

GRESHAM-BARLOW SCHOOL DISTRICT NO. 10 JT.
Minutes of Budget Committee Meeting (2 of 2)

Wednesday, May 13, 2026

The Gresham-Barlow School District Budget Committee met on Wednesday, May 13, 2026 in the council chambers of the Public Safety and Schools Building, 1331 NW Eastman Parkway, Gresham, OR. A Zoom link was provided for virtual meeting attendance.

Board Members present:

Heather Coleman-Cox, Shawn Farrens, Kris Howatt, Blake Petersen, Brenna Puderbaugh, Holly Riegelmann, Erasto Sedda

Budget Committee Members present:

Dan Corcoran, Vaden Green, John Hartsock, Nick McWilliams, Ashley Tuomi, Garrett Wood, Kelby Whittington

Other Staff in Attendance:

Dr. Tracy Klinger, John Koch, Dr. Sara Deboy, Michael Sweeten, Heidi Lasher, Carla Gay, Pete Bejarano, Athena Vadnais, Jeff Gibbs, Becky Watt, Kevin Holden, Sheri Rhoderick

Opening Items

1. Call to Order and Roll Call (6:01 p.m.)

All members of the budget committee were in attendance at the meeting.

2. Minutes from Budget Committee Meeting - April 29, 2026 (6:01 p.m.)

MOTION: Move to accept the minutes of the April 29, 2026 Budget Committee Meeting as presented. This motion, made by Shawn Farrens and seconded by Holly Riegelmann, Carried.

Aye: 14, No: 0

3. Opening Remarks (6:02 p.m.)

Budget Committee Chair Hartsock reviewed the agenda for the meeting. He clarified that it is a Budget Committee meeting, which is different than a board meeting. Their task is to approve the budget and present it to the school board June 4th. There is one page in the budget document that the committee is charged with approving. They do not approve line items, FTE, or the number of employees. If the budget is not approved by June 30th, the district cannot spend funds starting July 1st and beyond. The district would also potentially be in default on the bond. He shared that 80% of the budget is related to personnel costs, meaning they have to deal with a reduction in force (RIF). Some public comments have been related to the movement of staff and the impact on programs. It is important to know it is the Collective Bargaining Agreement (CBA) that establishes the RIF process. The RIF causes a ripple affect with a period of settling and stabilization. He turned time over to Superintendent Klinger for remarks.

Before the public comments, Superintendent Klinger took a moment to talk about the work ahead of them. She expressed appreciation for the opportunity to answer questions and make sure they have accurate information. She encouraged those in attendance to stay for the formal budget presentation. As they review, her hope is that everyone leaves with facts. It doesn't mean they will like or agree with everything they hear. This budget carries very really consequences for staff, students and families. Their priority has been on meeting the capacity of safety, legal, and statutory requirements. This is an understandable period of adjustment. For many of them, this represents months of exhaustive collaboration where they considered fresh ideas and learned about what has worked or not worked

elsewhere. It was not built in isolation, and ideas were proposed and refined until they decided on reductions. They didn't always agree on everything, but came to a consensus.

Their first responsibility is to students, while recognizing very real impacts on staff and families. She has heard people ask why they can't do what they did in the great recession. This is because they don't have the same options, and because of the cumulative weight of underfunding. In 2008 they tried to have fewer counselors which compromised school safety and stability. They also cut many specialist positions to half time, but that is no longer an option due to new requirements and different needs. They moved away from a block schedule to repurpose staff elsewhere. This is not a sustainable option. She knows many are attending out of a deep passion for the arts. These changes are not because they don't believe it is valuable to their students, but instead to provide them with music in a sustainable way. Will it be the same, no, but there will still be singing and joy in elementary schools. She noted that they can't lose sight of other reductions either. Budget challenges are bigger than any one program. It affects programs across the board. Students' needs are more complex, and community demographics are shifting. She believes deeply in learning, and they are presenting this budget not because it is easy, but because they believe it is the most viable path forward.

Public Comment

4. Opportunity for Public Comment (6:07 p.m.)

Budget Committee Chair Hartsock reviewed the public comment parameters noting they will have 60 minutes for comments with 3 minutes per person. They will start with those that didn't have an opportunity to speak last time.

Ethan Carter is a senior at Gresham High School in the band program. He clarified that when they played at Clear Creek for the last meeting it was a student led performance. He expressed concerns on why the removal of their current band director is so detrimental to the program as a whole. Since her arrival they have reached heights they weren't capable of before and have started playing at the Teddy Bear parade and marching on the football field. Since 2023-24 student numbers have increased from 50 to 90, and now surpass 100. He doesn't believe it is the intention to alter music in all locations, but staff removal by seniority is unilaterally crippling the music program at all levels.

Denise McCloud ceded her time to another community member.

