

Board of Directors Meeting
School District 4J, Lane County
Hybrid Meeting (virtual and
in-person)
200 North Monroe Street
Eugene, Oregon 97402
Tuesday, May 7, 2024

NOTICE: The Budget Committee Preliminary Discussion at 6:00 p.m. will be open to the public to attend in person, via live broadcast on KRVM 1280-AM and 98.7 FM, and via Zoom Webinar.

**6:00 PM
Budget Committee Meeting**

- I. **6:00 p.m. Budget Committee Meeting:**
- II. Call to order and Roll Call
Presenter: Dakota Boulette, Committee Chair
- III. Public Comment
- IV. Superintendent's Comments
- V. Review Questions from last meeting 2
- VI. Budget Presentation: General Fund 8
Presenter: Financial Services
- VII. Budget approval
- VIII. Adjournment

THIS MEETING WILL BE BROADCAST OVER KRVM-AM (1280)

INFORMATION FOR THE DEAF AND HARD OF HEARING:
Closed Captioning is available during Board meetings through a zoom live feed which is also displayed at in-person meetings.

1. Fund 250 (State & Local Grants)

Below is a breakdown of all grants within Fund 250:

<u>Grants within Fund 250</u>	<u>Description</u>	<u>Source</u>
Latinx Student Success	funding targeting Latinx student success	ODE
Menstrual Dignity	all district menstrual products & education	ODE
Elementary Literacy Leaders	targets developing literacy leaders/educators	ODE & OSU
Outdoor School (OSU)	outdoor skills programming	OSU
Summer Program	summer school programming	ODE
Early Literacy	development of targeted literacy curriculum & implementation	ODE
Preschool Promise & KITS	preschool & transition to kinder programming	ODE
EWEB and SPLASH Grants	water, energy, conservation & climate curriculum	COE
Secondary Career Pathways	alternatvie career readiness coursework	ODE
AVID	AVID programming	Eugene Rotary/Nike
SELCO SPARK Grants	<\$2000 classroom projects/initiatives - classroom specific	SELCO
OAS Grant	<\$2000 classroom projects/initiatives - classroom specific	OAS
Project Community	<\$2000 classroom projects/initiatives - classroom specific	NWCCU
OSCU Education Grant	<\$2000 classroom projects/initiatives - classroom specific	OSCU
ISLA	Research: Instructional Suspension Learning Alternative	UO
PBIS Kindness BEST Afterschool Grant	afterschool kindness activity implementation	Kindness Foundation
Sources of Strength	Suicide Prevention	Lane County/Matchstick
Lines for Life	Mental health/suicide prevention supports	Youthline
Resilience and Beyond	staff retention support	OEA Choice Trust
Facilities Grants	facilities assessment & maintenance	ODE

2. IDEA (220) - Why are materials budgeted at zero dollars?

This was done by design/purpose. Due to increasing labor costs and additional staffing needs within IDEA, funds have recently only been able to support payroll costs, so the budget for next year was created to reflect this moving forward. If there are materials/services needed, they would need to come out of a different funding source.

3. IDEA (220) - Why is there a drop in Federal Sources from \$4.3M down to \$3.4M

Over the past couple years, the district received additional funds related to ESSER but referred to as ARP (ARP Act or ARPA). These were similar but different then ESSER funds. These resources do not continue into FY25, so the budget reflects a decline for that reason. As of right now, our best estimate of funding for IDEA in FY25 is \$3.4 Million. Final allocations will not come out until June, which is after the budget is typically adopted, so there will be flexibility in some form and we try to budget conservatively.

4. United Way LETRS

LETRS is a professional development program purchased from Lexia. Lexia LETRS® (Language Essentials for Teachers of Reading and Spelling) Suite is comprehensive professional learning designed to provide early childhood and elementary educators and administrators with knowledge to be literacy and language experts in the science of reading. We contracted with United Way last year to help fund the project and this year's contract to provide Language Essential for Reading and Spelling (LETRS) to up to 100 4J teachers and staff. The United Way grant is to help cover the cost of the Lexia licensing product and fund EA's extra time to participate. Licensed staff extended contracts to participate are partially funded by Title II-A. The total amount of this award is \$105,000 for June 1, 2023 through December 30, 2024.

5. Title Fund (210)

Federal funds are allocated through formulas that are based on primarily on census poverty estimates and the cost of education in each state. Preliminary allocations are based on the US Dept of Education’s budget and allocated to states and districts based in part on census information. As a result, small corrections to this nationwide data may result in changes to our district’s allocation for 2024/25. The Federal Systems Team at ODE expects to receive final allocations in June or July of this year.

