

LANE EDUCATION SERVICE DISTRICT	BOARD MEETING
1200 Hwy 99 N	Tuesday, February 1, 2022
Eugene, Oregon 97402	Regular Meeting: 6:00 PM

**LANE ESD BOARD MEETING
AGENDA**

Tuesday, February 1, 2022

1. Call Regular Meeting To Order

Board Chair

2. Welcome

Guests attending the meeting will be introduced.

Board Chair

3. Public Participation

This is an opportunity for the audience to address the Board on topics either on, or not on, the agenda. There will also be opportunities for the audience to comment on specific agenda items as the Board addresses them.

4. Agenda Review

Board Chair

5. Presentation: Western Regional Educator Network

The WREN team will be introducing the Western Regional Educator Network (WREN), sharing the AIM and Mission and providing an overview of how the WREN is working to shift school systems across our region. Presenters will share participation data, summarize current projects and highlight upcoming events.

Tracy Conaghan will be joined by:

Erin Ellis, WREN Continuous Improvement Coach

Kate Klein, WREN Continuous Improvement Coach

Alyssa Leraas, WREN Data & Measurement Coordinator

Tracy Conaghan

6. Action Items

Board Chair

A. Consent Agenda

The Lane ESD Board of Directors has agreed to implement a consent agenda. All items in the consent agenda are adopted by a single motion unless a member of the Board or the Superintendent requests that such item be removed from the consent agenda and acted upon separately.

Generally, consent agenda items are matters which members of the Board agree are routine in nature and should be acted upon in one motion to conserve time and to enable the Board to focus on the other matters on the agenda.

Back-up materials for consent agenda items are included in the agenda packet as needed. Minutes of this meeting will reflect action on each item.

If any board member wishes to withdraw any consent group item, it will be moved to the appropriate section of the agenda.

BE IT RESOLVED that the Board of Directors of Lane ESD adopts the consent group as submitted and listed below.

1. Lane ESD Board Meeting Minutes of January 4, 2022
2. Human Resource Report, dated February 1, 2022

Board Chair

Hrrpt 2-1-2022	17
January 4 2022 Board Minutes	19

B. Accept Financial Report

BE IT RESOLVED that the Board of Directors of Lane ESD accepts the Financial Report for January 2022.

Board Chair

01-31-22 Board report - ESD	25
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C. Accept the Lane ESD 2020-21 Audit

The Board of Directors of Lane ESD Will act to accept the 2020-21 Audit, performed by Pauly, Rogers and Co., P.C.

BE IT RESOLVED that the Board of Directors of Lane ESD accepts the Audit Report for the 2020-21 Year, as presented.

Board Chair/Audit Committee

Audit Letter to Board 20-21 26

Lane ESD Audit Report 20-21 33

D. Appoint Budget Committee Members

By law, the budget committee is charged with making recommendations concerning financial priorities. The budget committee will have the responsibility for reviewing the financial program of Lane ESD, reviewing the proposed ESD budget as presented by the superintendent and recommending an annual ESD budget in keeping with the provisions of applicable state laws. Educational policy decisions, however, are the responsibility of the Board, not the budget committee. The committee does not have the authority to add programs or to approve additional personnel or increase salaries. While the committee may, in effect, delete programs because of a fund decrease in arriving at a levy figure, the committee is charged primarily with a fiscal evaluation of programs. The committee may, alternatively, recommend an amount that changes the proposed budget and may request the administration make such changes in accordance with priorities set by the Board.

The budget committee consists of the elected Board members and eight members appointed by the Board from component school district boards or designees of component district Boards. The members appointed by the Board shall consist of five members selected by ESD zone and three members selected at large. To be eligible for appointment, the appointive member must:

1. Live and be registered to vote within the ESD and, if a zone representative, must live within the appropriate zone;
2. Not be an officer, agent or employee of the ESD. No budget committee member may receive any type of compensation from the ESD.

Reimbursement of budget committee expenses shall be in accordance with Board policy and administrative rule BHD/BHD-AR. The appointive budget committee members will be appointed for three-year terms in the September meeting. The terms will be staggered so that approximately one-third of the appointive members' terms end each year. The Board may appoint budget committee members to as many consecutive terms as deemed appropriate.

If any appointive member is unable to complete the term for which he/she was appointed, the Board will announce the vacancy at the first regular Board meeting following the committee member's resignation or removal. An appointment to fill the position for its unexpired term will be made at the next regular Board meeting.

The following Budget Committee member terms expired June 30, 2021:

- Position 2: Judy Newman (Eugene School District Board)
- Position 3: Emilio Hernandez (Springfield Public School District Board)
- Position 4: Dwight Coon (Blachly School District Board)

The above positions were declared vacant at the Lane ESD Board of Directors meeting on October 5, 2021.

Emilio Hernandez and Dwight Coon have agreed to continue with a renewed 3-year term for Positions 3 and 4.

Eugene School District 4J has nominated its board member Laural O-Rourke to Lane ESD's Budget Committee Position 2.

Board Chair, Superintendent

E. Adopt Policy Updates

The Board shall exercise its rule-making power by adopting policies consistent with the Oregon Revised Statutes, Oregon Administrative Rules or opinions of a court of competent authority, for its own governance and for the organization and operation of Lane ESD. The Board accepts the definition of policy set forth by the National School Boards Association:

School Board policies are statements which set forth the purposes and prescribe in general terms the organization and program of a school system. They create a framework within which the superintendent and his/her staff can discharge their assigned duties with positive direction. They tell what is wanted.

Such policies may be adopted, amended or repealed at any Board meeting provided that the proposed adoption, amendment or repeal shall have been proposed at a previous Board meeting and, once proposed, shall have remained on the agenda of each succeeding meeting until approved or rejected and except that the Board may adopt, amend or repeal policies at any meeting of the Board in the event of an actual emergency, as determined at the sole discretion of the Board. Additionally, when in the best interests of the district immediate adoption of a proposed policy is necessary, the

Board may adopt such policy at the first meeting in which it is presented.

The following policies were submitted for first read at the January 2022 meeting:

BBAA: Individual Board Member's Authority and Responsibilities

There are many instances when an ESD board needs to consult with legal counsel prior to making a decision. This policy change clarifies when individual board members are authorized to seek legal counsel and incur legal costs for the educational entity.

BBE: Vacancies on the Board

The change is to make the language about when a newly appointed Board member takes office consistent with the ORS 334.090(4)

BBFC: Reporting of Suspected Abuse of a Child

The 2021 Legislature passed Senate Bill 242 designating board members of an education service district as mandatory reports of suspected abuse of a child. The bill takes effect January 1, 2022. Policy language is not required however suggested revisions and a new optional model policy are presented herein.

A policy to address this requirement is not required, however proposed language has been added to both versions of model policy BBF - Board Member Standards of Conduct and a new optional model policy BBFC - Reporting of Suspected Abuse of a Child has been included for consideration. Review which version of BBF the board has adopted and consider to amend as recommended by the appropriate version. Nothing prevents the board from adopting a different version of BBF or deciding not to adopt changes, an ESD board member will still be a mandatory reporter.

BD/BDA: Board Meetings

House Bill 2560 (2021) updated law governing public attendance and comment at public meetings of the board. When public meetings are held and access is made available in-person, the board must provide, to the extent reasonably possible, an opportunity to access and attend meetings by telephone, video or other electronic or virtual means; if in-person oral testimony is allowed during a meeting, allow the public to submit oral testimony by telephone, video or other electronic or virtual means; and if in-person written testimony is allowed, written testimony must be allowed by email or other electronic means.

GBNAA/JHFF and JHFF/GBNAA: Suspected Sexual Conduct with Students and Reporting Requirements

Recent revisions to ORS 339 affecting reporting of child abuse and sexual conduct were adopted by the 2021 Legislature. The passing of these bills revised the definition of 'sexual conduct' and 'licensed administrator' as it relates to reporting and helps define the persons who can be designated to receive and respond to these reports. Additionally, a new definition was added for 'commission licensee' to distinguish between ESD employees suspected of sexual conduct that shall be reported to and investigated by TSPC and those that shall be reported to and investigated by ODE. The effective date of these changes are immediate.

Additionally, because of the requirements of staff involved in child abuse reporting, a second code (GBNAB) has been added to model policy JHFE and its administrative

regulations. This policy can now be inserted into section G (if desired) of the board's policy manual and support informing staff of these reporting requirements.

Superintendent Tony Scurto

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BBE G1 - Vacancies on the Board	129
BBFC G1 - Reporting of Suspected Abuse of a Child	130
BD_BDA G1 - Board Meetings	131
GBNAA_JHFF G1 - Suspected Sexual Conduct with Students and Reporting Requirements	134
JHFF_GBNAA G1 - Suspected Sexual Conduct with Students and Reporting Requirements	138

F. Cast Vote for OAESD Officer's Council

OAESD Officer Council - Nominations 2022-23

General Description: The Officer Council consists of the officers of OAESD. These are the Chair, Chair-Elect, and Past Chair of the OAESD Board and President, President-Elect, and Past President of the OAESD Superintendents' Council. The term of office for the officers shall be one year in each role. The Chair-Elect and President-Elect succeed the Chair and President, respectively. Past practice has been for each ESD Board to have the opportunity to nominate a candidate for the position of Chair-Elect and for each member ESD superintendent to have the opportunity to nominate a candidate for President-Elect.

The nomination and election timeline for 2022 will be as follows:

December-January – Local Boards may nominate eligible members of their own or other ESD boards for Chair-Elect. Superintendents may nominate themselves or other ESD superintendents for President-Elect. Nominations will be turned in to the OAESD Executive Director no later than January 28.

Chair-Elect: Miriam Cummins, LBL

President-Elect: Tony Scurto and Penny Fender.

February-March - Local Boards will cast their votes for Chair-Elect. Superintendents will cast their votes for President-Elect. **Results will be turned in to the OAESD Executive Director no later than March 4.**

March 10 – The results of the election(s) will be announced at the **OAESD Annual Conference**.

Bylaw Language Pertaining to the Officer Council: *The Officers Council is charged with implementing the purposes of OAESD, including but not limited to:*

- 1) Creating a job description, recruiting, interviewing and hiring of the Executive Director to administer the effective implementation of the purposes of OAESD.*
- 2) Entering into and administering the employment contract for the Executive Director.*
- 3) Conducting an annual review of the Executive Director and report the results of the review to the Governance Council. The Past-President shall facilitate such annual review.*
- 4) Dismissal or non-renewal of the contract for the Executive Director.*
- 5) Interviewing and hiring of the Director of Government Relations.*
- 6) Entering into and administering the employment contract for the OAESD Director of Government Relations.*
- 7) Conducting an annual review of the Director of Government Relations. The Past-President shall facilitate such annual review.*
- 8) Dismissal or non-renewal of the Director of Government Relations.*
- 9) Advising the Executive Director in contracting with member ESDs for fiscal, website and executive secretary services, and other administrative services necessary to carry out the functions of OAESD.*
- 10) Advising the Executive Director in developing an annual work plan, including communication strategies, for OAESD to provide priorities for the Association.*
- 11) Advising the Executive Director in creating an annual schedule of meetings and other events.*
- 12) Advising the Executive Director in creating a proposed annual budget for OAESD*
- 13) Advising the Executive Director in planning Association conferences and workshops.*
- 14) Advising the Executive Director in developing agendas, call, publicize, chair and arrange for minutes to be taken for all official OAESD meetings of the OAESD Governance Council.*
- 15) The President-Elect shall serve as Chair of the Legislative Committee.*
- 16) The Chair-Elect shall serve as OAESD Representative to the Ex-Officio position on the OSBA Board of Directors.*

Please note that ballots are due by March 4, 2022. Please see the current list of OAESD Officers below. Please let me know if you have any questions.

Board Section

Kelly Bissinger (Chair)

Linda Brown (Chair-Elect)

Rose Wilde (Past-Chair)

Superintendent Section

Paul Andrews (President)

Tonja Everest (President-Elect)

Mark Redmond (Past-President)

Executive Director

Amber Eaton

Program Administrator

Jessica Brenden

BE IT RESOLVED that the Board of Directors of Lane ESD casts its ballot for a candidate for the OAESD Governor's Council Chair-Elect.

Board Chair

7. Discussion/Reports

A. Strategic Planning

Board Chair, Nancy Golden

B. Legislative Update

Superintendent Scurto will provide an update in legislative activities if there are any updates.

The following report was sent by Ozzie Rose, OAESD lobbyist:

The 2022 Legislative Session begins Tuesday and again the legislative process and activities will be modified to address COVID-19 rules. All committees will meet virtually, the House and Senate will meet two (possibly 3) times per week, and office visits with legislators will be limited. To date 259 Bills have been introduced and we have identified 31 to be tracked by OAESD. (Note: 18 of the 31 Tracked Bills are scheduled for hearings this week.) We have prioritized Bills using the following definitions:

Priority 1 (Significant impact for K-12 – Lobby and Monitor closely)

Priority 2 (Of interest to K-12 – Monitor progress of Bill)

Priority 3 (Issues of general interest, but not closely related to K-12 - Monitor for

amendments of concern to K-12)

Key Bills This Session we will also maintain a smaller list of Bills to guide our

advocacy (for or against) **the most impactful bills.**

I will provide a Legislative Update each Monday which will include legislative information/actions important to ESDs specifically and K-12 generally, a schedule of Hearings for **Key Bills** during the coming week and a current Status Report on **Key Bills**. If any of this information raises concerns or questions, please contact me (503-931-4646; ozzierose@comcast.net) and I will get you answers and or additional information.

The COVID-19 restrictions are going to limit our ability to communicate directly with legislators. Therefore, we will be enlisting more email and telephone contacts with key legislators and legislative staff by ESD administrators and staff. We will assist you with these requests by identifying specific Bills, Committee location, background information on the issue addressed in the Bill and contact information for the Legislators.

I know that some (if not all of you) are familiar with the **Bill Tracking System** we use. However, I have **attached** an updated set of instructions for those of you who would find them helpful. With the system you can search and find information about any Bill as well as those we are tracking. You can create reports with selected bills and selected information to share with staff, board members or others. If you or the person you assign this task have difficulty using **BillTracker** please call, and I will help.

Attached is a current list of OAESD tracked bills and a list of Priority One bills with OAESD positions approved by the OAESD Legislative Committee.

Ozzie Rose

Superintendent Tony Scurto

OAESD Tracked Bills 1.30.22 142

Priority One Bill Report 1.30.22 145

OAESD Bill Tracker Instruction 2022 146

C. Superintendent Report

Superintendent Tony Scurto

D. Superintendent Goals for 2022-23

Superintendent Scurto will review his goals for the 2022-23 year.

Superintendent Tony Scurto

Goals for 2022-23

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E. Mandatory Reporting

The Board of Directors is required to participate in annual training in the identification and reporting of suspected child abuse. Board members have been enrolled in Public School Works, the agency's training platform, and will be receiving an invitation to participate in the Mandatory Reporter training.

Superintendent Tony Scurto

F. Policy Updates, First Read

The Board shall exercise its rule-making power by adopting policies consistent with the Oregon Revised Statutes, Oregon Administrative Rules or opinions of a court of competent authority, for its own governance and for the organization and operation of Lane ESD. The Board accepts the definition of policy set forth by the National School Boards Association:

School Board policies are statements which set forth the purposes and prescribe in general terms the organization and program of a school system. They create a framework within which the superintendent and his/her staff can discharge their assigned duties with positive direction. They tell what is wanted.

Such policies may be adopted, amended or repealed at any Board meeting provided that the proposed adoption, amendment or repeal shall have been proposed at a previous Board meeting and, once proposed, shall have remained on the agenda of each succeeding meeting until approved or rejected and except that the Board may adopt, amend or repeal policies at any meeting of the Board in the event of an actual emergency, as determined at the sole discretion of the Board. Additionally, when in the best interests of the district immediate adoption of a proposed policy is necessary, the Board may adopt such policy at the first meeting in which it is presented. Policies shall be adopted, amended or repealed by the affirmative vote of four or more Board members.

ACB: Every Student Belongs

ACB Administrative Rule: Bias Incident Complaint Procedure

In September 2020, the Oregon Board of Education passed OAR 581-022-2312, called All Students Belong. As a result, OSBA released new policy ACB and an accompanying AR in October 2020. In February 2021, the Oregon State Board of Education made some adjustments, including changing the title to Every Student Belongs. Later in 2021, the Oregon Legislature passed House Bill 2697 which addresses similar issues, but uses different language. Finally in October 2021, the Oregon State Board of Education amended the language in the rule to more closely match the statutory language.

In November 2021, OSBA released an updated version of ACB and ACB-AR. Because these versions were previously released, they are not included in this update. Questions regarding the updated versions should be directed to the policy department at OSBA.

GBL: Personnel Records

GBLA: Disclosure of Information, DELETE

After review of model sample policies GBL and GBLA, it was decided to combine the two policies. The resulting changes are proposed in this issue which includes the deletion of GBLA in lieu of changes made to model sample policy GBL Personnel Records.

Board Chair

ACB G1 esd	150
ACB R G1 esd	153
GBL G1	156

G. OAESD Spring Conference

The full Board of Directors is registered to attend the OAESD Spring Conference at Sunrive Resort. Rooms have been reserved for each participant for the nights of March 9 and 10, departing on March 11.

From OAESD: After a multi-year pause due to COVID-19, OAESD is excited to open registration for the 2022 OAESD Spring Conference. The Spring Conference will be held *in-person* at the beautiful Sunriver Resort in Central Oregon, March 9-11, 2022. This year’s theme is “Reconnection,” and we look forward to fostering our statewide reconnection through the multitude of opportunities at the Conference.

The registration fee is \$350.00 per attendee if registration is made **before January 21st**.

The registration fee is \$395.00 per attendee **between Jan 21st - Feb 4th**.
We will invoice each ESD for the registered participants upon the close of registration.

- If you sign up to bring a guest to the Banquet dinner (Thursday, March 10), there will be a \$65 dollar additional charge added to your registration. Board members may submit cash or check to the business office for banquet guests.

This year there are a few additional items to bring to your attention as we prepare for the gathering. Due to the ongoing stresses of COVID 19 that all are encountering, the OAESD Officers Council wants to ensure our participants come and enjoy the event without participation adding to already “full plates.” Historically, we have asked that each ESD bring a raffle basket to the conference. This year, OAESD has opted to purchase and provide baskets to raffle off instead of requesting participants bring the baskets. Additionally, OAESD recognizes that all of the ESDs have been incredibly innovative in response to COVID-19, and this past year has looked differently than normal years for operation. As such, we will be postponing the Innovation/New Ideas in Education Awards until our 2023 Spring Conference.

Finally, safety for participants is the number one priority. At this time, masks are required to be worn indoors at the event facilities. OAESD is partnering with Sunriver to implement additional safety mitigations such as spacing and ventilation considerations for our conference spaces. Additionally, OAESD has elected to have plated meals for the duration of the conference this year rather than buffets to reduce risks. Though optional for participants, COVID-19 vaccinations, boosters, and testing prior to arriving at the event are all additional mitigation measures that reduce the risk of spread of COVID-19.

Superintendent Tony Scurto

H. Black History Month

The Library of Congress, National Archives and Records Administration, National Endowment for the Humanities, National Gallery of Art, National Park Service, Smithsonian Institution and United States Holocaust Memorial Museum join in paying tribute to the generations of African Americans who struggled with adversity to achieve full citizenship in American society.

As a Harvard-trained historian, Carter G. Woodson, like W. E. B. Du Bois before him, believed that truth could not be denied and that reason would prevail over prejudice. His hopes to raise awareness of African American's contributions to civilization was realized when he and the organization he founded, the Association for the Study of Negro Life and History (ASNLH), conceived and announced Negro History Week in 1925. The event was first

celebrated during a week in February 1926 that encompassed the birthdays of both Abraham Lincoln and Frederick Douglass. The response was overwhelming: Black history clubs sprang up; teachers demanded materials to instruct their pupils; and progressive whites, not simply white scholars and philanthropists, stepped forward to endorse the effort.

By the time of Woodson's death in 1950, Negro History Week had become a central part of African American life and substantial progress had been made in bringing more Americans to appreciate the celebration. At mid-century, mayors of cities nationwide issued proclamations noting Negro History Week. The Black Awakening of the 1960s dramatically expanded the consciousness of African Americans about the importance of black history, and the Civil Rights movement focused Americans of all colors on the subject of the contributions of African Americans to our history and culture.

The celebration was expanded to a month in 1976, the nation's bicentennial. President Gerald R. Ford urged Americans to "seize the opportunity to honor the too-often neglected accomplishments of black Americans in every area of endeavor throughout our history." That year, fifty years after the first celebration, the association held the first Black History Month. By this time, the entire nation had come to recognize the importance of Black history in the drama of the American story. Since then each American president has issued Black History Month proclamations. And the association—now the Association for the Study of African American Life and History (ASALH)—continues to promote the study of Black history all year.

(Excerpt from an essay by Daryl Michael Scott, Howard University, for the Association for the Study of African American Life and History)

Board Chair, Superintendent

I. Freedom Fund Dinner

The NAACP Unit 1119 is preparing for its annual Freedom Fund Dinner and is reaching out to returning guests. The NAACP will have safety measures in place to keep the community safe. The NAACP will require all guests to be vaccinated, boosted and tested 24 hours prior to the event. The Eugene/Springfield NAACP invites you to an evening of celebration and fellowship on Friday, February 25th! The Freedom Fund Dinner will be held at the Valley River Inn, which is located at 1000 Valley River Way in Eugene, OR.

1pm Reception

1pm Program

More information about the Keynote Speaker will be shared out later this week.

COVID Protocols in Place for the Safety of Guests:
Must be fully vaccinated against COVID-19

3, and dessert will be plated by Valley River Inn staff, no buffet service

protocols will be shared as the event gets closer

Board Chair, Superintendent

8. Information from Administrative Staff

The directors of Human Resources and Title Programs, Special Education, Business Services, Technology and School Improvement have submitted written reports to the Board on matters of interest concerning his/her area of responsibility.

Administrative Staff

9. Board Member Reports and Comments/Agenda Planning

Lane ESD Board, Liaisons, Advisors

A. Agenda Planning

Board members are invited to send agenda items to be considered for the next board meeting. Please call or email to the Board Chair or Superintendent.

Board Chair

B. Board Member Reports

Board members are asked to submit their reports in writing to be attached to Boardbook. Reports can be sent to the Executive Assistant in advance of the meeting.

As Board Members prepare their reports, please consider the following questions:

1. What programs did I visit over the last month? What committees did I participate in?
2. What is the connection to the LESD services and programs to the component districts or community?
3. What significance or meaning does the activity have to the broader community?
4. What are the next steps or follow-up activities planned?

Sherry Duerst-Higgins

Linda Hamilton

Leslie Harris

Nora Kent

Vanessa Truett

Rose Wilde

Johnie Matthews, Superintendents' Council Advisor

Emilio Hernandez, Liaison, Springfield Public Schools

Erin Zygaitis, Community Advisor

Mike Anderson, Liaison, Creswell School District

Mark Boren, Liaison, Fern Ridge School District (see attached)

Board, Advisors, Liaisons

Leslie Harris Report February 2022 158

Lane ESD Mail - Fwd_ February Key Communicators 160

February 2022 Lane ESD Board Member Report Rose Wilde 163

10. Announcements/Correspondence

Board Chair

A. Acknowledgements and Recognition

Board Appreciation

Superintendent Tony Scurto

B. Kudos

Thank you to those who took the time to acknowledge co-workers/staff with kudos. Employees and Board members can submit a "kudo" any time during the month. To submit a kudo visit:

www.lesd.k12.or.us/forms/kudos.html

Administrators

C. Announcements

Board Chair

1. **Lane ESD Board Member Activities and Opportunities**

- OSBA Board Meeting - February 2022, February 4-5, 2022
- OSBA Legislative Policy Committee Meeting, February 5-6, 2022
- OSBA Listening Session, February 22, 2022
- OSBA Board Meeting - March 2022, March 5, 2022

- OSBA Bonds, Ballots and Buildings Conference, April 8, 2022

- OSBA Board Meeting - June 2022, June 17-18, 2022
- OSBA Legislative Policy Committee Meeting, August 23, 2022
- OSBA Board Meeting - September 2022, September 23-25, 2022 | Sunriver - Sunriver Resort

2. **Component District Board Meeting Dates**

11. Adjournment

- The next regular meeting is scheduled to be held Tuesday, March 1, 2022, at the Lane ESD Main Campus, 1200 Highway 99 N, Eugene.

HUMAN RESOURCES REPORT TO LANE ESD BOARD

February 1, 2022

CLASSIFIED STAFF (Information)

	Employee Name	Position	Effective Date	Notes
<i>Appointments</i>	Guillen, Angie	Instructional Assistant, Life Skills	1/20/2022	
	Lindberg, Annika	Instructional Assistant, Life Skills	1/27/2022	
	Malsch, Madeline	Human Resources Specialist	2/14/2022	
	Rodriguez, Lucia	Instructional Assistant, Life Skills	1/27/2022	
	Shaw, Ruth Angelica	MEP Program Assistant/Records Management	2/1/2022	
	Stalker, Rahjeen	Instructional Assistant, Life Skills	1/27/2022	
	Wadsworth, Katrina	Sign Language Interpreter	2/1/2022	
	Zepeda, Krystal	Instructional Assistant, Life Skills	1/20/2022	
<i>Leaves of Absence</i>				
<i>Discontinuation of Employment</i>	Heinberger, Aven-Aimelle	Instructional Assistant, Life Skills	1/27/2022	Termination
<i>Change of Status</i>				

VACANCY NOTICES (Information)

Posting #	Position	Closing Date	Notes
300	Instructional Assistant, Life Skills	Until filled	In process
352	Community Engagement, MEP (Douglas County)	1/28/2022	In process
378	Early Childhood Parent Educator	1/28/2022	In process
414	MEP Program Assistant/Records Management	1/7/2022	Position filled
440	Sign Language Interpreter	1/10/2022	Position filled
469	Instructional Assistant, Life Skills	Until filled	In process
475	Instructional Assistant, Life Skills	Until filled	In process
476	Instructional Assistant, Life Skills	Until filled	In process
478	Instructional Assistant, Life Skills	Until filled	In process
484	Instructional Assistant, Life Skills	Until filled	Position filled
486	Instructional Assistant, Life Skills	Until filled	Position filled
490	Projects Assistant, Connected Lane County	1/28/2022	In process
493	Instructional Assistant, Life Skills	Until filled	Position filled
494	Instructional Assistant, Life Skills	Until filled	In process
495	Instructional Assistant, Life Skills	Until filled	In process
496	Instructional Assistant, Life Skills	Until filled	In process
497	Teacher, Life Skills	1/31/2022	In process
502	Instructional Assistant, Life Skills	Until filled	Position filled
503	Instructional Assistant, Life Skills	Until filled	In process
504	Instructional Assistant, Life Skills	Until filled	In process
505	Instructional Assistant, Life Skills	Until filled	Position filled
506	Instructional Assistant, Life Skills	Until filled	In process
507	Instructional Assistant, Life Skills	Until filled	In process
508	Instructional Assistant, Life Skills	Until filled	In process
512	Instructional Assistant, Life Skills	Until filled	In process
513	Instructional Assistant, Life Skills	Until filled	In process
516	Instructional Assistant, At-Large	Until filled	In process
517	Instructional Assistant, At-Large	1/31/2022	In process
520	Instructional Assistant, Life Skills	Until filled	In process
521	Instructional Assistant, Life Skills	Until filled	In process

VACANCY NOTICES (Information continued)

Posting #	Position	Closing Date	Notes
523	Instructional Assistant, Life Skills	Until filled	In process
524	Teacher, Life Skills	1/31/2022	In process
525	Instructional Assistant, Life Skills	Until filled	In process
529	Human Resources Specialist	1/3/2022	Position filled
536	Custodian - Westmoreland Campus	1/14/2022	In process
542	Instructional Assistant, Life Skills	Until filled	In process
543	Instructional Assistant, Life Skills	Until filled	In process



LANE EDUCATION SERVICE DISTRICT

1200 Highway 99 North
Eugene, OR 97402

541.461.8200
541.461.8298 [Fax]

www.lesd.k12.or.us

EQUITY COMMITMENT LEADERSHIP COLLABORATION INTEGRITY

Regular Meeting
Tuesday, January 4, 2022 6:00 PM Pacific

District Office
1200 Hwy 99 N
Eugene, Oregon 97402

1. Call Regular Meeting To Order

Chair Linda Hamilton called the regular meeting of the Board to order at 6:01 p.m.

2. Welcome

Members of the Board and audience were welcomed.

Board Members Present: Chair Linda Hamilton, Vice-Chair Vanessa Truett, Sherry Duerst-Higgins, Leslie Harris, Nora Kent, Sydney Kissinger, Rose Wilde

Board Advisors and Liaisons Present: Johnie Matthews (Superintendents' Council), Mark Boren (Fern Ridge School District Board), Mike Anderson (Creswell School District Board)

Administrative Staff Present: Superintendent Tony Scurto, Assistant Superintendent Carlos Sequeira, Business Services Director Dave Standridge, Recording Secretary Julie Simmonds

Guests Present: Cameron Yee (LCEA)

Guests:

3. Public Participation

There was no public participation.

4. Agenda Review

The agenda was reviewed.

5. Action Items

5.A. Consent Agenda

DIRECTOR KENT MOVED: BE IT RESOLVED that the Board of Directors of Lane ESD adopts the consent group as submitted and listed. Director Duerst-Higgins seconded and the **MOTION CARRIED WITH DIRECTORS DUERST-HIGGINS, HAMILTON, HARRIS, KENT, KISSINGER, TRUETT and WILDE VOTING YES.** (ESD Resolution #22-034).

5.B. Accept Financial Report

DIRECTOR WILDE MOVED: BE IT RESOLVED that the Board of Directors of Lane ESD the financial report as submitted and listed. Director Duerst-Higgins seconded and the **MOTION CARRIED WITH DIRECTORS DUERST-HIGGINS, HAMILTON, HARRIS, KENT, KISSINGER, TRUETT and WILDE VOTING YES.** (ESD Resolution #22-035).

5.C. Accept Donation

DIRECTOR KENT MOVED: BE IT RESOLVED that the Board of Directors of Lane ESD accept the \$20,000 donation from the Drinking Gourd School, as described. Director Kissinger seconded and the **MOTION CARRIED WITH DIRECTORS DUERST-HIGGINS, HAMILTON, HARRIS, KENT, KISSINGER, TRUETT and WILDE VOTING YES.** (ESD Resolution #22-036).

