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SPRINGFIELD PUBLIC SCHOOLS
SPRINGFIELD, OR 97477

BUDGET COMMITTEE WORK SESSION
THURSDAY JANUARY 11, 2024

BUDGET COMMITTEE WORK SESSION MINUTES

A work session of the Springfield School District No. 19 Budget Committee was held on January 11, 2024.

1. WELCOME

Pro Tem Chair Jonathan Light called the work session to order at 6:00 p.m.

Attendance

Board Members attending the meeting included Jonathan Light, Kelly Mason, Emilia Hernandez, Nicole De Graff, John Svoboda, Ken Kohl (virtual), Elaine Doornbus, Hollea Puzio, Heather Quaas-Annsa, Nancy Cameron

District staff and community members identified included Superintendent Todd Hamilton, Assistant Superintendent David Collins, Chief Operating Officer Brett Yancey, Confidential Specialist Andrea Wallace, and UO Economics Professor/Senior Director, Oregon Economic Forum Tim Duy.

2. ECONOMIC REPORT AND DISCUSSION

UO Economics Professor and Senior Director of the Oregon Economic Forum, Tim Duy, provided his annual report via PowerPoint presentation. He described a four-year economic history. He said the pandemic was an economic shock and that the federal response was an enormous amount of fiscal stimulus. He referenced an extremely rapid rebound of economic activity as compared with the previous cycle (i.e. the 2008 recession). He said that “supercharged” the economy and got people back to work.

Mr. Duy said one result of that activity was high inflation unlike what has been experienced since the 1980s. He said although job growth is up and wages are strong, those gains are being eroded away by high inflation. He said the best approach is to slow the pace of inflation down to 2%. He noted that interest rates saw a steep rise to slow the economy—a maneuver that is challenging to do without causing a recession. Mr. Duy explained that the federal reserve’s plan is to take the heat off the labor market by bringing down the pace of hiring, while not resulting in widespread layoffs.

In summary, Mr. Duy stated, the cycle’s trend has been that we’ve had various sources of stimulus that has supported the economy up until this point, the question is can that continue? He noted that the information is important to consider because it contributes to stable budget planning, unlike what a recession would result in. He said the federal reserve’s goal of cooling inflation to 2% without a recession seems to be effective, and lowering interest rates are expected to follow, beginning March 2024.

Mr. Duy responded to questions from the committee.

Ms. Quaas-Annsa asked why people are moving out of Oregon.

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Mr. Duy responded that the likely theory for out-migration is high housing costs.

3. 2023-24 BUDGET PROCESS OVERVIEW AND DISCUSSION

All new and existing budget committee members introduced themselves.

Chief Operating Officer Brett Yancey introduced the budget process overview and discussion via PowerPoint presentation. He noted that the budget process will be six months long, and that Oregon schools are funded by two primary sources of revenue: property taxes and income taxes. He said funding right now is extremely strong, but there are significant challenges with enrollment declines across Oregon.

SPS Process for Committee Involvement:

- Three (3) work sessions prior to first official budget meeting
- Purpose: (Page 6 Budget Committee Handbook)
 - Receive training on budget process, calendar and expectations for committee members
 - Receive information that informs the budget development
 - Receive information and orientation on the district and its various programs, staffing, activities, or SVCs provided
 - Understand roles and responsibilities of committee and committee members
 - Receive orientation and discuss current year (or prior year) budget

Input and Involvement:

- Typically would occur after the proposed budget is presented to the Budget Committee
- Ensures public receives proper notice
- Provides transparency during a common date/time
- Provides the opportunity for community members to comment on proposed budget
- Opportunity for committee members to submit request for additional information leading to consideration of approval
- Additional meetings provide time for thorough review of proposed document

Limitations Prior to Proposed Budget:

- Committee must not discuss the following (Page 7 Budget Committee Handbook):
 - Specific estimates of revenue, expenditures, or appropriation amounts associated with the proposed budget
 - The question of whether to fund specific programs or expenditures
 - The question of whether to impose any specific tax levy or levy amount

What Is a Budget:

- An annual resource and spending plan describing the district's projected finances and investments for the entire fiscal/school year.
- Budget process
 - Estimate resource allocation from various sources
 - Gather enrollment and forecasted data
 - Intentionally supporting district identified goals
 - Identifying gaps in support for student success

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- Understand funding needs and align to goals
- Implement and monitor spending plan throughout the year
- Adjust accordingly, depending on changing variables
- Report and audit finances to ensure legal compliance

Begin with Board and District Goals:

- Goal 1: Student Success
- Goal 2: Family Support
- Goal 3: Personalized Learning
- Goal 4: Safe and Inspiring Facilities
- Education Advocacy

2023-24 District Budget and Specific Funds

- Total: \$273 million
- General Fund (\$138.8 million): Primary day-to-day operating fund of the District
- Special Revenue Funds (\$84.3 million): Dedicated revenue (federal, state, grants) where majority of funds are restricted for specific uses
- Debt Service Fund (\$20.7 million): Identified for payment of principal and interest on long-term debt
- Capital Funds (\$1.2 million): Identified funds for facility acquisition or construction related expenses
- Internal Service Funds (\$27.2 million): Services provided by one department on a cost-reimbursement basis
- Trust and Agency Funds (\$0.9 million): Assets held by the district for individuals as a contractual obligation of benefits

Federal Financial Support

- Federal dollars are accounted for in Special Revenue Funds
- Federal dollars account for approximately 19% of districts total operating budget
- Title funds:
 - Title I Part A: Improving academic achievement of disadvantaged
 - Title II Part A: Preparing, training, and recruiting high-quality teachers and school leaders
 - Title III Part A: Language instruction for English learners and immigrant students
 - Title IV Part A: Support students and academic enrichment
 - Title V Part A: American Indian and Alaskan Native education
- Allocation is proposed by President of the United States and determined by Congress
- Overall budget determined at federal level annually and oversight is managed by Oregon Department of Education (ODE).
- Funds are restricted for specific purposes and audited to ensure compliance

Enrollment:

- Total district enrollment is the driver to determine state funding. As important is the “weight” associated with each student.
- “Weight” refers to Average Daily Membership (ADMw) which is a measurement of the need associated with students to determine funding streams

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- ADMw formula is determined by ODEs calculation and is associated with number of students enrolled and the need associated with those students
-Examples: Individualized Education Plans (IEPs), English language learners (ELL), economically disadvantaged, etc.
-District funded on the greater ADMw of prior year or current year

Additionally, Mr. Yancey introduced a table detailing the Internal Budget Building Process.

4. RESOURCE INFORMATION AND FUTURE MEETINGS

- Budget Committee Handbook (resource)
- Budget Document Composition and Detail (resource)
- Budget Calendar (adopted 2024-25)
- Future Meetings:
 - February 15, 2024: Budget Committee Work Session
 - March 21, 2024: Budget Committee Work Session
 - May 2, 2024: First Budget Committee Meeting
 - May 9, 2024: Second Budget Committee Meeting
 - May 16, 2024: Third Budget Committee Meeting (if necessary)

5. ADJOURNMENT

Pro Tem Chair Light adjourned the meeting at 7:45 p.m.

(Minutes recorded by Terah Van Dusen, LCOG)