

Board of Directors Meeting
School District 4J, Lane County
Hybrid Meeting (virtual and
in-person)
200 North Monroe Street
Eugene, Oregon 97402
Monday, January 29, 2024

NOTICE: The Budget Committee Preliminary Discussion at 6:00 p.m. will be open to the public to attend in person, via live broadcast on KRVM 1280-AM and 98.7 FM, on the internet at <https://icecast.4j.lane.edu/board> and via Zoom Webinar at <https://4j-lane-edu.zoom.us/j/97500143997>

No public comments will be heard during the January 29th preliminary discussion

**6:00 PM
Budget Committee Preliminary Discussion**

- I. **6:00 p.m. Budget Committee Preliminary Discussion:**
 - 1. Call to Order, Roll Call
Presenter: Matt Brown, Director of Financial Services
- II. Budget Committee Member Introductions
- III. Pre-meeting Topics 2
- IV. Superintendent's Time
Presenter: Dr. Andy Dey, Superintendent
- V. Items for Information 4
 - 1. Budget Committee Preliminary Presentation
Presenter: Matt Brown, Director of Financial Services
- VI. Discussion (Open time for questions and thoughts)
- VII. Adjourn

THIS MEETING WILL BE BROADCAST OVER KRVM-AM (1280)

INFORMATION FOR THE DEAF AND HARD OF HEARING:
Closed Captioning is available during Board meetings through a zoom live feed which is also displayed at in-person meetings.



ITEM FOR ACTION

Date of Meeting

January 29, 2024

Title

Pre-Meeting Topics for Budget Committee Discussion

Presenter

Matt Brown, Director of Financial Services

Actions Items:

Discussion

Pre-meeting Topics for Budget Committee Discussions

We are sometimes asked whether the budget committee can be called together for “preliminary” discussions prior to their first “official” meeting under ORS 294.426 at which the budget message is delivered and for which notice must be published.

Following is a list of the types or topics of discussion which can be conducted prior to the first official meeting:

- Training on the budget committee process, calendar, expectations for committee members, etc.
- Committee members’ preferences for ground rules, rules of order, conduct of meetings, voting / reaching consensus, fact finding process, etc.
- Orientation on the organization and its various departments, programs, staffing, etc., and on the activities or services provided by each.
- Orientation on the budget document, the fund structure and the types of activities or programs and expenditures made from each fund in the budget.
- General discussion of vision and goals, spending priorities, or philosophy on how to allocate scarce resources or make trade-off decisions as to which programs get funded and which don’t.
- General economic projections by the finance officer of possible changes in resources or requirements expected next year.
- Any and all discussion of the current year budget or prior year budgets, including what, in general, might be done differently next year.

What cannot be discussed before the formally “noticed” meeting?

ORS 294.426(6): “The budget committee may not deliberate on the budget document as a body before the first meeting.” So, we recommend you do not talk about:

- Specific estimates or appropriation amounts associated with any fund or line item, resource or requirement.
- The question of whether to fund specific programs or expenditures.
- The question of whether to impose any tax levy, or the amount of any levy.



Budget Committee Preliminary Work Session

Meeting 1 > Introduction to Budget Committee

Agenda



- 1 - Introductions**
- 2 - Budget Committee Orientation**
- 3 - 4J Finances**
- 4 - Open Questions**

Introductions



Budget Committee Basics



Why Create a Budget?

- To set the financial plan for the district
- To identify appropriations to spend public money

Budget Committee Basics



Legislative Intent of Oregon's Local Budget Law (ORS 294.321)

- Establish standard procedures and process
- Describe programs and policies
- Estimate revenues and expenditures
- Transparency with community input/involvement
- Provide control from overspending
- Tell the financial story in a standardized format

Budget Committee Basics



Budget Committee Members

Composed of the governing body and an equal number of electors appointed by the governing body.

9

Budget Committee Member Requirements

- Can't be officers, agents, or employees of the district
- Registered voters within the district boundary
- Appointed to staggering 3-year terms
- 1 Member must be on an equity advisory committee

Budget Committee Basics



Pop Quiz: What is a Budget?

- A - a financial plan
- B - a way to prioritize spending
- C - a tool to monitor expenditures
- D - an estimate of resources/requirements
for a set period of time
- E - the basis used to establish appropriations
(legal spending limits)
- F - All of the above

Budget Committee Basics



Who Creates a Budget?

The budget is

- > Prepared & **Proposed** by Staff
 - > Modified & **Approved** by the Budget Committee
 - > Modified & **Adopted** by the Governing Board

Budget Committee Basics



Budget law is all about *APPROPRIATIONS*

- Districts DO things that cost money
- Districts can't spend public money without legal authority
- District gives itself legal authority to spend money through appropriations
- Appropriation is legal permission to spend
- Appropriation is also the legal limit on spending
- After budget adoption, all that matters is appropriations

