



School Board Work Session Meeting Agenda

February 24, 2026, 4:00 PM

Location:

Education Center, Board Room #314
520 NW Wall Street
Bend, OR 97703

1. **Call to Order**
Speaker(s): Amy Tatom, Board Vice Chair
2. **Pledge of Allegiance**
Speaker(s): Amy Tatom, Board Vice Chair
3. **Review of Agenda**
Speaker(s): Amy Tatom, Board Vice Chair
4. **Work Session**
Description: The Board will focus on key Board work and initiatives.
 - A. Financial and Budget Assumptions 2
Speaker(s): Dan Emerson, Chief Financial Officer
Attachments:
Executive Summary: Financial and Budget Assumptions 2
Presentation: FY 27 Bend-La Pine Schools Finances 3
5. **Adjourn**
Description: Meeting will be adjourned with next Regular School Board Business Meeting scheduled for March 10, 2026.



REPORT: Bend-La Pine Schools Financial and Budget Assumptions

PRESENTED BY: Dan Emerson, Chief Financial Officer
Nick Shein, Assistant Director Finance - Budget

EXECUTIVE SUMMARY:

We are presenting the FY27 Bend-La Pine Schools Financials and Budget Assumptions. The work session will focus on a transparent presentation of BLS financials for the Budget Committee and the Community at-large. We will go over grant funds, debt service funds, and capital funds, before discussing the general fund, its revenues, expenditures, and its sub funds. We will conclude with an analysis of fund balance, the District long-term financial forecast, and potential solutions for declining reserve levels.

FY27 BLS Finances



Agenda

Overview of Non-General Funds

- Special Revenue
- Debt Service
- Capital Funds

General Fund Revenues

General Fund Expenditures

General Fund Sub Funds

Fund Balance and Reserves

Long Term Forecast

Financial Solutions



Supplemental Activities - Special Revenue

- Special Revenue is comprised of grants and awards that have a specific funding source, and restrictions in how those funds may be utilized.
- Because these are add-on services based on available funding, and we don't have full discretion in how we utilize the resource, we do not include them in long term planning of core operations.
- We are anticipating flat to slightly downward trends in grant funding for FY27.

fundtype_id	200 - Special Revenue Funds	
Sum of Proposed objtype_id	Fiscal Year 2026	2027
4 - Revenues	57,807,744	56,107,023



Supplemental Activities - Special Revenue

- Grants cannot replace District operations, but are used to provide additional: elementary math and reading support, class size reductions for historically underserved populations, counseling staff, CTE programs, language learner programs and instructional support.
- Our Nutrition program is also primarily funded through a series of state and local grants.
- Roughly 75% of our grants are spent on staff to perform those supplemental activities.
- Our largest grants are: Student Investment Account, High School Success, Title Programs, Nutrition and IDEA.



Supplemental Activities – Debt Service

- Debt service funds come from property tax levies specifically to pay for our voter approved Capital Construction bonds.
- These resources cannot legally be used for any purpose other than to pay our long term debt.
- Because their use is so restricted, we do not include them in long term planning of core operations.
- Existing debt obligations call for a slight increase in our long term debt expense in FY27.

fundtype_id	300 - Debt Service Funds	
Sum of Proposed objtype_id	Fiscal Year 2026	2027
5 - Expenditures	55,172,150	57,666,559



Supplemental Activities – Capital Projects

- Capital Project funds are the proceeds from the sale of our voter approved Capital Construction bonds.
- These resources can only be used to build and repair our facilities, as outlined in the levy approved by voters.
- With such restrictions, we do not include them in planning core operations
- The Bend High renovation is our largest current project.
- In FY27 we are expecting similar spending to the prior year.

fundtype_id	400 - Capital Projects Funds	
Sum of Proposed	Fiscal Year	
objtype_id	2026	2027
5 - Expenditures	77,680,446	75,497,492



Supplementary Activities – Trust Funds

- Trust funds are endowments that have been donated to the District to provide student scholarships.
- Generally the current year earnings and donations are awarded, and the fund balance remains intact.
- Because these resources must be used according to the terms of the donation, and cannot be used for any other purpose, we do not include them in long term planning of core operations.
- Due to a few new scholarships, we are expecting more awards in FY27.

fundtype_id	700 - Trust and Agency Funds	
Sum of Proposed	GLBA_FY	
objtype_id	2026	2027
5 - Expenditures	22,417	60,000



General Fund

- The General Fund (GF) is our default fund.
- Holds all revenues and expenditures not legally restricted for other purposes.
- Made up of two distinct parts:
 - GF operations
 - GF sub funds
- State School Fund (SSF) covers majority of revenues and is in GF Operations.
- Maintains District operational reserves.



SSF Revenue Factors

- SSF revenue is primarily driven by two factors:
 - State economic forecast for General Fund & Lottery Funds
 - A higher forecast means a projection of greater statewide personal and corporate income tax revenue
 - More State revenue = larger State budget
 - Increased State budget sometimes leads to an increased total SSF allocation
 - The second factor is student enrollment
 - Key to the SSF revenue formula is the Average Daily Membership/Weighted (ADMw)
 - ADMw is just a number that assigns a 1.0 value to every student enrolled in BLS and then adds additional “weight” to some students due to factors such as having an IEP, ELL, or living in poverty.
 - A higher ADMw means a greater portion of Statewide student enrollment and therefore a larger proportional SSF allocation
 - Decreased enrollment can have an adverse effect on District ADMw and SSF revenues

STATE SCHOOL FUND GRANT
2025-2026 As of 11/17/2025

Deschutes County, Bend LaPine Administrative SD 1 District ID: 1976

2025-2026 Extended ADMw

Bend-LaPine Administrative SD 1: District total extended ADMw for funding calculations

