

WE EXPECT EXCELLENCE**WE INNOVATE****WE EMBRACE EQUITY****WE COLLABORATE****School Board Members Present:**

Becky Tymchuk
Donna Tyner
Eric Simpson
LeeAnn Larsen
Susan Greenberg
Tom Colett

Budget Committee Members Present:

Bettina Jeszenszky
Denise Petterborg
Heidi Edwards
Kristan Lee
Miles Glowacki
Ryan Sweet
Sarah Beachy

District Administration Members Present:

Camelia Osterink, District Legal Counsel
Carl Mead, Deputy Superintendent for Operations & Support
Danielle Hudson, Executive Administrator for Student Services
David Williams, Executive Administrator for Strategic Initiatives
Don Grotting, Superintendent
Ginny Hansmann, Deputy Superintendent for Teaching & Learning
Jessica Jones, Budget Manager

Joshua Gamez, Chief Facilities Officer
Maureen Wheeler, Public Communications Officer
Michael Schofield, Associate Superintendent for Business Services
Patrick McCreery, Administrator for Equity & Inclusion
Steve Langford, Chief Information Officer
Sue Robertson, Chief Human Resource Officer
Toshiko Maurizio, Administrator for Multilingual Programs

I. Welcome and Opening Remarks

Budget Committee Chair Denise Petterborg (Chair Petterborg) called the meeting to order at 6:30 PM. Introductions of the Budget Committee commenced. Budget Committee Member Anne Bryan from Zone 2 was absent.

Don Grotting
Denise Petterborg

Superintendent Don Grotting (Supt. Grotting) welcomed and thanked everyone. These are unprecedented times. Other budget committees throughout Oregon are having similar struggles to ours. The budget we adopt will be altered once we have a better understanding of the financial impact and economic recovery from COVID-19. We have difficult decisions to make, but cost-saving strategies have been implemented to build contingency to decrease layoffs, minimize class size increases and maintain other program needs for the next fiscal year.

II. Approval of Minutes from April 20, 2020 Budget Committee Meeting

Vice Chair Heidi Edwards (Vice Chair Edwards) moved to approved to approve the minutes and Leeann Larsen (Larsen) seconded the motion. The April 20, 2020 minutes were unanimously approved.

Denise Petterborg

III. District COVID-19 Update

Associate Superintendent for Business Services Michael Schofield (Schofield) made notes for the record: 1) Health insurance benefits increases were calculated at 3% rather than 4% as indicated in the April 20th Budget Committee meeting and 2) Oregon's economic forecast will be shared on May 20, 2020.

Michael Schofield

What We Know

Economic impacts: State School Fund (SSF) is down over \$650 million, which translates to a decrease of \$41 million for Beaverton School District (the District). That amount will most likely change after the May 20th

District Goal: WE Empower all students to achieve post-high school success.

The District prohibits discrimination and harassment based on any basis protected by law, including but not limited to, an individual's actual or perceived race, color, religion, sex, sexual orientation, gender identity, gender expression, national or ethnic origin, marital status, age, mental or physical disability, pregnancy, familial status, economic status, veteran status, or because of a perceived or actual association with any other persons within these protected classes.

The meeting location is accessible to persons with disabilities. A request for an interpreter for the hearing impaired, or for other accommodations for persons with disabilities, should be made at least 48 hours in advance of the meeting. Please contact Community Involvement Office at 503-356-4360.

economic forecast. Funding from the Federal CARES Act is estimated to be \$4.3 million for the District. This funding can be used for a wide variety of purposes. Most importantly, if received during 2019-20 fiscal year, these funds can work towards the offset of wages. Projected Ending Fund Balance is estimated at \$38 million and rising. We are beginning to see the savings of costs relating to building closures in mid-March. We are doing everything possible to decrease spending and save dollars in the current year. Unemployment continues to climb in Oregon and nationwide.

What We are Doing

There is minimal emergency spending related to connectivity and technology issues to ensure students can connect online. Spending and hiring restrictions have been implemented. In anticipation of a shortfall announcement in the forecast on May 20, spending plans, approved by their respective Deputy Superintendent, were submitted to the Business Office on May 6. Additionally, level reductions of 5%, 10% and 15% have been requested and are due to the Business Office on May 14. Reserves are also being increased to preserve staff in the fall of 2020.