		Budget Estimated FY24-25	Budget Estimated Carryforward 23-24
Title I-A 24-25	Title I, Part A provides financial assistance to local educational agencies (LEAs) and schools with high numbers or high percentages of children from families experiencing poverty to help ensure that all children meet challenging state academic standards.	4,700,909.00	1,600,000.00
Title I-D 24-25	Title I, Part D of the Elementary and Secondary Education Act of 1965 (ESEA), consists of two subparts. The Subpart 2 Local Educational Agency program requires each state education agency (SEA) to retain from its Title I, Part A allocation, funds generated by the number of children and youth ages 5-17 living in local facilities for delinquent children, including adult correctional facilities.	50,000.00	-
Title II-A 24-25	The purpose of Title II, Part A funding is to provide grants to improve teacher and leader quality, focused on preparing, training, and recruiting high-quality teachers and principals. The Title II-A program is designed, among other things, to provide students experiencing poverty and historically underserved students with greater access to effective educators.	560,000.00	260,000.00
Title III 24-25	Title III, Part A provides financial assistance to help ensure that English learners, including immigrant children and youth; attain English proficiency, develop high levels of academic achievement, and can meet the same challenging State academic standards that all children are expected to meet.	90,000.00	225,000.00
Title IV-A 24-25	Title IV, Part A is intended to increase the capacity of schools to: 1) provide all students with access to a well-rounded education, 2) improve school conditions for student learning, and 3) improve the use of technology in order to improve the academic achievement and digital literacy of all students. Title IV-A allocations are based upon district Title I-A actions and amounts from the previous year.	350,000.00	390,000.00
Title IV-B 24-25	Title IV, Part B Nita Lowey 21st Century Community Learning Centers is the only federal funding source dedicated exclusively to the creation of before school, afterschool, and summer learning programs. The 21st CCLC grant is a competitive and 5 year grant. Grantees will receive 100% of the awarded amount in years one, two and three of the grant. Funding will be reduced to 90% of the original funding level in year four, and 80% of funding level in year five. FY24 is Year 1 of 5.	500,000.00	-
		6,250,909.00	2,475,000.00
	TOTAL	8,725,909.00	

6. Cammack Music Grant History

The Eugene School District received a large donation from the Cammack Family Trust several years ago, possibly between 2018-2020; I cannot be 100% sure of the date of funds from our financial software transition. I believe the donation was made when Nathan Cammack passed away in September 2018, who among many things was the conductor of the Eugene Junior Symphony. In the FY25 budget, \$100,000 is shown to each high school's music program. As of right now the current balances for each high school are:

North > \$20k remaining
South > \$93k remaining
Sheldon > \$100k remaining
Churchill > \$84k remaining

7. SPED Funding. What is our overall allocations related to SPED for the next budget year as compared to prior budget years and whether we've increased resources to make up for the decline in SPED funding at the state fund level.

Answered from Student Services Department within Instruction

With SPED funding, ODE only allows a certain percentage of our overall ADM to receive the SPED funded weighting. So in terms of SPED funding, unless there is a major decrease in the State School Fund, Eugene will continue to be stable as we exceed the Cap amount of SPED students on IEPs each year. When it comes to SPED, it's really the expenditures that fluctuate year to year and with maintenance of effort, it is our responsibility to ensure that we are budgeting as much or more for SPED from one year to the next. Typically, our salary increases from year to year keep us in compliance with that but ODE also says we have to look at Maintenance of Effort from a per student expenditure lens as well. In short, funding is stable, but the excess costs year to year are mainly covered by salary and benefits through mostly general fund dollars and some IDEA funds (keeping us in compliance with Maintenance of Effort). Some of the state funds that come to us are through the High Cost Disability excess costs that we receive each year for our students costing over \$30k. What is really hard to determine when budgeting for SPED is high needs students moving into our district after the budget has been adopted. We plan as best as we can, but we want to ride that conservative line of utilizing our budget dollars but leaving enough on the table for additional staffing, high cost equipment or services for students we weren't able to plan for. Sometimes, that leaves us short because we just can't predict the future.

For additional information, we can reach to Seth in our Instructional Services Department if requested.

8. Substitutes: I have heard from teachers that often there aren't substitutes to fill in for absent staff, so teachers regularly end up teaching an extra classroom-worth of students and aren't compensated. How does this affect the budget? Are we consistently over or under budget for expenditures on substitute teachers and EAs? Do we anticipate an increase or decrease in availability of substitutes, and how does this affect the budget?

The district has a large percentage of substitute positions that go unfilled on a daily basis. Some regular EAs do not receive substitutes when they are absent whereas high-needs EAs may, but those types of positions may be hard to fill as a substitute position. Obviously when a position cannot be filled it means that things have to change within the building to accommodate as best we can. Building admins are constantly working with staff to make accommodations as best they can with the resources they have available to them. Overall, this can affect our budget in seeing additional salary costs for current staff members, however this is typically when we are not directly paying a substitute cost. We are always hiring substitutes for classified and licensed positions, unfortunately even with the large numbers of subs that we have on file, as mentioned above, a number of open

positions go unfilled every day. This can result in many unintended consequences of more than just not being able to fill a position.