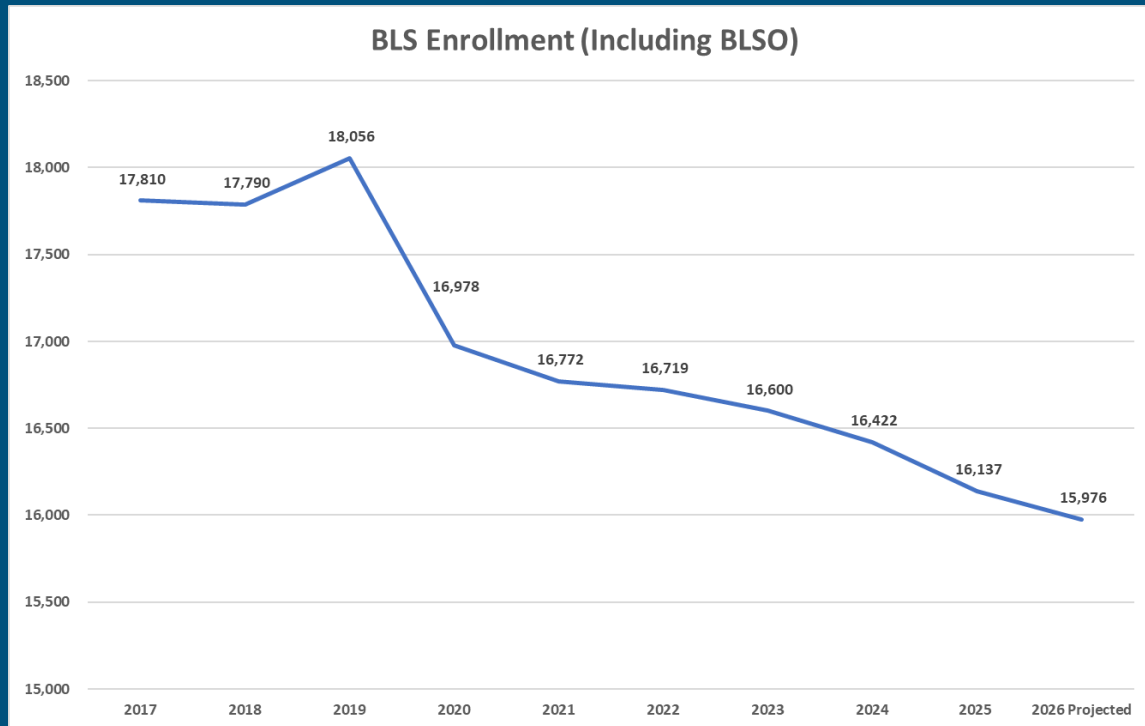
	2025-2026		2024-2025	
ADMw: 16,515.00 X 1.00	16,515.00		16,285.06 X 1.00	16,285.06
Students in EL programs: 800.00 X 0.50	400.00		825.98 X 0.50	412.99
Students in Pregnant and Parenting Programs: 2.00 X 1.00	2.00		1.55 X 1.00	1.55
2027 IEP Students capped at 11% of District ADMw: 1,816.65 X 1.00	1,816.65		1,833.36 X 1.00	1,833.36
Students on IEP Above 11% of ADMw: 4.80 X 1.00	4.80		4.80 X 1.00	4.80
Students in Poverty: 1,389.96 X 0.25	347.49		1,370.45 X 0.25	342.61
Students in Foster Care and Neglected/Delinquent: 84.00 X 0.25	21.00		84.00 X 0.25	21.00
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
	2025-2026 ADMw 19,106.94		2024-2025 ADMw 18,901.37	
	Bend-LaPine Administrative SD 1 Extended ADMw		19,294.32	





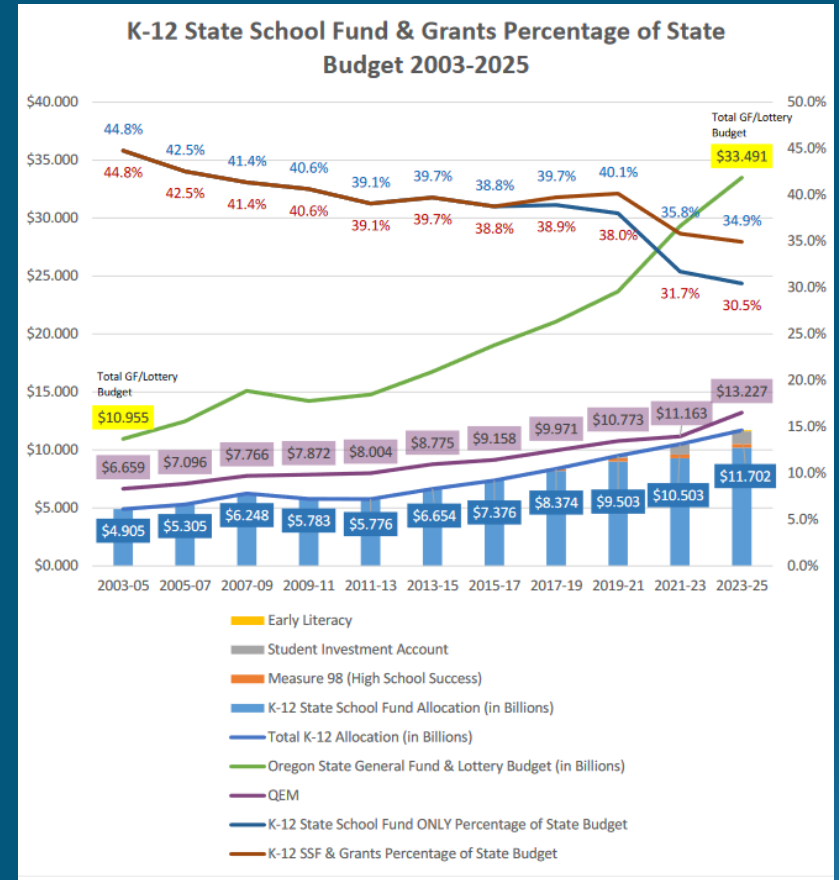
BLS Enrollment Trends

- Enrollment continues to trend down.
- \$22M SSF gap between today's enrollment and 2019 enrollment.
- Post-2019 we had an infusion of ESSER funds (Covid-19 relief funds) to support post pandemic academic recovery, mental and physical health, and to create safe and healthy learning environments.
- We no longer receive those funds and it is difficult to support similar staffing levels with declining enrollment (and subsequently reduced SSF revenue).
- District commissioned a statistical analysis of future enrollment trends.



The State of SSF

- K-12 State school funding as a % of the State Budget has dropped significantly over the past two decades.
- The quality educational model believes it is necessary to increase the current SSF allocation by nearly \$2B to support optimal student outcomes (additional \$58M over 2 years for BLS).
- Unfortunately this is not the reality of the SSF allocation.
- Almost all School Districts are struggling and cutting staff to balance future years' budget.
- BLS is not immune to a lack of State funding.

