approved property taxes for the 2025-26 fiscal year in the amount of \$11,650,809 for the proposed bond measure 25-104.

Adjourn: Meeting was adjourned by chair Andy Fletcher at 5.53p.m.

Respectfully Submitted,

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Richard Cole, Board Chair

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Date

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Barbara Philips, Executive Secretary

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Date