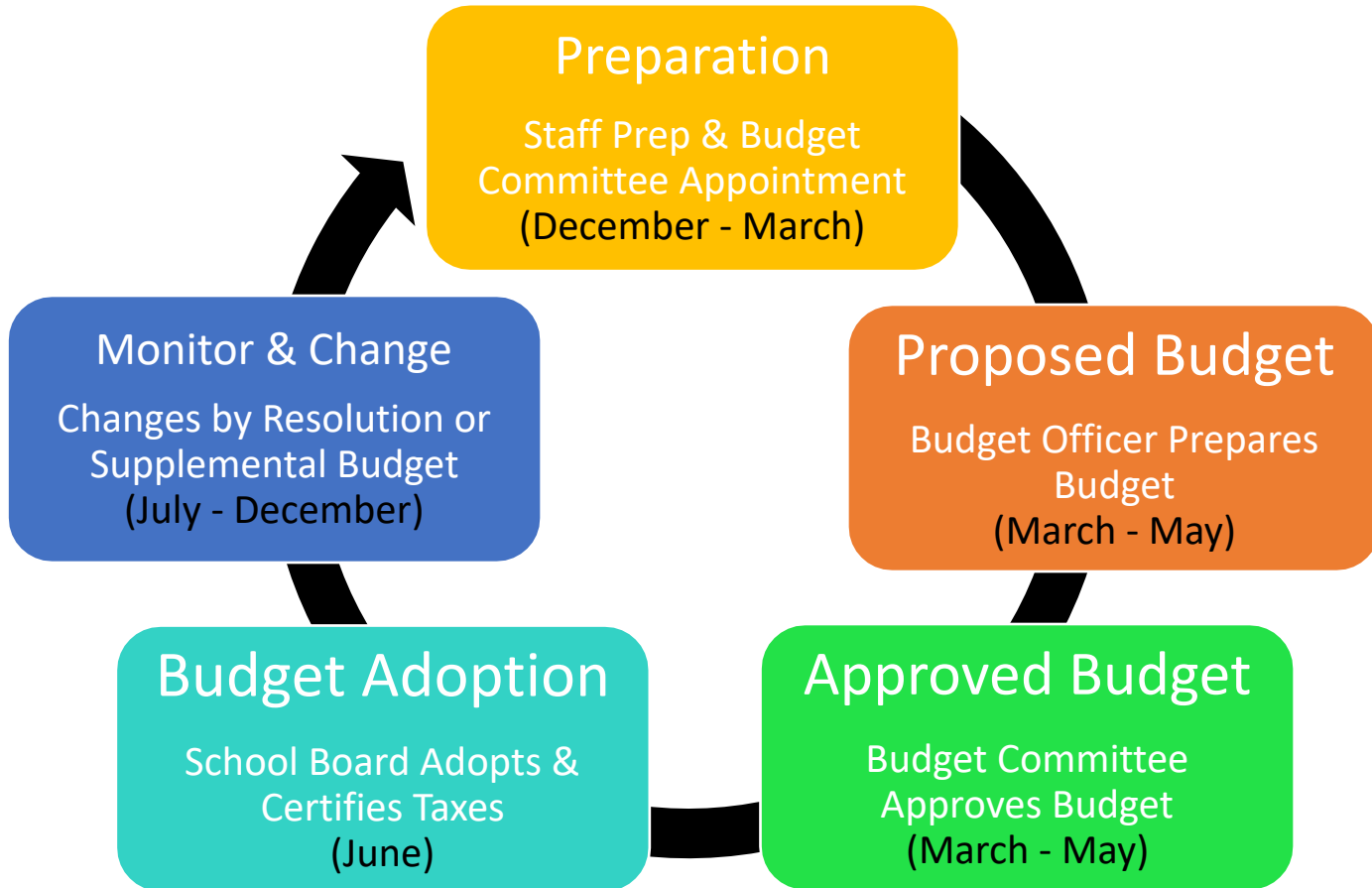
Budget Committee Basics



A few key points to remember...

- Budget laws are built with transparency in mind
- Statutes and admin rules are your guide
- Budgets must be organized by fund and balanced
- Budget is used to justify your appropriations

Budget & Budget Process



Budget & Budget Process



What is the Proposed Budget?

- A Budget Message
 - Explains budget document & important features
 - Explains major changes and insights
 - Explains forecasting and future trends
- Budget Sheets show a balanced budget by fund & levels of appropriations

Budget & Budget Process



Budget Layout

Description	Actual 21/22	Actual 22/23	Budget 23/24	Proposed 24/25	Approved 24/25	Adopted 24/25
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Accounting Structure (33 number string)

16

Fund	Operating Unit	Function	Area	Budget Owner	Grant	PISA	Object
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100-765-2140-230-711-30032-T0134-5410000

In the Final Budget Document

Fund	Function	Object
100	2140	5410000

Budget Committee Proposed Dates



January 29	Budget Committee Preliminary Discussion
March 12	Budget Committee Meeting 1 - Debt Service, Insurance, Capital
April 9	Budget Committee Meeting 2 - Special Purpose Funds
April 23	Budget Committee Meeting 3 - General Fund & Approval
April 30	Budget Committee Meeting 4 - If Necessary
May 7	Budget Committee Meeting 5 - If Necessary

Budget Buckets



100 General Fund

Property
Taxes
State Rev.
Local Levy

General
operating
expenses

200s Special Purpose

Grants,
IDEA, IG,
Nutrition,
Student
Body

Grant
expenses

300s Debt Service

Debt
Payments

Bond
Principal &
Interest

400s Capital Projects

Bond
proceeds
Capital
funds

Building
improv. and
maint.

