

Minutes in Brief	MEETING OF THE SOUTHERN OREGON ESD BUDGET COMMITTEE WEDNESDAY, MAY 14, 2025
Call to Order	On Wednesday, May 14, 2025, a meeting of the Southern Oregon ESD Budget Committee was held in the upstairs conference room of the SOESD administration office located at 101 North Grape Street, Medford, Oregon. Chair Wright called the meeting to order at 6:06 pm.
Attendance	<p>Budget Committee members in attendance:</p> <ul style="list-style-type: none"> Bret Champion Rosie Converse Emily Cozza Jessie Hecocta (arrived at 6:19 pm) Phil Long Ana Mannenbach Mary Middleton Annie Valtierra-Sanchez Justin Wright <p>Budget Committee members absent:</p> <ul style="list-style-type: none"> Robert Moore Corbin Morell Maud Powell <p>SOESD staff and audience members in attendance:</p> <ul style="list-style-type: none"> Mark Angle-Hobson Mary Barton Scott Beveridge Brian Clark Stephanie Cossey Forest Evergreen Kylee Harrison Rhonda Lawrence Liz Littleton Jeanetta Woodside
Introductions	Justin Wright, SOESD Board Chair, welcomed and thanked the Budget Committee members for their participation.
Election of Budget Committee Presiding Officer	<p>Chair Wright requested the budget committee select a presiding officer.</p> <p>IT WAS MOVED BY MEMBER CHAMPION, SECONDED BY MEMBER VALTIERRA-SANCHEZ TO:</p> <p>Elect Phil Long to serve as the presiding officer.</p> <p>MOTION CARRIED 7-0</p> <p><i>Member Long abstained.</i></p>

Presentation of Proposed Budget

A. Budget Message – Budget Officer

Prior to the Budget Committee meeting, members received the following materials:

- Proposed 2025-2026 Budget Document
- Agenda for the May 14, 2025 meeting
- Memorandum from Superintendent Beveridge outlining the materials and providing background information
- 2025-2026 SOESD Local Service Plan

Superintendent Beveridge displayed the PowerPoint presentation and described the budget committee's purpose which is to review SOESD funding sources, the Local Service Plan model, the legislative process, and other budgetary impacts. The two tasks for the meeting were noted: 1) to review and approve the SOESD budget, and 2) to establish the SOESD tax rate. Superintendent Beveridge explained the budget committee's role as the governing body to approve the anticipated budget and authorize expenditure authority.

In presenting the budget message, Superintendent Beveridge reviewed the mission of Southern Oregon ESD and its ongoing commitment to providing high quality and cost-effective services in areas where a regional advantage in the delivery of those services can be achieved. Superintendent Beveridge reviewed the variety of funding sources, and the statutory Local Service Plan process, as well as the legislative process and key outcomes impacting education from the 2024 and 2025 legislative sessions.

B. Areas of Change

1. Local Service Plan (LSP) Process

Superintendent Beveridge provided a review of the Local Service Plan process. As defined in ORS 334.175, the Local Service Plan must include the following resolution services:

- Administrative
- Programs for Children with Special Needs
- School Improvement
- Technology Support

Superintendent Beveridge provided background on the development of the 2025-2026 Local Service Plan (LSP). The proposed general fund budget reflects revenue and service area selections by component districts as outlined in the LSP. Superintendent Beveridge described the methods used to gather feedback from constituent school districts that shaped the service offerings in the LSP.

2. Program Changes

Superintendent Beveridge noted that ESSER funding had expired that was previously provided for Early Intervention/Early Childhood Special Education (EI/ECSE) and Regional Inclusive Services (RIS). While reduced ESSER funding has had impacts on school budgets statewide, district planning meetings indicate continued requests for SOESD services. The Indian Education Program was one area intentionally expanded using ESSER funds but will now rely on Title VI Indian Education Grant funding, that while increasing from \$71,000 to \$87,000, continues to require LSP selections by districts to fund 1.0 FTE.

SOESD expects to receive about 12% less in funding for Migrant student programs due to student population changes in Oregon, funding diverted for Academia Latina to higher education, shifts in funding formulas, and summer school programming calculations, resulting in reduced funding available to districts for summer school programs.

