



Budget Meeting Minutes

May 14, 2026, 5:00PM

55 Academy St, Lebanon, OR 97355

Present:

Nichole Piland, Chair

Melissa Baurer, Vice Chair

Lorlee Engler, Member

Mike Martin, Member

Clyde Rood, Member

Jeff King, Budget Committee Vice Chair

Anthony Morelos, Budget Committee Member

Roger Maurer, Budget Committee Member

Kelly Tucci, Budget Committee Member

Jennifer Meckley, Superintendent

William Lewis, Chief Operations Officer

Steven Prososki, Finance Director

1. WELCOME

Livestream: <https://www.youtube.com/@lcsdboardmeetingstream6568/streams>

1.1. The meeting was called to order at 5:01 PM by Board Chair, Nichole Piland.

2. SELECTION OF BUDGET COMMITTEE CHAIR

Nominations were opened for Budget Committee Chair. Nichole nominated Jeff King to serve as Chair, and Mike seconded the nomination. The group voted unanimously to appoint Jeff King as Budget Committee Chair.

3. SELECTION OF BUDGET COMMITTEE VICE CHAIR

Nominations were opened for Budget Committee Vice Chair. Jeff nominated Anthony Morelos to serve as Vice Chair, and Nichole seconded the nomination. The group voted unanimously to appoint Anthony Morelos as Budget Committee Vice Chair.

4. BUDGET MESSAGE

Superintendent Jennifer Meckley presents the official budget message, providing an overview of the proposed budget, district goals, and recent accomplishments. She also reviews key financial considerations, including rising costs, the projected ending fund balance, staffing reductions, and the district's future financial outlook. The full budget message is included in the proposed budget document.

5. PROPOSED BUDGET REVIEW

Finance Director Steven Prososki presents an overview of the proposed budget and reviews the roles and responsibilities of the Budget Committee, noting that the School Board is responsible for adopting the budget and setting property tax rates. He also reviews appropriations by fund and function.

Steven shares enrollment data, noting that the district had 3,872 students enrolled in district schools on October 1, 2025, prior to the launch of Evergreen Virtual Academy (EVA). As of May 11, enrollment had declined to 3,773 students, with an additional 101 students enrolled through EVA. He explained that declining enrollment is a trend being experienced by districts across Oregon.

Steven further explained that the district's enrollment decline of approximately 200 students has resulted in an estimated \$2 million reduction in revenue, which aligns closely with the district's \$2 million budget reduction target.

Steven reviews statewide virtual academy enrollment trends, noting that virtual programs have experienced significant growth overall, with enrollment increasing approximately 25 percent. He highlighted several virtual academies, including Baker Web Academy and the programs operated by Fossil and Silvies, which have seen enrollment increases of approximately 70 percent.

He also discussed several key budget challenges facing the district. Steven explains that unemployment claims costs have risen significantly, largely because classified employees are eligible to claim unemployment during scheduled work breaks, with the district responsible for 100 percent of those costs. He shared that unemployment expenses have increased from approximately \$8,270 in 2022-23 to a budgeted \$250,000 in 2026-27.

Additionally, Steven reviews rising property and liability insurance and PERS costs. Property and liability insurance premiums have increased from approximately \$390,270 in 2022-23 to \$892,093 in 2026-27, while PERS costs have grown from approximately \$8.35 million to \$10.83

million over the same period. He notes that these escalating costs continue to place significant pressure on the district's budget.

Steven reports that the district is projecting a beginning fund balance of approximately \$8 million, representing 12.27% of the General Fund. The proposed budget includes the use of \$3.12 million from the ending fund balance to help offset expenditures, resulting in an estimated ending fund balance of \$4.88 million for the 2026-27 fiscal year. He noted that through careful financial management during the current fiscal year, the district was able to limit reductions for 2026-27 to \$2 million. Steven stated that he does not believe there is capacity to draw additional funds from the ending fund balance at this time.

