



# **Budget Process Overview 2022-2023 Budget Committee**

**Presented by Celia Gowing, Director of  
Finance  
April 18, 2022**

# Presentation Agenda

- Budget Committee Roles and Responsibilities
- Guiding Principles for Allocating Resources
- Our Charge and Best Practices
- Funds and Account Structure
- Budget Assumptions
- Special Revenue Funds Overview
- Questions

# **Budget Committee Roles and Responsibilities**

The District annually prepares the budget in accordance with Oregon's local budget law (ORS Chapter 294) and with Board Policy DBEA and Administrative Reg DBEA-AR.

The budget committee consists of the members of the school board and an equal number of community members appointed by the School Board.

# Roles and Responsibilities continued..

The Budget Committee's role is to hold one or more meetings to:

- receive the proposed budget and budget message,
- provide members of the public an opportunity to ask questions and comment upon the document,
- discuss the budget and any other required input,
- approve the ad valorem property tax rate
- recommend the budget document as submitted by the budget officer or revised by the budget committee.

# Roles and Responsibilities continued..

- All budget discussions among the Committee members must be held at public meetings.
- The Budget Committee does not change staffing levels, salary schedules or negotiate salary contracts.
- It is not the Committee's role to adjust policies or priorities set by the Board or to add, delete, increase or decrease programs.
- The Budget Committee assess the reasonableness of the budgeted appropriations to ensure they align with the priorities and goals of the district as set forth by the board.

# Guiding Principles for Allocating Resources

- Align with Strategic Plan
- Provide for Excellence of Service
- Allocate Resources Equitably
- Support Efficiencies
- Ensure Sustainability

# Our Charge & Best Practices

- Recommend a balanced budget
- Recommend ending fund balance
  - Oregon School Board Association (OSBA) recommends 5% - 8% of General Fund Resources
  - Government Finance Officers Association (GFOA) recommends 5% - 15% reserve
- Build a bridge between district goals and resource allocation

# Funds 101

1. General Fund (100) – Funding Stream
2. Special Revenue Funds (200) – Funding Stream
3. Debt Service (300)
4. Capital Projects (400) – Funding Stream
5. Internal Service (600)
6. Trust / Agency Funds (700) – Funding Stream

## **Account/Budget Structure**

**In accordance with ODE's Program Budgeting & Accounting Manual**

**Fund : A complete set of self-balancing accounts**

**Function: Describes the activity for which a service or material is acquired**

**Location: Identifies the building**

**Area of Responsibility: Identifies specific curriculum areas and programs**

**Sub area: used to further classify expenditures for a particular purpose (rarely used)**

**Object: The service or product purchased**

# Ending Fund Balance (EFB)

Our reserve goal = 5% - 7% of general operating revenues

## Reserves include:

- Contingency Funds - can be transferred with board approval to be used throughout the year
- Unappropriated Ending Fund Balance (EFB) – can only be used for unexpected expenditures resulting from civil disturbance, other calamity, or natural disaster

## Why reserves?

- Limit current and future risks associated with with revenue shortfalls and unexpected expenditures
  - Unemployment costs (self funded for unemployment insurance)
  - PERS increases
  - Enrollment declines
- Allows for stabilization and sustainability of instructional programs

# Budget Assumptions

- General Fund Revenues
- Special Fund Revenues
- Expenditures



# General Fund Revenue Assumptions

## State School Fund: Total State Allocation = \$9.299B

- 1st year Biennium allocation was \$24,529,035 - which represented 49% of the total allocation
- 2nd Year Biennium allocation is \$25,250,766, as of 2/25/2022, - which represents 51% of our total allocation

## Property Taxes - ad valorem rate = \$4.7532 / \$1,000 of assessed value

- Property tax revenue based on Assessed Value of taxable property
  - 2021 - 2022 Assessed value (in thousands) = \$175,229,318
  - 2022 - 2023 Estimated value (in thousands) = \$181,362,344 (3.5% increase)

# State School Fund Allocation

## Allocation Based on:

- Teacher Experience
- Extended ADMw
- Transportation Grant
- Reduced by Local Revenue

