

Budget Committee Minutes

Tigard-Tualatin School District, 23J

May 25, 2022

Board Members Present:

Ben Bowman-Chair
Marvin Lynn- via zoom
Tristan Irvin- via zoom
Jill Zurschmeide-via zoom
David Jaimes-via zoom

Budget Committee Members Present:

Cory Morgan
Jimmy Brown
Jessica Pelz
Ocatvio Gonzales- via zoom
Meagan Madlem

Administrators Present:

Dr. Sue Rieke-Smith
David Moore, CFO

Others Present:

Sarah Mehrabzadeh, Controller
Tara Baumann, Executive Assistant- Business Office
Patty Roberts, Executive Assistant to the Superintendent & Board

Call to Order ~ 6:31PM

Board Chair Ben Bowman convened the Budget Committee meeting of the Tigard-Tualatin School District to order in person and virtual meeting.

Approval of Agenda ~ 6:31 PM

Ben Bowman asked Superintendent Rieke-Smith if there were any changes to the agenda. Superintendent Rieke-Smith stated that there are no changes to the agenda. Board Chair Ben Bowman asked for a MOTION to approve the agenda. Board Chair Ben Bowman made a MOTION to approve the agenda as presented. The MOTION carried unanimously, 8-0. The MOTION passed.

Election of Budget Committee Presiding Officer and Vice-Presiding Officer ~ 6:36PM

Board Chair Ben Bowman asked for a nomination for the Budget Committee Presiding Officer. Board Chair Ben Bowman nominated Budget Committee Member Cory Morgan to serve as Presiding Officer. Member Cory Morgan accepted the nomination and a roll call VOTE was called. VOTE passed unanimously 9-0 Presiding Officer Cory Morgan asked for a nomination for the Vice Presiding Officer and Board Chair Ben Bowman nominated Budget Committee Member Jimmy Brown. Member Jimmy Brown accepted the nomination and a roll call VOTE was called. VOTE passed unanimously 9-0.

Budget Message ~ 6:36 PM

CFO David C. Moore delivered the 2022-23 budget message and shared detailed information on the proposed budget via a Google Slides presentation ([attached](#)). The objective of the message was to provide comprehensive overview of the proposed FY 2022-23 budget and the major influences impacting the financial condition of TTSD.

Budge Message Overview

- Uncertainty Short term & Long term
- State funding overview
- One time resource update
- Capacity in the budget regarding new strategic investment, ESSER & Federal Relief Dollars

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- Board Reserve & Fund Balance impact
- Revenue shortfall

CFO Moore shared, entering seconded year of biennium TTSD received 49% of our share of \$9.3 billion budget next year will be 51% so as to cover increasing cost. Enrollment decreased by 750 students during pandemic or 6%. Current 21-22 budget expected return of students. However, few came back. Proposed budget includes 238 students returning to TTSD based on demographer. Long term issue of drop of enrollment statewide. Enrollment has seen a 3.5% decline statewide since 19-20. Long-term seeing a hint of recession in the state Oregon following current inflationary period.

STATE SCHOOL FUND; \$9.3 Billion

- State School Fund formula amount of \$138.7 million
- Extended ADMw of 13,964.07
- Amount per ADMw of \$9,935 current trend
- ODE State School Fund Worksheets

Question (Board Chair Bowman) asked about the drop in enrollment and how statewide drop effects the ADMw? CFO Moore explained since the drop was statewide our loss of enrollment is offset. The state school fund calculation was modified based on the increased enrollment. The denominator was decreased from \$4 million to \$2million.

Question (Board Chair Bowman) how has Inflation impacted TTSD? CFO Moore, moving forward we will see biggest impact. Savings during the pandemic have helped offset. Good choices by employees regarding health insurance, and open positions have provided savings. Greater impacts of inflation could be seen in future. New contracts being negotiated at this time.

Question (Committee Member Pelz) enrollment loss seen at what grade levels? CFO Moore, mainly elementary. Due to the pandemic elementary students enrolled in online charter schools, homeschool and delayed entry into kindergarten.

Question (Committee Member Pelz) does forecasting take into account land use and development around future growth areas? CFO Moore, yes, we receive land use notices and work with a demographer to make decisions regarding anticipated enrollment.