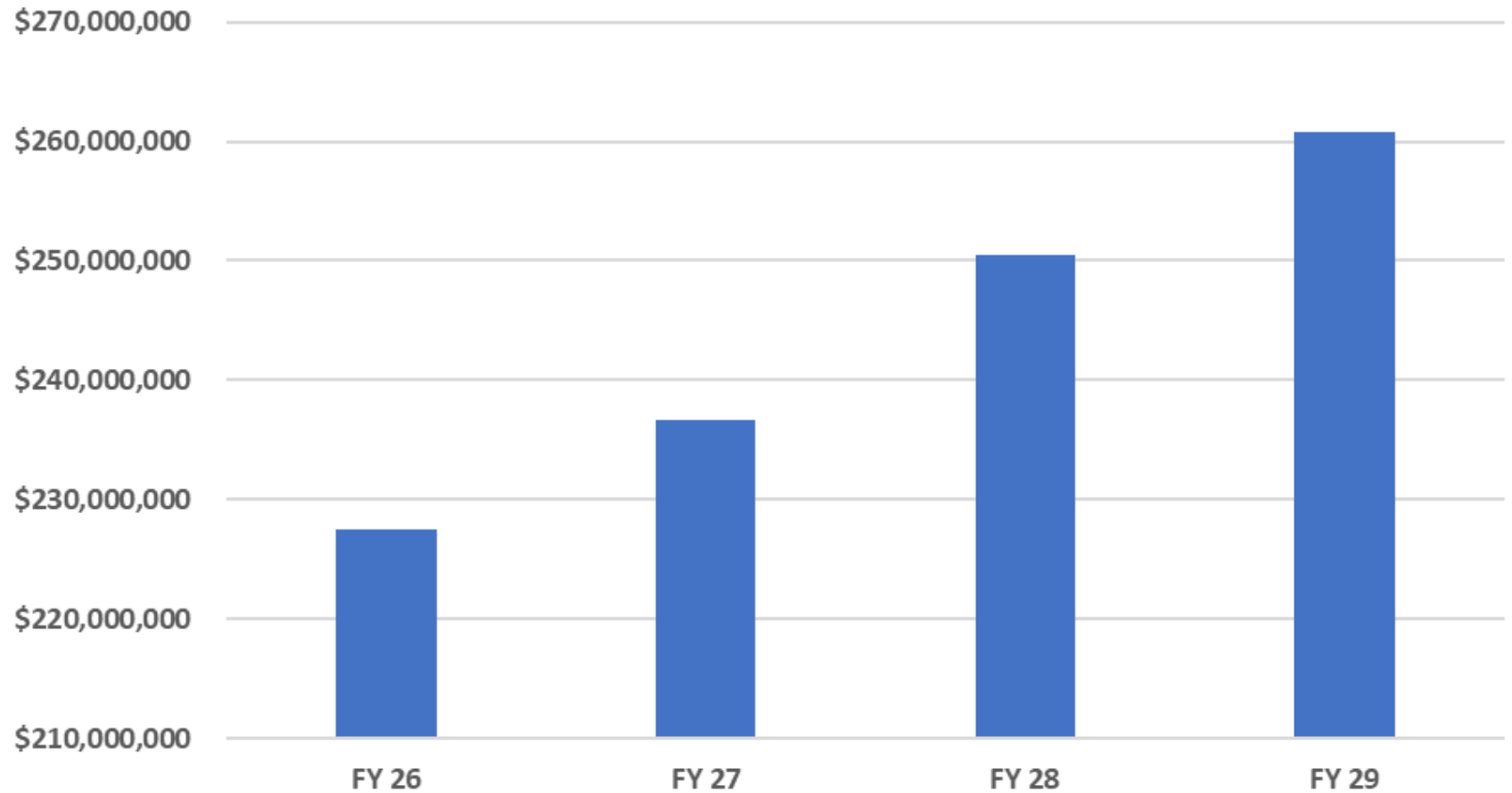


SSF Assumptions in the Budget and Future Years

- Because SSF is our main revenue source, it is critical to the budget and long-term forecast.
- Current Biennium based off \$11.36B:
 - FY26: \$227.5M
 - FY27: \$236.6M
 - \$122.3M local revenue, \$114.3M state funds
- FY28: New State Biennium forecast based off \$12.6B
 - Projecting 11% total increase
 - Nearly 2% higher than last decade of SSF biennial increase average
 - Estimating we retain 2.9% of total ADMw despite continued general enrollment declines
 - Slow increases in SPED and EL students
 - FY28: \$250.5M
 - FY29: \$260.8M



SSF Revenue Projection



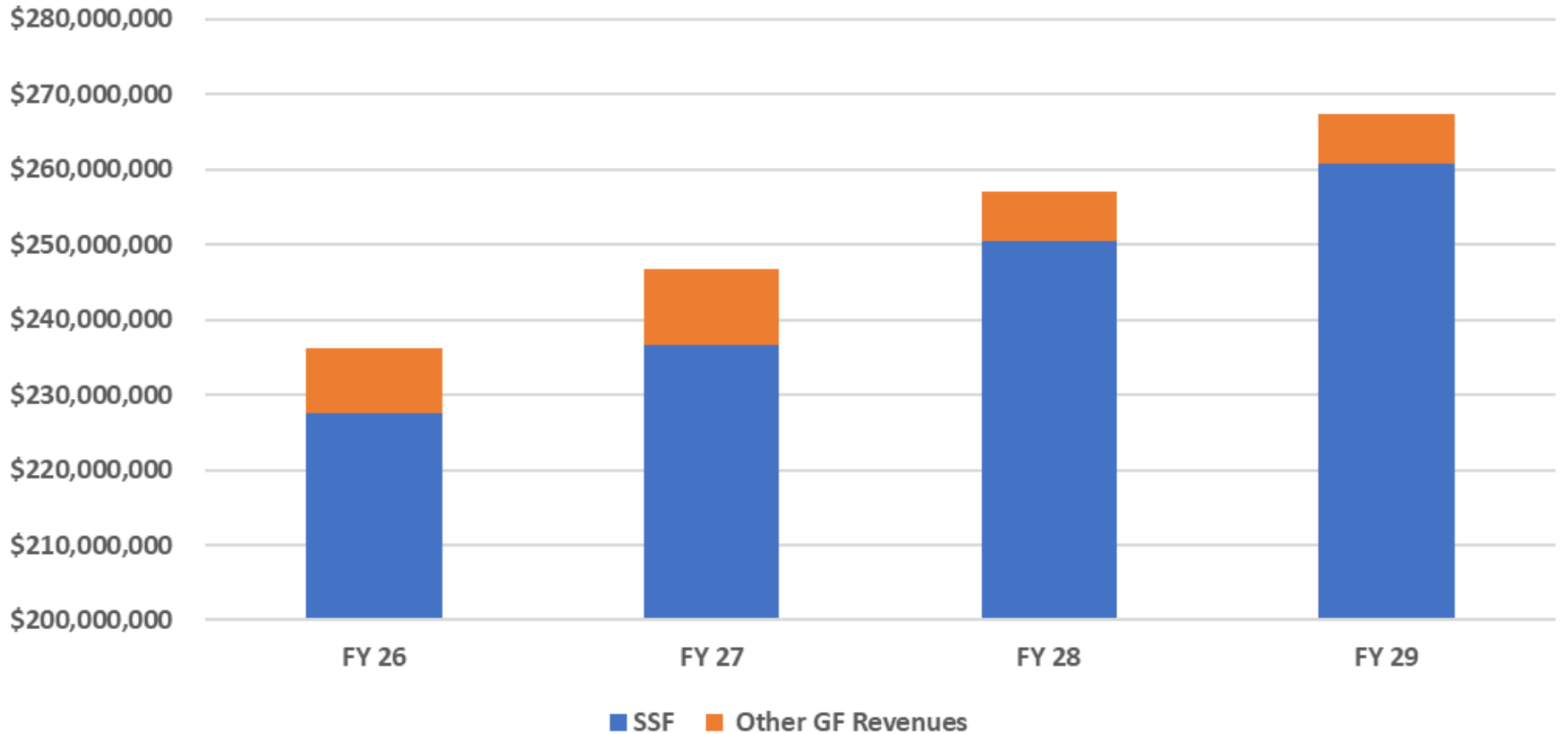
All Other FY27 Budgeted GF Operations Revenues

