



Zone	School Board Members Present	Budget Committee Members Present
1	Susan Greenberg	Jason Hohnbaum
2	Anne Bryan	Farah Mahamoud
3	Eric Simpson	Bettina Jeszenszky
4	Donna Tyner	OPEN
5	LeeAnn Larsen	Denise Petterborg
6	Becky Tymchuk	Heidi Edwards
7	Tom Colett, School Board Vice Chair	Kristan Lee
District Staff Present:		
Don Grotting, Superintendent Carl Mead, Deputy Superintendent for Operations & Support Services Michael Schofield, Associate Superintendent for Business Services Danielle Hudson, Executive Administrator for Student Services Jamie Berger, Budget Analyst Jessica Jones, Budget Manager Josh Gamez, Chief Facilities Officer		Kayla Bell, Administrator for Early Learning & PK-12 Curriculum, Instruction and Assessment Marcie Davis, Assistant to Associate Superintendent for Business Services Patrick McCreery, Administrator for Equity & Inclusion Shellie Bailey-Shah, Public Communications Officer Steve Langford, Chief Information Officer Susan Rodriguez, Chief Human Resource Officer Toshiko Maurizio, Administrator for Multilingual Programs

Livestream was made available on <https://www.youtube.com/channel/UCGCsl4R0vYcEcVMkLBI-cqQ>.

I. Welcome and Opening Remarks – Becky Tymchuk

School Board Chair Becky Tymchuk (Board Chair Tymchuk) called the meeting to order at 6:30 PM. Introductions of the Budget Committee commenced. There were two new Budget Committee Members, Jason Hohnbaum (Hohnbaum) of Zone 1 and Farah Mahamoud (Mahamoud) of Zone 2. Budget Committee Member Position from Zone 4 is currently vacant. School Board Vice Chair Tom Colett (Board Vice Chair Colett) indicated Zone 7 Budget Committee member Kristan Lee moved out of the zone but will be permitted to finish out the budget year ending June 30, 2021.

II. Elect Budget Chair – Becky Tymchuk

School Board Member LeeAnn Larsen (Larsen) nominated and School Board Member Donna Tyner (Tyner) seconded Heidi Edwards of Zone 6 be elected as Chair of the Budget Committee. Members of the Budget Committee unanimously elected Heidi Edwards (Budget Chair Edwards) as Budget Committee Chair.

III. Elect Vice Chair – Heidi Edwards

Board Chair Tymchuk nominated, and Tyner seconded Denise Petterborg of Zone 5 be Vice Chair of the Budget Committee. The members of the Budget Committee unanimously elected Denise Petterborg (Budget Vice Chair Petterborg) the Budget Committee Vice Chair.

IV. Budget Message – Don Grotting

Superintendent Don Grotting (Supt. Grotting) welcomed and thanked the Budget Committee (the Committee), parents, community and staff. This has been a challenging year for all of us. The highest priority continues to remain the staff and students. The goal is for all students and staff to return to school in the fall of 2021 five days a week.

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.

Supt. Grotting presented the budget message, explaining the Legislature has indicated a \$9.1 billion budget for K-12 education. This does not meet the needs of the Beaverton School District (BSD) students or the students throughout Oregon. It is less revenue than was received in the previous biennium and will not get us through the current service level, which would require a budget of \$9.6 billion. School board members and association leaderships have been advocating for an adequate level of funding for BSD. The budget we are proposing to the Committee is based on \$9.3 billion. Conversations with legislators, the Governor and others lead us to believe it will get to \$9.3 billion. The District has been building contingency due to savings on operational costs from empty buildings, less electricity being used, fewer substitutes being hired. Our core funding comes from the State School Fund (SSF) needs to be \$9.5-\$9.6 billion. Other major funding comes from the Student Investment Account (SIA) and High School Success (Measure 98).

In addition, BSD will receive significant dollars through the state and federal governments including ESSER and Summer Learning grants. It's important to understand these are one-time dollars with restrictions and will not be sustained. Federal ESSER funds will allow for hiring temporary positions to address academic needs from unfinished learning, social emotional needs and infrastructure for a safe environment. \$16-17 million dollars for non-competitive grants through the Department of Education must be spent between May 2021 – Sept 2021 for summer learning. We are using an equity lens in deciding how best to spend these dollars.