Fiona Maxwell is a freshman at Gresham High School who participates in choir. Due to recent budget cuts and decreased funds going into music programs they are watching the downfalls of minds going into these programs. She expressed that it is not sustainable to cut music in elementary because if they don't learn while young, how will they learn old. This is not just an extra-curricular, it brings people together teaching them how to express themselves. She asked the committee to please refrain from taking actions that will take away children's education.

Michelle Berry is the parent of two boys attending Deep Creek Damascus K-8. Her 7th grader plays the bassoon, and her 4th grader received an OMEA award and was recognized by the school board. She understands the challenges facing the district. The measure of leadership is not whether they avoid hard decisions, but how they make them and whether they remember priorities. She noted the district talks about being student centered and providing a well-rounded education. Eliminating elementary music teachers does not feel student centered. She shared that instead of eliminating them entirely they could reduce them to half time and have a difference of \$46,000. She believes the district should consider reducing an assistant superintendent or director position to absorb these reductions.

Alec Moffitt is a junior at Sam Barlow High School and participates in concert choir and Barlow Sound. They plan to major in music education at Portland State University, and shared how music has helped them with mental and physical health conditions, and how it calms and centers their little brother with behavioral issues. They advocated for Molly Kerns-Clapp stating she has made a lasting impact on the program. They asked what has been done to advocate for

students, if they have spoken to music professionals about what is and isn't acceptable, and why they are still paying employees retired for years. They asked the committee not take this from elementary students and do everything they can to support students.

Shelby Lee Freed ceded her time to another community member.

Kate Ortolano agreed this is an extremely tough situation. She shared that music is the fabric of humanity, builds empathy, increases engagement, boosts achievement, shapes character and abilities, and fosters creativity and imagination. It is a way for students to want to stay in school, and now is not the time to chop programs proven to boost resilience. Schools that prioritize music have higher attendance rates, and research confirms that by participating in quality music programs students significantly outperform peers in science and math. Data also reveals that students without access to arts are concentrated in urban communities, access can be life changing and lifesaving. They must advocate to save the music so children can benefit.

Aleks Weir is a parent with a kindergarten daughter in the district. He expressed frustration her school hasn't performed a recital this year, and instead she shows him videos on YouTube. He noted that she needs more musical education, and he knows music increases listening skills, organizational skills, and mechanical aptitude. With a musical backbone deadlines are not degrading. Kids should be dissecting songs, dancing on the notes, and working to perform, not prepped to be social media zombies. Music empowers them to write songs and their own future. He would like to see more focus on teaching kids music.

Jeanne Marie Johnson is a parent in the district who spoke at the last budget committee meeting. She shared that she hears them say they are trying to make decisions that will impact them the least, and their hearts and brains are all for the students, but contended that they seem heartless. She doesn't think they take the time to realize what taking away elementary music education will do. This limits opportunities for students to grow into compassionate adults.

Kylee Flynn is a junior in high school and went to North Gresham Elementary with Dr. Kilnger as her principal. She learned to love music in elementary school and remembers all of her teachers noting they had an incredible impact on her. She shared that Ms. Bundy has had a tremendous impact on all of her students and this year they qualified for state. Being at state made a really big impact on people. She advocated for music as a help to mental health.

Penelope Pearl Boehme is the daughter of Jeanne Marie Johnson. She shared that music education has changed her life in such important ways. She has gone through depressive episodes and the band directors were there to support her. Music education keeps her going to school. She noted a big concern is dropping attendance, adding that hundreds of students will only go to school for band or choir. Cutting it will be so detrimental, and cutting elementary will impact it so they won't have kids passionate about music who want to perform and pursue music.

Philip Serino lives in Portland and grew up in Gresham. He shared how when he moved from Tennessee as a child, he didn't speak to anyone for six years, and music was the thing that got him out of his shell. He went through the music program and went on to study music composition. Music saved his life, and he saw as a friend how it affects those around him, particularly men. Music is more than sound, it is community. When they remove certified music education, they are removing one of the few structured environments where kids learn to collaborate. He asked them to look for some way to not completely cut it out.

Kevin Lambert is the choir director at Mt. Hood Community College. He wanted to give a quick note about equity, stating that this decision will suffocate middle and high school programs. These programs are all intertwined and the best programs glue it all together. He praised the theater program noting that something special is happening in terms of the

poise they are developing. When high school programs are neutered, it will only be students that sought out private study for their children. Families who don't have the means for this will be left out. That is the exact opposite of the equity cited in the last meeting. He asked them not to throw around education buzzwords that will result in the opposite of what they say is important.

Melody Wheeler has volunteered in schools for seven plus years, and was in attendance for everyone advocating for music. If the mission is to teach and lead the next generation, they must start by listening to them and provide well rounded education. She noted that their job is to listen to the students, and asked them to please listen.

Recess / Reconvene

5. Committee Recess (6:44 p.m.)

The meeting was recessed at 6:44 p.m. and reconvened at 6:55 p.m.

Opportunity for Public Comment - continued (6:56 p.m.)