Steven reviews the district's fund transfer history and proposed transfers for 2026-27. He explained that the annual \$350,000 transfer to the textbook adoption fund is proposed at zero for one year, noting that existing reserves are sufficient to cover upcoming curriculum adoptions. He indicates that the district will need to revisit reinstating the transfer for the 2027-28 budget cycle.

He also reviews several other budget adjustments, including reducing the capital projects transfer from \$450,000 to \$400,000 and reducing the athletics transfer by \$25,000. Steven noted that an additional \$100,000 would be needed to maintain current athletic programming without reductions. The bus replacement transfer is proposed at zero, with the district moving bus lease payments to the General Fund and postponing the purchase of new buses.

Steven further explains that the district is increasing funding for unemployment claims to \$250,000 in response to rising costs. He reports that the PERS reserve remains healthy and does not require a transfer this year. The food services transfer was reduced to \$150,000, with no anticipated impact to staff or students. He also notes that the debt service transfer is budgeted at zero, as the district's final debt payment is scheduled for June 1, 2026.

Steven reviews preliminary federal grant allocations and reported that the district is projecting approximately \$115,000 less in federal funding than the previous year. He noted that Title I funding is expected to decrease by about \$100,000, which may require the district to evaluate whether to continue current Title I-supported services. Maintaining those staffing levels would likely require a transfer of General Fund resources to offset the reduction in federal funding.

Steven provides additional detail regarding the proposed \$100,000 reduction to athletics. He explains that district staff, including the middle and high school athletic directors and principals, worked together to identify potential reductions. The proposal includes approximately \$35,000 related to middle school football, \$15,000 in middle school coaching stipends, \$25,000 in high school coaching stipends, and an increase in participation fees expected to generate approximately \$25,000. Steven emphasized that these reductions are part of the proposed budget and acknowledged that determining how to address the athletics reduction is a significant consideration for the Budget Committee.

Steven reviewed and responded to questions submitted by Budget Committee members as noted below:

- **Function 1140 – what is covered here?**
 - Three preschool classrooms are funded by preschool promise and there are plans to add one classroom at Lacombe in 2026-27 which would require staffing. The grant does not cover the complete staffing cost so the remainder would come from the general fund.

- Function 2115 – FTE increase?
 - Staff previously funded by the Early Literacy Grant were moved into the general fund, and a substitute greeter for .15 FTE was added.
- Function 2240 – District wide PD travel?
 - PD provided for SpEd, Medicaid and MAC, and AVID – totaling approx. 35,000.
- Function 2660 – Tech dept. add?
 - Staff additions to tech department that was running on a small team -- District Data Coordinator was moved to this department as well.
- Function 5200 – Transfer to athletics only 25,000 less than previous year?
 - Refer to athletics reduction
- What is meant by unemployment is paid by the district dollar for dollar?
 - If a claim comes in, the expense goes straight to the district.
- Are we current with all PERS claims?
 - Yes, our district does not have a side account that requires adjustments
- Function 2130 – what is the reason for the increase in funds?
 - The district started to receive MAC and Medicaid funding to cover these expenses.
- Function 2150 – Increase in SLP Services?
 - SLP (speech language pathologists) services were projected to receive services from the LBL ESD—not able to hire, Presence Learning was used instead which has been great. The funds from the ESD are now used to fund the district's SRO (school resource officer).
- Function 2220 – Supply increase for media?
 - This was a good catch, it should have been in function 1111 – for elementary science kits. This has been updated.
- Function 2410 – Supplies for principals?
 - Expenses changed due to where the district budgeted the carryover balance for school site budgets that were not spent.
- Function 2630 – Reduction?
 - Director of Communications position eliminated from the 2026-27 budget.
- Function 2540 – Operations and maintenance?
 - This is where property and liability insurance premiums are expensed.

Committee members and Board members discuss the proposed athletics reductions, with much of the conversation focused on middle school football, student engagement, equity, and access to extracurricular opportunities. Members express concerns about the potential impact on student participation and discussed alternative options, including club programs, fee increases, and the use of ending fund balance.

