

Budget Committee Minutes

Tigard-Tualatin School District, 23J

May 16, 2024

Board Members Present:

Tristan Irvin
Kristen Miles
Crystal Weston
Jill Zurschmeide
David Jaimes

Administrators Present:

Dr. Sue Rieke-Smith
David Moore, CFO
Len Reed, HR Director
Darin Barnard, Director of Operations
Susan Barnard, Director of IT
Todd Robson, Director of Teaching and Learning

Budget Committee Members Present:

Cory Morgan
Megan Madlem
Octavio Gonzales
Henry Castillo

Others Present:

Sarah Mehrabzadeh, Controller
Tara Baumann, Executive Assistant- Business Office

Call to Order ~ 6:30PM

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

Approval of Agenda ~ 6:30 PM

Board Chair Tristan Irvine asked Superintendent Rieke-Smith if there were any changes to the agenda. Superintendent Rieke-Smith stated that there are no changes to the agenda. Director Zurschmeide seconded the motion to approve the agenda.

Election of Budget Committee Presiding Officer and Vice-Presiding Officer ~ 6:32PM

Board Chair Irvine asked for a nomination for the Budget Committee Presiding Officer. Budget Committee Member nominated Budget Committee Member Cori 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 Irvine nominated Budget Committee Member Megan Madlem. Member Megan Madlem accepted the nomination and a roll call VOTE was called. VOTE passed unanimously 9-0.

Budget Message ~ 6:33 PM

CFO David C. Moore delivered the 2024-25 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 2024-25 budget and the major influences impacting the financial condition of TTSD. Reminded Budget Committee about what a budget estimate means. Shared local budget law references to explain estimating budget using imperfect data. Estimates our based good faith and the information available at the time.

Charge of Budget Committee

- Receive the Proposed Budget and hear the Budget Message
- Hear public comment
- Committee deliberations
- Approve the budget
- Approve the tax rates: Permanent tax rate and Local Option tax rate
- Approve the tax amount for bonded debt

Budge Message Overview

- Operating Deficit
- The Perfect Storm
- State Funding
- Strategic Plan & Financial Plan
- Reductions
- Reserves
- Financial Outlook

Perfect Storm of Financial Factors

- Inadequate State funding - SSF of \$10.2 billion
- Loss of enrollment - 1,100 or 8% since 2018-19
- Statewide enrollment down 35,000 or 6% since prior to the pandemic
- Inflationary cost factors
- Increased services and costs for special education

CFO Moore shared, TTSD projection of a \$10.2 billion budget two-year allocation this is inadequate funding and is contributing to our deficit spending. We will talk about some of the factors contributing to our deficit spending. Providing information regarding reserves and the outlook of these moving forward. Enrollment decreased by 1,100 students or 8% since 2018-19 school year. Loss of enrollment is a loss of \$11.8 million dollars in our budget. State wide enrollment down 35,000 or 6% since prior to the pandemic. SSF has trended down from peak of 45% to 30.46% of the state budget over the last 20 years. Other resources that have been added only raise the percentage to 35%. Discussed the ADM is weighted average daily membership. Shared enrollment vs. staffing even though enrollment has declined staffing needs still continue to increase to meet student needs.

INFLATIONARY COST INCREASES

- Salaries and Benefits
 - Contracts
 - PERS
 - Workers Comp
- Student Transportation
- Substitute Services
- Utilities and Operations
- Property and Liability Insurance

CFO Moore shared, Inflationary cost factors are affecting all costs including salaries, operating costs, insurance costs, student transportation, utilities and operations. Additionally, TTSD is experiencing inflationary cost in

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providing special education services. Increased salary and payroll costs due to classified claiming unemployment during the summer.

STATE SCHOOL FUND; \$10.2 Billion

- State School Fund formula amount of \$151 million
- Extended ADMw of 13,620
- Amount per ADMw of \$11,088 current trend
- ODE State School Fund Worksheets pages 39-41 based on \$10.2 billion SSF and 51% allocated in 24-25

CFO Moore shared, TTSD projection of a \$10.2 billion projected budget. The 13,620 is our current weighted ADM for the current year, which becomes the extended ADMw for 2024-25. Trends indicate ADMw estimates trending down. Next Biennium not a lot of hope of an increase in funding.

