



FOREST GROVE SCHOOL DISTRICT BUDGET COMMITTEE
1728 Main Street; Forest Grove, OR 97116

April 22, 2025

CALL TO ORDER

Vice Chair Jordan Miller called the meeting to order at 5:31 p.m. and welcomed everyone; he then led the pledge of allegiance. The following were in attendance:

Budget Committee

Kristy Kottkey
Kate Grandusky - Zoom
Brad Bafaro
Mark Everett - Zoom
Valyrie Ingram - absent
Nicholas Hafez
Melinda Fischer - absent
Peter Bower - absent
Peter Truax
David Andersen
Jordan Miller
Paola Garcia Andrade, Student Rep. - absent

Staff

Suzanne West, Superintendent
John O'Neill, Assistant Superintendent
Ilean Clute, Director of Finance
Kim Shearer, Director of Student Service - absent
Arturo Lomeli, Director of Curriculum and Instruction
Enrique Pinon, Technology Manager
David Warner, Director of Communications
Bethany Magnuson, Executive Assistant

Approval of the Agenda

Committee member Truax moved to approve the agenda as presented, committee member Bafaro seconded and the agenda was approved.

Approval of February 25, 2025 Meeting Minutes

Committee member Bafaro moved to approve the February 22, 2025 Budget Committee Meeting Minutes as presented, Committee member Andersen seconded and the minutes were approved.

Budget Committee Presentation

Presented by Ilean Clute, Director of Finance and Operations
Shared an overview of the budget process timeline along with the roles and responsibilities of the Budget Committee and the School Board as it relates to the budget process.

Requested Data - Multi-Year Comparisons

- Financial trend information over the last ten years.
 - Reviewed general fund expenditures by major function classified
 - Over the last 10 years from 2015-16 to 2024-25 we have received almost 58% more resources.
 - Budgeting to expend 51% more expenditures.
 - Ending fund balance has grown from \$3.7 million budgeted to almost \$10 million budgeted.
 - 2015-16 we were just coming out of the 2010 recession, so we had a significantly low ending fund balance coming out of 2010. Since then we have been able to invest in reserves for our long-term stability.

- Shared 3 year comparisons over the last ten years.
 - Reviewed general fund by major function classification.
 - Instruction has stayed about 40%
 - Instructional special programs are about 23% of our spend.
 - Support services for students is about 9%.
 - Support services for staff is 3%.
 - Administration is 7%.
 - Business maintenance and transportation is about 15%.
 - Consistent over 10 years and has only changed +/- 1% in each category.
 - Reviewed 10 year budget comparisons by objects.
 - Salaries and benefits moved from 74% of our budget to 70%. As a result our ending fund balance went from 6% to 10%.

Committee member Andersen asked why did the benefits drop? We increased our reserves.
- Labor Costs
 - Labor costs are our largest cost drivers at 70% total expenditures.
 - Expenditures over the last ten years have increased just over 10%. It went from \$31 million to \$45 million over ten years for just salaries.
 - Licensed increased 47%. Classified increased 52% in expenditures.
 - Why the increase in salaries:
 - Labor rates.
 - Licensed scale increased by 30%.
 - Classified scale increased by 32%.
 - Benefits and PERS costs increased. PERS rates went from 10% to 22% of salaries.
 - Oregon paid family medical leave and other insurance costs.
 - FTE increased by 65 in our general fund.

Committee member Andersen asked what percentage is representing the FTE increase? We don't have that, but we can get it.
- FGSD 10 year Budget Comparisons - FTE
 - General instructional FTE has changed from 224 FTE to 237 FTE. This group is primarily driven by enrollment, so as enrollment drops, our instruction FTE will drop. But we did see a significant drop in enrollment, but our instructional FTE has not dropped at the same rate.
 - Ten years ago elementary class sizes were 28:1 and 29:1 and Tom McCall was 32 or 33:1. They were really large. As we dropped those class sizes you are increasing your FTE to support. We invested heavily in our classrooms.
Committee member Truax commented that this is something parents yelled about wanting. Committee member Kottkey asked when the shift in lower class sizes happened where did the monies shift from to allow for that. It would have been reductions.
 - Shift in student needs across the district.
 - Invested in the Community Alternative Learning Center (CALC), deans in our elementary schools, technology, instructional aides (IA), mental health support, and counselors.
 - Student investment account (SIA) is a significant investment that is outside the general fund budget.