9. [This is a broad view of the budget—is there a document we have access to that has more specificity of how the district is planning to spend general funds? I'd like to be able to delve a little more into the details of how FY25's anticipated expenditures differ from FY24's expenditures.](#)

When the budget is adopted, there will be a budget book that gets approved that will have additional financial information related to the General Fund and all other funds, including comparisons to previous years and will breakout additional pieces of information. The purpose of the budget committee is to ensure that the budget is meeting the goals of the School Board, so we tend not to get too much down into the weeds. Discussions getting into specific programs and departments typically does not happen at the Budget Committee level and is left for the Superintendent and Directors to discuss how to best operate the district with direction from the School Board. The categories on the slide for General Fund expenditures are typically the main categories that are used in all other funds. Slide 5 on Tuesday's presentation does give you a snapshot of categories back to the school year of 2021-2022.

If you would like to request some additional and more specific information/data, Financial Services can certainly assist in gathering this data if you can provide a more specific question of what you are looking for.

10. [Billables Fund 261 - What is comprised in billables?](#)

The district's Billables Fund 261 is comprised mainly 3 items: Below are the budgets for FY 2024

SSD (OT & PT) & Other School District Services = \$991,555

Technology Consortium = \$235,692

Lane ESD Billables = \$178,234

11. [I see a significant shortfall coming down the pike. How are we going to adjust for that? How does that support our goals? For example: adding librarians and cutting EAs doesn't seem like a good swap. What vacancies are on the list to hold and with what impacts? I'd like to understand more about why we're adjusting where we are, where we intend to adjust in the future and how we're going to maintain our reserves. I don't want the committee to get into the weeds on these things, but to see that staff recommendations align well with district goals.](#)

This is a great but very complicated question to answer with a district our size. The district's mission is clear with 3 main basic principles: 1) Do what's best for all 4J students, 2) Continue to learn and grow, and 3) Respect and care about each other. We have a lot of needs within our district and it can be difficult to address all of them at once. We are not cutting EA positions to our knowledge, so there is no swap regardless of what may have been heard otherwise. We continue to try and hire additional EAs, but many of these positions are hard to fill. Over the last couple of years, we have dramatically increased classified FTEs in response to our district needs. Throughout this next year and as we will discuss during our meeting, we will eventually start a time of transitions. As a district in FY25, we are adding an additional 57 FTEs overall. Given the trajectory of revenue and expenditures, this is not a sustainable practice. This upcoming year will be vitally important for departments to take the next several months and discuss as a district how we plan to move forward with possible transitions in the future. How or what those transitions may be covers a lot ground and covers every department and school across our district. This is a large task for leadership⁵ over this next fiscal year to prepare for FY26 and the specific

answers may be fuzzy or unclear at this moment, but the board and leadership setting priorities is a great first step that will assist the budget process as we move into the next fiscal year.

12. [Is 5% really enough reserves? I looked up some of the different recommendations and it seems we're near the low end. How do we determine how much we really should have so the board can set a thoughtful, appropriate amount.](#)

That is the million dollar question. How much is appropriate to have in our reserve? Our current district policy is 5%, however there is a pending discussion with the board to discuss what an appropriate amount is moving forward for our district. In one of our past Q&As, there was additional information regarding our reserve policy with a few different recommendations.

13. [I am curious how the staffing levels have already been announced, especially increases, when a budget has not yet been approved. Can that process please be explain, and what is the board approves a budget that doesn't meet the announced staffing levels?](#)

Currently, our district goes through what is referred to as an "EXPO" process where instructional staff have an opportunity to see what openings there are across the district and apply internally. This could be part of your answer through this process and people being hired. Another point that comes to mind is within our Middle Schools, there was an adjustment made to the schedule for next year to meet state requirements in specific areas. These adjustments to the schedules and requirements did require hiring of additional staff throughout our middle schools. The district received a multi-year waiver on these requirements, however that waiver is going to expire.

If the budget committee or board did not approve the budget at its current level, there would need to be additional discussions over what reductions would be made and where. Typically the budget committee does not get too involved into the weeds and operations, however it can direct staff to come back at another meeting with a reduced budget. There would need to be additional discussions as to priorities for where reductions should come from. If this does happen tonight, Financial services would go back to the drawing board with the Superintendent and leadership to discuss where reductions would be possible at this time.

14. [I see the projections with increased spending and declining enrollment leading us to insolvency in the near predictable future. What are the steps being taken in this year's budget to avoid the same pitfall we are seeing with other districts? Do you have a proposal that utilizes the fund balance to provide a "soft landing" over the next 5-7 years?](#)

The insolvency picture shown within a few years is a fuzzy reality. With any forecast there are many variables that are hard to predict especially the further you go out. In the initial forecast, there are some obvious steps that would need to be taken overall within the General Fund to become sustainable, which is a combination of simply and difficultly reducing expenditures and increasing revenues. Given that roughly 88 cents of every dollar is people within our General Fund, there potentially could be difficult discussions if the district moves forward in some fashion with reducing staffing. What makes things more fuzzy in the future is the potential Licensed contract negotiations and where that will end along with going back to negotiations with the Classified union in another year. Over this next year, the board and leadership will need to prioritize what is important to assist the budget process for FY26 in creating a more sustainable budget. Financial Services has done some preliminary estimates to figure out what amount of reductions may be needed, however going through these estimates at this time may not be the best course of action publicly. Financial Services is prepared to start having these

discussions with leadership, however as mentioned earlier, it would greatly assist the process for the board and leadership to help set priorities within the district to help guide the exercise.

