RIETMANN LAW LLC

June 22, 2026

Eugene School District 4J
Attn: Christine Nesbitt, General Counsel
200 North Monroe St.
Eugene, OR 97402

RE: Matthew Brown Tort Claim Notice

This firm represents Matthew Brown ("Mr. Brown") with respect to his employment as Director of Financial Services at Eugene School District 4J (the "District"). Pursuant to ORS 30.275, we are writing to provide notice that Mr. Brown intends to bring legal claims for damages against the District arising from the facts and circumstances summarized below. This letter is provided upon the understanding that you are the general counsel for the District and a proper recipient of this notice under ORS 30.275(5)(b). If this is not the case, please advise and forward a copy of this correspondence to the District's School Board chair and to any other person authorized to receive notice on the District's behalf.

This notice is timely, as it is provided within 180 days of the events giving rise to Mr. Brown's claims, as required by ORS 30.275(2)(b). Mr. Brown reserves the right to supplement or amend this notice as additional facts become known.

## I. Background and Mr. Brown's Repeated Warnings of a Structural Deficit

Since becoming Director of Financial Services in September of 2022, Mr. Brown made three annual budget presentations to the District on or about May 2023, April 2024, and April 2025. Each budget presentation warned the District's administrative leadership, the School Board, and the Budget Committee that the District faced a structural budget deficit and was approaching a financial cliff in the 2026-2027 fiscal year.

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Whenever this subject arose, Mr. Brown's warnings were consistently disregarded, ignored, or cast aside through slogans such as the District's stated intention to "spend today's dollars on today's kids." Indeed, even when reductions were proposed during the 2025-2026 budget process, the School Board elected to add back over $3 million in staffing that had been slated for reduction — a single decision that, together with associated escalation costs, accounts for more than $3 million of the very shortfall later attributed to Mr. Brown's department.

At all times material, it was Mr. Brown's belief that the financial cliff toward which the District was foreseeably walking itself was attributable to financial mismanagement and an abuse of authority by District leadership who, in Mr. Brown's perception, were far more concerned with currying political favor and pleasing union-affiliated friends and spouses in the short term than with being responsible stewards of public tax dollars and maintaining the financial sustainability of Oregon's seventh-largest school district.

## II. The $30 Million Planning Figure and the Superintendent's Premature Public Commitment

On or about July of 2025, as the financial cliff Mr. Brown had consistently warned about approached, the Superintendent and Mr. Brown discussed the District's General Fund operating deficit for the then-current 2025-2026 budget year, which was approximately $28 million. The Superintendent rounded this figure to $30 million, and Mr. Brown agreed that approximately $30 million was an accurate description of the *current-year* (2025-2026) deficit.

In subsequent meetings, however, the Superintendent treated $30 million not as a current-year deficit figure but as a fixed target for the reductions purportedly required to balance the *following* year's (2026-2027) budget, and she committed the District to that figure as a public goal. Mr. Brown advised the Superintendent, in one-on-one meetings, that while approximately $30 million in reductions was a reasonable starting point and a useful order-of-magnitude planning indicator, the District could not know the full extent of the reductions actually required to achieve sustainability for 2026-2027 until an updated forecast was completed in February or March. The $30 million figure was, in substance, a preliminary internal planning indicator derived from a backward-looking 2025-2026 deficit number, which the Superintendent prematurely hardened into a fixed, forward-looking 2026-2027 public commitment before any of the data necessary to validate it existed.

The Superintendent's public commitment to the $30 million figure was not, and could not have been, based on actual 2026-2027 departmental budget requests or District revenue projections, as neither piece of information was known or knowable in July of 2025. Given the manner in which the District has ill-advisedly chosen to silo budget preparation within individual departments, it is not possible to reasonably project a budget deficit for the upcoming school year until approximately February of each year, when individual department budget requests are submitted to central administration and updated revenue projections become available. Despite Mr. Brown's repeated cautions to this effect, the Superintendent fixed upon $30 million as the public measure of success and committed the District to that figure publicly.

## III. The Decentralized Budget Structure and the Limits of Forecasting

For years, including before Mr. Brown's arrival, the District operated in a highly siloed manner with respect to its finances. Special education services ("SSD") and the District's operational departments — Technology, Facilities, Transportation, and Nutrition — controlled their own budgets with no meaningful oversight, control, or visibility from the Financial Services Department. The Financial Services Department historically had no seat at leadership meetings and limited involvement in decisions carrying significant financial impact.