Transitioned to Superintendent West

There is seemingly no limit to what schools are asked to do. There is a limit to what we can do that will show in the budget process. We will need to make some choices about what we will fund and what we will not fund. We have to balance the budget. That is a legal requirement.

Look at revenue streams, then look at our expenditures. Need to balance competing demands.

Strategic and Integrated Plans used to guide our work, legislation, legal requirements, contractual requirements, board policy, and operations, like the HVAC systems. Equally real and valuable input from our students, families, and community members to ensure the educational experience is enriching and also helps prepare students for graduation and a choice-filled life. We need to engage with our families after school and make sure families feel welcome in our school. All of those are as real as what is on the slide.

Significant Considerations

- The Governor's proposed budget is \$11.4 billion in the State School Fund. It has not passed, however we are using that with our proposed budget.
- Floor funding based on declining enrollment.
 - We want to budget conservatively and budget based on resources we plan to receive.
- Reductions in grants which have been fairly consistent.
 - Reimbursement of high cost disability. Exceeds what is typical. Estimating almost half what we should have expected to come to us.

Committee member Hafez asked about how much federal funds are in the state fund. 9-15% of resources are from federal resources across all districts. For us it's roughly about 10%.

- We are also budgeting federal and state grants. We are building a budget for 100% funding, 70% funding, 50% funding, and have a plan for no funding.

Committee member Hafez asked if there is another place you can get that 10% back to remedy that? We could do nothing. The Governor could declare an emergency to access the rainy day fund.

- Schools are not the only agency that accesses federal funds. The governor would need to balance the priorities.

Committee member Truax asked if the PERS increase would be the biggest thing on the list. Collective bargaining would take the stop spot.

Committee member Truax asked if curriculum adoption was a very big swinger financially. Curriculum adoption is in the \$1 million range. Instruction, durable goods, professional learning, software. Every content area rotates every seven years. We worked last year to look at options and the next 10 years to see if we can push one adoption by one year if there is a high year and another is a low year to level it out and make it consistent and not in a reactionary state.

- Director Lomeli stated that there was powerful work done. Science adoption costs more because of content and we're waiting on health adoption that will be less. Regular cycle of renewal is important so we can have the most up to date resources for our students. Superintendent West added there is a legal requirement to do regular adoptions.
- We do the same thing with all technology. Spread it over a period of time so we don't have a significant swing in technology investments.

Transitioned to Director Clute.

General Fund Budgeting Expenditures

- We look at the budget in our buildings based on enrollment and demographics. Buildings get staff and discretionary allocations based on how many students we project to be in their buildings.
- Look at department's budgets which are built from the ground up. Look at student needs and the needs to keep operations going, and make investments in curriculum and instruction. Look at what was spent historically, what we need moving forward, while using the lens of our strategic plan.
 - Apply all union contracts, professional development, working conditions are set, substitutes, and benefits to schools budget and program budget.



- Other Funds are grant funds and food service funds.
 - Utilizing based on strategic plan, goals, grant requirements, and have already started to plan for the next year.
 - Food service is fairly easy with minimal operation costs.
 - Debt service funds.
 - Capital service project funds and meeting bond promise and commitments.
 - Enterprises and student driven.
 - Internal service funds. We are self funded for unemployment.
 - Trust funds and insurance pool.
 - Restricted funds are funds restricted for their use.

Transitioned to Superintendent West.

- Legislative Session
 - Not sure if we will get summer funding. There is a likelihood, but not sure yet which would be approximately \$1 million.
 - House Bill could provide an additional \$200 million in high cost disability reimbursement. Could be about \$2 million to our district.
 - Senate Bill 317 would increase the special education funding cap. Currently the State of Oregon funds at 11%. We are one of the majority in the State of Oregon whose students with special education services exceeds 15%. Over the years this number has been between 15-17% with current numbers closer to 17% of students being identified for special education services. That is a number of students that have real needs for us to move funds from the general fund to support their needs.
 - Talented and Gifted does not receive additional funding from the State.
 - There is a list of other bills we're keeping track of that will have a direct impact on education that do not have funding associated with it.

2025-2026 Initial Outlook

- We expect to maintain a two year positive fund balance. We will be deficit spending by utilizing fund balances (our savings). We are planning for reductions of approximately \$1.8 million.