- High Desert ESD revenue less than FY26, because we pulled the fund balance
- Interest on investments is a function of rates and cash balance, and is decreasing YOY
- Projection going forward has GF other revenues remaining flat.
- There is a one-time \$3M remaining balance in debt service funds where the debt payments are completed and we can legally transfer the revenue to the GF for operations.
- This was unexpected but we are grateful for the additional funds.
- In addition, we identified a former capital grant with a remaining balance of \$600K than can legally be transferred to GF operations.
- There is no other money in the couch cushions, we will not have transfers of funds into the GF like this in future budget years.



fund_id	(Multiple Items)	
fund_type_id	(All)	
loc_id	(All)	
Current Budget	(All)	
Sum of Proposed_Budget_Sign_Corr		Column Labels
Row Labels		2027
4 - Revenues		(6,567,000)
1311 - Tuition From Individuals		(12,000)
1411 - Transportation Fees Individual		(10,000)
1412 - Trans Fees Dist in Oregon		(50,000)
1510 - Interest on Investments		(1,100,000)
1970 - Services Provided Other Funds		(1,500,000)
1980 - Fees Charged to Grants		(500,000)
1990 - Miscellaneous		(250,000)
1992 - Payroll Reimbursements		(200,000)
2102 - ESD Apportionment		(2,300,000)
2199 - Other Intermediate Sources		(100,000)
3299 - Other Restricted Grants In Aid		(0)
4202 - Fed Rev Thru State Medicaid		(250,000)
4500 - Restricted Fed Rev Thru State		(45,000)
4801 - Federal Forest Fees		(250,000)
6 - Transfers In		(3,611,018)
5200 - Interfund Transfers		(3,611,018)

All Revenues Projection



General Fund Expenditures (Personnel Budget)

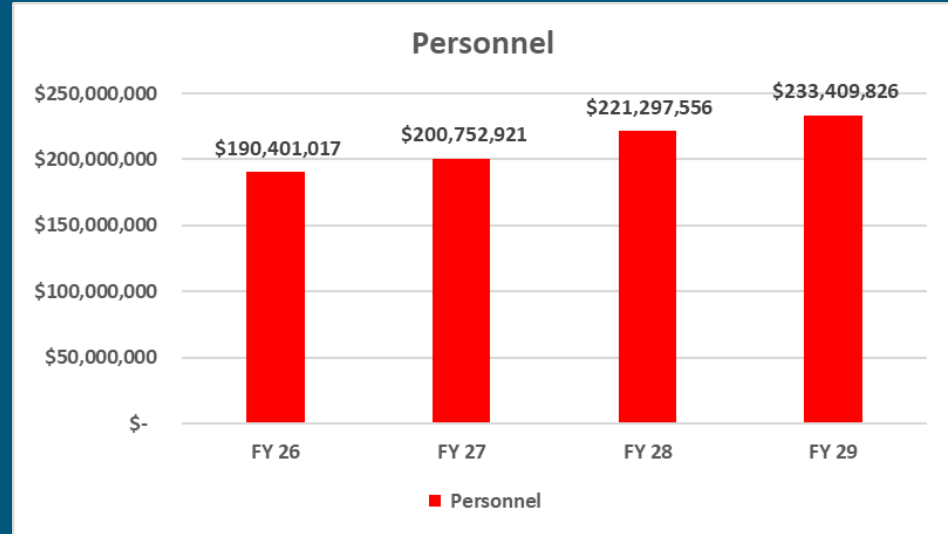
- 85% of GF Operations is personnel expenditures.
- Budgeted \$200.8M in FY27
- Approximately 5% increase over FY26
- Key Personnel Assumptions in FY27 Budget:
 - Increased vacancy savings assumption, (3.15%)
 - Ensures that BLS has a very tight budget and accurate multi-year forecast in a year where we are making operational expenditure decisions.
 - Step growth, applies to half of our staff on any given year.
 - This equates to a real personnel % increase of 2.7%.
 - Cost of living adjustment, 3.3% in FY27.
 - Held FTE virtually flat in requested budget, small natural reductions due to decreased elementary enrollment are offset by increases in SPED and EL.
 - By initially staffing FTE to enrollment we can get a baseline view of costs and assess what FTE changes need to occur for the District to remain financially viable.
- We know we will need to significantly reduce personnel costs from the \$200.8M in this budget cycle and are working on those models currently.
 - Insurance cap increases approximately 4% across all bargaining groups



fund_id	(Multiple Items)	▼
fund_type_id	(All)	▼
loc_id	(All)	▼
Current Budget	(All)	▼
Sum of Proposed_Budget_Sign_Corr		Column Labels ▼
Row Labels		2027
5 - Expenditures		200,802,338
0111 - Licensed Salaries		74,144,900
0112 - Classified Salaries		33,357,898
0113 - Administrator Salaries		12,021,263
0114 - Managerial Salaries		3,848,690
0121 - Licensed Substitutes		996,455
0122 - Classified Substitutes		891,883
0124 - Classified Temporaries		106,500
0125 - Administrator Substitutes		95,000
0126 - Licensed Long Term Subs SB283		163,182
0130 - Additional Salary		1,788,356
0131 - Extra Duty Salary		1,426,660
0135 - Extended Days Salary		151,103
0137 - Cell Phone Stipend		198,854
0138 - Summer Work		292,809
0211 - PERS Employer Contribution		24,577,099
0212 - PERS Employee Contribution		7,714,634
0213 - PERS Bond Assessment		-
0220 - Soc Security		9,847,662
0231 - Workers Comp		1,027,404
0232 - Unemployment Compensation		889,750
0233 - OR Paid Family Medical Leave		514,565
0241 - Classified Insurance		9,015,212
0242 - Licensed Insurance		14,667,394
0243 - Administrator Insurance		2,722,503
0245 - Misc Employer Benefit Contribu		27,847
0249 - Tuition Reimbursement		314,715

General Fund Expenditures (Personnel Long-Term Forecast)

