



EXECUTIVE SUMMARY

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| Meeting Date: | June 26, 2025 |
| Agenda Item: | FY2025-26 Approved to Adopted Budget Changes |
| Item Type: | Action |
| Administrator: | Brad Earl, John Petach |
| Objective: | Review Budget Changes to the FY2025-26 Budget |

Background: The adopted budget is built on a series of assumptions around both estimated revenues and expenses. When actual events vary from those assumptions, it sometimes becomes necessary to amend the budget by increasing or decreasing appropriations or to transfer appropriation authority from one fund to another or between appropriation categories within the same fund. A transfer of appropriation authority is a decrease of one existing appropriation and a corresponding increase of another existing appropriation, with no net change in the amount of all appropriations (ORS 294.450).

For the 2025-26 budget, the net result of the first set of recommended amendments across all funds is summarized on the last page of this memo.

The 2025-26 year-end General Fund Adopted Budget deficit spending of \$3.3 million is staying the same. No overall change, but there are several changes within the budget.

| | <u>FY 2025-26 General Fund Budget</u> | | |
|--------------------------|--|-----------------------|----------------------|
| | <u>Approved</u> | <u>Adopted</u> | <u>Change</u> |
| Beginning Balance | \$17,802,295 | \$17,802,295 | \$ 0 |
| Budget Surplus/<Deficit> | <\$3,300,000> | <\$3,300,000> | \$ 0 |
| Ending Fund Balance | \$14,502,295 | \$14,502,295 | \$ 0 |

A spreadsheet roadmap is attached detailing all the proposed changes to various fund types.

There are 22 changes noted in the roadmap.

Staffing:

The Approved budget had a net reduction of 2.50 FTE and the Adopted budget will have a net increase of 3.50 FTE for a net change of plus 6.0 FTE. The plus 6.0 FTE change includes 10.0 FTE for special education (SPED) and minus 4.0 FTE for non-SPED. The trend of increasing SPED FTE and decreasing non-spced FTE will likely continue as long as special education enrollment continues to grow while overall enrollment is shrinking.

| FTE RECONCILIATION | |
|---|-------|
| <u>Approved Budget Changes</u> | FTE |
| Reduce 4.0 Temp FTE Title | -4.00 |
| Add 1.5 FTE General Fund (-0.5 FTE Online Academy, +1.0 ELL, +1.0 FTE Homeschool) | 1.50 |
| Total Approved Budget FTE Changes | -2.50 |
| | |
| <u>Approved to Adopted Budget FTE Changes</u> | |
| Add 10.0 FTE General Fund Special Education - (10.0 FTE MAPS, -2.0 FTE Resources Rooms, 2.0 FTE Student Services) | 10.00 |
| Reduce 1.5 FTE (1.0 GF Human Resources, 0.5 FTE SIA) | -1.50 |
| Freeze 1.0 FTE Communications | -1.00 |
| Add 1.0 FTE Communications | 1.00 |
| Freeze 1.0 FTE Teaching & Learning | -1.00 |
| Reduce 1.0 FTE Transportation | -1.00 |
| Reduce 0.5 FTE Wellness | -0.50 |
| Total Approved to Adopted Budget FTE Changes | 6.00 |
| | |
| Grand Total FTE Changes 2025-26 Adopted Budget Versus 2024-25 | 3.50 |
| | |
| Net SPED FTE additions | 10.00 |
| Net Non-SPED FTE reductions offsetting SPED additions | -6.50 |
| Total Changes | 3.50 |

- Amendments #1 and #2 are for the Physical Education out-building at NMHS. These amendments increase Special Revenue spending by \$0.582 million which is offset by \$0.582 million in insurance proceeds revenue related to the NMHS gym collapse. These amendments also reduce capital maintenance projects \$0.607 million and move that money to help fund the total out building cost of \$1.190 million at NMHS
- Amendments #3 and #4 are not related but do have offsetting impacts to General Fund Contingency. There is no bottom line impact to Contingency/Reserves from these entries in total. Amendment #3 reduces revenue and Contingency \$1.1 million due to SSF revenue not increasing above the Governors original estimate. Amendment #4 reduces expense \$1.1

million and increases Contingency \$1.1 million due to PERS reforms passed by legislature in SB849.

- Amendment #5 is for Special Education Staffing. Special Education staffing is increasing 10. FTE net due primarily to the high needs of incoming kindergarten students. These two amendments increase spending a total \$0.633 million and revenue for high cost sped reimbursement revenue \$0.223 million.
- Amendment #6 to #10 reflect lower interest income revenue and SIA revenue estimates. The net impact of the lower revenue estimates is a reduction of \$0.182 million in revenue and contingency in the General Fund due to lower interest income estimates and a reduction of \$0.9 million of Revenue and expense in the Special Revenue Fund. Of the \$0.9 million expense reduction in Special Revenue SIA, direct costs in SIA have been reduced \$0.293 million in amendments #10 and 11 and \$.607 million of cost is moved back to the General Fund in Amendment A8 increasing General Fund spending and decreasing contingency.
- The combined impact of changes #5-#10 is a reduction of contingency of \$1.06 million in the General Fund. The combined impact of entries #11-#22 is an offsetting increase of \$1.06 million to general fund contingency. In other words adjustments #5-22 have no net impact to the General Fund contingency.
- Item #21 is an increase to the Special Revenue Fund state literacy grant of \$0.9 million. These are restricted funds that will be used to support literacy efforts.
- Item #22 is the addition of \$0.35 million for a capital project in the Capital Projects fund. These funds are restricted for capital use only. The project is to replace 40-year old stage rigging at Oakdale Middle School.

Dollar Changes from Approved Budget by Fund:

General Fund – Decrease other local sources \$183,269, decrease state sources \$677,000, decrease instruction \$225,567, decrease support services \$589,702 and decrease transfers out to other funds \$45,000. No change to Contingency/Reserves.

Special Revenue Fund – Increase other local sources \$582,486, increase state sources \$1,025,359 and decrease transfers in from other funds \$45,000. Increase instruction expense \$980,359 and increase Facility Acquisition/Construction \$582,486.

Debt Service Fund – No change

Capital Projects Fund – Increase Facilities Acquisition and Construction \$350,000 and reduce Contingency \$350,000.

Health Insurance Fund – No change

Trust and Agency – No Change

Additional Materials: [Budget Changes Roadmap](#)

Recommendation: Review budget changes to the FY2025-26 Budget

Suggested Motion: *No motion needed at this time.*