STUDENT INVESTMENT ACCOUNT AND HIGH SCHOOL SUCCESS (M98) FUNDS

- SIA budgeted at full allocation of \$10.2 million; Pages 96-97
- Includes FTE of 82.44; Page 21
- Funded with Corporate Activity Tax (CAT)
- High School Success funds budgeted at \$3.3 million; Pages 100-101

ONE-TIME FEDERAL RESOURCES

- ESSER 2 - \$5,740,725 available through September 30, 2023
 - ESSER 3 - \$12,901,334 available through September 30, 2024
 - Combined \$9.5 million budget in 2022-23

ONE-TIME STATE RESOURCES

- Summer Learning; \$100M
- K-8 Enrichment - \$1.47M
- 9-12 Academic Support - \$726K

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- No specific dollars allocated for Child Care
- Requires 25% match by District
- Available through September 30, 2022

DISTRICT PRIORITIES

- Strategic Plan and Strategic Financial Plan
- Commitment to equity and all students
- Aligning use of resources with District goals
- District Priorities Framework
 - Social emotional learning
 - Culturally responsive teaching and learning
 - Human capital
- New Strategic Plan Effective Fall 2022

BUDGET INVESTMENTS

CFO Moore provided an explanation regarding SIA funding. Even though we are considered fully funded on SIA, we are not. We originally had been promised \$10 million. But we have been well short of that. We will have carry overfunds to fill the gap in next year’s gap from \$9.6 million to \$10.2 million.

Question (Committee Member Pelz) why would we use onetime ESSER funds for FTE? Shouldn’t we be using these onetime funds for Capital Improvements? CFO Moore, at this time we have a bond that has been paying for capital improvements. We will have a cliff when the dollars go away. We are confident in our smarter school spending program; that is part of our strategic financial plan. We make conscience decisions and our ability to make decisions that align our resources with what our goals are for the future. We will measure program outcomes to determine what programs stay in the future.

Comment (Committee Member Brown)- TTSD been very open and transparent when developing budgets. As we look at the demise of the onetime funding, please make sure the board allows robust community involvement in the decisions as to what programs remain when we get to the end of the onetime funding.

Summary Of Investments using SIA Dollars

Investments	Priority				FTE
		SIA	ESSER 2	Total	
Strategic Investments					
English Learners Licensed Staffing	Culturally Responsive Teaching and Leadership	\$ 340,581	\$ 272,464	\$ 613,045	4.50
Middle School Associate Principals	Mental and Social Emotional Health	\$ 536,277		\$ 536,277	3.00
Social Worker	Mental and Social Emotional Health	\$ 143,142		\$ 143,142	1.00
Instructional Coaches	Culturally Responsive Teaching and Leadership		\$ 346,175	\$ 346,175	2.50
Middle School Health Licensed Staffing	Student Health and Safety		\$ 285,823	\$ 285,823	2.50
Custodians	Safe and Healthy Learning Environment		\$ 243,538	\$ 243,538	4.00
Total Strategic Investments		\$ 1,020,000	\$ 1,148,000	\$ 2,168,000	17.50

Question (Committee Member Madlem) will the Middle School Health Licensed staff be licensed be medical help? CFO Moore clarified this would be staff to teach the new health curriculum. CFO Moore asked Dr. Sue to clarify further, she confirmed this would be licensed staff with an endorsement in health specifically trained to teach the new curriculum.

Further clarification from Dr. Sue regarding on the priorities listed in strategic investments being from a community process, a similar process done with Administrators and other groups. Decisions have been made using a compilation of these processes to make decisions on what priorities should be. The decision to prioritize health after students being online for a full year due to covid, and in many cases students are highly dysregulated. One of the priorities was having health taught on a tier system (levels 1-3). Teachers

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specifically trained and will provide the extra support to our counselors and other staff. With the goal of keeping students in that tier 1 and not requiring tier 2 or tier 3 services.

Question (Committee Member Brown) the 25% match by the district for summer learning program, is this match from the general fund or one-time funds? CFO Moore- We can use any resource that supports the program. For example, SIA & Student Services grants. It could be number of resources as long as it adds up to 25% of the total cost.