Budget Committee Chair Hartsock noted that he made an error in pronouncing a name and called on Adriana Slavens to provide her comments. She shared that she was there to support music, but also found out about another cut not being spoken about. She is the parent of a 1st grade and 4th grade DLI student at North Gresham. She expressed concerns around proposed 4th/5th and 1st/2nd classroom blends next year. This change affects hundreds of students but hasn't been communicated. This will mean larger class sizes, and restructuring the DLI program to do more with less is still a cut even if the district isn't calling it a cut. She asked that the district and North Gresham communicate the restructure of DLI, and share how instructional quality will be maintained. She would like DLI families to be able to provide input before it is finalized. She hopes they can work together and stay informed on changes that will affect their children.

Discussion Items

6. District Presents Responses to Committee Questions (6:59 p.m.)

Superintendent Klinger shared the current budget proposal is the result of a transparent, months-long collaboration rooted in integrity and clear guiding principles. This process began well before the formal budget cycle, and involved feedback from the board, budget committee, and labor partners as early as November. In February, meeting dates were adjusted to proactively address a looming Reduction in Force (RIF), ensuring that committee questions were integrated into the presentation to prioritize long-term staffing stability.

The strategy is anchored in fiscal conservatism, aiming to eliminate financial volatility and manage the Ending Fund Balance (EFB) in accordance with recent board resolutions. Despite the "looming cliff" of budget shortfalls, the primary goals remain maintaining a full student school year and meeting all state mandates. Leadership reviewed what has worked well in the past, and did a lot of work to learn from other districts. They identified guiding principles and prioritizations, determined class size ratios, and worked with building leaders on schedules. They added FTE (Full-Time Equivalent) where class sizes were too high. She shared that this work was not done in isolation. While the district has done its best to protect the classroom experience, significant increases in class sizes are expected. It is important to note that these areas saw reductions as opposed to eliminations. The questions they received from the Budget Committee were grouped by common themes. While many are beyond the function level scope of the committee, they wanted to provide the answers the committee needs as they decide on the budget.

Superintendent Klinger reviewed what is considered core content or required. Division 22 is comprehensive accountability tool for districts to report on compliance. For 2024-25 there were 59 standards with 5 categories they fall under. It directly informs local policy, budget priorities, and local compliance. It is tied to state law and new requirements are often tied to Division 22. Core content includes literacy, math, social sciences and science. In high

school it also requires elective credits for graduation. They were asked if equity of enrichment was taken into consideration other than just equity of resources when making reduction decisions. They did consider this where they could, but in the broader context they are still driven by requirements. They looked at their prioritization questions as part of the review for line items and programs. In talking about enrichment, the focus on question 6 is community values or implications. Survey data and input was part of the review for question 6, and they heard a higher priority for middle and high school activities. In elementary school music is already limited to 50-80 minutes a week as opposed to every day in middle and high school.

They were asked if there are requirements for elementary music. Superintendent Klinger noted that each school district is required to have a planned K-12 instructional program including the arts. This is not just music, ODE defines the arts to include music, theatre, visual arts, dance and media arts. There is no requirement for instructional minutes, and the district has reviewed their plan with ODE. There have also been questions about licensure to teach elementary music. In Oregon a teacher with a Music endorsement or Elementary-Multiple Subjects endorsement can teach music

Another question was why there is an addition of 5 Educational Assistants (EAs) and a Performing Arts specialist. EAs were hired for safety and supervision at North Gresham, Highland, Hogan Cedars, and East Gresham. Each of these schools have lost an assistant principal as part of the cuts for last year, and they have a need around supervision and safety support. She shared a draft plan for the Performing Arts Specialist, which includes developing a K-5 plan, collaborating with middle schools to have a smooth transition, utilizing a residency rotation model, coordinating field trip and partnership opportunities, and identifying additional resources to support programming. Many neighboring districts benefit from the Portland Arts tax, but Gresham-Barlow doesn't get any of these funds. Half time music would require adding 5 FTE and they can't trade this elsewhere.

Mr. Bejarano reviewed information about special revenue funds. They were asked if special revenue funds are restricted to specific uses or if some funds can be moved to the general fund. Special revenue by definition is restricted legally by grant contracts or the funds themselves. There are a number of special revenue funds, each with their own restrictions. Federal and state funds can't be moved around. PERS liability is the largest special revenue fund, and it is limited to use for PERS expenses and PERS bonds. PERS rates are increasing more than double compared to inflation and are set to increase again. They are currently expecting to spend down over \$6 million of these limited special revenue funds to alleviate those PERS expenses and keep employees as whole as possible. These funds don't replenish like general funds, and once they are used, they are gone forever. The ability of the district to leverage funds in the future is tied on the availability to use those funds whenever ODE creates a new enticement. For instance, they used \$3 million to purchase PERS bonds and the state matched it dollar for dollar. This is how Oregon works, the ability to leverage money depends on districts' ability to save money.