- Personnel assumptions in the long-term forecast include the FY27 budgeted personnel amounts
- Further out, past FY27, the personnel assumptions include:
 - Maintain current tight vacancy rate
 - YOY Personnel increase ~8.25% (includes PERS)
 - FY28 PERS rates increase by ~7 percentage points (includes projected 1 percentage point rate relief in SB 849)
 - PERS increase in FY28 is an additional \$9M increase to budget



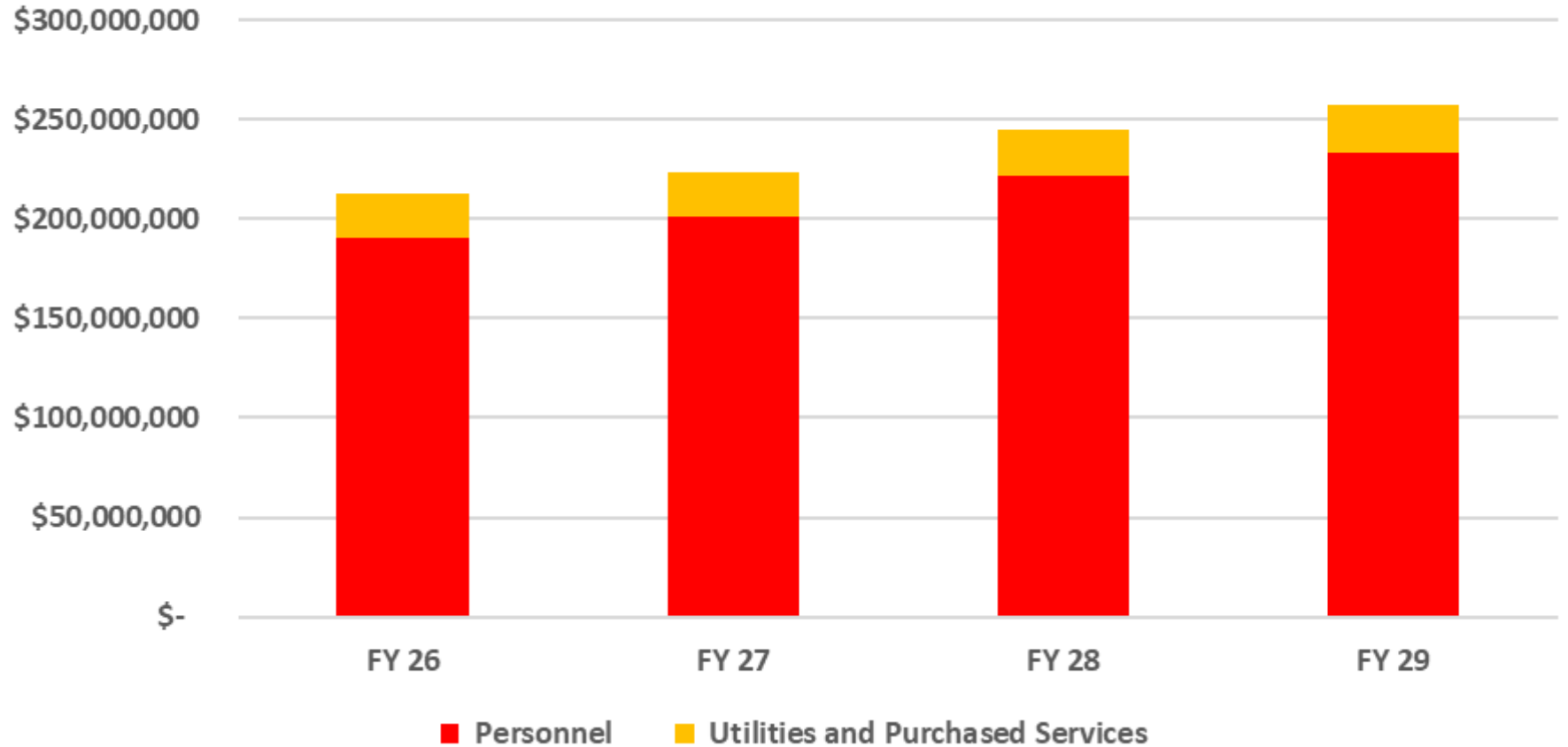
General Fund Expenditures (Utilities and Purchased Services Budget)

- 2.2% increase from FY26 budget
- Major expenditures include Charter School Payments, Substitutes, Utilities, Maintenance, ERP
- Also holds majority of professional development, training, travel, and lodging.
- Many line items have been cut over the last two years (PD, training, travel, consulting, etc.)
- Long-term forecast has a 3.5% YOY increase in these costs (similar to Consumer Price Index data)



Row Labels	IT	2027
5 - Expenditures		22,854,120
0311 - Instructional Services		3,406,594
0312 - Instructional Program Imprmnt		25,812
0314 - Staff Services		1,197
0315 - Substitute Charges ESD		4,017,364
0316 - Sub Costs School Discretion		270,473
0318 - Prof and Imp Cost Non-Inst Stf		2,000
0319 - Other Instructional Services		610,000
0321 - Copier Clicks Maint		182,201
0322 - Repairs Maintenance Service		1,130,784
0323 - Printer Clicks Maint		115,124
0324 - Rentals		509,361
0325 - Electricity		1,958,250
0326 - Natural Gas		953,050
0327 - Water and Sewage		1,266,600
0328 - Garbage		335,200
0329 - Other Property Services		148,586
0330 - Student Transp Curricular		569,642
0331 - Student Transp Non Curricular		166,447
0340 - Employee Travel		493,528
0341 - Indistrict travel		116,059
0342 - Out of dist travel		500
0343 - Student Entry Fees		19,051
0344 - Student Meals Lodging		300
0345 - Training Related Costs		19,500
0351 - Telephone		24,561
0353 - Postage		60,893
0354 - Advertising		55,200
0355 - Printing and Binding		257,387
0359 - Other Communication Service		-
0360 - Charter School Payments		4,055,199
0370 - Tuition		-
0374 - Other Tuition		4,857
0381 - Audit Services		65,000
0382 - Legal Services		167,000
0385 - Management Services		2,000
0386 - Data Processing Services		505,000
0388 - Election Services		85,000
0389 - Othr NonInstr Prof Tech Svcs		1,125,359
0390 - Other General Prof Tech Svc		129,041

