

**RESOLUTION 25-033 Approval of Fiscal Year 2024-2025 Supplemental
Budget, Appropriation Adjustments and Budget
Transfers**

Background:

During the 2024-2025 fiscal year, the Multnomah Education Service District received additional information about specific expenditures within funds, including expenditures related to grants and contracts, that were not anticipated in the 2024-2025 adopted budget. Beginning fund balances have an adjustment following the final audit for 2023-2024 year. Oregon Revised Statutes ORS 294.338 and ORS 294.463 allow the Board to approve adjustments by appropriation and transfer resolutions for these purposes. Oregon Revised Statute ORS 294.471 allow the Board to approve a supplemental budget revising resources and appropriations.

Increases and reductions in expenditure appropriation below 10% of current budget, transfers of appropriations and resources between funds, as well as transfers of contingency appropriation below 15% of the original adopted budget total fund appropriations; none of which require a public hearing, include:

1. Resolution Services Fund

Supported by: Beginning Fund Balance \$198,000, Property Taxes \$501,000, State School Fund \$367,735, and Other Revenues (\$25,758).

- a. Net increase in Instructional Services appropriation \$68,867, net decrease in Support Services appropriation \$417,200, net increase in Enterprise and Community Services appropriation \$7,750. Adjustments reflect expenditure updates for local service plan services primarily in Special Education and School Health Services. Adjustments also reflect the shift of Rivercrest Academy to a contract with the Oregon Department of Education.
- b. Increase Transfers Out \$86,873 for SSF revenues allocation to Operating Fund.
- c. Increase Contingency \$1,294,687.

2. Contracted Services Fund

Supported by: Local Sources \$1,915,668, State Sources \$1,118,031, Federal Sources \$1,343,788, Sales of Goods and Services \$3,582, and Other Revenues \$563,107.

- a. Net increase in Instructional Services appropriation \$1,959,966, net increase in Support Services \$2,335,543, net increase in Enterprise and Community Services \$27,187. Adjustments reflect expenditure updates for specific grants and

contracts, primarily with the Oregon Department of Education and Multnomah County, which were extended or updated after the prior budget amendment. Adjustments also reflect updates to expenditures for local service plan services, primarily in Special Education.

- b. Increase Contingency \$621,480.
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- 3. Operating Fund
Supported by: Beginning Balance (\$198,000), Local Sources \$50,000, Investment Earnings \$210,000, and Transfers In \$86,873.
 - a. Net increase in Support Services appropriation \$25,000. Adjustments reflect increased legal and translation service costs.
 - b. Increase Contingency \$123,873.
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- 4. Debt Service Fund
Supported by: Investment Earnings \$30,000, Services to Other Funds \$1,270,001.
 - a. Increase in Other Uses \$1 to correct appropriation to match the exact projected expenditures.
 - b. The balance will be held as unappropriated Ending Fund Balance for the 2024-25 fiscal year in preparation for a forthcoming PERS rate reserve policy.
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- 5. Risk Management and Reserve Fund
Supported by: Debt Financing Sources \$3,624,862.
 - a. Increase in Support Services appropriation \$13,382. Adjustments reflect unanticipated expenses related to the Carruth Compliance Consulting data security incident.
 - b. Increase in Debt Service appropriation \$91,480 for fees associated with the Tax Anticipation Note (TAN). This is a new expenditure category that did not previously have appropriations in the budget.
 - c. The balance will be held as unappropriated Ending Fund Balance for the 2024-25 fiscal year in preparation paying off the TAN after the majority of property taxes are received in 2025-26.

The Superintendent recommends adoption of the following resolution:

WHEREAS, the Resolution Fund (Fund 1) and Operating Fund (Fund 6), had beginning fund balances that differed from what was anticipated in the adopted budget; and

WHEREAS, the Resolution Fund (Fund 1), Contracted Services Fund (Fund 2) Operating Fund (Fund 6), Debt Service Fund (Fund 3), and Risk Management & Reserve Fund (Fund 7) have received revenues or transfers that differ from what was anticipated in the adopted budget; and,

WHEREAS, the Resolution Fund (Fund 1), Contracted Services Fund (Fund 2), Operating Fund (Fund 6), Debt Service Fund (Fund 3) and Risk Management & Reserve Fund (Fund 7) have changes in requirements not anticipated in the adopted budget;

NOW THEREFORE BE IT RESOLVED, that for the fiscal year beginning July 1, 2024, the amounts shown below are hereby appropriated for the purposes indicated within the Funds listed:

	Resolution Services	Contracted Services	Operating	Debt Service	Risk Management & Reserve
Resources					
Beginning Fund Balance	198,000	-	(198,000)	-	-
Property Taxes	501,000	-	-	-	-
State School Fund	367,735	-	-	-	-
Local Sources	-	1,915,668	50,000	-	-
State Sources	-	1,118,031	-	-	-
Federal Sources	-	1,343,788	-	-	-
Investment Earnings	-	-	210,000	30,000	-
Sales of Goods & Services	-	3,582	-	-	-
Other Revenues	(25,758)	563,107	-	-	-
Services to Other Funds	-	-	-	1,270,001	-
Debt Financing Sources	-	-	-	-	3,624,862
Transfers In	-	-	86,873	-	-
Total Resources	\$ 1,040,977	\$ 4,944,176	\$ 148,873	\$ 1,300,001	\$ 3,624,862
Requirements					
Instructional Services	68,867	1,959,966	-	-	-
Support Services	(417,200)	2,335,543	25,000	-	13,382
Enterprise & Community Svs.	7,750	27,187	-	-	-
Debt Service	-	-	-	1	91,480
Transfers Out	86,873	-	-	-	-
Contingencies	1,294,687	621,480	123,873	-	-
Total Requirements	\$ 1,040,977	\$ 4,944,176	\$ 148,873	\$ 1	\$ 104,862