What We Need to Know

Not only do we need to know the initial impact on State revenue, we also need to know the legislative response. There is a possibility the state will receive a new round of federal relief revenue. We will need to determine what measures will be put in place if schools open in the fall.

Economic Impacts

Executive Administrator for Strategic Initiatives David Williams (Williams) explained the state-wide approach to the economic impacts of COVID-19.

There will likely be a significant impact on the state revenue. This impacts the District because the vast majority of the District's budget comes from the SSF. Income tax is approximately 70% of the state's revenue. The income tax collections could have a shortfall in the \$1-\$3 billion range. The Corporate Activities Tax also referred to as the Student Investment Account (SIA) is a new revenue source and the shortfall is still unknown at this time. Lottery funding is significantly low due to complete cessation of video poker. Video poker is the number one source of state lottery. The marijuana funding that is dedicated to the SSF will likely be flat. There is not a housing recession, so local property taxes shouldn't have a significant decline. However, there could be a delay in collections. The state quarterly revenue forecast on May 20 will include an estimated collection, with the exception of local property taxes.

Possible State Action. The Governor has the authority to reduce budgets. The reductions would be across the board with no authority to prioritize agencies or specific funds. They are currently planning on an 8.5% allotment reduction in anticipation of a \$3 billion state revenue shortfall, while also consuming all ending fund balance availability. The Governor can not dip into the rainy-day funds or the instability fund. This includes the lottery funding and Corporate Activities Tax. Approximately \$600 million of the Corporate Activities Tax will immediately go into the SSF and will be intact off the top.

Legislative Options. Assuming the Governor does not make an allotment reduction, the legislature is likely to convene in a special session. They have total budgetary authority and can make any changes to line items within that budget, staying within the balanced budget requirement of not spending more than collected. There are significant resources in the State's rainy-day fund and education stability fund. These funds did not exist in the last recession.

IV. Public Comment

Kyler Grziano

Denise Petterborg

- Is the District looking to partner high socioeconomic status (SES) schools with low SES schools to help with inequity in this district? When one school raises \$3,000 in a jogathon and another school raises

\$141,000 in a jogathon that does not seem equitable. Would schools be able to be partnered together to help with this gap? Portland Schools do this. Why not Beaverton? *Currently, parent and voluntary fundraising remains with the local school, including parent group fundraising or other local foundation supports. It is worth noting that funds raised in this manner are not able to be used for staffing in schools. It is possible that the District could review options for sharing of fund-raising, but this would require a board conversation and likely a change to board policy.*

Kathy (no last name given)

- Please consider plenty of funding for more teachers next year so we don't end up with overcrowded classrooms again! Especially in light of the virus, the kids should have at least enough space to not be shoulder to shoulder.

Elizabeth Ranweiler

- It's great that BSD is using weighted staff allocation based on free and reduced lunches! When does the District look at free/reduced lunch numbers for purposes of allocating teachers/staff with the new weighted model? With unemployment numbers skyrocketing I'm sure free/reduced lunch numbers will be higher throughout the District in the fall, but since all lunches are free right now, families who have recently experienced a change in circumstance may not have applied for free/reduced lunch. Perhaps the District could encourage families to apply now and let them know why. *The District uses free and reduced lunch percentages as of January 31 of each year to project for the following year. This is due to the availability of data and the timelines for getting information for staffing purposes to Human Resources each year. Unfortunately, new data would not be available until November of 2020 that possibly would reflect any changes in circumstances.*

Casey Maxwell

- Last year we had major budget cuts that affected our staffing. We felt the impact of this in a major way this year. Most schools complained about not having enough staff. Now we are hearing the budget is in trouble again due to the State not getting adequate funding. Will this shortfall also reduce staffing for next year? *Yes. Staffing levels will likely be reduced due to resource reductions from the State.*

