

Pleasant Hill School District No. 1

Budget Committee Meeting
May 17, 2021





Agenda

- Election of Officers
- Superintendent's Budget Message
- Proposed 2021-22 Budget
- Public Comment
- Budget Committee questions and comments

Budget Committee Guidance

Budget Committee Considerations:

- Our Board Mission and District Policy
- The statutory requirement to approve a balanced budget
- The value of a sustainable budget where on-going obligations are supported by on-going resources
- The impact of budget decisions on the District's bond rating and ability to meet cash flow needs



Pleasant Hill School District

Proposed 2021-22 Budget





Proposed 2021-22 Budget (p.17)

FUND	2020-21 Budget	2021-22 Budget	Change
General Fund	\$14,834,246	\$15,149,390	\$315,144
Special Revenue Funds	3,914,185	6,454,665	2,540,480
Debt Service Fund	1,511,556	1,552,956	41,400
TOTAL	\$20,259,987	\$23,157,011	\$2,897,024



Staffing History and Budget (p. 15)

General Fund	2020-21 Budget	2021-22 Budget	Change from 2020-21 Budget
Licensed	55	52.62	-2.38
Classified / Confidential	28.56	26.97	-1.59
Managerial	1.04	2	.96
Administrative	6.5	6	-.5
Total Staff	91.09	87.59	-3.5
October 1 Enrollment	1,025 (budget)	1,000 (projected)	-25

General Fund

Proposed 2021-22 Budget





2020-21 General Fund Financial Projection – Update

Resources	2020-21 Budget	Projected as of 04/22/2021	Change from Budget
Current Property Taxes	\$3,055,900	\$3,144,109	\$88,209
Prior Year Taxes, other	40,800	41,500	\$700
State School Fund	7,946,569	7,745,248	(201,321)
Other SSF Rev.	108,500	128,622	20,122
Other Revenue	395,600	269,500	(126,100)
Total Revenue	\$11,547,370	\$11,328,980	(\$218,390)
Beginning Fund Balance	\$3,283,652	\$3,934,981	\$651,329
Total Resources	\$14,831,021	\$15,263,961	\$432,940



2020-21 General Fund Financial Projection – Update

Requirements	2020-21 Budget	Projected as of 04/27/2020	Change from Budget
Salaries	\$5,378,378	\$4,941,250	(\$437,128)
Benefits	3,807,950	3,126,800	(681,150)
Purchased Services	1,944,190	1,164,600	(779,590)
Supplies	363,677	772,700	409,023
Other Objects	140,425	118,057	(22,368)
Transfers	499,000	500,000	1,000
Contingency	232,692	0	(232,692)
Total Expend.	\$12,366,312	\$10,623,407	(\$1,742,905)
Ending Fund Balance	2,467,934	\$4,641,554	\$2,173,620
Total Requirements	\$14,834,246	\$15,264,961	\$430,715 ₉



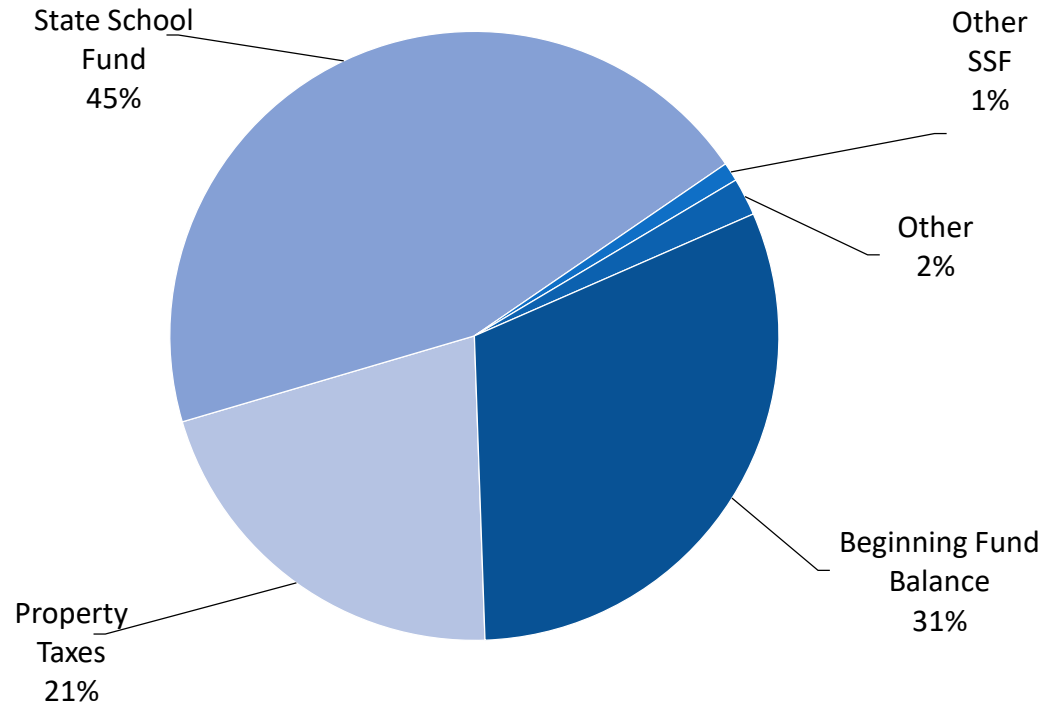
Proposed 2021-22 Budget General Fund Overview

