

2023 - 2024 BOARD BUDGET GOALS DISCUSSION

1/24/2023 BOARD WORK SESSION

LINCOLN COUNTY SCHOOL DISTRICT

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BUDGET DEFINITIONS

- Contingency
 - Funds held for emergency uses
 - Requires board resolution prior to use (up to 15%)
 - Supplemental budget required if over 15% will be used
- Unappropriated Ending Fund Balance
 - Purpose is to provide a cash or working capital balance to begin the following fiscal year until Property Tax Revenues are received in November
 - Board policy requires this to be 7% of the General Fund budget
 - **No expenditure can be made from these funds in the current year**
 - Only exception is an emergency such as theft, vandalism, civil disturbance or a natural disaster
 - Requires a board resolution or supplemental budget after the event

BUDGET DEFINITIONS

- State School Fund Formula
 - ODE's method of allocating revenue to K-12 school districts
 - To ensure every district receives the same amount per student
 - Adjusted only for uncontrollable cost differences
 - Some groups of students need additional supports and are more expensive to educate
 - The SSF helps provide funding equity around the state by adding additional funding for these students which is called "weighting"

BUDGET DEFINITIONS

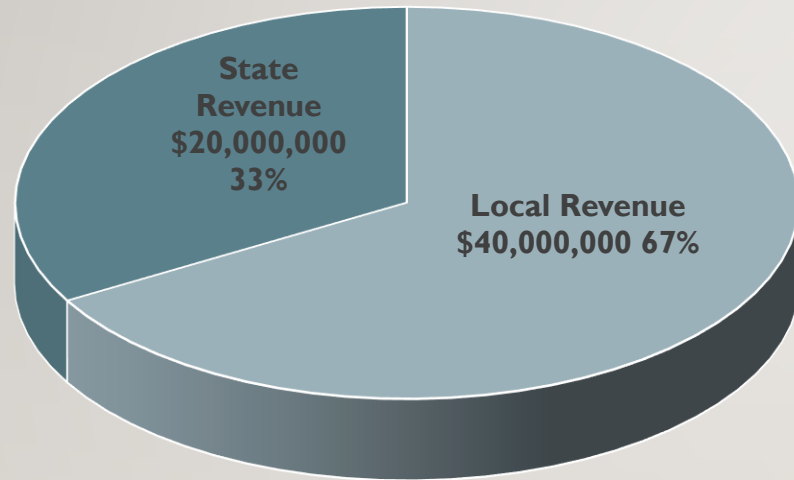
- $ADMr$ = Average Daily Membership resident (# of Students)
- $ADMw$ = $ADMr$ + Adjustments for Additional Costs to Educate certain groups of students (weighted)

Groups of Students Requiring Additional Costs	Weighting (w)
Poverty	.25
English Language Learners (ELL)	.50
Pregnant/Parenting	1.00
Special Education	1.00
Foster Care, Neglected/Delinquent	.25

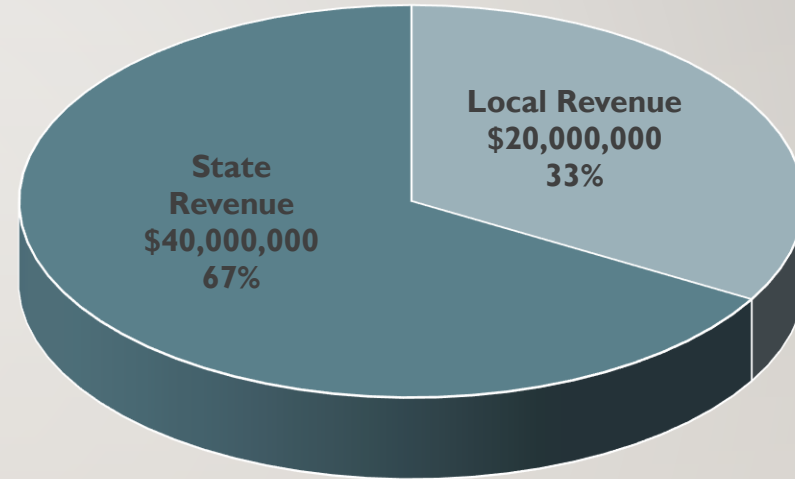
BUDGET DEFINITIONS

- State School Fund Formula (continued)
 - **State Aid + Local Revenue = ADMw x \$ per ADMw**
 - Or: State Aid + Local Revenue = (# Students + Cost Factors) x Base Funding per Student
 - Each district's share of total funding depends **solely** on the base funding per student and their additional cost factors or weighting (w)
 - This is a balanced equation where ADMw and \$ per ADMw as determined by the state is always the result of our total funding.
 - If one factor on the left side of the equation changes, the other factor must compensate.
 - If local revenues rise, state aid decreases. If local revenues fall, state aid increases.

