

## MINUTES

**A meeting of the Springfield Public Schools (SPS) District No. 19 Budget Committee** was held May 7, 2020, via the online platform Zoom.

### **Attendance**

Budget Committee members in attendance were Todd Mann, Lisa Barrager, Nancy Cameron, Emilio Hernandez, Ken Kohl, Steve Irvin, Zach Bessett, Naomi Raven and Keina Wolf. John Svoboda was absent. Others in attendance included District staff, students and community members identified included Superintendent Todd Hamilton, Brett Yancey, Joan Bolls, Brenda Holt, David Collins, Don Lamb, Judy Bowden, Gary Cole, Melissa Stalder, Jenna McCulley, Brian Megert, Dustin Reese, Whitney McKinley, Suzy Price, Jeff Michna, Anne Goff, Tom Baker, Mindy LeRoux, Terry Rutledge, Promita Bakker, Kim Donaghe, Marilyn Williams, Sherry Moore, Jonathan Gault, Linda O'Shea, Timothy Stephens, Neil Baird, Sheryl Cramer

### **CALL MEETING TO ORDER/FLAG SALUTE**

School Board Chair Zach Bessett welcomed those in attendance and called the meeting to order at 6:04 p.m. He then led the Pledge of Allegiance.

### **2. ELECTION OF OFFICERS**

- Mr. Kohl nominated Mr. Irvin for Budget Committee Chair. The nomination was seconded by Ms. Wolf. The nomination of Mr. Irvin serve as Budget Committee Chair passed unanimously. Mr. Irvin assumed the role of Chair for the rest of the Budget Committee meeting.
- Ms. Wolf nominated Mr. Kohl for Budget Committee Vice Chair. The nomination was seconded by Mr. Irvin and passed unanimously.
- Mr. Kohl nominated Ms. Cameron for Budget Committee Secretary. The nomination was seconded by Mr. Irvin and passed unanimously.

### **3. 2020-2021 BUDGET MESSAGE – Superintendent Todd Hamilton**

Superintendent Hamilton provided a brief review of school district operations during the COVID-19 pandemic, highlighting the fact that schools have been closed since mid-March. At direction of the Governor's Office, distance learning for students is now happening. In addition, the district is distributing school meals to children and providing emergency child care to families.

Superintendent Hamilton then read the budget message. A copy of the budget message is included in the budget document.

Hamilton said the proposed budget for school year 2020-21 supports the district's mission and continues efforts toward 'Every Student a Graduate Prepared for a Bright and Successful Future.' The proposal maintains existing programs and services, and the 2020-21 projected ending fund balance is set at 4.5%. Hamilton said the pandemic's economic impact is uncertain and that the district proactively reduced expenditures during the school year to produce the higher ending fund balance. District officials are prepared to respond to the impact of any funding reductions as they

learn more from the upcoming state economic forecast and the Legislature's ensuing actions to rebalance Oregon's general fund, Hamilton said.

Hamilton asked the Budget Committee to approve the proposed budget as presented, based on the most recent State School Fund estimates. Budget adjustments may be necessary in the future.

#### **4. BUDGET DOCUMENT OVERVIEW & PRESENTATION – Brett Yancey**

Mr. Yancey said the state Department of Education provides weekly updates to the district and that ODE recommended the district base revenue projections on estimates provided Feb. 26. Economic uncertainties have prompted the district to take measures including the implementation of a hiring freeze and a current-year spending freeze except for essential items. Budget and staffing processes, including the Student Investment Act, have continued.

Yancey said no mandated reductions are included in the proposed budget, but officials do anticipate a special Legislative session will be called. The district will subsequently make any necessary adjustments to its budget, likely after the required budget adoption date of June 30. The estimated state reserve shortfall is \$3 billion, and the school district's portion of the overall, estimated reduction could amount to \$11,735,474. A number of other funds and resources could be tapped to help mitigate any shortfall.

Yancey provided clarifying information in response to questions from several members of the Budget Committee. He said the main questions moving forward are how severe the economic downturn caused by the pandemic will be, and how long it will last. He also said federal CARE Act funds are not included in this budget because of uncertainty at this time. Mr. Yancey provided further examples of how the district has reduced expenditures since schools were closed in March, and specified that essential spending is continuing.

##### **A. Document Overview & Highlights**

Mr. Yancey provided a brief overview of the 300-plus page budget document, and outlined the presentation for the Budget Commission. A slideshow was used for the presentation.