Mr. Bejarano explained more about transfers and implications of delayed purchases. Transfers for technology are for the actual expenses that year. For building and turf, it is over a couple of years because they are high ticket items. This is about leverage and the ability to put funds aside, earning interest to pay for what they know is coming due in future years. The other reason for transfers is to have a more even budget year over year. Superintendent Klinger shared that they were asked how often tracks and turf fields are used, how much revenue they generate, and what happens if they defer maintenance. Tracks and turf are used regularly throughout the school year and day. They generate about \$25,000 a year from outside entities using facilities. Failure to maintain tracks and fields exposes them to legal liability due to injury. Facilities maintenance helps them get as much use out of them and last as long as possible. Scheduled maintenance is based on the age and wear of the field and/or track.

They were also asked about implications for delaying the replacement of technology. The district keeps technology as long as possible and replaces it on a variable cycle. Delaying replacement causes cybersecurity risk, compatibility issues,

and increased repair costs. There is an instructional need for teachers and students to have current, reliable instructional tools. With economy of scale, purchasing smaller quantities doesn't allow for reduced pricing, and staff time to replace devices over multiple years is less efficient. Other districts distribute this cost over several years or lease devices. The district's primary expense is staff devices next year. They use Chromebooks for students and try to balance screen time and paper. They are already monitoring screen time, and it is less than the national average. They stopped using Canvas for grades K-2, and parents have access to monitor internet use. They teach digital responsibility including lessons on finding a balance for how much students are using technology.

There was a question about grants and staffing by major bargaining groups. Mr. Bejarano shared a chart showing classified, licensed, and admin group FTE paid by grants. Grants are one of the state and federal governments mechanisms to deliver money to schools. Administrators are required to do reporting for these grants and are being paid by grants. Indirect fees from grants translate into the general fund, and are also paying for payroll costs. Superintendent Klinger clarified that the increase in admins for 2023-24 is when they added elementary assistant principals. They sustained them for two years then reduced them again last year. Grants require them to hire staffing to focus on priorities outlined in the grants. Indirect fees offset some of the admin costs. Grants are very restrictive and have very strict rules. As they have added grants over time, they have had to add staffing. Costs are continuing to outpace increases in funding, and many additions end up reduced later to make room for the basics. This is a strategy Oregon continues to use, basing funding on more and more grants.

They were asked how many licensed and classified staff are in a special assignment serving at the district office or not directly interacting with students. There are a variety of staff that do a lot of different things at the classified level, not necessarily on a special assignment, it is their role. Licensed are predominately grant funded, and are related to requirements for compliance work for some of the mandates for Division 22 and grants. They reviewed what changes there have been to administrative staffing and positions. They looked at a two-year scenario. Last year they made \$8 million in reductions on the front end and avoided a RIF. There were five positions eliminated last year. Next year the Deputy Superintendent is retiring, and they are hiring a director of schools at a lower cost. This is the person that goes to a school when something is going on. They eliminated a program director in Student Support Services, and will have to do continuing restructuring. Mr. Bejarano shared how declines compare by bargaining group as enrollment continues to decline. He specifically highlighted the years from 2021 to 2026 which shows a decline in licensed staff. However, when they look at the 10-year analysis, admin and confidential are relatively flat. Enrollment is going down, but in previous years there weren't reductions, there were increases. They are not to the same level they were at in 2014-15 in any group. This doesn't address the core issue of student need and changing needs. Superintendent Klinger reviewed the information showing how total FTE has changed. The percentage of admin and confidential staff when looking at the percentage of total FTE in the district has remained pretty constant.

They received a question asking if all administrative positions are the same. Superintendent Klinger noted in some ways they are and in others they are not. Often administrators are lumped into one group, but there are three distinct groups. Licensed administrators had to do additional schooling and licensure to be in their position. Non-licensed administrators are positions that may be found in other fields like finance or facilities. The third group is managers, coordinators or supervisors and this includes office managers, the assistant to the superintendent, technology services, and business office staff. These are a variety of positions that are more like classified, but include supervision of other staff. In other districts, these positions are not listed as admins. In terms of differences in pay, Licensed admins are the highest paid group and have a high level of responsibility. Non-licensed also hold a high level of responsibility and their compensation is similar to teachers. Managers are more like classified positions and they work 12 months of the year. They are salaried, don't receive ATTW, and staff are on call 24/7. The majority are in student facing positions in schools directly working with students.

Mr. Bejarano noted that committee members were wanting to see specific numbers of staff counts compared to enrollment. He reviewed a graph and clarified that enrollment is shown as a proportionality on the graph in order to show the same rate of change. None of the groups are following enrollment or decreasing to the level they were in 2014-15. That is because the needs of students are changing, and the compliance and reporting environment at the ODE level has also changed. Superintendent Klinger shared information to answer the question of why administration can't reduce at the same pace as enrollment. Some things don't scale in the same way, and needs and expectations continue to increase in the district and state. Conflict resolution has been a significant increase. People have the expectation of access to decision makers. They also have negotiations and labor relation needs, along with the need for visioning and strategic planning for the future.