Unfunded legislative mandates have added financial strain, including increased Paid Leave Oregon (PLO) usage and expanded unemployment benefits for classified employees.

Pending legislative proposals might increase funding for special education, EI/ECSE, and RIS, though clarity is not expected until after the May 14th revenue forecast.

HB 3040 at the request of the Governor is expected to allocate \$8 million for the Oregon Department of Education to establish an early literacy coaching program to support school districts, schools, and educators for the purpose of improving early literacy instruction. At this point it is unclear what institutions would be awarded. Hence no budget is allocated for this purpose.

Since the grant funding provided under SB 283 for educator mentoring has expired, SOESD has budgeted for the mentor program to continue in 2025-26 as a service offered to districts using either SSA funding or through General Fund allocations to districts through the Local Service Plan.

SOESD has worked extensively with local districts and community partners to submit an application to support the plan to launch a Recovery High school in 2025-26 based on need in Southern Oregon.

Based on interest of districts and industry partners for SOESD to operate a Southern Oregon Career Center in 2025-26 that will initially offer increased opportunities for students to enroll in medical career pathways, SOESD has budgeted for opening a half day program to initially support up to 30 students with planned expansion for the 2025-26 school year.

A biennial federal grant expired that was previously obtained to provide temporary expanded funding this past two years for staff to support SORS and Klamath Promise. A portion of funding is budgeted back to the General Fund allocations of districts through the Local Service Plan combined with SSA funding, resulting in reduced FTE.

A reduction reflected in the Governor's recommended budget specifically applies to the ESD Technical Assistance Grant funded from the Statewide Education Initiatives Account (SEIA) of about 17% for professional development through SOED's Student Success Act Comprehensive Support Plan.

Declining demand for Substitute Management has resulted from the availability of services from organizations that provide cost-competitive

solutions due to not incurring associated PERS payroll costs.

An additional 1.0 FTE is budgeted to support the expansion of the Cyber Security program that assists districts with policy development, monitoring and detecting threats, and responding to attempted intrusion.

C. 2024-2025 Financial Review

1. Overview of All Funds

Superintendent Beveridge reported that SOESD's 2024-25 adopted budget totaled approximately \$106 million, and the proposed 2025-26 budget is approximately \$104 million, reflecting reduced grant funding, capital adjustments, and substitute management payroll shifts. The budget is divided into General Fund, Federal and State Special Revenue Funds, Capital Projects Fund, and Internal Service Fund.

2. Federal and State/Other Funds

Federal and State funds were reviewed and explained.

3. General Fund Program

Superintendent Beveridge explained that ORS 334.177 requires that 90% of state funding to ESDs (State School Fund and local property tax collections) is spent on resolution services. For 2025-2026, 91.8% of the state funding level is allocated into resolution services. Special education remains a predominant service area.

4. Resolution Programs

Pursuant to ORS 334.175, the 2025-2026 resolution services are:

- Administrative Services/Operations
- Programs for Children with Special Needs
- School Improvement Services
- Technology and Media Services

Superintendent Beveridge provided a breakdown of funding changes in each resolution service area.

5. Operations/Changes in Cash Position

As the Phoenix campus construction nears completion, the Capital Projects Fund is expected to decline in future years. Unused district allocations are returned to districts as cash in lieu payments, which may increase due to SSF growth. A budget shift will move the component of school improvement administration from a previously shared School Improvement/Technology Director position back to School Improvement, accurately reflecting expenditures. A revised estimate may be utilized for budget adoption in June.

**Discussion
Comments from
the Audience**

There were no questions or comments from members of the audience.

**Budget
Committee Action**

IT WAS MOVED BY MEMBER COZZA, SECONDED BY MEMBER CHAMPION TO:

Approve the proposed 2025-2026 budget in the amount of \$104,040,037 and set the rate of .3524 per one thousand dollars of assessed value.

MOTION CARRIED 9-0

Adjournment

There being no further business to conduct, Presiding Officer Long adjourned the meeting at 6:49 p.m.