

Budget Committee Work Session
Wednesday, April 19, 2023 5:00 PM

Kalmiopsis Elementary/Room 51
650 Easy St
Brookings, Oregon 97415

Agenda

1. Call Meeting to Order
2. Budget Committee Work Session (Orientation & Training)
3. Adjournment



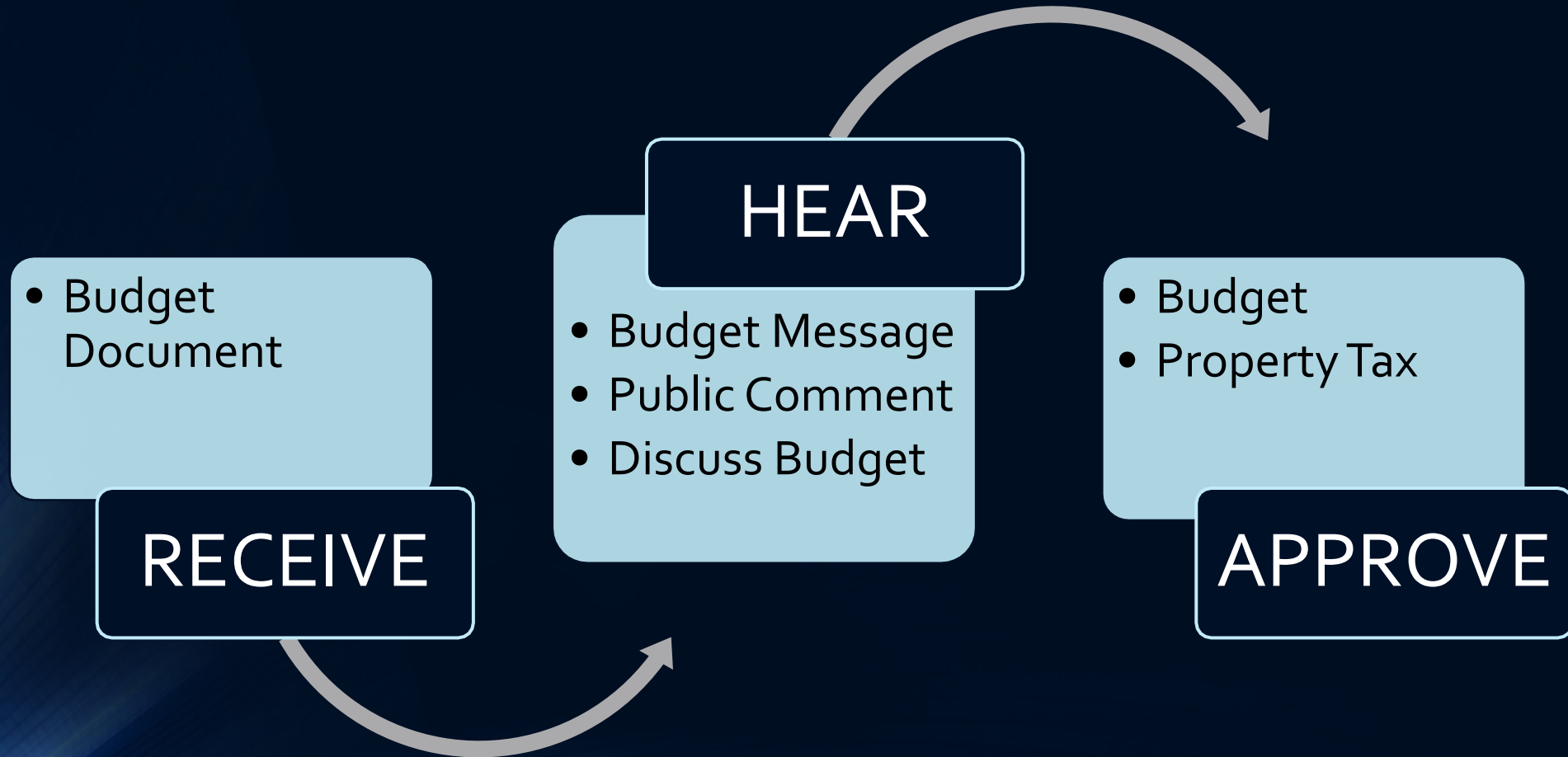
Budget Development Work Session

2023-2024 FISCAL YEAR

Budget Committee Members

<u>Board Members</u>	<u>Term Ends</u>	<u>Appointed Community Members</u>	<u>Term Ends</u>
• Alan Nidiffer (Chair)	June 2025	Ron Griswold	June 30, 2025
• Jay Trost (Vice Chair)	June 2023	Dona Dotson	June 30, 2025
• Katherine Johnson	June 2025	Alice Farmer	June 30, 2023
• Janece Payne	June 2025	Open Position	June 30, 2023
• Janell Howard	June 2023	Open Position	June 30, 2023

What Does The Budget Committee Do?



BASIC LOCAL BUDGET LAW

- Budget Committee Meeting
 - Publish notice of the first meeting at which:
 - The budget and budget message are presented, and public comments and questions are heard
 - If public comments are not heard at the first meeting, give notice of both meetings
 - Post in a newspaper 5-30 days before the meeting and at least 10 days on the website
 - All meetings are subject to Public Meetings Law
 - Presiding officer must be elected at the first meeting
 - Quorum is required to conduct business
 - Majority of committee is required to take action
 - Committee may request and receive additional information from district officials

BASIC LOCAL BUDGET LAW

- Resolutions
 - After the hearing and *on or before* June 30, the governing body must enact resolutions to:
 - Adopt the budget
 - State the fiscal year or biennial budget period
 - State the total \$ amount of budget resources including all resources and all funds
 - Make appropriations
 - Schools appropriate by ODE function for each fund
 - Impose each tax levy