5.D. Declare Board Appreciation Month

School Board Recognition Month is celebrated in January to honor the unpaid elected volunteers who serve on Oregon's 197 local school boards, our 19 education service district boards and our 17 community college boards. Superintendent Tony Scurto provided accolades to the Board and their leadership, commitment and dedication to Lane ESD. He then read aloud the declaration:

WHEREAS, Education Service District Boards exist to meet the diverse education needs of the school districts and students in their regions; **WHEREAS**, ESD boards focus resources on providing vital, innovative and cost-effective strategies to meet those diverse needs; **WHEREAS**, ESD boards help establish the vision for educational excellence in what students should know and be able to do; **WHEREAS**, ESD boards are accountable to the community for assisting the districts they serve to increase student achievement; **WHEREAS**, ESD boards create a climate that supports the philosophy that all children can learn, targeting resources, strategies and services to students who need special help to reach this goal; **WHEREAS**, ESD boards build collaborative relationships based on trust, teamwork and shared accountability; and

WHEREAS, ESD boards are committed to continuous education and training on issues related to best practices in education services for their districts;

NOW, THEREFORE, *We* hereby declare *our* appreciation to the members of the Lane ESD Board of Directors and proclaim the month of January to be **Education Board Recognition Month**.

We urge all citizens to join *us* in recognizing the dedication and hard work of ESD board members in preparing today's students for tomorrow's world.
(ESD Resolution #22-037).

6. Discussion/Reports

6.A. Legislative Update

Superintendent Tony Scurto discussed that he is mainly focusing on is the Senate Education Committee. Legislators and Lane ESD are advocating for a full school week, versus a 4-day or reduced week. This involves collaborating with ODE, OAESD and COSA.

6.B. Superintendent Report

Staffing Issues

Bonuses are not enough to retain all staff, with resignations reported right before the winter break. Lane ESD will begin recruiting high school students to become employees. This has been discussed with Lane ESD's attorney. The districts are showing support, posting recruitment flyers and encouraging students to apply.

Vaccinated Staff

A decision has been made to return unvaccinated staff to the classrooms, with additional precautions. This decision was not met with universal approval, and there has been some push back from staff. Currently, there are seven unvaccinated staff members. One staff has not asked for an exception and is on unpaid leave. A few are still working exclusively online with students.

6.C. Strategic Planning

Dr. Nancy Golden led the Board through a review of the draft Strategic Plan Template, Goals and objectives.

6.D. Component District Board Visits - Local Service Plan

Visits to component district board meetings are being scheduled. Component districts have until March 1, 2022 to approve the 2021-23 Local Service Plan - Year Two.

The following component board visits are currently calendared (assigned Board Member):

- 1/3/2022 Pleasant Hill (hybrid meeting) (Rose Wilde)
- 1/10/2022 Oakridge (remote meeting) (Linda Hamilton)
- 1/10/2022 Springfield (in person) (Vanessa Truett)

1/12/2022 Creswell (remote) (Sherry Duerst-Higgins)
1/19/2022 Blachly (remote) (Nora Kent)
1/20/2022 Crow-Applegate-Lorane (in person) (Leslie Harris)
1/24/2022 Fern Ridge (in person) (Sydney Kissinger)
1/24/2022 Junction City (in person) (Linda Hamilton)
2/2/2022 Eugene (hybrid meeting) (Linda Hamilton)
2/9/2022 Siuslaw (in person, zoom available) (Nora Kent)
2/14/2022 Bethel (hybrid meeting) (Sydney Kissinger)

The following districts' board visits have not yet been scheduled:

- Lowell
- Mapleton
- Marcola
- McKenzie
- South Lane

6.E. OSBA Listening Session

Originally OSBA had asked to meet with us during a regularly scheduled board meeting evening. 5:30 p.m. start, with OSBA planning for an in-person meeting. The OSBA Listening Session has been rescheduled for February 22, 2022 at 5:30 p.m.

6.F. Policy Updates: First Reads

The Board shall exercise its rule-making power by adopting policies consistent with the Oregon Revised Statutes, Oregon Administrative Rules or opinions of a court of competent authority, for its own governance and for the organization and operation of Lane ESD. The Board accepts the definition of policy set forth by the National School Boards Association:

School Board policies are statements which set forth the purposes and prescribe in general terms the organization and program of a school system. They create a framework within which the superintendent and his/her staff can discharge their assigned duties with positive direction. They tell what is wanted.

Such policies may be adopted, amended or repealed at any Board meeting provided that the proposed adoption, amendment or repeal shall have been proposed at a previous Board meeting and, once proposed, shall have remained on the agenda of each succeeding meeting until approved or rejected and except that the Board may adopt, amend or repeal policies at any meeting of the Board in the event of an actual emergency, as determined at the sole discretion of the Board. Additionally, when in the best interests of the district immediate adoption of a proposed policy is necessary, the Board may adopt such policy at the first meeting in which it is presented.

The following policies are submitted for first read:

BBAA: Individual Board Member's Authority and Responsibilities

There are many instances when an ESD board needs to consult with legal counsel prior to making a decision. This policy change clarifies when individual board members are authorized to seek legal counsel and incur legal costs for the educational entity.

BBE: Vacancies on the Board

The change is to make the language about when a newly appointed Board member takes office consistent with the ORS 334.090(4)

BBFC: Reporting of Suspected Abuse of a Child

The 2021 Legislature passed Senate Bill 242 designating board members of an education service district as mandatory reports of suspected abuse of a child. The bill takes effect January 1, 2022. Policy language is not

required however suggested revisions and a new optional model policy are presented herein.

A policy to address this requirement is not required, however proposed language has been added to both versions of model policy BBF - Board Member Standards of Conduct and a new optional model policy BBFC - Reporting of Suspected Abuse of a Child has been included for consideration. Review which version of BBF the board has adopted and consider to amend as recommended by the appropriate version. Nothing prevents the board from adopting a different version of BBF or deciding not to adopt changes, an ESD board member will still be a mandatory reporter.

BD/BDA: Board Meetings

House Bill 2560 (2021) updated law governing public attendance and comment at public meetings of the board. When public meetings are held and access is made available in-person, the board must provide, to the extent reasonably possible, an opportunity to access and attend meetings by telephone, video or other electronic or virtual means; if in-person oral testimony is allowed during a meeting, allow the public to submit oral testimony by telephone, video or other electronic or virtual means; and if in-person written testimony is allowed, written testimony must be allowed by email or other electronic means.

GBNAA/JHFF and JHFF/GBNAA: Suspected Sexual Conduct with Students and Reporting Requirements
Recent revisions to ORS 339 affecting reporting of child abuse and sexual conduct were adopted by the 2021 Legislature. The passing of these bills revised the definition of 'sexual conduct' and 'licensed administrator' as it relates to reporting and helps define the persons who can be designated to receive and respond to these reports. Additionally, a new definition was added for 'commission licensee' to distinguish between ESD employees suspected of sexual conduct that shall be reported to and investigated by TSPC and those that shall be reported to and investigated by ODE. The effective date of these changes are immediate.

Additionally, because of the requirements of staff involved in child abuse reporting, a second code (GBNAB) has been added to model policy JHFE and its administrative regulations. This policy can now be inserted into section G (if desired) of the board's policy manual and support informing staff of these reporting requirements.

Director Harris requested training on the Reporting of Suspected Child Abuse.

6.G. Administrative Rule Updates

Administrative rules are detailed directions governing the operation of Lane ESD.

The superintendent is authorized to formulate such administrative rules appropriate for the implementation of policies adopted by the Board and necessary for the consistent operation of the ESD. Such administrative rules shall be binding on the employees of Lane ESD and the students in the classrooms of the ESD until modified or repealed.

All new or amended administrative rules will become effective on the day after approved by the superintendent unless an alternative effective date is specified. When approved by the superintendent, administrative rules shall be distributed to staff and other individuals, as appropriate. The superintendent will make administrative rules available to the Board. The Board may review any administrative rule and may direct its revision if, in the Board's judgment, such rule is not consistent with adopted policies.

6.H. OAESD Spring Conference

The Board discussed attendance at the OAESD Spring Conference, March 9-11, 2022 at Sunriver Resort.

Directors Hamilton, Truett, and Wilde indicated they will attend. Director Wilde is serving on the planning committee, and shared OAESD's desire to keep participants safe.

Interested Board members should let Julie Simmonds know if they would like to attend.

7. Information from Administrative Staff

The directors of Human Resources and Title Programs, Special Education, Business Services, Technology and School Improvement have submitted written reports to the Board on matters of interest concerning his/her area of responsibility.

8. Board Member Reports and Comments/Agenda Planning

8.A. Agenda Planning

Board members are invited to send agenda items to be considered for the next board meeting.

8.B. Board Member Reports

Board members are asked to submit their reports in writing to be attached to Boardbook. Reports can be sent to the Executive Assistant in advance of the meeting.

9. Announcements/Correspondence

9.A. Acknowledgements and Recognition

9.B. Kudos

Somebody did good!

Kudos to: Alia Burkholder

Reported by: Tony Scurto

Reason: Sharing her story in one of the IA recruiting videos. Heartfelt and inspiring....an all star performance to add to the other 3 videos!

Thank you to those who took the time to acknowledge co-workers/staff with kudos. Employees and Board members can submit a "kudo" any time during the month. To submit a kudo visit:

www.lesd.k12.or.us/forms/kudos.html

9.C. Announcements

9.C.1. Lane ESD Board Member Activities and Opportunities

- OAESD [Federal and State Reporting Program](#), January 11, 2022

About this event

Districts are burdened with cumbersome reports now required by the legislature. Since much of revenue is now targeted, districts are overwhelmed with reporting. This is especially problematic for smaller districts. IMESD responded by hiring a full-time position to assist districts with this effort. This presentation provides the "nitty gritty" information on the program.

- OAESD Virtual Summit: [The WE in Wellbeing](#), January 13, 2022

- OAESD Virtual Summit: [The WE in Wellbeing](#), January 20, 2022

The community trauma of the Coronavirus places us all in need of reminders of solid, foundational care!

About this event

The wellbeing of educational professionals is created and maintained by social, emotional, and mental health. CS Lewis says, "Friends are like coals in a fire. Together they glow. Apart they grow cold." In this session we will outline factors for real, sustained wellbeing: compassion fatigue, sharing stories, assuming the positive, resting is doing something, and the care of each other. Practicing real wellbeing is the most powerful model for our students and their families.

- OSBA Webinar: [Women Superintendents and Superintendents of Color, Why Are There So Few?](#), January 11, 2022

- [OSBA Board Meeting - February 2022](#), February 4-5, 2022

- OSBA Legislative Policy Committee Meeting, February 5-6, 2022

- OSBA Listening Session, February 22, 2022
- [OSBA Board Meeting - March 2022](#), March 5, 2022
- [OSBA Bonds, Ballots and Buildings Conference](#), April 8, 2022
- [OSBA Board Meeting - June 2022](#), June 17-18, 2022
- OSBA Legislative Policy Committee Meeting, August 23, 2022
- [OSBA Board Meeting - September 2022](#), September 23-25, 2022 | Sunriver - Sunriver Resort

[OSBA Advocacy Opportunities](#)

9.C.2. **Component District Board Meeting Dates**

9.D. Oregon School Board Members of Color Caucus Meetings

The Oregon School Board Member of Color Caucus will hold a general meeting this Saturday, January 8, 2022, from 9:00 a.m. to noon. The meeting will be held via Zoom. Click [here](#) to join.

The agenda can be [viewed here](#).

Also, the inaugural OSBMCC Virtual Morning Meet-Up is happening on Friday, 1/7 at 9 am. The hour-long small group session will be facilitated by a Caucus Leadership Council member focused on the needs of Caucus members. Join to simply chat with each other, share experiences, exchange ideas and advice, and provide support for one another. The [Meet-Up will be held via Zoom](#).

Meeting ID: 897 0800 4972 Passcode: 502201

Dial by phone: 253-215- 8782

10. Adjournment

The meeting was adjourned at 7:24 p.m.

- The next regular meeting is scheduled to be held Tuesday, February 1, 2022, at the Lane ESD Main Campus, 1200 Highway 99 N, Eugene.

Minutes Approved:

Linda Hamilton, Chairperson

Tony Scurto, Superintendent

Lane Education Service District
2021-22 General Fund Financial Summary
 January 31, 2022

	Budget	Actual: Jul-Jan	Projected: Feb-Jun	Projected Total	Projected vs Budget	
					\$	%

Resources

State School Fund	14,248,500	9,723,395	4,788,746	14,512,141	263,641	1.9%
Property Tax & Timber	8,100,500	7,594,507	511,850	8,106,357	5,857	0.1%
Services to Districts	1,158,400	-	858,278	858,278	(300,122)	-25.9%
Other Local Revenue	318,000	377,159	47,572	424,731	106,731	33.6% (1)
Indirect from Grants	330,000	55,411	274,589	330,000	-	0.0%
Total Revenues	24,155,400	17,750,472	6,481,034	24,231,506	76,106	0.3%
Beginning Fund Balance: Unreserved	3,087,000	3,242,279	-	3,242,279	155,279	5.0%
Beginning Fund Balance: District Reserves	718,000	863,577	-	863,577	145,577	20.3%
Total Resources	27,960,400	21,856,328	6,481,034	28,337,362	376,962	1.3%

Requirements

Salaries	8,306,689	3,638,969	3,981,201	7,620,170	(686,519)	-8.3% (2)
Benefits	5,703,455	2,407,861	2,681,807	5,089,668	(613,787)	-10.8% (2)
Services	2,770,007	1,255,641	1,756,884	3,012,525	242,518	8.8% (3)
Supplies	278,402	190,653	85,650	276,303	(2,099)	-0.8%
Other	167,400	200,174	4,000	204,174	36,774	22.0%
Interfund Transfers	387,200	357,200	30,000	387,200	-	0.0%
Transit Cash to Districts	6,745,364	1,545,028	5,463,710	7,008,738	263,374	3.9%
Total Expenditures	24,358,517	9,595,526	14,003,252	23,598,779	(759,738)	-3.1%
Ending Fund Balance: Unreserved	2,521,119	-	-	3,484,029	962,910	38.2%
Ending Fund Balance: District Reserves	1,080,764	-	-	1,254,555	173,791	16.1%
Total Requirements	27,960,400	9,595,526	14,003,252	28,337,362	376,962	1.3%

Change in Unreserved Fund Balance	(565,881)	241,750
Unreserved Ending Fund Balance	10.4%	14.4%

(1) Includes an unexpected refund of prior year OT/PT expenses and a larger than anticipated workers comp insurance refund.

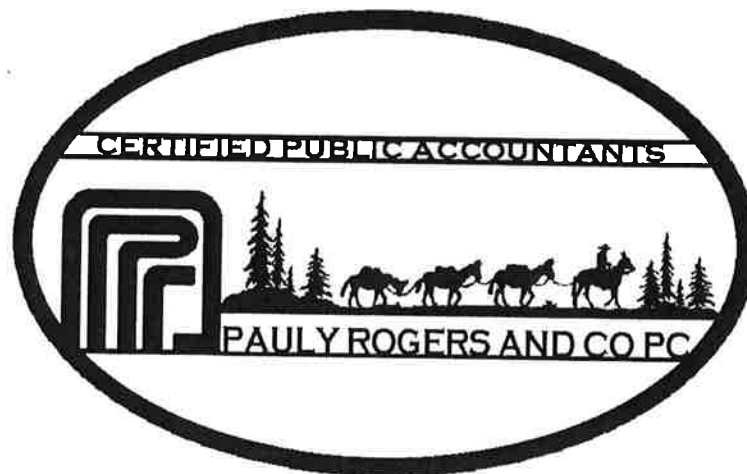
(2) Position vacancies.

(3) Contracting for School Psychologist and SLP services due to staff vacancies and contracting for Nurse Services for some component districts.

LANE EDUCATION SERVICE DISTRICT
LANE COUNTY, OREGON

COMMUNICATION TO THE GOVERNING BODY

FOR THE YEAR ENDED JUNE 30, 2021



12700 SW 72nd Ave.
Tigard, OR 97223



PAULY, ROGERS AND Co., P.C.
12700 SW 72nd Ave. ♦ Tigard, OR 97223
(503) 620-2632 ♦ (503) 684-7523 FAX
www.paulyrogersandcocpas.com

December 6, 2021

To the Board of Directors
Lane Education Service District
Lane County, Oregon

We have audited the basic financial statements of the governmental activities, each major fund, and the remaining fund information of Lane Education Service District (the District) for the year ended June 30, 2021. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards and *Government Auditing Standards and Title 2 U.S. Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance)*, as well as certain information related to the planned scope and timing of our audit. Professional standards also require that we communicate to you the following information related to our audit.

Purpose of the Audit

Our audit was conducted using sampling, inquiries and analytical work to opine on the fair presentation of the basic financial statements and compliance with:

- generally accepted accounting principles and auditing standards
- the Oregon Municipal Audit Law and the related administrative rules
- federal, state and other agency rules and regulations related to expenditures of federal awards

Our Responsibility under U.S. Generally Accepted Auditing Standards

As stated in our engagement letter, our responsibility, as described by professional standards, is to express opinions about whether the basic financial statements prepared by management with your oversight are fairly presented, in all material respects, in conformity with U.S. generally accepted accounting principles. Our audit of the basic financial statements does not relieve you or management of your responsibilities. Our engagement letter details our nonaudit services we provide; these services do not constitute an audit under Government Auditing Standards.

In planning and performing our audit, we considered internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinions on the basic financial statements and not to provide assurance on the internal control over financial reporting. We also considered internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with the Uniform Guidance.

As part of obtaining reasonable assurance about whether the basic financial statements are free of material misstatement, we performed tests of compliance with certain provisions of laws, regulations, contracts, and grants, noncompliance with which could have a direct and material effect on the determination of the basic financial statement amounts. However, providing an opinion on compliance with those provisions is not an objective of our audit. Also in accordance with the Uniform Guidance, we examined, on a test basis, evidence about compliance with the types of compliance requirements described in the OMB's Compliance Supplement applicable to each of the major federal programs for the purpose of expressing an opinion on compliance with those requirements. While our audit provided a reasonable basis for our opinion, it does not provide a legal determination on compliance with those requirements.

Planned Scope and Timing of the Audit

An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the basic financial statements; therefore, our audit involved judgment about the number of transactions examined and the areas to be tested.

Our audit included obtaining an understanding of the District and its environment, including internal control, sufficient to assess the risks of material misstatement of the basic financial statements and to design the nature, timing, and extent of further audit procedures. Material misstatements may result from (1) errors, (2) fraudulent financial reporting, (3) misappropriation of assets, or (4) violations of laws or governmental regulations that are attributable to the District or to acts by management or employees acting on behalf of the District. We also communicated any internal control related matters that are required to be communicated under professional standards.

Results of Audit

1. Audit opinion letter - an unmodified opinion on the basic financial statements has been issued. This means we have given a “clean” opinion with no reservations.
2. State minimum standards – We found no exceptions or issues requiring comment, except as noted on page 54 of the financial statements.
3. Federal Awards - We found no issues of non-compliance and no questioned costs. We have responsibility to review these programs and give our opinion on the schedule of expenditures of federal awards, and tests of the internal control system, compliance with laws and regulations, and general and specific requirements mandated by the various awards.
4. Management letter – No separate management letter was issued.

Significant Audit Findings

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used are described in Note 1 to the basic financial statements. No new accounting policies were adopted and the application of existing policies was not changed during 2020-21. We noted no transactions entered into during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the basic financial statements in the proper period.

Accounting estimates are an integral part of the basic financial statements prepared by management and are based on management’s knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the basic financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most sensitive estimates affecting the basic financial statements were management’s estimate of Receivables, Net Pension Liability and Deferrals for PERS, OPEB liabilities/asset and deferrals for RHIA, Health Insurance and Stipends, Capital Asset Depreciation, and Fair Market Value of Investments, which are based on estimated collectability of receivables, actuarial assumptions, useful lives of assets, and active market values or significant observable inputs, respectively. We evaluated the key factors and assumptions used to develop these estimates in determining that they are reasonable in relation to the basic financial statements taken as a whole.

Certain financial statement disclosures are particularly sensitive because of their significance to financial statement users. The disclosures in the basic financial statements are neutral, consistent, and clear.

Pauly, Rogers and Co., P.C.

Difficulties Encountered in Performing the Audit

We encountered no difficulties in dealing with management in performing and completing our audit.

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. Management has corrected all such misstatements or determined that their effects are immaterial. In addition, none of the misstatements detected as a result of audit procedures and corrected by management were material, either individually or in the aggregate, taken as a whole. There were immaterial uncorrected misstatements noted during the audit which were discussed with management.

Disagreements with Management

For purposes of this letter, a disagreement with management is a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the basic financial statements or the auditors' report. We are pleased to report that no such disagreements arose during the course of our audit.

Management Representations

We have requested certain representations from management that are included in the management representation letter.

Management Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the basic financial statements or a determination of the type of auditors' opinion that may be expressed on those basic statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Other Audit Findings or Issues

We generally discuss a variety of matters, including the application of accounting principles and auditing standards with management each year prior to our retention as the auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

Required Supplementary Information

We applied certain limited procedures to the required supplementary information that supplements the basic financial statements. Our procedures consisted of inquiries of management regarding the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We did not audit the required supplementary information and do not express an opinion or provide any assurance on it except for the budgetary statements included as required supplementary information.

Supplementary Information

We were engaged to report on the supplementary information, which accompanies the basic financial statements but are not required supplementary information. With respect to this supplementary information, we made certain inquiries of management and evaluated the form, content, and methods of preparing the information to determine that the information complies with accounting principles generally accepted in the United States of America, the method of preparing it has not changed from the prior period, and the information is appropriate and complete in relation to our audit of the basic financial statements. We compared and reconciled the supplementary information to the underlying accounting records used to prepare the basic financial statements or to the basic financial statements themselves.

Other Information

We were not engaged to report on the other information, as listed in the table of contents, or the board list, located before the table of contents, which accompany the basic financial statements but are not required supplementary information. Such information was not subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

Other Matters – Future Accounting and Auditing Issues

In order to keep you aware of new auditing standards issued by the American Institute of Certified Public Accounts and accounting statements issued by the Governmental Accounting Standards Board (GASB), we have prepared the following summary of the more significant upcoming issues:

GASB 87 – LEASES

This Statement is effective for fiscal years beginning after June 15, 2021, as extended by GASB 95. The primary objective of this Statement is to better meet the information needs of financial statement users by improving accounting and financial reporting for leases by governments. This Statement increases the usefulness of governments' financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Under this Statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources, thereby enhancing the relevance and consistency of information about governments' leasing activities.

GASB 89 – ACCOUNTING FOR INTEREST COST INCURRED BEFORE THE END OF A CONSTRUCTION PERIOD

This Statement is effective for fiscal years beginning after December 15, 2020, as extended by GASB 95. The objectives of this Statement are to enhance the relevance and comparability of information about capital assets and the cost of borrowing for a reporting period and to simplify accounting for interest cost incurred before the end of a construction period. This Statement establishes accounting requirements for interest cost incurred before the end of a construction period. Such interest cost includes all interest that previously was accounted for in accordance with the requirements of paragraphs 5-22 of Statement No. 62, Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 2989 FASB and AICPA Pronouncements, which are superseded by this Statement. This Statement requires that interest cost incurred before the end of a construction period be recognized as an expense in the period in which the cost is incurred for financial statements prepared using the economic resources measurement focus. As a result, interest cost incurred before the end of a construction period will not be included in the historical cost of a capital asset reported in a business-type activity or enterprise fund. This Statement also reiterates that in financial statements prepared using the current financial resources measurement focus, interest cost incurred before the end of a construction period should be recognized as an expenditure on a basis consistent with governmental fund accounting principles.

GASB 91 – CONDUIT DEBT OBLIGATIONS

This Statement is effective for fiscal years beginning after December 15, 2021, as extended by GASB 95. The primary objectives of this Statement are to provide a single method of reporting conduit debt obligations by issuers and eliminate diversity in practice associated with (1) commitments extended by issuers, (2) arrangements associated with conduit debt obligations, and (3) related note disclosures. This Statement achieves those objectives by clarifying the existing definition of a conduit debt obligation; establishing that a conduit debt obligation is not a liability of the issuer; establishing standards for accounting and financial reporting of additional commitments and voluntary commitments extended by issuers and arrangements associated with conduit debt obligations; and improving required note disclosures.

Best Practices – Not Significant Deficiencies

1. Governing Body Monitoring

An integral part of internal controls is the monitoring of financial activities by those charged with the governance (the Board). This can be accomplished by asking specifically designed questions to senior staff, reviewing financial statements and projections, and comparing financial results to pre-established benchmarks. While the Board participates in the budget adoption process and receives staff prepared financial statements, these only partially fulfill the monitoring function. We recommend that the Board articulate their monitoring practices and record in the minutes when those activities occur.

2. Fidelity Insurance Coverage

Cash balances exceed fidelity (employee honesty) insurance coverage of \$1,000,000. While this may be an appropriate level of coverage, we recommend each year that the Board examine this exposure risk and make a determination as to the amount of insurance coverage they feel is prudent in regard to their oversight.

Pauly, Rogers and Co., P.C.

This information is intended solely for the information and use of the Board of Directors and management and is not intended to be and should not be used by anyone other than these specified parties.

A handwritten signature in black ink that reads "Roy R. Rogers". The signature is written in a cursive style with a large, stylized "R" and "R".

Roy R. Rogers , CPA
PAULY, ROGERS AND CO., P.C.

LANE EDUCATION SERVICE DISTRICT
LANE COUNTY, OREGON

FINANCIAL REPORT

FOR THE YEAR ENDED JUNE 30, 2021



12700 SW 72nd Ave.
Tigard, OR 97223

LANE EDUCATION SERVICE DISTRICT
LANE COUNTY, OREGON

2020-2021 FINANCIAL REPORT

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LANE EDUCATION SERVICE DISTRICT

Lane County, Oregon

PRINCIPAL OFFICIALS

BOARD OF DIRECTORS

TERM EXPIRES

Sydney Kissinger

June 30, 2021

Sherry Duerst-Higgins, Chair

June 30, 2023

Linda Hamilton, Vice-Chair

June 30, 2023

Leslie Harris

June 30, 2023

Nora Kent

June 30, 2023

Vanessa Truett

June 30, 2021

Rose Wilde

June 30, 2021

ADMINISTRATION

Tony Scurto, Superintendent
Dave Standridge, Business Manager

The Board members receive mail at the following address:

Lane ESD
1200 Highway 99N
Eugene, Oregon 97402

LANE EDUCATION SERVICE DISTRICT

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December 6, 2021

INDEPENDENT AUDITORS' REPORT

To the Board of Directors
Lane Education Service District
Lane County, Oregon

Report on the Financial Statements

We have audited the accompanying basic financial statements of the governmental activities, each major fund, and the remaining fund information of Lane Education Service District (the District) as of and for the year ended June 30, 2021, and the related notes to the basic financial statements, which collectively comprise the basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these basic financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of the basic financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express opinions on these basic financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Governmental Auditing Standards*, issued by the Comptroller General of the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the basic financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the basic financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the basic financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the preparation and fair presentation of the basic financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the basic financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the basic financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the remaining fund information of Lane Education Service District as of June 30, 2021, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the required supplementary information, as listed in the table of contents, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the schedules of changes in total pension liability and employer contributions for post-employment health benefits and stipends, or the schedules of net pension liability and contributions for PERS or the Net OPEB Liability/Asset and Contributions for RHIA, or management's discussion and analysis because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance on them.

The budgetary comparison schedules presented as Required Supplementary Information, as listed in the table of contents, have been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America, and in our opinion are fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The supplementary information, as listed in the table of contents, is presented for purposes of additional analysis and is not a required part of the basic financial statements. The schedule of expenditures of federal awards is presented for purposes of additional analysis as required by Title 2 U.S. Code of Federal Regulations (CRF) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards, and is not a required part of the basic financial statements. The supplementary information and schedule of expenditures of federal awards are the responsibility of management and were derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary information and the schedule of expenditures of federal awards are fairly stated, in all material respects, in relation to the basic financial statements as a whole.


Other Information

The listing of board members containing their term expiration dates, located before the table of contents, and the other information, as listed in the table of contents, have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

Report on Other Legal and Regulatory Requirements

In accordance with *Government Auditing Standards*, we have also issued our reports dated December 6, 2021 on our consideration of the internal control over financial reporting and on our tests of compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of the reports is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. The reports are an integral part of an audit performed in accordance with *Government Auditing Standards* in considering internal control over financial reporting and compliance.

In accordance with Minimum Standards for Audits of Oregon Municipal Corporations, we have issued our report dated December 6, 2021, on our consideration of compliance with certain provisions of laws and regulations, including the provisions of Oregon Revised Statutes as specified in Oregon Administrative Rules. The purpose of that report is to describe the scope of our testing of compliance and the results of that testing and not to provide an opinion on compliance.


Roy R. Rogers, CPA
PAULY, ROGERS AND CO., P.C.

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**LANE EDUCATION SERVICE DISTRICT
LANE COUNTY, OREGON
MANAGEMENT'S DISCUSSION AND ANALYSIS**

As management of Lane Education Service District, we offer readers of the District's financial statements this narrative overview and analysis of the financial activities of the District for the fiscal year ended June 30, 2021.

FINANCIAL HIGHLIGHTS

- In the government-wide statements, the district has a negative net position of \$8,721,934 on June 30, 2021. Included in this amount is \$3,293,493 in capital assets and a negative unrestricted balance of \$12,289,433. A major contributor to the negative net position is a net pension liability of \$17,663,661.
- PERS related financial information is included on the district's *Statement of Net Position*. The *Statement* includes an entry for the district's proportionate share of the PERS system's overall unfunded liability. This has a material impact on the entity-wide *Statement* by reducing the Unrestricted Net Position by \$11,641,364. It also inflates the expenses on the *Statement of Activities* by \$1,790,875. This entry only affects the entity-wide *Statement of Net Position* (page 4) and the *Statement of Activities* (page 5). This does not affect the financial statements that are prepared on a budgetary basis and will not affect how the district budgets moving forward.
- Of the \$51,705,126 in governmental fund revenue, the General Fund represents 47% and the Special Revenue Fund represents 51%.
- The General Fund received \$24,320,453 in revenue in 2020-21. The revenues that make up the State School Fund formula dollars represented 94% of the total. Services to districts were 3% and the remaining 3% was from other federal and local sources.
- The General Fund's ending fund balance is \$4,105,857 or 16.9% of the total operating revenues for the fund. A portion of the fund balance represents component district Flex Funds and other discretionary funds that they've chosen to carry over and spend in subsequent fiscal years. This amount is \$863,577 or 3.6% of operating revenues. The remaining fund balance represents the ESD's unrestricted fund balance of \$3,243,156 or 13.3% of operating revenues. The General Fund's overall ending fund balance had a net increase of \$837,485 from July 1, 2020 to June 30, 2021.