600s Ins. Reserve

Internal

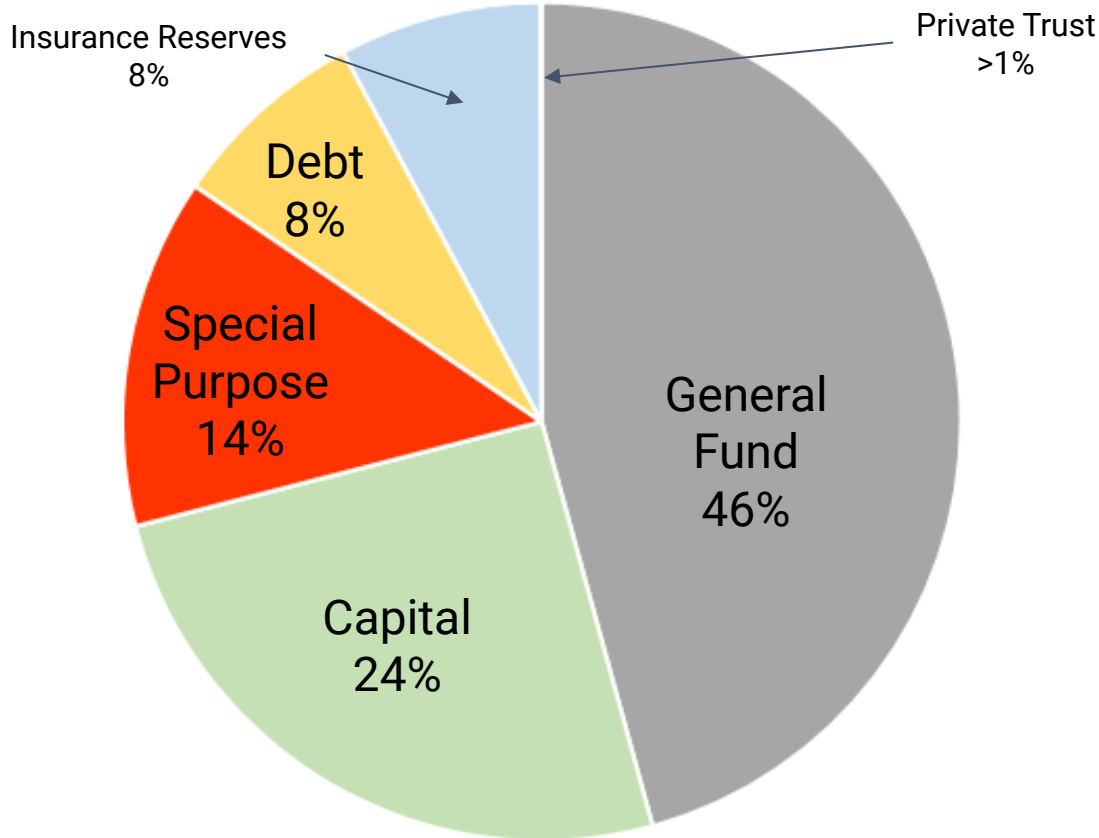
Insurance,
Risk Mgmt,
WC, Unemp

780 Private Trust

Private¹⁸
Donations

Targeted
expenses

FY24 Budget Breakdown



FY 2024 Budget

\$648 Million

19

General Fund

\$296 Million

How we spend money



General Fund

- **\$.88 of every \$1** is spent on people (Salaries & Benefits)
- Most flexibility on spending