##### **B. Information and Assumptions**

Mr. Yancey detailed the guiding assumptions district officials had entering the budget process, based on the Feb. 26 estimate. The list of assumptions includes receiving 51% of 2019-21 biennial funding, an anticipated state fund reduction due to declining enrollment and a staffing rollover from the 2019-20 school year.

##### **C. 2020-2021 Revenue Assumption**

Mr. Yancey detailed the 2020-21 General Fund revenue assumptions. The district anticipates an increase in property tax revenue and a decrease in State School Fund revenue. Overall revenue is proposed to increase by more than \$4 million, to more than \$127.4 million in total.

In response to a question from Dr. Hernandez, Mr. Yancey indicated it remains unclear when schools will reopen, and that district officials will do their best to estimate student enrollment for the fall. Superintendent Hamilton added that the district has connected with 99.3 percent of students since schooling shifted to distance learning.

Yancey said in response to questions from Mr. Kohl that the district has invested in tech-related services to support students and families in distance learning, and that distance learning is far less-expensive than traditional school. The district awaits more information from the Governor regarding

gathering sizes and how they relate to schools. How to operate schools with social distancing requirements still in place presents another potential challenge.

#### **D. 2020-2021 Expenditure Assumption**

Mr. Yancey detailed the 2020-21 General Fund expenditure assumptions. The budget projects a 3.39 percent total increase in spending. Yancey said the plan meets the district's requirement to present a balanced budget.

#### **E. Summary of Proposed Adjustments**

Mr. Yancey provided a summary of proposed General Fund adjustments. The budget recommends the addition of positions including 7.57 FTE classified, transportation employees due to increased needs related to special education and qualifying McKinney-Vento students; and 5.0 FTE classified, behavior-support staff members to handle services previously covered through a contract. A number of other additions totaling more than \$1 million are proposed, including \$200,000 to cover unpaid student meals over the last three school years, Yancey said.

On the reduction side, the budget proposes a General Fund reduction of certified staffing by 20 FTE, as a result of decreased enrollment. Other reductions include \$127,000 for a lowered rental and facilities cost for A3; and \$50,000 in voluntary early retirement contributions.

Mr. Yancey also detailed the district's Student Investment Act investments. Money from the Act supports more than 80 FTE districtwide. Investment goals include addressing behavior and student health needs; class size reductions; and family/student support including access to nutrition services and student access to feminine hygiene products. Assistant Superintendent Collins and Superintendent Hamilton provided Budget Commission members with additional information about the Student Investment Act, in response to questions.

#### **F. Staffing Review**

Mr. Yancey provided summaries for certified, classified, administrative and overall staffing. The budget calls for increasing staffing in all three categories. Overall staffing is projected to increase from 202.3 FTE in 2019-20 to 287 FTE in 2020-21. Yancey also provided a list of recommended next steps. The School Board is legally required to adopt the budget by June 30. The Budget Committee is asked to approve the plan as presented, even though potential budget reductions are expected to be necessary after an anticipated, special Legislative session happens in June or July.

### **5. BUDGET QUESTIONS AND/OR CLARIFICATIONS**

Budget Committee Chair Irvin solicited questions from members of the committee. Mr. Yancey provided information in response to a series of questions from Mr. Mann regarding budget decisions and various year-to-year changes in the budget.

Superintendent Hamilton provided clarification to Mr. Kohl regarding transferring money between funds. Dr. Hernandez provided additional comment on Mr. Mann's questions, and commented on the quality of district staff's work. Yancey responded to Mr. Kohl's question about enrollment projections.

### **6. PUBLIC INPUT**

No public comment or testimony was received.

### **7. APPROVAL OF DOCUMENT**

**MOTION:** Ms. Wolf moved, seconded by Ms. Barrager to approve the budget document as presented.

The Budget Committee discussed potentially taking additional time to review the budget. Superintendent Hamilton and Mr. Yancey provided further information on the process. District officials reiterated the School Board will likely consider budget adjustments in July or August, after more is understood about the current economic situation. The School Board must formally adopt the budget by June 30.

Mr. Yancey read the resolution to approve the budget, and committee members voted on the motion.

Motion passed: 8-1, with Mr. Kohl casting a 'nay' vote.

## **8. ADJOURN MEETING**

The meeting was adjourned at 8:08 p.m.

*(Minutes recorded by Jack Moran)*