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis is intended to serve as an introduction to the District's basic financial statements. The District's basic financial statements consist of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

**LANE EDUCATION SERVICE DISTRICT
LANE COUNTY, OREGON
MANAGEMENT'S DISCUSSION AND ANALYSIS**

Government-Wide Financial Statements

The *government-wide financial statements* are designed to provide readers with a broad overview of the District's finances, in a manner similar to a private-sector business. These statements include:

Statement of Net Position The *Statement of Net Position* presents information on all of the assets and liabilities of the District as of June 30, 2021. Net Position are the assets remaining after the liabilities have been paid off or otherwise satisfied. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the District is improving or deteriorating.

Statement of Activities The *Statement of Activities* presents information showing how the net assets of the District changed over the most recent fiscal year by tracking revenues, expenses and other transactions that increase or reduce net assets. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned, but unused vacation leave.)

In the government-wide financial statements, the District's activities are aggregated into the single category of *governmental activities*. All of the District's basic functions are shown here, such as administration, technology/learning services, curriculum/teaching support and special education. These activities are primarily financed through property taxes, Oregon's State School Fund and other intergovernmental revenues.

Fund Financial Statements

The *fund financial statements* provide more detailed information about the District's funds, focusing on its most significant or "major" funds – not the District as a whole. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The District, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance related requirements. To be considered a major fund, the fund's assets, liabilities, revenue or expenses must be at least 10% of total of all funds.

Governmental Funds. The *governmental funds* are used to account for essentially the same functions reported as *governmental activities* in the government-wide financial statements. Unlike government-wide financial statements, however, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year.

Since the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for *governmental funds* with similar information presented for *governmental activities* in the government-wide financial statements. Both the governmental fund Balance Sheet and the Statement of Revenues, Expenditure and Changes in Fund Balances provide a reconciliation to facilitate this comparison.

The District maintains four individual governmental funds, all of which are considered major funds. Information is presented separately in the governmental fund Balance Sheet and the governmental fund Statement of Revenues, Expenditure and Changes in Fund Balances for these funds which include the General Fund, Special Revenue Fund, Debt Service Fund and the Capital Projects Fund.

**LANE EDUCATION SERVICE DISTRICT
LANE COUNTY, OREGON
MANAGEMENT'S DISCUSSION AND ANALYSIS**

Internal Service Fund. This fund accounts for the revenues and expenditures used in replacing and maintaining the district's equipment.

Notes to the Financial Statements The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

Other Information In addition to the basic financial statements and accompanying notes, this report also presents this Management's Discussion and Analysis which is considered required supplementary information. Other supplementary information includes statements for the non-major governmental funds, budgetary comparison schedules and a schedule of property tax transactions.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

Summary Statement of Net Position		
	June 30, 2020	June 30, 2021
Assets		
Current Assets	\$ 21,080,173	\$ 13,440,213
Non-Current Assets	3,159,017	3,536,520
Total Assets	24,239,190	16,976,733
Deferred Outflow of Resources	5,769,857	6,904,836
Total Assets & Pension Deferrals	30,009,047	23,881,569
Liabilities		
Current Liabilities	17,008,844	8,453,349
Non-current Liabilities	6,163,852	5,555,692
Net Pension Liability	14,682,968	17,663,661
Total Liabilities	37,855,664	31,672,702
Deferred Inflows of Resources	961,122	930,801
Total Liabilities & Pension Deferrals	38,816,786	32,603,503
Net Position:		
Net Investment in Capital Assets	2,266,980	3,293,493
Restricted for OPEB – RHIA	151,195	243,027
Restricted for Debt Service	30,305	30,979
Unrestricted	-11,267,061	-12,289,433
Total Net Position	\$ -8,818,581	\$ -8,721,934

Following are the significant variances when comparing the June 30, 2020 and the June 30, 2021 Statements of Net Position:

- Current Assets & Current Liabilities: The Accounts Receivable balance decreased \$8,610,845 from the prior year. The EI-ECSE contract reimbursement request was submitted

**LANE EDUCATION SERVICE DISTRICT
LANE COUNTY, OREGON
MANAGEMENT'S DISCUSSION AND ANALYSIS**

much later in the year in 19-20, but on a timelier basis in 20-21. The EI-ECSE subcontractor submitted their invoices to the ESD near the end of the 19-20 fiscal year. This delayed the ESD's reimbursement request to ODE. This was also the reason for the higher Current Liabilities balance in 19-20. The accounts payable balance was greater due to the delay in receiving the subcontractor's invoices until very late in the year.

- **Non-Current Assets:** Two construction projects at the Westmoreland Campus contributed to the net increase in the Capital Assets total by \$285,671. The two projects that started in 20-21 included an HVAC system upgrade and a seismic retrofit project.
- **Non-Current Liabilities:** The decrease includes the annual principal payments on the debt service.
- The net pension liability increased \$2,980,693. The district's proportionate share of the PERS system wide unfunded liability is reflected in the chart. The other PERS related adjustments are reflected in the Deferred Outflows & Inflows of Resources lines in both assets and liabilities. The net amount of the adjustments for PERS reduced the net position by \$1,790,875.

Statement of Activities		
Revenues:	<u>June 30, 2020</u>	<u>June 30, 2021</u>
Program Revenues:		
Charges for Service	\$ 3,219,661	\$ 3,700,988
Operating Grants & Contributions	16,926,202	24,090,890
General Revenues:		
Property Taxes	7,516,894	7,759,384
State Support	14,296,335	14,967,279
Earnings on Investments	161,525	69,983
Other Local Revenue	1,376,989	1,111,151
Total Revenue	<u>43,497,606</u>	<u>51,698,675</u>
Expenses:		
Instruction	29,282,269	33,630,355
Support Services	14,242,984	17,648,371
Community Services	43,158	0
Interest on Long-term Debt	322,977	323,302
Total Expenses	<u>43,891,388</u>	<u>51,602,028</u>
Change in Net Position	-393,782	96,647
Net Position – Beginning Balance	-8,424,799	-8,818,581
Net Position– Ending Balance	<u>\$ -8,818,581</u>	<u>\$ -8,721,934</u>

Following are the significant variances when comparing the June 30, 2020 and the June 30, 2021 Statement of Activities:

- **Charges for Service:** Increased grant revenue increased the indirect revenue to the General Fund. Connected Lane County (CLC) became a separate entity and the ESD charged CLC for staff Services.
- **Operating Grants:** There were several grants that received increased funding and a few new

**LANE EDUCATION SERVICE DISTRICT
LANE COUNTY, OREGON
MANAGEMENT'S DISCUSSION AND ANALYSIS**

grants, These include; EI-ECSE, Student Investment Act, Regional Educator Network, Workforce Innovation and Opportunity Act, Seismic Rehabilitation, African American Black Student Success.

- Earnings on Investments: The average interest rate declined another 50% during the year.
- Other Local Revenue: In 2019-20, the ESD received a legal settlement related to a failed roofing application and insurance proceeds for water damage caused by the failed roof.
- Instruction: Includes expenditures related to the nearly \$4 million increase to the EI-ECSE contract with ODE.
- Support Services: Increased spending in the Special Revenue fund for the grants listed above.
- Community Services: Eugene School District is the food service provider for the programs at the Westmoreland Campus. Due to special funding during the pandemic, they were able to combine our program costs within their program. This allowed them to provide the service without charging the ESD in 20-21.

FINANCIAL ANALYSIS OF THE DISTRICT'S FUNDS

As noted earlier, the District uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental Funds The focus of the District's governmental funds is to provide information on relatively short-term cash flow and funding for future basic services. In particular, unreserved fund balance may serve as a useful measure of a government's net resources available at the end of the fiscal year.

General Fund - The General Fund is the chief operating fund of the District. As of June 30, 2021, the fund balance was \$4,105,857. The General Fund's overall ending fund balance had a net increase of \$837,485 for the year. The unreserved fund balance increased \$671,878 and the component district Flex Funds/Other Funds increased \$166,483.

Special Revenue Fund – The majority of the activity in the special revenue funds is for grants, contracts and miscellaneous reserves. Included in those funds is a technology fund that provides limited services to other agencies and a fund that captures all of the miscellaneous school improvement/special education activities. The combined fund balance of these two funds is 93% of the total for all special revenue funds.

Debt Service Fund - The District uses this fund to account for the repayment of the 2007 pension obligation bonds issued to advance fund the District's unfunded actuarial liability for the Public Employee Retirement System (PERS). On a budgetary basis, the year ended with a fund balance of \$30,979.

Capital Projects Fund – This fund is maintained for major repairs to the ESD's two facilities. \$442,231 was spent on the following projects; main campus facilities remodel in School Improvement area, HVAC cooling tower replacement and the start of the Westmoreland seismic retrofit project. The retrofit project is funded by a Seismic Rehabilitation grant from Business Oregon in the amount of \$2,378,365. There was a \$242,719 transfer from the General Fund to support these and future projects. The district also has annual debt service payments of \$63,067 for the loan used for the main campus roof replacement project. As of June 30, 2021, there was \$143,857 available to meet the ongoing capital needs of the district.

**LANE EDUCATION SERVICE DISTRICT
LANE COUNTY, OREGON
MANAGEMENT'S DISCUSSION AND ANALYSIS**

Internal Service Fund – This fund provides equipment replacement services for the ESD. This includes fixed asset level equipment such as vehicles, copiers, mowers and other department specific equipment. The fund also provides for the replacement of personal computers and printers. The year end fund balance was to \$508,676. Purchases during the year included four copiers, a dump trailer and computer equipment. There was also revenue of \$229,372. The Net Position increased \$118,096 in 2020-21.

GENERAL FUND BUDGETARY HIGHLIGHTS

The Lane ESD board approved an appropriations transfer in 2020-21. Appropriations were adjusted in the following funds; in the General Fund to reflect the changes in district service orders, in the Special Revenue Fund to accommodate the increased grants/contracts revenue and in the Capital Projects Fund for the Seismic Rehabilitation Grant.

CAPITAL ASSETS AND DEBT ADMINISTRATION

- **Capital Assets** The District's investment in capital assets includes buildings and improvements, vehicles, furniture and equipment. As of June 30, 2021, the District had invested \$3,293,493 in capital assets, net of depreciation, as shown on the following table. There was a net increase in the total value due to the Westmoreland campus HVAC and seismic retrofit projects. The decreases in balances are from depreciation of the assets.

Capital Assets - Net of Depreciation		
	<u>June 30, 2020</u>	<u>June 30, 2021</u>
Land	\$ 501,013	\$ 501,013
Construction in Progress	0	419,452
Buildings & Improvements	2,242,829	2,153,308
Vehicles	103,729	89,936
Furniture & Equipment	149,409	129,784
Total	<u>\$ 2,996,980</u>	<u>\$ 3,293,493</u>

Debt

At the end of the fiscal year, the District had outstanding debt of \$4,815,000 in limited tax pension bonds. Principal payments in the amount of \$495,000 were made during the fiscal year. The outstanding debt on the note payable for the roof replacement is \$691,972.

REQUESTS FOR INFORMATION

This financial report is designed to present the user (citizens, taxpayers, investors and creditors) with a general overview of the District's finances and to demonstrate the District's accountability. Questions concerning any of the information provided in this report or requests for additional information should be addressed to the District's Director of Business Services at 1200 Highway 99N, Eugene, OR 97402.

Dave Standridge

Director of Business Services
Lane Education Service District

LANE EDUCATION SERVICE DISTRICT
LANE COUNTY, OREGON

BASIC FINANCIAL STATEMENTS

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LANE EDUCATION SERVICE DISTRICT
LANE COUNTY, OREGON
STATEMENT OF NET POSITION
June 30, 2021

	Governmental Activities
Assets	
Current Assets:	
Cash and Cash Equivalents	\$ 5,907,622
Property Taxes Receivable	280,456
Grant and Other Receivables	7,196,403
Prepaid Expenses	55,732
Total Current Assets	13,440,213
Noncurrent Assets:	
Net OPEB Asset - RHIA	243,027
Capital Assets - Nondepreciable	920,465
Capital Assets - Depreciable, Net of Accumulated Depreciation	2,373,028
Total Noncurrent Assets	3,536,520
Total Assets	16,976,733
Deferred Outflows of Resources	
Pension Related Deferrals - PERS	6,827,878
Deferred Outflows - OPEB RHIA	27,343
Deferred Outflows - OPEB Health Insurance	39,498
Deferred Outflows - OPEB Stipends	10,117
Total Deferred Outflows of Resources	6,904,836
Total Assets and Deferred Outflows of Resources	23,881,569
Liabilities	
Current Liabilities:	
Accounts Payable	6,249,140
Accrued Payroll, Withholdings, and Benefits	1,463,799
Deposits Payable	3,018
Unearned Revenue	148,059
Current Maturities of Bonds & Notes Payable	589,333
Total Current Liabilities	8,453,349
Noncurrent Liabilities:	
Accrued Vacation	217,287
OPEB Liability - Stipends	58,164
OPEB Liability - Health Insurance	381,248
Net Pension Liability - PERS	17,663,661
Bonds & Notes Payable, Net of Current Maturities	4,898,993
Total Noncurrent Liabilities	23,219,353
Total Liabilities	31,672,702
Deferred Inflows of Resources	
Pension Related Deferrals - PERS	805,581
Deferred Inflows - OPEB RHIA	79,650
Deferred Inflows - OPEB Health Insurance	41,966
Deferred Inflows - OPEB Stipends	3,604
Total Deferred Inflows of Resources	930,801
Total Liabilities and Deferred Inflows of Resources	32,603,503
Net Position	
Net Investment in Capital Assets	3,293,493
Restricted for RHIA Asset	243,027
Restricted for Debt Service	30,979
Unrestricted	(12,289,433)
Total Net Position	\$ (8,721,934)

See accompanying notes to basic financial statements.

LANE EDUCATION SERVICE DISTRICT
LANE COUNTY, OREGON

STATEMENT OF ACTIVITIES
For the Year Ended June 30, 2021

<u>Functions/Programs</u>	<u>Program Revenues</u>			Net (Expense) Revenue and Changes in Net Position
	<u>Expenses</u>	<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	
Instruction	\$ 33,630,355	\$ 807,992	\$ 17,296,795	\$ (15,525,568)
Support Services	17,648,371	2,892,996	6,794,095	(7,961,280)
Interest on Long-Term Obligations	323,302	-	-	(323,302)
Total Governmental Activities	<u>\$ 51,602,028</u>	<u>\$ 3,700,988</u>	<u>\$ 24,090,890</u>	<u>(23,810,150)</u>
General Revenues:				
				7,759,384
				14,967,279
				69,983
				<u>1,110,151</u>
				<u>23,906,797</u>
				96,647
				<u>(8,818,581)</u>
				<u>\$ (8,721,934)</u>

See accompanying notes to basic financial statements.

LANE EDUCATION SERVICE DISTRICT
LANE COUNTY, OREGON

BALANCE SHEET - GOVERNMENTAL FUNDS
June 30, 2021

	GENERAL	SPECIAL REVENUE	DEBT SERVICE	CAPITAL PROJECTS	TOTALS
ASSETS:					
Cash and Investments	\$ 4,620,865	\$ 659,320	\$ 30,979	\$ 87,782	\$ 5,398,946
Receivables:					
Grants and Other Receivables	804,601	6,211,829	-	179,973	7,196,403
Taxes	280,456	-	-	-	280,456
Due from Other Funds	3,175,282	-	-	-	3,175,282
Prepaid Items	55,732	-	-	-	55,732
Total Assets	\$ 8,936,936	\$ 6,871,149	\$ 30,979	\$ 267,755	\$ 16,106,819
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCE:					
Liabilities:					
Accounts Payable	\$ 3,118,178	\$ 3,007,064	\$ -	\$ 123,898	\$ 6,249,140
Due to Other Funds	-	3,175,282	-	-	3,175,282
Accrued Payroll, Withholdings, and Benefits	1,446,823	16,976	-	-	1,463,799
Deposits	3,018	-	-	-	3,018
Unearned Revenue	-	148,059	-	-	148,059
Total Liabilities	4,568,019	6,347,381	-	123,898	11,039,298
Deferred Inflows of Resources:					
Unavailable Revenue-Property Taxes	263,060	-	-	-	263,060
Fund Balances (Deficit):					
Nonspendable	55,732	-	-	-	55,732
Restricted	-	-	30,979	-	30,979
Assigned	-	523,768	-	143,857	667,625
Unassigned	4,050,125	-	-	-	4,050,125
Total Fund Balance	4,105,857	523,768	30,979	143,857	4,804,461
Total Liabilities, Deferred Inflows of Resources and Fund Balance	\$ 8,936,936	\$ 6,871,149	\$ 30,979	\$ 267,755	\$ 16,106,819

See accompanying notes to basic financial statements.

**LANE EDUCATION SERVICE DISTRICT
LANE COUNTY, OREGON
RECONCILIATION OF GOVERNMENTAL FUNDS
BALANCE SHEET TO STATEMENT OF NET POSITION**

June 30, 2021

Total Fund Balances

Amounts reported for governmental activities in the Statement of Net Position are different because:

\$ 4,804,461

The PERS net pension asset (liability) is the difference between the total pension liability and the assets set aside to pay benefits earned to past and current employees and beneficiaries.

(17,663,661)

Deferred inflows and outflows of resources related to the pension plan include differences between expected and actual experience, changes of assumptions, differences between projects and actual earning, and contributions subsequent to the measurement date.

Deferred Outflows - PERS	6,827,878
Deferred Outflows - OPEB RHIA	27,343
Deferred Outflows - OPEB Stipends	10,117
Deferred Outflows - Health Insurance	39,498
Deferred Inflows - PERS	(805,581)
Deferred Inflows - OPEB RHIA	(79,650)
Deferred Inflows - OPEB Stipends	(3,604)
Deferred Inflows - Health Insurance	(41,966)

Capital assets used in governmental activities are not financial resources and therefore are not reported as assets in the governmental funds.

Capital Assets, net	3,293,493
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Delinquent property taxes receivable will be collected this year, but are not available soon enough to pay for the current period's expenditures, and therefore are unavailable in the funds.

263,060

The OPEB asset (liability) is not reported as an asset (liability) in the governmental funds.

OPEB - RHIA	\$ 243,027	
OPEB - Stipends	(58,164)	
OPEB - Health Insurance	(381,248)	(196,385)

The assets and liabilities of the internal service funds are included in the governmental activities in the Statement of Net Position.

508,676

Long-term liabilities not payable in the current year are not reported as governmental fund liabilities. These liabilities consist of:

Accrued Vacation Payable	(217,287)
Bonds & Notes Payable	(5,488,326)

Total Net Position

\$ (8,721,934)

LANE EDUCATION SERVICE DISTRICT
LANE COUNTY, OREGON

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS

For the Year Ended June 30, 2021

	GENERAL	SPECIAL REVENUE	DEBT SERVICE	CAPITAL PROJECTS	TOTAL
REVENUES:					
From Local Sources	\$ 9,349,862	\$ 2,415,038	\$ 793,937	\$ -	\$ 12,558,837
From State Sources	14,967,279	18,845,513	-	344,399	34,157,191
From Federal Sources	3,312	4,985,786	-	-	4,989,098
Total Revenues	24,320,453	26,246,337	793,937	344,399	51,705,126
EXPENDITURES:					
Current:					
Instruction	7,422,886	2,400,158	-	-	9,823,044
Support Services	8,048,931	7,481,600	-	91,642	15,622,173
Debt Service	-	-	793,263	63,067	856,330
Capital Outlay	-	-	-	350,589	350,589
Other Uses	-	-	-	-	-
Total Expenditures	15,471,817	9,881,758	793,263	505,298	26,652,136
Excess of Revenues Over, (Under) Expenditures	8,848,636	16,364,579	674	(160,899)	25,052,990
Other Financing Sources, (Uses):					
Apportionment of Funds	(7,632,951)	(16,559,844)	-	-	(24,192,795)
Transfer In	-	135,481	-	242,719	378,200
Transfer Out	(378,200)	-	-	-	(378,200)
Total Other Financing Sources, (Uses)	(8,011,151)	(16,424,363)	-	242,719	(24,192,795)
Net Change in Fund Balance	837,485	(59,784)	674	81,820	860,195
Beginning Fund Balance	3,268,372	583,552	30,305	62,037	3,944,266
Ending Fund Balance	<u>\$ 4,105,857</u>	<u>\$ 523,768</u>	<u>\$ 30,979</u>	<u>\$ 143,857</u>	<u>\$ 4,804,461</u>

See accompanying notes to basic financial statements.

LANE EDUCATION SERVICE DISTRICT
LANE COUNTY, OREGON

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES

For the Year Ended June 30, 2021

Net Change in Fund Balance - Governmental Funds	\$	860,195
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The revenue (expense) represents the changes in net asset (liability) from year to year due to changes in total asset (liability) and the fair value of plan net position available to pay benefits.

PERS	\$ (1,790,875)	
OPEB - RHIA	68,462	
OPEB - Health	17,241	
OPEB - Stipend	<u>17,058</u>	(1,688,114)

Capital outlays are reported in governmental funds as expenditures. However, in the Statement of Activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlays exceeded depreciation.

Capital Asset Additions	557,154	
Depreciation expense	<u>(260,641)</u>	296,513

Long-term debt proceeds are reported as other financing sources in governmental funds. In the Statement of Net Position, however, issuing long-term debt increases liabilities. Similarly, repayment of principal is an expenditure in the governmental funds but reduces the liability in the Statement of Net Position. This is the amount by which proceeds exceeded repayments:

Debt Principal Repaid	533,028	
Accrued Vacation	<u>(13,957)</u>	519,071

Governmental funds report the effect of premiums and discounts when debt is first issued, whereas these amounts are deferred and amortized in the Statement of Activities. This amount is the net effect of these differences:

Amortization of premium/(discount)		(2,663)
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Internal service funds are used to account for revenues and expenditures used in replacing and maintaining buildings and equipment.

118,096

Because some property taxes will not be collected for several months after the District's fiscal year ends, they are not considered as "available" revenues in the governmental funds, and are instead recorded as unavailable revenue. They are, however, recorded as revenues in the Statement of Activities.

(6,451)

Change in Net Position	\$	<u><u>96,647</u></u>
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See accompanying notes to basic financial statements.

LANE EDUCATION SERVICE DISTRICT
LANE COUNTY, OREGON

STATEMENT OF NET POSITION - INTERNAL SERVICE FUND
June 30, 2021

ASSETS

Deposits and Investments	\$	<u>508,676</u>
Total Assets		<u>508,676</u>
Unrestricted		<u>508,676</u>
Total Net Position	\$	<u><u>508,676</u></u>

See accompanying notes to basic financial statements.

LANE EDUCATION SERVICE DISTRICT
LANE COUNTY, OREGON

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION
INTERNAL SERVICE FUND
For the Year Ended June 30, 2021

Operating Revenues:		
Services Provided Other Funds	\$	229,372
Operating Expenses:		
Cost of Services		<u>111,276</u>
Operating Income (Loss)		118,096
Net Position - Beginning		<u>390,580</u>
Net Position - Ending	\$	<u><u>508,676</u></u>

See accompanying notes to basic financial statements.

LANE EDUCATION SERVICE DISTRICT
LANE COUNTY, OREGON

STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUND
For the Year Ended June 30, 2021

Cash Flows from Operating Activities:	
Receipts from Other Funds	\$ 229,372
Payments to Vendors	<u>(111,276)</u>
Net Cash from (Used) Provided by Operating Activities	118,096
Cash Balance - Beginning	<u>390,580</u>
Cash Balance - Ending	<u>\$ 508,676</u>
Reconciliation of Operating Income to Net Cash Provided by Operating Activities:	
Operating Income	\$ <u>118,096</u>
Net Cash from (Used) Provided by Operating Activities	<u>\$ 118,096</u>

See accompanying notes to basic financial statements.

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LANE EDUCATION SERVICE DISTRICT
LANE COUNTY, OREGON

NOTES TO THE BASIC FINANCIAL STATEMENTS

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LANE EDUCATION SERVICE DISTRICT
LANE COUNTY, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The basic financial statements have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental units in the United States of America. The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting and financial reporting principles. The significant accounting policies are described below.

A. REPORTING ENTITY

The District is a political subdivision of the state of Oregon governed by an independently elected Board of Directors and is legally separate from all other entities. It is also financially independent of other state and local governmental units. It has the power to levy taxes, is responsible for its debts, and is entitled to any surpluses. The financial reporting consists of the District, any organization for which the District is financially accountable, and any other organizations that, because of the nature and significance of their relationship with the District, may not be excluded from the District's financial reporting. Component units, as established by the Governmental Accounting Standards Board (GASB) Statement 61, are separate entities that are included in the District's reporting because of the significance of their operational or financial relationships with the District. Currently, there are no component units.

B. MEASUREMENT FOCUS, BASIS OF ACCOUNTING AND BASIS OF PRESENTATION

GOVERNMENT-WIDE FINANCIAL STATEMENTS (GWFS)

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the activities. For the most part, the effect of interfund activity has been removed from these statements. *Governmental activities* normally are supported by taxes and intergovernmental revenues.

The statement of activities demonstrates the degree to which the expenses of a given function are offset by program revenues. *Program revenues* include 1) charges to those who purchase, use, or directly benefit from goods, services, or privileges provided by a given function and 2) grants and contributions that are restricted to meeting the operational requirements of a particular function. State school support, taxes, and other items not properly included among program revenues are reported instead as *general revenues*.

The government-wide financial statements and Internal Service fund use the economic resources *measurement focus* and the *accrual basis of accounting*. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all the eligibility requirements imposed by the provider have been met.

LANE EDUCATION SERVICE DISTRICT
LANE COUNTY, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

FUND FINANCIAL STATEMENTS

Separate fund financial statements are provided for governmental funds.

Governmental funds: Major individual governmental funds are reported as separate columns in the fund financial statements.

Governmental funds are used to account for the general government activities. Governmental fund types use the flow of current financial resources measurement focus and the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual (i.e., when they are "measurable and available). "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period or soon enough thereafter to pay liabilities of the current period, which is 60 days. Expenditures are recorded when the liability is incurred, except for unmatured interest on general long-term debt which is recognized when due, interfund transactions, pension and OPEB costs, and certain compensated absences and claims and judgments which are not recognized as expenditures because they will be liquidated with future expendable financial resources.

- Property taxes are recognized as revenue only if received within 60 days of year-end.
- Entitlements, shared revenues, and interest are recognized as revenue in the period to which they relate.
- Expenditure-driven grants are recognized as revenue when the qualifying expenditures have been incurred and all other grant requirements have been met.
- Charges for services are recognized as revenue in the period in which the services are performed.
- Other receipts are not considered measurable and available until cash is received.

Other major differences between the modified accrual basis and the accrual basis are:

- Post-employment benefits are expensed when paid rather than when incurred.
- Capital outlay expenditures are recognized as expenditures when the assets are acquired (depreciation is not recorded).
- Proceeds of long-term borrowing are recognized as an "other financing source" and principal paid is considered an expenditure when paid.
- Supply inventory is expensed when purchased.
- The Net Pension Liability is not recorded and the OPEB assets are not recorded.
- Pension and OPEB Costs are not recorded as an expense until paid.

There are the following major governmental funds:

- The General Fund accounts for the general operating revenues and expenditures. Principal revenue sources are property taxes and the state school fund.
- The Special Revenue Fund accounts for the operating revenues and expenditures of grants awarded. Grant revenues are primarily from federal, state, and local governments.
- The Debt Service Fund accounts for the annual debt service on the 2007 pension bonds.
- The Capital Projects Fund provides facility services for the District. Services include major repair/replacement projects for the grounds and buildings at the Main Campus and the Westmoreland facilities.

LANE EDUCATION SERVICE DISTRICT
LANE COUNTY, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

There is also the following proprietary fund:

- The Internal Service Fund accounts for revenues and expenditures used in replacing and maintaining buildings and equipment.

ASSETS, LIABILITIES AND EQUITY

CASH AND CASH EQUIVALENTS

Cash and investments consist of cash on hand, demand deposits, and investments in the State of Oregon Local Government Investment Pool (LGIP). Investments in the LGIP are considered highly liquid investments with original maturities of three months or less to be cash equivalents.

Oregon Revised Statutes 294.035 authorizes investment in the LGIP, general obligations of the U.S. Government and its agencies, bankers' acceptances, and commercial paper rated A-2 or better by Standard & Poor's Corporation or P-2 or better by Moody's Investors Service, among others.

RECEIVABLES

Grant and other accounts receivables consist of amounts due from school districts for services provided, grants, and reimbursements. Management believes that the amount of any uncollectible accounts included in receivables is immaterial; therefore, no provision for uncollectible accounts has been made.

Transactions between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either "interfund receivables/payables" (I.E., the current portion of interfund loans) or "advances to/from other funds" (I.E., the noncurrent portion of interfund loans). All other outstanding balances between funds are reported as "due to/from other funds".

PROPERTY TAXES

Uncollected real and personal property taxes are reflected on the statement of net position and the balance sheet as receivables. Uncollected taxes are deemed by management to be substantially collectible or recoverable through liens; therefore, no allowance for uncollectible taxes has been established. All property taxes receivable are due from property owners within the District.

Under state law, county governments are responsible for extending authorized property tax levies, computing tax rates, billing and collecting all property taxes, and making periodic distributions of collections to entities levying taxes. Property taxes become a lien against the property when levied on July 1 of each year and are payable in three installments due on November 15, February 15 and May 15. Property tax collections are distributed monthly except for November, when such distributions are made weekly.

LANE EDUCATION SERVICE DISTRICT
LANE COUNTY, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

SUPPLY INVENTORY

Supplies inventory is valued at cost using first-in, first-out (FIFO) method. Accounting for supplies inventory is based on the consumption method in the government-wide financial statements. Under the consumption method, all inventory items are charged to expenditures of user departments at the time of withdrawal from inventory. Donated commodities consumed during the year are reported as revenues and expenditures. The amount of unused supply inventories and donated commodities at the balance sheet date is considered immaterial by management for reporting purposes.

PREPAID ITEMS

Payments to vendors may reflect costs applicable to future accounting periods and are recorded as prepaid items in the government-wide and fund financial statements.

CAPITAL ASSETS

Capital assets, which include land, buildings, equipment and construction in progress, are reported in the government-wide financial statements. Capital assets are defined as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of one year. Capital assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at their estimated fair market value on the date donated. The costs of normal maintenance and repairs that do not add to the value of the assets or materially extend assets lives are not capitalized. Depreciation is recorded on capital assets on the straight-line method over the useful life of the asset. Major outlays for capital assets and improvements are capitalized as projects are constructed.

