SPRINGFIELD PUBLIC SCHOOLS | BUDGET COMMITTEE MEETING

SPRINGFIELD, OR 97477 | Thursday, May 2, 2024

I) WELCOME

Jonathan Light called the meeting to order at 6:01 pm.

Superintendent Todd Hamilton welcomed everyone to the Budget Committee work session at 6:02 p.m. on Thursday, May 2, 2024.

Board Members in Attendance:

Board Members attending the meeting included Board Chair John Svoboda, Vice-Chair Ken Kohl, Director Jonathan Light, Director Nancy Cameron, and Director Hollea Puzio, Director Heather Quaas-Annsa, Director Nicole De Graff

Attending Virtually: Director Emilio Hernandez, Director Kelly Mason

Absent: Director Elaine Doornbus

District staff and community members identified included Superintendent Todd Hamilton, David Collins, Dustin Reese, Brett Yancey, Andrea Wallace, Whitney McKinley, Mindy LeRoux, Jeff Michna.

II) ELECTION OF OFFICERS

Mr. Light opened nominations for Chair.

> **Motion**: Mr. Kohl nominated John Svoboda for Chair; Director Cameron seconded.
> The motion passed unanimously 10:0

Mr. Light opened nominations for Vice-chair.

> **Motion**: Director De Graff nominated Ken Kohl for Vice-Chair, Director Quaas-Annsa seconded.
> The motion passed unanimously. 10:0.

III) 2024-2025 BUDGET MESSAGE

Superintendent Hamilton gave the budget message. He said their goal was to support every student and their budget was based on this goal. He explained over 1500 people spoke on their needs and the district had built upon the foundation of their board for the last decade and were working to reach new heights in supporting their students and community. Their proposed budgets remained grounded in past decisions. He named their goals and said to fulfill their goals, they had a projected ending fund balance for 2024-25 of 6%. They sought the board approval of the budget so they could continue to support their students.

Mr. Hamilton said this was a group effort and the whole team was often overlooked when a budget was presented for consideration.

IV) BUDGET DOCUMENT OVERVIEW AND PRESENTATION

Mr. Yancey asked if there were any questions on the budget message. He drew attention to several documents in the agenda. Page 67 would be replaced by the new page since the original page didn't calculate correctly. He said the second document talked about their enrollment compared to the state.

a. Guiding Assumptions

Mr. Yancey wanted to keep the goals and values in front of them as they went through the document. He named the values and their five goals. He said the other lens to view these through was the Equity Lens Framework. He said they had several work sessions for the Budget Committee and distributed the proposed budget to the committee members and to the public.

b. Document Overview

Mr. Yancey gave a summary of the document and explained that in the budget document they had gone back and forth between detailed budgets and major object budgets. He explained this one was in-between the two.

c. Summary of Proposed Adjustments

Mr. Yancey said they had to start with some assumptions, and they know that the 2023-25 biennial budget was set a $10.2 billion and they can assume that they will receive 51% of the biennial funding. He explained that despite student enrollment was going down, the state school fund was based on the higher of two years. He said there were currently in collective bargaining with all relevant parties. He said they didn't begin with a budget reduction mode, and unfortunately with this budget they knew going in there would be reductions somewhere, but they adjust for enrollment before having reduction conversations. The Oregon Family Leave act began in September 23 and that is 0.58% of payroll. There was an increase of 15% in insurance premiums. There was an increase in fuel and utility costs as they had added HVAC to their buildings.

Mr. Kohl asked if they were expecting the new HVAC systems to be more efficient.

Mr. Yancey said they were not sure yet. They had summer school this year and were trying to build in some assumed increases. He said they assumed $1 million into contingency, $1 million into instructional materials fund and $1 million from general fund into the technology fund and there was a 6.5% unappropriated fund balance. He said when they started, they began with a $2.261 million deficit and knew they had to lower costs to have a balanced budget.

Mr. Yancey said going back to their goals and values they tried to keep those conversations as far from the classrooms as possible. He said they had built a stable environment for their students.
Mr. Yancey said the increases totaled $6,460,904 million. The collective bargaining agreements and staffing adjustments were $3.6 million.