As a result, Mr. Brown could not, and was not in a position to, forecast costs that were generated and controlled by departments that operated independently of his oversight and that did not submit their budget requests to his department until February or later. As Mr. Brown consistently disclosed before every forecast presentation, the only guarantee he could offer about any forecast was that it would be wrong; the only question was by how much. It is well recognized within the discipline of governmental budget forecasting that a forecast error rate of approximately 5% is appropriate and expected, depending on the time horizon, volatility, and benchmarks involved.

## IV. The October 2025 "Forecast" and the February 2026 "Variance"

On or about October 2025, Mr. Brown was asked to prepare forecasting and public presentations illustrating the impact of the $30 million in reductions that had been adopted as the District's planning target for the 2026-2027 school year. As with all forecasts, that work necessarily rested on assumptions about figures that were neither known nor finalized at that time. Critically, the "forecasts" Mr. Brown was asked to prepare in this period were not independent forecasts of the amount of budget reductions that would ultimately be necessary to balance the 2026-2027 budget. Rather, they were predicated upon the working assumption that the District would make $30 million in reductions, and they modeled how $30 million in cuts, allocated across the District, would impact operations based on the information then available. The $30 million figure remained, at that stage, a preliminary planning indicator subject to revision once actual departmental budgets and revenue projections became available in February and March.

In February of 2026, as departments submitted their budget requests to Financial Services, Mr. Brown observed that the figures returning from departments such as Alternative Education, SSD, Human Resources, and Instruction were materially higher than anticipated. He immediately alerted the Superintendent upon discovering this information. Over the following week, Financial Services finalized the budget, which reflected an approximately $16.4 million variance from the October 2025 modeling that had been predicated on the assumption that reducing spending by $30 million would balance the budget.

That variance — approximately 5.4% of a General Fund of roughly $300 million — fell within, or at the outer edge of, the professionally accepted forecasting error rate. The variance was not the product of any mathematical or calculation error by Financial Services. It was a revenue-and-expenditure realization gap driven by a decentralized District structure and by leadership decisions over which Financial Services had no control or visibility. The principal drivers of the variance included, among others:

- Increased special education (SSD) personnel costs, because no reductions were made to that department and Financial Services had no way of knowing the department's actual staffing needs until its budget was submitted in late February;

- Associated payroll and benefit costs attributable to the increased SSD personnel costs, which were mechanically derived from figures unknown until February;

- An increase in the Superintendent's staffing adjustment pool from $500,000 to $2 million — a $1.5 million increase decided late in the process and not communicated to Financial Services in time for the prior forecast;

- Increased programs-and-services costs in Student Services and Alternative Education, attributable to services purchased from Lane ESD and outside alternative-education providers whose rates were not finalized until spring; and

- Increased risk-insurance and liability costs, including newly required lines of coverage (such as additional sexual-harassment liability coverage and building insurance for wood-truss structures) whose existence and cost were not known until carrier rates issued in February and March.

The only component of the variance fairly attributable to Financial Services was approximately $2.3 million, which resulted from using average staff salaries rather than lowest (newest-employee) salaries when modeling potential staffing reductions. In fairness, however, the ability to take competence, merit, and linguistic expertise into account in addition to seniority when reducing staffing in the event of a reduction in force under ORS 342.934 did not make it a foregone conclusion that using newest-employee salaries would be the most accurate model input. Regardless, this refinement was identified internally by Mr. Brown and his Associate Director in January 2026, was promptly disclosed, and was not identified by any other executive or Human Resources personnel.

Critically, at the Superintendent's own request, the District's forecasting model and revenue and ending-fund-balance projections were independently reviewed during this period by Mike Schofield, Chief Financial Officer of the Beaverton School District, and by Jackie Olson of the Oregon Association of School Business Officials ("OASBO"). Both reviewers examined the model and found no errors or issues. This independent review occurred before the District took adverse action against Mr. Brown.

## V. Mr. Brown's Objection to Presenting a False Narrative, and the Retaliation That Followed

In March of 2026, the Superintendent convened an all-director meeting and publicly attributed the $16.4 million variance to the Financial Services and Human Resources departments as the parties responsible for the "error." She did so without first speaking to either department or Mr. Brown. This public, unannounced attribution of blame created a hostile and humiliating work environment for Mr. Brown and caused him significant emotional and physical distress.

Following the first Budget Committee meeting in April 2026, the Superintendent directed Mr. Brown to publicly "explain" the $16.4 million variance. Mr. Brown explained to her, on multiple occasions and together with his Associate Director, that the variance was the cumulative result of years of School Board indecision and refusal to make necessary reductions, and that it could not honestly be reduced to a discrete list of 2026-2027 line items. The District also convened a multi-hour meeting with Mr. Brown, his Associate Director, the Superintendent, and a Board member in an effort to construct the desired explanation; no honest list of specific items could be assembled because none existed and, in Mr. Brown's view, the honest reason for the budget crisis was financial mismanagement resulting from District leaders disregarding their fiscal responsibilities and using their authority instead to curry personal and political favor through irresponsible spending.