District staff emphasize that the proposed reductions were the result of months of planning and difficult decisions made in the context of the district's broader financial challenges, including balancing athletics, facility needs, and staffing. Staff noted that if reductions are not made in athletics, reductions would need to occur elsewhere or additional fund balance would need to be used.

Committee members also discuss the equity of proposed coaching reductions across sports and requested that participation data and program impacts continue to be reviewed. Several members express interest in evaluating the effects of any athletics reductions during the coming year and revisiting the issue in future budget discussions. Overall, the committee recognizes the importance of preserving student opportunities while maintaining the district's long-term financial stability.

6. ADJOURNMENT at 5:59 PM.

Signed:*Nicholas M. Puland*.....

(Board Chair)

Date:.....*6/11/26*.....

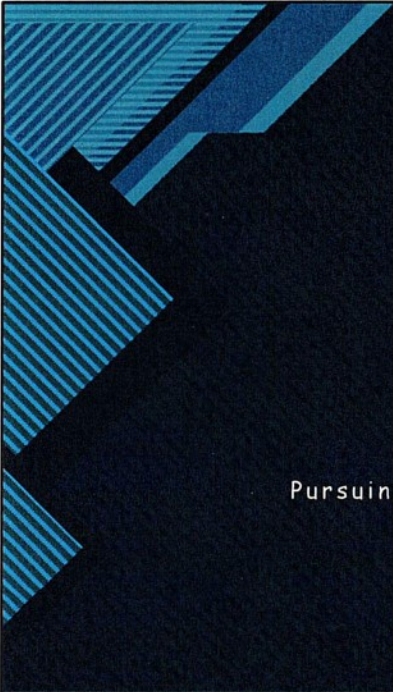
Signed:*Jennifer Meckley*.....

(Superintendent)

Date:.....*6/11/26*.....

ATTENDEE SIGN-IN

[illegible]



2026-27 Proposed Budget

Pursuing Excellence - Lebanon Community Schools

Budget Message

Roles and Responsibilities

- The Superintendent and the staff **propose** the budget.
- The Budget Committee hears the budget message, receives the budget document, hears from the public, and **approves** the budget document as submitted by the budget officer or as revised by the committee. The committee recommends a level of spending for the year. It also specifies the property tax amount or rate for all funds in the approved budget.
- The budget committee does not approve new personnel, employee contracts, or salary schedules. Neither does it negotiate salary contracts.
- The School Board **adopts** the budget and property tax rates.

The state requires every district to pass an annual budget {ORS 294.338}

Pulled from OSBA Budget Committee Handbook.

Appropriations for each Fund/Function:

1000's: Instructional
2000's: Support Services
3000's: Enterprise & Community
4000's: Capital Projects
5000's: Debt Service
6000's: Contingency
7000's: Unappropriated EFB

Proposed Budget & How We Got Here

➤ Enrollment - October 1st, 2025

Lebanon Community School District #9														
10/1/2025	Enrollment by school and grade as of October 1, 2025													
School Grade	KG	1	2	3	4	5	6	7	8	9	10	11	12	K-12 Total by School
CASCADES	49	42	41	44	50	47								273
GREEN ACRES	45	52	45	49	47	45								283
HAMILTON CREEK	18	20	18	25	36	27	28	34	25					231
LACOMB	19	13	22	23	31	29	32	33	27					229
PIONEER	50	33	62	46	49	50								290
RIVERVIEW	58	63	66	69	87	73								416
LEBANON HIGH										312	247	270	301	1130
SEVEN OAK							205	198	243					646
Total by Grade (no SRC)	239	223	254	256	300	271	265	265	295	312	247	270	301	3498
SAND RIDGE CHARTER	49	51	39	40	42	39	41	40	33	0	0	0	0	374
Total by Grade (with SRC)	288	274	293	296	342	310	306	305	328	312	247	270	301	3872

