Budget Committee Minutes

Tigard-Tualatin School District, 23J

May 14, 2026

Board Members Present:

Tristan Irvin
Kristen Miles
Jill Zurschmeide
David Jaimes

Administrators Present:
Dr. Iton Udosenata, Superintendent
Jessica Seay, Chief Financial Officer
Jeremiah Patterson, Associate Superintendent
Kevin Montague, Director of Operations
Susan Barnard, Director of Information Technology
Laura Kintz, Director of PreK-5 Principals
Carol Kinch, Director of Student Services
Jordan Mills, Director Community Relations
Zinnia Un, Director of Equity and Inclusion

Budget Committee Members Present:
Cory Morgan
Elizabeth Dittman
Kelley Cameron
Henry Castillo
Meagan Madlem

Others Present:
Sarah Mehrabzadeh, Controller
Tara Baumann, Executive Assistant Business Office
Jade Woodard, Board Secretary

Call to Order *~ 6:30PM*
Board Chair Jill Zurschmeide convened the Budget Committee meeting of the Tigard-Tualatin School District (TTSD) to order.

Approval of Agenda *~ 6:30 PM*
Board Chair Zurschmeide asked Superintendent Udosenata if there were any changes to the agenda. Superintendent Udosenata stated that there are no changes to the agenda. Board Chair Zurschmeide asked for a MOTION to approve the agenda. Committee Member Dittman motioned to approve and Board Vice Chair Irvin seconded. A roll call VOTE was called. VOTE passed unanimously 9-0.

Election of Budget Committee Presiding Officer and Vice-Presiding Officer *~ 6:31PM*
Board Chair Zurschmeide asked for a nomination for the Budget Committee Presiding Officer. Budget Committee Member Madlem nominated Budget Committee Member Morgan to serve as Presiding Officer seconded by Vice Chair Irvin. Budget Committee Member Morgan accepted the nomination and a roll call VOTE was called. VOTE passed unanimously 9-0. Presiding Officer Morgan asked for a nomination for Vice Presiding Officer, Board Chair Zurschmeide nominated Budget Committee Member Madlem for Vice Presiding Officer, Board Member Jaimes seconded. Budget Committee Member Madlem accepted the nomination and a roll call VOTE was called. VOTE passed unanimously 9-0.

Budget Message *~ 6:33 PM*
CFO Jessica Seay delivered the 2026-27 budget message and shared detailed information on the proposed budget via a Google Slides presentation (attached). The objective of the message was to provide a comprehensive overview of the proposed fiscal year 2026-27 budget and the major influences impacting the financial condition of TTSD. CFO Seay shared; The 2026-27 Budget is prepared utilizing the best estimates we have at this time. The Budget will be discussed in three parts

Budget Message Overview

PART I
- General Fund Overview
- Enrollment & Staffing
- Proposed State Funding

PART II
- Approach to Reductions
- Impact of Staffing Changes
- Program Revisions

PART III
- Reserves
- Financial Outlook
- Other Funds

Part I

General Fund Overview:
- Dwindling Reserves
- Filling the Budget Gap
- Prior Year Review - Budget Adjustments
- Enrollment Down, Staffing up
- Budget Resources
- Inflationary Cost Increases

CFO Seay shared; since 2021-22 the District has used reserves to maintain as many services as possible. Ongoing costs have outpaced incoming resources. Public schools in Oregon are experiencing structural deficits due to a need for technically proficient staff that are required to provide instructional and support services to students needs that are diverse and expanding. However, lower birth rates, alternatives to traditional public education including Charters, Virtual Academies private schools and homeschool results in declining enrollment Our community is aging and community members are staying in their home, affecting the availability of affordable housing for families with young children.

The District specifically, has made cumulative reductions since 2023-24 totaling $26 million. Last year's projections for 2026-27 relied on two assumptions: 1) TTSD's student enrollment would maintain its proportionate share of overall statewide enrollment and 2) results of salary negotiations would be limited to 2% salary adjustments. Enrollment fell beyond projected amounts and negotiations with some labor associations are in excess of the 2% amount used in the forecast.

