



Finance Advisory and Bond Oversight Committee

May 16, 2019, 4:00-5:30 p.m.

Hood River Valley High School, Administration Conference Room

Committee Members Present: Saundra Buchanan, Charlene Ames, Kelly Beard, Chrissy Reitz, Nancy Rowley

Committee Members Absent: Dan Goldman, Jesus Becerra, Brent Emmons, Julia Garcia-Ramirez, Michael McElwee, Rich Polkinghorn, David Russo, Rich Truax

1. Welcome & Call to Order (Saundra Buchanan) Opened meeting at 4:10 pm

2. Public Comment (Saundra Buchanan)

The Hood River County School District Finance Advisory and Bond Oversight Committee (Committee) requests comments be limited to three (3) minutes per speaker. Speakers will state their name and home address for the record. The Committee appreciates community members sharing information during public comments. While the Committee does not respond to public comment, following the meeting, the Superintendent will determine the appropriate level of response. Speakers may offer objective criticism of district operations or programs but the Committee will not hear complaints concerning specific district personnel.

No Public comment was taken.

3. Reports & Discussions

a. Update on the capital projects and improvements program, budget and bond project schedule (Jose Aparicio, Wenaha Group)

b. Saundra provided information about the June Revenue Forecast released May 15 provided by Morgan Allen, COSA:

“Legislators received stunning news this morning regarding Oregon’s fiscal outlook for the next two years at a joint hearing of the House and Senate Revenue committees. The June Economic and Revenue forecast showed that net general fund and lottery fund revenues available for the 2019-21 biennium have increased a whopping \$770.5 million since the March forecast. Oregon state economist Mark McMullen compared today’s forecast to a “seismic event.”

This huge increase in tax collections will mean Oregon's kicker will be the largest on record. Based on current projections and Oregon's kicker law, approximately \$1.4 billion dollars will be returned to individual taxpayers in the form of a kicker credit on their personal income taxes in 2020. The corporate kicker also grew to unprecedented levels - a \$616 million corporate kicker is also forecast, but that money must be dedicated to K-12 spending in the 2019-21 biennium due to a voter approved constitutional change. It is important to note that there is no guarantee that this will be a "net" addition to the State School Fund as the Legislature can fund schools at any level they choose; the only requirement is that the corporate kicker money go to K-12 and we do not expect an increase over the budgeted \$9.0 billion SSF in House Bill 5016. Most importantly, this forecast will be used to finalize the 2019-21 legislative budget. Already, legislative leaders and the Governor are calling on investing these windfall tax receipts in a multitude of areas. Governor Brown has sent a press release calling on legislators to pay down the PERS liability and invest in higher education. Legislators have echoed these sentiments and called for paying into Oregon's rainy day fund and making other investments in human services and public safety. The additional funds will surely set off a mad scramble over the final six weeks of the Session. We believe one of the major takeaways from today's forecast is that districts can budget with confidence at the current State School Fund appropriation of \$9.0 billion. Even if the Student Success Act is successfully referred to voters and rejected by the people, it is clear that the Legislature will have healthy reserves they could use to protect the State School Fund budget from significant cuts. You should expect to get SSF estimates very soon from ODE based on the \$9.0 billion appropriation and a 49-51 split."

4. Meeting Schedule

No meeting in June or July. Next meeting is set for August 22 4:30-5:30 pm.

5. Adjourn at 5:15 pm