Enrollment on October 1st, 2025

➤ Enrollment Trend - May 11th, 2026

Lebanon Community School District #9														
5/11/2026	Enrollment by school and grade as of October 1, 2025													
School Grade	KG	1	2	3	4	5	6	7	8	9	10	11	12	K-12 Total by School
CASCADES	46	41	42	44	53	44								270
GREEN ACRES	49	54	45	49	47	45								289
HAMILTON CREEK	18	19	18	23	39	21	31	33	20					222
EVERGREEN	3	1	1	1	4	6	3	10	12					41
LACOMB	19	15	22	23	28	31	33	31	26					228
PIONEER	48	37	60	50	45	53								293
RIVERVIEW	51	60	61	72	87	72								403
LEBANON HIGH										278	231	217	219	945
EVERGREEN										23	10	14	13	60
RALSTON												27	20	47
SEVEN OAK							200	190	224					614
Total by Grade (no SRC)	234	227	249	262	303	272	267	264	282	301	241	258	252	3412
SAND RIDGE CHARTER	45	50	41	40	41	36	38	36	34	0	0	0	0	361
Total by Grade (with SRC)	279	277	290	302	344	308	305	300	316	301	241	258	252	3773

State School Fund revenue is connected to our enrollment.

Our Enrollment is declining at an accelerated pace.

In 2025-26, since Oct 1, we have declined 99 students, with an additional 101 now online.

200 total less in our buildings since October 1st. From 7 months ago.

These challenges are not exclusive to Lebanon; they are across the state and the nation.

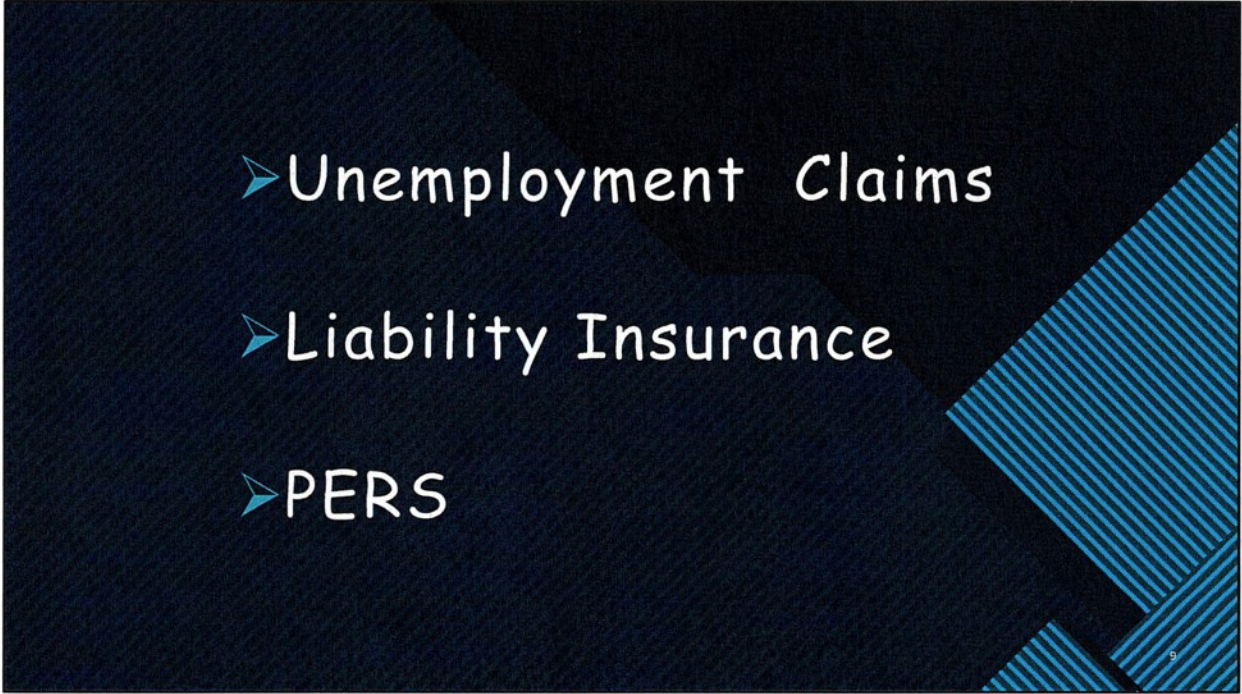
SSF revenue for 2026-27 \$11,611 per ADMw \$1.16M revenue per 100