The Superintendent ultimately directed Mr. Brown to assemble a list of items to explain the $16.4 million variance in a manner that did not point to the School Board or the unions as responsible parties, and indicated that if Mr. Brown would not present such an explanation, she would find someone who would. This directive followed a one-on-one meeting between the Superintendent and a particular Board member, after which the Superintendent reversed an earlier agreement not to discuss the $16.4 million publicly.

Mr. Brown objected to this directive. He informed the Superintendent that he was uncomfortable presenting a list that omitted the primary structural drivers of the deficit, because doing so would communicate an inaccurate financial narrative to the Budget Committee and the public regarding public funds. Mr. Brown reasonably believed that he was being directed to misrepresent material public financial information and to conceal mismanagement and abuse of authority by District leadership and the School Board. Fearing for his employment, and under the express threat that he would be replaced if he refused, Mr. Brown presented a constrained explanation at the April 22, 2026, Budget Committee meeting that he believed to be materially incomplete and misleading.

Within days of presenting that explanation under protest, the District moved to remove Mr. Brown. Through the Human Resources Director and a Human Resources representative, the District demanded that Mr. Brown resign in lieu of termination for purported "neglect of duty." In the same conversation, the District (i) suggested that Mr. Brown use his accrued sick leave under the pretextual cover of a medical issue, based on information about a routine blood test that had been overheard, (ii) offered continued health-insurance (COBRA) coverage, and (iii) offered a letter of recommendation from the very Superintendent who was simultaneously asserting that Mr. Brown was guilty of "neglect of duty."

When Mr. Brown declined to resign — stating that he had done nothing wrong and would not use sick leave as a pretext when he was not sick — and advised that he intended to return to work, the District placed him on administrative leave pending an "investigation" for neglect of duty. Mr. Brown signed the administrative-leave letter under protest and has received no substantive update on his status since.

## VI. Evidence of Pretext and Pre-Decision

The facts demonstrate that the asserted "neglect of duty" was a pretext to retaliate against Mr. Brown for his protected objections and disclosures, and that any "investigation" was a post-hoc mechanism to justify a decision already made. Prior to his removal, two independent and qualified third parties, namely the Beaverton School District CFO and OASBO, reviewed the forecasting model and found no error. Additionally, the $16.4 million "variance" fell within the professionally accepted forecasting error rate, and the only Finance-attributable component (approximately $2.3 million) was caught and disclosed internally by Mr. Brown himself and was well within the standard of care. Moreover, the "variance" now complained of is ultimately attributable to the Superintendent's choice to publicly fix $30 million as the District's baseline budget target when, in fact, that figure should only have served as a rough internal indicator of the magnitude of budget reductions that might be necessary in the coming school year.

The pretextual character of the District's action is further demonstrated by Mr. Brown's employment record. Apart from his contract, Mr. Brown's personnel file contains only a single document: a positive performance evaluation from former Superintendent Colt Gill. That evaluation not only reviewed Mr. Brown favorably but expressly recognized the difficulties Mr. Brown faced in working within the District's existing structure and decision-making process — an acknowledgment that corroborates Mr. Brown's central concern that he was charged with managing the finances of a District over which he possessed no commensurate decision-making authority or control. At no point before the events described herein did Mr. Brown receive any directive, reprimand, corrective action, or other indication that his performance or conduct was deficient in any respect. To the contrary, the District renewed Mr. Brown's contract in March of 2026 — only weeks before it moved to remove him — giving him no indication that his employment was in jeopardy or that any adverse action was being contemplated behind the scenes.

Similarly, an employer does not encourage an employee to take medical leave in the absence of a medical condition, and does not offer a positive letter of recommendation from its chief executive, when that employee is genuinely believed to have committed gross neglect of duty. The simultaneous offer of a reference and threat of termination for "neglect of duty" demonstrates that the label was a coercive device rather than a good-faith finding. This is particularly true where, as here, the budget crisis facing the District could plainly have personal implications for the ongoing employment of the Superintendent and for the ability of School Board members to remain in office; individuals in those positions are therefore highly incentivized, by their own personal interests, to find someone else to scapegoat and blame.