Other major funding comes from SIA and Measure 98. Funding from SIA was created through a corporate activities tax. Measure 98 funds will go to specific areas, not core instruction. Additionally, Supt. Grotting shared that BSD is experiencing significant enrollment loss due to online or private schooling. We are hoping a large majority will come back into the BSD system, but are uncertain what those numbers will be. If there is a significant enrollment drop, there could be a reduction in staffing. Staffing at schools is based on a revised Staffing Allocation Methodology (SAM) weighted by poverty levels, schools with higher poverty will receive more staff in order to better and more equitably meet the needs of our students.

Thank you for your consideration of the 2021-22 proposed budget.

V. Budget Committee Charge – Michael Schofield

Associate Superintendent for Business Services Michael Schofield (Assoc. Supt. Schofield) described the roles and responsibilities:

- BSD Administration is charged with presenting the proposed budget to the Committee and serves in an advisory capacity.
- By law, the Committee's role is to approve appropriations, tax rates and amounts. Appropriation approval is by fund and function only. The Committee may inquire about programs but does not make program decisions. The Committee is subject to public meeting laws and simple majority rules. The Committee may approve the budget as proposed, increase the appropriation or decrease the appropriation.

VI. Budget Highlights – Michael Schofield

Assoc. Supt. Schofield highlighted components of the budget and General Fund resources.

Understanding Components of the Budget

Comprising the three largest funds in this proposed budget, General Fund is 56.7%, Grant Fund 17.6% and Capital Projects is 10% of the total budget.

General Fund - Revenue

The State School Fund (SSF) is 88% of the general fund. It also includes the Local Option Levy (LOL) at 7.2% and other small dollar resources including payments from ESD are 4.8% of the General Fund.

General Fund - Expenditures

The primary expenditures of the General Fund are salary and benefits at 88.6%. Other expenditures including utilities, charter school payments, transfers for insurance reserves/workers comp funds and contracted instruction services equal 4.3% of the General Fund, leaving 7.1% for all other spending in the district.

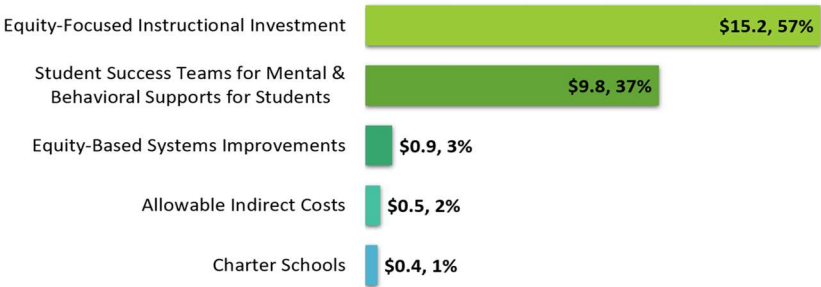
Bargained amounts include step or column movement, cost of living allowance (COLA), professional development, working conditions (preparation time, etc.), benefits (health and other) and leaves (sick, personal and other leave). Superintendent’s Cabinet is much more defined. Budgets do not roll from year to year, so everything must be justified and must meet the District’s needs.

School staffing and discretionary budgets are allocated based on the number of students and the demographics of those students. The revised SAM was designed in the fall/winter of 2019. Before it was formally implemented, we experienced COVID-19. The SIA and one-time ESSER funds will supplement for the next few years.

Significant Budget Modifications

PERS rates for this biennium decreased approximately 3.2% but there is an anticipated increase for the next biennium. We established a PERS reserve of 2% of all eligible wages and estimate it will generate approximately \$6 million in reserve annually. Grant funding for 2021-22 had a significant increase due to SIA, ESSER and Summer Learning grants. The largest grants are ESSER III at 25.8%, ESSER II at 11.4% and Summer Learning grants at 7.4%. The Summer Learning grants also require a 25% district match of funds.