Special Purpose Funds

- More restrictions on spending
- Specific purposes/objectives

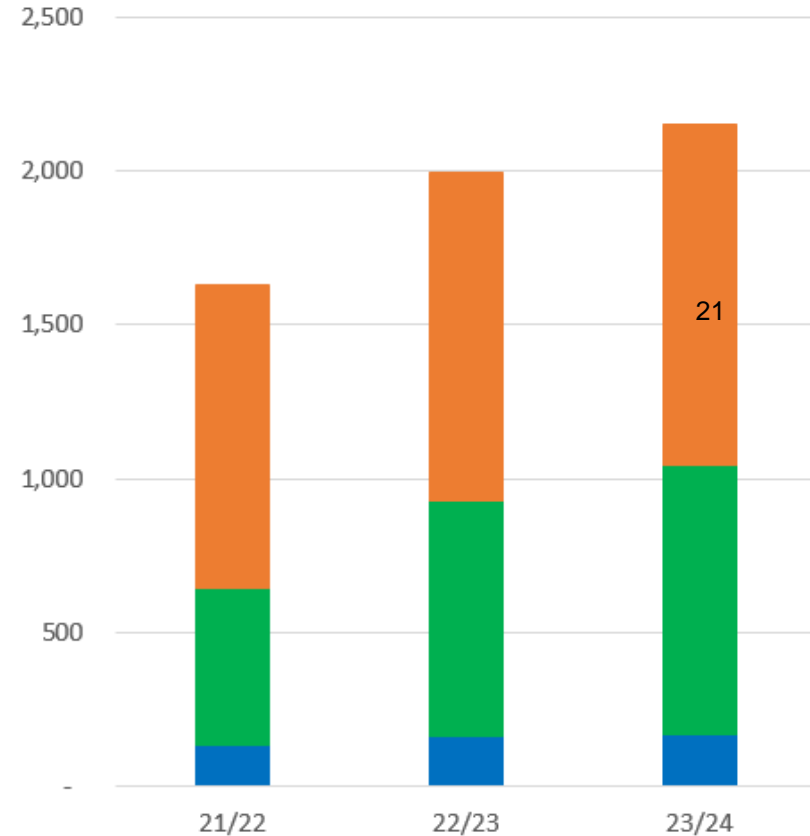


FTE Groups

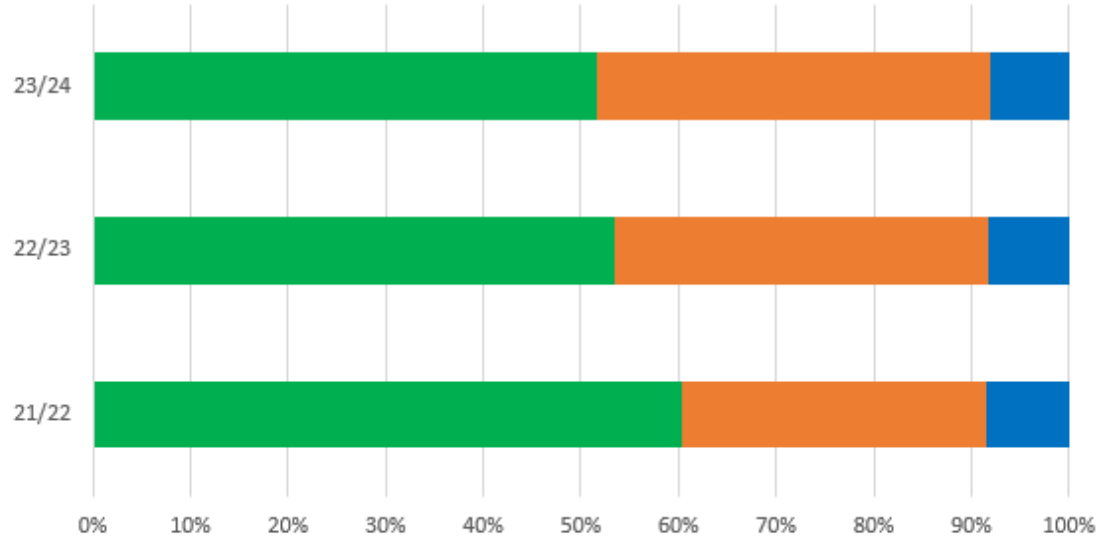


<u>FTE</u>	<u>21/22</u>	<u>22/23</u>	<u>23/24</u>
Licensed	986	1,069	1,111
Classified	507	762	871
Maps/Admin	136	165	170