The capital assets are depreciated using the straight-line method over the following estimated lives:

Buildings and related improvements	20 - 40 years
Vehicles	10 - 15 years
Furniture, fixtures, and instructional equipment	10 years

ACCRUED COMPENSATED ABSENCES

Policy is to permit employees to earn vacation credits. Accumulated unpaid vacation must be taken within one year and is accrued as earned and is reported as an obligation on the Statement of Net Position. Sick pay, which does not vest, is recorded as an expenditure or expense when leave is taken.

UNEARNED REVENUE

Unearned revenue is reported on the Statement of Net Position when resources are received before the District has a legal claim to them, as when grant monies are received prior to incurring qualifying expenditures.

On the fund financial statements, unearned revenue arises when resources do not satisfy both the measurable and available criteria for recognition in the current year, such as property taxes received more than 60 days after year-end. In subsequent periods, when both recognition criteria are met, the revenue is recognized.

LANE EDUCATION SERVICE DISTRICT
LANE COUNTY, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

ESTIMATES

The preparation of the basic financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenditures during the reporting period. Actual results could differ from those estimates.

LONG-TERM OBLIGATIONS, BOND DISCOUNTS, AND PREMIUMS

Bonds and notes payable and other long-term obligations are reported as liabilities in the government-wide financial statements. The governmental fund financial statements do not report long-term obligations because they do not require the use of current financial resources. Rather, governmental funds recognize the proceeds of debt issued as another financing source and report the repayment of debt principal and interest as an expenditure.

Bond premiums and discounts are deferred and amortized over the term of the bonds using the bonds-outstanding method in the government-wide and internal service fund financial statements. The bonds-outstanding method does not differ significantly from the effective interest rate method. Unamortized premiums and discounts are presented as additions or subtractions from the face amount of the bonds. In the fund financial statements, premiums and discounts are recognized in the current period.

LEASES

Leases which meet certain criteria established by the Financial Accounting Standards Board (FASB) are classified as capital leases, and the assets and related liabilities are recorded at amounts equal to the lesser of the present value of minimum lease payments or the fair value of the leased property at the beginning of the respective lease term. Leases which do not meet the criteria of a capital lease are classified as operating leases. At June 30, 2021, there were no capital leases or any operating leases that were material.

RETIREMENT PLAN

Substantially all of the District's employees are participants in the State of Oregon Public Employees Retirement System (PERS). For the purpose of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about fiduciary net position of PERS and additions to/deductions from PERS's fiduciary net position have been determined on the same basis as they are reported by PERS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

EARLY VOLUNTARY RETIREMENT

Certain employees with a minimum of 18 years of service are eligible for early retirement benefits, which are considered a special termination benefit. In the government-wide financial statements, the estimated present value of future benefits is recognized as a liability when the employee retires. In the fund financial statements an expenditure is not recognized until the benefits are paid.

LANE EDUCATION SERVICE DISTRICT
LANE COUNTY, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

ENCUMBRANCES

During the year, encumbrances are used for administrative control purposes; purchase orders and other commitments for the expenditure of monies are recorded to reserve related appropriations. At year end, encumbrances are reversed to the extent that a liability has not been incurred and encumbrances lapse.

NET POSITION

Net position represents the difference between assets and liabilities. Net investment in capital assets, consists of capital assets net of accumulated depreciation, reduced by the outstanding balances of any borrowing used for the acquisition of those assets. Net position is reported as restricted when there are limitations imposed on its use either through the enabling legislation adopted or through external restrictions imposed by creditors, grantors, laws, or regulations of other governments. At June 30, 2021, the only restrictions to net position were for Debt Service and the OPEB RHIA asset. Unrestricted net position consists of all other assets that are not included in the other categories previously mentioned.

FUND BALANCE

GASB Statement No. 54, Fund Balance Reporting and Governmental Fund-type Definitions is followed. The objective of this statement is to enhance the usefulness of fund balance information by providing clearer fund balance classifications that can be more consistently applied and by clarifying the existing governmental fund-type definitions. This statement establishes fund balance classifications that comprise a hierarchy based primarily on the extent to which a government is bound to observe constraints imposed on the use of the resources reported in governmental funds. Under this standard, the fund balance classifications are – nonspendable, restricted, committed, assigned, and unassigned.

- Nonspendable fund balance represents amounts that are not in a spendable form. The nonspendable fund balance represents prepaid items.
- Restricted fund balance represents amounts that are legally restricted by outside parties for a specific purpose (such as debt covenants, grant requirements, donor requirements, or other governments) or are restricted by law (constitutionally or by enabling legislation).
- Committed fund balance represents funds formally set aside by the governing body for a particular purpose. The use of committed funds would be approved by resolution.
- Assigned fund balance represents amounts that are constrained by the expressed intent to use resources for specific purposes that do not meet the criteria to be classified as restricted or committed. Intent can be stipulated by the governing body or by an official to whom that authority has been given by the governing body. Authority to classify portion of ending fund balance as Assigned is hereby granted to the Superintendent and Director of Business Services. Such assignments cannot exceed the available (spendable, unrestricted, uncommitted) fund balance in any particular fund.
- Unassigned fund balance is the residual classification of the General Fund. Only the General Fund may report a positive unassigned fund balance. Other governmental funds would report any negative residual fund balance as unassigned.

LANE EDUCATION SERVICE DISTRICT
LANE COUNTY, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

The governing body has approved the following order of spending regarding fund balance categories: Restricted resources are spent first when both restricted and unrestricted (committed, assigned or unassigned) resources are available for expenditures. When unrestricted resources are spent, the order of spending is committed (if applicable), assigned (if applicable) and unassigned.

There were no committed fund balances as of June 30, 2021.

The Board has determined that an appropriate target for the total of all Committed, Assigned and Unassigned fund balances in the General Fund shall be set at no less than 8% of General Fund revenues for the fiscal year.

DEFERRED OUTFLOWS/INFLOWS OF RESOURCES

In addition to assets, the basic financial statements will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to future periods and so will not be recognized as an outflow of resources (expense/expenditure) until then. At June 30, 2021 there were deferred outflows representing PERS pension related deferrals, OPEB – Stipends related deferrals, OPEB – Health Insurance related deferrals, and OPEB – RHIA related deferrals in the Statement of Net Position.

In addition to liabilities, the basic financial statements will sometimes report a separate section for deferred inflows of resources. This separate financial statement element represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The District has two types of items which qualify for reporting in this category. The first, unavailable revenue, is in the governmental funds balance sheet for property taxes. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available. At June 30, 2021 there also were deferred inflows representing PERS pension related deferrals, OPEB – Health Insurance related deferrals, OPEB – Stipends related deferrals, and OPEB – RHIA related deferrals in the Statement of Net Position.

FAIR VALUE INPUTS AND METHODOLOGIES AND HIERARCHY

Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Observable inputs are developed based on market data obtained from sources independent of the reporting entity. Unobservable inputs are developed based on the best information available about the assumptions market participants would use in pricing the asset. The classification of securities within the fair value hierarchy is based upon the activity level in the market for the security type and the inputs used to determine their fair value, as follows:

LANE EDUCATION SERVICE DISTRICT
LANE COUNTY, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Level 1 – unadjusted price quotations in active markets/exchanges for identical assets or liabilities that each Fund has the ability to access

Level 2 – other observable inputs (including, but not limited to, quoted prices for similar assets or liabilities in markets that are active, quoted prices for identical or similar assets or liabilities in markets that are not active, inputs other than quoted prices that are observable for the assets or liabilities (such as interest rates, yield curves, volatilities, loss severities, credit risks and default rates) or other market-corroborated inputs)

Level 3 – unobservable inputs based on the best information available in the circumstances, to the extent observable inputs are not available (including each Fund's own assumptions used in determining the fair value of investments)

The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). Accordingly, the degree of judgment exercised in determining fair value is greatest for instruments categorized in Level 3. The inputs used to measure fair value may fall into different levels of the fair value hierarchy. In such cases, for disclosure purposes, the fair value hierarchy classification is determined based on the lowest level input that is significant to the fair value measurement in its entirety.

2. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

BUDGETARY INFORMATION

Legally required budgets are adopted for all funds on the modified accrual basis. The resolution authorizing appropriations sets the level by which expenditures cannot legally exceed appropriations. This resolution establishes appropriations at the functional level within each fund. A detailed budget is also prepared, containing more specific detailed information than the above mentioned expenditure appropriation categories. Unexpected additional resources may be added to the budget through the use of a supplemental budget. A supplemental budget requires hearings before the public, publications in newspapers, and approval by the Budget Committee and the Board of Directors.

Original budgets may be modified by the preparation of supplemental budgets. There were no supplemental budgets authorized by the Board of Directors during the year. Budgets may also be modified by appropriation transfers between the levels of control. Management may make transfers of appropriations within a function. Transfers of appropriations between functions require the approval of the Board of Directors. One appropriation transfer was authorized by the Board of Directors during the year. Expenditures of the various funds were within authorized appropriations, except for Support Services in the Special Revenue Fund which was over-expended by \$121,106 for the year ended June 30, 2021.

3. BUDGET/GAAP REPORTING DIFFERENCES

While the government-wide statements report the financial position, results of operations, and changes in fund balance/net position on the accrual basis of accounting principles generally accepted in the United States of America (GAAP), the budgetary basis of accounting differs from generally accepted accounting principles. The budgetary statements provided as part of supplementary information elsewhere in this report are presented on the modified accrual basis to provide a meaningful comparison of actual results with the budget. The primary differences between the budgetary basis and GAAP basis are described in Note 1.

LANE EDUCATION SERVICE DISTRICT
LANE COUNTY, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS

4. CASH AND INVESTMENTS

Statutes authorize investment in banker's acceptances, time certificates of deposit, repurchase agreements, obligations of the United States and its agencies and instrumentalities, and the Oregon State Treasurer's Local Government Investment Pool. According to District Procedures State statutes govern cash management policies.

Cash and Investments at June 30, 2021, (recorded at fair value) consisted of:

	<u>2021</u>
Deposits with Financial Institutions:	
Demand Deposits	\$ (16,394)
Petty Cash	400
Investments	<u>5,923,616</u>
Total	<u>\$ 5,907,622</u>

Investments

Investments in the Local Government Investment Pool (LGIP) are included in the Oregon Short-Term Fund, which is an external investment pool that is not a 2a-7-like external investment pool, and is not registered with the U.S. Securities and Exchange Commission as an investment company. Fair value of the LGIP is calculated at the same value as the number of pool shares owned. The unit of account is each share held, and the value of the position would be the fair value of the pool's share price multiplied by the number of shares held. Investments in the Short-Term Fund are governed by ORS 294.135, Oregon Investment Council, and portfolio guidelines issued by the Oregon Short-Term Fund Board, which establish diversification percentages and specify the types and maturities of investments. The portfolio guidelines permit securities lending transactions as well as investments in repurchase agreements and reverse repurchase agreements. The fund's compliance with all portfolio guidelines can be found in their annual report when issued. The LGIP seeks to exchange shares at \$1.00 per share; an investment in the LGIP is neither insured nor guaranteed by the FDIC or any other government agency. Although the LGIP seeks to maintain the value of share investments at \$1.00 per share, it is possible to lose money by investing in the pool. We intend to measure these investments at book value since it approximates fair value. The pool is comprised of a variety of investments. These investments are characterized as a level 2 fair value measurement in the Oregon Short Term Fund's audited financial report. Amounts in the State Treasurer's Local Government Investment Pool are not required to be collateralized. The audited financial reports of the Oregon Short Term Fund can be found here:

[http://www.oregon.gov/treasury/Divisions/Investment/Pages/Oregon-Short-Term-Fund-\(OSTF\).aspx](http://www.oregon.gov/treasury/Divisions/Investment/Pages/Oregon-Short-Term-Fund-(OSTF).aspx)

If the link has expired please contact the Oregon Short Term Fund directly.

LANE EDUCATION SERVICE DISTRICT
LANE COUNTY, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS

4. CASH AND INVESTMENTS (CONTINUED)

There were the following investments and maturities:

<u>Investment Type</u>	<u>Fair Value</u>	<u>Investment Maturities (in months)</u>		
		<u>Less than 3</u>	<u>3-18</u>	<u>18-59</u>
State Treasurer's Investment Pool	\$5,923,616	\$5,923,616	\$ -	\$ -
Total	<u>\$5,923,616</u>	<u>\$5,923,616</u>	<u>\$ -</u>	<u>\$ -</u>

Interest Rate Risk - Investments

Oregon Revised Statutes require investments to not exceed a maturity of 18 months, except when the local government has adopted a written investment policy that was submitted to and reviewed by the OSTFB. There are no investments that exceed an 18 month maturity.

Credit Risk – Deposits

In the case of deposits, this is the risk that in the event of a bank failure, the deposits may not be returned. There is no deposit policy for custodial credit risk. As of June 30, 2021, \$250,000 of the bank balance of \$624,594 was insured by federal depository (FDIC) insurance, and the remaining balance was collateralized by the Oregon Public Funds Collateralization Program (PFCP).

Credit Risk – Investments

Oregon Revised Statutes do not limit investments as to credit rating for securities purchased from US Government Agencies or USGSE. The State Investment Pool is not rated.

Concentration of Credit Risk

Deposits with financial institutions include bank demand deposits. Oregon Revised Statutes require deposits to be adequately covered by federal depository insurance or deposited at an approved depository as identified by the Treasury.

5. GRANTS RECEIVABLE

Special revenue fund grants receivable are comprised of claims for reimbursement of costs under various federal and state grant programs. No provision for bad debts has been made as management believes all amounts are collectible.

LANE EDUCATION SERVICE DISTRICT
LANE COUNTY, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS

6. CAPITAL ASSETS

Capital assets activity for the year was as follows:

	Balance July 1, 2020	Increases	Decreases	Balance June 30, 2021
Capital Assets Not Being Depreciated:				
Land	\$ 501,013	\$ -	\$ -	\$ 501,013
Construction in Progress	-	419,452	-	419,452
Capital Assets Being Depreciated:				
Buildings and Improvements	6,326,372	57,527	-	6,383,899
Vehicles	320,391	-	-	320,391
Furniture, fixtures, and instructional equipment	1,031,343	80,175	-	1,111,518
Total Capital Assets	<u>8,179,119</u>	<u>557,154</u>	<u>-</u>	<u>8,736,273</u>
Less accumulated depreciation for:				
Buildings & Improvements	(4,083,543)	(147,048)	-	(4,230,591)
Vehicles	(216,662)	(13,793)	-	(230,455)
Furniture, fixtures, and instructional equipment	(881,934)	(99,800)	-	(981,734)
Total Accumulated Depreciation	<u>(5,182,139)</u>	<u>(260,641)</u>	<u>-</u>	<u>(5,442,780)</u>
Total Capital Assets, Net	<u>\$ 2,996,980</u>			<u>\$ 3,293,493</u>

Depreciation expense for the year ended June 30, 2021 was allocated to the functions as follows:

<u>Function</u>	<u>Amount</u>
Instruction	119,813
Support	<u>140,828</u>
Total	<u>260,641</u>

7. RISK MANAGEMENT

There is exposure to various risks of loss related to torts; theft or damage to and destruction of assets; errors and omissions; injuries to employees; and natural disasters for which commercial insurance is carried. Settled claims have not exceeded this commercial coverage for any of the past three fiscal years.

8. LONG TERM OBLIGATIONS

In October 2007, the District issued a series 2007 limited tax pension term bond totaling \$8,290,000 with an interest rate of 5.617% and principal payable through 2028. There are no significant default remedy clauses noted in the pension bond agreement that would impact the financial statements or require disclosure under GASB 88.

LANE EDUCATION SERVICE DISTRICT
LANE COUNTY, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS

8. LONG TERM OBLIGATIONS (CONTINUED)

In January 2020, the District issued a Full Faith and Credit Note Series 2020 for a roof replacement project for \$730,000 with an interest rate of 3.43% and principal payable through 2035. In the event of default, the lender may make a demand for the Early Redemption Value corresponding to the previously received payment (or if none is stated, then 103% of the outstanding principal balance due under the Note), and enforce and perfect its rights in the Project Fund and any other funds and accounts referenced in the agreement. Additionally, in the event of default, the principal amount of the Note then outstanding shall bear interest at the default rate of 9%, and the District will be responsible for interest at the default rate as well as all of the lender's costs of collection and enforcement.

	Principal				
	Outstanding 7/1/2020	Issued	Redeemed	Outstanding 6/30/2021	Due Within One Year
Direct Borrowing:					
Notes Payable	\$ 730,000	\$ -	\$ 38,028	\$ 691,972	\$ 39,333
Bonds Payable:					
Limited Tax Pension Bond	5,310,000	-	495,000	4,815,000	550,000
Discount Related to Bond					
Issuance discounts	(21,309)	-	(2,663)	(18,646)	-
Total	<u>\$ 6,018,691</u>	<u>\$ -</u>	<u>\$ 530,365</u>	<u>\$5,488,326</u>	<u>\$ 589,333</u>

	Interest			
	Outstanding Beginning	Due	Paid	Outstanding Ending
Notes Payable	\$ 216,008	\$ 25,039	\$ 25,039	\$ 190,969
Limited tax pension bonds	1,409,868	298,263	298,263	1,111,605
Total	<u>\$ 1,625,876</u>	<u>\$ 323,302</u>	<u>\$ 323,302</u>	<u>\$1,302,574</u>

Total interest expense for the year was \$323,302 which is included as a direct expense on the Statement of Activities. No interest was capitalized for the year.

Annual Debt Service Requirements to Maturity:

Fiscal Yr Ending	Limited Tax Pension Bond		Full Faith & Credit Note		Total	
	Principal	Interest	Principal	Interest	Principal	Interest
2022	\$ 550,000	\$ 270,459	\$ 39,333	\$ 23,735	\$ 589,333	\$ 294,193
2023	615,000	239,565	40,682	22,386	655,682	261,951
2024	680,000	205,021	42,077	20,990	722,077	226,011
2025	750,000	166,825	43,520	19,547	793,520	186,372
2026	830,000	124,698	45,013	18,054	875,013	142,752
2027-2031	1,390,000	105,038	249,311	66,025	1,639,311	171,063
2032-2035	-	-	232,036	20,233	232,036	20,233
	<u>\$ 4,815,000</u>	<u>\$ 1,111,605</u>	<u>\$ 691,972</u>	<u>\$ 190,969</u>	<u>\$ 5,506,972</u>	<u>\$ 1,302,574</u>

LANE EDUCATION SERVICE DISTRICT
LANE COUNTY, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS

9. DEFINED BENEFIT PENSION

Plan Description – The Oregon Public Employees Retirement System (PERS) consists of a single cost-sharing multiple-employer defined benefit plan. All benefits of the system are established by the legislature pursuant to Oregon Revised Statute (ORS) Chapters 238 and 238A. Oregon PERS produces an independently audited Comprehensive Annual Financial Report which can be found at:

<https://www.oregon.gov/pers/Documents/Financials/CAFR/2020-CAFR.pdf>

If the link is expired please contact Oregon PERS for this information.

- a. **PERS Pension (Chapter 238).** The ORS Chapter 238 Defined Benefit Plan is closed to new members hired on or after August 29, 2003.
 - i. **Pension Benefits.** The PERS retirement allowance is payable monthly for life. It may be selected from 13 retirement benefit options. These options include survivorship benefits and lump-sum refunds. The basic benefit is based on years of service and final average salary. A percentage (2.0 percent for police and fire employees, and 1.67 percent for general service employees) is multiplied by the number of years of service and the final average salary. Benefits may also be calculated under either a formula plus annuity (for members who were contributing before August 21, 1981) or a money match computation if a greater benefits results. A member is considered vested and will be eligible at minimum retirement age for a service retirement allowance if he or she has had a contribution in each of five calendar years or has reached at least 50 years of age before ceasing employment with a participating employer (age 45 for police and fire members). General service employees may retire after reaching age 55. Police and fire members are eligible after reaching age 50. Tier 1 general service employee benefits are reduced if retirement occurs prior to age 58 with fewer than 30 years of service. Police and fire member benefits are reduced if retirement occurs prior to age 55 with fewer than 25 years of service. Tier 2 members are eligible for full benefits at age 60. The ORS Chapter 238 Defined Benefit Pension Plan is closed to new members hired on or after August 29, 2003.
 - ii. **Death Benefits.** Upon the death of a non-retired member, the beneficiary receives a lump-sum refund of the member's account balance (accumulated contributions and interest). In addition, the beneficiary will receive a lump-sum payment from employer funds equal to the account balance, provided one or more of the following contributions are met:
 - member was employed by PERS employer at the time of death,
 - member died within 120 days after termination of PERS covered employment,
 - member died as a result of injury sustained while employed in a PERS-covered job, or
 - member was on an official leave of absence from a PERS-covered job at the time of death.
 - iii. **Disability Benefits.** A member with 10 or more years of creditable service who becomes disabled from other than duty-connected causes may receive a non-duty disability benefit. A disability resulting from a job-incurred injury or illness qualifies a member (including PERS judge members) for disability benefits regardless of the length of PERS-covered service. Upon qualifying for either a non-duty or duty disability, service time is computed to age 58 (55 for police and fire members) when determining the monthly benefit.
 - iv. **Benefit Changes After Retirement.** Members may choose to continue participation in their variable account after retiring and may experience annual benefit fluctuations due to changes in the fair value of the underlying global equity investments of that account. Under ORS 238.360 monthly benefits are adjusted annually through cost-of-living changes (COLA). The COLA is capped at 2.0 percent.

LANE EDUCATION SERVICE DISTRICT
LANE COUNTY, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS

9. DEFINED BENEFIT PENSION PLAN – (CONTINUED)

- b. **OPSRP Pension Program (OPSRP DB).** The ORS Chapter 238A Defined Benefit Pension Program provides benefits to members hired on or after August 29, 2003.
- i. **Pension Benefits.** This portion of OPSRP provides a life pension funded by employer contributions. Benefits are calculated with the following formula for members who attain normal retirement age:
Police and fire: 1.8 percent is multiplied by the number of years of service and the final average salary. Normal retirement age for police and fire members is age 60 or age 53 with 25 years of retirement credit. To be classified as a police and fire member, the individual must have been employed continuously as a police and fire member for at least five years immediately preceding retirement.
General service: 1.5 percent is multiplied by the number of years of service and the final average salary. Normal retirement age for general service members is age 65, or age 58 with 30 years of retirement credit. A member of the pension program becomes vested on the earliest of the following dates: the date the member completes 600 hours of service in each of five calendar years, the date the member reaches normal retirement age, and, if the pension program is terminated, the date on which termination becomes effective.
 - ii. **Death Benefits.** Upon the death of a non-retired member, the spouse or other person who is constitutionally required to be treated in the same manner as the spouse, receives for life 50 percent of the pension that would otherwise have been paid to the deceased member. The surviving spouse may elect to delay payment of the death benefit, but payment must commence no later than December 31 of the calendar year in which the member would have reached 70½ years.
 - iii. **Disability Benefits.** A member who has accrued 10 or more years of retirement credits before the member becomes disabled or a member who becomes disabled due to job-related injury shall receive a disability benefit of 45 percent of the member's salary determined as of the last full month of employment before the disability occurred.

Contributions -- PERS funding policy provides for monthly employer contributions at actuarially determined rates. These contributions, expressed as a percentage of covered payroll, are intended to accumulate sufficient assets to pay benefits when due. The funding policy applies to the PERS Defined Benefit Plan and the Other Postemployment Benefit Plans. Employer contribution rates during the period were based on the December 31, 2017 actuarial valuation, which became effective July 1, 2019. The state of Oregon and certain schools, community colleges, and political subdivision have made unfunded actuarial liability payments and their rates have been reduced. Effective January 1, 2020, Senate Bill 1049 requires employees to pay contributions on re-employed PERS retirees' salaries as if they were an active member, excluding IAP (6%) contributions. Employer contributions for the year ended June 30, 2021 were \$2,833,434, excluding amounts to fund employer specific liabilities. In addition approximately \$600,135 in employee contributions were paid or picked up by the District in fiscal 2021.

Pension Asset or Liability – At June 30, 2021, the District reported a net pension liability of \$17,663,661 for its proportionate share of the net pension liability. The pension liability was measured as of June 30, 2020, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation dated December 31, 2018. The District's proportion of the net pension liability was based on a projection of the District's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. As of the measurement date of June 30, 2020 and 2019, the District's proportion was .081 percent and .085 percent, respectively. Pension expense for the year ended June 30, 2021 was \$1,790,875.

LANE EDUCATION SERVICE DISTRICT
LANE COUNTY, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS

9. DEFINED BENEFIT PENSION PLAN – (CONTINUED)

The rates in effect for the year ended June 30, 2021 were:

- (1) Tier 1/Tier 2 – 23.54%
- (2) OPSRP general services – 18.09%
- (3) PERS UAL - 22.72%

	Deferred Outflow of Resources	Deferred Inflow of Resources
Difference between expected and actual experience	\$ 777,415	\$ -
Changes in assumptions	947,953	33,214
Net difference between projected and actual earnings on pension plan investments	2,077,017	-
Net changes in proportionate share	168,041	553,612
Differences between City contributions and proportionate share of contributions	24,018	218,755
Subtotal - Amortized Deferrals (below)	3,994,444	805,581
City contributions subsequent to measuring date	2,833,434	-
Deferred outflow (inflow) of resources	\$ 6,827,878	\$ 805,581

The amount of contributions subsequent to the measurement date will be included as a reduction of the net pension liability in the fiscal year ended June 30, 2022.

Subtotal amounts related to pension as deferred outflows of resources, \$3,994,444, and deferred inflows of resources, (\$805,581), net to (\$3,188,863) and will be recognized in pension expense as follows:

Year ending June 30,	Amount
2022	\$ 687,597
2023	1,011,642
2024	915,301
2025	597,985
2026	(23,662)
Thereafter	-
Total	\$ 3,188,863

All assumptions, methods and plan provisions used in these calculations are described in the Oregon PERS system-wide GASB 68 reporting summary dated March 12, 2021. Oregon PERS produces an independently audited CAFR which can be found at:

<https://www.oregon.gov/pers/Documents/Financials/CAFR/2020-CAFR.pdf>

Actuarial Valuations – The employer contribution rates effective July 1, 2019 through June 30, 2021, were set using the entry age normal actuarial cost method. For the Tier One/Tier Two component of the PERS Defined Benefit Plan, this method produced an employer contribution rate consisting of (1) an amount for normal cost (estimated amount necessary to finance benefits earned by employees during the current service year), (2) an amount for the amortization unfunded actuarial accrued liabilities, which are being amortized over a fixed period with new unfunded actuarial liabilities being amortized over 20 years.

LANE EDUCATION SERVICE DISTRICT
LANE COUNTY, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS

9. DEFINED BENEFIT PENSION PLAN – (CONTINUED)

For the OPSRP Pension Program component of the PERS Defined Benefit Plan, this method produced an employer rate consisting of (a) an amount for normal cost (the estimated amount necessary to finance benefits earned by the employees during the current service year), (b) an actuarially determined amount for funding a disability benefit component, and (c) an amount for the amortization of unfunded actuarial accrued liabilities, which are being amortized over a fixed period with new unfunded actuarial accrued liabilities being amortized over 16 years.

Actuarial Methods and Assumptions:

Valuation date	December 31, 2018
Experience Study Report	2018, Published July 24, 2019
Actuarial cost method	Entry Age Normal
Amortization method	Level percentage of payroll
Asset valuation method	Market value of assets
Inflation rate	2.50 percent
Investment rate of return	7.20 percent
Discount rate	7.20 percent
Projected salary increase	3.50 percent
Cost of Living Adjustment	Blend of 2% COLA and graded COLA (1.25%/0.15%) in accordance with <i>Moro</i> decision, blend based on service
Mortality	Healthy retirees and beneficiaries: Pub-2010 Healthy Retiree, sex distinct, generational with Unisex, Social Security Data Scale, with job category adjustments and set-backs as described in the valuation. Active members: Pub-2010 Employee, sex distinct, generational with Unisex, Social Security Data Scale, with job category adjustments and set-backs as described in the valuation. Disabled retirees: Pub-2010 Disabled Retiree, sex distinct, generational with Unisex, Social Security Data Scale, with job category adjustments and set-backs as described in the valuation.

Actuarial valuations of an ongoing plan involve estimates of value of reported amounts and assumptions about the probability of events far into the future. Actuarially determined amounts are subject to continual revision as actual results are compared to past expectations and new estimates are made about the future. Experience studies are performed as of December 31 of even numbered years. The method and assumptions shown are based on the 2018 Experience Study which is reviewed for the four-year period ending December 31, 2018.

Assumed Asset Allocation:

Asset Class/Strategy	Low Range	High Range	OIC Target
Debt Securities	15.0%	25.0%	20.0%
Public Equity	27.5%	37.5%	32.5%
Real Estate	9.5%	15.5%	12.5%
Private Equity	14.0%	21.0%	17.5%
Alternative Investments	7.5%	17.5%	15.0%
Opportunity Portfolio	0.0%	3.0%	0.0%
Risk Parity	0.0%	2.5%	2.5%
Total			100.0%

(Source: June 30, 2020 PERS CAFR; p. 102)

LANE EDUCATION SERVICE DISTRICT
LANE COUNTY, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS

9. DEFINED BENEFIT PENSION PLAN – (CONTINUED)

Long-Term Expected Rate of Return:

To develop an analytical basis for the selection of the long-term expected rate of return assumption, in May 2019 the PERS Board reviewed long-term assumptions developed by both Milliman’s capital market assumptions team and the Oregon Investment Council’s (OIC) investment advisors. The table below shows Milliman’s assumptions for each of the asset classes in which the plan was invested at that time based on the OIC long-term target asset allocation. The OIC’s description of each asset class was used to map the target allocation to the asset classes shown below. Each asset class assumption is based on a consistent set of underlying assumptions, and includes adjustment for the inflation assumption. These assumptions are not based on historical returns, but instead are based on a forward-looking capital market economic model.

Asset Class	Target Allocation	Compound Annual (Geometric) Return
Core Fixed Income	9.60%	4.07%
Short-Term Bonds	9.60%	3.68%
Bank/Leveraged Loans	3.60%	5.19%
High Yield Bonds	1.20%	5.74%
Large/Mid Cap US Equities	16.17%	6.30%
Small Cap US Equities	1.35%	6.68%
Micro Cap US Equities	1.35%	6.79%
Developed Foreign Equities	13.48%	6.91%
Emerging Market Equities	4.24%	7.69%
Non-US Small Cap Equities	1.93%	7.25%
Private Equity	17.50%	8.33%
Real Estate (Property)	10.00%	5.55%
Real Estate (REITS)	2.50%	6.69%
Hedge Fund of Funds - Diversified	1.50%	4.06%
Hedge Fund - Event-driven	0.38%	5.59%
Timber	1.13%	5.61%
Farmland	1.13%	6.12%
Infrastructure	2.25%	6.67%
Commodities	1.13%	3.79%
<i>Assumed Inflation - Mean</i>		<i>2.50%</i>

(Source: June 30, 2020 PERS CAFR; p. 74)

Discount Rate – The discount rate used to measure the total pension liability as of the measurement dates of June 30, 2020 and 2019 was 7.20 percent for both years for the Defined Benefit Pension Plan. The projection of cash flows used to determine the discount rate assumed that contributions from the plan members and those of the contributing employers are made at the contractually required rates, as actuarially determined. Based on those assumptions, the pension plan’s fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments for the Defined Benefit Pension Plan was applied to all periods of projected benefit payments to determine the total pension liability.