District Name	School Institution ID	School Name	School Type	Virtual	2024-25 Total Enrollment	2025-26 Total Enrollment	Percentage Increase
Clatskanie SD 6J	5907	Clatskanie Virtual Academy	Regular School	Virtual	Opened 25-26	10	
Colton SD 53	5909	Stellar Pines Virtual Academy	Charter School	Virtual	Opened 25-26	2	
Spray SD 1	5910	Jefferson Classical Academy of Oregon	Charter School	Virtual	Opened 25-26	10	
Three Rivers/Josephine County SD	5911	Applegate Valley Virtual Academy	Charter School	Virtual	Opened 25-26	101	
Scappoose SD 1J	5668	Scappoose Online Academy	Regular School	Virtual	50	1,412	2724%
Harney County SD 3	3740	Burns High Desert Academy	Alternative School	Virtual	7	12	71%
ODE YCEP District	2387	Ocean Dunes High School	YCEP	Virtual	3	5	67%
Prairie City SD 4	5809	Virtual Preparatory Academy of Oregon	Charter School	Virtual	80	113	41%
Prairie City SD 4	5622	Oregon Connections Academy	Charter School	Virtual	884	1,202	36%
Paisley SD 11	3360	Paisley School	Charter School	Virtual	222	299	35%
Fossil SD 21J	1205	Fossil Charter School	Charter School	Virtual	2,494	3,312	33%
Harney County Union High SD 1J	4702	Silvies River Charter School	Charter School	Virtual	1,219	1,510	24%
Baker SD 5J	4728	Baker Web Academy	Charter School	Virtual	3,066	3,752	22%
Nyssa SD 26	5723	Nyssa Virtual School	Regular School	Virtual	987	1,201	22%
Eagle Point SD 9	4378	URCEO-Upper Rogue Center for Educational Opportunities	Alternative School	Virtual	186	224	20%
Mitchell SD 55	5440	Cascade Virtual Academy	Charter School	Virtual	1,226	1,470	20%
Hillsboro SD 1J	4973	Hillsboro Online Academy	Regular School	Virtual	322	380	18%
Mitchell SD 55	5441	Destinations Career Academy of Oregon	Charter School	Virtual	79	92	16%
Sutherlin SD 130	5357	Sutherlin Valley Online Academy	Regular School	Virtual	87	100	15%
Gresham-Barlow SD 10J	4740	Metro East Web Academy	Charter School	Virtual	759	869	14%
Jefferson County SD 509J	5689	509J On-Line	Regular School	Virtual	27	30	11%
Coquille SD 8	5498	Winter Lakes Elementary	Alternative School	Virtual	106	116	9%
Marcola SD 79J	5444	TEACH-NW	Charter School	Virtual	655	714	9%
Santiam Canyon SD 129J	4399	Oregon Charter Academy	Charter School	Virtual	2,345	2,511	7%
North Bend SD 13	4690	Evergreen Virtual Academy	Charter School	Virtual	794	837	5%
Baker SD 5J	5604	Baker Virtual Academy	Regular School	Virtual	40	42	5%
Winston-Dillard SD 116	5201	Dillard Alternative High School	Alternative School	Virtual	41	43	5%
North Clackamas SD 12	4223	Clackamas Web Academy	Charter School	Virtual	529	544	3%
Estacada SD 108	4670	Summit Learning Charter	Charter School	Virtual	1,355	1,378	2%
Tigard-Tualatin SD 23J	2714	Creekside Community High School	Alternative School	Virtual	186	189	2%
Scio SD 95	5457	Willamette Connections Academy	Charter School	Virtual	1,282	1,301	1%
Totals					19,031	23,781	25%

One-year enrollment trend for virtual schools that have increased in enrollment from prior year.