He said they have an extremely effective life skills program and were adding $153K to that program. He explained they assumed their charter school enrollment would increase and $520k would cover that, their

debt service payment increase was $461K, and their increase in co-curricular support was 400K. He said since the pandemic they have not charged students for co-curricular activities, but this had increased the cost, and they needed more buses to transport more students. They had a 15% increase in insurance and 5% in utilities. The other area of increase was the software license agreements which totaled $179K.

Mr. Yancey said they needed to make $2.2 million in decreases. He explained they did a one-time insurance assessment elimination of 800k, so if there was an increase it would be spread across employees. The $461K was building acquisition and construction and unappropriated ending fund balance was $325K. They reduced the transfer to the Technology fund and instructional material funds by $200 each. They dropped their contingency fund $200K. They reduced their print services and workshop support and a slight decrease in debt services associated with the admin building.

Mr. Yancey said from their adopted budget for 2023-24 to the proposed budget for 2024-25 they could see where the differences were. They could see there was a $940K increase in property taxes, but they were seeing higher investment earnings. He explained the constable fund would drop by about $244K, but there was a $2.7 million increase in the school fund, but they were still not receiving some federal fees, So the subtotal was about $3.5 Million dollars. He said from the adopted budget to the proposed budget their beginning fund balance was 19 million dollars due to vacancies in staffing, and overall, their increase is about 4.26 million

Mr. Svoboda asked what they were not getting because of the decrease in the technology fund and instructional fund.

Mr. Yancey said they were funded through the 2028 school year for technology and there would be no immediate impact on Technology or Instructional.

Ms. Quaas-Annsa asked if the current beginning fund balance was as of Q3.

Mr. Yancey said yes, but they are projecting to the end of the school year.

Ms. Quaas-Annsa asked if they don't typically spend money at the end of the year.

Mr. Yancey replied that they slow spending down.

Mr. Yancey explained when they look at expenditures, they had a $2.8 million increase in salaries and $48K in payroll costs. He said they have tightened their assumptions on insurance, they have previously assumed all staff would be eligible for health insurance, but that may not be true so they have taken some funds away from that budget.

Ms. Quaas-Annsa said the math was off.

Mr. Yancey said yes it was, and he would look into it.

Mr. Yancey said $1.6 million was where utilities and purchased services was where the life skills increase resided and $953K of that was sitting in life skills. Supplies and materials were $235K. They had the reduction on Technology and Instructional Material, the increase in insurance, then the transfer of $458K

for the artificial turf payment, with a $200K reduction in contingency and a drop in the unappropriated fund balance. These added up to the 628K.

Mr. Yancey said they had other funds that gave them money. They estimated about $12 million in grant reduction as they were going to use that money. They had a $3 million increase in other funds. There was a Capital Projects funds increase of $1.1 million due to the completion of the artificial turf and that will be paying their summer costs. They had several increases and decreases for a total difference of $9,537,629 between 2023-24 and 2024-25.

d. Staffing Review

Mr. Yancey turned to staffing, he said they have about a 20% FTC decrease in certified staffing. The other portion of that was they had typically budgeted for reserve certified staffing, so they had less disruption for students.

Ms. Quaas-Annsa asked if any current employees would have their positions eliminated.

Mr. Yancey said no, no current employees would have their positions eliminated. He said for classified staffing it dropped by 20%. He said these would come in different funds. For administrative staffing there was an increase. He said the increase was due to three of the positions in their HR and Payroll departments, they were moving from hourly to confidential and exempt which meant they were now salary. They added the payroll position because the payroll supervisor shifted their job. The HR positions were recruitment and an analyst. He said the numbers increased due to exempt positions.

Ms. Quaas-Annsa asked what the salary level was for the new exempt positions.

Mr. Yancey said they had a working agreement document and all of them had assumptions reflected in the budget. He explained the other increase and decreases and the other two positions they added an allocation for an elementary assistant principle and a nutritional services specialist which was a position they had budgeted for.

