

BUDGET WORK SESSION MINUTES

A Budget Work Session Meeting of the Springfield School District No. 19 Board of Education was held on March 13, 2025.

I). Welcome

Todd Hamilton

Superintendent Todd Hamilton welcomed everyone and began the meeting at 6:00 p.m.

Board Members and District Staff in Attendance: Ken Kohl, Jonathan Light, Nancy Cameron, Nicole De Graff, Hollea Puzio, Heather Quaas-Annsa, Superintendent Todd Hamilton, Brett Yancey, David Collins, Joan Bolls, Andrea Wallace, Melissa Stalder, Brenda Holt, Demian Laudati, John Harshberger, Chris Smith, Jonathan Gault, Troy Barnhart, Jody Barnhart, Terry Rutledge, and Jeff Michna.

Board Members Absent: Director Elaine Doornbus and David Walp.

Guests: Representative John Lively and Senator Floyd Prozanski

II) Legislative Representation with Q&A

Brett Yancey noted the involvement of legislators, such as Representative Lively and Senator Prozanski on the 2025-2026 budget planning. Yancey introduced Representative John Lively, providing a brief overview of his 13 years in the legislature and his role in District 7.

Representative Lively began by noting the unprecedented number of bills this year and his involvement in various committees.

Topics Discussed:

- The complexity of bills and the large number of bills referred to his committee, noting the difficulty in prioritizing and scheduling hearings.
- The upcoming deadline for scheduling work sessions and the potential rush to the end of the session.
- The need to limit the number of bills in long sessions and his agreement on the issue.
- His role in the Climate, Energy, and Environment Committee and the work group for wildfire funding.

Wildfire Funding and Revenue Challenges

- The significant cost of wildfires in the past year and the need for new revenue sources to cover the significant gap in funds.
- The upcoming bill related to wildfire funding and the challenges of securing reimbursement from FEMA and the federal government.
- The potential impact on the State's General Fund and the need for substantial conversations about funding.

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- Lively will review and provide feedback on the soon-to-be released, Draft Wildfire Funding bill.
- The Transportation Budget deficit and the high costs of living in Oregon, including utility bills and property taxes.

Education and Budget Discussions

- The challenges in the Education Budget, including the need for funding for Summer School and Special Education.
- The first-readings of key bills related to education funding and the ongoing conversations about class size and accountability.
- The Governor’s recommended budget and the expected differences between the Governor’s Budget and the co-chair’s framework.
- The importance of performance measures and the need to align them with current realities.

Brett Yancey introduced Senator Floyd Prozanski, highlighting his 23 years in the Oregon Legislature and his representation of District 4 in Lane County.

Senator Prozanski shared an overview of his committee assignments, including the Senate Judiciary Committee, which meets four days each week.

Topics Discussed:

- The large number of bills in his committee and the use of “Place Order” bills for new subject matter.
- Ongoing efforts to address wage theft and the need to enforce constitutional rights under the Oregon Constitution.
- The informational hearing on Firearm Safety and Prevention, including a bill to implement a 72-hour waiting period for firearm purchases.

Wildfire Preparedness and Federal Partnerships

- The challenges of wildfire preparedness and the need for federal partnerships to address the impact of wildfires.
- The State Fire Marshal’s forecast for the upcoming fire season and the importance of federal assistance.
- The need for a reserve fund for wildfire suppression and the potential impact on Oregon’s General Fund.
- The importance of having resources available to help communities affected by wildfires.

Legislative Process and Budget Considerations

- The legislative process, including the deadlines for clearing bills out of the first chamber and the need for extra time to complete work.
- The challenges of managing the large number of bills and the need to limit the number of bills each member can introduce.
- The importance of tracking bills and staying informed about legislative updates.
- The need for a balanced budget and the potential impact of federal disruptions on the State’s revenue stream.

Senator Prozanski and Representative Lively each announced their retirement from the Oregon Legislation, adding that they will have continued involvement throughout various areas of the community.

III) Fleet Replacement Fund Update

Brett Yancey

The Fleet Fund is dedicated solely to fleet expenses and has been strategically managed through reimbursement programs and grants, which eliminates the need for General Fund support. Yancey provided an overview of the District's bus fleet, noting the arrival of new buses in April.

