

# SCHOOL FINANCE

## GENERAL UNDERSTANDING OF SCHOOL BUDGETING PROCESS



What's your budget?



# AGENDA

- Local Budget Law
- What is a Budget?
- The Budget Process
- Revenue Sources (Current Public Info.)
- Expenditure Categories
- The Budget Committee Roles & Responsibilities
- The Budget Hearing (Adoption)



# LOCAL BUDGET LAW

- Establish Standard Procedures
- Outline programs & fiscal policies
- Require estimates of resources & requirements (revenue & expense).
- Encourage citizen involvement
- Control the spending of public funds



(ORS 294.321)

# WHY FOLLOW LOCAL BUDGET LAW?

- **A district that doesn't follow local budget law may not lawfully:**
  - Expend money
  - Certify property taxes to the county assessor

(ORS 294.338)

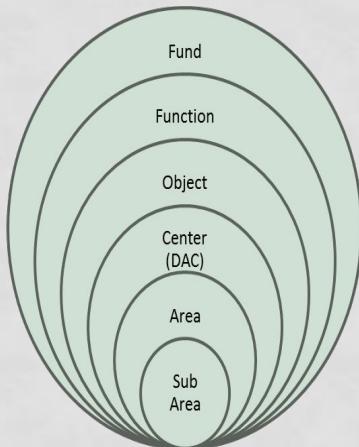
- **A property tax made contrary to local budget law is voidable by the Oregon Tax Court if appealed by:**
  - County
    - Assessor
    - Court
    - Board of Commissioners
  - The Department of Revenue
  - Ten or more interested taxpayers



(ORS 294.461)

# WHAT IS A BUDGET?

- A Financial Plan
- For one fiscal year (July 1 – June 30)
- Based on “good faith” estimates of revenue & expenditures.



<u>General Fund</u>		<u>Special Revenue Fund</u>	
1000 - Instruction.....	\$ 26,774,096	1000 - Instruction.....	\$ 7,110,565
2000 - Support Services.....	\$ 14,900,538	2000 - Support Services.....	\$ 3,956,911
3000 - Enterprise and Community Services.....	\$ 54,540	3000 - Enterprise and Community Services.....	\$ 1,736,738
5100 - Debt Service.....	\$ 55,000	4000 - Facilities Acquisition.....	\$ 507,000
5200 - Interfund Transfers.....	\$ 975,500	5200 - Interfund Transfers.....	\$ 566,000
6000 - Contingency.....	\$ 4,254,399		
Total	\$ 47,014,073	Total	\$ 13,877,214
<u>Debt Service Fund</u>		<u>Capital Project Fund</u>	
5100 - Debt Service.....	\$ 92,000	2000 - Support Services.....	\$ 1,118,500
		4000 - Facilities Acquisition.....	\$ 3,575,769
		5200 - Interfund Transfers.....	\$ 75,000
Total	\$ 92,000	Total	\$ 4,769,269
		Total Appropriations, All Funds	\$ 65,752,556
		Total Unappropriated and Reserve Amounts, All Funds	\$ 2,879,500
		TOTAL ADOPTED BUDGET	\$ 68,632,056 *

**The budget is the basis for appropriations which creates the authority to spend public money.**

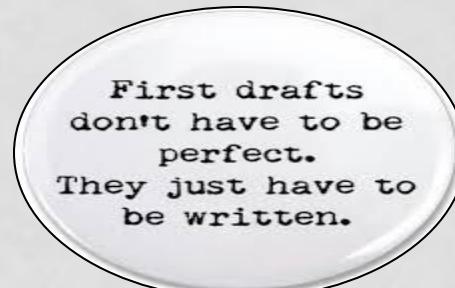
# WHO CREATES THE PROPOSED BUDGET?



The Budget Officer is responsible for compiling information from stakeholders and other sources and developing the proposed budget.

However, the proposed budget must align with:

- District Goals, Core Values & Strategies
- Objectives established by Leadership
- Known Obligations
- Oregon Budget Law



# WHAT GOES INTO CREATING PROPOSED BUDGET?



- Fund Balance – Must estimate what it will be (part of revenue). This is based on known history and trend analysis.
- Determine **revenue projections** based on known estimates provided by State, and Local sources along with future and existing grants (State School Fund, local taxes, new state appropriations, and other misc. sources).