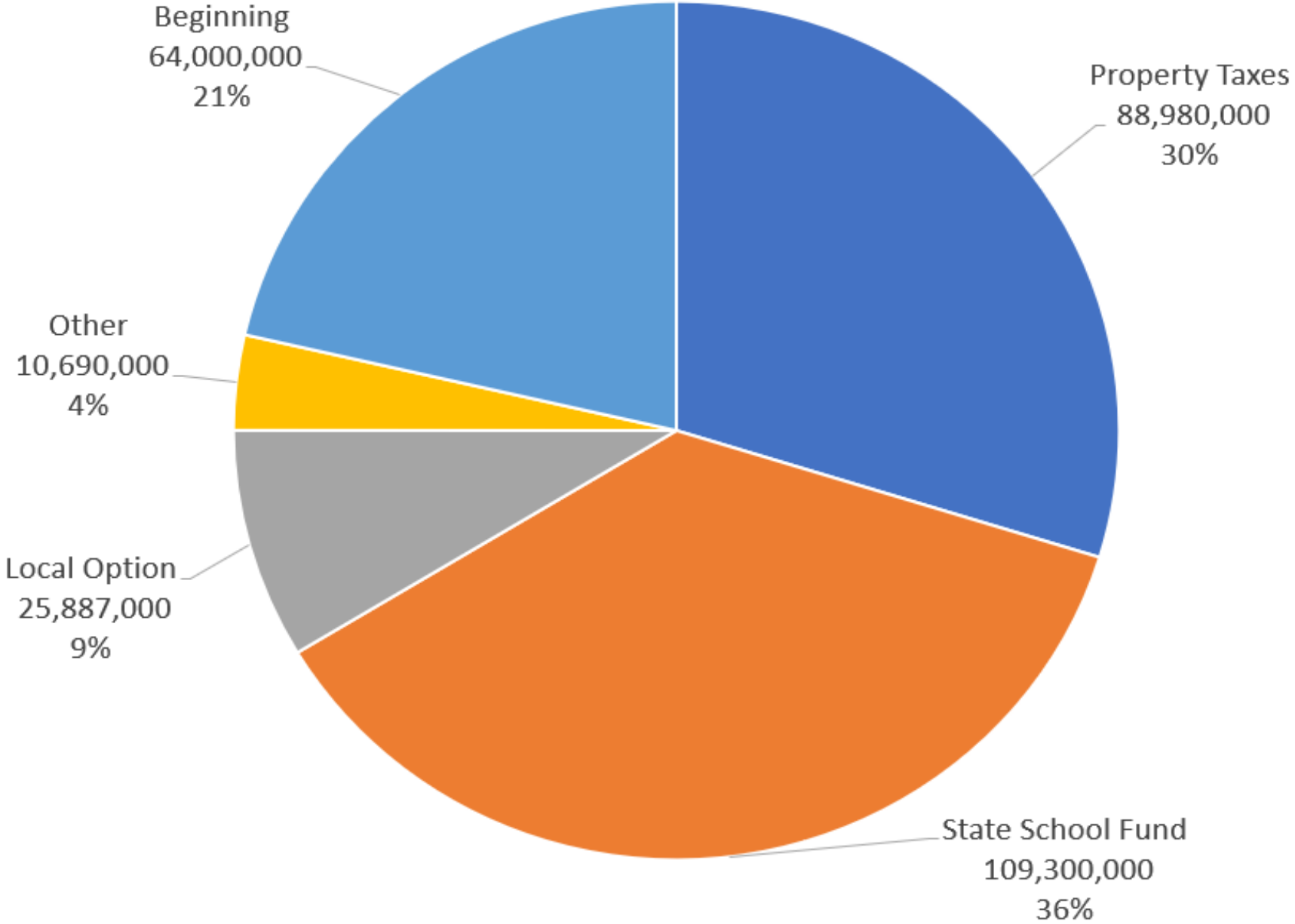
2024 Eugene SD 4J Budget Committee

General Fund & Budget Approval

5/7/2024



General Fund Revenues (100) - By Revenue Type



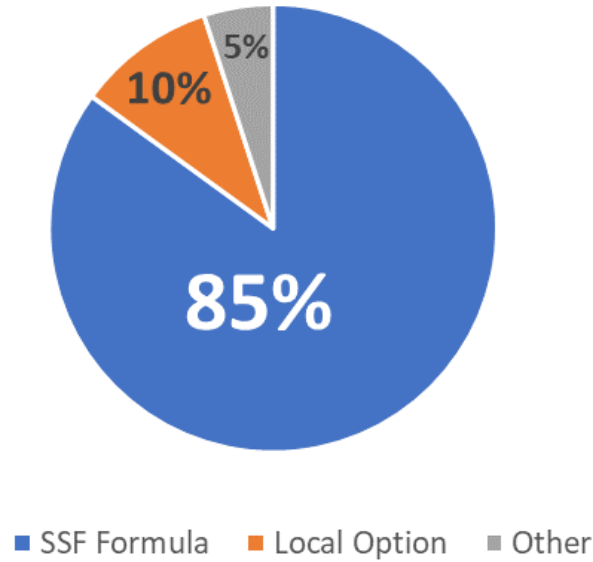
General Fund Resources (100) - Overview

FUND 100 RESOURCES	FY22 Actuals	FY23 Actuals	FY24 Budget	FY24 Estimate YE	FY25 Proposed	FY25 vs. FY24
Local Sources	102,869,037	112,286,485	108,935,000	113,500,000	121,007,000	
Intermediate Sources	3,929,452	3,255,721	3,435,000	2,885,000	2,750,000	
State Sources	97,360,560	109,910,339	111,630,000	112,800,000	111,100,000	
Federal Sources	69,731	350	0	0	0	
Operating Revenue	204,228,781	225,452,895	224,000,000	229,185,000	234,857,000	+ 4.8%
						10
Beg. Balance	64,457,721	66,353,437	72,486,000	75,500,000	64,000,000	- 11.7%
TOTAL RESOURCES	268,686,502	291,806,332	296,486,000	304,685,000	298,857,000	+ <1%



General Fund Revenues (100) - State School Fund

GF Revenue



SSF Formula Data

	2/2/2023	3/28/2024	
Statewide ADMw	676,919	667,960	-1.32%
District ADMw	19,341	18,643	-3.61%
State Ave. Teacher Exp.	11.90	11.85	
District Teacher Exp.	11.62	6.97	
