

WORK SESSION MINUTES

Budget Committee members in attendance included Board Chair Jonathan Light, *Vice Chair Amber Langworthy, Ken Kohl, and Robert Brew.

At-Large members Patrick Walch, Hollea Puzio, Nancy Cameron, and Patty Gutierrez.

Absent: Director Nicole De Graff and At-Large member Elaine Doornbus.

District staff in attendance included Superintendent Jodi O'Mara, Brett Yancey, Jeff Michna, Melissa Stalder, Brian Richardson, and additional as audience members.

Guests: Oregon Senator Floyd Prozanski and State of Oregon Representative John Lively

I. Welcome & Introductions

Acting Superintendent Jodi O'Mara welcomed everyone. The Budget Committee work session came to order on Thursday, March 12, 2026, at 6:01 p.m.

II. Legislative Presentation with Q&A

Chief Operations Officer Brett Yancey welcomed State of Oregon Senator Floyd Prozanski and State of Oregon Representative John Lively to the budget meeting.

* Vice Chair Langworthy entered the meeting at 6:14 p.m.

Senator Prozanski discussed the upcoming biennium, emphasizing the significant budget holes and the impact of federal funding cuts on the state budget. The following topics were highlighted:

Budget Challenges and Future Projections

1. The challenges faced during the short session, including major policy issues and the limited time for decision-making was discussed.
2. The budget began with a deficit of \$63 million, but changes in federal tax code disconnections provided an additional \$360 million.

Policy and Legislative Actions

1. The limited number of bills in the short session, but with increased complexity.
2. The legislature disconnected from certain tax code changes to avoid significant revenue impacts, including interest deductions and business investment deductions.
3. The transportation budget was rebalanced, and a vote on a gas tax increase will be held in May.
4. \$15 million was allocated by the state to Southern Oregon University to stabilize its funding, and a group was formed to examine the overall university system.

Education and Legislative Bills

1. House Bill 4022 provides free books for children birth to five through the Imagination Library.
2. House Bill 4149 ensures immediate enrollment support for approximately 21,000 Oregon students experiencing homelessness.
3. House Bill 4160 requires all schools to establish and maintain cardiac emergency response plans.
4. Senate Bill 1504 expands methods for administering life-saving medication to include nasal sprays.

Challenges and Future Projections

1. The challenges of a declining student population and the impact on state income taxes.
2. Oregon's unemployment rate is 5.2%, projected to worsen before improving.

3. Oregon's population growth is minimal, affecting income tax predictions and business investments.

Representative John Lively described the first legislative short session, limited to only two days and the difficulties of reviewing the large number of bills presented during this short period of time. The following topics were highlighted:

Recreational Immunity and Federal Overreach

1. The unanimous passing of a bill clarifying recreational immunity, allowing waivers for ordinary negligence in certain areas.
2. The impact of federal overreach on state laws, with 18 bills addressing various federal issues.
3. Senate Bill 1538 strengthens state laws against discrimination based on immigration status in education.

Budget Cuts and Legislative Process

1. An explanation of the three tiers of budget cuts prepared by the Ways and Means Committee to balance the budget.
2. The legislature received a \$200 million increase in the last forecast, helping to balance the budget without additional cuts.

Housing and Land Use Changes

1. The challenges of high housing prices and the lack of available land for affordable housing projects.
2. The City of Springfield is considering applying this exception to bring in new land for affordable housing.
3. The goal is to make incremental changes to address the housing crisis in the state and local areas.

Engagement

1. Representative Lively encouraged school boards and committees to use the Oregon legislative information system to follow hearings and provide input.

2. The importance of maintaining ongoing dialogue. Lively suggested setting up separate meetings with local legislators to ensure their dedicated voice is heard.
3. The importance of building coalitions and highlighting the specific needs of individual districts to secure additional assistance.

Career and Technical Education Program Support

1. The availability of funds for infrastructure work and the importance of having land that is serviceable for development.
2. The importance of maintaining career and technical education (CTE) programs, noting the commitment of all 90 members of the legislature to avoid significant cuts to education budgets and the availability of the education stability fund.

Funding Assessments and Facility Maintenance

1. The focus on smaller school districts with limited ability to raise taxes and the recognition of the need for state-level support.
2. The challenges of maintaining transportation infrastructure and the importance of gas tax in supporting local efforts.

Director Kohl inquired about the economics of expanding the urban growth boundary for manufactured homes and the potential incentives for developers.

Representative Lively explained the challenges faced in Springfield, including the need for infrastructure funding and the difficulty in finding serviceable land.

Chair Light asked about reaching out to legislators outside the local area for support.

Senator Prozanski suggested the board engage with state and other Lane County legislators during interim sessions to raise awareness of local issues and to build relationships, and to reach out to members of the Ways and Means Committee, to discuss local issues and needs.

Director Kohl inquired about the state's funding assessments for facilities and the status of ongoing assessments.

Representative Lively explained the incremental increase in funds available for matching school districts' efforts to retrofit facilities for earthquakes and fires.

III. Budget Committee Work Session Summary

Brett Yancey

Brett Yancey provided a recap of what had been accomplished to date and mentioned the various topics that had been discussed. Yancey provided a preview of session topics to be discussed, including worst-case scenario budget assumptions, financial projection, and budget engagement. Board members were encouraged to talk amongst themselves and to provide feedback.