TOTAL	1,629	1,996	2,152

- ❖ **523 FTEs added since 21/22**
- ❖ **Staffing as of October each year**
- ❖ **Does not include vacancies**

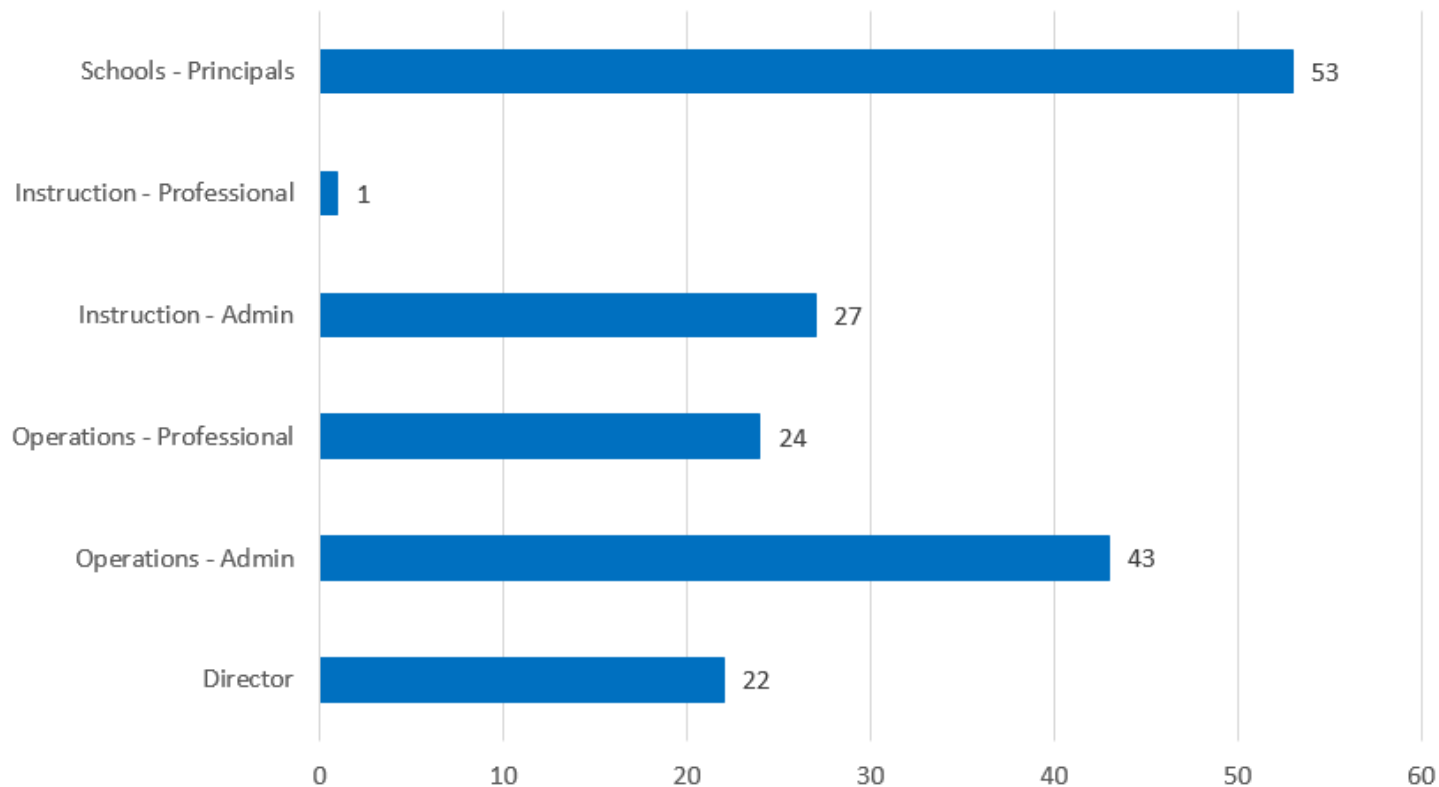


FTE by Group



	21/22	22/23	23/24
■ Licensed	61%	54%	52%
■ Classified	31%	38%	40%
■ Maps/Admin	8%	8%	8%