LANE EDUCATION SERVICE DISTRICT
LANE COUNTY, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS

9. DEFINED BENEFIT PENSION PLAN – (CONTINUED)

Sensitivity of the District's proportionate share of the net pension liability to changes in the discount rate – the following presents the District's proportionate share of the net pension liability calculated using the discount rate of 7.20 percent, as well as what the District's proportionate share of the net pension liability would be if it were calculated using a discount rate that is one percent lower (6.20 percent) or one percent higher (8.20 percent) than the current rate.

	1% Decrease (6.20%)	Discount Rate (7.20%)	1% Increase (8.20%)
District's proportionate share of the net pension liability	\$ 26,229,077	\$ 17,663,661	\$ 10,481,162

Changes Subsequent to the Measurement Date

As described above, GASB 67 and GASB 68 require the Total Pension Liability to be determined based on the benefit terms in effect at the Measurement Date. Any changes to benefit terms that occurs after that date are reflected in amounts reported for the subsequent Measurement Date. However, Paragraph 80f of GASB 68 requires employers to briefly describe any changes between the Measurement Date and the employer's reporting date that are expected to have a significant effect on the employer's share of the collective Net Pension Liability, along with an estimate of the resulting change, if available. There are no changes subsequent to the June 30, 2020 Measurement Date that meet this requirement.

OPSRP Individual Account Program (OPSRP IAP)

Plan Description:

Employees of the District are provided with pensions through OPERS. All the benefits of OPERS are established by the Oregon legislature pursuant to Oregon Revised Statute (ORS) Chapters 238 and 238A. Chapter 238 Defined Benefit Pension Plan is closed to new members hired on or after August 29, 2003. Chapter 238A created the Oregon Public Service Retirement Plan (OPSRP), which consists of the Defined Benefit Pension Program and the Individual Account Program (IAP). Membership includes public employees hired on or after August 29, 2003. PERS members retain their existing defined benefit plan accounts, but member contributions are deposited into the member's IAP account. OPSRP is part of OPERS, and is administered by the OPERS Board.

Pension Benefits:

Participants in OPERS defined benefit pension plans also participate in their defined contribution plan. An IAP member becomes vested on the date the employee account is established or on the date the rollover account was established. If the employer makes optional employer contributions for a member, the member becomes vested on the earliest of the following dates: the date the member completes 600 hours of service in each of five calendar years, the date the member reaches normal retirement age, the date the IAP is terminated, the date the active member becomes disabled, or the date the active member dies. Upon retirement, a member of the OPSRP IAP may receive the amounts in his or her employee account, rollover account, and vested employer account as a lump-sum payment or in equal installments over a 5-, 10-, 15-, 20-year period or an anticipated life span option. Each distribution option has a \$200 minimum distribution limit.

Death Benefits:

Upon the death of a non-retired member, the beneficiary receives in a lump sum the member's account balance, rollover account balance, and vested employer optional contribution account balance. If a retired member dies before the installment payments are completed, the beneficiary may receive the remaining installment payments or choose a lump-sum payment.

LANE EDUCATION SERVICE DISTRICT
LANE COUNTY, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS

9. DEFINED BENEFIT PENSION PLAN – (CONTINUED)

Contributions:

Employees of the District pay six (6) percent of their covered payroll. Effective July 1, 2020, currently employed Tier 1/Tier 2 and OPSERP members earning \$2,500 or more per month will have a portion of their 6 percent monthly IAP contributions redirected to an Employee Pension Stability Account. The Employee Pension Stability Account will be used to pay part of the member's future benefit. Of the 6 percent monthly IAP contribution, Tier 1/Tier 2 will have 2.5 percent redirected to the Employee Pension Stability Account and OPSERP will have 0.75 percent redirected to the Employee Pension Stability Account, with the remaining going to the member's existing IAP account. Members may voluntarily choose to make additional after-tax contributions into their IAP account to make a full 6 percent contribution to the IAP. The District did not make any optional contributions to member IAP accounts for the year ended June 30, 2021.

Additional disclosures related to Oregon PERS not applicable to specific employers are available online, or by contacting PERS at the following address: PO Box 23700 Tigard, OR 97281-3700.

<http://www.oregon.gov/pers/EMP/Pages/GASB.aspx>

10. OTHER POST-EMPLOYMENT BENEFIT PLAN - (RHIA)

Plan Description:

As a member of Oregon Public Employees Retirement System (OPERS) the District contributes to the Retirement Health Insurance Account (RHIA) for each of its eligible employees. RHIA is a cost-sharing multiple-employer defined benefit other postemployment benefit plan administered by OPERS. RHIA pays a monthly contribution toward the cost of Medicare companion health insurance premiums of eligible retirees. Oregon Revised Statute (ORS) 238.420 established this trust fund. Authority to establish and amend the benefit provisions of RHIA reside with the Oregon Legislature. The plan is closed to new entrants after January 1, 2004. OPERS issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by writing to Oregon Public Employees Retirement System, PO Box 23700, Tigard, OR 97281-3700.

Funding Policy:

Because RHIA was created by enabling legislation (ORS 238.420), contribution requirements of the plan members and the participating employers were established and may be amended only by the Oregon Legislature. ORS require that an amount equal to \$60 dollars or the total monthly cost of Medicare companion health insurance premiums coverage, whichever is less, shall be paid from the Retirement Health Insurance Account established by the employer, and any monthly cost in excess of \$60 dollars shall be paid by the eligible retired member in the manner provided in ORS 238.410. To be eligible to receive this monthly payment toward the premium cost the member must: (1) have eight years or more of qualifying service in OPERS at the time of retirement or receive a disability allowance as if the member had eight years or more of creditable service in OPERS, (2) receive both Medicare Parts A and B coverage, and (3) enroll in an OPERS-sponsored health plan. A surviving spouse or dependent of a deceased OPERS retiree who was eligible to receive the subsidy is eligible to receive the subsidy if he or she (1) is receiving a retirement benefit or allowance from OPERS or (2) was insured at the time the member died and the member retired before May 1, 1991.

Participating Employers are contractually required to contribute to RHIA at a rate assessed each year by OPERS, and the District currently contributes 0.06% of annual covered OPERF payroll and 0.00% of OPSRP payroll under a contractual requirement in effect until June 30, 2021. Consistent with GASB Statement 75, the OPERS Board of Trustees sets the employer contribution rates as a measure of the proportionate relationship of the employer to all employers consistent with the manner in which contributions to the OPEB plan are determined. The basis for the employer's portion is determined by comparing the employer's actual, legally required contributions made during the fiscal year to the plan with the total actual contributions made in the fiscal year of all employers. The District's contributions to RHIA are included in PERS contributions (see Note 9) for all reporting years and equaled the required contributions each year.

LANE EDUCATION SERVICE DISTRICT
LANE COUNTY, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS

10. OTHER POST-EMPLOYMENT BENEFIT PLAN – (RHIA) (CONTINUED)

At June 30, 2021, the District reported a net OPEB liability/(asset) of (\$243,027) for its proportionate share of the net OPEB liability/(asset). The OPEB liability/(asset) was measured as of June 30, 2020, and the total OPEB liability/(asset) used to calculate the net OPEB liability/(asset) was determined by an actuarial valuation as of December 31, 2018. Consistent with GASB Statement No. 75, paragraph 59(a), the District's proportion of the net OPEB liability/(asset) is determined by comparing the employer's actual, legally required contributions made during the fiscal year to the Plan with the total actual contributions made in the fiscal year of all employers. As of the measurement dates of June 30, 2020 and 2019, the District's proportion was .12 percent and .08 percent, respectively. OPEB income for the year ended June 30, 2021 was \$68,462.

Components of OPEB Expense/(Income):

Employer's proportionate share of collective system OPEB Expense/(Income)	\$ (39,088)
Net amortization of employer-specific deferred amounts from:	
- Changes in proportionate share (per paragraph 64 of GASB 75)	(21,789)
- Differences between employer contributions and employer's proportionate share of system contributions (per paragraph 65 of GASB 75)	<u>-</u>
Employer's Total OPEB Expense/(Income)	<u>\$ (60,877)</u>

Components of Deferred Outflows/Inflows of Resources:

	<u>Deferred Outflow of Resources</u>	<u>Deferred Inflow of Resources</u>
Difference between expected and actual experience	\$ -	\$ 24,844
Changes in assumptions	-	12,918
Net difference between projected and actual earnings on pension plan investments	27,026	-
Net changes in proportionate share	317	41,888
Differences between City contributions and proportionate share of contributions	-	-
Subtotal - Amortized Deferrals (below)	<u>27,343</u>	<u>79,650</u>
City contributions subsequent to measuring date	-	-
Deferred outflow (inflow) of resources	<u>\$ 27,343</u>	<u>\$ 79,650</u>

The amount of contributions subsequent to the measurement date will be included as a reduction of the net OPEB liability/(asset) in the fiscal year ended June 30, 2022.

Subtotal amounts related to OPEB as deferred outflows of resources, \$27,343, and deferred inflows of resources, (\$79,650), net to (\$52,307) and will be recognized in OPEB expense as follows:

<u>Year ending June 30,</u>	<u>Amount</u>
2022	\$ (46,017)
2023	(24,806)
2024	9,991
2025	8,525
2026	-
Thereafter	-
Total	<u>\$ (52,307)</u>

LANE EDUCATION SERVICE DISTRICT
LANE COUNTY, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS

10. OTHER POST-EMPLOYMENT BENEFIT PLAN – (RHIA) (CONTINUED)

All assumptions, methods and plan provisions used in these calculations are described in the Oregon PERS Retirement Health Insurance Account Cost-Sharing Multiple-Employer Other Postemployment Benefit (OPEB) Plan Schedules of Employer Allocations and OPEB Amounts by Employer report, as of and for the Year Ended June 30, 2020. That independently audited report was dated March 15, 2021 and can be found at:

https://www.oregon.gov/pers/EMP/Documents/GASB/2020/GASB_75_FYE_6.30.2020.pdf

Actuarial Methods and Assumptions:

Valuation Date	December 31, 2018
Experience Study Report	2018, Published July 24, 2019
Actuarial cost method	Entry Age Normal
Inflation rate	2.50 percent
Investment rate of return	7.20 percent
Discount rate	7.20 percent
Projected salary increase	3.50 percent
Retiree healthcare participation	Healthy retirees: 32%; Disabled retirees: 20%
Mortality	Healthy retirees and beneficiaries: Pub-2010 Healthy Retiree, sex distinct, generational with Unisex, Social Security Data Scale, with job category adjustments and set-backs as described in the valuation. Active members: Pub-2010 Employee, sex distinct, generational with Unisex, Social Security Data Scale, with job category adjustments and set-backs as described in the valuation. Disabled retirees: Pub-2010 Disabled Retiree, sex distinct, generational with Unisex, Social Security Data Scale, with job category adjustments and set-backs as described in the valuation.

Actuarial valuations of an ongoing plan involve estimates of value of reported amounts and assumptions about the probability of events far into the future. Actuarially determined amounts are subject to continual revision as actual results are compared to past expectations and new estimates are made about the future. Experience studies are performed as of December 31 of even numbered years. The method and assumptions shown are based on the 2018 Experience Study which is reviewed for the four-year period ending December 31, 2018.

Discount Rate:

The discount rate used to measure the total OPEB liability as of the measurement dates of June 30, 2020 and 2019 was 7.20 and 7.20 percent, respectively. The projection of cash flows used to determine the discount rate assumed that contributions from contributing employers are made at the contractually required rates, as actuarially determined. Based on those assumptions, the RHIA plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on OPEB plan investments for the RHIA plan was applied to all periods of projected benefit payments to determine the total OPEB asset.

LANE EDUCATION SERVICE DISTRICT
LANE COUNTY, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS

10. OTHER POST-EMPLOYMENT BENEFIT PLAN – (RHIA) (CONTINUED)

Long-Term Expected Rate of Return:

To develop an analytical basis for the selection of the long-term expected rate of return assumption, in May 2019 the PERS Board reviewed long-term assumptions developed by both Milliman’s capital market assumptions team and the Oregon Investment Council’s (OIC) investment advisors. The table below shows Milliman’s assumptions for each of the asset classes in which the plan was invested at that time based on the OIC long-term target asset allocation. The OIC’s description of each asset class was used to map the target allocation to the asset classes shown below. Each asset class assumption is based on a consistent set of underlying assumptions, and includes adjustment for the inflation assumption. These assumptions are not based on historical returns, but instead are based on a forward-looking capital market economic model.

Asset Class	Target Allocation	Compound Annual (Geometric) Return
Core Fixed Income	9.60%	4.07%
Short-Term Bonds	9.60%	3.68%
Bank/Leveraged Loans	3.60%	5.19%
High Yield Bonds	1.20%	5.74%
Large/Mid Cap US Equities	16.17%	6.30%
Small Cap US Equities	1.35%	6.68%
Micro Cap US Equities	1.35%	6.79%
Developed Foreign Equities	13.48%	6.91%
Emerging Market Equities	4.24%	7.69%
Non-US Small Cap Equities	1.93%	7.25%
Private Equity	17.50%	8.33%
Real Estate (Property)	10.00%	5.55%
Real Estate (REITS)	2.50%	6.69%
Hedge Fund of Funds - Diversified	1.50%	4.06%
Hedge Fund - Event-driven	38.00%	5.59%
Timber	1.13%	5.61%
Farmland	1.13%	6.12%
Infrastructure	2.25%	6.67%
Commodities	1.13%	3.79%
<i>Assumed Inflation - Mean</i>		2.50%

(Source: June 30, 2020 PERS CAFR; p. 74)

Sensitivity of the District’s proportionate share of the net OPEB liability/(asset) to changes in the discount rate – The following presents the District’s proportionate share of the net OPEB liability/(asset) calculated using the discount rate of 7.20 percent, as well as what the District’s proportionate share of the net pension liability would be if it were calculated using a discount rate that is one percent lower (6.20 percent) or one percent higher (8.20 percent) than the current rate.

	1% Decrease (6.20%)	Discount Rate (7.20%)	1% Increase (8.20%)
District's proportionate share of the net OPEB liability (asset)	\$ (196,203)	\$ (243,027)	\$ (283,063)

LANE EDUCATION SERVICE DISTRICT
LANE COUNTY, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS

10. OTHER POST-EMPLOYMENT BENEFIT PLAN – (RHIA) (CONTINUED)

Changes Subsequent to the Measurement Date

There are no changes subsequent to the June 30, 2020 Measurement Date that meet this requirement and thus would require a brief description under the GASB standard.

11. OTHER POST EMPLOYMENT BENEFITS

Plan 1 Description (Health Insurance)

A single-employer retiree benefit plan is operated that provides postemployment health, dental vision and life insurance benefits to eligible employees and their spouses. There are active and retired members in the plan. The collective bargaining agreements with regular classified and licensed employees include incentives for personnel who have been employed for a minimum of 18 years and retire between the ages of 55 and 65. The District provides up to \$150 per month for four years, to a maximum of \$7,200, to each early retiree for medical, dental, and vision insurance. Benefits are not provided beyond age 65 and no benefits are provided for any retiree whose employment began after October 31, 1999. Managerial and confidential employees age 55 years old with 18 years of service or 58 years old with 12 years of service are eligible to receive the same benefits, subject to the same limitations. As of the actuarial valuation performed June 30, 2021, there were 15 former employees receiving benefits under the plan. Details of the contributions and liability can be found on page 42 of the financial report.

The post-retirement healthcare plan was established in accordance with Oregon Revised Statutes (ORS) 243.303. ORS stipulated that for the purpose of establishing healthcare premiums, the rate must be based on all plan members, including both active employees and retirees. The difference between retiree claims cost, which because of the effect of age is generally higher in comparison to all plan members, and the amount of retiree healthcare premiums represents the implicit employer contribution.

An irrevocable trust has not been established (or equivalent arrangement) to account for the plan.

At June 30, 2021 the following employees were covered by the benefit terms:

<u>Number of Covered Employees</u>	
Actives	212
Retirees	<u>15</u>
Total Included in Valuation	<u>227</u>

LANE EDUCATION SERVICE DISTRICT
LANE COUNTY, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS

11. OTHER POST EMPLOYMENT BENEFITS (CONTINUED)

Actuarial Assumptions

The District's total Health Insurance liability in the June 30, 2021 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement unless otherwise specified.

Valuation Date	June 30, 2020
Actuarial Cost Method	Entry Age Normal
Investment return assumption (interest discount)	The 2.21% discount rate assumption is used in the June 30, 2020 rate in the 20-year General Obligation Municipal Bond Index published by Bond Buyer
Plan Participation	100% assumed will elect coverage at retirement if eligible for District paid insurance, 35% assumed if only eligible for self-pay insurance
Inflation Rate	2.5% in all future years
Annual salary rate increases	3.5% in all future years
Health care premium	
Beginning in 2018, a 40% excise tax will be imposed under the Affordable Care Act on employers if the aggregate value of medical coverage exceeds a threshold limit. This excise tax is not included in the calculations because it is believed to be immaterial in regard to the OPEB plan.	

Sensitivity Rates

The following presents the total OPEB liability and Health Care Cost Trend Rates of the District, as well as what the District's total OPEB liability would be if it were calculated using a discount rate 1 percentage point higher or lower than current rates:

Discount Rate Sensitivity Analysis

	1% Decrease (1.21%)	Discount Rate (2.21%)	1% Increase (3.21%)
Total OPEB Liability on June 30, 2021	\$ 406,885	\$ 381,248	\$ 357,189

Health Care Trend Sensitivity Analysis

	1% Decrease	Health Care Trend Rates	1% Increase
Total OPEB Liability on June 30, 2021	\$ 342,720	\$ 381,248	\$ 427,718

LANE EDUCATION SERVICE DISTRICT
LANE COUNTY, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS

11. OTHER POST EMPLOYMENT BENEFITS (CONTINUED)

Other Post-employment benefits Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Other Post-employment Benefits

For the year ended June 30, 2021, the District recognized Other Post-employment Benefit income of \$17,241. At June 30, 2021, the District reported deferred outflows and deferred inflows of resources, related to Other Postemployment benefits from the following sources:

<u>Deferral Source</u>	<u>Deferred outflow of resources</u>	<u>Deferred inflows of resources</u>
Diference between expected & actual experience	\$ -	\$ 41,966
Changes of assumptions or other inputs	39,498	-
Totals	<u>\$ 39,498</u>	<u>\$ 41,966</u>

The amount of contributions subsequent to the measurement date will be included as a reduction of the net OPEB liability in the fiscal year ending June 30, 2021. Subtotal amounts reported as deferred outflows \$39,498, and deferred inflows of resources (\$46,163), related to Other Post-employment benefits net to (\$2,468), and will be recognized in Other Post-employment benefit income as follows:

Year ended June 30:	
2022	(247)
2023	(247)
2024	(247)
2025	(247)
2026	(247)
Thereafter	<u>(1,233)</u>
Total	<u>\$ (2,468)</u>

Plan 2 Description (Stipends)

A single-employer retiree benefit plan is operated that provides postemployment health, dental vision and life insurance benefits to eligible employees and their spouses. There are active and retired members in the plan. The collective bargaining agreements with regular classified and licensed employees include incentives for personnel who have been employed for a minimum of 18 years and retire between the ages of 55 and 65. The District provides up to \$150 per month for four years, to a maximum of \$7,200, to each early retiree for medical, dental, and vision insurance. Benefits are not provided beyond age 65 and no benefits are provided for any retiree whose employment began after October 31, 1999. Managerial and confidential employees age 55 years old with 18 years of service or 58 years old with 12 years of service are eligible to receive the same benefits, subject to the same limitations. As of the actuarial valuation performed June 30, 2021, there were 15 former employees receiving benefits under the plan. Details of the contributions and liability can be found on page 43 of the financial report.

An irrevocable trust has not been established (or equivalent arrangement) to account for the plan.

LANE EDUCATION SERVICE DISTRICT
LANE COUNTY, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS

11. OTHER POST EMPLOYMENT BENEFITS (CONTINUED)

Actuarial Assumptions

The District's total OPEB liability in the June 30, 2021 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement unless otherwise specified.

Valuation Date	June 30, 2020
Actuarial Cost Method	Entry Age Normal
Investment return assumption (interest discount)	The 2.21% discount rate assumption is used in the June 30, 2020 rate in the 20-year General Obligation Municipal Bond Index published by Bond Buyer
Plan Participation	100% assumed will elect coverage at retirement if eligible for District paid insurance, 25% assumed if only eligible for self-pay insurance
Medical premium annual trend rate	3.4% in all future years
Dental premium annual trend rate	3.40%
Vision premiums annual trend rate	3.40%
Inflation Rate	2.5% in all future years
Annual salary rate increases	3.5% in all future years
Health care premium	
Beginning in 2018, a 40% excise tax will be imposed under the Affordable Care Act on employers if the aggregate value of medical coverage exceeds a threshold limit. This excise tax is not included in the calculations because it is believed to be immaterial in regard to the OPEB plan.	

Sensitivity Rates

The following presents the total Stipends Pension Liability, as well as what the District's total Stipend Pension liability would be if it were calculated using a discount rate 1 percentage point higher or lower than current rates:

Discount Rate Sensitivity Analysis

	1% Decrease (1.21%)	Discount Rate (2.21%)	1% Increase (3.21%)
Total Pension Liability on June 30, 2021	\$ 59,934	\$ 58,164	\$ 56,382

OPEB Expense and Deferred Outflows of Resources and Inflows of Resources

	Deferred Outflows of	Deferred Inflows of	Net
2020-21 Experience (Gain) Loss	\$ 7,846	\$ (3,604)	\$ 4,242
2020-21 Change in Assumptions (Gain) Loss	2,271	-	2,271
Totals	<u>\$ 10,117</u>	<u>\$ (3,604)</u>	<u>\$ 6,513</u>

LANE EDUCATION SERVICE DISTRICT
LANE COUNTY, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS

11. OTHER POST EMPLOYMENT BENEFITS (CONTINUED)

Amounts reported as deferred outflows \$10,117 of resources and deferred inflows (\$3,604) of resources and net to \$6,513 will be recognized in OPEB expense as follows:

Fiscal Year Ending:	Deferred Outflow / (Inflow) Recognized in Pension Expense
2022	1,395
2023	3,871
2024	1,247
2025	-
2026	-
All Subsequent Years	-
Total	\$ 6,513

Additional information on the changes in OPEB liability can be found on page 43 of the financial report.

12. INTERFUND TRANSFERS & INTERFUND RECEIVABLE/PAYABLE

Interfund transfers are comprised of the following at June 30, 2021:

Fund	Transfers In	Transfers Out
General Fund	\$ -	\$ 378,200
Special Revenue Fund	135,481	-
Capital Projects	242,719	-
	\$ 378,200	\$ 378,200

Interfund receivable/payables are comprised of the following at June 30, 2021:

Fund	Interfund Receivable	Interfund Payable
General	\$ 3,175,282	\$ -
Special Revenue	-	3,175,282
	\$ 3,175,282	\$ 3,175,282

Transfers were made to fund operations, and the interfund receivable/payables are used as a pooling of cash between various funds.

LANE EDUCATION SERVICE DISTRICT
LANE COUNTY, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS

13. PROPERTY TAX LIMITATIONS

The voters of the State of Oregon imposed a constitutional limit on property taxes for schools and non-school government operations. School operations include community colleges, local school districts, and education service districts. The limitation provides that property taxes for school operations are limited to \$5.00 for each \$1,000 of property market value. This limitation does not apply to taxes levied for principal and interest on general obligation bonded debt. The result of this requirement has been that school districts have become more dependent upon state funding and less dependent upon property tax revenues as their major source of operating revenue.

The State voters further reduced property taxes by replacing the previous constitutional limits on tax bases with a rate and value limit in 1997. This reduction is accomplished by rolling property values back to their 1995-96 values less 10% and limiting future tax value growth of each property to no more than 3% per year, subject to certain exceptions. Taxes levied to support bonded debt are exempted from the reductions. The State Constitution sets restrictive voter approval requirements for most tax and many fee increases and new bond issues, and requires the State to minimize the impact to school districts from the impact of the tax cuts.

14. COMMITMENTS AND CONTINGENCIES

A substantial portion of operating funding is received from the State of Oregon. State funding is determined through state wide revenue projections that are paid to individual school districts based on pupil counts and other factors in the state school fund revenue formula. Since these projections and pupil counts fluctuate they can cause the District to either have increases or decreases in revenue. Due to these future uncertainties at the state level, the future effect on operations cannot be determined.

There is participation in a number of federally assisted grant programs. These programs are subject to program compliance audits by the grantors or their representatives. The federal audits for these programs for the year ended June 30, 2021 have not been conducted. Accordingly, compliance with grant requirements will be established at some future date. The amount, if any, of expenditures which may be disallowed by the granting agencies cannot be determined at this time, although such amounts, if any, are expected by management to be immaterial.

The COVID-19 outbreak in the United States has caused substantial disruption to business and local governments due to mandated and voluntary suspension of operations and stay at home orders. There is considerable uncertainty around the duration of the outbreak and the long-term impact to the overall economy. The ultimate impact on the District financials is not determinable.

15. TAX ABATEMENTS

As of June 30, 2021, the District had tax abatements through three programs: Enterprise Zone, Housing for Low Income Rental, Transit Oriented Development - Eugene, that impacted their levied taxes and require disclosure under GASB 77.

LANE EDUCATION SERVICE DISTRICT
LANE COUNTY, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS

15. TAX ABATEMENTS (CONTINUED)

Enterprise Zone (ORS 285C.175):

- The Oregon Enterprise Zone program is a State of Oregon economic development program established, that allows for property tax exemptions for up to five years. In exchange for receiving property tax exemption, participating firms are required to meet the program requirements set by state statute and the local sponsor.

The Enterprise Zone program allows industrial firms that will be making a substantial new capital investment a waiver of 100% of the amount of real property taxes attributable to the new investment for a 5-year period after completion. Land or existing machinery or equipment is not tax exempt; therefore, there is no loss of current property tax levies to local taxing jurisdiction.

Housing for Low Income Rental (ORS 307.515 to 307.535):

- The Low Income Rental Housing exemption is available for qualifying properties which, if occupied, need to be occupied solely by low income persons, and the required rent payment reflects the full value of the property tax exemption. The housing units on the property have to be constructed after the local governing body adopted the provisions of ORS 307.515 to 307.523 .

A person that has only a leasehold interest in property is deemed to be a purchaser of that property if the person is obligated under the terms of the lease to pay the ad valorem taxes on the real and personal property used in this activity on that property or the rent payable has been established to reflect the savings resulting from the exemption.

Transit Oriented Development – Eugene (ORS 307.600 to 307.637):

- This law is in the publics' interest to stimulate the construction of transit supportive multiple-unit housing in the core areas of Oregon's urban centers to improve the balance between the residential and commercial nature of those areas, and to ensure full-time use of the areas as places where citizens of the community have an opportunity to live as well as work.

In any District, or in any county with a population of over 300,000, the exemption shall apply only to multiple-unit housing preserved, established, constructed, added to or converted on land within an area designated under ORS 307.606 (Exemption limited to tax levy of District or county that adopts ORS 307.600 to 307.637) (2) or within a designated urban renewal or redevelopment area formed pursuant to ORS chapter 457. This program exempts property taxes for a period of 10 years which doesn't include the land in the exemption.

For the fiscal year ended June 30, 2021, the District had abated property taxes totaling \$101,748 under these programs.

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LANE EDUCATION SERVICE DISTRICT
LANE COUNTY, OREGON

REQUIRED SUPPLEMENTARY INFORMATION

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LANE EDUCATION SERVICE DISTRICT
LANE COUNTY, OREGON

OTHER POSTEMPLOYMENT BENEFITS
SCHEDULE OF CHANGES IN OPEB LIABILITY AND EMPLOYER CONTRIBUTIONS
June 30, 2021

**HEALTH INSURANCE BENEFIT (OPEB):
SCHEDULE OF CHANGES IN TOTAL OPEB LIABILITY AND RELATED RATIOS**

Year Ended June 30,	Total OPEB Liability - Beginning	Service Cost	Interest	Experience (Gain)/Loss	Changes of Assumptions	Benefit Payments	Total OPEB Liability - End of Year	Estimated Covered Payroll	Total OPEB Liability as a % of Covered Payroll
2021	\$ 398,242	\$ 21,064	\$ 8,289	\$ -	\$ -	\$ (46,347)	\$ 381,248	\$ 10,087,350	3.78%
2020	424,489	20,352	8,802	47,398	(50,360)	(52,439)	398,242	9,746,232	4.09%
2019	438,364	18,643	16,025	-	-	(48,543)	424,489	8,318,930	5.10%
2018	439,504	18,013	16,322	-	-	(35,475)	438,364	8,037,614	5.45%
2017	N/A	-	-	-	-	-	439,500	7,765,811	5.20%

SCHEDULE OF EMPLOYER CONTRIBUTIONS

Year Ended June 30,	(a) Actuarially Determined Contribution	(b) Contributions During Year	(b)-(a) Difference	(c) Covered Payroll	(b/c) Contributions as a Percentage of Payroll
2021	\$ 29,106	\$ N/A	\$ N/A	\$ 10,087,350	N/A
2020	28,907	N/A	N/A	9,746,232	N/A
2019	34,668	N/A	N/A	8,318,930	N/A
2018	34,335	N/A	N/A	8,037,614	N/A
2017	N/A	N/A	N/A	7,765,811	N/A

The above table presents the most recent actuarial valuations for the District's OPEB Health Insurance and it provides information that approximates the funding progress of the plan.

The amounts presented for each fiscal year are actuarially determined and rolled forward.

These schedules are presented to illustrate the requirements to show information for 10 years. However, until a full 10-year trend has been compiled, information is presented only for the years for which the required supplementary information is available.