State School Fund; $11.36 Billion Statewide
- State School Fund formula amount of $159.4 million
- Extended ADMw of 12,960
- Amount per ADMw of $12,319
- ODE State School Fund Worksheets pages 35-36 based on $11.36 billion SSF and 49% allocated in 2025-26

CFO Seay shared; TTSD will be funded off the better of the two enrollment years in 2026-27. When planning for the 2027-29 biennium, State legislators will be faced with the challenge of the impact of House Resolution 1 (federal legislation). Tax revenue statewide is anticipated to decrease, along with federal monies for programing such as SNAP and Medicaid.

Inflationary Cost Increases

- Salaries and Benefits Contracts
  - Unemployment
  - Paid Family Leave
- Special Education
- Student Transportation
- Substitute Services
- Utilities and Operations
- Property and Liability Insurance

Part II

Approach to Reductions

- Apply and Amend Class Size Ratios in Elementary Grades 3 through 5
- Review Systems of Support
- Reduce Non-payroll Expenditures

CFO Seay shared; the challenge of enrollment-based staffing can increase depending on where our students live. Our younger students live in "bubbles" - to meet budget constraints the ratios for grades 3-5 were increased by one. Reductions include 16.94 classroom teachers districtwide through attrition such as retirement, resignation or non-renewal of temporary contracts.

CFO Seay shared; staffing comparison by classification from 2017-18 to 2026-27. Classified, Administrators and Manager classifications have increased due to student and/or regulatory needs. When comparing ratios of staff to students among other districts, TTSD's licensed ratio is the highest at 58.4 per 1000 students with the Administrator ratio being one of the lowest at 3.7 per 1000 students.

Impacts on Programming

- Reduction of Partnership Contracts
- Reduction of Student Health Center Hours at One Site
- Size and Configuration of Bus Fleet
- Delay of Bus Fleet Replacement
- School and District Office Reductions in Discretionary Budgets

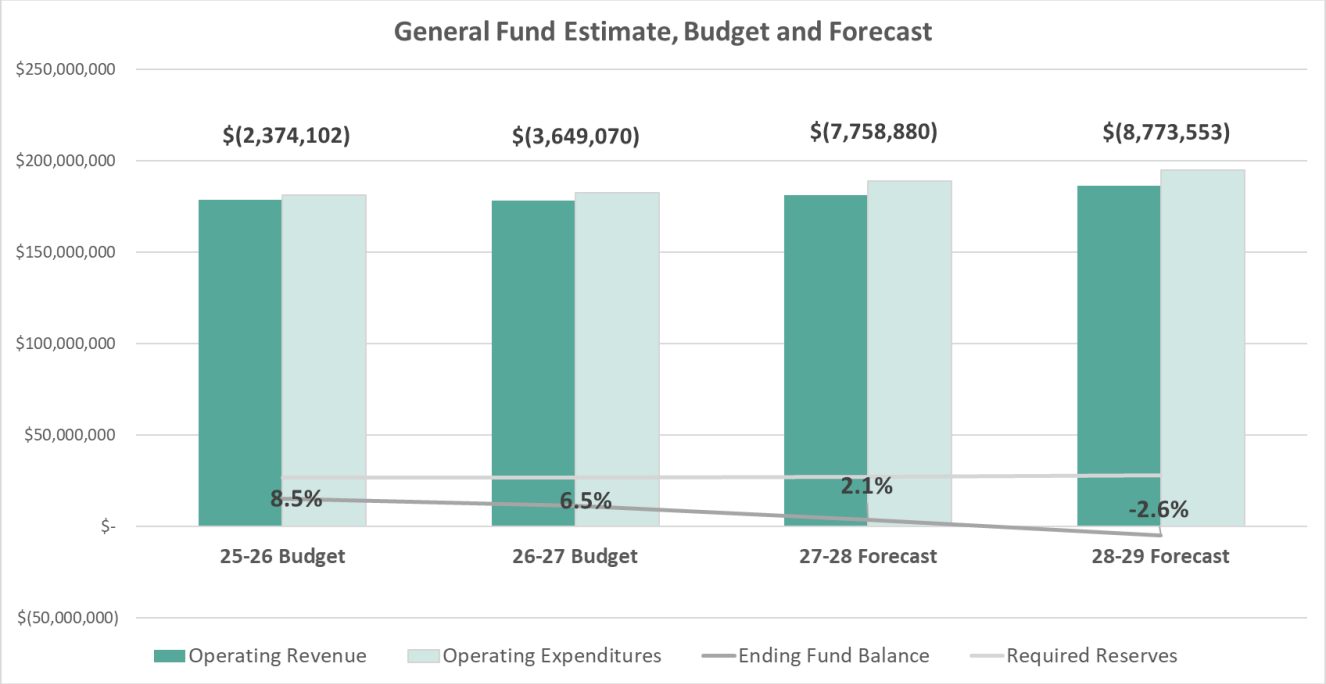
CFO Seay shared; among reductions, there have also been some staffing additions based on needs and ratio calculations. Additionally, software supporting multi-lingual learning and multi-tiered levels of support have been added. Finally, certain federal grants cannot cover rollup costs. Accordingly, transfers from the general fund are required to support up to four programs.