One question asked why costs aren't steadily decreasing if enrollment is steadily decreasing. Mr. Bejarano noted that the downward enrollment curve doesn't necessarily match enrollment trends with specific demographic groups like special education and multilingual learners. Multilingual learners come with an additional weight, but students on IEPs do not. This is the largest unfunded mandate they have because students on IEPs are capped at 11% of the total population. When they have more than 11% they don't generate more funding. The number of students with IEPs has more than doubled since 2021-22. After additional weights have been applied for students on IEPs, costs have gone from \$5.1 million to \$9.5 million last year. In terms of inflation that is 20% per year. This is the unfunded mandate that many business managers are talking to Salem about. They can't just change the formula because then pie slice gets thinner. Instead, they need to bring in more revenue.

Mr. Bejarano explained more about the difference between contingency and ending fund balance. In the past 3 years, board resolutions were passed in June to use contingency funds to continue operations, and they are on track to do that again this year. The \$2.5 million in contingency will likely be used, and it is a responsible use of tax payer dollars. They would be remiss to not plan for the unexpected. The Ending Fund Balanced (EFB) can be thought of as reserves to only use in short-term liquidity issues to keep the lights on and payroll paid, but it can be spent down if contingency is fully expended first. He also answered what effect an increase in payroll cost has on the EFB over the next few years. Payroll costs are expected to increase due to PERS rates jumping up 10% in 2027-28. This will magnify in years beyond that. An extra \$750,000 in payroll in 2026-27 affects the ending fund balance into the next biennium.

Committee members had asked how much would be saved by closing a school. Mr. Bejarano shared preliminary approximate savings noting it is hard to run a scenario unless they know the specific school and re-boundary plan. Annual costs specific to an elementary school not related to staff that would be re-allocated show an approximate savings of \$865,000. Similarly sized districts reported annual savings of \$500,000 to \$1,500,000. Early discussion has begun as part of the long-range facilities plan. Consolidating or closing schools is a significantly long process that requires board action, community input, 3rd-part transportation studies, and more. They also asked if PERS is costing so much if they can change the PERS rates. Mr. Bejarano clarified they have no control over PERS rates and can't change them. The sole authority is the Oregon Treasury Department and rates can only be changed by the state legislature. Of every \$100 spent, \$17 goes to PERS.

Assuming the same increases of state revenue in place for the following years, the committee asked if the reductions being made this year will be enough to not have staff reductions in the future. Superintendent Klinger noted the answer is yes, but it assumes there are no significant changes in state or federal funding. Any significant changes can impact the EFB. The fundamental premise of the budget decisions is to provide as much stability as possible in these volatile times.

Superintendent Klinger shared what the budget committee can anticipate for next year. The board has governance responsibility, and they are also an important part of approving contracts and hiring. The board holds her accountable, and they are a very collaborative team that works well together. The Tax Supervising & Conservation Commission (TSCC)

made an exception to provide a review after approval this year. Typically, they would review the budget before it goes to approval. Ultimately, they will need further conversation about whether to continue with TSCC. She appreciated having touch point meetings in November and February, and proposed doing that again next year. November is a critical point because they can look at actuals after two months of payroll. It is possible they may have to make more reductions. Ongoing adjustments will be needed based on enrollment. That will be more through attrition than a RIF. She reviewed the roles and responsibilities again, and noted that this year’s budget represents a necessary step in stabilizing the district for the future. They are making hard choices now to avoid even harder choices later.

Action Items

7. Committee Action - Proposed Budget Approval (if applicable) (7:49 p.m.)

Budget Committee Chair Hartsock noted that to follow Roberts' Rules of Order, they should make a motion for the budget in order to have discussion and follow procedural requirements. Committee members expressed concern that they would have to take a vote right away. Board Chair Petersen clarified that this structure isn't to force a direction of the committee. Procedurally it is made to cover the discussion they are bound to have. Robert’s Rules exists to solve the problem of decision points, it pushes to a decision. A motion can be rejected, repropose at a future meeting, modified, or amended in the process of discussion. It is meant to propel them towards a decision in a procedural way.

MOTION: Motion is made to approve the Gresham-Barlow School District 2026-27 budget as proposed, to establish the maximum total expenditures for each fund, as follows:

	As Proposed	Adjustment	Approved
General Fund	\$ 185,772,673	\$	\$
Special Revenue Fund	\$ 59,950,216		
Debt Service Fund	\$ 33,833,275		
Capital Projects Fund	\$ 4,608,000		
TOTAL, ALL FUNDS	\$ 284,164,164		

It is further moved that the approved budget is to include assessment of the permanent tax rate of \$4.5268 per \$1,000 of taxable property value, which will levy approximately \$38,963,807 in net taxes for General Fund operations, and is also to include a Debt Service Fund tax levy of \$24,297,818 for the purpose of servicing the district’s general obligation bond long-term debt.

Motion by Kris Howatt, second by Blake Petersen.