The Superintendent's disregard for Mr. Brown's interests was not confined to the budget dispute. The District possessed a compensation study showing that Mr. Brown was underpaid, yet the Superintendent refused to acknowledge that study or to adjust Mr. Brown's compensation to a fair wage. The District's willingness to retain the benefit of Mr. Brown's services while knowingly underpaying him further undermines any suggestion that the District dealt with Mr. Brown in good faith.

Finally, the District's Chief of Staff and Assistant Superintendent were aware of the plan to remove Mr. Brown before any investigation was initiated, and the District extended resignation terms before conducting any inquiry. On or about the second week of April 2026, prior to Mr. Brown being notified of any potential investigation or alleged deficiencies with his performance or conduct, Mr. Brown was informed by building staff and people connected to central office that it was rumored he was going to be terminated. Having no reason at the time to credit the rumor, Mr. Brown brushed it off. Subsequent events, however, proved it correct: District leadership was in fact moving to remove him. Moreover, the sequence of these events shows that the asserted need for an investigation arose only after Mr. Brown refused to resign, and that the investigation is intended only to justify a predetermined outcome.

The bottom line is that Mr. Brown has been wrongfully and publicly blamed for the District's financial crisis, removed from his position, subjected to a pretextual, boundless, and improperly motivated investigation, and threatened with termination — all within days of being discouraged from publicly presenting to the School Board the true reasons for the District's financial crisis, and within days of objecting to, and then presenting under protest, a financial narrative that he reasonably believed to be false and designed to conceal mismanagement by District leadership and the School Board.

## VII. Nature of Claims and Damages

Based on the foregoing and the surrounding facts and circumstances, Mr. Brown intends to assert claims against the District including, but not limited to, unlawful employment retaliation and whistleblower retaliation under ORS 659A.203 and other laws, for taking adverse employment action against Mr. Brown because he in good faith reported, attempted to report, objected to, and refused to participate in what he reasonably believed to be mismanagement, gross waste of public funds, abuse of authority, and the misrepresentation of public financial information. In the event the District proceeds with termination, Mr. Brown will bring claims for wrongful discharge and constructive discharge in violation of public policy. Additionally, Mr. Brown will bring claims under 42 U.S.C. § 1983, including First Amendment retaliation for protected speech on a matter of public concern and denial of due process, as well as additional statutory, common-law, and contractual claims as the facts may support, including claims arising from the District's failure to afford Mr. Brown the procedural and substantive rights to which he is entitled under his contract and District policy.

As a direct and proximate result of the District's conduct, Mr. Brown has suffered, and will continue to suffer, damages, including lost wages and benefits, loss of future earning capacity, harm to his professional and personal reputation, and substantial emotional and physical distress, including anxiety, sleeplessness, and related symptoms. Mr. Brown will seek economic damages, noneconomic damages, equitable relief (including reinstatement), and attorney fees and costs to the maximum extent permitted by law.

## VIII. Litigation Hold and Preservation Demand

The District is hereby placed on notice of its obligation to preserve all documents, communications, and electronically stored information relevant to the matters described above, and to immediately suspend any automatic deletion or destruction policies affecting such materials. This obligation extends to, without limitation: all budget forecasts, presentations, and underlying models for fiscal years 2023-2024 through 2026-2027; all departmental budget submissions for 2026-2027; the independent reviews by Mr. Schofield and Ms. Olson; all communications (including email and text messages) among the Superintendent, the Chief of Staff, the Assistant Superintendent, Human Resources personnel, and School Board members concerning Mr. Brown, the $16.4 million variance, the April 22, 2026, Budget Committee presentation, and the decision to remove Mr. Brown; all records relating to the asserted "neglect of duty" investigation; and all calendars, notes, and meeting minutes reflecting the events described herein. To avoid any confusion, this request specifically includes any and all investigatory materials, including specifically witness statements, investigator notes, recordings, files, reports, findings, and invoices, and all communications surrounding the initiation of the investigation and the hiring of any investigator. This request further specifically includes all communications with the media relating to this matter transmitted by District employees, contractors, and School Board members.

## IX. Name of Claimant and Address for Correspondence

**Name of Claimant:**

Matthew Brown

**Mailing Address for Correspondence Concerning Claim:**

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Salem, Oregon 97301
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## X. Conclusion

Although this letter constitutes formal notice of claim under ORS 30.275, Mr. Brown remains open to resolving this matter without the time, expense, and spectacle of protracted litigation. Accordingly, please feel free to contact me at your convenience if the District is interested in discussing an early resolution of this matter. To the extent a mutually acceptable resolution cannot be achieved, Mr. Brown will pursue all available legal remedies as discussed herein.

Sincerely,

Nathan R. Rietmann