Experience Adjustment	(0.28)	(4.88)	

11

	2023-24	2024-25	
% of SSF Grant Disbursed	49% (\$4.998B)	51% (\$5.202B)	4.08%
Total Formula Revenue	192,830,876	197,911,998	2.64%



General Fund Expenditures (100)

FUND 100 EXPENDITURES	FY22 Actuals	FY23 Actuals	FY24 Budget	FY24 Estimate YE	FY25 Budget	FY25 vs. FY24
Salaries	106,851,825	117,515,831	129,553,000	125,000,000	143,739,762	+ 9.4%
Payroll Costs	66,697,977	71,252,203	80,279,000	77,000,000	85,948,075	
Purchased Services	14,901,504	16,822,110	19,198,000	18,000,000	20,654,991	+ 2.6%
Supplies/Materials	3,917,587	5,411,522	6,051,000	5,000,000	7,437,595	
Capital Outlay	369,879	405,413	138,000	130,000	129,085	
Other Objects	1,795,238	1,445,463	1,551,000	500,000	150,944	
Other Uses	2,266,590	807,729	1,298,000	1,200,000	592,900	+ 25%
Transfers	5,533,011	2,929,041	13,925,000	13,925,000	17,497,000	
TOTAL OPERATIONS	202,333,611	216,589,312	251,993,000	240,755,000	276,150,352	+ 9.5%
Contingency	0	0	14,844,000	0	6,000,000	- 49%
Unappropriated	0	0	29,649,000	0	16,706,648	
TOTAL EXPENDITURES	202,333,611	216,589,312	296,486,000	240,755,000	298,857,000	+ <1%