## Teacher experience

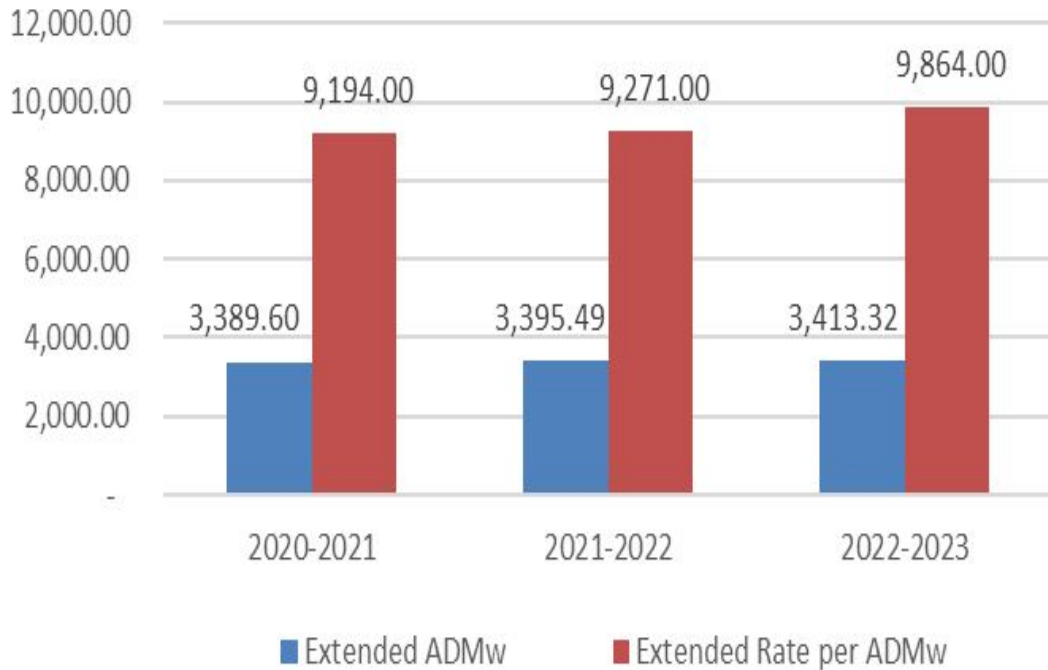
A drop in teacher experience rate resulted in an approximate \$30,000 decrease in funding for 2022-2023 and an approximate \$246,000 decrease in funding for 2021-2022

## Extended ADMw:

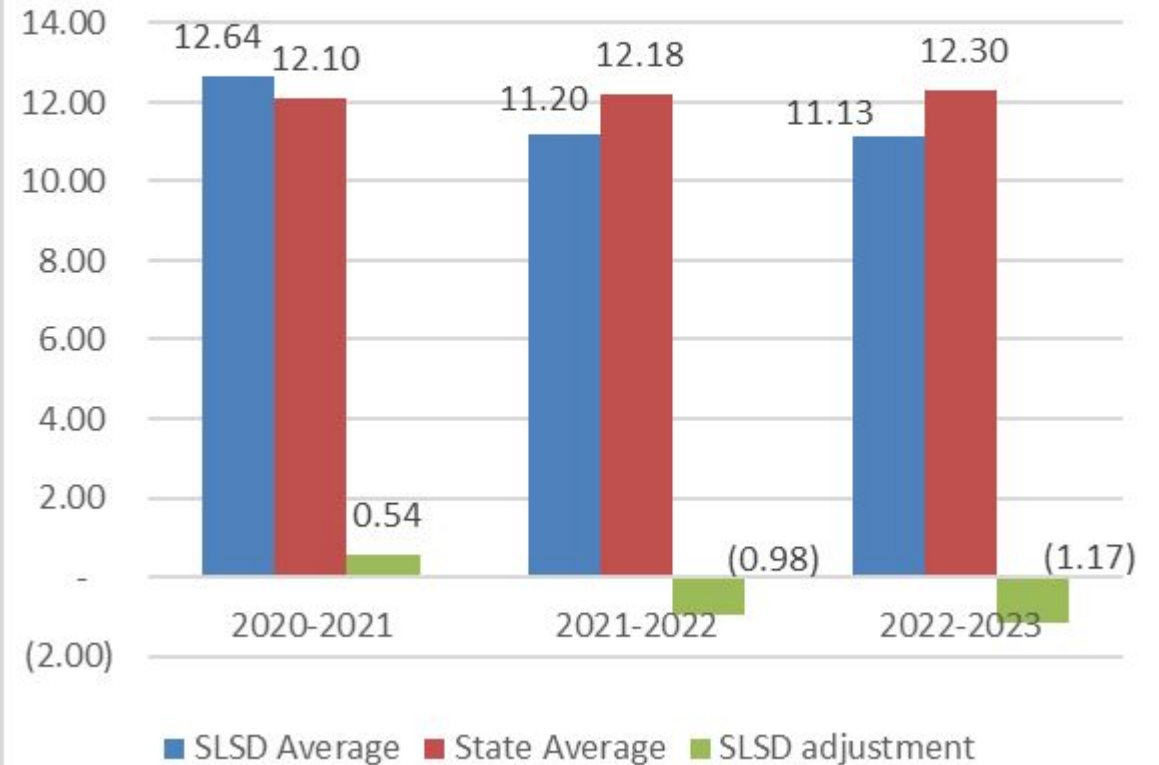
Rate increased to \$3,413.32 for 2022 - 2023 from \$3,395.49 in 2021-2022