Patrick Rayburn-Hieronimus

- Will you be extending the school year for 2021 and 2022 or beyond to help students keep up and prepare for college? *The current 2020-2021 calendar has 175 student days. If it is determined the District has the financial resources to support additional days, it will need to be negotiated with the licensed association.*
- Will food programs continue through summer? *Yes. The District summer food program will begin on Monday, June 16. Our current model of food delivery via bus routes will end as drivers are not under contract and we resume regular summer programming as outlined by ODE. Sites – which will be in schools and area parks – will be identified and advertised on the District website.*
- For low income households are there any scholarships or waivers for remote summer school? *Yes. Our summer school coordinator can provide parents with specific information in regard to each of our summer school programs.*
- For those with no internet access, is it possible to open the computer lab or libraries for summer remote courses? *The current orders from the Governor do not allow us to open facilities to the public, including our students. We are exploring a number of paths to address student connectivity issues.*

Adam Gretzinger

- I see falling revenues. Would it be possible to ask for an additional local option levy to shore up the revenue streams? *No. The District has an existing 5-year local option levy in place that pays for nearly 300 teaching positions. Given the current economic situation and high unemployment, this would not be the time to ask more of our community.*

V. Questions, Comments and Indication of Support from the Budget Committee

Denise Petterborg

Committee Name	Yes/No	Comments
Susan Greenberg	Yes	<ul style="list-style-type: none"> Federal government has given some accommodations to states and local governments – is it possible this will happen in Oregon? <i>Possible but cannot plan on it.</i> Saddened and devastated with this situation. Difficult to adopt a budget knowing it won't be the budget implemented in the fall.
Anne Bryan	Yes	Comments via email to School Board Chair Becky Tymchuk: Recognize that these are extraordinary times. Supports the budget and believes it supports our students needs and community priorities.
School Board Vice Chair Eric Simpson	Yes	Good job focusing on pillars and Academic Return on Investment (AROI). Good to have a budget to adopt with a goal to scale back with the accurate numbers in the fall.
Donna Tyner	Yes	Disappointed but must do our best to provide as many resources to the students as possible in the fall.
LeeAnn Larsen	Yes	So many unknowns. Had great hopes that this year would be different with the SIA. Extremely disappointed but circumstances are beyond our control.
School Board Chair Becky Tymchuk	Yes	These are circumstances beyond our control. District office staff are doing well to save as much money as possible in this fiscal year.
Tom Colett	Yes	Appreciate the comparison of teacher allocations under old model and new model. Wish we could adopt the current budget as-is. Not looking forward to seeing it changed.
Ryan Sweet	Yes	Thank you for the hard work. Doing everything in our power to persuade more funding for schools.
Sarah Beachy	Yes	<ul style="list-style-type: none"> Would like to implement the new Staffing Allocation Methodology (SAM) but will not be able to, is that correct? <i>Yes.</i> Has anyone looked at bringing in more IAs rather than full-time teaching positions to help bring down the ratios – especially in K-2? Was it discussed in SAM? <i>No, there was not conversation about using aides to offset full-time certified staff.</i> Possible to decrease costs to help with this ratio? Substitutes were most affected by reductions. Are they still being paid or getting unemployment? Does it affect their health care coverage? How are other districts handling this? <i>Long-term subs and remote learning subs are being paid. All other subs can apply for unemployment. We have approved approximately 150 claims and doing everything possible to help. Some districts are doing it differently.</i> What did we do last year and what are we doing this year for PYP? <i>PYP is not in the 2020-21 budget. Last year we created a bridge plan with the hopes we could fund the program in the future. This year we had to prioritize reductions. We kept IB in the secondary level but unable to continue at the elementary level for next year.</i>
Bettina	No	PYP is very important to the community in my zone. Would like to encourage