2025-2026 Budget Priorities

- Strategic plan, Integrated Guidance, guiding principles, community engagement efforts, and budget priorities survey. Weave funding sources together. Had great response this year with the survey.
- High Level Strategic Goals
 - Instruction and learning, behavioral health and wellness, family and student engagement, and create a resilient organization which were established roughly three years ago.
 - Take a look to see that we have aligned resources to support these goals.

Transitioned to Director Clute

Community Feedback Survey:

- Sent to staff, community, parents, and students at Neil Armstrong Middle School and Forest Grove High School.
- 796 respondents with 67% students.
 - Asked two main questions: What are the 3 main priorities to fund and what are the three areas to consider for reductions.
 - The three most important priorities from our community are safety and security, class size, after school (activities and athletics). Going through a process right now of separating the feedback based on student feedback, staff feedback, and parent feedback.
 - One thing that is consistent is safety and security.

Committee member Andersen asked that after you have a chance to digest the results can we have that with our budget book? We will bring back a couple slides with that data.

- The four least important to fund for next year are curriculum, district supports, staff professional development, and technology. We have a legal requirement to refresh curriculum each year and a group of people saying curriculum doesn't matter, so we have to balance that.

Committee member Truax stated that curriculum is the tool that we use to teach and asked where are we missing the boat and sending the message out to the public saying you can talk about after school activities and class size, but if you don't have anything for the kids to go in for, what does class size matter.

- We can never communicate enough. There's more we can be doing and even in doing more we could be missing people. We have a very specific understanding of what curriculum is, but for some it hasn't been defined.

Committee member Kottkey asked if it was only 25% of staff that completed the survey and a small amount of parents and community. I want us to keep that in mind. In future timing we sent it out prior to spring break so timing wasn't the greatest. Next year we will send it out earlier to allow more time.

Committee member Andersen asked if we can extend the survey. At this point it wouldn't drive the budget results.

- Looking at building the foundation for community learning about the school.
 - This survey encompassed a video that encouraged people to take the survey. Personal request may have been what
- Reviewed last year's budget committee priorities.
 - What are this committee's priorities in looking at the 25-26 budget?
 - What is missing? What should we eliminate? What should we add? What should we consider highlighting and prioritizing emphasis through this budget process?
 - Committee member Truax - Connectedness. That was the key that drove a lot of kids coming back day after day after day to interface with quadratic equations or Mr. Jones in the classroom. That's still part of the glue that we need. To get kids involved, parents, and community involved.
 - Committee member Andersen asked if absenteeism is a major problem? Improved last year. NWRESD pulled together attendance teams at the schools. Identify why many students are absent. Often lack of attendance means systems at home that need support. Do we have an engagement challenge where kids don't feel motivated?
 - Absenteeism is a symptom, not the problem. Need to determine what is the real problem? Is it a habit that needs to break, is it a lack of systems at home, are they excelling or failing and feeling like there's no hope to catch up. Addressing attendance problems can't be done system wide, it has to be done student by student. Can generalize some things.
 - Committee member Hafez stated there is about 50% of staff and about 79% students who are Hispanics or different ethnicities. Is there a balance that we can do in the future so this can be resolved in a way that students can connect better with the staff? We have not right sided that yet. We still have disproportionality between our student population and their demographics and our staff demographics. That is something we continually work on.
 - Committee member Bafaro stated building relationships with kids just makes sense. Trying to really connect. That was a strategy and a real focus for a couple years that carried through for the next three to four years. It matters.



Vice Chair Miller asked if that problem has ever been put in front of the students to try to solve in regards to 60 students that you actually could maybe get to show up at some point that is not their teacher to ask, here is the problem, how would you solve this. Has it been put in front of those students to show up one day, for one meeting... thinking out of the box, have we done that? That's a great idea. I don't think we've engaged students in a way you're describing. We've done empathy interviews and 1:1 interviews. Students involved in the Viking House most likely want to be there and to be there they have to be passing their classes and the same is for athletics. Find a niche that gets kids to engage in class the way they want to.

- Director Clute asked if committee members can please send her feedback by Friday related to this conversation and priorities. Call or email with any questions and please send in advance of the next meeting.

ADJOURNMENT

There being no further business the meeting adjourned 6:36 p.m.

The next meeting will be held on May 8, 2025.