Personnel + Utilities Expenditures



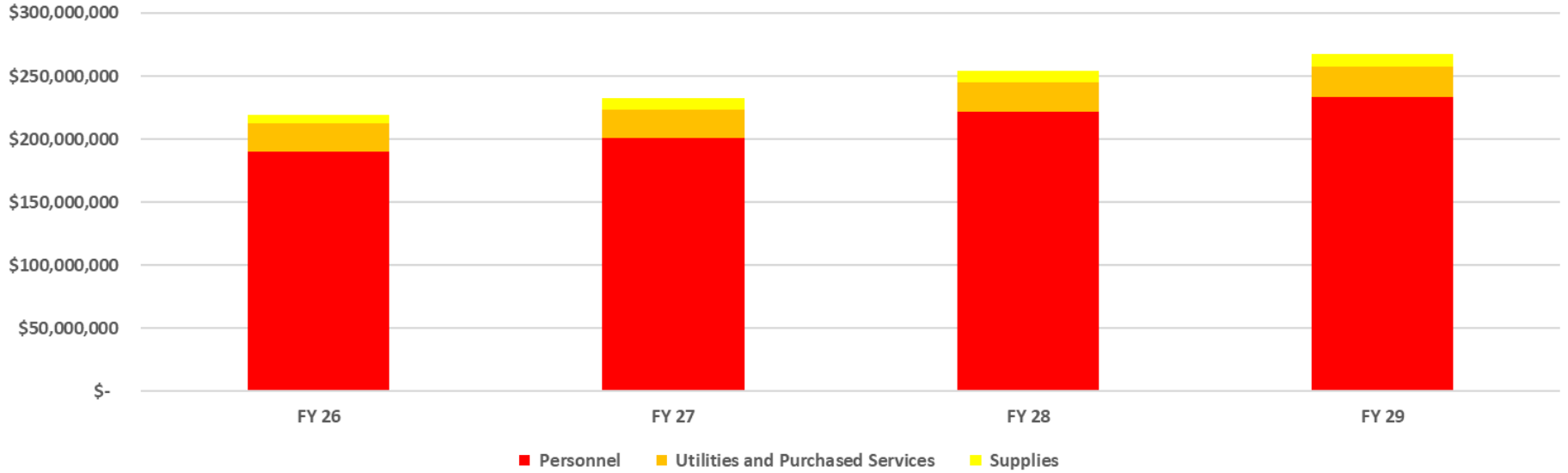
General Fund Expenditure (Supplies Budget)

- 9% increase (\$733K) from FY26 budget
- Major expenditures include ERP (\$1.1M) computer software, school supplies and computer hardware.
- Many line items have been cut over the last two years (supplies, computer hardware)
- Long-term forecast has a 3.5% YOY increase in these costs (similar to Consumer Price Index data)
- Could very well be greater than 3.5% expense growth due to increasing cost of tech

Sum of Proposed_Budget_Sign_Corr	Column Labels
Row Labels	2027
5 - Expenditures	8,800,518
0401 - Warehouse Postage	-
0405 - Catering/Meals/Snacks	105,300
0407 - Custodial Plastic Supplies	50,000
0408 - Custodial Glove Supplies	10,000
0409 - Custodial Paper Supplies	85,000
0410 - Supplies	2,639,366
0411 - Paper and Plastics	5,528
0414 - Uniforms	11,000
0415 - Gas and Oil	671,500
0417 - Tires	80,500
0418 - Toner Print Cartridges	-
0420 - Textbooks	90,247
0421 - Textbooks Digital Content	10,357
0423 - Workbooks	2,000
0430 - Library Books	95,322
0440 - Periodicals	2,267
0460 - Non Consumable Items	699,732
0461 - Equipment <\$10,000	78,371
0470 - Computer Software	3,046,754
0471 - Computer Software Digital	1,143
0472 - IT Security	200,000
0480 - Computer Hardware < \$10,000	916,131
0481 - Kitchen Supplies Thru Warehouse	-
0490 - Groceries Thru Warehouse	-
0494 - Groceries	-
0497 - Snack Items	-



Personnel + Utilities + Supply Expenditures



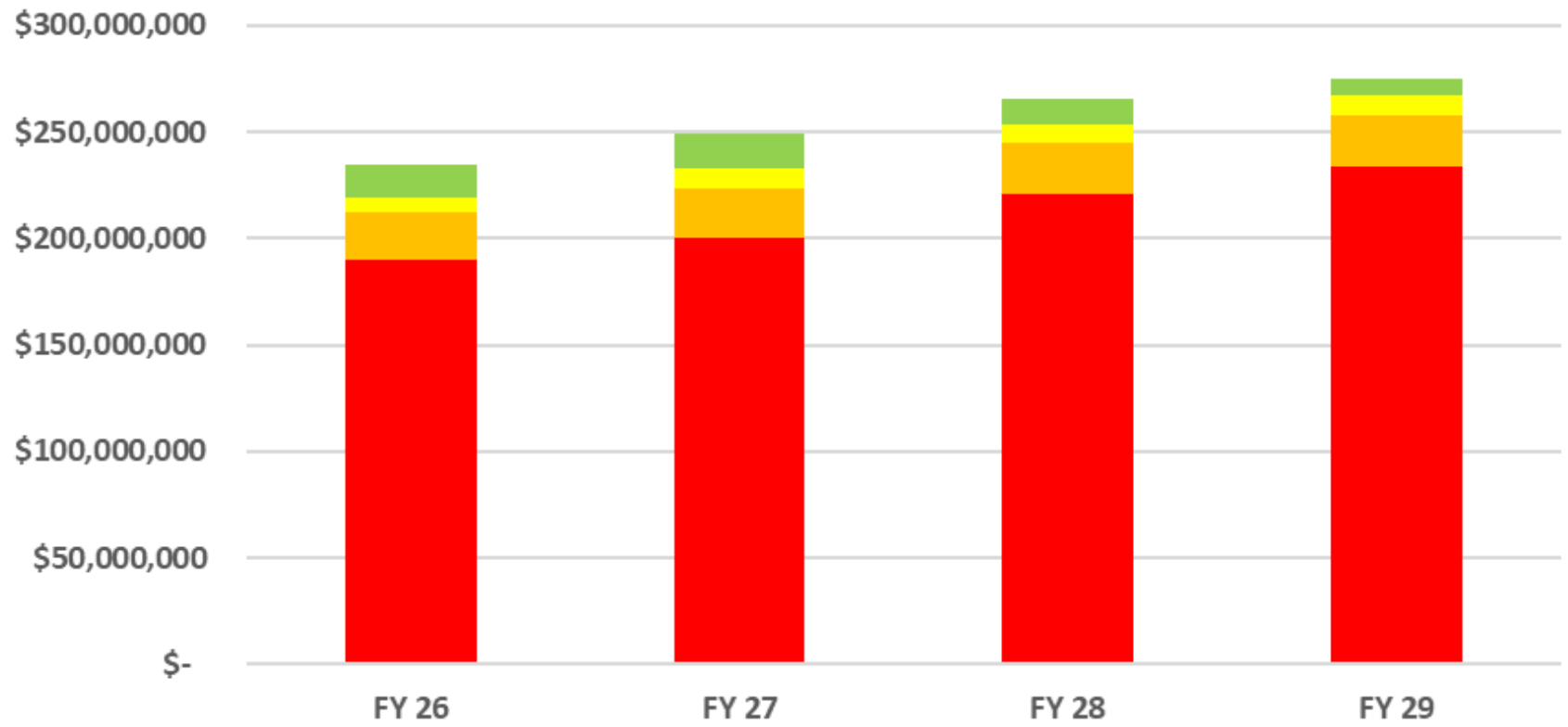
General Fund Expenditures (Debt, Liability Insurance, Equipment Budget)

- This expenditure category includes mandatory debt payments, liability insurance for the District, and equipment expense.
- Debt payments are fixed, liability insurance has increased dramatically (22% year over year), equipment expense is a small % of the category.
- Largest Debt Payment is \$10.4M for the PERS side accounts, funded by SSF dollars
- In the long-term forecast, debt payments are accounted for in future years, liability insurance increases at 15% in FY28, and then 7% over the next few years.
- Equipment grows at 5%.
- We know that liability insurance rates will continue to increase based on conversations with our insurer.