Following the motion, there was extensive discussion regarding the budget. Committee members asked as they work toward approval of the budget if the administration see this as an opportunity to refine the budget or move forward as presented. Superintendent Klinger shared they have put a lot of intentional thought and planning into the process. They have to have a budget that is flexible enough to meet the different things that come up in the school year. For their edification and the community’s, the committee noted the only things they are approving are the amounts going into the general fund, special revenue, debt services, and capital projects. They are not going into what those expenses are. If they disagree with the amounts, they have power to change that, but they don’t have power over specific line items.

Committee members shared that in response to questions from the community they understand the need for flexibility to make movements and changes in order to maintain continuity of programming. They asked if there are any other whole programs other than elementary music or AVID being reduced. Superintendent Klinger identified their other biggest reduction being engagement liaisons. They connect with families for barriers in attendance, support students,

and incentivize them to get into schools. DLI reductions are part of the reductions all schools are feeling. Buildings were tasked with how the reductions would happen. Other programs were impacted by lower enrollment or were tied to a specific teacher. Committee members haven't had conversation about changing these items, and noted this comes down to a trust issue. They have a trust issue if the community feels like they are not being heard. Superintendent Klinger noted they are prepared to speak more about adding back elementary music, postponing technology, and other sticking points the committee may have. At this point the committee has information about the money available and the various funds it is allocated to. After it is approved, they can talk about the direction they would like to give to the board and superintendent for how the money is spent. The committee is looking to adopt the framework of the budget, then they can refer to the board for further conversation about other options. Committee members asked how they would communicate this to the board, and it was noted it would be within the purview of this discussion.

Committee members asked for more clarification on the impact of leaving music at half time, with the understanding they can't swap EA positions for music teachers. Due to the strong commitment of the community and conversations related to the importance of keeping music in elementary they think it is necessary to drill down and let the community understand what the repercussions of keeping music half time looks like. They would also like to know how adding back elementary music half time would affect class sizes which the board heard a lot about in the spring. If they added back FTE for music, what would it mean in terms of other areas that could be cut. Another question the committee would like addressed is why the district has two schools that are half full. They discussed areas where they could gain efficiencies and have leeway such as doing multi-year purchase agreements or getting rid of Chromebooks at the elementary level.

Committee members shared their support of the music programs noting their own children participate in them. They also emphasized that the district must triage critical needs due to unsustainable benefit guarantees made decades ago. While they acknowledged the community's deep care for elementary music, others have prioritized protecting class sizes and behavioral interventions for high-needs classrooms. They recognize the cliff the district faces, and it is a problem that will not be resolved within a year. The committee asked staff to discuss the differences between program reductions and the RIF. They also noted they are voting on the levy rate and asked if they have the ability to change that. Mr. Bejarano explained that the levy rate is fixed. In 1997 the state capped the amount that could be levied. They could ask for less. In east county where their assessed values are less, they get less.

Superintendent Klinger answered questions posed by the committee. They reviewed the anticipated class sizes across the district that they would see with the current proposal. They added two FTE at elementary to address bubbles that pop up in the fall. She provided a scenario using four FTE. They would have more classes under 27, about the same at 31, and fewer at the other numbers. If there are additions to something, there are reductions that come from somewhere else. Adding back halftime music leaves no reserves for the fall. The only adjustment would be to pull teachers from one school and add them to another. She shared various iterations of adding back portions of FTE and showing how it would increase class sizes next year. The last scenario looked at using more funding by adding \$1 million to address class size at the elementary level. They looked at class size versus music as one option, and they have talked about counseling and EML teachers which have been reduced at all levels. They could preserve half time music at elementary with costs to music at middle and high school. These class sizes are not ideal. They are already reducing nine classroom teachers which is about one per school.

Proposed Amendment 1: Move that we reduce appropriations for transfers out of the 4000 technology fund by \$920,000 and move that money to function 1000 which is the instruction category.

Amendment made by Nick McWilliams, seconded by Garrett Wood.

Mr. McWilliams explained his reasoning for the different dollar amounts and noted that he is trying to balance them wanting to save money for future technology purchases while including more for instruction. Mr. Bejarano clarified that

one piece that is missing is the assumption of 8% inflation. This assumes that those costs won't go up, which is not what the state economists say. Technology costs are rising. It would be unrealistic that these prices stay static which is why they base the costs on inflation. The committee asked for further information around technology updates and if they are buying computers every year. Mr. Bejarano clarified that the \$3 million includes everything in line 290, and the 4-year maintenance cycle is more smoothed out. It allows them to leverage those interest rates over time. If the budget is amended, there are challenges with the technology adoption. They reviewed the slide showing anticipated transfers over the next couple of years. They are trying to level out the amount of transfer year over year. The committee asked about the rotation process and if there is an advantage to doing the teachers on the same cycle. Mr. Gibbs shared that they keep devices as long as they can, and don't replace them unless necessary. The average lifespan of teacher devices is seven years. The committee asked about spreading it out and buying small chunks at low cost. Mr. Gibbs noted they have tech staff that works year-round and the summer is when they do a lot of bulk projects. In terms of spreading it out, in about a year all teacher devices will get to a place where they can't update anymore. They can buy devices early, or keep them when they are out of date and not compatible with software.