Part III

RESERVES

- Board Policy DBDB based on $178.4M operating revenue in General Fund
  - 1.5% operating contingency **less than 2% policy**
  - 5% unappropriated ending fund balance
  - **5% sustainability reserve - none**
- Total reserves of $11.6 million; drawdown of $3.6 million – see Pages 30-31

Estimate & Forecast



CFO Seay shared; the 2025-26 fiscal year is the first year in recent history that TTSD didn't have the sustainability reserve. Late timing of information about revenue assumptions impacting the 26-27 budget resulted in district leadership proposing a contingency of 1.5% instead of the 2% required by policy. To reverse the trend, any future position vacancies will be reviewed on a case-by-case basis before they are filled. With this approach we hope to end the 2026-27 school year with the full 7% fund balance (5% ending fund balance + 2% contingency).

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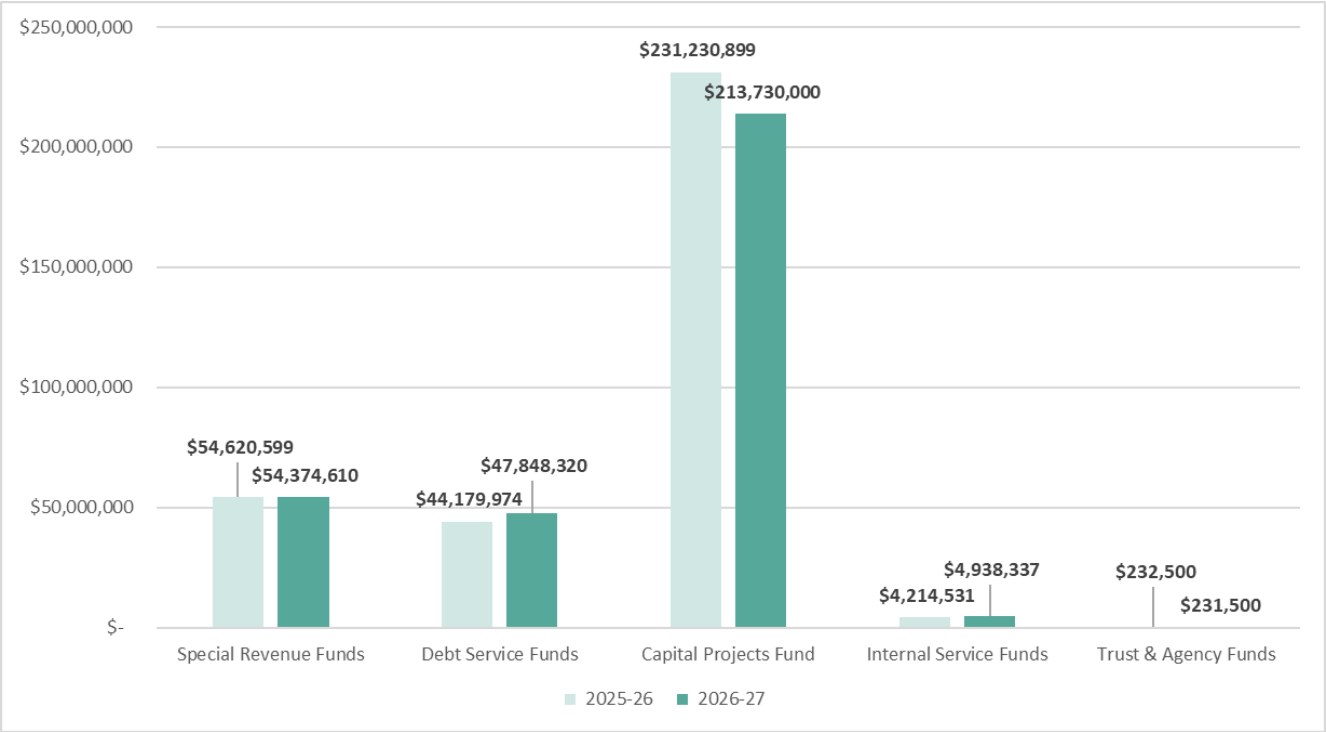
FORECAST

TTSD General Fund 2026-27 Budgeted Forecast	2025-26 Forecast	2026-27 Budget Proposed	2027-28 Budget	2028-29 Budget
Operating revenue				
State School Fund Grant	$ 158,208,000	$ 159,407,809	$ 161,807,159	$ 166,398,387
Local Option Levy	12,538,000	12,500,000	12,750,000	13,005,000
All other operating revenue	6,121,133	6,560,250	6,900,000	6,900,000
Total operating revenue	176,867,133	178,468,059	181,457,159	186,303,387
Operating expenditures				
Salaries and benefits	150,966,710	153,471,143	158,470,482	162,794,105
All other expenditures	27,922,717	29,281,483	30,745,557	32,282,835