	2022-2023 Oct 1 Enrollment	2025-26 Oct 1 Enrollment	Percentage Increase in Enrollment
Baker Web	2377	3752	58%
Fossil	1778	3312	86%
Silvies	896	1510	69%
Totals	5,051	8,574	70%

3 year trend

- 
- Unemployment Claims
 - Liability Insurance
 - PERS

Challenges with expenses. Unemployment claim expenses are related to the state of Oregon SB 489.

Challenges: Expenses / Rising Costs

UNEMPLOYMENT CLAIM COST HISTORY		
Fiscal Year	Expenses	Notes:
2022-23	\$ 8,270	Actuals
2023-24	\$ 39,641	Actuals
2024-25	\$ 83,307	Actuals
2025-26	\$ 130,107	YTD
2026-27 Proposed Budget	\$ 250,000	

PROPERTY & LIABILITY INSURANCE PREMIUMS HISTORY		
Fiscal Year	Expenses	Notes:
2022-23	\$ 390,270	Actuals
2023-24	\$ 463,838	19%
2024-25	\$ 568,026	22%
2025-26	\$ 761,656	34%
2026-27 Proposed Budget	\$ 892,093	17%

PERS HISTORY		
Fiscal Year	Expenses	Notes:
2022-23	\$ 8,354,272	Actuals
2023-24	\$ 9,001,789	Actuals
2024-25	\$ 9,322,706	Actuals
2025-26	\$ 10,016,306	YTD (Budget \$10,671,705)
2026-27 Proposed Budget	\$ 10,826,762	Budget @ 100%

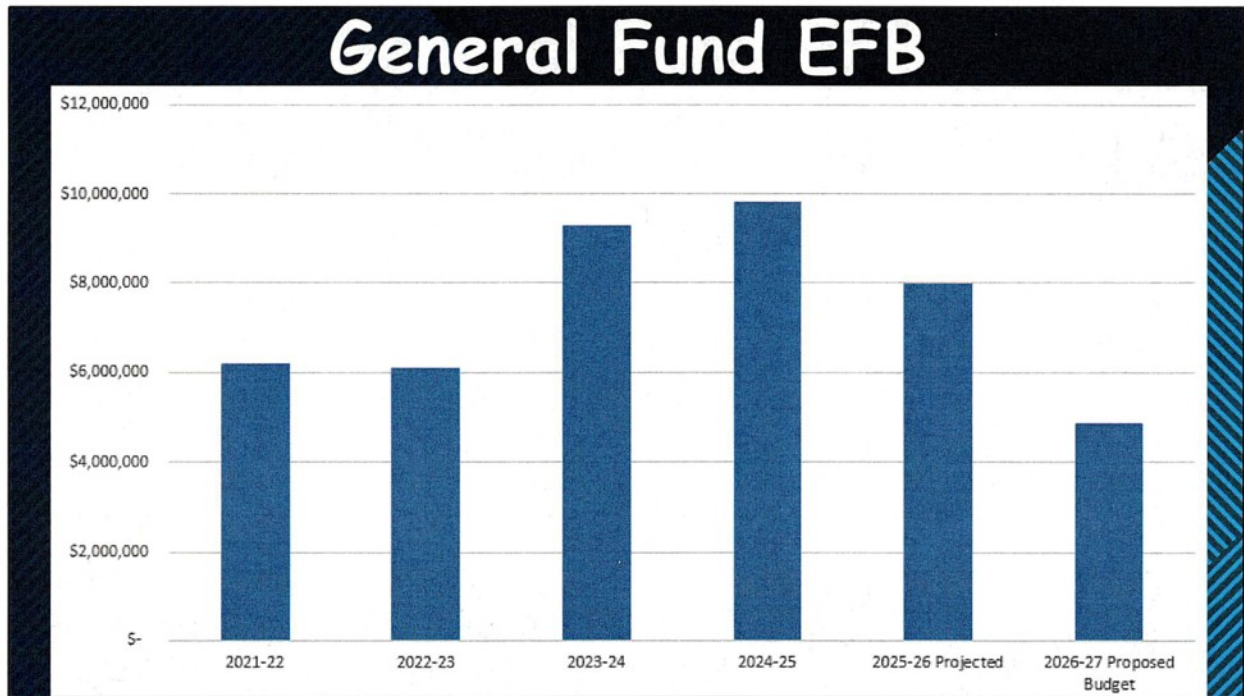
2022-23 Totals	\$ 8,752,812	
2026-27 Proposed Budget	\$ 11,968,855	
4 Year Difference	\$ 3,216,043	