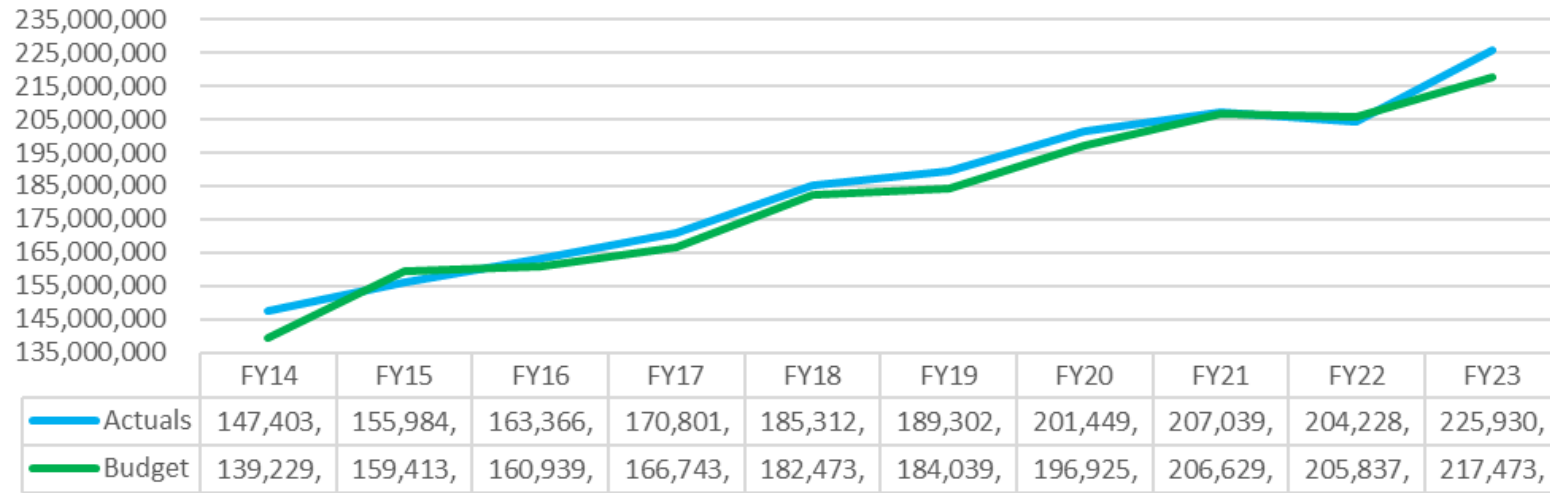


General Fund Expenditures (100) - Additional Notes

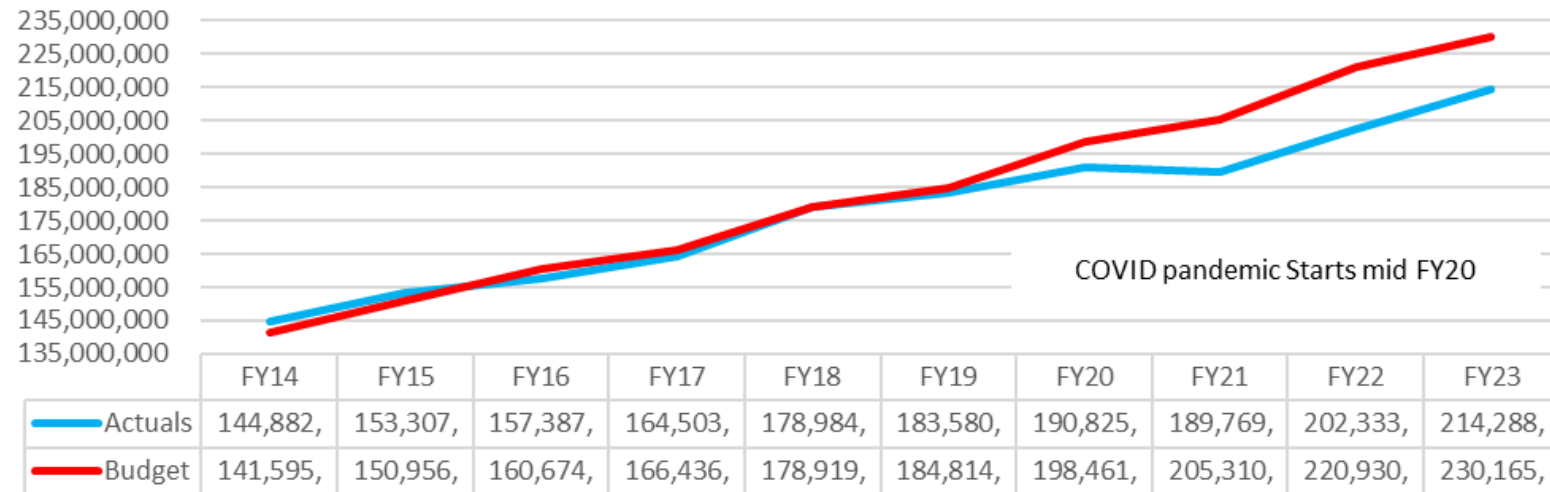
FUND 100 - Additional Notes	FY24 Proposed	Transfer to
Transfer Out - Deferred Maintenance	10,000,000	Fund 490
Transfer Out - Nutrition Services	3,237,000	Fund 299
Transfer Out - Curriculum	2,000,000	Fund 290
Transfer Out - Risk Management	2,000,000	Fund 600
Transfer Out - Insurance Reserves	260,000	Funds 610/620/630
Total Transfers =	17,497,000	
<i>District Reserve Policy is 5.0%</i> <i>FY25 Budget is 7.5%</i>		
Contingency	6,000,000	2.0% of GF
Unappropriated	16,706,648	5.5% of GF
	22,706,648	- 49% from FY25

