

**RESOLUTION 16-011 – Fiscal Year 2016-2017 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 2016-2017 budget planning parameters above were presented to the Board Finance Committee on February 1, 2016; and

**WHEREAS**, the Board Finance Committee requested that the draft be taken to the Board on February 16, 2016 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 2016-2017 budget planning parameters as follows:

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## **2016-2017 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 a \$7.376 billion biennium (\$3.747 billion year-two) SSF base rate. Under this assumption, the MESD's estimated SSF revenue for 2016-17 will be approximately \$39.3 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 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 remain 5.55% for Tier I/II, 0.86% for OPSRP, and 4.97% 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 capped at 6%.
  - 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 \$2,775,021 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.
4. The 2004 Refunding Obligation debt service requirement of \$519,500 will be funded by a transfer from the Operating Fund to the Debt Service Fund. This is the final debt payment for the obligation.

### **Ending Fund Balance and Contingency:**

1. The Operating Fund unappropriated ending fund balance will ensure 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.