 - Impose each tax levy separately
 - Cannot exceed the rate/amount approved by Budget Committee unless republish and hold another hearing
 - Categorize each tax by its Measure 5 category
 - Subject to government limit – permanent rate and local option levy
 - Excluded from Limitation – G.O. Bond levy

BASIC LOCAL BUDGET LAW

FOUR PHASES IN THE BUDGET PROCESS

ORS 294

- 1ST Phase – Propose the budget
- 2nd Phase – Approve the budget
- 3rd Phase – Adopt the budget
- 4th Phase – Changes after adoption

BASIC LOCAL BUDGET LAW

- Phase 1 Proposing the Budget
- What is a Budget?
 - A financial plan
 - For one fiscal year or biennial budget period
 - Based on estimates of revenues & expenditures and other requirements
- The budget is the basis for appropriations, which create the authority to spend public money.

BASIC LOCAL BUDGET LAW

- Phase 2 Budget Committee Approves the Budget
 - Budget Committee includes the governing body and an equal number of appointed electors
 - Appointed members are:
 - Electors are registered voters in the district
 - Cannot be officers, agents or employees
 - Appointed for staggered 3-year terms
 - All members have the same authority
 - If all appointed positions can't be filled, committee can be fewer
 - Members are not compensated

ORS 294.414

BASIC LOCAL BUDGET LAW

- Phase 3 Adopting the Budget
- Governing Body holds a budget hearing
 - Hearing is held on the date published, or if rescheduled publish a revised notice
 - Hearing is on the budget “as approved” by the budget committee
 - Any person may comment on the budget
 - After the hearing, the governing body can change the estimates and tax levy approved by the budget committee before adoption unless increasing the tax or increasing expenditures in any fund by 10% or more (or \$5,000 whichever is greater)