MAPS & Admin



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FTE Funding Sources



<u>FTE</u> <u>2023/24</u>	<u>General</u> <u>Fund</u>	<u>%</u>	<u>Other</u> <u>Funds</u>	<u>%</u>	<u>TOTAL</u>
Licensed	998	82%	113	10%	1,111
Classified	677	78%	194	22%	871
Maps/Admin	139	90%	31	18%	170
TOTAL	1,814	84%	338	16%	2,152

SSF Examples



BASE SCENARIO			
SSF = \$1,000,000			
	Enrollment	%	SSF Amt
District 1	1,000	33%	333,333
District 2	800	27%	266,667
District 3	600	20%	200,000
District 4	400	13%	133,333
District 5	200	7%	66,667
	3,000	Total State Enrollment	

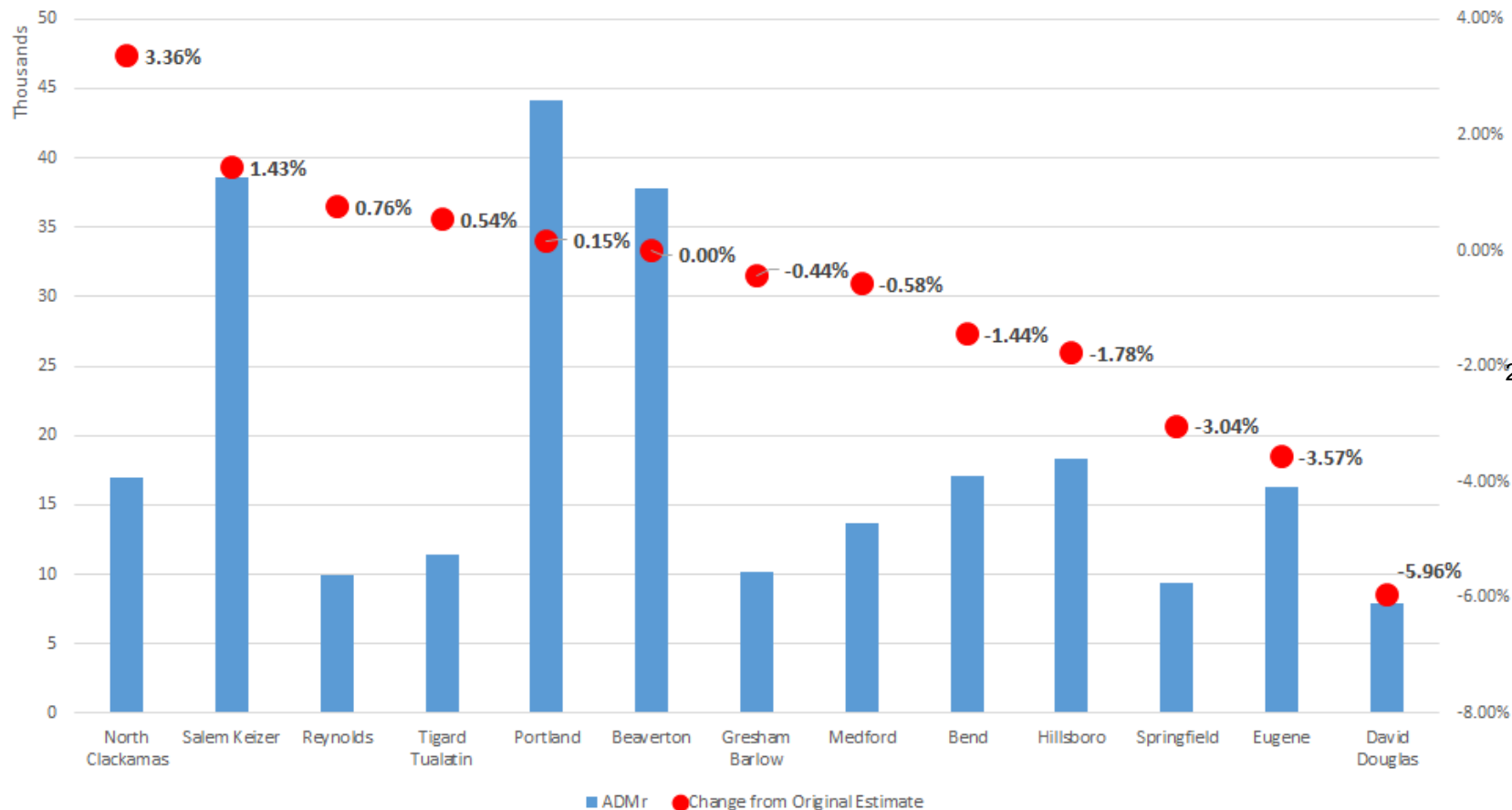
SCENARIO - 1 School Drops			
SSF = \$1,000,000			
	Enrollment	%	SSF Amt
District 1	1,000	38%	384,615
District 2	400	15%	153,846
District 3	600	23%	230,769
District 4	400	15%	153,846
District 5	200	8%	76,923
	2,600	Total State Enrollment	