LANE EDUCATION SERVICE DISTRICT
LANE COUNTY, OREGON

OTHER POSTEMPLOYMENT BENEFITS
SCHEDULE OF CHANGES IN PENSION LIABILITY AND EMPLOYER CONTRIBUTIONS
June 30, 2021

STIPENDS (OPEB):

SCHEDULE OF CHANGES IN TOTAL PENSION LIABILITY AND RELATED RATIOS

Year Ended June 30,	Total OPEB Liability - Beginning	Service Cost	Interest	Experience (Gain)/Loss	Changes of Assumptions	Benefit Payments	Total OPEB Liability - End of Year	Estimated Covered Payroll	Total OPEB Liability as a % of Covered Payroll
2021	\$ 76,617	\$ 957	\$ 1,463	\$ -	\$ -	\$ (20,873)	\$ 58,164	\$ 699,962	8.3%
2020	73,697	925	1,436	14,672	3,287	(17,400)	76,617	676,292	11.3%
2019	81,165	1,420	2,913	-	-	(11,801)	73,697	1,230,876	6.0%
2018	101,847	1,372	3,718	(16,596)	2,374	(11,550)	81,165	1,189,252	6.8%
2017	-	-	-	-	-	-	101,847	1,149,056	8.9%

SCHEDULE OF EMPLOYER CONTRIBUTIONS

Year Ended June 30,	(a) Actuarially Determined Contribution	(b) Contributions During Year	(b)-(a) Difference	(c) Covered Payroll	(b/c) Contributions as a Percentage of Payroll
2021	\$ 3,815	\$ N/A	\$ N/A	\$ 699,962	N/A
2020	3,756	N/A	N/A	676,292	N/A
2019	1,550	N/A	N/A	1,230,876	N/A
2018	2,307	N/A	N/A	1,189,252	N/A
2017	-	N/A	N/A	1,149,056	N/A

The above table presents the most recent actuarial valuations for the District's post-retirement pension stipend and it provides information that approximates the funding progress of the plan.

The amounts presented for each fiscal year are actuarially determined and rolled forward.

These schedules are presented to illustrate the requirements to show information for 10 years. However, until a full 10-year trend has been compiled, information is presented only for the years for which the required supplementary information is available.

LANE EDUCATION SERVICE DISTRICT
LANE COUNTY, OREGON

REQUIRED SUPPLEMENTARY INFORMATION
June 30, 2021

PERS

SCHEDULE OF THE PROPORTIONATE SHARE OF THE NET PENSION LIABILITY

Year Ended June 30,	(a) Employer's proportion of the net pension liability (NPL)	(b) Employer's proportionate share of the net pension liability (NPL)	(c) Employer's covered payroll	(b/c) NPL as a percentage of covered payroll	Plan fiduciary net position as a percentage of the total pension liability
2021	0.081 %	\$ 17,663,661	\$ 8,931,397	197.8 %	75.8 %
2020	0.085	14,682,968	8,779,590	167.2	80.2
2019	0.084	12,659,739	8,597,211	147.3	82.1
2018	0.082	11,038,816	8,288,687	133.2	83.1
2017	0.085	12,789,725	7,232,198	176.8	80.5
2016	0.091	5,230,660	6,983,550	74.9	91.9
2015	0.157	(3,553,841)	6,318,280	(56.2)	103.6
2014	0.157	8,000,906	9,076,084	88.2	92.0

The amounts presented for each fiscal year were actuarially determined at 12/31 and rolled forward to the measurement date of 6/30 for each year presented.

These schedules are presented to illustrate the requirements to show information for 10 years. However, until a full 10-year trend has been compiled, information is presented only for the years for which the required supplementary information is available.

SCHEDULE OF CONTRIBUTIONS

Year	Statutorily required contribution	Contributions in relation to the statutorily required contribution	Contribution deficiency (excess)	Employer's covered payroll	Contributions as a percent of covered payroll
2021	\$ 2,833,434	\$ 2,833,434	\$ -	\$ 11,711,634	24.2 %
2020	2,619,869	2,619,869	-	8,931,397	29.3
2019	2,058,026	2,058,026	-	8,779,590	23.4
2018	2,021,818	2,021,818	-	8,597,211	23.5
2017	1,611,618	1,611,618	-	8,288,687	19.4
2016	1,495,096	1,495,096	-	7,232,198	20.7
2015	1,057,777	1,057,777	-	6,983,550	15.1
2014	988,356	988,356	-	6,318,280	15.6

The amounts presented for each fiscal year were actuarially determined at 12/31 and rolled forward to the measurement date of 6/30 for each year presented.

These schedules are presented to illustrate the requirements to show information for 10 years. However, until a full 10-year trend has been compiled, information is presented only for the years for which the required supplementary information is available.

LANE EDUCATION SERVICE DISTRICT
LANE COUNTY, OREGON

REQUIRED SUPPLEMENTARY INFORMATION
June 30, 2021

OPEB - RHIA

SCHEDULE OF THE PROPORTIONATE SHARE OF THE NET OPEB ASSET/(LIABILITY) FOR RHIA

Year Ended June 30,	(a) District's Proportion of the net OPEB asset/(liability) (NOA/(L))	(b) District's proportionate share of the net OPEB asset/(liability)(NOA/(L))	(c) District's covered payroll	(b/c) NOA/(L) as a percentage of covered payroll	Plan fiduciary net position as a percentage of the total pension liability
2021	0.11927 %	\$ 243,027	\$ 8,931,397	2.72 %	150.1 %
2020	0.07824	151,195	8,779,590	1.72	144.4
2019	0.07935	88,573	8,597,211	1.03	124.0
2018	0.07666	31,995	8,288,687	0.39	108.9
2017	0.07429	(20,175)	7,232,198	(0.28)	90.0

The amounts presented for each fiscal year were actuarially determined at 12/31 and rolled forward to the measurement date of 6/30 for each year presented.

These schedules are presented to illustrate the requirements to show information for 10 years. However, until a full 10-year trend has been compiled, information is presented only for the years for which the required supplementary information is available.

Amounts for covered payroll (c) use the prior year's data to match the measurement date used by the OPEB plan for each year.

SCHEDULE OF CONTRIBUTIONS FOR RHIA

Year	Statutorily required contribution	Contributions in relation to the statutorily required contribution	Contribution deficiency (excess)	District's covered payroll	Contributions as a percent of covered payroll
2021	\$ N/A	\$ N/A	\$ N/A	\$ 11,711,634	N/A %
2020	N/A	N/A	N/A	8,931,397	N/A
2019	N/A	N/A	N/A	8,779,590	N/A
2018	N/A	N/A	N/A	8,597,211	N/A
2017	N/A	N/A	N/A	8,288,687	N/A

The amounts presented for each fiscal year were actuarially determined at 12/31 and rolled forward to the measurement date of 6/30 for each year presented.

These schedules are presented to illustrate the requirements to show information for 10 years. However, until a full 10-year trend has been compiled, information is presented only for the years for which the required supplementary information is available.

Statutorily required contributions prior to 2020 are included within PERS contributions (See p. 36)

LANE EDUCATION SERVICE DISTRICT
LANE COUNTY, OREGON

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
For the Year Ended June 30, 2021

	<u>GENERAL FUND</u>			VARIANCE TO FINAL BUDGET
	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	
REVENUES				
Local Sources	\$ 9,140,825	\$ 9,140,825	\$ 9,349,862	\$ 209,037
State Sources	14,894,500	14,894,500	14,967,279 (2)	72,779
Federal Sources	-	-	3,312	3,312
Total Revenues	<u>24,035,325</u>	<u>24,035,325</u>	<u>24,320,453</u>	<u>285,128</u>
EXPENDITURES				
Instruction	9,486,801	7,786,801 (1)	7,422,886	363,915
Support Services	8,222,332	8,522,332 (1)	8,048,931	473,401
Contingency	1,512,571	1,112,571 (1)	-	1,112,571
Total Expenditures	<u>19,221,704</u>	<u>17,421,704</u>	<u>15,471,817</u>	<u>1,949,887</u>
Excess of Revenue Over, (Under) Expenditures	4,813,621	6,613,621	8,848,636	2,235,015
OTHER FINANCING SOURCES, (USES)				
Transfers Out	(378,200)	(378,200)	(378,200)	-
Apportionment of Funds	(6,295,421)	(8,095,421) (1)	(7,632,951)	462,470
Total Other Financing Sources, (Uses)	<u>(6,673,621)</u>	<u>(8,473,621)</u>	<u>(8,011,151)</u>	<u>462,470</u>
Net Change in Fund Balance	(1,860,000)	(1,860,000)	837,485	2,697,485
Beginning Fund Balance	2,460,000	2,460,000	3,268,372	808,372
Ending Fund Balance	<u>\$ 600,000</u>	<u>\$ 600,000</u>	<u>\$ 4,105,857</u>	<u>\$ 3,505,857</u>

(1) Appropriation level

(2) Included in this is the required state revenue match of \$481 the District must recognize for National School Lunch Support in order to meet the general cash assistance match.

LANE EDUCATION SERVICE DISTRICT
LANE COUNTY, OREGON

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
For the Year Ended June 30, 2021

<u>SPECIAL REVENUE FUND</u>				
	<u>ORIGINAL BUDGET</u>	<u>FINAL BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE TO FINAL BUDGET</u>
REVENUES				
Local Sources	\$ 1,812,233	\$ 1,882,233 (1)	\$ 2,415,038	\$ 532,805
State Sources	14,687,000	19,517,000 (1)	18,845,513	(671,487)
Federal Sources	5,339,000	7,239,000 (1)	4,985,786	(2,253,214)
Total Revenues	<u>21,838,233</u>	<u>28,638,233</u>	<u>26,246,337</u>	<u>(2,391,896)</u>
EXPENDITURES				
Instruction	2,614,949	2,614,949 (1)	2,400,158	214,791
Support Services	6,360,494	7,360,494 (1)	7,481,600	(121,106)
Enterprise and Community Services	65,500	65,500 (1)	-	65,500
Total Expenditures	<u>9,040,943</u>	<u>10,040,943</u>	<u>9,881,758</u>	<u>159,185</u>
Excess of Revenues Over, (Under) Expenditures	12,797,290	18,597,290	16,364,579	(2,232,711)
OTHER FINANCING SOURCES, (USES)				
Transfers In	165,000	165,000	135,481	(29,519)
Apportionment of Funds	(13,431,290)	(19,231,290) (1)	(16,559,844)	2,671,446
Total Other Financing Sources, (Uses)	<u>(13,266,290)</u>	<u>(19,066,290)</u>	<u>(16,424,363)</u>	<u>2,641,927</u>
Net Change in Fund Balance	(469,000)	(469,000)	(59,784)	409,216
Beginning Fund Balance	469,000	469,000	583,552	114,552
Ending Fund Balance	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 523,768</u>	<u>\$ 523,768</u>

(1) Appropriation Level

LANE EDUCATION SERVICE DISTRICT
LANE COUNTY, OREGON

SUPPLEMENTARY INFORMATION

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LANE EDUCATION SERVICE DISTRICT
LANE COUNTY, OREGON

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
ACTUAL AND BUDGET
For the Year Ended June 30, 2021

DEBT SERVICE FUND

	<u>ORIGINAL BUDGET</u>	<u>FINAL BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE TO FINAL BUDGET</u>
REVENUES				
Local Sources	\$ 743,200	\$ 743,200	\$ 793,937	\$ 50,737
Total Revenues	<u>743,200</u>	<u>743,200</u>	<u>793,937</u>	<u>50,737</u>
EXPENDITURES				
Support Services	200	200 (1)	-	200
Debt Service	<u>795,000</u>	<u>795,000 (1)</u>	<u>793,263</u>	<u>1,737</u>
Total Expenditures	<u>795,200</u>	<u>795,200</u>	<u>793,263</u>	<u>1,937</u>
Net Change in Fund Balance	(52,000)	(52,000)	674	52,674
Beginning Fund Balance	<u>52,000</u>	<u>52,000</u>	<u>30,305</u>	<u>(21,695)</u>
Ending Fund Balance	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 30,979</u>	<u>\$ 30,979</u>

(1) Appropriation Level

LANE EDUCATION SERVICE DISTRICT
LANE COUNTY, OREGON

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
ACTUAL AND BUDGET
For the Year Ended June 30, 2021

CAPITAL PROJECTS FUND

	<u>ORIGINAL BUDGET</u>	<u>FINAL BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE TO FINAL BUDGET</u>
REVENUES				
State Sources	\$ -	\$ 500,000 (1)	\$ 344,399	\$ (155,601)
Federal Sources	-	-	-	-
Total Revenues	<u>-</u>	<u>500,000</u>	<u>344,399</u>	<u>(155,601)</u>
EXPENDITURES				
Support Services	230,000	230,000 (1)	91,642	138,358
Facilities Construction	-	500,000 (1)	350,589	149,411
Debt Service	63,200	63,200 (1)	63,067	133
Total Expenditures	<u>293,200</u>	<u>793,200</u>	<u>505,298</u>	<u>287,902</u>
Excess of Revenues Over, (Under) Expenditures	(293,200)	(793,200)	(505,298)	287,902
OTHER FINANCING SOURCES, (USES)				
Transfers In	<u>213,200</u>	<u>213,200</u>	<u>242,719</u>	<u>29,519</u>
Net Change in Fund Balance	(80,000)	(80,000)	81,820	161,820
Beginning Fund Balance	<u>80,000</u>	<u>80,000</u>	<u>62,037</u>	<u>(17,963)</u>
Ending Fund Balance	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 143,857</u>	<u>\$ 143,857</u>

(1) Appropriation Level

LANE EDUCATION SERVICE DISTRICT
LANE COUNTY, OREGON

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
ACTUAL AND BUDGET
For the Year Ended June 30, 2021

INTERNAL SERVICE FUND

	<u>ORIGINAL BUDGET</u>	<u>FINAL BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE TO FINAL BUDGET</u>
REVENUES				
Local Sources	\$ 116,000	\$ 116,000	\$ 229,372	\$ 113,372
EXPENDITURES				
Support Services	651,000	651,000 (1)	111,276	539,724
Total Expenditures	651,000	651,000	111,276	539,724
Net Change in Fund Balance	(535,000)	(535,000)	118,096	653,096
Beginning Fund Balance	535,000	535,000	390,580	(144,420)
Ending Fund Balance	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 508,676</u>	<u>\$ 508,676</u>

(1) Appropriation Level

LANE EDUCATION SERVICE DISTRICT
LANE COUNTY, OREGON

SCHEDULE OF PROPERTY TAX TRANSACTIONS AND BALANCES
OF TAXES UNCOLLECTED
For the Year Ended June 30, 2021

TAX YEAR	ORIGINAL LEVY OR BALANCE UNCOLLECTED AT 7/1/20	DEDUCT DISCOUNTS	ADJUSTMENTS TO ROLLS	ADD INTEREST	CASH COLLECTIONS BY COUNTY TREASURER	BALANCE UNCOLLECTED OR UNSEGREGATED AT 6/30/21
GENERAL FUND:						
CURRENT:						
2020-21	\$ 8,000,897	\$ 212,896	\$ (20,265)	\$ 2,763	\$ 7,636,368	\$ 134,131
PRIOR YEARS:						
2019-20	146,765	(148)	(11,430)	\$ 5,225	67,816	72,892
2018-19	62,909	(58)	(8,262)	5,870	31,683	28,892
2017-18	33,595	(11)	(7,046)	5,601	19,786	12,375
2016-17	14,219	(9)	(3,583)	2,950	8,575	5,020
Prior	34,163	(1)	(6,607)	2,962	3,372	27,147
Total Prior	291,651	(227)	(36,928)	22,608	131,232	146,326
Total General Fund	\$ 8,292,548	\$ 212,669	\$ (57,193)	\$ 25,371	\$ 7,767,600	\$ 280,456

RECONCILIATION OF REVENUE:

	GENERAL FUND
Cash Collections by County Treasurer Above	\$ 7,767,600
Accrual of Receivables:	
June 30, 2020	(22,140)
June 30, 2021	17,396
Change between current and prior Unavailable Revenue, see pg 9	(6,451)
Payments in Lieu of Taxes	2,979
Total Revenue	\$ 7,759,384

LANE EDUCATION SERVICE DISTRICT
LANE COUNTY, OREGON

OTHER INFORMATION

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LANE EDUCATION SERVICE DISTRICT
LANE COUNTY, OREGON

SCHEDULE OF BOND AND INTEREST TRANSACTIONS AND BALANCES
For the Year Ended June 30, 2021

DATE OF ISSUE	MATURED BONDS & COUPONS OUTSTANDING 7/1/2020	BONDS & COUPONS MATURING DURING THE YEAR	BONDS REDEEMED AND COUPONS PAID DURING THE YEAR	MATURED BONDS & COUPONS OUTSTANDING 6/30/2021
October 31, 2007	\$ -	\$ 793,263	\$ 793,263	\$ -
January 22, 2020	-	-	-	-
Total	<u>\$ -</u>	<u>\$ 793,263</u>	<u>\$ 793,263</u>	<u>\$ -</u>

**LANE EDUCATION SERVICE DISTRICT
LANE COUNTY, OREGON**

**SCHEDULE OF BOND REDEMPTION AND INTEREST REQUIREMENTS
June 30, 2021**

SERIES 2007

YEAR	PRINCIPAL	INTEREST	INTEREST RATES
	Due 6/1	Due 12/30 & 6/30	
2022	550,000	270,459	5.62%
2023	615,000	239,565	5.62%
2024	680,000	205,021	5.62%
2025	750,000	166,825	4.62%
2026	830,000	124,698	4.62%
2027-28	1,390,000	105,037	5.62%
TOTALS	\$ 4,815,000	\$ 1,111,605	

SERIES 2020

YEAR	PRINCIPAL	INTEREST	INTEREST RATES
	Due 1/22	Due 1/22	
2022	39,333	23,735	3.43%
2023	40,682	22,386	3.43%
2024	42,077	20,990	3.43%
2025	43,520	19,547	3.43%
2026	45,013	18,054	3.43%
2027-31	249,311	66,025	3.43%
2032-35	232,036	20,232	3.43%
TOTALS	\$ 691,972	\$ 190,969	

LANE EDUCATION SERVICE DISTRICT
LANE COUNTY, OREGON

INDEPENDENT AUDITORS' REPORT REQUIRED BY OREGON STATE REGULATIONS

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December 6, 2021

Independent Auditors' Report Required by Oregon State Regulations

We have audited the basic financial statements of Lane Education Service District as of and for the year ended June 30, 2021, and have issued our report thereon dated December 6, 2021. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and Government Auditing Standards.

Compliance

As part of obtaining reasonable assurance about whether the basic financial statements are free of material misstatement, we performed tests of compliance with certain provisions of laws, regulations, contracts, and grants, including the provisions of Oregon Revised Statutes as specified in Oregon Administrative Rules 162-10-000 through 162-10-320 of the Minimum Standards for Audits of Oregon Municipal Corporations, noncompliance with which could have a direct and material effect on the determination of the basic financial statements amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion.

We performed procedures to the extent we considered necessary to address the required comments and disclosures which included, but were not limited to the following:

- **Deposit of public funds with financial institutions (ORS Chapter 295)**
- **Indebtedness limitations, restrictions and repayment.**
- **Budgets legally required (ORS Chapter 294).**
- **Insurance and fidelity bonds in force or required by law.**
- **Programs funded from outside sources.**
- **Authorized investment of surplus funds (ORS Chapter 294).**
- **Public contracts and purchasing (ORS Chapters 279A, 279B, 279C).**

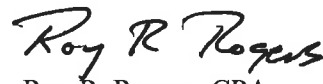
In connection with our testing nothing came to our attention that caused us to believe Lane Education Service District was not in substantial compliance with certain provisions of laws, regulations, contracts, and grants, including the provisions of Oregon Revised Statutes as specified in Oregon Administrative Rules 162-10-000 through 162-10-320 of the Minimum Standards for Audits of Oregon Municipal Corporations, except as follows:

- Expenditures were within authorized appropriations, except as noted on page 20 of the financial statements

OAR 162-10-0230 Internal Control

In planning and performing our audit, we considered the internal controls over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the basic financial statements, but not for the purpose of expressing an opinion on the effectiveness of the internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the internal controls over financial reporting.

This report is intended solely for the information and use of the Board of Directors and management and the Oregon Secretary of State and is not intended to be and should not be used by anyone other than these parties.



Roy R. Rogers, CPA
PAULY, ROGERS AND CO., P.C.

LANE EDUCATION SERVICE DISTRICT
LANE COUNTY, OREGON

GRANT COMPLIANCE REVIEW

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LANE EDUCATION SERVICE DISTRICT
LANE COUNTY, OREGON

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Year Ended June 30, 2021

Agency/Program Title	Pass Through Organization	Federal CFDA Number	Pass Through Entity#	Expenditures	Passed Through to Sub Recipients
U.S. Department of Education					
Title I-C - Migrant Education	Oregon Dept of Education	84.011	53723	337,582	-
Title I-C - Migrant Education	Oregon Dept of Education	84.011	58947	199,951	-
Title I-C - Migrant Education/Preschool	Oregon Dept of Education	84.011	53738	20,601	-
Title I-C - Migrant Education/Preschool	Oregon Dept of Education	84.011	58919	27,649	-
Title I-C - Migrant Education/Summer	Oregon Dept of Education	84.011	57316	186,789	-
Title I-C - Migrant Education/Summer	Oregon Dept of Education	84.011	66111	26,473	-
Title I-C - Migrant Education/Summer	Oregon Dept of Education	84.011	61772	1,260	-
				<u>800,305</u>	-
EI-ECSE	Oregon Dept of Education	84.027	11116-A7	625,386	625,161
Regional Services	Oregon Dept of Education	84.027	11047-A3	1,043,577	-
Juvenile Detention	Oregon Dept of Education	84.027	12379	1,500	-
EI-ECSE	Oregon Dept of Education	84.173	11116-A7	102,764	102,727
	Total IDEA Cluster			<u>1,773,227</u>	<u>727,888</u>
Perkins Basic	Lane Community College	84.048	LCC1	37,801	386
Perkins Basic	Oregon Dept of Education	84.048	57592	417,523	221,942
Perkins Basic	Oregon Dept of Education	84.048	52498	41,610	-
Perkins Reserve Fund	Oregon Dept of Education	84.048	57618	55,784	131
Perkins Reserve Fund	Oregon Dept of Education	84.048	52476	36,054	1,688
				<u>588,772</u>	<u>224,147</u>
Oregon Pathways/STEM Apprenticeships	Oregon Dept of Education	84.051	52039	82,621	14,682
EI-ECSE	Oregon Dept of Education	84.181	11116-A7	380,264	380,127
MTSS Regional Coaches	Oregon Dept of Education	84.323A	46077	29,969	-
Title III - ELA	Oregon Dept of Education	84.365	50258	6,072	-
Title III - ELA	Oregon Dept of Education	84.365	53430	34,896	1,497
				<u>40,968</u>	<u>1,497</u>
ESSER I	Oregon Dept of Education	84.425D	58428	227,367	-
ESSER II	Oregon Dept of Education	84.425D	65028	68,300	-
			Total ESSER	<u>295,667</u>	-
Youth Transition Program	Oregon Dept of Human Services	84.126A	160724	455,813	217,055
			Total U.S. Department of Education	<u>4,447,606</u>	<u>1,565,396</u>
U.S. Department of Labor					
WIOA	Lane Workforce Partnership	17.259	31136	538,180	-
			Total U.S. Department of Labor	<u>538,180</u>	-
U.S. Department of Agriculture					
Conservation Education/Career Pathways	U.S. Forest Service	10.699	800-014	3,312	-
			Total U.S. Department of Agriculture	<u>3,312</u>	-
			SEFA Total	<u>4,989,098</u>	<u>1,565,396</u>

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December 6, 2021

To the Board of Directors
Lane Education Service District
Lane County, Oregon

Independent Auditors' Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance With *Government Auditing Standards*

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the basic financial statements of the governmental activities, each major fund, and the remaining fund information of Lane Education Service District as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the basic financial statements, and have issued our report thereon dated December 6, 2021.

Internal Control Over Financial Reporting

In planning and performing our audit of the basic financial statements, we considered the internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the basic financial statements, but not for the purpose of expressing an opinion on the effectiveness of internal control. Accordingly, we do not express an opinion on the effectiveness of internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the basic financial statements will not be prevented, or detected and corrected on a timely basis.

A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

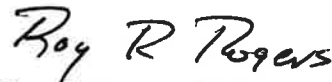
Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or, significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the basic financial statements are free of material misstatement, we performed tests of compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



Roy R. Rogers, CPA
PAULY, ROGERS AND CO., P.C.



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December 6, 2021

To the Board of Directors
Lane Education Service District
Lane County, Oregon

**Independent Auditors' Report on Compliance for Each Major Program
and on Internal Control Over Compliance Required By the Uniform Guidance**

Report on Compliance for Each Major Federal Program

We have audited Lane Education Service District's compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the major federal programs for the year ended June 30, 2021. The major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

Auditors' Responsibility

Our responsibility is to express an opinion on compliance for each of the major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance). Those standards and Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of compliance.

Opinion on Each Major Federal Program

In our opinion, Lane Education Service District, complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2021.

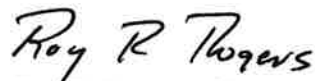
Report on Internal Control Over Compliance

Management is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.



Roy R. Rogers, CPA
PAULY, ROGERS AND CO., P.C.

LANE EDUCATION SERVICE DISTRICT
LANE COUNTY, OREGON

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

For the Year Ended June 30, 2021

SECTION I – SUMMARY OF AUDITORS' RESULTS

FINANCIAL STATEMENTS

Type of Auditors' report issued: Unmodified

Internal control over financial reporting:

- Material weakness(es) identified? Yes No
- Significant deficiency(ies) identified that are not considered to be material weaknesses Yes None reported

Noncompliance material to financial statements noted? Yes No

Any GAGAS audit findings disclosed that are required to be reported in accordance with the Uniform Guidance? Yes No

FEDERAL AWARDS

Internal control over Major Programs:

- Material weakness(es) identified? Yes No
- Significant deficiency(ies) identified that are not considered to be material weaknesses Yes None reported

Type of auditors' report issued on compliance for major programs: Unmodified

Any audit findings disclosed that are required to be reported in accordance with the Uniform Guidance? Yes No

IDENTIFICATION OF MAJOR PROGRAMS

CFDA NUMBER(S):

NAME OF FEDERAL PROGRAM:

84.027, 84.173

IDEA Cluster

Dollar threshold used to distinguish between type A and type B programs: \$ 750,000

Auditee qualified as low-risk auditee? Yes No

LANE EDUCATION SERVICE DISTRICT
LANE COUNTY, OREGON

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

For the Year Ended June 30, 2021

SECTION II – FINANCIAL STATEMENT FINDINGS

None

SECTION III – FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

None

NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

1. BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards includes federal grant activity under programs of the federal government. The information in this schedule is presented in accordance with the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance). Because the schedule presents only a selected portion of the operations, it is not intended to and does not present the net position, changes in net position, or cash flow of the District.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported on the schedule are reported on the modified accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowed or are limited as to reimbursement. Negative amounts shown on the schedule represents adjustments or credits made in the normal course of business to amounts reported as expenditures in prior years. The District has elected not to use the ten percent de minimis indirect cost rate as allowed under Uniform Guidance, due to the fact that they already have a negotiated indirect cost rate with the State of Oregon, and therefore are not allowed to use the de minimis rate.

OSBA Model ESD Sample Policy

Code: BBAA
Adopted:

Individual Board Member's Authority and Responsibilities

An individual Board member exercises the authority and responsibility of ~~their~~his/her position when the Board is in legal session only.

A Board member has the authority to act in the name of the Board when authorized by a specific Board motion. The affirmative vote of the majority of members of the Board is required to transact any business. When authorized to act as the ESD's designated representative in collective bargaining, a Board member may make and accept proposals in bargaining subject to subsequent approval by the Board.

~~A Board member has the right to express personal opinions.~~ When expressing ~~personal~~such opinions in public, the Board member ~~should~~must clearly identify the opinions as their own.

Members will be knowledgeable of information requested through Board action, supplied by the superintendent, gained through attendance at ESD activities and through professional Board activities.

Members of the Board will adhere to the following in carrying out the responsibilities of membership:

1. Request for Information

Any individual Board member who desires a copy of an existing written report or survey prepared by the administrative staff will make such a request to the superintendent. A copy of the material may be made available to each member of the Board. Requests for the generation of reports or information, which require additional expense to the ESD, must be submitted to the Board for consideration.

2. Requests for Legal Opinions

~~A~~Requests for ~~a~~legal opinions by a Board member, must be approved by a majority vote of the Board before the request is made to legal counsel. ~~If the legal opinion sought involves the superintendent's employment or performance, the request should be made to the Board chair.~~ Legal counsel is responsible to the Board.

3. Action on Complaints or Requests Made to Board Members

When Board members receive complaints or requests for action from staff, students or members of the public, the Board members will direct the staff, students and members of the public to the appropriate complaint policy Board policy KL - Public Complaints. Such information will be conveyed to the superintendent.

4. Board Member’s Relationship to Administration

Individual Board members will be informed about the ESD’s educational program, may visit schools or other facilities to gain information, and may request information from the superintendent. No individual Board member may direct the superintendent to action without Board authorization. Board members will not intervene in the administration of the ESD or its schools.

5. Contracts or Agreements

All contracts of the ESD must be approved by the Board, unless otherwise delegated by the Board to the superintendent or designee for approval, before an order can be drawn for payment. If a contract is made without authority of the Board, the individual making such contract shall be personally liable.

END OF POLICY

Legal Reference(s):

[ORS 332.045](#)

[ORS 332.055](#)

[ORS 332.057](#)

[ORS 332.075](#)

38 OR. ATTY. GEN. OP. 1995 (1978)

S. Benton Educ. Ass’n v. Monroe Union High Sch. Dist., 83 Or. App. 425 (1987).

OSBA Model ESD Sample Policy

Code: BBE
Adopted:

Vacancies on the Board

Vacancies will be filled through Board appointment. The Board appointee must be a legally registered voter and a resident within the ESD for one year immediately preceding the appointment. Any vacancy on the Board from any zone shall be filled by the remaining Board members from among the qualified persons in that zone. Any such vacancy from the ESD at large shall be filled by the remaining Board members from the qualified persons in the ESD.

Upon appointment by the Board, the newly appointed Board member(s) ~~will be sworn and seated immediately~~ will take office at the next board meeting following the appointment.

If the offices of a majority of Board members are vacant at the same time, the State Board of Education shall appoint persons to fill the vacancies from qualified ESD voters.

Board elections are held every odd-numbered year, which for the purposes of this policy, are termed “election” years. The appointee will:

1. Serve until June 30 following the next “election,” at which time the individual elected in May of that year will fill ~~the~~ any remaining portion of an unexpired term or serve a full four-year term; or
2. Serve until June 30 of a subsequent “election” year if the vacancy occurs after the filing date in an “election” year.