The committee asked about what other technology the district has. Part of the reason they are replaced at the same time is because so many were purchased during COVID. Mr. Gibbs shared they have audio enhancement in the classroom, intercom systems, security camera systems, access controls to the buildings, and servers running applications. Superintendent Klinger added that one difference with technology and buying year by year is they haven't been transferring the money they needed to. They delayed some of those transfers and are playing catch up. With curriculum and turf it is them trying to save up for a looming expense they know is coming. Committee members appreciated that the district is looking at multi-year solutions, but felt that the formula is broken stating that if they run the equation out for 10 years they will always have to cut. Other committee members spoke in defense of the district noting that the last few years they have avoided a RIF process. Had they not done those things they would more often be in a RIF. The intention is to stay out of a RIF process so it is more stable and they aren't doing one every biennium. Stability is important for students as well, the coming and going of programs and teachers isn't good either.

Call the Question: Kris Howatt called for the question on Amendment 1, it was seconded by Holly Riegelmann.
Aye: 0, No: 14, Amendment 1 Fails.

Mr. Bejarano clarified that transfers are function 5000, so they would potentially want to restate it.

Recess / Reconvene

Committee Recess (9:00 p.m.)

The meeting was recessed at 9:00 p.m. and reconvened at 9:07 p.m.

Proposed Amendment 2: Move that we reduce appropriations for transfers out function 5000 by \$920,000 and increase appropriations in function 1000 by the same.
Amendment made by Nick McWilliams, seconded by Garrett Wood.

Committee members asked staff for their opinion on the feasibility of that motion. Mr. Bejarano noted that within the first year this is feasible and absolutely possible. What is concerning is the increased cost over time for a technology renewal versus the increase of payroll. The issue is to keep people employed over multiple years. This one year change takes care of the next fiscal year, but they still have the increased insurance and PERS costs. In terms of future feasibility he can't say for certain. The committee asked what they have heard about the next biennium, and what assumptions might they be carrying about the next biennium. Mr. Bejarano shared that folks in the ODE business office as well as OASBO are in agreement that the SSF formula for the next biennium is what is expected, and any change would be within the margin of error. However, nothing is set in stone, that is the best information they have from fellow business

managers at other districts. Increased costs for utilities, PERS, payroll overall, and insurance are based on the trend lines, and all of those are built into the models they shared tonight. That is part of why they have contingency budgeted. There was additional conversation around the education stability fund and the possibility that the state legislature wants to reduce the CAT tax which directly funds Measure 98 and would mean less revenue for the schools. Some committee members cautioned others on making motions for individual line items. There was discussion on their comfort level for approving the current budget and about how they can adjust appropriation levels. Mr. Bejarano clarified that some things are a little open to the committee. They can approve at the level talked about, and also simultaneously recommend the major function levels change, or it can be something the board discusses at their meeting. They asked TSCC about this, and per the ORS it is up to this body to decide at the fund level or if they want it at the function level. He reiterated that major function level has nothing to say about programs, FTE, or technology.

Call the Question: John Hartsock called for the question on Amendment 2, there was no second.

The committee was reminded that this amendment would change the original motion, and they would still have to vote on that motion to approve the budget. Committee members asked for additional clarification on how the amendment would change the motion. Other members explained that the original motion has all the fund levels, and those numbers aren't changing, the funds stay the same. The amendment is looking at the function level and changing numbers there. The committee asked staff what this does to limiting their plan for sustaining programs in the next biennium and the one after. Superintendent Klinger shared that part of the reason they are in this situation is that employee costs continue to grow. This money in the short term is beneficial to schools, but in the long term it may put them back in a position of reducing more later. If there is more money in instruction they would go back to their priority questions. They would need to look at the instructional needs across the district. They had to repurpose some CTE courses for personal finance in high, that is something where they would want to go back to the drawing board. Committee members noted they aren't saying what to do with the money, they are saying things will be different in a couple years and they can adjust accordingly. District staff are the experts in this, but they want to provides a different way to look at it.

Vote on Proposed Amendment 2:

Aye: 5, No: 9, Amendment 2 Fails.

Proposed Amendment 3: Move that we reduce the ending fund balance by \$1 million and increase the function 1000 instruction by the same amount.

Amendment made by Nick McWilliams, seconded by Vaden Green.