# WHAT ELSE GOES INTO CREATING PROPOSED BUDGET?

- Add in **known** expenditure increases due to contract negotiations already agreed upon such as (salary, step and insurance).
- Other required obligations must be added such as known debt requirements, transfers, and contracts that continue into next year.



# REVENUE SOURCES

Beginning Fund Balance  
State School Fund  
Revenue Contracts

Local Taxes  
Tuition  
Other Miscellaneous Sources

**2025-2026** Budget General Fund Revenue Sources

<b>100 - General Fund</b>		
1000 - Local Source	\$	7,337,150
2000 - Intermediate Source	\$	47,200
3000 - State Source	\$	30,949,723
4000 - Federal Source	\$	5,000
5200 - Interfund Transfers	\$	675,000
5400 - Beginning Fund Balance	\$	8,000,000
Revenue Totals	\$	47,014,073

# FUND BALANCE - Board Policy DBE

## **The Major Categories/Classifications which make up the total --ENDING FUND BALANCE:**

- **Restricted** – Amounts subject to externally enforceable legal restrictions by outside parties -- imposed by grantors, governmental regulations, etc. (bonded debt, federally funded programs)
- **Committed** – Amounts whose use is constrained by limitations that a government imposes upon itself through resolutions or budget (2% of General Fund committed to Economic Stabilization)
- **Assigned** – Intended use of resources established by the governing body itself, or by an official or officers to which authority is delegated by the governing body – such as the Superintendent or Business Director (one-time curriculum purchases)
- **Unassigned** – Available for any purpose. (Reported only in the General Fund.)

**\*These categories follow GASB-54 guidelines.**

# EXPENDITURES

Known expenditure adjustments:

- Salary / Steps
- Insurance
- Materials and Purchased Services
- Capital Outlay
- Debt Requirements
- Transfers
- Contractual obligations extending beyond current fiscal year.

(Some examples of these are fringe rate adjustments, repairs and maintenance, dues and fees, technology, curriculum, and post retirement needs.)



## Expenditure Summary by Object Classification

	100 - General Fund	200 - Special Revenues	300 - Debt Service	400 - Capital Projects	Totals
100 - Salaries	\$ 14,352,671	\$ 4,251,465	\$ -	\$ -	\$ 18,604,136
200 - Associated Payroll Costs	\$ 10,392,033	\$ 2,767,696	\$ -	\$ -	\$ 13,159,729
300 - Purchased Services	\$ 15,265,950	\$ 1,465,165	\$ 621,500	\$ -	\$ 17,352,615

# WHO IS ON THE BUDGET COMMITTEE?

The Governing Body  
+  
Equal Number of Appointed Electors

## Appointed Members:

- “Electors” are registered voters in the district.
- Cannot be officers, agents or employees.
- Appointed for staggered 3-year terms.
- All budget committee members have the same authority.



# BUDGET COMMITTEE MEETING PROCESS

- All Meetings are subject to public meetings law.
- Presiding officer must be elected at the first meeting.
- A Quorum is required to conduct business.
- Majority of Committee is required to take action.
- Committee may request and receive additional information from district officials.



# WHAT THE BUDGET COMMITTEE DOES



- Receives the Budget Document
- Hears the Budget Message
- Hears & Considers Public Comment
- Discusses and Revises the Budget at Fund and Function Level only, as Needed
- Approves the Budget
- Approves the Property Taxes

# BUDGET HEARINGS TO ADOPT

- The School District holds a budget hearing on the date published.
- The hearing is on the budget as approved by the budget committee.
- Any person may comment on the budget.

**If the Governing Body decides to change the budget as approved, they can without holding another budget hearing meeting and republishing the notice if:**

- No increase to taxes
- No increase to expenditures in any fund by 10% or more (or \$5,000 – whichever is greater)

# GOVERNING BODY ADOPTS THE BUDGET

After the Budget Hearing and on or before June 30, the governing body must enact a resolution to:

- Adopt the Budget
- Make Appropriations
- Impose Each Tax Levy
- Categorize each tax by Measure 5 Category



# The End...for now...



Thank You!