# 2021-2023 State School Fund Grant Extended ADMw & Teacher Experience Rate

Extended ADMw and Extended Rate per ADMW  
Three Year Look



SLSD Experience Adjustment  
Three Year Look



# Legislative Special Funds Allocated

1. Student Investment Account (SIA) (Part of Student Success Act)
  - a. Funded through tax collections
  - b. Expected to continue to be funded at current levels.
  - c. Designed to ensure equity
  - d. Multi-stakeholder - committee develops the plan and goals
  
1. High School Success (HSS)
  - b. Funded through tax collections
  - c. Expected to continue to be funded at current levels.
  - d. Ensure students are on track to graduate
  - e. Increase complete CTE pathways
  
1. Elementary and Secondary School Emergency Relief Funds (ESSER)
  - b. Need to be used by September 30, 2024
    - i. ESSER II funds - all expended this fiscal year
    - ii. Remaining ESSER III = approximately \$4,778,000
    - iii. Cannot be used to backfill SSF reductions or general fund expenditures

# ESSER funding details

- Address social/emotional and mental health needs of students
  - Supplies and activities for parent/student connections
- Increase opportunities & resources for unfinished learning
  - minimum 20% of funding
  - After school/summer school opportunities
  - Additional temporary staff for academic support
- Safety and Maintenance
  - Additional nursing services
  - Replacement and maintenance of HVAC system
  - Continue supplying PPE, cleaning supplies
  - Safety Equipment

# Special Funds – Competitive Grants

- **Preschool Promise**
  - Currently 3 classrooms funded at \$689,470
  - Applying for an additional classroom - **TBD**
  - Additional classroom = increase in FTE
- **Community Care Coordination K-5 - \$725,000**
  - Applying for coverage - grades 6-12 - **TBD**
  - Additional funding = increase in FTE
- **Little Lions Preschool**
  - Yarg confirmed funding, Children's Institute - **TBD**
  - Provides Early Childhood CTE pathway
  - Additional program = increase in FTE
- **Child Equity (ELC) - \$525,000**
- **Summer School - \$440,900 - requires 25% match**
- **Latin X - TBD**

# Expenditures

## Cost Increases for Current Service Levels

### Contracts

1. Classified contract through 2024, includes step increases plus 2%.
2. Certified contract currently under negotiations

### PERS

Senate Bill 1049 (one time re-amortization of the Tier 1/Tier 2 Unfunded Accrued Liability (UAL) allows us time to plan for next year's increases

### Unemployment

- a. SLSD is self insured
- b. Future unemployment cost

### Other increases

- a. Supply cost increases 5% - 10%
- b. Medical Insurance increase maximum 3.8%
- c. Fuel 10% - 15% increase from current year estimates
- d. Food 12%

# Budget Additions

- Transportation replacement of obsolete buses
  - 2 - 3 vehicles
  - Approximate cost of replacement \$100,000 - \$140,000 each
- Technology
  - Phone systems
  - Replacement planning for hardware
  - Fiber maintenance and wiring
  - Approximately \$275,000 - \$300,000
- Deferred Maintenance
  - Includes all buildings
  - List and time table developed by Maintenance Supervisor
  - Approximately \$300,000 - \$340,000

# Questions?

- Contact information
  - [celia.gowing@slane.k12.or.us](mailto:celia.gowing@slane.k12.or.us)