Budget to Actuals Over Time

Revenues - Budget Vs. Actuals

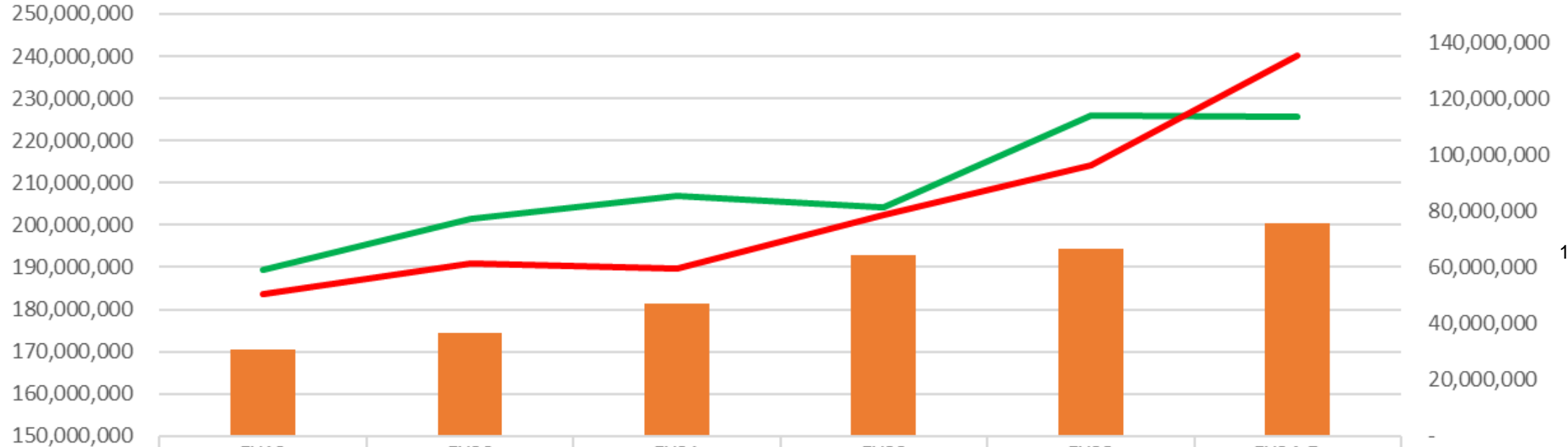


Expenditures - Budget Vs. Actuals



General Fund Expenditures (100) - Actuals History

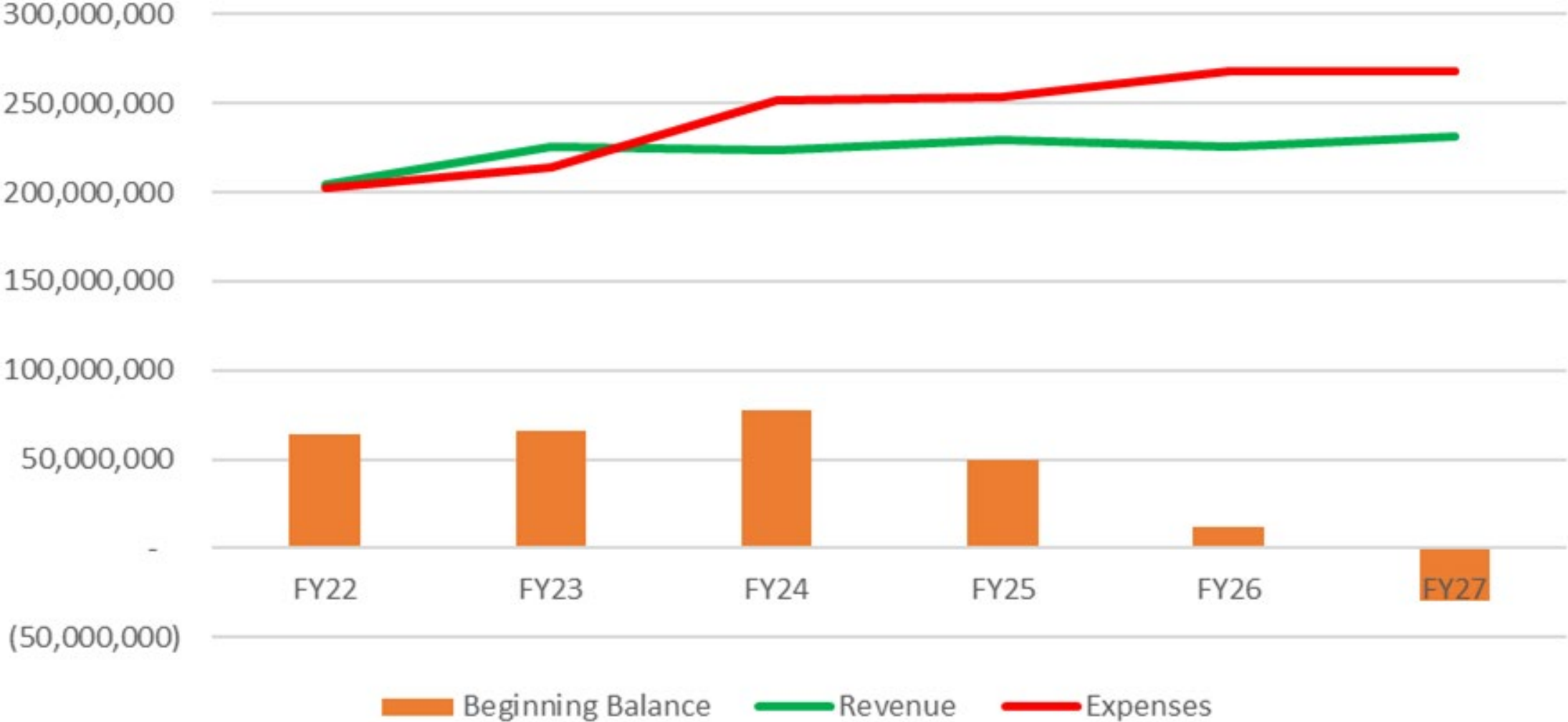
5 yr Actuals and FY 24 Year-End Estimate