Topics Discussed:

- The District balances fleet replacement costs with revenue stability while considering the high cost of electric buses and infrastructure challenges.
- The District's goal is to maintain a bus fleet that is 15 years or older, which they have been successful in doing.
- The District must meet state and federal emission standards, with a ban on diesel buses by 2026.
- The challenges of using general obligation bonds for fleet replacement, preferring a 10-year payment plan aligned with revenue receipt periods.
- The Department of Education reimburses 70% of the initial bus cost over a 10-year period, with grants covering the remaining 30%.
- The District's auto fleet includes various vehicles to meet different student needs, with a focus on maintaining a stable Fleet Fund.
- Buses now last longer, but purchase costs and repairs have increased.
- The importance of safety features in buses, along with the diverse needs of students, including those in special education and homeless programs.
- There has not been a decline in transportation services despite the decrease in student enrollment.
- The District monitors the financial health of the Fleet Fund, ensuring it remains separate from the General Fund.

IV) Budget Committee Work Session Summary

Brett Yancey

Brett Yancey discussed a projected \$7.5 million budget deficit for next year, driven by a \$3.2 million drop in general operating funds and a \$8.5 million increase in payroll costs (PERS) being projected by the District. Yancey noted the potential impact of federal legislation on budget processes and collective bargaining, and separating budget and collective bargaining processes.

Budget Challenges

- A \$7.5 million reduction in the budget and uncertainty of the State Legislature's Adoptive Budget.
- The District anticipates staffing reductions due to personnel costs, which make up approximately 85% of the budget.
- Expenses for utilities, suppliers, and capital outlay are flat, but there is a 20% increase in insurance and transfers.
- Federal funding changes could also impact the budget. The District will continue with strategic planning and management, while continuing close communications with state and federal representatives to address challenges.

Yancey and Team:

- Will provide the Committee a summary of the federal funds the District is receiving this year as a baseline.
- Will develop talking points and messaging for Budget Committee members to share information with the public.
- Will continue monitoring the state-level discussions on Special Education funding and provide updates to the Committee.
- Will follow up on potential changes to federal funding and their impact on the District's budget.

V) 2025-2026 Enrollment Projections

Brett Yancey

Brett Yancey explained the enrollment projections, noting a slight increase in elementary and middle school enrollment but a decline in high school enrollment.

- The District's enrollment stabilized following the impact of COVID-19.
- Enrollment projections are based on demographic data, housing developments, and historical enrollment trends.
- The District will continue to monitor enrollment and financial projections to ensure long-term stability.
- The Committee requested enrollment percentages, teacher-student ratios, and building usage, including clarification on anticipated adjustments.

VI) 2025-2026 Budget Assumptions

Brett Yancey

Brett Yancey outlined the District's budget preparation process, emphasizing the importance of transparency and public input.

i) Revenue Projections

- The District is projecting a \$3.26 million deficit gap in the beginning fund balance for the 2025-2026 fiscal year.
- A potential increase in Special Education funding could alleviate some of the financial burden.
- The Special Education funding cap may increase from 11%, but funding sources remain uncertain.

ii) Expenditure Summary

- A \$3.2 million decrease in service funds and a substantial increase in payroll costs and benefits, totaling \$8.5 million.
- The District plans to adjust staffing and will budget based on enrollment projections and financial assumptions.
- Yancey assured the Committee that the District is managing the budget strategically and intentionally.

VII) 2025-2026 General Fund Financial Projections

Brett Yancey

- The \$7.5 million funding deficit is considered a worst-case scenario.
- Financial assumptions include a 3.9% property tax increase and a \$4 million reduction in State School Fund revenue, impacting the District's budget planning for the 2025-2026 fiscal year.
- The District has a practice of not utilizing one-time funds for ongoing expenses.

VIII) Committee Member Input & Discussion

Committee Members

- Legislation will address the gaps, but the source of additional funds remain uncertain.
- The potential impact of federal funding changes on the District's budget.
- Richardson and Yancey will closely follow recently submitted plans for changes at the federal level, which would impact the District's budget.
- Brian Richardson announced plans for the upcoming United Front Trip to Washington D.C, the first week in April.
- During the United Front Trip - they will sit down with representatives from different agencies, such as the U.S Department of Education and the U.S Department of Agriculture.
- Changes to the Nutrition Services programs at the federal level occurred that day.
- Board members were advised to stay informed through OSBA newsletters and legislative updates.
- The importance of providing testimony and working with legislators was highlighted.
- The District will continue to closely monitor the situation and provide updates as more information becomes available.
- Management of the budget will continue as needed, but the clear focus will remain on the classroom and the support of the students and staff.

1X) Next Meeting

May 8, 2025 (Proposed Budget presentation)

May 15, 2025

May 22, 2025 (If needed)

Superintendent Hamilton thanked everyone for attending.

X) Adjournment

Todd Hamilton

Having no further business to conduct, Superintendent Hamilton adjourned the meeting at 7:37 p.m.

(Minutes recorded by Trenay Ryan, LCOG)