

Budget committee process frequently asked questions

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The Oregon Department of Revenue describes the local budget law process as a four phase process:

Phase 1 begins the process. Phase 1 involves the budget officer. The budget officer puts together a proposed budget. The budget officer prepares the proposed budget in a format designed by the Department of Revenue and to meet the goals and objective set by the school board.

Phase 2 involves the budget committee. The law spells out who can be on the committee and when the committee can meet. The budget committee reviews the proposed budget, listens to comments from citizens, and then approves the budget. The budget committee reviews the proposal to ensure that the district is planning to spend money in furtherance of expressly stated district goals.

Phase 3 involves the school board. Phase 3 includes adopting the budget and certifying property taxes to the county tax assessor. This phase includes a special school board meeting and specific public notices, including a summary of the approved budget. Special forms must also be used to notify the county assessor of the school district's property tax levy.

Phase 4 involves the school district and the school board. Phase 4 occurs during the fiscal year or biennial budget period when the local government is operating under the adopted budget. This phase includes changes to the adopted budget. Changes must be approved by the school board, and possibly a supplemental budget process. Changes to the adopted budget must be made before additional money is spent or money is spent for a different purpose than described in the adopted budget.

What is a budget? [\[Top of page\]](#)

A "budget" is the school district's financial plan for the upcoming fiscal year. The budget will always include estimated costs of goods and services, which the district intends to purchase in the upcoming fiscal year. And the budget will always include an estimate of the "resources" that the district will use to pay for the costs.

Why do we have budget laws? [\[Top of page\]](#)

Generally, budget laws facilitate transparency and accountability. Responsible spending is important to the citizens of Oregon. Here are a few of the ways in which the budget laws facilitate transparency and accountability: (1) uniform procedures, (2) independent committee members, (3) public meetings, and (4) public participation.

What is a budget committee? [\[Top of page\]](#)

A budget committee is a group of school board members and citizens that reviews the school district's proposed budget. The committee is composed of the school board and an equal number of citizens. The committee reviews the budget at a public meeting. The public is encouraged to attend because one of the most important purposes of the committee is to take comments and questions from interested citizens. The committee can make changes to the proposed budget to

reflect changes it wants to make in the local government's spending in order to meet the goals and objectives established by the school board. When it is satisfied, the committee approves the budget.

Each of the members has the same authority, whether school board member or appointed citizen. Each appointed member is appointed for staggered 3-year terms. The committee cannot receive reimbursement for expenses incurred while serving.

Who can be on a budget committee? [\[Top of page\]](#)

The budget committee is composed the school board and an equal number of qualified voters from the district. Officers, agents, or employees of the school district may not sit on the committee. If the school board can't find enough citizens willing to serve on the budget committee, then the committee is made up of the number of citizens who will serve and the school board.

What are the required positions on a budget committee? [\[Top of page\]](#)

The "presiding officer" position is the only position required by law. At the budget committee's first meeting after appointment, the budget committee must elect a presiding officer. ORS 294.336(9). The presiding officer chairs the committee meetings. A vice chair may be elected. The vice chair position is created to chair meetings in the absence of a presiding officer.

What does the budget committee do? [\[Top of page\]](#)

In general, the budget committee reviews and approves the school district's proposed budget. The criteria used to review budget are the school district's expressly stated goals. Therefore, if a budget committee approves a proposed budget, then the committee certifies that the district is planning to spend money in furtherance of expressly stated goals.

NOTE: The committee approves the budget and refers it to the school board. The school board adopts the budget.

What does the budget committee NOT do? [\[Top of page\]](#)

The budget committee does not set salaries, benefits, or contract terms for employees or administrators. The budget committee does not set staffing levels. The budget committee does not decide whether or not a service or program should be provided. The budget committee does not make district policies.

What is the first step for a budget committee? [\[Top of page\]](#)

The first step for a budget committee is to fill all positions on the budget committee. The school board appoints the citizen-members. If the school board is unable to find enough citizens willing to serve on the budget committee, then the committee is made up of the citizens who will serve and all the members of the governing body.

What are the notice requirements for budget committee meetings? [\[Top of page\]](#)

The budget committee must notify the electorate that it plans to have a meeting. The law specifies three publication methods for giving public notice. (1) Printing in a newspaper of general circulation within the boundaries of the local government. (2) Mailing through the United States Postal Service by first class mail, postage prepaid to each street address in the boundaries of the local government. Or, (3) hand delivering to each street address in the boundaries of the local government.