State School Fund Components
High Local Revenue Scenario
Total SSF Revenue \$60,000,000
7,058.83 ADMw
\$8,500/ADMw



State School Fund Components
Low Local Revenue Scenario
Total SSF Revenue \$60,000,000
7,058.83 ADMw
\$8,500/ADMw

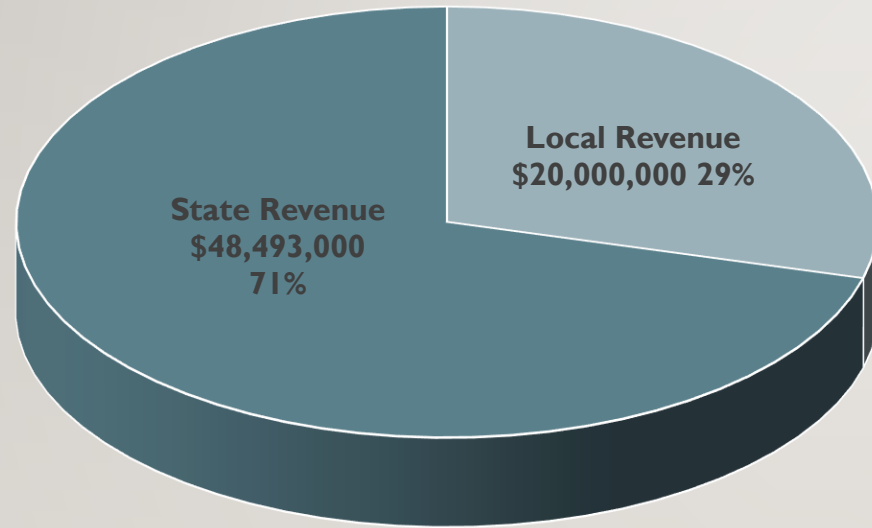


State Revenue is offset and balanced by Local Revenue. As one increases the other decreases.
More Local Revenue does not mean more Total Revenue.

State School Fund Components
\$20,000,000 Local Revenue, High ADMw Scenario
\$8,500 per ADMw

8,058 ADMw

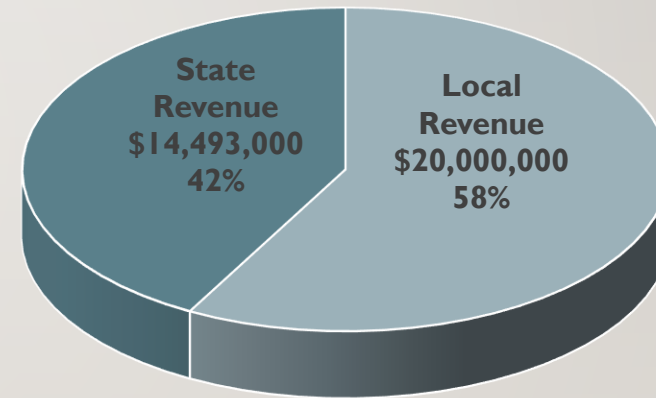
Total SSF Revenue \$68,493,000



State School Fund Components
\$20,000,000 Local Revenue, Low ADMw Scenario
\$8,500 per ADMw

4,058 ADMw

Total SSF Revenue \$34,493,000



Total SSF Revenue (size of the pie) depends on both \$/ADM and ADMw.