Question (Committee Member Brown) at this time there are no specific dollars for summer child care but that does not mean that there will be no more childcare services? CFO Moore- we will have childcare services it's just a matter of how the child care provider gets paid. Will it be the parents? Additionally, there are \$50 million dollars allocated by the state of Oregon for Community Partners. For example, the YMCA a current child care provider for us could apply for that directly.

RESERVES

- Board Policy DBDB based on \$159.3M operating revenue in General Fund
 - 2% operating contingency
 - 5% unappropriated ending fund balance
 - 5% sustainability reserve
 - \$2 million for Art Rutkin Elementary reserve
- Total reserves of \$21.1 million; drawdown of \$7.5 million – see Page 25

Question (Board Chair Bowman) with hint of recession in the past when we have drawn down on the reserves for example 2009 then the board would adopt a new policy DBDB with the new/ lower draw down limit? CFO Moore explained during the financial crisis 2012 the draw down was to 3%-5%. From this time forward when the budget is adopted in June, the board would pass a resolution if there was an exception to policy DBD.

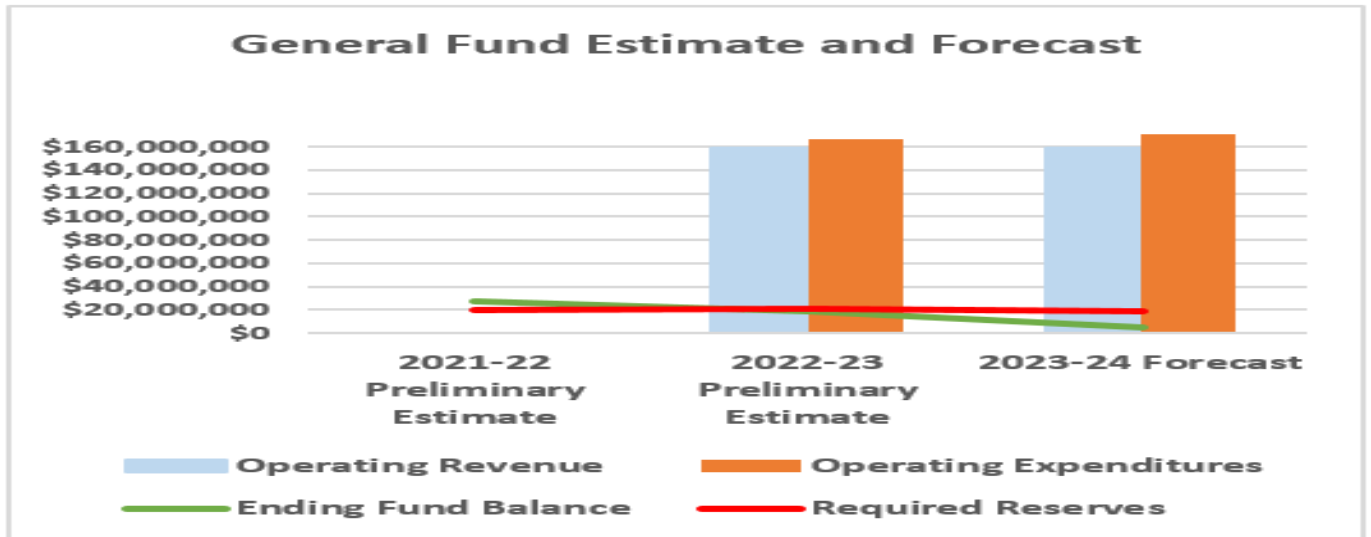
Question (Board Chair Bowman) to clarify that even drawing down to 12% keeps us at our current goal? CFO Moore yes and this year it was right near the amount we needed.

Question (Board Member Irvine) as to why the 12% reserve? How this aligns with other districts? CFO Moore explained that best practices for local governments the program we adhere to through GFOA. We rely on their expertise; they recommend 2 months operating expenditures. This equals around 16%. During the pandemic we got closer to the 16% because of savings on expenses.