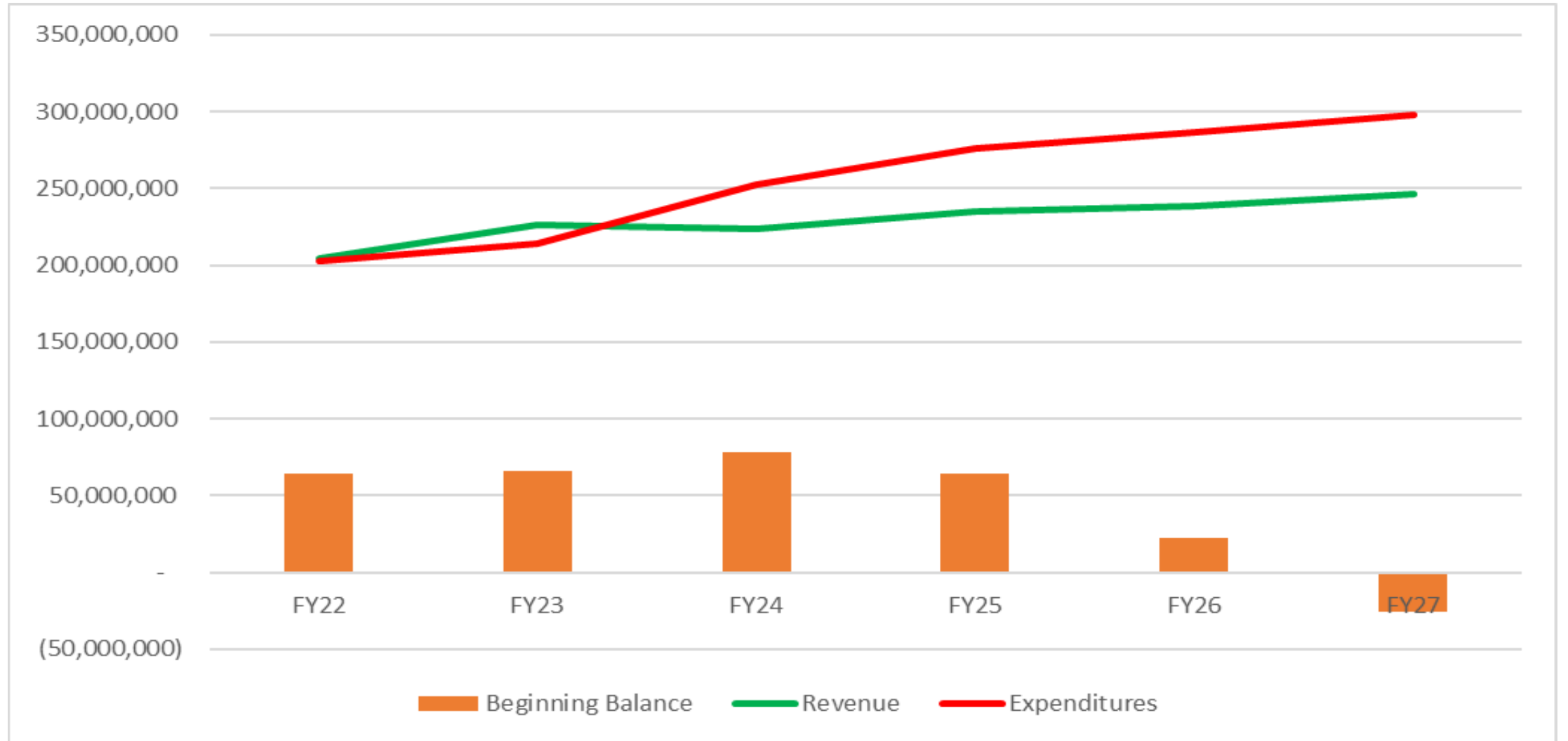
	FY19	FY20	FY21	FY22	FY23	FY24-Est.
Fund Bal	30,841,856	36,564,019	47,187,851	64,457,721	66,353,437	75,500,000
Revenues	189,302,618	201,449,104	207,039,692	204,228,780	225,930,549	225,585,000
Expenditures	183,580,466	190,825,273	189,769,822	202,333,065	214,288,442	240,255,000



General Fund Expenditures (100) - Jan Forecast



General Fund Expenditures (100) - May Forecast



Budget Approval, Tax & Debt Service Levy

Motions:

I move to approve the budget total for all funds, including the General Fund total of \$298,857,000 and Other Funds total of \$305,467,165.

I move to declare the tax rates and debt service levy for the General Fund tax rate of \$2.1758 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 \$42,286,711.

THANK YOU!