~~A Board member so elected as a replacement will serve the remaining year(s) of the term of office of the Board member being replaced.~~

END OF POLICY

Legal Reference(s):

[ORS 249.865 - 249.877](#)
[ORS 255.245](#)

[ORS 255.335](#)
[ORS 334.090](#)

[ORS 334.095](#)

OSBA Model ESD Sample Policy

Code: BBFC
Adopted:

Reporting of Suspected Abuse of a Child

A Board member is a mandatory reporter of child abuse. A Board member having reasonable cause to believe that any child with whom the Board member comes in contact with has suffered abuse or that any person with whom the Board member comes in contact with has abused a child shall immediately notify the Oregon Department of Human Services (DHS) or local law enforcement pursuant to Oregon Revised Statute (ORS) 419B.015.

The Board member making a report of child abuse, as required by ORS 419B.010, shall make an oral report by telephone or otherwise to the local office of the Department of Human Services, to the designee of the department or to a law enforcement agency within the county where the Board member making the report is located at the time of the contact.

The report shall contain, if known: the names and addresses of the child and the parents of the child or other persons responsible for the care of the child; the child's age; the nature and extent of the abuse, including any evidence of previous abuse; the explanation given for the abuse; and any other information that the Board member making the report believes might be helpful in establishing the cause of the abuse and the identity of the perpetrator.

This information is provided for convenience: **report child abuse to the Oregon Child Abuse Hotline by calling 1-855-503-SAFE (7233).**

END OF POLICY

Legal Reference(s):

[ORS 334.125](#)
[ORS 419B.005](#)

[ORS 419B.010](#)
[ORS 419B.015](#)

House Bill 242 (2021)

OSBA Model ESD Sample Policy

Code: BD/BDA
Adopted:

Board Meetings

The Board has the authority to act only when a quorum is present at a duly called regular, special or emergency meeting. “Meeting” means the convening of a quorum of the Board as the ESD’s governing body to make a decision or to deliberate toward a decision on any matter. This includes meeting for the purpose of gathering information to serve as the basis for a subsequent decision or recommendation by the governing body, i.e. a work session. The affirmative vote of the majority of members of the Board is required to transact any business.

All regular, special and emergency meetings of the Board will be open to the public except as provided by law. Access to and the ability to attend all meetings (excluding executive sessions) by telephone, video or other electronic or virtual means will be made available when reasonably possible. All meetings will be conducted in compliance with state and federal statutes

All Board meetings, including Board retreats and work sessions, will be held within the ESD boundaries, except as allowed by law¹. The Board may attend training sessions outside the ESD boundaries but cannot deliberate or discuss ESD business. No meeting will be held at any place where discrimination on the basis of disability, race, creed, color, sex, sexual orientation², gender identity, age or national origin is practiced.

The Board will give public notice reasonably calculated to give actual notice to interested persons, including those with disabilities, of the time and place for all Board meetings and of the principal subjects to be considered. The Board may consider additional subjects at a meeting, even if they were not included in the notice.

If requested to do so at least 48 hours before a meeting held in public, the Board shall make a good faith effort to provide an interpreter for hearing-impaired persons. Other appropriate auxiliary aids and services will be provided upon request and appropriate advance notice. ~~Communications with all qualified individuals with disabilities shall be as effective as communications with others.~~

~~{³} If requested to do so at least 72 hours before a meeting held in public, the Board will make a reasonable effort to provide translation services.~~

All meetings held in public shall comply with the Oregon Indoor Clean Air Act ~~and the smoking provisions contained in the Public Meetings Law.~~

¹ ORS 192.630(4). Meetings of the governing body of a public body shall be held within the geographic boundaries over which the public body has jurisdiction, or at the administrative headquarters of the public body or at the other nearest practical location. Training sessions may be held outside the jurisdiction if no deliberations toward a decision are involved.

² ~~As defined in ORS 174.100.~~

³ ~~{ESDs are encouraged to evaluate translation needs and resources prior to adding this language. An ESD may decide that translating the agenda, minutes or other documents, or public comment is sufficient.}~~

The possession of dangerous or deadly weapons and firearms, as defined in law and Board policy, is prohibition on ESD property.

1. Regular, Special and Emergency Meetings

Generally, a regular Board meeting will be held each month. The regular meeting schedule will be established at the **annual** organizational meeting ~~in July~~ and may be changed by the Board with proper notice. The purpose of each regular monthly meeting will be to conduct the regular Board business.

No later than the next regular meeting following July 1, the Board will hold ~~an~~ **the annual** organizational meeting to elect Board officers for the coming year and to establish the year's schedule of Board meetings. In Board election years (odd numbered years), the first meeting will be held no later than July 31.

Special meetings can be convened by the Board chair, upon request of three Board members or by common consent of the Board at any time to discuss any topic. A special meeting may also be scheduled if less than a quorum is present at a meeting or additional business still needs to be conducted at the ending time of a meeting. At least 24 hours' notice must be provided to all Board members, the news media, which have requested notice, and the general public for any special meeting.

Emergency meetings can be called by the Board in the case of an actual emergency upon appropriate notice under the circumstances. The minutes of the emergency meeting must describe the emergency. Only topics necessitated by the emergency may be discussed or acted upon at the emergency meeting.

2. Communication Outside of Board Meetings

Communications, to, by and among a quorum of Board members outside of a legally called Board meeting, in their capacity as Board members, shall not be used for the purpose of discussing ESD business. This includes electronic communication. Electronic communications among Board members shall be limited to messages not involving deliberation, debate, decision-making or gathering of information on which to deliberate.

Electronic communications may contain:

- a. Agenda item suggestions;
- b. Reminders regarding meeting times, dates and places;
- c. Board meeting agendas or information concerning agenda items;
- d. One-way information from Board members or the superintendent to each Board member (e.g., an article on student achievement or to share a report on ESD progress on goals) ~~so long as that information is also being made available to the public;~~
- e. Individual responses to questions posed by community members, subject to other limitations in Board policy.

E-mails sent to other Board members will have the following notice:

Important: Please do not reply or forward this communication if this communication constitutes a decision or deliberation toward a decision between and among a quorum of a governing body which

could be considered a public meeting. Electronic communications on ESD business are governed by ~~P~~ublic ~~R~~ecords and ~~M~~meetings ~~L~~aw.

3. Private or Social Meetings

Private or social meetings of a quorum of the Board for the purpose of making a decision or to deliberate toward a decision on any matter are prohibited by the ~~P~~ublic ~~M~~meetings ~~L~~aw.

4. Work Sessions

The Board may use regular or special meetings for the purpose of conducting work sessions to provide its members with opportunities for planning and thoughtful discussion. Work sessions will be conducted in accordance with ~~the~~-state law on public meetings, including notice and minutes. Generally, Boards do not take official action during work sessions, although there is no legal prohibition to do so.

5. Executive Sessions

Executive sessions may be held during regular, special or emergency meetings for a reason permitted by law. (See Board policy BDC - Executive Sessions)

END OF POLICY

Legal Reference(s):

[ORS 174.100](#)

[ORS 174.104](#)

[ORS Chapter 192](#)

[ORS Chapter 193](#)

[ORS 255.335](#)

[ORS 334.100](#)

[ORS 433.835 - 433.875](#)

~~38 OR. ATTY. GEN. OP. 1995 (1978)~~

~~41 OR. ATTY. GEN. OP. 28 (1980)~~

Americans with Disabilities Act of 1990, 42 U.S.C. §§ 12101-12213 (~~2012~~2018); 29 C.F.R. Part 1630 (~~2016~~2020); 28 C.F.R. Part 35 (~~2016~~2020).

Americans with Disabilities Act Amendments Act of 2008, 42 U.S.C. §§ 12101-12133 (2018).

OR. ATTY. GEN. Public Records and Meetings Manual (~~2014~~).

Oregon House Bill 2560 (2021).

Oregon House Bill 3041 (2021).

OSBA Model ESD Sample Policy

Code: GBNAA/JHFF
Adopted:

~~Reporting Requirements for Suspected Sexual Conduct with Students~~ and Reporting Requirements *

Sexual conduct by ESD employees, contractors¹, agents², and volunteers³ is prohibited and will not be tolerated. All ESD employees, contractors, agents, and volunteers are subject to this policy. Students are also subject to this policy if they are acting as an employee, contractor, agent or volunteer.

⁴“Sexual conduct,” means verbal or physical conduct or verbal, written or electronic communications by a school employee, a contractor, an agent or a volunteer that involve a student and that are sexual advances or requests for sexual favors directed toward the student, or of a sexual nature that are directed toward the student or that have the effect of unreasonably interfering with a student’s educational performance, or of creating an intimidating, or hostile-or-offensive educational environment. “Sexual conduct” does not include touching or other physical contact that is necessitated by the nature of the school employee’s job duties or by the services required to be provided by the contractor, agent or volunteer, and for which there is no sexual intent; verbal, written or electronic communications that are provided as part of an education program that meets state educational standards or a policy approved by the Board; or conduct or communications described in the definition of sexual conduct herein if the school employee, contractor, agent or volunteer is also a student and the conduct or communications arise out of a consensual relationship between students, do not create an intimidating or hostile educational environment and are not prohibited by law, any policies of the ESD or any applicable employment agreements.

“Student” means any person who is in any grade from prekindergarten through grade 12 or 21 years of age or younger and receiving educational or related services from the ESD that is not a post-secondary institution of education, or who was previously known as a student by the person engaging in sexual conduct and who left school or graduated from high schools within 90 days prior to the sexual conduct.

¹ “Contractor” means a person providing services to the ESD under a contract in a manner that requires the person to have direct, unsupervised contact with students.

² “Agent” means a person acting as an agent for the ESD in a manner that requires the person to have direct, unsupervised contact with students.

³ “Volunteer” means a person acting as a volunteer for the ESD in a manner that requires the person to have direct, unsupervised contact with students.

⁴ This definition of “sexual conduct” affects all conduct that occurs before, on or after June 23, 2021, for purposes of reports that are made, investigations that are initiated, or a collective bargaining agreement, an employment contract, an agreement for resignation or termination, a severance agreement or any similar contract or agreement entered into, on or after June 23, 2021.

The ESD will post in each school building the names and contact information of the employees^[5] designated for the ~~respective~~ school building(s) to receive reports of suspected sexual conduct and the procedures the designee will follow upon receipt of the report.

Any ESD employee {⁶}, contractor, agent or volunteer who has reasonable cause to believe that a student has been subjected to sexual conduct by another ESD employee, contractor, agent or volunteer, or that another ESD employee, contractor, agent or volunteer has engaged in sexual conduct with a student shall immediately report such suspected sexual conduct to the {⁷}designated licensed administrator or the alternate designated licensed administrator, ~~in the event the designated licensed administrator is the suspected perpetrator,~~ for their school building. If the conduct also constitutes child abuse, the employee must make mandatory reports in accordance with Board policy GBNAB/JHFE – Suspected Abuse of a Child Reporting Requirements.

If the superintendent is the alleged perpetrator the report shall be submitted to Assistant Superintendent who shall report the suspected sexual conduct to the Board chair.

If an employee fails to report suspected sexual conduct or fails to maintain confidentiality of records, the employee will be disciplined up to and including dismissal.

When ~~the~~ a designated licensed administrator receives a report of suspected sexual conduct by an ESD employee, contractor, agent or volunteer, the administrator will follow procedures established by the ESD and set forth in the ESD’s administrative regulation GBNAA/JHFF-AR - Suspected Sexual Conduct Report Procedures and Form. All such reports will be reported to the Oregon Department of Education (ODE) or Teacher Standards and Practices Commission (TSPC) ~~as appropriate, for investigation in~~ accordance with such administrative regulation. The agency receiving a report will complete an investigation regardless of any changes in the relationship or duties of the person who is the alleged perpetrator.

When there is reasonable cause to support the report, an ESD employee suspected of sexual conduct shall be placed on paid administrative leave pending an investigation and the ESD will take necessary actions to ensure the student’s safety.

When there is reasonable cause to support the report, an ESD contractor, agent or volunteer suspected of sexual conduct shall be removed from providing services to the ESD and the ESD will take necessary actions to ensure the student’s safety.

~~[⁵ Senate Bill 155 (2019) requires the ESD to designate a licensed administrator and an alternate licensed administrator for each school building.]~~

⁶ {The following language in brackets, i.e., [, contractor, agent or volunteer], is optional language for the ESD to consider including. If the language is kept, the ESD must make these groups aware of the policy and its administrative regulation and their responsibilities under both. This may also be included in contracts with agents and contractors and include reference to this policy.}

⁷ {ORS 339.372 requires the ESD to post the names and contact information of the persons, i.e., a licensed administrator and an alternate licensed administrator, who are designated to receive reports of sexual conduct for a school building in the school building. A “licensed administrator” is a person employed as an administrator by the ESD and holds an administrative license issued by TSPC or may be a person employed by the ESD that does not hold an administrative license issued by TSPC if the ESD does not require the administrator to be licensed by TSPC.}

The ESD will notify, as allowed by state and federal law, the person who was subjected to the suspected sexual conduct about any actions taken by the ESD as a result of the report.

An ESD employee, contractor or agent will not assist another ESD employee, contractor or agent in obtaining a new job if the individual knows, or has reasonable cause to believe the ESD employee, contractor or agent engaged in sexual conduct. Nothing in this policy prevents the ESD from disclosing information required by law or providing the routine transmission of administrative and personnel files pursuant to law.

The initiation of a report in good faith about suspected sexual conduct may not adversely affect any terms or conditions of employment or the work environment of the person who initiated the report or who may have been subject to sexual conduct. If a student initiates a report of suspected sexual conduct by an ESD employee, contractor, agent or volunteer in good faith, the student will not be disciplined by the ESD or any ESD employee, contractor, agent or volunteer.

The ESD will provide to employees at the time of hire, or to a contractor, agent or volunteer at the time of beginning service for the ESD, the following:

1. A description of conduct that may constitute sexual conduct;
2. A description of the investigatory process and possible consequences if a report of suspected sexual conduct is substantiated; and
3. A description of the prohibitions imposed on ESD employees, contractors and agents when they attempt to obtain a new job, pursuant to ORS 339.378(2).

All ESD employees are subject to Board policy GCAB - Personal Electronic Devices and Social Media - Staff regarding appropriate electronic communications with students.

Any electronic communications with students by a contractor, agent or volunteer for the ESD will be appropriate and only when directed by ESD administration. When communicating with students electronically regarding school-related matters, contractors, agents or volunteers shall use mailing lists and/or other internet messaging **approved by the ESD** to a group of students rather than individual students or as directed by ESD administration. Texting or electronically communicating with a student through contact information gained as a contractor, agent or volunteer for the ESD is prohibited.

The superintendent shall develop administrative regulations to implement this policy and to comply with state law.

END OF POLICY

Legal Reference(s):

[ORS 334.125](#)

[ORS 339.370 - 339.400](#)

[ORS 419B.005 - 419B.045](#)

Every Student Succeeds Act, 20 U.S.C. § 7926 (2018).

House Bill 2136 (2021).

Senate Bill 51 (2021).

OSBA Model ESD Sample Policy

Code: JHFF/GBNAA

Adopted:

~~Reporting Requirements for Suspected Sexual Conduct with Students~~ and Reporting Requirements *

Sexual conduct by ESD employees, contractors¹, agents², and volunteers³ is prohibited and will not be tolerated. All ESD employees, contractors, agents, and volunteers are subject to this policy. Students are also subject to this policy if they are acting as an employee, contractor, agent or volunteer.

⁴“Sexual conduct,” means verbal or physical conduct or verbal, written or electronic communications by a school employee, a contractor, an agent or a volunteer that involve a student and that are sexual advances or requests for sexual favors directed toward the student, or of a sexual nature that are directed toward the student or that have the effect of unreasonably interfering with a student’s educational performance, or of creating an intimidating, or hostile-or-offensive educational environment. “Sexual conduct” does not include touching or other physical contact that is necessitated by the nature of the school employee’s job duties or by the services required to be provided by the contractor, agent or volunteer, and for which there is no sexual intent; verbal, written or electronic communications that are provided as part of an education program that meets state educational standards or a policy approved by the Board; or conduct or communications described in the definition of sexual conduct herein if the school employee, contractor, agent or volunteer is also a student and the conduct or communications arise out of a consensual relationship between students, do not create an intimidating or hostile educational environment and are not prohibited by law, any policies of the ESD or any applicable employment agreements.

“Student” means any person who is in any grade from prekindergarten through grade 12 or 21 years of age or younger and receiving educational or related services from the ESD that is not a post-secondary institution of education, or who was previously known as a student by the person engaging in sexual conduct and who left school or graduated from high schools within 90 days prior to the sexual conduct.

¹ “Contractor” means a person providing services to the ESD under a contract in a manner that requires the person to have direct, unsupervised contact with students.

² “Agent” means a person acting as an agent for the ESD in a manner that requires the person to have direct, unsupervised contact with students.

³ “Volunteer” means a person acting as a volunteer for the ESD in a manner that requires the person to have direct, unsupervised contact with students.

⁴ This definition of “sexual conduct” affects all conduct that occurs before, on or after June 23, 2021, for purposes of reports that are made, investigations that are initiated, or a collective bargaining agreement, an employment contract, an agreement for resignation or termination, a severance agreement or any similar contract or agreement entered into, on or after June 23, 2021.

The ESD will post in each school building the names and contact information of the employees^[5] designated for the ~~respective~~ school building(s) to receive reports of suspected sexual conduct and the procedures the designee will follow upon receipt of the report.

Any ESD employee {⁶}, contractor, agent or volunteer who has reasonable cause to believe that a student has been subjected to sexual conduct by another ESD employee, contractor, agent or volunteer, or that another ESD employee, contractor, agent or volunteer has engaged in sexual conduct with a student shall immediately report such suspected sexual conduct to the {⁷}designated licensed administrator or the alternate designated licensed administrator, ~~in the event the designated licensed administrator is the suspected perpetrator,~~ for their school building. If the conduct also constitutes child abuse, the employee must make mandatory reports in accordance with Board policy GBNAB/JHFE – Suspected Abuse of a Child Reporting Requirements.

If the superintendent is the alleged perpetrator the report shall be submitted to Assistant Superintendent who shall report the suspected sexual conduct to the Board chair.

If an employee fails to report suspected sexual conduct or fails to maintain confidentiality of records, the employee will be disciplined up to and including dismissal.

When ~~the~~ a designated licensed administrator receives a report of suspected sexual conduct by an ESD employee, contractor, agent or volunteer, the administrator will follow procedures established by the ESD and set forth in the ESD’s administrative regulation GBNAA/JHFF-AR - Suspected Sexual Conduct Report Procedures and Form. All such reports will be reported to the Oregon Department of Education (ODE) or Teacher Standards and Practices Commission (TSPC) ~~as appropriate, for investigation in~~ accordance with such administrative regulation. The agency receiving a report will complete an investigation regardless of any changes in the relationship or duties of the person who is the alleged perpetrator.

When there is reasonable cause to support the report, an ESD employee suspected of sexual conduct shall be placed on paid administrative leave pending an investigation and the ESD will take necessary actions to ensure the student’s safety.

When there is reasonable cause to support the report, an ESD contractor, agent or volunteer suspected of sexual conduct shall be removed from providing services to the ESD and the ESD will take necessary actions to ensure the student’s safety.

~~[⁵ Senate Bill 155 (2019) requires the ESD to designate a licensed administrator and an alternate licensed administrator for each school building.]~~

⁶ {The following language in brackets, i.e., [, contractor, agent or volunteer], is optional language for the ESD to consider including. If the language is kept, the ESD must make these groups aware of the policy and its administrative regulation and their responsibilities under both. This may also be included in contracts with agents and contractors and include reference to this policy.}

⁷ {ORS 339.372 requires the ESD to post the names and contact information of the persons, i.e., a licensed administrator and an alternate licensed administrator, who are designated to receive reports of sexual conduct for a school building in the school building. A “licensed administrator” is a person employed as an administrator by the ESD and holds an administrative license issued by TSPC or may be a person employed by the ESD that does not hold an administrative license issued by TSPC if the ESD does not require the administrator to be licensed by TSPC.}

The ESD will notify, as allowed by state and federal law, the person who was subjected to the suspected sexual conduct about any actions taken by the ESD as a result of the report.

An ESD employee, contractor or agent will not assist another ESD employee, contractor or agent in obtaining a new job if the individual knows, or has reasonable cause to believe the ESD employee, contractor or agent engaged in sexual conduct. Nothing in this policy prevents the ESD from disclosing information required by law or providing the routine transmission of administrative and personnel files pursuant to law.

The initiation of a report in good faith about suspected sexual conduct may not adversely affect any terms or conditions of employment or the work environment of the person who initiated the report or who may have been subject to sexual conduct. If a student initiates a report of suspected sexual conduct by an ESD employee, contractor, agent or volunteer in good faith, the student will not be disciplined by the ESD or any ESD employee, contractor, agent or volunteer.

The ESD will provide to employees at the time of hire, or to a contractor, agent or volunteer at the time of beginning service for the ESD, the following:

1. A description of conduct that may constitute sexual conduct;
2. A description of the investigatory process and possible consequences if a report of suspected sexual conduct is substantiated; and
3. A description of the prohibitions imposed on ESD employees, contractors and agents when they attempt to obtain a new job, pursuant to ORS 339.378(2).

All ESD employees are subject to Board policy GCAB - Personal Electronic Devices and Social Media - Staff regarding appropriate electronic communications with students.

Any electronic communications with students by a contractor, agent or volunteer for the ESD will be appropriate and only when directed by ESD administration. When communicating with students electronically regarding school-related matters, contractors, agents or volunteers shall use mailing lists and/or other internet messaging **approved by the ESD** to a group of students rather than individual students or as directed by ESD administration. Texting or electronically communicating with a student through contact information gained as a contractor, agent or volunteer for the ESD is prohibited.

The superintendent shall develop administrative regulations to implement this policy and to comply with state law.

END OF POLICY

Legal Reference(s):

[ORS 334.125](#)

[ORS 339.370 - 339.400](#)

[ORS 419B.005 - 419B.045](#)

Every Student Succeeds Act, 20 U.S.C. § 7926 (2018).

House Bill 2136 (2021).

Senate Bill 51 (2021).

OAESD Tracked Bills
Report Date: January 30, 2022

OAESD

Bill Number	Subject	Priority	Position
HB 4001	Miscellaneous	3	Not Reviewed
Requires Director of Oregon Department of Administrative Services to study development and administration of program to make payments to essential workers for services performed during COVID-19 pandemic and report findings to interim committees of Legislative Assembly related to labor on or before September 15, 2023.			
HB 4003	School Nurses	3	Not Reviewed
Directs Oregon State Board of Nursing to issue nurse internship license to qualified applicant.			
HB 4005	Early Learning	No Priority	Not Reviewed
Extends date for transition of Early Learning Division to Department of Early Learning and Care.			
HB 4013	Miscellaneous	No Priority	Not Reviewed
Directs Department of Education to establish pilot program in which certain school districts make one-time distributions to families of students to assist with unpaid rent, past-due utilities or move-in expenses.			
HB 4022	Operations	2	Not Reviewed
Directs district school board to ensure that curriculum of each course of study offered by school district is made available to public on school district's website.			
HB 4026	Budget/Finance	1	Support
Directs Department of Education to award grants to wildfire-impacted school districts in amounts to cover funding decreases resulting from decreases in district average daily membership, as compared to 2019-2020 school year, that are caused by wildfires.			
HB 4028	ODE	2	Not Reviewed
Directs State Board of Education to conduct annual review of education standards in state.			
HB 4029	Operations	1	Under Review
Requires governing body of public education provider to conduct self-assessment every two years.			
HB 4030	ODE	2	Not Reviewed
Directs Department of Education to conduct study on recruiting and retaining educators.			
HB 4031		2	Not Reviewed
Establishes state goal that percentage of diverse employees employed by Department of Education reflects percentage of diverse students in public schools.			
HB 4032	Early Learning	2	Not Reviewed
Directs Early Learning Division to develop and maintain informational resources relevant for children with disability.			
HB 4091	Curriculum/Program	2	Not Reviewed
Directs Department of Education to develop and implement statewide education plan for students who are Native Hawaiian or Pacific Islander.			
HB 4092	Broadband	1	Support
Modifies composition and duties of Oregon Broadband Advisory Council.			
HB 4099	Students	1	Support
Establishes Racial Equity and Justice Youth Collaborative.			
HB 4112	ODE	2	Not Reviewed
Appropriates moneys from General Fund to Department of Education for Educator Advancement Council to provide professional learning opportunities related to ethnic studies standards adopted by department.			
HB 4114	Operations	2	Not Reviewed
Requires members of district school board for common school district or union high school district to file verified statement of economic interest with Oregon Government Ethics Commission.			

OAESD Tracked Bills
Report Date: January 30, 2022

OAESD

Bill Number	Subject	Priority	Position
HB 4119	Charter Schools	1	Oppose
Removes requirement that student must receive approval from resident school district before enrolling in virtual public charter school not sponsored by school district if specified percentage of students in school district already are enrolled in virtual public charter schools not sponsored by school district.			
HB 4124	Assessment/Testing	2	Not Reviewed
Requires Department of Education to conduct survey related to assessments administered to students by school districts and to develop recommendations and best practices related to assessments.			
HB 4140	Miscellaneous	2	Not Reviewed
Expands duties of Oregon Government Ethics Commission to conduct investigations, make findings and impose penalties for violations of public meetings law.			
HB 4143	Chief Ed Office	No Priority	Not Reviewed
Establishes Superintendent of Public Instruction as statewide elected office.			
HJR 204		No Priority	Not Reviewed
Proposes amendment to Oregon Constitution establishing Citizens Redistricting Commission to adopt redistricting maps for Senate, House of Representatives and United States Congress.			
SB 1521	Labor/ bargaining	1	Support
Authorizes district school board to terminate superintendent without cause only if certain conditions are met.			
SB 1522	Credit Transfer	1	Support
Authorizes high school teachers who are employed by education service districts to serve as members of Transfer Council.			
SB 1523	Budget/Finance	2	Not Reviewed
Directs Legislative Revenue Officer to conduct study related to impact of 2020 wildfires on state school funding distributions.			
SB 1539	Miscellaneous	2	Not Reviewed
Establishes pilot program to provide funding to school districts for purposes of increasing access to schools by homeless students and improving academic achievement of homeless students.			
SB 1547	Early Learning	2	Not Reviewed
Requires operators, employees and certain volunteers of preschool recorded programs and school-age recorded programs to be enrolled in Central Background Registry.			
SB 1552	Charter Schools	1	Oppose
Removes requirement that student must receive approval from resident school district before enrolling in virtual public charter school not sponsored by school district if specified percentage of students in school district already are enrolled in virtual public charter schools not sponsored by school district.			
SB 1575	Curriculum/Program	2	Not Reviewed
Prescribes information that district school board must ensure is provided on school district's website related to courses of study offered by school district.			
SB 1578	ODE	1	Under Review
Directs State Board of Education to adopt by rule procedures for receiving and investigating complaints of violations of safety, discrimination and welfare laws.			
SB 1583	Assessment/Testing	No Priority	Not Reviewed
Directs Department of Education to ensure that standardized summative assessments are administered to minimum extent practicable.			
SB 1590	Curriculum/Program	1	Not Reviewed
Directs Department of Education, in consultation with STEM Investment Council, to develop statewide, long-term strategic plan to provide computer science education.			

OAESD Tracked Bills
Report Date: January 30, 2022

OAESD

Bill Number	Subject	Priority	Position
SJR 201	Operations	1	Not Reviewed
Proposes amendment to Oregon Constitution to establish right of parent to choose school that parent's child attends.			

OAESD Priority One Bills
Report Date: January 30, 2022

OAESD

Bill Number	Subject	Priority	Position
HB 4026	Budget/Finance	1	Support
Directs Department of Education to award grants to wildfire-impacted school districts in amounts to cover funding decreases resulting from decreases in district average daily membership, as compared to 2019-2020 school year, that are caused by wildfires.			
HB 4029	Operations	1	Under Review
Requires governing body of public education provider to conduct self-assessment every two years.			
HB 4092	Broadband	1	Support
Modifies composition and duties of Oregon Broadband Advisory Council.			
HB 4099	Students	1	Support
Establishes Racial Equity and Justice Youth Collaborative.			
HB 4119	Charter Schools	1	Oppose
Removes requirement that student must receive approval from resident school district before enrolling in virtual public charter school not sponsored by school district if specified percentage of students in school district already are enrolled in virtual public charter schools not sponsored by school district.			
SB 1521	Labor/ bargaining	1	Support
Authorizes district school board to terminate superintendent without cause only if certain conditions are met.			
SB 1522	Credit Transfer	1	Support
Authorizes high school teachers who are employed by education service districts to serve as members of Transfer Council.			
SB 1552	Charter Schools	1	Oppose
Removes requirement that student must receive approval from resident school district before enrolling in virtual public charter school not sponsored by school district if specified percentage of students in school district already are enrolled in virtual public charter schools not sponsored by school district.			
SB 1578	ODE	1	Under Review
Directs State Board of Education to adopt by rule procedures for receiving and investigating complaints of violations of safety, discrimination and welfare laws.			
SB 1590	Curriculum/Program	1	Not Reviewed
Directs Department of Education, in consultation with STEM Investment Council, to develop statewide, long-term strategic plan to provide computer science education.			
SJR 201	Operations	1	Not Reviewed
Proposes amendment to Oregon Constitution to establish right of parent to choose school that parent's child attends.			

OAESD EDUCATION SERVICE DISTRICT Bill Tracking System

Following are instructions to access the BillTracker tracking system:

1. Visit: www.billtracker.com
2. On the Log-In Page Enter the User Name and Password listed below:

USER Name: OAESD
Password: Legislation
3. The first page after you log in will show the current week's calendar of hearings of tracked Bills. Third Readings for the day will be noted below the monthly calendar. Click on the blue arrow on the left of the calendar week to get the weekly details, you can also select a specific day. At the top right of the page you have the option to insert a bill number or keyword to quickly find specific bills.
4. Features on the Navigation Bar that will be of most use to you are Bills; Calendar; Search; Reports and Legislators.

A) BILLS: Drop Down Menu allows you to select a tracking category:

Bills: All Bills introduced since the Legislature convened. Bills will be listed in numerical order – tracked bills will be highlighted in green, bills in the tracking queue will be in blue and untracked bills will be in orange.

Today: Bills introduced during the prior 24 hours.

Recent: Bills introduced during the past week.

Tracked: All of the Bills selected to Track for OAESD.

Once you have selected the category of bills you want to review, they will be listed in numerical order in a colored banner. The “red” icon on the right side of the banner is a link to the full Bill.