Ms. Quaas-Annsa asked if there were now two supervisors for 70 staff.

Mr. Yancey said yes, but the supervisors were good at their job and all the cooks were in the building with the principals. The schools were small communities on their own.

e. Next Steps

Mr. Yancey said he understood the committee wanted some time to discuss. He said they needed to approve the budget by June 30th.

V) BUDGET QUESTIONS/CLARIFICATIONS

Mr. Kohl asked about the Equity Lens Framework requested Mr. Yancey to explain about how the budget addressed those goals.

Mr. Yancey said he was not prepared to talk in detail about that, but they would have their Diversity Equity and Inclusion coordinator address that.

Mr. Kohl asked about the increase in co-curricular activities and asked if they had data, and wondered if they had information on how many staff positions were held “just in case” and how many positions were unfilled.

Mr. Yancey said they could bring that information back.

Ms. Quaas-Annsa asked what their Q3 actual budget was.

Mr. Yancey said he could send out their latest report to the committee and they do it by month.

Ms. Quaas-Annsa asked if the federal declaration about the ice storm would impact their budget at all.

Mr. Yancey explained they would carry liability into next year and they are looking at it as an anticipated receiver loan. He said property insurance would come through for repairs and the remaining balance would go through the FEMA claim. He explained these were not directly in the budget because they took a lot of the expenses out this school year.

Mr. Kohl asked if that affected their ending fund balance.

Mr. Yancey replied they already assumed that in their numbers. He explained their insurance covered a decent amount and the only thing they would be responsible for from FEMA was 25%.

Ms. Quaas-Annsa asked if the increase in insurance costs was due to the claims this year.

Mr. Yancey said they were part of an insurance pool and it was self-insured up to $5 million, and after that $5 million was the reinsurance market.

Mr. Svoboda asked if the 5 million was for a singular event.

Mr. Yancey said it was an aggregate of a singular event.

Mr. Svoboda asked if they were spending more on mental health counselors for students.

Mr. Collins said they had increased licensed clinical social workers and outside mental health specialists to aid their students.

Mr. Svoboda asked if they were looking for more inside or outside the district.

Mr. Collins replied they had increased both within their building staffing for mental health as well as services from medical providers outside the school district staff.

Mr. Svoboda asked if that need was still increasing after Covid.

Mr. Collins said he wasn’t sure he could answer that question as there was always a need.

Mr. Svoboda wanted to know how they were doing in helping those who need it.

Mr. Collins said he felt they were doing everything they could.

Mr. Svoboda asked if they needed more funding.

Mr. Collins said there was funding not being currently accessed for those areas, because of the limited staff.

Ms. Quaas-Annsa said there was a huge need across the country.

Mr. Svoboda asked if they had the funds to hire more staff.

Mr. Collins said yes, they had the funds, and they were trying to hire, but it was really outside the district where they were seeing gaps.

Mr. Kohl asked about the district report, and if they had numbers for mental health staff. He knew it was old data, but the line was flat. He wanted to know where to find current staffing levels.

Mr. Yancey said those would be in specific functions and he could send out the report. Mr. Yancey said this was the Oregon Department of Education and they needed to have context around licensed staff.

Mr. Collins said ODE based that off reporting from HR from current staff. He said mental health supports were present, but they had to support that with licensed staff. He said when they talked about mental health they were talking about the holistic tier from bottom to top.

Ms. Quaas-Annsa asked if the school district could get funds from Oregon 1115 Medicare wavers.

Mr. Yancey said yes, they had before, but it was not financially feasible for them with the requirements.

Mr. Hamilton said at the federal level on Medicaid Reimbursement, they were working with ODE staff, and they are reviewing requirements to decrease the burden on school districts.

Ms. Quaas-Annsa asked who they could help with the lobbying for improving requirements.

Mr. Hamilton said they should wait and see. He said their delegation supported school-based services.

Mr. Yancey requested they keep the next meeting on the agenda so the committee had more time to approve the budget and they had more time to answer questions.

VI) ADJOURN MEETING

Meeting adjourned at 7:05pm