

SCHOOL FINANCE

GENERAL UNDERSTANDING OF SCHOOL BUDGETING PROCESS



School Board, January 8, 2026

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:**

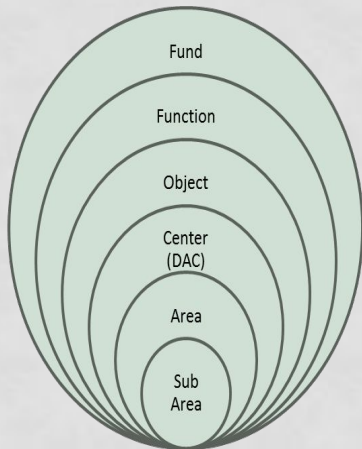
- County
 - Assessor
 - Court
 - Board of Commissioners
- The Department of Revenue
- Ten or more interested taxpayers



(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

First drafts
don't have to be
perfect.
They just have to
be written.

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

100 - General Fund		
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...