SB 489 (2023) eliminates restrictions on the payment of unemployment insurance benefits to certain educational workers. Classified staff, such as IAs, BSPs, PCAs, bus drivers, custodial, and food service workers. Eligible during breaks, Summer break, Winter and Spring break. Dollar for dollar to the District. Does not include Teachers or Admin.

The Unemployment Claims Proposed budget amount is almost 3,000% higher than the 2022-23 FY. Almost all claims now are from current employees (still employed).

Property & Liability Insurance Premiums continue to rise.

PERS – We used to have a larger gap between budgeted vs actual. Now, with higher staff retention and most new staff qualifying for PERS benefits on day one, the difference is shrinking.



We are projecting a Beginning Fund Balance of approximately \$8.0 million, which represents 12.27% of the General Fund. The proposed budget includes the use of \$3.12 million in one-time BFB funds to help offset expenditures. This would leave an estimated Ending Fund Balance of \$4.88 million for 2026–27.

Through careful budget management during the current fiscal year and maintaining a strong fund balance, we were able to limit reductions to \$2.0 million for the 2026–27 fiscal year. Given these factors, I do not believe there is additional capacity to further draw from the fund balance at this time.

Fund Transfer History

Transfers	2023/24	2024/25	2025/26	2026/27
	Amount	Amount	Amount	Proposed Budget
0709 - Undesignated	\$ -	\$ -	\$ 10,000	\$ -
0710 - Transfer to Technology Fund	\$ 100,000	\$ 100,000	\$ 100,000	\$ 100,000
0711 - Transfer to Classroom Furniture Fund	\$ 60,000	\$ 60,000	\$ 60,000	\$ 64,000
0712 - Transfer to Textbook Fund	\$ 350,000	\$ 350,000	\$ 350,000	\$ -
0713 - Transfer to Capital Project Fund	\$ 200,000	\$ 450,000	\$ 450,000	\$ 400,000
0715 - Transfer to Athletic Fund	\$ 550,000	\$ 600,000	\$ 675,000	\$ 650,000
0716 - Transfer to Bus Replacement	\$ 225,000	\$ 225,000	\$ 225,000	\$ -
0717 - Transfer to Unemployment Fund	\$ -	\$ 160,000	\$ -	\$ 150,000
0718 - Trans to PERS Reserve Fund	\$ 154,000	\$ 60,000	\$ -	\$ -
0719 - Transfer to Food Services Fund	\$ 200,000	\$ 200,000	\$ 150,000	\$ 150,000
0720 - Transits	\$ (2,092)	\$ -	\$ -	\$ -
0730 - Transfer to Debt Service	\$ 200,000	\$ 75,000	\$ 114,039	\$ -
Total	\$ 2,036,908	\$ 2,280,000	\$ 2,134,039	\$ 1,514,000

One-Time Textbook transfer of zero.

Reduced Capital Projects transfer by \$50k.

Athletics transfer by \$25k, would need \$100k to maintain programs, services, and coaches in 2026-27.

Expenses will continue to increase each year.

Bus Replacement set to zero..will keep there for a couple of years, this was used for leases and purchases, shifted the \$130k in lease expenses to GF starting in 2026-27.

Unemployment Claims, working on a balanced set amount each year. Claims continue to rise from the classified staff.