BASIC LOCAL BUDGET LAW

Phase 4 Changes After Adoption

- A budget is a plan based on estimates; appropriations are limitations on expenditures
- Budgets and appropriations may be changed during the year
 - Some changes require a supplemental budget
 - Some changes can be made by resolution
- Actions possible after adoption:
 - Supplemental budget – ORS 294.471 & 294.473
 - Transfer of appropriation authority – ORS 294.463
 - Expenditures outside of budget law – ORS 294.338
 - Other such as interfund loans (294.468); elimination of unnecessary fund (ORS 294.353) and emergency authorizations (ORS 294.481)

BASIC LOCAL BUDGET LAW

- Estimating Resources
 - Each District shall estimate in detail its budget resources for the ensuing year by funds and sources
 - An estimate is an approximate calculation or an opinion formed from imperfect data
 - All resource and requirement estimates should be based on “good faith”
 - They should be reasonable and be reasonably likely to prove correct, based on the known facts at the time

Key Principles: Revenue

- Average Daily Membership (ADM)
 - Membership (enrollment) over the course of the school year
 - Student attendance does not directly impact funding levels
- Average Daily Membership weighted (ADMw)
 - Provides additional funding by student to support Special Education Services, ELL Services, Pregnant and Parenting Teen Programs, Students living in poverty
- ODE calculates an amount per student for the year based on state school fund allocation and number of students in Oregon
 - Funds primarily consist of state school fund dollars and local tax revenues.
*More local tax revenue, less state school fund and vice versa.

Key Principles: Revenue continued

- Funds are allocated by the state on a biennial basis by the legislature and approved by the governor.
- Often 49% year 1 and 51% year 2 to account for increased costs.
- Districts receive the better of two years (enrollment): last school year or current school year.
- Transportation revenue is estimated separately and is reimbursed at 70% from the federal government.

STATE SCHOOL FUND ADM_w ESTIMATE

STATE SCHOOL FUND GRANT		As of 2/22/2023	
2023-2024			
Curry County, Brookings-Harbor SD 17C		District ID: 1974	
2023-2024 Extended ADM_w			
Brookings-Harbor SD 17C: District total extended ADM_w for funding calculations			
	2023-2024		2022-2023
ADMr:	1,380.00 X 1.00 = 1,380.00	1,379.04 X 1.00 =	1,379.04
Students in ESL programs:	35.00 X 0.50 = 17.50	35.23 X 0.50 =	17.62
Students in Pregnant and Parenting Programs:	0.00 X 1.00 = 0.00	0.00 X 1.00 =	0.00
210 IEP Students capped at 11% of District ADMr:	151.80 X 1.00 = 151.80	151.69 X 1.00 =	151.69
Students on IEP Above 11% of ADMr:	15.40 X 1.00 = 15.40	15.40 X 1.00 =	15.40
Students in Poverty:	255.02 X 0.25 = 63.76	254.84 X 0.25 =	63.71
Students in Foster Care and Neglected/Delinquent:	18.00 X 0.25 = 4.50	18.00 X 0.25 =	4.50
Remote Elementary School Correction:	0.00 X 1.00 = 0.00	0.00 X 1.00 =	0.00
Small High School Correction:	0.00 X 1.00 = 0.00	0.00 X 1.00 =	0.00
Post Graduate Scholars:	0.00 X 0.25 = 0.00	0.00 X 0.25 =	0.00
	2023-2024 ADM_w 1,632.96	2022-2023 ADM_w 1,631.96	
	Brookings-Harbor SD 17C Extended ADM_w		1,632.96
	Brookings-Harbor SD 17C Extended ADM_w		1,632.96

BHSD Current School Year Revenue

- State School Fund Budget - \$9.299 Billion
 - 2021-2023 Biennium
 - 49% / 51% Split

2022-2023 BHSD17C

- Local and Other Revenue - \$9,674,900
- Intermediate Revenue - \$683,952
- State Revenue- \$9,488,256
- Federal Revenue - \$265,000
- Total General Fund Revenue- \$20,112,108