27-28 reductions	-	-	(8,846,503)	(8,846,503)
28-29 reductions	-	-	-	(804,995)
Total operating expenditures	178,889,427	182,752,626	180,369,536	185,425,442
Other budget components				
Lease proceeds	200,000	200,000	200,000	200,000
Leased assets	(200,000)	(200,000)	(200,000)	(200,000)
Total non cash budget components	-	-	-	-
Fund balance				
Transfer in		635,497		
Operating (deficit)/surplus	(2,022,294)	(4,284,567)	1,087,623	877,945
Beginning fund balance	17,637,550	15,263,448	11,614,378	12,702,001
Projected ending fund balance	$ 15,615,256	$ 11,614,378	$ 12,702,001	$ 13,506,996
Ending Fund Balance as a % of Operating Revenue (Policy DBDB)	8.8%	6.51%	7.00%	7.25%

CFO Seay shared; outlook for future years. As noted previously, House Resolution 1 has thrown a shadow over what the next biennium will include. The 2027-29 legislative session will be pivotal for Oregon schools. PERS rates will continue to be the "tail wagging the budget dog". Assumptions are based on the following; SSF will increase by 7.5% and enrollment will continue to decline. Advisory employer rates for PERS are forecasted to the District's final employer rates. For the 2027-28 School year, $8.9 million dollars will need to be reduced. These decisions will be made in conjunction with TTSD's multifaceted *Future Forward Plan* that includes conversations with community members and soliciting their hopes and criticism. Future Forward work will also inform TTSD's updated Strategic Plan, refresh instructional programing and scrutinize the District's facilities use.