Jeszenszky		the team to look at decisions being made from perspective of <u>change</u> . Sometimes it can be overwhelming. Transfers can be disruptive. Appreciate positive communication from staff. Not comfortable supporting the budget in its current form.
Miles Glowacki	Yes	What are the next steps? <i>We will continue to learn more about the impacts of COVID-19 and undertake money saving measures in the 2019-20 fiscal year to reduce layoffs in the 2020-21 fiscal year. Most likely there won't be many changes to the budget before the adoption. We will not have forecast yet and legislature won't make decisions until June.</i>
Vice Chair Heidi Edwards	Yes	Support budget knowing we will readdress it when we know more information. This is a difficult situation. As an elected official, I realize all public agencies will have to go through this same process of passing a budget then readdressing it with school boards, elected boards, etc. Would like the School Board to focus on diversity, equity and inclusion by serving students who are in need the most, whether it be food, internet or other resources. Hoping to increase funding for LITT positions in the future, will most likely see more needs for this type of support. Grateful for collaborative opportunities with associations and administration. We acknowledge and appreciate the hard-working teachers. Happy to see reduction in caseloads for counselors and hope to retain moving forward. Counseling caseloads to support students with higher needs is also a very high priority. The School Board and administration will have to make tough decisions in the coming months.
Kristen Lee		<ul style="list-style-type: none"> • In looking at previous audit reports, there is an unassigned fund balance. Are we able to use those unassigned funds this year if needed? Looking for ways to retain staffing. <i>The School Board policy is to maintain a 5% balance. Last year we spent \$18 million in Financial Reserves (Rainy-Day Fund) as a bridge to the SIA. The funds are no longer available.</i> • Does the 2019-20 adopted budget show the use of the Rainy-Day funds? <i>Yes. The use of the \$18 million is in the 2019-20 Adopted Budget.</i> • Are there class size caps? <i>No. Oregon does not have caps.</i> • Have staff reductions been in line with enrollment reductions? <i>Not necessarily. Follow student demographics and reliant on the SSF. When the economy is not doing well, it hits hard.</i> • Will there be an increase in federal dollars for Title I this year? <i>We have not received this information. Poverty has gone up slightly but decreased in previous years.</i>
Chair Denise Petterborg	Yes	<ul style="list-style-type: none"> • Last year, teacher staffing went back and forth. Is there a specific timeframe on when staff will find out if they have jobs in the fall? <i>The first round of staffing has been completed. Will go through the next round at the end of June and will let people know in June/July, however everything is unpredictable right now.</i> • Will we be staffing schools before solid numbers are received? <i>Possibly. We will know the May forecast and legislature will have been in session but not sure when we get the SSF estimate. Legislature could possibly have 4-5 sessions. Isn't just a fix for this year, it's more about the biennium. This could impact the economy for a couple school years to come. Impossible to know how fast economy will recover in these unknown times.</i> • Are we creating a budget for distance learning in the fall? Will it be more

		<p>expensive than remote learning? <i>There are several options, but it will depend on the Governor's direction. Collecting information from departments but have not put the costs together.</i></p> <ul style="list-style-type: none"> • Will the lists of 5, 10 and 15% reductions be available to the Committee before the next budget committee meeting? <i>Probably not. It will take a couple weeks to sort through the data then determine priorities. We will need to complete this process before sharing.</i>
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Additional Questions from the Committee

Denise Petterborg

Q: Beachy: Have talks begun with the union about adjusted learning in the fall – possible half days for students to reduce number of people in buildings or other alternatives?

A: Hansmann: The Committee is working on getting plans in place.

A: Supt. Grotting: Teachers and administrators are coming forward to look at a phase-in from a distance learning model to cohorts of 10 students. We also have to address transportation to classes, scheduling buses, etc. Teaching & Learning executives and Teachers on Special Assignment (TOSAs) are working on plans for students returning to a brick and mortar environment, as well as distance learning.

VI. Set Agenda for May 18, 2020 Meeting

Jessica Jones

The agenda for the May 18 meeting will include the approval of the minutes from the May 4 meeting, a COVID-19 budget update, Budget Committee discussion and approval of the proposed budget and tax levies.

Q: Vice Chair Edwards: With so much going on, we would like to continue to receive input from the community. Can we set a deadline to submit questions and comments?

A: Schofield: Typically we don't take questions at the final budget committee meeting. If the Committee wants to keep it open, we will accept public testimony through the Google form or through mail received at the District Office. All comments received by 12pm on May 16 will be presented at the May 18 meeting.

VII. Closing Remarks

Don Grotting

Thank you to everyone. We feel your frustration. In a short period of 60 days, the world turned upside down. There will eventually be more resources from SIA and federal stimulus. We have very difficult decisions ahead, but we will do our very best to impact students as little as possible.

Budget Meeting adjourned at 7:56 PM

Denise Petterborg

Marcie Davis

Denise Petterborg
Budget Committee Chair