The Bill number provides a link to a page of additional information. The Tabs that will be of most use to you are:

Documents: The documents tab displays bill versions, bill amendments, and additional documents. The bill versions are updated upon introduction and engrossing and are stored chronologically. The bill amendments section displays only adopted amendments. Additional documents include a wide range of items including Fiscal Impact Statements, Revenue Impact Statements, Staff Measure Summaries, and any testimony submitted to the committee or provided by committee staff. Clicking on “introduced” will bring up a copy of the bill as introduced.

History: The history tab provides the Legislative History of each bill.

Meetings: The meetings tab provides a list of all scheduled committee hearings for the legislation; both future and past hearings are listed.

- B) CALENDAR:** Allows you to see the current legislative calendar. If hearings have been scheduled on bills being tracked by OAESD they will show on the calendar. (Note: This calendar is also displayed page 1 of the BillTracker site.)
- C) SEARCH:** Allows you to look for a specific bill by a variety of criteria. (i.e. Legislative Session, Client, Tracking Status.) Each of the criteria has a drop-down menu. You must select **State (OR); Legislative Session (2021); Client (OAESD); and Active Bills only**. You will have choices for **Subjects** (School Nurses, Assessment/Testing, Budget /Finance, Charter Schools, Credit Transfer, Curriculum/Program, Early Learning, ESDs, Labor/Bargaining, Miscellaneous, ODE, Operations, PERS, Personnel, Revenue and Tax Reform, and Students.) and **Priorities** (1, 2, 3 or No Priority).
- D) REPORTS:** Click on Reports to select the Report you want to see/use. Click on the Name Bar and select “Activity Report, Activity Report (Style 2), Bill Summary by Priority or Bill Summary by subject from the choice of Reports. Set the Parameters for the search – **State: (OR); Session (2021 Regular Session); Division: (OAESD); and Active Bills Only**. (Note: With these Parameters the Report will include all bills tracked for OAESD. If you want only the Priority 1 Bills Select “1” in the Priority Parameter.)

You can design Custom Reports as well. Click on the “Exports-Custom Report Tab. Design your report by selecting items from the **Available Report Fields**. Double click on your selected fields and they will move to the appropriate (Gray or Orange) box at the bottom of the Field list. Scroll down to the **Parameters Section** and select the desired parameters as described in the Search instructions above.

Note: Custom Titles may be created for Reports by typing the desired Title in the Custom Title Parameter. Reports can be printed in portrait or landscape format.

- E) LEGISLATORS:** Includes picture, District Number, Party affiliation and contact information for each member of the Legislature. You may select to view information for Senate, House or all members.

Note: Make sure you are allowing for pop-ups for www.billtrackor.com. If you have questions contact Ozzie Rose. ozzierose@comcast.net 503-931-4646.

January 29, 2022

Goals for 2022-23

Tony Scurto, Lane ESD Superintendent

1. Support regional superintendents
 - a. Continue Lane ESD facilitation of weekly check-ins with Lane County Public Health and schools.
 - b. To create and sustain networking opportunities, continue weekly virtual check ins with Lane County Superintendents.
 - c. Call to check in on individual superintendents at least once each month.
 - d. Respond rapidly to questions, concerns, requests from our component district leaders.
2. Local Service Plan 2023-25.
 - a. Beginning in the Spring of 2022, engage superintendents in a process to evaluate our current services.
 - b. Solicit suggestions for potential new services.
 - c. Solidify a new two-year LSP by December of 2022.
3. Staffing
 - a. Hire HR Director
 - b. Recruiting efforts
 - i. IAs
 - ii. Special Education Teachers
 - iii. Specialist positions
 - c. Recruiting and hiring diverse candidates
 - d. Retention of all staff, with emphasis on BIPOC staff
4. Vision/Mission/Strategic Planning for Lane ESD
 - a. Schedule training for Lane ESD
 - i. Leadership (January 2022)
 - ii. Management Team (January/February 2022)
 - iii. Lane ESD Staff
 1. Select training organization (Spring 2022)
 2. Launch training (Fall 2022)
 - b. Oversee creation of action steps for goals (Spring 2022)
 - c. Publicize complete Strategic Plan by Fall of 2022

OSBA Model ESD Sample Policy

Code: ACB

Adopted:

Every Student Belongs

It's About ALL Students

Students are often left out of the conversation. Every student belongs and matters, and it is our responsibility to understand the opportunity gaps that currently exist and have historically been in place for our most underserved students. It is our role to intentionally invite and provide space for student voice and agency. Students can help us with our blind spots and have creative ideas and ways in which they see the world and how it applies to them. Using student voice to help guide our strategic directions is imperative.]

All students are entitled to a high quality educational experience, free from discrimination or harassment based on perceived race, color, religion, gender identity, sexual orientation, disability or national origin.

All employees are entitled to work in an environment that is free from discrimination or harassment based on perceived race, color, religion, gender identity, sexual orientation, disability or national origin.

All visitors are entitled to participate in a school or educational environment that is free from discrimination or harassment based on perceived race, color, religion, gender identity, sexual orientation, disability or national origin.

“Bias incident” means a person’s hostile expression of animus toward another person, relating to the other person’s perceived race, color, religion, gender identity, sexual orientation, disability or national origin, of which criminal investigation or prosecution is impossible or inappropriate. Bias incidents may include derogatory language or behavior.

“Symbol of hate” means nooses¹, symbols of neo-Nazi ideology or the battle flag of the Confederacy.

The ESD prohibits the use or display of any symbols of hate^{2} on school property³ or in an education program⁴ except where used in teaching curriculum that is aligned with state standards of education for public schools.

¹ The display of a noose on public property with the intent to intimidate may be a Class A Misdemeanor under Senate Bill 398 (2021).

² {Prior to adopting the symbols of hate prohibition, or adding other symbols to the list, we recommend that the ESD document why the ESD feels that the presence of these symbols will cause a “material and substantial interference with schoolwork or discipline” or collide “with the rights of other students to be secure and be let alone.” These reasons may include previous incidents, current conditions in the schools and other factors.}

³ “School property” means any property under the control of the ESD.

⁴ “Education program” includes any program, service, school or activity sponsored by the ESD.

In responding to the use of any symbols of hate or bias incidents, the ESD will use non-disciplinary remedial action whenever appropriate.

The ESD prohibits retaliation against an individual {⁵} because that individual has in good faith reported information that the individual believes is evidence of a violation of a state or federal law, rule or regulation.

Nothing in this policy is intended to interfere with the lawful use of ESD facilities pursuant to a lease or license.

The ESD will use administrative regulation ACB-AR - Bias Incident Complaint Procedure to process reports or complaints of bias incidents.

END OF POLICY

Legal Reference(s):

⁵ {ORS 659.852 prohibits retaliation only against students. Other statutes (and other complaint procedures) prohibit retaliation against staff and others for reporting or providing information regarding a complaint or investigation.}

[ORS 659.850](#)
[ORS 659.852](#)
[OAR 581-002-0005](#)

[OAR 581-022-2312](#)
[OAR 581-022-2370](#)

HB 2697(2021)
HB 3041 (2021)

Tinker v. Des Moines Indep. Cmty. Sch. Dist., 393 U.S. 503 (1969).
Dariano v. Morgan Hill Unified Sch. Dist., 767 F.3d 764 (9th Cir. 2014).
State v. Robertson, 293 Or. 402 (1982).

OSBA Model ESD Sample

Code: **ACB-AR**
Adopted:

Bias Incident Complaint Procedure

The terms “bias incident” and “symbols of hate” are defined in policy. Persons impacted by a bias incident or display of a symbol of hate shall be defined broadly to include persons directly targeted by an act, as well as the community of students as a whole who are likely to be impacted by the act.¹

Step 1 {²}: When a staff member learns of a potential bias incident or display of a symbol of hate, the staff member will prioritize the safety and well-being of all persons impacted and promptly report the incident to the program administrator.

Step 2: The administrator or designee shall acknowledge receipt of the complaint, reduce the complaint to writing, and investigate any complaint of a bias incident. Responding staff will recognize the experience of all persons impacted, acknowledge the impact, commit to taking immediate action, and commit to preventing further harm against those persons impacted from taking place. Educational components and redirection procedures, if any, will:

- Address the history and impact of bias and hate;
- Advance the safety and healing of those impacted by bias and hate;
- Promote accountability and transformation for people who cause harm; and
- Promote transformation of the conditions that perpetuated the harm. {³}

The administrator or designee must consider whether the behavior implicates other ESD policies or civil rights laws, and if so, respond accordingly⁴.

The administrator or designee]will make a decision within 10 days of receiving the complaint.

All persons impacted by the act will be provided with information⁵ relating to the investigation and outcome of the investigation, including:

- Notice that an investigation has been initiated;
- Notice when an investigation has been completed;

¹ The term “complainant” in this administrative regulation includes persons filing formal complaints and persons reporting bias incidents, regardless of whether the complainant is a victim. Similarly, the term “complaint” includes any report, information or complaint.

² {These specific steps and procedures are not required. The procedures must include all of the requirements listed in HB 2697 § 1(3)(e) (2021) and OAR 581-022-2312((4)(e). If making changes, we recommend working closely with legal counsel.}

³ {Additional guidance from ODE can be found [here](#).}

⁴ The nature of the behavior or act must determine the process used to respond; what rights and protections are available to the person(s) impacted by the behavior or act; and an individual’s right to appeal to the Oregon Department of Education or the U.S. Department of Education.

⁵ For additional information regarding required notices, see OAR 581-022-2312(4)(e)(E).

- The findings of the investigation and the final determination based on those findings;
- Actions taken to remedy a person’s behavior and prevent reoccurrence; and
- When applicable, the legal citation of any law prohibiting disclosure of any information described above, and an explanation of how that law applies to the current situation.

Step 3: If complainant or a respondent wishes to appeal the decision of the administrator or designee, the complainant or respondent may submit a written appeal to the superintendent within five school days after receipt of the administrator or designee’s response to the complaint.

The superintendent or designee shall acknowledge receipt of the appeal and may meet with all parties involved. The superintendent or designee will review the merits of the complaint and the administrator or designee’s decision. The superintendent or designee will respond in writing to the complainant within 10 school days.

The superintendent or designee will ensure that the requirements in Steps 1 and 2 (redirection procedures, notice, etc.) are continued to be met through Step 3, as appropriate.

Step 4: If the complainant or respondent is not satisfied with the decision of the superintendent or designee, a written appeal may be filed with the Board within five school days of receipt of the superintendent or designee’s response to Step 3. The Board may decide to hear or deny the request for appeal at a Board meeting. The Board may use an executive session if the subject matter qualifies under Oregon law. If the Board decides to hear the appeal, the Board may meet with the concerned parties and their representative at the next regular or special Board meeting. The Board’s decision will be final and will address each allegation in the complaint and contain reasons for the Board’s decision. A copy of the Board’s final decision shall be sent to the complainant in writing within 20 days of this meeting.

The Board will ensure that the requirements in Steps 1 and 2 (redirection procedures, notice, etc.) are continued to be met through Step 4, as appropriate.

Complaints can be filed with or communicated directly to the administrator or designee, in which case Step 1 will be skipped. Complaints against the administrator can be directed to the superintendent or designee and will begin at Step 3. Complaints against the superintendent or a Board member(s) can be directed to the Board and will begin at Step 4. If complaints begin later than Step 1, the individuals reviewing the complaint will ensure that all requirements are met.

The complainant, if a person who resides in the ESD, or a parent or guardian of a student who attends school in the ESD or a student, is not satisfied after exhausting local complaint procedures, the ESD fails to render a written decision within 30 days of submission of the complaint at any step or fails to resolve the complaint within 90 days of the initial filing of the complaint, may appeal⁶ the ESD’s final decision to the Deputy Superintendent of Public Instruction under Oregon Administrative Rules (OAR) 581-002-0001 – 581-002-0023.

Complaints may also be filed directly with the U.S. Department of Education Office for Civil Rights.⁷

⁶ An appeal must meet the criteria found in OAR 581-002-0005(1)(a).

⁷ Complaints must meet criteria as established by law. For more information, visit <http://www.ed.gov/about/offices/list/ocr/complaintintro.html>

ESD administration will develop and implement instructional materials to ensure that all school employees, staff and students are made aware of the policy, this administrative regulation and related practices. The materials will include reporting procedures, educational processes, and possible consequences.

When necessary, timelines may be adjusted by the ESD by communicating to all parties in writing. This communication must include a new timeline and an explanation of why the timeline must be adjusted.

OSBA Model ESD Sample Policy

Code: GBL
Adopted:

Personnel Records *

An official personnel file will be established for each person employed by the ESD. Personnel files will be maintained in a central location.

All records containing employee medical condition information such as workers' compensation reports and release or permission to return to work forms will be kept confidential, in a separate file from personnel records. Such records will be released only in accordance with the requirements of the Americans with Disabilities Act or other applicable law.

The superintendent will be responsible for establishing procedures regarding the control, use, safety and maintenance of all personnel records. Employees will be given a copy of evaluations, complaints and written disciplinary actions placed in their personnel file. All charges resulting in disciplinary action shall be considered a permanent part of the teacher's personnel file and shall not be removed for any reason. Employees may submit a written response to any materials placed in their personnel file.

Except as provided below, or required by law, ESD employees'¹ personnel records will be available for use and inspection only by the following:

1. The individual employee. An employee may arrange with the human resource office to inspect the contents of their personnel file on any day the human resource office is open for business;
2. Others designated by the employee in writing may arrange to inspect the contents of the employee's personnel file in the same manner described above;
3. The comptroller or auditor, when such inspection is pertinent to carrying out their respective duties, or as otherwise specifically authorized by the Board. Information so obtained will be kept confidential. No files will be removed from their central location for personal inspection;
4. A Board member when specifically authorized by the Board. Information will be kept confidential. No files will be removed from their central location for personal inspection;
5. The superintendent and members of the central administrative staff designated by the superintendent;
6. ESD administrators and supervisors who currently or prospectively supervise the employee;
7. Human Resource Employees;
8. Attorneys for the ESD or the ESD's designated representative on matters of ESD business;

¹ Includes former employees.

9. Upon receiving a request from a prospective employer issued under Oregon Revised Statute (ORS) 339.374(1)(b), the ESD, pursuant to ORS 339.378(1), shall disclose the requested information if it has or has had an employment relationship with a person who is the subject of the request, no later than 20 days after receiving such request. The records created pursuant to ~~Oregon Revised Statute (ORS) 339.388(8)(c)~~ are confidential and are not public records as defined in ORS 192.311. The ESD may use the record as a basis for providing the information required to be disclosed about an employee under ORS 339.378(1);
10. Upon request from a law enforcement agency, the Oregon Department of Human Services, the Teacher Standards and Practices Commission, or the Oregon Department of Education, in conducting an investigation related to suspected abuse or suspected sexual conduct, to the extent allowable by state and federal law, including laws protecting a person from self-incrimination;
11. Upon request from a prospective employer or a former employee, authorized ESD officials may disclose information about a former employee's job performance to a prospective employer and such disclosure is presumed to be in good faith. Presumption of good faith is rebutted by showing the information disclosed was knowingly false or deliberately misleading, was rendered with malicious purpose or violated any civil right of the former employee protected under ORS 659 or ORS 659A.

The superintendent may permit persons other than those specified above to use and to inspect personnel records when, in their opinion, the person requesting access has a legitimate official purpose. The superintendent will determine in each case the appropriateness and extent of such access.

Release of personnel records to parties other than those listed above, will be in-line with Board policy KBA - Public Records. The ESD will attempt to notify the employee of the request and that the ESD believes it is legally required to disclose certain records.

END OF POLICY

Legal Reference(s):

[ORS 30.178](#)
[ORS 339.370](#) to ~~339.374~~
[ORS 339.378](#)
[ORS 339.388](#)

[ORS 342.143](#)
[ORS 342.850](#)
[ORS 652.750](#)
[ORS Chapter 659](#)

[ORS Chapter 659A](#)
[OAR 581-024-0245](#)

OSEA v. Lake County Sch. District, 93 Or. App. 481 (1988).
 Americans with Disabilities Act of 1990, 42 U.S.C. §§ 12101-12112 (2018); 29 C.F.R. Part 1630 (2019); 28 C.F.R. Part 35 (2019).
 Americans with Disabilities Act Amendments Act of 2008, 42 U.S.C. § 2000ff-1 (2018).

Activity Report for Leslie Harris for the Feb. 1, 2022 meeting of Lane ESD Board

This report discusses the school board meetings I attended in January and the results of the audit committee meeting with our auditor.

School Board Meetings:

On Jan 19, 2022, I attended the McKenzie school district board meeting remotely. Superintendent Tony Scurto presented the local service plan, emphasizing changes required by state law and discussing how the Student Success Act is included in the plan. He noted that the ESD is trying to help the smaller districts gain access to federal funds for technology and is offering to provide the districts with services that will reduce the burden of state and federal reporting requirements. The chair of the McKenzie board expressed appreciation for the assistance with the reporting requirements. I believe that the board approved the plan later in the meeting.

Tony also complimented the district on their successful efforts in the aftermath of the fire and its efforts to offer CTE to students. He discussed the importance of coordinating CTE efforts throughout the county. Superintendent Lane Tompkins discussed continuing efforts to deal with the effects of the fire, including the district's historic role as resource for the community. Clearly the school is a center for the community, especially now for those who need help.

I also noted that this board, like our board is going through the biannual process of revising policies, models of which come from OASBA. The McKenzie board discussed whether and when they should deviate from the models. The majority of the board favored sticking closely to the models because there are deadlines for adopting policies and the district could need to have its attorney review deviations from the model to insure that changes don't violate the law.

On January 20, 2022, I participated remotely in the Crow/Applegate/Lorane board meeting. Because of technical difficulties, I could only hear, not watch the meeting. Carlos Sequiera reviewed the basics of the local service plan. The board had no questions or comments and approved the plan later in the meeting.

Audit Committee:

As Tony's board memo says, the auditor gave the district a very clean review and repeatedly complimented Tony, Dave and the rest of the staff for being cooperative and through during the review process. As in years past, the audit report said that the materials they received does not support a conclusion that the LESD board is being active enough in reviewing financial matters. We do need to address this, since board oversight is an important safeguard. Last year, the auditor provided the board with questions that we could ask Dave during his presentation about finances, and some on the board tried to ask them at succeeding meetings. However, it seemed to me that we all thought that was artificial and awkward. At this meeting Tony said that he thinks the board does ask appropriate questions, though this is not usually reflected in

the minutes, which is what the auditor looks at to determine what role the board plays. Dave also suggested that he could discuss particular areas, such as the capital fund, etc., in more detail, which would give the board a better idea of how decisions are being made.

Julie Simmonds <jsimmonds@lesd.k12.or.us>

Fwd: February Key Communicators

1 message

mboren <mboren@fernridge.k12.or.us>
 To: Julie Simmonds <jsimmonds@lesd.k12.or.us>

Tue, Feb 1, 2022 at 7:36 AM

Here is our Key Communicator report for the month.

Mark Boren
 Fern Ridge School District 28J
 Board Member, Position 4
 541-520-1815
 "Victory Requires Payment In Advance"

----- Original Message -----

Subject: February Key Communicators

Date: 02/01/22 07:25

From: Gary Carpenter <gcarpenter@fernridge.k12.or.us>

To: mboren <mboren@fernridge.k12.or.us>, scooper <scooper@fernridge.k12.or.us>, Mary Jo <maryjowade@wintergreenfarm.com>, "miltono@campbellre.com" <miltono@campbellre.com>, "christinecorbett@gmail.com" <christinecorbett@gmail.com>, "Rindy.Spicer@wellsfargo.com" <Rindy.Spicer@wellsfargo.com>, Maya Trout <nursemaya@gmail.com>, "erik.carlstrom76@gmail.com" <erik.carlstrom76@gmail.com>, "Jeff Sweet (Jeffsweet237@hotmail.com)" <Jeffsweet237@hotmail.com>, Dave Lorenz <dclorenz77@hotmail.com>, Michelle Cook <mcook@fernridge.k12.or.us>, "jenngent@yahoo.com" <jenngent@yahoo.com>, khunt <khunt@fernridge.k12.or.us>, Tiana Povenmire-Kirk <tpovenmirekirk@fernridge.k12.or.us>, "allen.kocf@gmail.com" <allen.kocf@gmail.com>, "khulmannranch@gmail.com" <khulmannranch@gmail.com>

It is the first Tuesday of the month, so time to reach out to our Key Communicators!

I thought about meeting virtually this month, but I know we probably wouldn't have great attendance at 7:00 AM on a Tuesday morning...so am going to stick with an email update for now. I hope to hold a virtual meeting before the end of the year so we can at least see some faces! Also, welcome to a couple new members. Annette Kuhlmann (parent) and Allen Mullen from KOCF. Thanks for begin a part of our Key Communicator Group.

Below is a short update of 10 various/random topics. As always, if you have any questions--do not hesitate to reach out. Thank you for your participation!

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1. SCHOOL THREAT RESOLUTION: Late last week we were able to come to a resolution regarding the "threat" from earlier in the month.

Essentially, a student made up seeing something online and reported it by accessing other students emails and sending those to the principal. While we were fairly confident within the first 24 hours that there was no credible threat, it took quite awhile to identify the student and get them to admit it. That has happened, consequences are occurring...and we are moving on!

2. ALL THINGS COVID UPDATE: Changes continue to come rapidly. The past 3 weeks we have definitely seen the most positive cases among staff and students since the pandemic started. In late December we were informed of new guidelines regarding who is a close contact, and what it means to be "up to date" with your vaccination (for adults only). This has made some things easier, and some more difficult. Over the past few days the

state has informed us that they are making the masking requirements and vaccination requirements "permanent rules." It is clearly the hope of everyone that case counts drop to such a level that these become unnecessary, and we can return to normal soon! To this point we have been able to manage any absences well, and have been one of the few districts that have not had any type of closure as a result of COVID, or being short staffed. That remains our goal.

3. FRMS TREES: We had the trees in front of FRMS inspected recently by two experts. Both recommended removing them. These are large trees and will be a significant project that will take place over Spring Break.

4. COMMUNITY COMMENT AT BOARD MEETINGS AND THE "ROLE OF THE BOARD": Our policy has recently been updated regarding how citizens can speak and provide input at board meetings. Community members will now have the opportunity to provide input in-person, OR virtually, at each board meeting. The main step that has been added is that of turning in a form, requesting to make a comment, by 1:00 PM on the day of the board meeting. While we hope to return to in-person board meetings soon, the virtual "option" will continue. We have seen many more people engage in board meetings now that they can simply sit at home and log-in and listen/watch. We want that to continue. I also wanted to take a quick minute to remind folks what the role of the school board is, and isn't. The primary role of the school board is to set board policy, and hire/fire and evaluate the Superintendent. Day to day operational decisions are not under the purview of the board, and lie solely with the Superintendent and District Administration.

5. SPORTS/ATHLETICS UPDATE: We have been able to continue to offer H.S. athletics, as our crowds have done a good job of following protocols. There are only a few more weeks of basketball left. At that time, we will be moving into Spring sports that are all outdoors, and the restrictions of COVID protocols will be much less impactful for softball, baseball and track!

6. TEXTBOOK ADOPTION (ELA): Each year the district follows the state required "schedule" and adopts new curriculum in a specific subject. This year is the English/Language Arts adoption. It is always one of the largest and most expensive. Mrs. Marshall is leading that discussion here at the District Office with staff and reviewing publishers and options. These new materials will be in classrooms in the Fall of 2022.

7. BOARD APPRECIATION MONTH: January was School Board Appreciation month. Thanks to all of our school board members for their volunteer work!

8. OPEN JOBS IN FRSD: We have several jobs still open in our district, some aides, custodial, etc... One job I wanted to specifically mention here is that of a "Family Support Coordinator." We have just made this a full-time job. The job posting, can be viewed here:
<https://www.fernridge.k12.or.us/wp-content/uploads/2022/01/family-support-coordinator.pdf>

9. SCHOLARSHIP: I continue to work with the Oregon Community Foundation and the Swanson Family. They are making a large donation to the district to start a scholarship specifically for our CTE students. (Career Technical Education).

10. EHS HEAT: Yesterday we had a main valve fail in our heating system at EHS. This has the whole system down, and for the foreseeable future, we will be working to address this problem. I put a post up on the District website yesterday afternoon, you can read that here:
<https://www.fernridge.k12.or.us/2022/01/31/heating-issue-at-ehs/>

That's all for now, as always, reach out any time with questions or

concerns.

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Gary E. Carpenter, Jr.
Superintendent, Fern Ridge School District 28J
FRSD Vision: "Provide excellence for every student so that each will reach their greatest potential."

February 2022 Lane ESD Report - Rose Wilde

Attended the OSBA School Board Members of Color Caucus. Heard about a recent investment of the caucus into elevating student voice in collaboration with [Oregon Student Voice](#). The first phase of the project will engage a cohort of 30 10th-12th grade students (starting with the Newberg School District) using [Engage to Change](#) (website is currently being updated) to facilitate a 4-part training series outlined [here](#). This project appears to overlap with the work of the Youth Equity Council and may bring some additional resources to the table.

Met with Mica Contreras, Education Justice Action Team coordinator at Community Alliance of Lane County to learn more about the goals and concerns of this community based team. The EJAT is coordinating a few projects of interest. They are advocating for local school districts to adopt specific racial harassment policies strongly infused with restorative justice practices and with a robust plan for implementation, including budget and oversight - an overview of that project and progress report from last month is available [here](#). A second project of the EJAT is the Community Advocate Program, which was initially conceived of as a support to parents and caregivers navigating incidents of racism or other forms of bias as advocates to support them in navigating the educational system, addressing their concerns and supporting them through the process of seeking a remedy. She indicated that mostly students were directly accessing the program (rather than caregivers/parents). Referred to LESD Superintendent for opportunity to connect with our Youth Equity team.

OAESD Officer's Council - January 19th

Discussed upcoming summit, legislative session, updates on staffing and budget, planning for Governance Council Meeting, and upcoming vote on Officer's Council. Nominated Miriam Cummins from LBLED for chair-elect. Vote anticipated in February or March.

OAESD Legislative Committee (met twice in January, meets weekly on Thursdays in February during legislative session).

Met to review progress on current identified priorities and areas of emphasis or need to address concerns.

- Funding for "wildfire" impacted districts - there is a bill, Legislative Concept 150, to provide stable funding to 4 wildfire impacted districts (including McKenzie SD). OAESD would like to expand this program to include any districts affected by catastrophic climate impacts (i.e. flooding, other weather emergencies). Program adjusts ADM calculations to be based on 2019 ADM levels (to hold harmless due to temporary relocation).
- Cyber Security - LC 236 needs to be reviewed by ESD IT professionals to assure it provides the level of security and policy to support the security needs of our districts
- Racial Equity and Justice Youth Collaborative - moving this session, OAESD asking to include geographic diversity

- Board and Superintendent Professional Learning - not discussed
- Background Checks

New ideas - address the expansion of drug free zones, including marijuana dispensaries, within 1000 ft of a preschool (not currently included in the legislation). Some school districts and ESDs are operating off site preschools.

Additional funding this session may impact rollup costs for 2023-2025 session. Some reluctance to put out more resources that won't increase rollup costs for next budget - so additional funding now may be targeted on time costs.

Looking for short term policy issues to provide immediate support for workforce issues. Need to address over the long term and align advocacy efforts and address multiple professions necessary in education, including medical professionals.

Superintendent Contract Protection ("modern leadership") - four concepts within the bill per COSA

- 1) Prevent boards from firing superintendent for following the law
- 2) Boards can't order sup to violate law
- 3) Boards and sups must both agree to no-cause termination
- 4) Minimum of 12 months notice for no cause termination

ESD teachers can be on a HECC transfer council (but not in addition to K-12 teacher, same number of positions).

Virtual session, change in leadership (speaker has resigned) - brawling in the caucus; Courtney not running for re-election; new

Discussion of longer term facilities limitations/issues.

Workforce development/shortage mitigation: Effort to expand UO program for paraprofessionals to train to work with kids on a limited capacity. Group of sups working with UO. Related to speech pathologists. Needs curriculum, training plan, licensing issues.

Most recent materials regarding our key bills and priorities are provided in the Superintendent's Report and LEgislative Update from OAESD in our board packet.

OSBA Webinar

Why are there so few Women Superintendents and Superintendents of Color?

Presented research commissioned by COSA, OSBA, ODE and others to understand the experiences of women and people of color in school leadership positions. Review of the full reports is best, but some common issues were lack of support in the board for their safety and

equity leadership, need for mentoring and professional support, changeover in board, overt microaggressions. About 23% of superintendents are women, less than 5% BIPOC. Some key takeaways were that inconsistent direction and support due to political changes resulted in resignations or even firings; safety of superintendents was also a huge factor (being harassed at home, their families threatened etc.) Many more themes to learn from -

Slide decks for presentation and recording available here:

http://www.osba.org/Calendar/Events/Webinar-AC_Webinar_4_2022-01-11.aspx

Conversation with Lesley-Anne Pittard, Assistant Vice President for Campus and Community Engagement, and Ruth Huang, CACE Program Associate:

<https://inclusion.uoregon.edu/meet-ruth-huang>

Had a short meet and greet opportunity with this member of the VP's Office and staff member within the Campus and Community Engagement program to discuss common areas of interest. Initially a result of shared concern about the anti-CRT movement from my work in SURJ, this conversation revealed common areas of interest and work, including understanding whiteness in the Pacific NW and how a pioneer narrative influences some white Oregonian's understanding of their ancestors. Dr. Pittard also has a connection with fellow board member Linda Hamilton and multiple intersections with Lane ESD/AABSS and more.

I followed up by participating in one of the UO Courageous Conversations sessions, on the topic of solidarity and organized using race based affinity groups. We discussed what solidarity mean, how it shows up in our campus or community work, how we see our role. I also learned more about some of the campus based affinity group work, including the Deconstructing Whiteness Working Group: <https://inclusion.uoregon.edu/deconstructing-whiteness-working-group>

Ruth Huang offered to follow up with some further opportunities for collaboration.

Upshot: would be great to do Courageous Conversations at LESD?

Personal Activity of Relevance

Presented on the Topic of Responding to White Nationalism in Schools with 9th Grade co-presenter, Jun Orion, from Churchill IHS, to about 45 members of Eugene Education Association in their winter seminar (2 hours) using the Toolkit from the Western States Center available for free download here: www.westernstates.org/schools

Also, connected with Angela Pruce-Finneran of Eugene School District 4J, who is tasked with the job of training Eugene School District Administrators on the same toolkit. We discussed the implementation in 4J and exchanged ideas to support each other's work and the distribution of this material to more educators. Following up this month to determine appropriate next steps to support this work in 4J as a volunteer.