SIA funds will provide \$26.8 million to the District. The allocations in the proposed budget are as follows (in millions):



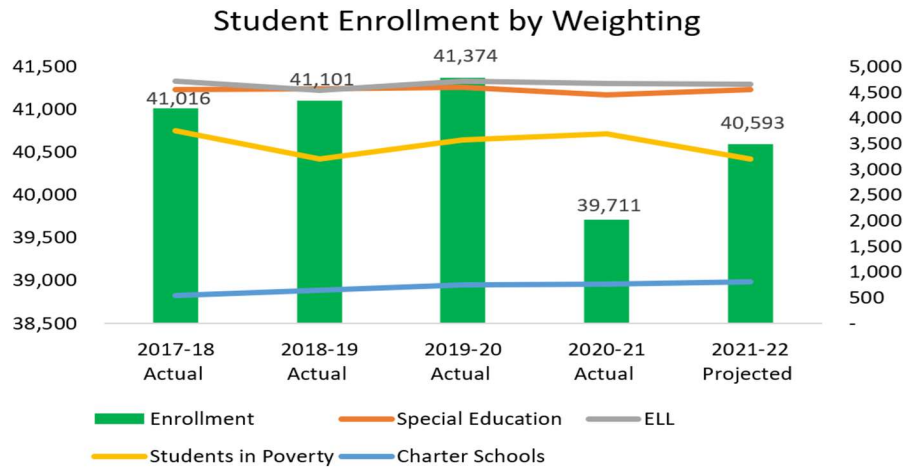
Items that are not funded under the original SAM proposal, SIA and one-time projects continue to be the main focus of the ESSER planning. The original SAM proposal was \$70 million over budget when costed. The Teaching & Learning department will review current and future investments, with the addition of SIA funds. The District held several community engagement sessions to guide the decisions for the originally proposed \$32 million.

ESSER I, II and III funds are provided to address the impact COVID-19 has had, and continues to have, on our schools. The timeline is March 13, 2020 to September 30, 2024. Plans are still in development, however, direct support to schools including elementary Student Success Coaches and elementary Academic Coaches have already been allocated.

Summer Learning grants include the Summer Academic Supports grants at the high school level, Summer Enrichment Program grant at the K-8 level and School Child Care grant at the K-5 level. The District is also eligible and plans to apply for Oregon Community Foundation funds for summer learning. The initial plans are due on May 10, 2021.

The Numbers

The number assumptions in the graph above are based on the most recent ODE SSF updates and includes the most recent enrollment adjustment for 2019-20, 2020-21 and 2021-22.



The SSF level we are using for the 2021-22 proposed budget is based on \$9.3 billion, which is \$200 million more than the state legislature is currently discussing. The number assumptions are based on the reduced PERS rates in 2021-23 as well as the new PERS reserve created in the 2021-22 budget for future PERS rate increases. These numbers do not include SIA, Measure 98 funds or the one-time funds for CARES Act/ESSER.

Financial Update - April 1, 2021

Resources	2018-2019 Actual	2019-2020 Actual	2020-2021 Adopted	2020-2021 Projected	2021-2022 Proposed	2022-2023 Projected
Beginning Fund Balance	\$ 29,617,787	\$ 16,915,100	\$ 31,950,000	\$ 56,424,054	\$ 77,973,600	\$ 69,271,509
State Controlled	402,770,539	433,956,257	445,614,737	442,261,000	442,833,164	458,938,838
Locally Controlled	56,675,125	71,547,031	58,813,164	49,748,440	59,750,408	56,120,000
Total	\$ 489,063,451	\$ 522,418,388	\$ 536,377,901	\$ 548,433,494	\$ 580,557,172	\$ 584,330,347
Expenditures	2018-2019 Actual	2019-2020 Actual	2020-2021 Adopted	2020-2021 Projected	2021-2022 Proposed	2022-2023 Projected
Salaries	\$ 272,466,915	\$ 259,791,084	\$ 276,892,153	\$ 262,495,969	\$ 278,958,047	\$ 293,345,917
Benefits	154,178,184	166,784,741	176,735,240	164,930,369	174,117,908	182,477,986
All Other	45,503,252	39,418,509	56,005,992	43,033,556	58,209,708	55,263,323
Contingency/Reserve	-	-	26,744,516	-	69,271,509	-
Total	\$ 472,148,351	\$ 465,994,334	\$ 536,377,901	\$ 470,459,894	\$ 580,557,172	\$ 531,087,226
Ending Fund Balance	\$ 16,915,100	\$ 56,424,054	\$ 26,744,516	\$ 77,973,600	\$ 69,271,509	\$ 53,243,121
Planning/PERS Reserve	22,201,279	3,823,243	3,823,243	3,846,447	10,046,447	16,491,447
Total Reserves	\$ 39,116,379	\$ 60,247,297	\$ 30,567,759	\$ 81,820,047	\$ 79,317,956	\$ 69,734,568