Board Members & Budget Committee Discussed:

- *Class size*
- *Adding people back vs. positions.*

CFO Moore discussed: Class size targets vs actual for 23-24. Discussed people vs positions. Adding back people using outside funding. Director Reed discussed: Positions and people added back per need in 23-24 SY.

STUDENT INVESTMENT ACCOUNT AND HIGH SCHOOL SUCCESS (M98) FUNDS

- SIA budgeted at \$11.8 million; Pages 102-105
 - Includes FTE of 92.13; Page 30
 - Funded with Corporate Activity Tax (CAT)
- High School Success funds budgeted at \$3.5 million; Pages 106-108
- Early Literacy Grant funds budgeted at \$845,000

CFO Moore shared; we have gained our traction with the corporate activity fund. Revenue projections for CAT tax is up. This is a good indicator that we will hit the projected \$11.8 million amount. High School Success is also projected to meet or exceed the projected \$3.5 million. Communicated the extra funding to be used for staffing as needed in the fall.

ONE TIME FEDERAL RESOURCES

- ESSER 3 - \$5.9M fully expended as of 6/30/2024; Will maintain \$2.4M in programs during 2024-25 with General and SIA; Pages 102-105
- Additional \$7.7 million federal funds budget in 2024-25; Pages 91-94

DISTRICT PRIORITIES

- Strategic Plan and Strategic Financial Plan
 - Commitment to equity and all students
 - Aligning use of resources with District goals
- New Strategic Plan Effective Fall 2022; Page 4
 - Student Achievement; Talent; Safety, Culture and Climate centering on Equity and focus on operational values
- New Strategic Financial Plan June 2023
 - Instructional Coaches; Early Learning; Student Success; Social Emotional Learning

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CFO Moore shared, TTSD continues to anchor into our priorities. There is still a commitment to equity and serving all students. Continuing to align our additional resources with the goals in the plan. The board will be adopting a new Strategic Plan in June. This will include four strategic investments.

BUDGET REDUCTIONS

- Licensed: \$6.6M; 49.3 FTE
- Classified; \$872K; 11.97 FTE
- Administration; \$781K; 2 FTE, Furloughs, and Calendar Adjustments
- Programming; \$2.2M
- Funds reduced; \$10.45M
 - General Fund; \$6.25M
 - ESSER: \$3.5M
 - SIA; \$700,000

CFO Moore shared how we have been sharing information based on a frame work. Actual cost of the staff we have in place being used to determine the actual vs. estimated reductions. Balanced budget based on the actual numbers listed above. Discussed savings finding staff such as SLP's to support special education services outside of the ESD.

Board Members & Budge Committee discussed:

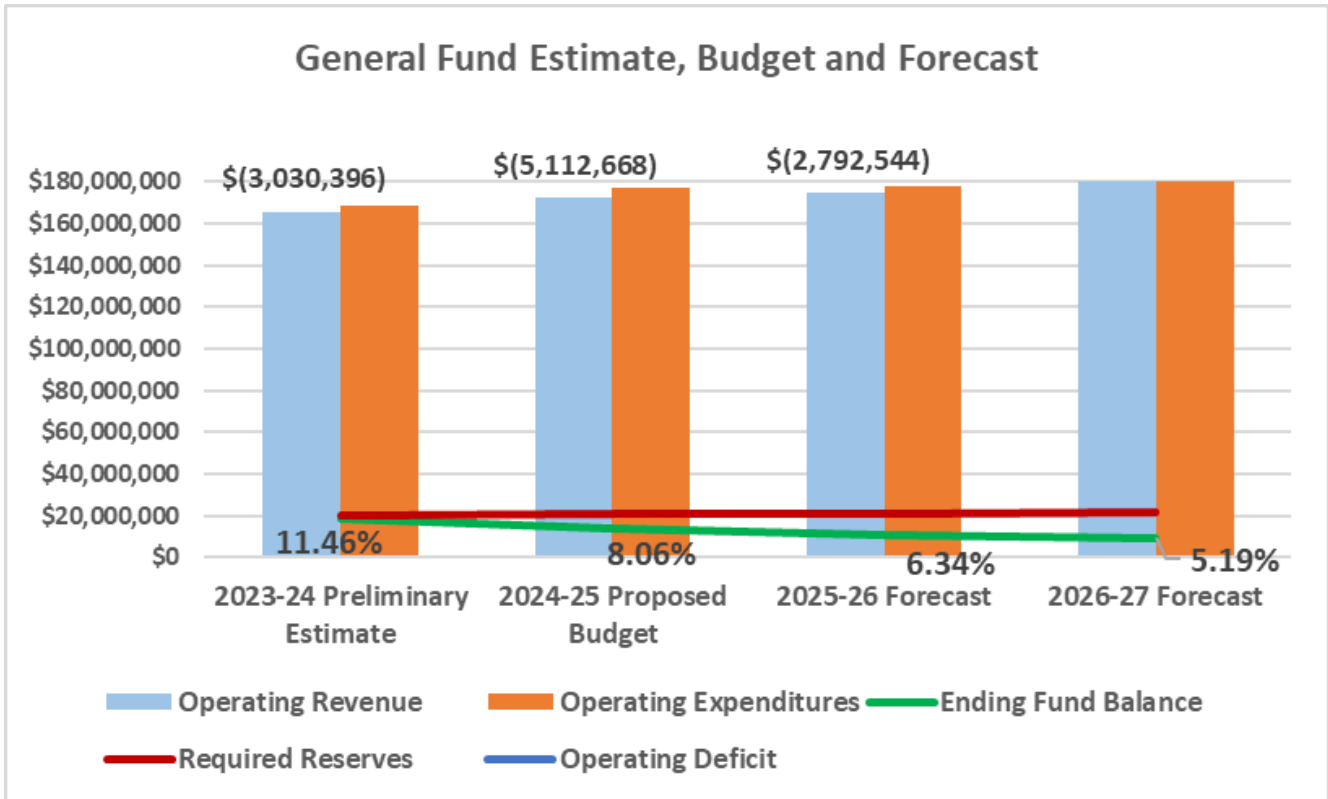
- *FTE reductions are absorbed via retirements, resignations or transfers.*
- *FTE reduction breakdown by classification*
- *FTE reductions estimated verse actual budgeted*

CFO Moore discussed: Additional costs that contributed to the preliminary estimated reductions being lower than the actual budgeted reductions needed.

RESERVES

- Board Policy DBDB based on \$172.2M operating revenue in General Fund
 - 2% operating contingency
 - 5% unappropriated ending fund balance
 - 5% sustainability reserve - budgeted at 1%
- Total reserves of \$13.8 million; drawdown of \$5 million – see Pages 34-35

Estimate & Forecast



Board Members & Budget Committee discussed:

- SSF Forecast for 25-26 SY more realistically \$10.8 billion instead of \$11 billion

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 10, 2024
- Budget adopted on June 10, 2024

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.

Joy Wilson ([Comment](#))

Deliberations

Board Members & Budget Committee Discussed:

- *Ending fund balance for 24-25 proposed budget inflationary effect*
- *Teacher reductions & class sizes for the 24-25 budget*
- *Inflationary costs effect on the budget*
- *Budget process estimates verses real data*
- *Alternatives to the current proposed budget*
- *Insufficient funding at the state level*
- *Budget committee and board are charged with the task of passing a budget and tax rate to benefit the whole student body*
- *Budget reductions preserved programming; it is much easier to rebuild programs that remain than add them back once they've been removed entirely*
- *Gratitude to the Business office for their work over the last few years*

Motion to Approve the Budget 8:18 PM

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

At 8:18 PM Committee Member Megan Madlem 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 2024-25 fiscal year in the sum of \$317,453,516 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 \$1.00 per \$1,000 of assessed value for local option tax for general school operations and in the amount of \$24,687,700.00 for general obligation bonds.

Board Member Zurschmeide seconded

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

MOTION APPROVED 8-1

Approval of the Proposed Budget 8:20 PM

Budget Committee Presiding Officer Cory Morgan asked for a motion to approve the proposed budget. The motion to approve the budget passed 8-1 at 8:20 PM

Adjourn 8:22PM

The meeting was adjourned by Presiding Officer Cory Morgan at 8:22 PM