SCENARIO - All Schools Drop			
SSF = \$1,000,000			
	Enrollment	%	SSF Amt
District 1	800	33%	333,333
District 2	640	27%	266,667
District 3	480	20%	200,000
District 4	320	13%	133,333
District 5	160	7%	66,667
	2,400	Total State Enrollment	

Only District 2 drops 50%

All drop evenly

Enrollment Changes at Oregon's Largest Districts



Enrollment in 4J



	13/14 Actual	14/15 Actual	15/16 Actual	16/17 Actual	17/18 Actual	18/19 Actual	19/20 Actual	20/21 Actual	21/22 Actual	22/23 Actual	23/24 Actual		24/25 Forecast	25/26 Forecast	26/27 Forecast	27/28 Forecast	28/29 Forecast
Enrollment	16,084	16,006	16,223	16,330	16,355	16,193	16,313	16,080	15,715	15,681	15,364		15,156	14,870	14,506	14,227	13,972
Differential		(78)	217	107	25	(162)	120	(233)	(365)	(34)	(317)		(208)	(286)	(364)	(279)	(255)

❖ **.7 FTEs added for every 1 enrollment drop from 21/22 through 23/24**

General Fund Revenue

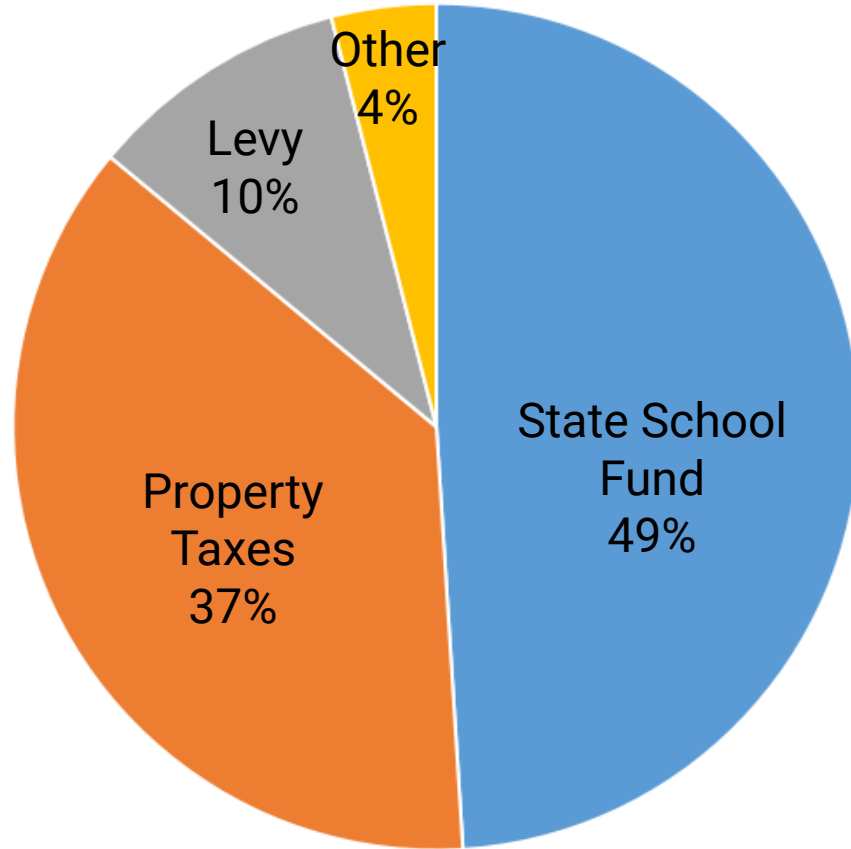


100

General Fund
46% of Budget

Property Taxes
State Rev.
Local Levy

General operating expenses

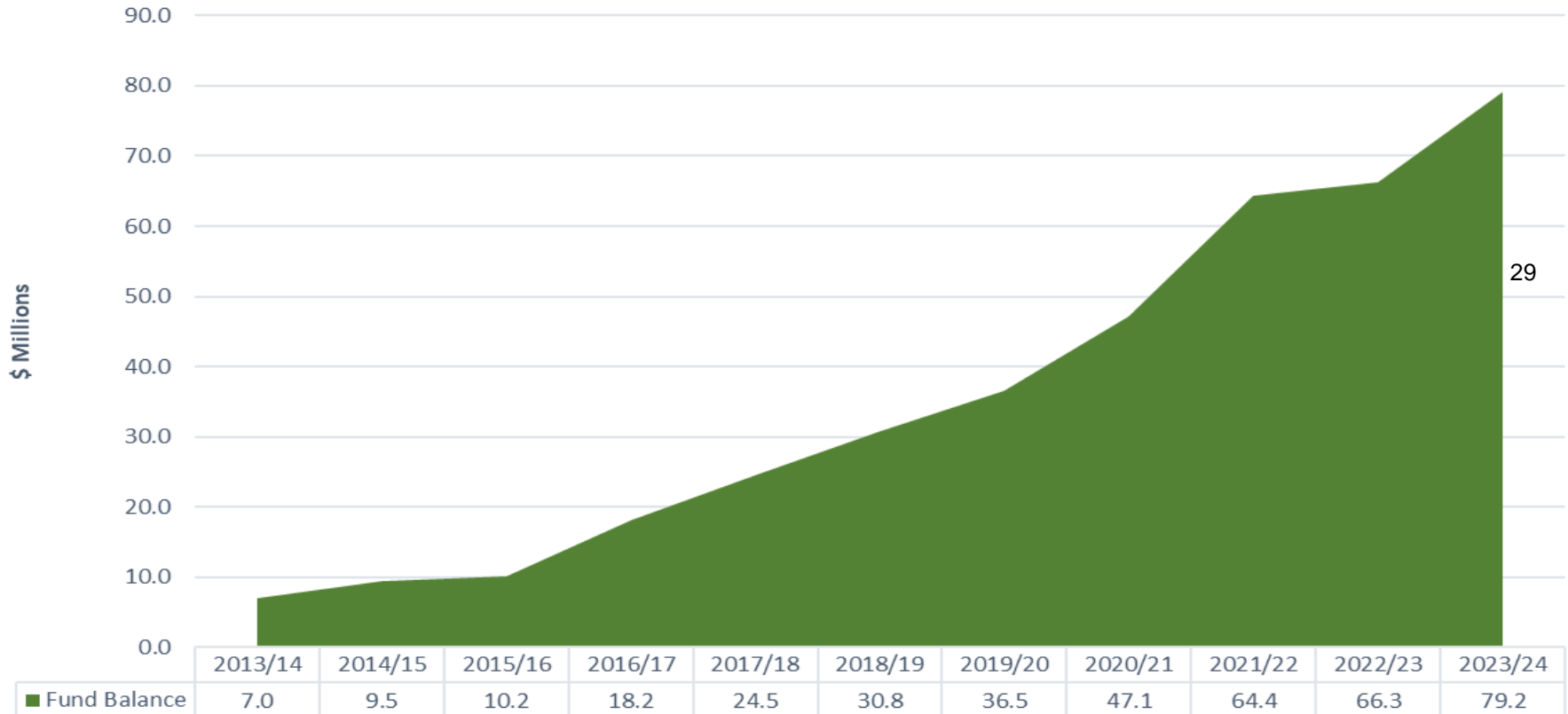


Local Option Levy
10% of GF Revenue
\$23 Million

Renewal in 2024²⁸

Impact of non-renewal
200 FTE

Beginning Fund Balance



Fund Balance



Fund Balance Board Policy

Current Policy = 5% of yearly operating revenue (currently policy is \$11 Million)
Requested Board Policy Change = 10-15% (potentially \$33 Million @ 15%)

30

Fund Balance Growth

Revenue:

Previous 10 Years = +3%

Previous 3 Years = +1%

Expenses:

Previous 10 Years = -2%

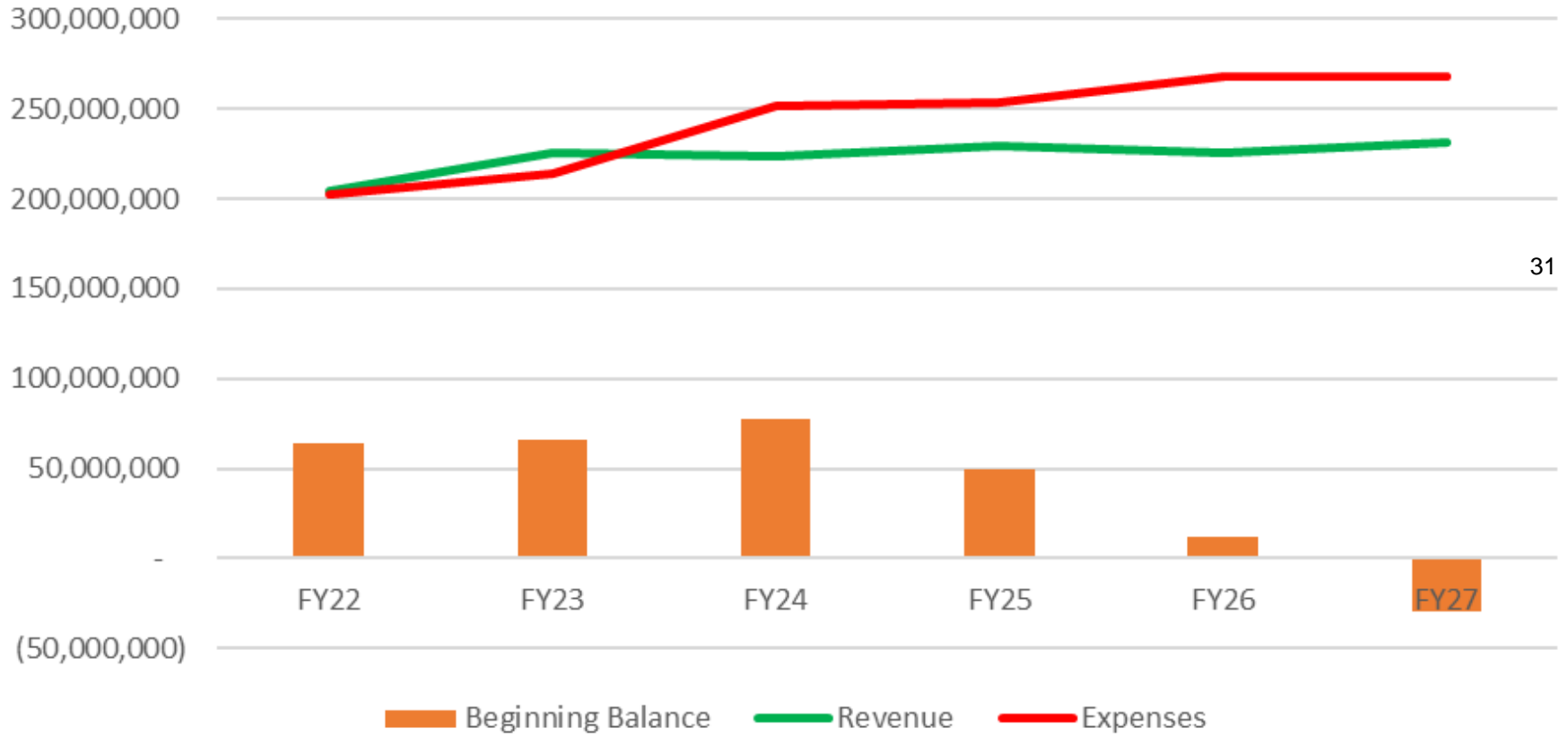
Previous 3 Years = -5%

(2.6% is vacancy savings)

Fund Balance:

under budgeted over
last 10 years

General Fund Forecast



200 - Special Purpose Funds



- Approximately 14% of the overall budget
- Fund 201 - Federal Grants Direct Funds
- Fund 202 - Federal Grants Indirect Funds
- Fund 210 - Title Grants Fund
- Fund 220 - IDEA Fund
- Fund 250 - State & Local Grant Fund
- Fund 251 - Student Investment Act
- Fund 252 - High School Success Fund (Measure 98)
- Fund 260 - Donations Fund
- Fund 261 - Billables Fund
- Fund 262 - KRVM Fund
- Fund 270 - Eugene Education Fund Gifts
- Fund 275 - Eugene Education Fund Grants
- Fund 280 - Student Body Fund
- Fund 290 - Special Purpose Reserve Fund
- Fund 299 - Nutrition Services Fund

200 - Special Purpose Funds



- Fund 201 - Federal Grants Direct Funds (\$19 Million)
 - ESSER COVID Funds (expires Sept 2024)
 - Federal Fresh Fruits & Vegetable Program
 - Perkins (career/technical education programs)
- Fund 202 - Federal Grants Indirect Funds (\$250k)
 - Natives Program
- Fund 210 - Title (\$9 Million)
 - Title I - Programming for students from low-income families
 - Title II - Supports staff professional development
 - Title III - ELL and immigrant students
 - Title IV - Well-rounded ed, safe/healthy schools, utilize technology

200 - Special Purpose Funds



- Fund 220 - IDEA (**\$5 Million**)
 - Individuals with Disabilities Education Act
Early intervention, special education, and related services
- Fund 250 - State and Local Grants (**\$8 Million**)
 - Several general State/Local Grants (EWEB, Summer Program, AVID)
- Fund 251 - Student Investment Act (SIA) (**\$18 Million**)
 - Some examples include reducing class size, increase instructional time, health/safety, and well-rounded education
- Fund 252 - High School Success (Measure 98) (**\$6 Million**)
 - Improve student progress towards graduation

200 - Special Purpose Funds



- Fund 260 - Donations Fund (\$750k)
 - Used for general donations
- Fund 261 - Billables Fund (\$1 Million)
 - Used for billing outside agencies for service
- Fund 262 - KRVM (Radio Station) (\$1 Million)
 - Radio station at Sheldon High School
 - Self-sustainable
 - Separate audit
- Fund 270 - Eugene Education Fund Gifts (\$750k)
- Fund 275 - Eugene Education Fund Grants (\$200k)

200 - Special Purpose Funds



- Fund 280 - Student Body Funds (\$7 Million)
- Fund 290 - Special Purpose Reserve Fund (\$7 Million)
 - Reserve fund for Instruction Department
 - Often pays for curriculum adoption related expenditures
- Fund 299 - Nutrition Services Fund (\$9 Million)
 - Goal of being self-sustainable

300 - Debt Service Funds



- Approximately 9% of the overall budget
- Fund 300 - Debt Service Fund (\$40 Million)
 - Payments on long-term general obligation (GO) bonds
 - Payments end in 6/30/2044
- Fund 370 - Debt Service PERS Fund (\$8 Million)
 - Pension Bonds for PERS unfunded actuarial liability
 - Payments end in 6/30/2028

400s - Capital Project Funds



- Approximately 24% of the overall budget
- Fund 400 - Capital Projects Fund
- Fund 410 - 2013 Bond Fund
- Fund 420 - 2011 Bond Fund
- Fund 450 - Property Sale Fund
- Fund 460 - 2018 Bond Fund
- Fund 461 - Program Moves Funds
- Fund 462 - 2018 Bond Facility Upgrades
- Fund 463 - 2018 Bond Safety & Security
- Fund 464 - 2018 Bond Equity
- Fund 465 - 2018 Bond Instruction
- Fund 466 - 2018 Bond Technology
- Fund 490 - Capital Equipment

All related to
2018 Bond

600s - Insurance Reserve Funds



- Approximately 8% of the overall budget
- Fund 600 - Risk Management Fund
 - Workers Comp, Unemployment, Claims
- Fund 610 - Insurance Reserve Licensed
- Fund 620 - Insurance Reserve Classified
- Fund 630 - Insurance Reserve Admin
 - Insurance payments
- Fund 640 - Insurance Reserve Wellness Clinic
- Fund 650 - District Post Retirement

700s - Private Trust Fund



- Approximately >1% of the overall budget
- Fund 780 - Private Trust Fund
 - Private donations for specific uses at specific sites.
 - Example: North Eugene High School Retirees
 - Example: Grants for tuition setup by parents/groups

Questions?



The End