Summary – Key Takeaways

Class sizes are budgeted at the same level as 2020-21. Lower enrollment could cause a reduction in staff, however, there will be additional staffing and support with the ESSER funds. There is also an increased investment in the Office of Equity and Inclusion.

The proposed SSF amount will cause a deficit in the overall budget. There are significant reserves, compared to the last several years and we do not anticipate any further reduction in the first year of the biennium. The PERS reserve will mitigate future PERS rate increases.

Next Steps

- The District will continue to advocate for the \$9.6 billion SSF. SIA and ESSER funds are available to keep everyone in the schools safe, as well as meet the needs of the students resulting from the pandemic. The funds are not to be used as a subsidy for the General Fund.
- Bargain with BEA.
- Summer Learning grant applications are due May 10, 2021.
- Finalize use of one-time ESSER II/III and Summer Learning grant plans.

The Committee will:

- Receive and review public input.
- Determine any questions that must be answered in order to approve this budget.
- Attend the next meeting on May 17, 2021.

VII. Questions and Comments from the Committee – Heidi Edwards

Budget Vice Chair Petterborg: For every \$100 million the state budget changes, how much does it change the budget for the District? *The District is about 7% of the SSF. If looking at numbers for the biennium, you would split that number in half.*

Larsen: Regarding the 2% increase listed in salaries – is that an automatic increase for steps or a suggested amount? *2% is for COLA, step increases are already included in the budget.*

Board Vice Chair Colett: What would the model look like if you were to use the relative annual increase from the legislature allocation from the last biennium to this upcoming biennium and project it out 4 years? *If \$9.1 million is the final number for the 2021-2023 biennium, then the SSF increase is only 1.1% over the previous biennium. Historically in the previous 3 biennia, the increase in the SSF has been in the 8.8% to 10% range. With an increase this time around of only 1.1%, if we were to model that out to another biennium using, the numbers in 4 years do not look good. BSD would need to revisit the budget next year to slow down spending. We will provide a model in the next meeting.*

Board Vice Chair Colett: If ESSER III ends in 2024, how do you plan to allocate the resources across multiple years? *Student needs will determine how much is spent and when.*

School Board Member Anne Bryan (Bryan): The budget document is very clear this year and more transparent information is appreciated. SIA funds are not able to provide everything we were hoping for, so is there a high priority

wish list to best serve student needs? Can you provide this at the next Budget Committee meeting? *Yes, we will provide some documentation to show this information.*

Larsen: Can you explain the added support planned for Equity and Inclusion department? *Additional staff will be added and contracted professional services will be obtained, as well as professional development to assist our commitment to being an antiracist district.*

Larsen: Very refreshing to see a strategic investment to advance the District in equity work.

School Board member Susan Greenberg (Greenberg): Are ESSER funds part of the budgeting process? *Appropriated dollars are included in the budget so that the ESSER funds can be spent, but we are not finished with the prioritization process. ESSER II/III plans will not be completed by the May 17th Budget Committee meeting, but we will possibly have some of the Summer Learning grant plans available to share with the Committee.*

Greenberg: Without having a stable funding source from State, SIA still has a lot of work moving forward.