	2020-21 Budget	2021-22 Budget	Difference
Beginning Fund Balance	\$3,286,877	\$4,641,554	\$1,354,677
Total Revenues	11,547,369	10,507,837	(1,039,532)
Total Expenditures	11,634,620	11,349,367	(285,253)
Transfers	499,000	1,489,000	990,000
Contingency	232,692	226,987	(5,705)
Unappropriated Ending Fund Balance	\$2,467,934	\$2,084,037	\$383,897
UEFB as % of Revenues	21.4%	19.8%	(1.6%)



General Fund Resources (p.18)

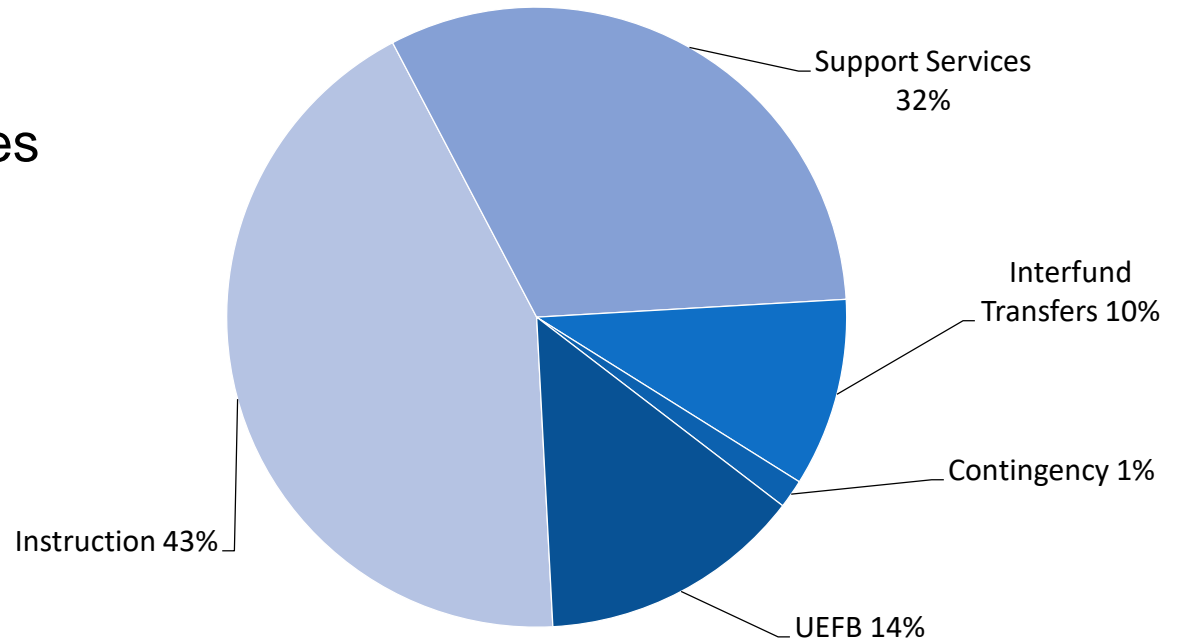
- State Funding
 - \$6.77 million
- Property Taxes
 - \$3.24 million
- Beg. Fund Balance
 - \$4.64 million
- Other
 - \$375,600
- Other SSF
 - \$113,300





General Fund Requirements (p.22)