Column Labels	
2027	
Row Labels	Sum of Proposed_Budget_Sign_Corr
5 - Expenditures	15,393,802
0520 - Buildings Acquisition	20,000
0530 - Improvements Other Than Bldgs	30,000
0540 - Equipment >= \$10,000	272,310
0550 - Technology >=\$10,000	150,000
0610 - Redemption of Principal	10,880,000
0621 - Regular Interest	837,792
0640 - Dues and Fees	152,200
0651 - Liability Insurance	3,051,500
0659 - Other Insurance and Judgments	-



Personnel + Utilities + Supplies + Other Expenditures



■ Personnel ■ Utilities and Purchased Services ■ Supplies ■ Other Expenditures

General Fund Expenditures (Transfers Out)

- Historically, GF Operations has transferred revenues out to other funds to subsidize their costs (legally balance their budgets) or in some cases build reserves for critical future years operations purchases within the GFsub-funds.
- In governmental accounting we have funds, which are separate entities. Moving dollars from one fund to another is recorded as a transfer of funds
- The fund which sends the dollars is doing a transfer out (money is going out of that fund)
- The fund which receives the dollars is doing a transfer in (money is going in)
- Similar to when you transfer between two bank accounts
 - Checking account has \$100
 - You want to send \$10 from checking to your savings account
 - Bank does a transfer, takes \$10 from checking account and gives it to savings account
 - Now Checking has \$90
 - Savings has \$10
- BLS does the same thing, transferring funds from GF operations to other funds that don't have the resources to cover their expenditures



General Fund Expenditures (Transfers Out Budget)

- Current budget for transfers out is \$9.7M
- This is a 21% increase over FY26 because critical funds like curriculum and athletics have depleted their fund balance and now need close to 100% transfer support.
- Because we are in a financially difficult position, we only budgeted to transfer out GF revenues to balance budgets for necessary FY27 expenditures. We did not transfer revenue to maintain or build reserve levels.
 - Therefore all GF sub-fund reserve levels will continue to drop rapidly in FY27 as funds that maintained transferred revenue and had reserves will spend them down to cover expenditures.
- Understanding transfers is critical to knowledge of the GF sub funds, the budget, and Districtwide long term reserve projections.
- There may be a misconception about GF sub fund reserves, what they are, and how they are utilized.
- We will analyze the GF sub funds in detail and evaluate transfers and fund balances/reserves.

Column Labels	
2027	
Row Labels	Sum of Proposed_Budget_Sign_Corr
7 - Transfers Out	9,748,524
0711 - Fund Modifications-IntraFund	9,748,524



General Fund - Sub Funds

- Composed of the following funds:
 - **120/121 - Athletics Funds**
 - **145 - Instructional Materials Fund**
 - **155 - Transportation Reserve Fund**
 - **165 - Print Shop Fund**
 - **170 - Facility Usage Fund**
 - **171 - Facility Projects Fund**
 - **175 - Technology Replacement Fund**
 - **180 - Maintenance Replacement Fund**
 - **190 - Insurance Reserve Fund**
- Holds a combined beginning fund balance of \$9.5M, approximately 30% of the total GF starting balance (including Operations).
- In FY26 had a \$12.2M combined fund balance, YOY has declined by \$2.7M and will continue to decline at an increasing rate.
- As fund balance declines we will need to transfer more money from GF operations to cover essential expenditures in the sub funds.



General Fund Other - Athletics Fund (120) Budget

- **Fund 120**
 - Holds budget for student transportation and athletics supplies.
 - Has all athletics revenue
 - This is not a “reserve fund” - this is where the District actually pays for these expenditures.
 - Holds a fund balance of \$286K
 - Utilizes a transfer of \$878K from GF Operations to subsidize/balance the fund in FY27.

Sum of Proposed_Budget_Sign_Corr	Column Labels	-Y
Row Labels	IT	2027
3 - Fund Balance		(286,021)
9770 - Unreserved Fund Balance		(286,021)
4 - Revenues		(630,000)
1510 - Interest on Investments		(60,000)
1710 - Ticket Sales		(150,000)
1770 - Pay to Play		(420,000)
5 - Expenditures		1,794,519
0130 - Additional Salary		216,785
0211 - PERS Employer Contribution		-
0213 - PERS Bond Assessment		-
0220 - Soc Security		-
0231 - Workers Comp		-
0233 - OR Paid Family Medical Leave		-
0316 - Sub Costs School Discretion		-
0319 - Other Instructional Services		-
0322 - Repairs Maintenance Services		-
0324 - Rentals		-
0328 - Garbage		-
0330 - Student Transp Curricular		588,685
0340 - Employee Travel		-
0343 - Student Entry Fees		-
0344 - Student Meals Lodging		-
0389 - Othr NonInstr Prof Tech Svcs		-
0405 - Catering/Meals/Snacks		-
0410 - Supplies		951,049
0415 - Gas and Oil		-
0418 - Toner Print Cartridges		-
0420 - Textbooks		-
0430 - Library Books		-
0460 - Non Consumable Items		-
0470 - Computer Software		-
0471 - Computer Software Digital		-
0480 - Computer Hardware < \$10,000		-
0530 - Improvements Other Than Bldgs		-
0640 - Dues and Fees		-
0820 - Reserved for Next Year		40,000
6 - Transfers In		(878,498)
5201 - Intrafund Transfers		(878,498)



General Fund Other - Athletics Fund (121)