IV. 2026-2027 Enrollment Projections

Brett Yancey

The meeting addressed school enrollment projections and their impact on staffing and budget decisions. Enrollment for the current year was 9,072, lower than the projected 9,374. A decline in overall enrollment to 8,894 students for 2026-2027 is projected.

Budget Process and Enrollment Projections:

1. The challenges of declining enrollment and the need to make informed decisions about staffing and budget allocations.
2. The impact of COVID-19 on elementary schools resulted in a significant increase in charter and alternative education enrollment.
3. For 2025-26, the projection is 10,003, with a projected ADMw (enrollment number funded) of 10,606.
4. The need to ensure accurate enrollment projections to inform staffing decisions and student support.
5. A conservative approach is taken to enrollment projections to avoid overstepping building capacities based on funding.
6. The necessity for programmatic cuts if staffing levels are reduced to certain levels.

Reasons for Declining Enrollment

7. Key factors of the decline in enrollment include housing, job availability, and the need for a well-rounded educational experience.

8. Enrollment peaks and valleys, particularly in high school, where students make different choices about their school experience.
9. The impact of reporting enrollment in September and its effect on funding.

V. 2026-2027 Budget Assumptions

Brett Yancey

Brett Yancey introduced the topic of financial assumptions and funding sources, emphasizing that no assumption or reduction decisions have been made yet.

i) Revenue Projection

1. Property tax revenues are projected to increase by 3.75%, based on information from Lane County.
2. The state school fund reflects a reduction in ADMw.
3. A projected reduction in beginning fund balance/reserves of \$6.4 million.

ii) Expenditure Projection

1. The district faces a \$7.9 million deficit for 2026-27, assuming all vacant positions are filled.
2. Teacher/student ratios remain unchanged, and salary/benefits reflect current service levels, including roll-up costs.
3. The importance of understanding the impact of budget decisions on student retention and the need to balance staffing cuts with maintaining classroom quality.
4. The impact of staffing cuts on student retention and the need for state support for career and technical education programs (CTE).
5. The importance of transparency in the budget process and the challenges of maintaining infrastructure and facilities.
6. 15% increase in property, casualty, and auto insurance premiums.
7. The impact of spending reserves and the need for a balanced approach to reserve management.
8. A \$1 million Contingency fund.
9. 0% increase in utilities, supplies capital outlay and other services.

VI. 2026-2027 General Fund Financial Projections Brett Yancey

Revenue:

Property Tax, SSF, County School Fund, ESD Appointment, Common School Fund, Miscellaneous/other, and Federal Forest Fees.

2026-27 Projected Revenue Total	\$132,656,320
2026-27 Projected Beginning Fund Balance	<u>\$ 14,451,139</u>
2026-27 Total Revenue	\$147,107,459

Expenditures:

Salaries, Payroll Costs/Benefits, Services, Supplies, Capital Outlay, Other, and Transfers.

2026-27 Projected Expenditures	\$146,654,206
2026-27 Reserves	<u>\$ 8,332,710</u>
2026-27 Total Expenditures	\$154,986,916

VII. Next Steps - Engagement

Jodi O'Mara

The meeting addressed communications strategies, including email updates for staff, parent newsletters, press releases, and multimedia content like articles, fact sheets, and videos to make information accessible and digestible. Community forums and staff meetings are planned to gather input on short-term cost reduction strategies and long-term solutions.

March 30th — Community Forum (Admin Building) 10:00 a.m.

April 1st ——— Community Forum (Admin Building) 1:00 p.m.

May 7th ——— Budget Presentation, including a comprehensive document expected despite late preparations.

VIII. Committee Member Input & Discussion

The team aims to balance quality with timely completion of the proposed budget. The importance of representation from certified and classified staff in leadership team meetings was emphasized, while the involvement of board members and budget committee members in staff meetings was encouraged. The short timeline for finalizing the budget and the need for effective communication was highlighted.

Director Kohl inquired about strategies for enrollment projections.

Yancey explained the balance between underestimating and overestimating enrollment to avoid staffing issues.

Chair Light expressed concerns about the timeline for the budget presentation, acknowledging the need for a comprehensive document without overworking staff.

Acting Superintendent O'Mara assured that if more time is needed, they will request a postponement, but they are currently holding to the planned timeline.

Hollea Puzio asked a question about the public's awareness of school closures.

Yancey explained it is a lengthy and emotional decision-making process, requiring a board decision; adding that he did not believe the budget is presenting as big of a challenge as immediately closing a school.

The board emphasized the importance of community engagement and transparency throughout the process.

IX. Next Meeting:

May 7, 2026 (Proposed Budget presented)

May 14, 2026

May 21, 2026 (If needed)

Acting Superintendent O'Mara thanked everyone for their attendance, assuring them that additional information would be shared, in regard to upcoming meetings.

X. Adjournment

Jodi O'Mara

Having concluded all business, the Acting Superintendent O'Mara adjourned the meeting at 7:44 p.m.

(Minutes recorded by Trenay Ryan, LCOG)