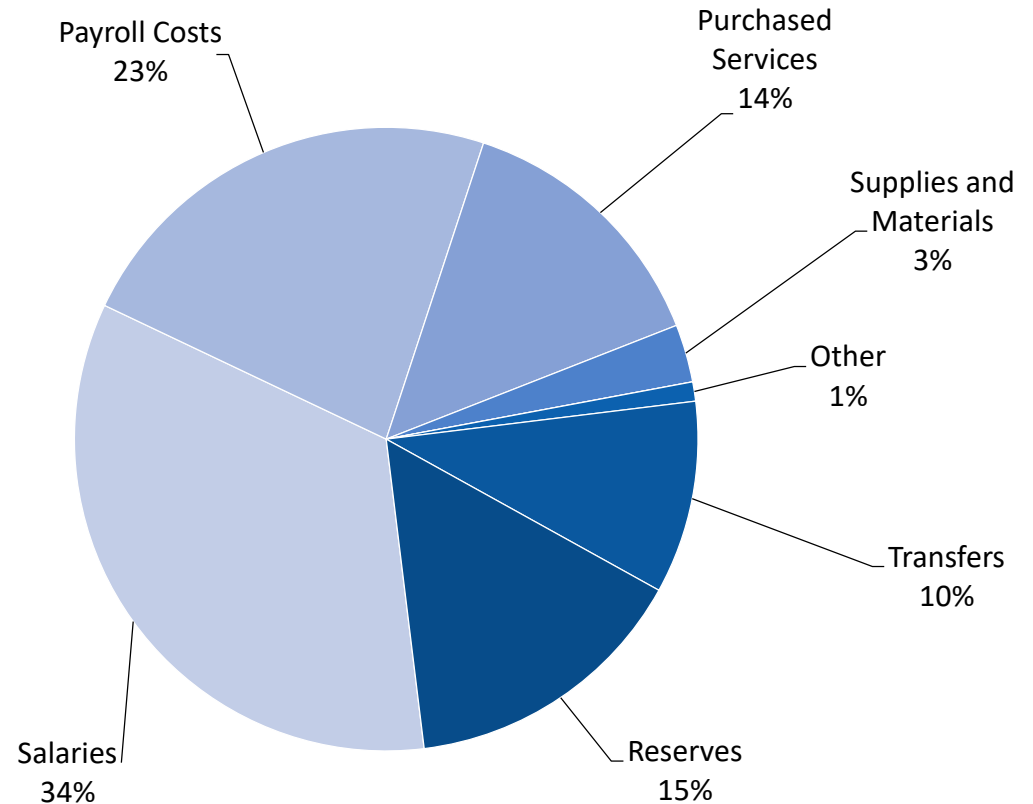
- **Instruction**
 - \$6.54 million
- **Support Services**
 - \$4.81 million
- **Transfers**
 - \$1,489,000
- **Contingency**
 - \$226,987
- **UEFB**
 - \$2.08 million





General Fund Requirements (p.29)

- Salaries
 - \$5.22 million
- Payroll Costs
 - \$3.50 million
- Purchased Services
 - \$2.04 million
- Supplies/Materials
 - \$435,287
- Cap Outlay/Other
 - \$149,450
- Transfers/Reserves
 - \$3.80million





General Fund Requirements Changes from 2020-21

- Salaries – Down \$160,493 – 3%
 - Step movement/cost of living increase for eligible staff
 - Tech, Alt Ed and Counselor positions were not filled in 2020-21. In 2021-22, these positions will be funded by Student Investment Account (SIA), Elementary and Secondary School Emergency Relief (ESSER) and High School Success Funds
 - SIA funds will also be used to add a Literacy Facilitating Teacher and several Educational Assistants.



General Fund Requirements Changes from 2020-21 (Cont'd)

- Payroll Costs / Benefits – Down \$303,139 – 8%
 - Benefit costs increase from additional salary and step increases.
 - Insurance costs decreased from reduced General Fund FTE
 - PERS rates decreased
 - Oregon PERS rates decreased
 - Our PERS rate decreased based on our contribution to the Employer's Incentive Fund



General Fund Requirements Changes from 2020-21 (Cont'd)

- Purchased Services – Up \$97,744 - 5%
 - \$48,000 increase in student transportation services costs
 - Other increases across the board for utilities, repairs and maintenance and other services



General Fund Requirements Changes from 2020-21 (Cont'd)

- Supplies and Materials – Up \$71,610
 - Much of our supply increase is due to additional software needs and the rising cost of products.

