

Steve Spencer  
Superintendent

Rachel Alpert  
Assistant Superintendent

2023-2024  
Board of Directors

Ed Dressel

Lu Ann Meyer

Rob Ogilvie

Zach Steele

Jon Woods

Board Secretary  
Juli Lichtenberger

Please join us at our  
school board meetings.

Unless otherwise  
scheduled the board  
meets the second and  
fourth Mondays  
of the month.

District Office  
Board Room  
6:30 p.m.

*Mission Statement*  
*Dallas School District  
is centered on students,  
powered by  
collaboration, built on  
equity, and driven by  
excellence.*

*Dallas School District  
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Agenda  
Special Board Work Session  
April 10, 2024  
5:00 p.m.  
<https://dsd2-org.zoom.us/j/84855147461>  
District Office Board Room

- 1.0 Welcome/Pledge of Allegiance
- 2.0 Approval of the Agenda
- 3.0 Consent Agenda
  - 3.1 Policy DBDB – Fund Balance
- 4.0 Board Self-Assessment – Janet Avila-Medina, Oregon  
School Boards Association
- 5.0 Adjourn

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## Dallas School District 2

Code: DBDB  
 Adopted: 6/11/19  
 Revised/Readopted: 10/10/22;  
 Orig. Code(s): DBDB

### Fund Balance

The Board recognizes its responsibility to establish an unrestricted fund balance in an amount sufficient to: works to ensure that the district delivers the best educational program available within the constraint of well managed resources. To offer such a program the Board recognizes the importance of a budget that delivers sustainable levels of instruction, staffing, number of instructional days, and maintenance of facilities.

The state of Oregon's volatile tax structure results in unstable levels of school funding. This can cause a significant variance in the level of program school districts are able to financially support. The Board directs the Superintendent to propose a budget that will allow for sustainability.

The proposed budget will create fund balances in an amount sufficient to:

1. Protect the district from unnecessary borrowing in order to meet cash-flow needs; and
2. ~~Protect~~ Provide prudent reserves to meet unexpected emergencies and protect against catastrophic events; and
3. ~~Prepare for~~ Meet the uncertainties of state and federal funding; and
4. Help ensure a district credit rating that would qualify the district for lower interest costs and greater marketability of bonds that may be necessary in the construction and renovation of school facilities; and
5. Allow the district to deliver a sustainable level of program through anticipated recessionary periods.

Consequently, the Board directs the superintendent to ~~include in the proposed~~ manage the currently adopted district budget, ~~designations~~ in such a way to ensure an ending fund cash balance is between 5 percent and of at least 8 percent of total general fund adopted revenues. Should the unrestricted ending fund balance be projected to drop below 5 percent of total general fund adopted revenues the superintendent will direct an immediate budget and planning review. as follows:

1. Unappropriated Ending Fund Balance of two percent of General Fund total resources net of the beginning fund balance.
2. Contingency Reserve of three-six percent of the total resources net of the beginning fund balance.

In determining an appropriate unrestricted fund balance, the Board will consider a variety of factors with potential impact on the district's budget including the predictability and volatility of its expenditures<sup>1</sup>; the availability of resources in other funds as well as the potential drain upon general fund resources from other funds<sup>2</sup>; liquidity<sup>3</sup>; and designations<sup>4</sup>. Such factors will be reviewed annually or when deemed necessary.

The superintendent is charged with developing a budget, or a budget plan to establish these reserves over a maximum of four years. Any deviation below the designations must be approved by the Board by resolution prior to the adoption of the budget. Such a resolution, if approved, may be valid for only one year.

The board may authorize the use of the general fund balance to address unanticipated, nonrecurring needs or to address adverse conditions which negatively affect the district's revenues or ability to meet the needs of students.

In the event the Board authorizes the use of reserves, the superintendent shall propose a plan for the replenishment of the reserves as soon as practicable, considering state financial reserves and annually report progress against the plan. Prior to the reserves becoming less than projected the superintendent will notify the board of the possibility the reserves may fall below the minimum targeted level.

## END OF POLICY

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### Legal Reference(s):

ORS 294.311(18)

ORS 294.398

ORS 332.107

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<sup>1</sup> Higher levels of unrestricted fund balance may be needed if significant revenue sources are subject to unpredictable fluctuations or if operating expenditures are highly volatile.

<sup>2</sup> The availability of resources in other funds may reduce the amount of unrestricted fund balance needed in the general fund, just as deficits in other funds may require that a higher level of unrestricted fund balance be maintained in the general fund.

<sup>3</sup> The disparity between when financial resources actually become available to make payments and the average maturity of related liabilities may require that a higher level of resources be maintained.

<sup>4</sup> The need to maintain a higher level of unrestricted fund balance to compensate for any portion of unrestricted fund balance already designated for a special purpose.