STATE SCHOOL FUND GRANT ESTIMATE

- State School Fund Grant - Total Formula Revenue minus Local Revenue
- State School Fund Grant is the amount paid to the District in 11 payments (July-May) adjusted throughout the year as ADMw and other estimates are revised

2023-2024 State School Fund Grant

Subtract the Local Revenue \$7,195,069.64 from the Total Formula Revenue \$16,516,564.45 = \$9,321,494.81

2023-2024 Rates per ADMw

General Purpose Grant per Extended ADMw = \$9,622

Total Formula Revenue per Extended ADMw = \$10,115

Charter Schools Rate(ORS 338.155) = \$9,622

Key Principles: Required Budget Structure

- Classifying Expenditures
 - School budgets are required to organize within funds by program and activities. These are a group of related activities aimed at accomplishing a major service or function for which the municipality is responsible.
 - Districts are required to use the accounting classification system outlined in the Program Budgeting and Accounting Manual (PBAM)
- Budget Detail Format
 - Line item description
 - 2 prior years actual information (audited #'s)
 - Budgeted amount for current fiscal period
 - Proposed amount for next year (proposed; approved; adopted)

Key Principles: Budget Structure

Local Budget Law – Budget by Major Fund

- General Fund – 100
 - Our main operating budget, this fund pays for the instructional programs, daily operations of schools, and general functions of the district.
- Special Revenue Funds – Restricted – 200
 - Funds account for the proceeds of specific revenue sources, such as Federal and State grants, that are legally restricted to expenditures for specified purposes.
- Nutrition Services Fund – 299
 - All nutrition programs such as breakfast, lunch, and CACFP. The District has elected to use the Community Eligibility Provision with Direct Certification for Kalmiopsis Elementary which allows all children to receive free meals no matter what their free & reduced designation.
- Debt Service Funds – Restricted – 300
 - Accumulation of resources for payment of general long-term debt, principal and interest.
- Capital Projects Fund – 400
 - These funds pay to improve, acquire, or construct our facilities.

Key Principles: Budget Structure Function

Local Budget Law – Budget by Major Function

- 1000 Instruction.
 - Activities dealing directly with the teaching of students, or the interaction between teacher and students.
- 2000 Support Services.
 - Administrative, technical, personal (such as guidance and health) and logistical support to facilitate and enhance instruction.
- 3000 Enterprise and Community Services.
 - Operations that are financed and operated similar to private business enterprises.
- 4000 Facilities Acquisition and Construction
 - Acquisition of land and buildings, major remodeling and construction, and major improvements to sites.
- 5000 Other Uses
 - Debt and transfers of funds.
- 6000 Contingencies (for budget only)
- 7000 Unappropriated Ending Fund Balance

Key Principles: Budget Structure Function

Local Budget Law – Budget by Major Object

- The object is the service or commodity bought. These categories are also divided into sub-objects for more detailed accounting.
 - 100 Salaries
 - 200 Associated Payroll Costs
 - 300 Purchased Services
 - 400 Supplies and Materials
 - 500 Capital Outlay
 - 600 Other Objects
 - 700 Transfers
 - 800 Other Uses of Funds

Budget Structure Table

- Fund
 - 100 General Fund
 - 200 Special Revenue Funds
 - 299 Nutrition Services Fund
 - 300 Debt Service Funds
 - 400 Capital Projects Fund
- Function
 - 1000 Instruction
 - 2000 Student Services
 - 3000 Enterprise and Community Services
 - 4000 Facilities and Construction
 - 5000 Other Uses
 - 6000 Contingencies
 - 7000 Unappropriated Ending Fund Balance
- Object
 - 100 Salaries
 - 200 Associated Payroll Cost
 - 300 Purchased Services
 - 400 Supplies and Materials
 - 500 Capital Outlay
 - 600 Other Objects
 - 700 Transfers
 - 800 Other Uses of Funds

Contact Information

District Office Phone 541-469-7443

Superintendent – dmarshall@brookings.k12.or.us

Director of Finance – dedec@brookings.k12.or.us