- Other Objects – Up \$9,025
 - Increased property insurance premiums, dues & fees



General Fund Requirements Changes from 2020-21 (Cont'd)

- Transfers – Up \$990,000 – 198%
 - Preparing for three large curriculum adoptions in the next two years - \$460,000
 - Technology needs have increased significantly. We have special funding that will help for the next two to three years, but we need to build up for the future - \$285,000
 - We need to replace HVAC on our older buildings as they are regularly needing maintenance - \$320,000



General Fund Requirements Changes from 2020-21 (Cont'd)

- Reserves – Down \$5,705
 - Contingency set at 2% of budgeted operating expenditures

- UEFB = Down \$383,897, 19.8% of total revenues
 - GFOA (Government Finance Officer's Association) recommendation is two months operation expenditures held in reserve. With our spending model that level is considered to be 20%

Other Funds

Proposed 2021-22 Budget





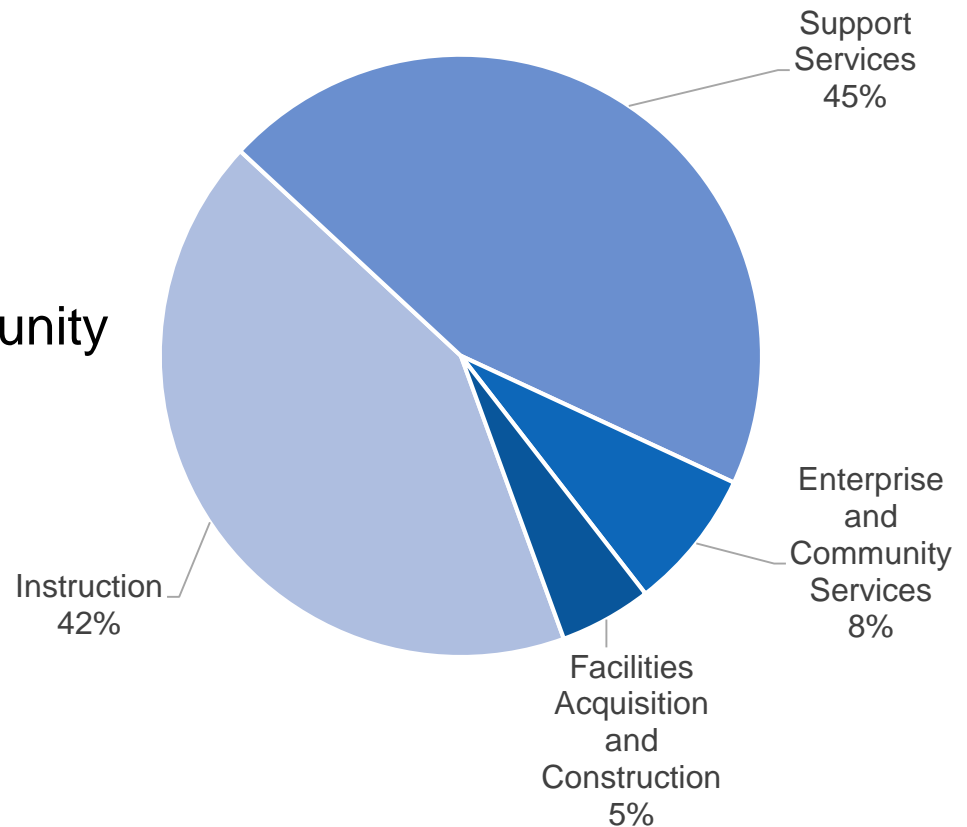
Special Revenue Funds (starts on p. 53)

- Funds that are restricted for specific purposes:
 - Grants
 - Student Activity Funds
 - Reserve Funds
 - Preschool and Food Service Operations



Special Revenue Funds

- **Instruction**
 - \$2.74 million
- **Support Services**
 - \$2.91 million
- **Enterprise and Community Services**
 - \$489,281
- **Facilities**
 - \$319,224





Debt Service Fund (p. 31)

	2020-21	2021-22	Change
Property Taxes	\$1,335,384	\$1,476,053	\$140,669
Interest Earnings	13,500	11,500	(2,000)
Beginning Fund Balance	162,672	65,403	(97,269)
Total Resources	\$1,511,556	\$1,552,956	\$41,400
Principal and Interest Payments	\$1,401,556	\$1,442,956	\$41,400
Unappropriated Ending Fund Balance	110,000	110,000	0
Total Requirements	\$1,511,556	\$1,552,956	\$41,400



Debt Service Levy (p. 16)