PERS Reserve fund is healthy for now...

Food Service, reduced \$50k current FY and next FY. Will not be noticeable by staff or students, example of \$70k remodel of counter at SOK may be delayed...

Debt Service, our QSCB debt service 2011 series has a last payment scheduled on 06.01.2026

Federal Grant Preliminary Allocations

Grant	2025-26	2026-27	Difference
Title I	\$ 1,725,464	\$ 1,627,272	-5.69%
Title II	\$ 225,749	\$ 181,282	-19.70%
Title III	\$ 14,471	\$ 14,548	0.53%
Title IV	\$ 100,116	\$ 127,019	26.87%
TOTALS	\$ 2,065,800	\$ 1,950,121	-5.60%

Athletics

\$100k proposed reduction:

- \$35k MS Football
- \$15k MS coach stipends, includes payroll taxes/benefits
- \$25k HS reduction of 4 Asst coach stipends, includes payroll taxes/benefits

+\$25,000 increase fees from \$50 to \$75 MS and \$100 to \$150 HS: total increase of revenue MS \$3k HS \$22k

Questions & Answers

General Fund Functions:

- Function 1140 Pre-K Programs
- Function 2115 Student Safety
- Function 2240 Object 0340 Professional Development
- Function 2660 Technology Services
- Function 5200 Transfers

PAGE 29 – Function 1140 Pre-K Programs What all is involved in the General Fund 1140 - Pre-Kindergarten Programs and Special Revenue Fund 266 - Preschool Promise? ***We currently have 3 Pre-K classrooms funded by Fund 266 and General Fund Function 1140. Two at Cascades and one at Green Acres. We plan to add a Pre-K classroom at Lacombe in 2026-27. For staffing, we have a Pre-K Teacher, Instructional Assistant (IA) and a Personal Care Assistant (PCA) in each of the classrooms. These programs have a separate, covered playground area. The grant does not cover the complete staffing costs, which is why there is 0.91 FTE in General Fund under Function 1140.***

PAGE 39 - Function 2115 Student Safety The FTE's went up? ***Yes, we had three staff members (0.4688 FTE each) who were previously funded by the Early Lit grant, and were moved to the General Fund. The remaining difference is 15/30 minute increments of FTE added to staff for Safety Patrol (bus, before/after school drop-off/pickup) and Substitute Greeter (15 minutes welcoming subs).***

PAGE 47 –Function 2240 Object 0340 What the district wide total for

travel/conferences/training across the district is? How much is Required and how much is discretionary? ***When I review PD travel funded by the General Fund (Function 2240 and Object 0340), The expenses total \$35,267 for 2025-26, with \$14k for Special Education, and \$11k for Medicaid/MAC related PD, and \$8k for AVID, and smaller remaining amounts for selected Principal approvals.***

PAGE 61 - Function 2660 Technology Services The FTE's went up? ***Yes, our district was running with a small team in our tech dept, and we needed better tech support district-wide. We increased our Tech Support Specialist position from 5 hours to 8 hours/day, and added a 1.00 FTE Network Systems Specialist position. We also shifted our 1.00 FTE District-Level Data Coordinator into this department from Function 2114 -Student Accounting Services on page 38, to Function 2660 -Tech.***

PAGE 64 - Function 5200 The transfer to Athletics is only \$25k less than the previous year? ***Yes, when we first started to build the proposed budget, we recognized we would need to increase the transfer to \$750,000 to maintain the same programs/services. We worked with the Athletic Director, MS and HS Admin to find a solution to reduce Athletic budget by \$100k and have the transfer amount be \$25k compared to 2025-26..***

Conclusion

- The proposed budget is informed by the priorities identified in the budget message.
- Budget development is a multi-month process led by the superintendent's leadership and the contributions of many throughout the organization.
- What questions can we answer to approve the proposed budget?

Important Dates

- May 21, 2026, Budget Committee Meeting #2 (if requested)
- June 11, 2026, Board Meeting & Budget Hearing



Thank You!