If notice is provided in a newspaper, then it must be published twice. The printings must be at least five days apart. The first printing cannot be more than 30 days before the meeting and the second printing cannot be less than five days before the meeting. If the notice is mailed or hand delivered, then it must be mailed or delivered not later than 10 days before the meeting.

What must happen at the first meeting? [\[Top of page\]](#)

- elect a chairperson
- adopt rules of order
- receive the budget message from the superintendent
- budget officer reviews significant changes in proposed budget
- set dates for future meetings
- hear public comments

How does the committee approve a budget? [\[Top of page\]](#)

The approval process is repeated each year. First the superintendent presents the proposed budget to the committee. Second, the committee reviews the proposed budget by asking questions of the superintendent, receiving input from the public, and making changes to the budget. Third, if the committee approves both the proposed spending and taxing, then the committee recommends the budget to the school board.

Can the committee change the budget? [\[Top of page\]](#)

Yes. The committee has the authority to change the superintendent's proposed budget. But, the changes are not guaranteed to stay. After the committee recommends the proposed budget to the school board, the school board also has authority to change the proposed budget. There are two limitations placed on the school board: (1) if the school board increases expenditures in a fund - e.g. general fund, transportation fund - by more than 10%, then the budget must go through a supplemental budget process; (2) the school board does not have the authority to increase taxes approved by the committee. The second limitation is significant because the law requires school district budgets to be balanced.

What are important dates? [\[Top of page\]](#)

- Suggested schedule of dates:
- Jan 10 - Appoint a budget officer

- Jan 30 - Appoint budget committee members
- Mar 1 - Prepare a proposed budget
- Mar 20 - Publish 1st notice of Budget Committee meeting
- April 3 - Publish 2nd notice of Budget Committee meeting
- April 10 - BC meeting(s)
- May 15 - Publish notice of budget hearing
- May 22 - Budget hearing
- June 27 - Enact resolution
- Required dates:
- Jul 15 - Submit tax certification documents
- Sept 30 - Send copy of budget documents to county clerk

How many votes are required to pass a motion? [\[Top of page\]](#)

A majority of the entire committee (not just the quorum present at the meeting) is required to approve any motion. A majority is one more than half of the members. A majority is one more than half of the members. For example, if a committee has 10 members, then 6 votes is a majority; if a committee has 14 members, then 8 votes is a majority.

How many meetings are required per year? [\[Top of page\]](#)

The law does not require a particular number of meetings per year. In practice, the number of meetings per year has depended on a variety of factors. Factors affecting the number of meetings per year include: detail in the budget, size of the governing body, number of funds, and personalities of committee members.

What may a committee member discuss outside of a meeting? [\[Top of page\]](#)

With regard to communications outside of a budget meeting, the committee is subject to public meeting laws. Thus, it is permissible for committee members to discuss matters relating to the budget. But, if a majority of the committee is present, then the group shall not discuss matters relating to the budget, otherwise it will constitute a meeting. If you have a majority, then discussion of budget matters violates the law unless public notice has been given.

When do budget committee duties cease? [\[Top of page\]](#)

Except for the budget officer, the budget committee's duties cease when the budget is approved by the budget committee. At that time, the school board is responsible to move the budget through adoption. After approval, the budget officer must publish (1) financial summaries and (2) a public hearing notice.

Can the Board make changes to the approved budget after adoption? [\[Top of page\]](#)

Yes. The board has the authority to make certain changes to the approved budget. The board may change the revenue or expenditures of a fund by up to 10%. The board may decrease revenue or

expenditures to reflect actual changes. The board may make changes between budget programs (e.g. decrease Maintenance and increase Instructional Materials).

There are two exceptions when the Board's changes increase the estimated expenditure more than 10% a supplemental budget may be required. Second, the property tax levy may not exceed the amount shown in the budget approved by the committee. If the board makes changes to the approved budget beyond the 10% limit, then they must publish a revised budget summary and hold another budget hearing to receive public comment.

Does the budget have to be balanced? [\[Top of page\]](#)

Yes. Preparing a budget allows the school district to look at its needs in light of the money available to meet those needs. In Oregon, school districts must plan a balanced budget -proposed costs equal available resources. A school district can't plan to purchase more items or services than it has money to pay for them.