	2020-21	2021-22	Change
Total Requirements	\$1,511,556	\$1,552,956	\$41,450
Less Total Resources before Current Year Taxes	188,172	88,903	(99,269)
Property Taxes Needed to Balance	1,323,384	1,464,053	140,669
Plus Uncollected Taxes	77,022	93,450	16,428
Estimated Tax Levy	\$1,400,406	\$1,557,503	\$157,097
Assessed Value	\$701,010,039	\$731,254,683	\$30,244,644
Debt Service Tax Rate per \$1,000 Assessed Value	\$1.9977	\$2.1299	\$0.1322



Financial Forecast 2020-2022

General Fund – Proposed Budget

	2020-21 Projected (04/22/2021)	2021-22 Proposed
Total Revenues	\$11,328,980	\$10,507,837
Total Expenditures	(\$10,123,407)	(\$11,576,355)*
Annual Surplus / (Deficit)	\$706,573	(\$2,557,518)
Projected Ending Fund Balance	\$4,641,554	\$2,084,036
% Total Revenues	41.0%	19.8%

Note: Total 2021-22 expenditures include a contingency of 2% of operating expenditures



Summary

At the time this budget was created, State School funding was based on the \$9.1 billion estimate received March 1st for the 2021-2023 biennium.

Although this budget shows an operating deficit for the 2021-22 budget year, our ending fund balance will still be very close to the recommended level based on the State School Fund Estimate.

Fortunately, PHSD is able to absorb these additional costs even though the SSF is being almost flat funded.



Summary (Cont'd)

At this time, Colt Gill, Oregon's deputy superintendent of public instruction, is advising schools to still budget for \$9.1 billion. Yet, the cost of running a school district continues to rise by about 3% annually.

Special funds from the state such as High School Success and SIA are funds we continue to utilize in the upcoming biennium. We also have received newly created emergency funding from the federal government through ESSER. These special resources will be used to offset any potential shortfall from the State School Fund.



Summary (Cont'd)

We are seeing that the State School Fund is not increasing at the same rate as expenses but special funding is being offered for specific uses. We have shifted some of our expenses over to these special funds.

We are also putting more of this year's unused funds into our reserve accounts so they will be available for future expenses that may not be covered by the State School Fund.



Summary (Cont'd)

As stated in the superintendents' budget message, we were able to add several new positions and have kept those added last year to ensure we have adequate staff. We are realizing savings in our General Fund by expenses that are covered by ESSER, SIA and High School Success.

We are proud to be able to continue to provide quality education even during complicated times and feel this budget continues to support those efforts.

2020-22 FINANCIAL FORECAST - SUMMARY



General Fund Summary	2020-21 Proj 042621	2021-22 Proposed
Total General Fund Revenues	\$11,328,980	\$10,507,837
General Fund Expenditures		
Operating Expenditures	\$10,123,407	\$11,349,367
Contingency	-	226,987
Underspending (Contingency plus x% Op. Expend.)	-	-
Total General Fund Expenditures	\$10,123,407	\$11,576,355
Annual Operating Surplus / (Deficit) (Revenues less Expenditures)	\$1,205,573	(\$1,068,518)
Transfers to / (from) Reserves		
K-12 Enrichment Reserve Fund	\$0	\$5,000
Equipment Repair/Replacement Reserve	\$40,000	\$100,000
Maintenance Reserve	\$275,000	\$320,000
Technology Reserve	\$110,000	\$285,000
Instructional Materials Reserve	\$25,000	\$460,000
Field Repair and Replacement Reserve	\$20,000	\$100,000
Nutrition Services Fund	(\$1,000)	(\$1,000)
Insurance / Benefit Reserve	\$30,000	\$220,000
Other	\$0	\$0
Net Transfers	\$499,000	\$1,489,000
Annual Surplus / (Deficit)	\$706,573	(\$2,557,518)
GENERAL FUND RESERVES		
Beginning Fund Balance	\$3,934,981	\$4,641,554
Transfer to / (from) Reserves	706,573	(2,557,518)
Ending Fund Balance	\$4,641,554	\$2,084,036
% of Total General Fund Revenues	41.0%	19.8%
Reserve Target (20% Operating Revenues)	2,265,796	2,101,567
Annual Surplus over / (under) Reserve Target	\$2,375,758	(\$17,532)



Questions and Comments

June 7 – Second Budget Committee Meeting

June 14 – Third Budget Committee Meeting, if needed

Contact Information:

Scott Linenberger

slinenberger@pleasanthill.k12.or.us

541-736-0701

Sheri Longobardo

slongobardo@pleasanthill.k12.or.us

541-736-0797