OTHER FUNDS

Other Funds Breakout



CFO Seay shared; the board approved three supplemental budgets affecting the 2025-26 budget. Debt service, capital and general funds were impacted by increases. Meanwhile, most federal grant allocations have been reduced or essentially flat funded compared to roll-up costs.

- **Integrated Guidance Grants**
  - Early Literacy Grant funds budgeted at $841,807 ($33,012 increase)
  - SIA budgeted at $11,506,385 ($451,231 increase)
  - High School Success funds budgeted at $3,420,759 ($134,147 increase)

Federal Fund Updates

- **House Resolution #1**
  - $187 Billion Cut to SNAP
  - Change in Eligibility requirements for SNAP and Medicaid; may impact direct certification numbers
- Department of Education's Interagency Agreements with the Department of Labor may impact certain federal program such a Title

- **FY 27 Budget – President's Budget Request**
  - Impacts TTSD's 2027-28 budget
  - Reduces K-12 Funding by $6.5 Billion (2.9% decrease)
  - Title I level- funded
  - IDEA, Part B - $489 million increase
  - Eliminate Title IC (Migrant Ed), Title IIA (English Language Acquisition)

CFO Seay shared; House Resolution 1's impact is being tracked for SNAP benefits and Medicaid which is often tied to grants. The President's budget impacts will be felt in 2027-28, IDEA received a bump, primarily due to other programs being rolled into one grant.

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 8th 2026

Closing

Public Comment-

Presiding Officer Morgan announced time for public comment. Members of the public are limited to three minutes and should be brief and concise. Speakers may offer objective criticism; budget committee will not hear complaints against specific members.

Public Comments
Cara Unger-Fink (Split-Grade Classrooms)
Mariya Chanocua (Split-Grade Classrooms)

Deliberations

Board Members & Budget Committee Discussed:

- *Strategies to Accelerate Reserve Growth*
  - Target reserve goal of up to 10% while preserving existing programming.
  - Launching a Medicaid pilot program to expand revenue.
  - Pursue TTVA student agreements to generate additional revenue.
  - Collaborate with labor partners to review expenditures and manage expenses
- *Cost-Effective Bond Project Maintenance*
  - Select products with lower lifetime maintenance and procurement costs (e.g., specific flooring and floor base choices).
- *Data Transparency & Community Engagement*
  - Share data more effectively at the school level to prioritize transparency.
  - Host Community Budget Workgroups and continue providing monthly financial updates at board meetings.
- *Enrollment Management & Strategic Initiatives*
  - Adjust school boundaries to balance ratios across district schools.
  - Address declining enrollment caused by low birth rates and dropping immigrant enrollment (fewer kindergarteners entering than seniors graduating).
  - Launch the "Future Forward" initiative and host community listening sessions to tell the district's story and establish it as a destination district.

Motion to Approve the Budget 7:39 PM

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

At 7:39 PM Board Member Jaimes MOTIONED that the Budget Committee of the Tigard-Tualatin School District 23J, Washington and Clackamas Counties, Oregon, hereby approve as proposed the Budget for the 2026-27 fiscal year in the sum of **$515,689,771** for all funds now on file at the Hibbard Administration Office.

Board Member Jaimes further MOTIONED 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 $1.0000 per $1,000 of assessed value for local option tax for general school operations and in the amount of $42,005,900 for general obligation bonds.

Vice Chair Irvin seconded.

Call for a roll call vote by Committee Chair Morgan:

MOTION APPROVED 9-0

Approval of the Proposed Budget 7:41 PM
The Budget Committee Presiding Officer Morgan asked for a motion to approve the proposed budget. The motion to approve the budget passed 9-0 at 7:41 PM

Adjourn, 7:43 PM
The meeting was adjourned by Presiding Officer Morgan at 7:43 PM