Mr. McWilliams provided rationale for his amendment noting that the current budget has about \$1.5 million in surplus. By spending \$1 million they maintain a half million surplus in the budget. The second piece is if the March EFB is projected correctly, that number is \$11.2 million, whereas the budget document starts at \$10.1. By adding a million dollars of spending on paper it reduces the EFB from \$11.6 million to \$10.6 million. Mr. Bejarano pointed out that when Mr. McWilliams emailed a couple days ago he specifically said that the EFB projection to the board had been deteriorating, so this supposition seems odd. He added that they have talked about this, and he has presented to this board and budget committee since November a trend of EFB starting in 2020-21 until now. Getting into the month to month comparisons is not where he is comfortable making policy decisions. He clarified that he doesn't make the policy decisions, he gives best projections. He brought up concerns with using month to month projections that are unaudited, because sometimes the audited changes can be material. They have a fundamental difference of opinion on risk tolerance which he think is at the core of this conversation.

Committee members pointed out that even if they were to shift money to allow more spending, the superintendent just indicated it wouldn't necessarily be spent on music. That is what this community is coming out for and even if they

allocate more money for spending, it doesn't necessarily mean they would save music in elementary. They noted that informed risks are different than just risks, and if they want to gamble they can understand this would be an informed risk. The committee asked if they gave more funds if the school board could tell the district how to use them. It was clarified that they couldn't do that. The board's scope lands on policy, adopting a budget, and hiring/firing a superintendent. Superintendent Klinger noted that the folks that have shown up have been predominately about music, but there are a number of other voices they have also heard from. They are hearing about class size, counseling and mental health supports. She would have to look at all of that to make an informed decision. That is part of listening to the community, it is multiple meetings and interactions over time that have led to the decisions happening here. Every board meeting they get advocacy around class size, special education, and behavior. She thinks it would be shortsighted to not step back and look at it all again before spending additional funds. They want to be thoughtful and intentional about how it would work.

Vote on Proposed Amendment 3:

Aye: 2, No: 11, Abstain: 1, Amendment 3 Fails.

Proposed Amendment 4: Move that the budget committee express a non-binding recommendation that \$350,000 currently budgeted but in function 2000 administration be prioritized for the restoration of previously reduced licensed or classified positions within that same function.

Amendment made by Nick McWilliams, seconded by Vaden Green.

Mr. McWilliams provided rationale noting that all of these motions are keeping whole the commitments they are trying to keep. All of the technology was still going to be purchased. In this case, if they go back to last year's budget conversation, one of the sticking points was eliminating licensed positions and having admin FTE increase by three. He expressed concern that in the presentation it pointed out cuts to admin in 2025-26, but in the budget it went up by three. The numbers showed 18 positions reduced in licensed and 3 added in admin. Ultimately they trusted the district with the knowledge that sometimes FTEs roll up in weird spots. The committee asked staff to address this topic. Superintendent Klinger that that some of this is they have a new superintendent, and a new finance person with fresh eyes trying to be radically transparent with everything. There were predecessors that did something differently. In this budget they have tried to show exactly who those 59 are. The numbers do align and they've shown exactly where those positions are. Mr. Bejarano added that when talking about numbers they try not to rely on budget numbers but instead by looking at actual numbers. This is better to look at then prior plans. When comparing budgets to actuals there are differences. He disagreed that comparing budget to budget is somehow revealing some type of non-basis change in accounting. There was additional conversation and expressed disagreement about these numbers.

Call the Question: Shawn Farrens called for the question on Amendment 4, it was seconded by Dan Corcoran.

Aye: 2, No: 11, Abstain: 1, Amendment 4 Fails.

Budget Committee Chair Hartsock brought the committee back to the original motion. He noted that they can call for the question and if it doesn't pass then they would need to set the next meeting fairly quickly to have it ready by June 4th. Committee members thanked staff for answering questions, noting they truly believe they are trying to do their best. They expressed concern that people who are already here get to maintain benefits and new people get something worse. There are some financial realities of where they are at, they are in a funding crisis. They mentioned looking at closing facilities, and asked that they expedite that process to see savings sooner than later. They also discussed bringing forward a levy, noting that if it doesn't pass, they maintain their current level. Board Chair Petersen noted that the local option levy is a discussion the board is going to have. There are costs behind the scenes to get a levy on the ballot. He thinks that the context it provides district leadership is that although the amendments haven't passed, the sentiment is

still there. Committee members shared that sometimes, oftentimes being a parent means making a decision that is best for your kid even when they don't like you for it. They expressed appreciation to everyone that came, noting this is not an easy decision. They are listening, and have listened to all the people who came to their board meetings throughout the year. Moving forward with the budget today isn't because they didn't listen. They listened to all voices and made a choice for sustainability.

Vote on original motion:

Aye: 9, No: 5, Motion passes as presented.

Budget Committee Chair Hartsock announced that with the passage of the motion, that wraps up their work as a budget committee, unless changes to the budget later that by statute bring the committee back together.

Closing Items

8. Announcements

The budget hearing will be held June 4, 2026 at 6:45 p.m. in the Council Chambers of the Public Safety and Schools Building.

9. Adjournment (10:03 p.m.)

There being no further business, the meeting was adjourned at 10:03 p.m.

Submitted by: _____

Sarah Avery
Executive Assistant to the Superintendent and
Board of Directors

Note: These minutes were approved by the board on _____:sa