

RESOLUTION 25-010 – Fiscal Year 2025-2026 Budget Planning Parameters

Background: The resolution planning process and budget development begins with the Multnomah Education Service District Budget Officer’s recommendation of planning parameters.

The Board Finance Committee recommends approval:

WHEREAS, the 2025-2026 budget planning parameters above were presented to the Board Finance Committee on February 13, 2025; and

WHEREAS, the Board Finance Committee requested that the draft be taken to the Board on February 18, 2025 for discussion; and

WHEREAS, the MESD Board of Directors discussed the draft Planning Parameters.

NOW THEREFORE BE IT RESOLVED, that the Multnomah Education Service District Board of Directors authorizes budget authority in support of 2025-2026 budget planning parameters as follows:

Motion:

Discussion:

Action:

2025-2026 Budget Planning Parameters

Revenues:

1. The MESD will forecast State School Fund (SSF) revenue using the most current information available. For the purpose of preparing a proposed budget, the MESD will assume an \$11.36 billion biennium (\$5.57 billion year-one) SSF legislative appropriation. Under this assumption, the MESD's estimated SSF revenue for 2025-2026 will be approximately \$54.7 million per the current SSF formula, with 90% going to component districts for service plan activities or transits.
2. Other funding sources including federal grants, state contracts (including funds to support districts in Student Investment Account implementation), and local sources will be budgeted utilizing the most current information available.
3. The indirect rate for grants passed through ODE will be budgeted at 9% unless specifically identified for individual grants or contracts.
4. MESD will continue to charge a 10% administrative fee to non-component districts that purchase services listed in the Local Service Plan.

Expenditures:

1. The MESD will budget utilizing the most current information available on service level.
2. The MESD will use the following payroll assumptions:
 - a. Step increases are budgeted for eligible employees.
 - b. The currently negotiated salary schedules for represented employees will be used for budgeting purposes.
 - c. PERS defined rates for the 25-27 biennium are 13.67% for Tier I/II, 10.49% for OPSRP, and 15.76% for OPSRP Fire & Police.
 - d. The MESD contribution rate for the PERS pickup is 6%.
 - e. The increased employer contribution for health insurance premiums will be budgeted at 4%.
 - f. Other payroll rates will be calculated to fund estimated annual liabilities for workers' compensation and unemployment.
3. The PERS UAL Bond debt service requirement of \$7,887,182 will be funded by a benefit expense applied to all PERS eligible salaries and received into the Debt Service Fund as revenue for services to other funds.

Ending Fund Balance and Contingency:

1. The Operating Fund unappropriated ending fund balance will be set to at least 7% of total Property Tax and State School Fund adopted revenues, thereby ensuring that the agency's Operating and Resolution funds cash flow needs are met until property tax revenues are received in November.
2. Contingency will be set at an appropriate amount as a buffer for unexpected requirements.