Tymchuk: Appreciate the budget document this year. Considering all the variables, what is the Plan B for going back to school in the Fall with the new SAM model? *In reviewing the enrollment by level with the demographer, it has been determined that high schools should retain most of their enrollment. Elementary and middle schools have a 1% hold back for Title schools and a 3% holdback for non-Title schools because enrollment retention during CDL was better at Title schools vs. non-Title schools. Principals would prefer to add staff rather than reduce or transfer staff mid-year. Staffing will be readdressed in August and September.*

Budget Vice Chair Petterborg: What is the plan for professional development for next school year? Will early release be reestablished? *Plans for late start or early release have not been determined. Teaching & Learning will address this in the next meeting. Contingency has been built in the Teaching & Learning budget for teacher release requiring use of substitutes or for after-school stipends.*

Budget Vice Chair Petterborg: How soon can the summer grant funds be used? *We would like to use funds for summer technology needs as soon as possible. Programmatically money will need to be spent right away to get summer school started.*

Budget Committee Jason Hohnbaum (Hohnbaum): Are there highlights or lessons learned from remote learning/teaching? Are there projected technology changes for the fall? What can we carry-over to next year? *We have not had a meeting with principals about lessons learned. Anecdotally, yes we will be moving forward with more of a technology-based environment. Systemically, more to come.*

VIII. Review Proposed Budget Document – Jessica Jones

Budget Manager Jessica Jones (Jones) described the four main components of the Proposed Budget Document.

Executive Summary

This section is meant to be a liftable stand-alone document with high-level financial data. The Superintendent's Budget Message will be in this section in the adopted version of the budget. Enrollment history and projections provide high-level information for salaries and benefits for all funds. The Budget Summary on page 10 shows individual funds for the past four years. All Funds Salaries, Benefits and Positions on Page 12 shows three years of

actual data, as well as the current and proposed years. The 2020-21 figures are shown are adopted budget, which includes the original fully funded SIA plan, but does not show the reductions that were made early in the 2020-21 year due to the pandemic. In other words, the 2020-21 budget numbers are higher than what we actually have in 2020-21. ESSER II/III will add positions, but the positions have not been finalized and are not included in the position counts for the 2021-22.

Enrollment History and Projections on Page 15 shows the enrollment drop for the current year. The 2021-22 enrollment in the proposed budget is projected higher than current year but not yet to the pre-pandemic levels. The forecast shows an overall decline over the next three years.

Organizational Section

The Organization Section contains information about the District structure, School Board and administrative staff. It also contains strategic measures of student success reported to the School Board, as well as the budget process and financial reporting information. The multiyear investment summary breaks down the investments by each of the 4 Pillars of Learning.

Financial Section

This section gives both summary and detailed financial information for all funds, including debt and capital projects. It includes a variance analysis on pages 59-60 giving a breakdown by individual funds in budget-to-budget comparisons. The criteria for each fund can be found in this section. The General Fund budgeted positions are compared to the 2020-21 Adopted Budget, not by the actual data or projections.

General Fund Budgeted Positions on Page 70 breaks out the positions by function for the 2020-21 and 2021-22 years. It shows budget-to-budget, not actual to the proposed budget.

Informational Section

This section shows ratio teacher staffing by school and personnel resource allocations. There is a detailed enrollment history and projections, as well as the updated Staffing Allocation Methodology (SAM) model. This is also where you will find individual school summary pages, performance measures and more detailed strategic investment reports.

The Ratio Teacher Staffing on page 168 shows how many classroom teachers are allocated by the ratios described in SAM, broken out by funding source (General Fund, local option levy, and SIA) for each school. In the 2021-22 budget, the local option levy is providing 278.6 classroom teachers and SIA is providing an additional 113.6 teachers.

Personnel Resource Allocations on pages 169-170 shows position counts for each type of position in three prior years, the current school year, and the proposed budget year categorized by licensed, classified and administrative positions.