Comment (Board Member Zurchmeide) the reserve was started in 2002 or 2004. It took some time to build up. We have had it up to strength at times and at times during recessions we have spent it down during two occasions. Other school districts have larger reserves, ours is right in the middle and on the modest side.

CFO Moore commented that during the recession work days had to be cut in districts he worked with on the eastside. This took some time to recover from and add those days back. At TTSD they relied on their reserves and cut staff.

Estimate & Forecast



Question (Board Chair Bowman) at what point do we begin talking about attrition, not hiring and to making cuts in the budget? The trendline doesn't look great how much time do we have? CFO Moore part of that will start this spring or fall when we have new labor contracts in place. Early in the fall we will start the discussions based on the information we have at the time.

Question (Board Chair Bowman) basically we could be one biennium away depending on legislative action? CFO Moore, yes.

NEXT STEPS

- Committee takes public comment
- Committee deliberates on budget
- Committee considers approval of budget and tax rates/levy
- School Board will hold a public hearing and take comment on the Approved Budget on June 27, 2022
- Budget adopted on June 27, 2022

Closing & Gratitude

CFO Moore shared his gratitude for leadership, staff and the community for all of the work that went into creating the budget.

Public Comment-

Presiding Officer Morgan announced time for public comment. Members of the public are limited the three minutes should be brief and concise. Speakers may offer objective criticism; budget committee will not hear complaints against specific members.

Benjamin Pierce- [Copy of Comment](#)

Kim Matsler- [Copy of Comment](#)

Deliberations

Question(Committee Member Pelz) can Dr. Sue please address the questions or issues regarding staffing? Dr. Sue comments on STEM staffing referred to in public comment. STEM replaced with TWIG the new science curriculum. STEM was wrapped into the TWIG curriculum. Professional development for TWIG will provide similar opportunities. TWIG was paused this year to allow for focus on emotional needs of students. Dr Sue comments on staffing for Mental health support. New health curriculum has a specific section focused on social emotional learning. Our SIA budget made a concerted effort to invest in a network of social workers. At the start of the pandemic, we were in good stead. Part of the Middle School reboot is to build out the PBIS SEL systems. Everyone understands the need for mental health support. There are simply not enough providers. We are looking for avenues to encourage people to enter the field. Dr. Sue will have Director Kinch and Director Fields reach out to Kim Matsler regarding concerns about IEP support

Board Chair Bowman gives commendation to both public comments. Responds to need to social workers highlighting that we have moved to using a third-party provider to fill the gap. Dr. Sue confirms and highlights partnership with Virginia Garcia and Neighborhood clinics. SIA dollars have been used to hire FPA's to assist families in connecting to service such as housing and health services.

Board Chair Bowman invites all to participate in the strategic planning committee. As well as the budget committee. Clarification provided on the work that happens on the financial oversight committee.

Committee members give comments on the strategic planning process and invite community to participate in the process on all levels.

Motion to Approve the Budget 8:04 PM

Presiding Officer Morgan asked for a MOTION to approve the budget.

At 8:04 PM Board Chair Bowman MOTIONED that the Budget Committee of the Tigard-Tualatin School District 23J, Washington and Clackamas Counties, Oregon, hereby approve as proposed (or amended) the Budget for the 2022-23 fiscal year in the sum of **\$361,266,958** for all funds now on file at the Hibbard Administration Office.

I further move that the Budget Committee of the Tigard-Tualatin School District 23J, Washington and Clackamas Counties, Oregon, approve the taxes provided for in the proposed budget at the rate of \$4.9892 per \$1,000 of assessed value for operations; in the amount of \$1.0000 per \$1,000 of assessed value for local option tax for general school operations and in the amount of \$23,537,800 for general obligation bonds.

Vice Chair Brown seconded

Call for a roll call vote by Committee Chair Cory Morgan:

MOTION APPROVED 9-0

Approval of the Proposed Budget 8:05 PM

The Budget Committee Presiding Officer Cory Morgan asked for a motion to approve the proposed budget. The motion to approve the budget passed 9-0 at 8:05 PM with Board Member David Jaimes not expressing his vote via zoom.

Adjourn, 8:06PM

The meeting was adjourned by Presiding Officer Cory Morgan at 8:06 PM