GENERAL FUND

FUND 100

- Used for the general operating expenses of the district
- May be transferred to other funds by Board Resolution for restricted uses such as Debt Service, Property Purchases and Capital Expenditures
 - Other funds may not be moved into the General Fund
- Revenues are from State, Intermediate and Local Sources
- Expenditures include:
 - **Non-discretionary or fixed expenses** such as bargained salaries, benefits, employer payroll expenses, and contracted services such as transportation, food services and custodial (**85-90% of the budget**)
 - **Discretionary expenses** such as purchased services and supplies
- LCSD board policy requires a 7% Unappropriated Ending Fund Balance

SPECIAL REVENUE FUNDS

FUND 200 – RESTRICTED FUNDS

- Federal, State and Local Grants
- Other Special Sources of Revenue such as donations or transfers from other funds
- **Restricted use – may not be used for other purposes**
- Examples:
 - Federal Title and Special Education Grants (Title I, IDEA, etc)
 - HELP Center donations
 - ESSER Funds (CARES Act, CRRS Act, ARP)

OTHER RESTRICTED FUNDS

- PERS Debt Service Fund
- General Obligation Bonds Funds
- Capital Construction Fund (Construction Excise Tax)
- Dental/Vision Self Insurance Fund
- Group Health Reimbursement Account Fund
 - Supplements Employee Deductibles

2023-25 BUDGET ASSUMPTIONS

STATE BUDGET PROCESS

- The Governor's biennial budget will be released Feb 1st
 - Released in December in non-election years
 - We have a new governor with some similar and some new priorities
- The Co-chairs (Legislative) biennial budget is usually released in February
 - The Co-chairs budget is usually different from the Governor's budget
 - We have a new legislature with new members and leaders
- The first official 2023-24 ODE SSF Estimate will be released March 6
 - Will include updated state-wide and district ADMw as of December 31st
- The Legislature has until June 30th to adopt the biennial budget and numbers may continue to shift throughout our budgeting process

2023-24 BUDGET ASSUMPTIONS

GENERAL FUND – FIRST GLANCE

- ADMw remains down roughly 25,400 statewide – this is about level with last year
 - 48% of the loss was in Linn, Benton and Lincoln Counties
- The first draft of the LCSD budget is based on level enrollment
 - Based on most current SSF Estimate ADMw of 6,734.09
 - This remains down about 400 students from pre-pandemic levels
 - Weights may also change based on changing student demographics

2023-25 BIENNIAL BUDGET ASSUMPTIONS

GENERAL FUND – FIRST GLANCE

- The 21-23 SSF Budget is \$9.299 billion (current year)
- 2023-25 Biennial State School Fund (SSF) Revenue Estimates:
 - The State Legislative Revenue Office calculated the Current Service Level at \$9.52 billion
 - Districts around the state feel they need \$10.3 billion to sustain current programs
 - Based on estimates from 40 school districts, including LCSD, representing 70% of Oregon's students
 - ODE's Quality Education Model recommends funding of \$11.889 billion
 - The SSF usually lands somewhere in the middle to lower end of these estimates

2023-24 BUDGET ASSUMPTIONS

GENERAL FUND – FIRST GLANCE

- The \$9.5 billion Current Service Level Estimate (CSL) is a 2.36% increase for the next 2 years
 - We receive 49% in the first year or 1.16% of the total increase and 51% in the second year or 1.2% of the total increase
- District expenses are estimated to increase 5.8% in the first year alone
 - Contractual employee increases (Step & COLA) = 5% (69.5% of expenses)
 - However, we are bargaining this spring
 - Contracted Services (Custodial & Transportation) = 6.5% and 5% (22% of expenses)
 - Transportation revenues and expenditures were reduced by \$500,000 to reflect current staffing levels
 - Supplies = 8% if CPI continues to increase (3% of expenses)

2023-24 BUDGET ASSUMPTIONS

GENERAL FUND – FIRST GLANCE

- Budget estimate assumes:
 - Existing full staffing as of November 10th with no vacancies
 - 2% COLA plus step – but will be bargaining in the Spring
 - Includes only Annual General Fund revenues
 - Does not include Ending Fund Balance or Contingency therefore, the 22/23 column will not match the adopted budget
 - Includes Wildfire Stabilization funds which end 6/30/25.
 - These are one-time funds but are based on the assumption that housing will be replaced by then and ADM will increase
- This is a very rough estimate based on several assumptions that will change

Lincoln County School District
First Draft Projected General Fund Budget 2023-24 at 1/24/23