School summary pages on 207-262 show enrollment history and projections, staffing and financial data, and the cost per student for each school. It also covers demographic information, test scores and the average years of teacher experience. The staffing and financial information was adjusted to actuals as of March 31, 2021. This is a change over previous years when only adopted budget information for the current year was used.

The Committee received the 2021-22 Proposed Budget document on April 26, 2021. An electronic version is available on the District's budget webpage.

Budget Chair Edwards: Thank you to the budget team for improving and adjusting the budget document for better clarity and transparency.

Budget Vice Chair Petterborg: This document is much thinner this year. Are there sections that were not included and, if so, why were they left out? *Sections were not removed. The Financial Section previously broke down the objects into more detail. They have been rolled up into the major object categories of salaries, benefits, purchased services, supplies and materials, capital outlay, transfers and contingencies. This change condensed the General Fund financial pages down to 5 pages from 38 pages. The object level detail was condensed and more narrative was added.*

IX. Review Public Comment – Heidi Edwards

The following questions and comments received by April 30, 2021 have been submitted as public testimony.

1. Gov. Kate Brown has proposed a \$9.1B education budget for the next FY which will create a \$20M BSD budget deficit. What impact will this have upon the BSD budget? What effect will it have upon BSD positions? *The District is not planning to make reductions due to State School Fund funding in 2021-22, but if the proposed \$9.1 billion funding level is not changed, the District will face budget reductions mid-biennium (2022-23). In addition, the District continues to advocate with our legislative delegation around the need to fund schools at no less than \$9.6 billion.*
2. Does BSD have reserves that it can use to minimize staffing and service cuts to students? *The District is projecting to end the 2020-21 school year with approximately \$78 million in reserves. Without adequate State School Funding, this reserve will be spent down quickly if the District maintains current services and minimizes staffing and services reductions, and the District will face larger reductions in the future without the one-time use of reserves.*
3. Are there any Student Success Fund-like laws proposed that could close this budget gap that Beaverton constituents could support? *The Student Investment Account (SIA) which is part of the of the Student Success Act is projected to be \$26.8 million to the District in 2021-22 and includes approximately \$15 million in classroom teachers allocated through an equity-based formula to maintain class sizes. There are not programs being proposed in the current legislative session that would bring additional revenue to the District outside of the existing State School Fund, Student Investment Account, and High School Success programs.*
4. What can Beaverton constituents do to support BSD and teachers? *We would encourage supporters to contact your local legislator and advocate for an appropriation to the State School Fund of no less than \$9.6 billion. You can find your legislator here: <https://www.oregonlegislature.gov/FindYourLegislator/leg-districts.html>*

X. Summary for May 17th Meeting – Jessica Jones

At the next Budget Committee meeting, there will be minutes for approval, summer school grant updates and public comments. We will provide information on programs that were put on hold and the summer school framework. Additionally, a model of a 4-year outlook based on currently proposed funding level from the legislature, adding the normal increase for the next-next biennium, will be provided. A vote for the approval of 2021-22 budget and tax levies will take place. Questions submitted before 5pm on May 12 will be answered during the next meeting on May 17.

Board Chair Tymchuk: The next state revenue forecast will be after the next meeting.

Bryan: We recognize it can be very challenging to work on the Budget Committee when there are many “unknowns” each year. This year we are asked to make decisions according to the uncertainties of how many students will return

in the fall and how best to support them. I am eager to see how quickly the District will approach this challenge. I appreciate the well documented assumptions. Next year's School Board will be looking at the assumptions as they change and then provide a tactful response. The model requested by Board Vice Chair Colett will be helpful in showing the Committee the economic forecast from the financial team.

XI. Closing Remarks – Don Grotting

We are expecting all departments to provide excellent customer service, and the business department is setting a great example. If you have specific questions, especially our new members, please reach out to our staff. This can be overwhelming, but the business department will swiftly get the information and provide answers to help assist you in this process. Thank you all for joining us.

Reminder that Zone 4 is currently accepting Budget Committee applications.

Budget Chair Edwards adjourned the Budget Meeting at 7:57 PM.

Heidi Edwards, Budget Committee Chair
Budget Committee Chair

Submitted by Marcie Davis