Statewide Budget	22/23 SSF		%				Comments
	9.29 Billion	9.5 Billion	Change	9.7 Billion	9.9 Billion	10.3 Billion	
Assumptions							
ADMw	6,748.09	6,734.09	-0.21%	6,734.09	6,734.09	6,734.09	ADMw per Current Estimate
SSF \$/ADMw	\$9,744	\$9,785	0.42%	\$9,921	\$10,057	\$10,328	
Revenue							
Total SSF Allocations	66,201,194	65,895,265	-0.46%	66,808,516	67,721,767	69,548,269	Includes reduction of Transportation
Other Misc Revenue	1,597,460	1,682,345		1,682,345	1,682,345	1,682,345	Interest, Grant Fees, ESD funds, etc
Wildfire Funding	967,796	1,034,296		1,034,296	1,034,296	1,034,296	Stabilization funds through 2025
Building Carryover	1,000,000	800,000		800,000	800,000	800,000	
TOTAL REVENUE	69,766,450	69,411,906	-0.51%	70,325,157	71,238,408	73,064,910	
Expenses							
Payrolls	48,855,377	51,294,333		51,294,333	51,294,333	51,294,333	Bargained Contracts, Coaches
Discretionary	20,911,073	22,017,366		22,017,366	22,017,366	22,017,366	Cust 6.5%, Transp 5%, Supplies 8%
TOTAL EXPENSES	69,766,450	73,311,699	5.08%	73,311,699	73,811,699	73,311,699	
Estimated Budget (Shortfall) or Excess Revenue	-	(3,899,793)		(2,986,542)	(2,573,291)	(246,789)	Without using cash (excess ending fund balance) or moving expenses to grants

- * Assumes full staffing at Nov 10th - no vacancies, normal 2% average roll up of all payroll expenses.
- * Licensed & Classified contracts to be negotiated in Spring.
- * Transportation revenue and expenditures reduced \$500,000 to reflect current staffing levels
- * Does not include Ending Fund Balance or Contingency so Total Revenue/Expense will not match 22-23 Total Adopted Budget
- * ODE's Quality Education Model suggests a funding level of \$11.889 billion for the 23-25 biennium

2023-24 BUDGET ASSUMPTIONS

GENERAL FUND – FIRST GLANCE

- \$3,991,476 Estimated Excess Ending Fund Balance as of 12-31-22
 - This is one-time cash that has accumulated largely due to the pandemic and its sustained effects on District staffing vacancies
 - An additional \$3,750,000 remains budgeted in contingency
 - \$4,892,192 remains budgeted as the required 7% unappropriated ending fund balance
 - Equals the total Ending Fund Balance (EFB) of \$12,633,668
- One-time Cash should not be used for expenses that must be sustained in future years
 - Bargained Employee Contract Salaries
 - Contractor Agreements (transportation & custodial contracts)
- One-Time Cash should be saved & used for Investments in Planned Recurring Expenses
 - Facilities & Technology Infrastructure
 - Curriculum Adoption (Replacement)
 - Future Property Requirements

BOARD STRATEGIC GOALS 2020-2025

- **GOAL ONE:** Demonstrate High Expectations For Student Achievement By Supporting an Equitable Education Framework.
- **GOAL TWO:** LCSD is a Convener and Influencer of City, County and State Education and Economic Policies.
- **GOAL THREE:** LCSD will provide for the Health and Welfare of our Facilities.
- **GOAL FOUR:** LCSD will Identify the Need and Development of a LCSD Political Action Committee for a possible 2026 Bond election.
- **GOAL FIVE:** Enhanced Communications and Community Engagement.

DISTRICT STRATEGIC GOALS 2020-2025

- **Academic Achievement and Student Success**
 - Increase Attendance
 - Increase Graduation Rates
 - Increase implementation of PBIS systems and Decrease Behavioral Exclusions
 - Align K-12 Mathematics
 - Continue to Align K-12 AVID Implementation and Strategies
- **Increase Student Engagement**
- **Create an Equity Plan and Provide Culturally Specific Outreach to our Growing Hispanic Community**
- **Fully Implement the Board's Five Year Strategic Plan**

SAMPLE BOARD BUDGET GOALS

- Full School Year (no cut days)
- Full Staffing matching current enrollment
- Maintain Investments In:
 - Curriculum Adoption Schedule
 - Technology Infrastructure/Cybersecurity for Staff & Student Technology
 - Aging Facilities that Require Ongoing Maintenance
 - Future Property Purchases to Ease Overcrowding
- Consider Effects of Union Bargaining in the Spring
 - General Education Commitments must be Sustainable from the State School Fund
- Your Ideas?

Thank You!