B

Sum of Proposed_Budget_Sign_Corr	Column Labels
	Column Labels
	Row Labels
	FY 2027
3 - Fund Balance	(56,993)
9770 - Unreserved Fund Balance	(56,993)
5 - Expenditures	4,557,810
0111 - Licensed Salaries	205,600
0112 - Classified Salaries	109,982
0113 - Administrator Salaries	644,120
0121 - Licensed Substitutes	-
0130 - Additional Salary	160,000
0131 - Extra Duty Salary	2,044,121
0137 - Cell Phone Stipend	5,280
0211 - PERS Employer Contribution	371,224
0212 - PERS Employee Contribution	107,650
0213 - PERS Bond Assessment	-
0220 - Soc Security	280,712
0231 - Workers Comp	14,423
0233 - OR Paid Family Medical Leave	12,023
0241 - Classified Insurance	38,479
0242 - Licensed Insurance	37,049
0243 - Administrator Insurance	93,676
0315 - Substitute Charges ESD	54,471
0316 - Sub Costs School Discretion	-
0331 - Student Transp Non Curricular	30,000
0340 - Employee Travel	4,000
0389 - Othr Noninstr Prof Tech Svcs	260,000
0410 - Supplies	30,000
0470 - Computer Software	15,000
0820 - Reserved for Next Year	40,000
6 - Transfers In	(4,500,817)
5201 - Intrafund Transfers	(4,500,817)

- Fund 121

- Holds the budget for athletics personnel costs.
- This is not a “reserve fund” this is where the District actually pays for coaches etc.
- Fund balance of \$57K
- Utilizes a transfer of \$4.5M from GF Operations to subsidize/balance the fund in FY27.
- Transfer in from GF Operations will continue to grow year over year due to compensation increases.
- Increased Transfers out of GF Operations reduces District reserve totals.
- Total Athletics cost/transfer is \$5.4M



General Fund Other - Instructional Material (145) Budget

Sum of Proposed_Budget_Sign_Corr	Column Labels
Row Labels	2027
4 - Revenues	(25,000)
1510 - Interest on Investments	(25,000)
5 - Expenditures	5,019,209
0130 - Additional Salary	225,000
0131 - Extra Duty Salary	-
0211 - PERS Employer Contribution	41,535
0212 - PERS Employee Contribution	13,500
0213 - PERS Bond Assessment	-
0220 - Soc Security	17,213
0231 - Workers Comp	2,025
0233 - OR Paid Family Medical Leave	900
0311 - Instructional Services	51,232
0312 - Instructional Program Imprmnt	-
0316 - Sub Costs School Discretion	74,660
0322 - Repairs Maintenance Services	9,309
0324 - Rentals	-
0340 - Employee Travel	70,388
0353 - Postage	-
0355 - Printing and Binding	19,143
0389 - Othr NonInstr Prof Tech Srvc	28,445
0390 - Other General Prof Tech Srvc	46,821
0405 - Catering/Meals/Snacks	-
0410 - Supplies	1,392,469
0414 - Uniforms	-
0420 - Textbooks	406,543
0421 - Textbooks Digital Content	1,675,916
0423 - Workbooks	189,467
0430 - Library Books	78,099
0440 - Periodicals	145,394
0460 - Non Consumable Items	-
0470 - Computer Software	531,150
0471 - Computer Software Digital	-
0480 - Computer Hardware < \$10,000	-
0640 - Dues and Fees	-
6 - Transfers In	(4,994,209)
5201 - Intrafund Transfers	(4,994,209)

• Fund 145

- Holds the budget for District-wide curriculum.
- Not a Reserve fund. Current FY26 Actuals at \$5.1M in expenditures
- Has no fund balance or revenues to offset costs.
- Utilizes a transfer of \$5M from GF to balance.
- Transfer in from GF Operations will continue to grow year over year without fund balance/reserve.
- Will come directly from reserves.



General Fund Other - Instructional Material (145) Budget

Sum of Actual_Sign_Corr	Column Labels						
Row Labels	2020	2021	2022	2023	2024	2025	2026
5 - Expenditures	1,850,851	1,703,797	1,990,042	2,107,152	3,284,733	3,950,949	5,074,531
0121 - Licensed Substitutes						1,182	1,667
0122 - Classified Substitutes						1,058	
0130 - Additional Salary	13,647	51,871	150,515	130,042	147,960	201,659	89,764
0131 - Extra Duty Salary							521
0138 - Summer Work	8,380	-	-	-	1,653	712	3,387
0211 - PERS Employer Contribution	4,420	10,060	23,485	20,290	25,895	35,021	18,113
0212 - PERS Employee Contribution	1,301	3,112	9,008	7,772	8,918	11,790	5,376
0213 - PERS Bond Assessment	-	-	-	-	-	-	6,043
0220 - Soc Security	1,680	3,915	11,314	9,802	11,321	15,490	7,163
0231 - Workers Comp	106	243	591	325	372	669	528
0233 - OR Paid Family Medical Leave				48	449	818	380
0241 - Classified Insurance							
0311 - Instructional Services		898	-	31,290	35,242	39,099	98,749
0312 - Instructional Program Inprvmt	13,500	-	13,560	20,300	600	-	-
0315 - Substitute Charges ESD	-	698	-	5,767	130	-	4,256
0316 - Sub Costs School Discretion	28,042	-	5,708	5,163	42,389	111,135	66,367
0322 - Repairs Maintenance Services	-	-	-	-	12,169	11,638	1,738
0323 - Printer Clicks Maint				9,425			12
0324 - Rentals				20	219	108	150
0327 - Water and Sewage							
0328 - Garbage						340	589
0330 - Student Transp Curricular					(657)	4,444	48
0340 - Employee Travel	31,274	330	495	10,005	29,380	168,672	21,548
0341 - Indistrict travel				1,061	645	-	-
0345 - Training Related Costs			(28)	-	-	-	-
0353 - Postage	-	240	225	-	284	66	166
0354 - Advertising							
0355 - Printing and Binding	315	6,106	68	22,932	14,943	56,383	20,090
0389 - Othr Noninstr Prof Tech Svcs	3,200	-	3,450	1,750	25,669	8,685	85,666
0390 - Other General Prof Tech Svcs					46,730	61,432	44,072
0405 - Catering/Meals/Snacks							
0410 - Supplies	10,184	16,159	15,558	38,672	41,226	51,052	1,053,258
0411 - Paper and Plastics			156				
0414 - Uniforms							
0420 - Textbooks	818,065	585,871	1,055,142	616,058	364,771	842,235	482,836
0421 - Textbooks Digital Content	483,735	359,808	323,698	304,706	317,740	529,480	911,548
0423 - Workbooks	237	-	2,740	110,322	302,795	320,432	278,934
0430 - Library Books	55,000	75,040	21,638	130,139	130,858	131,298	191,021
0440 - Periodicals	451	-	1,306	543	279,100	284,412	215,261
0460 - Non Consumable Items	9,914	1,678	22,911	10,422	25,921	6,365	31,788
0461 - Equipment <\$10,000				7,921		1,700	
0470 - Computer Software	301,488	513,696	320,041	346,898	919,309	571,343	557,915
0471 - Computer Software Digital	65,908	70,712	8,463	228,960	329,325	472,376	860,673
0480 - Computer Hardware < \$10,000	-	3,359	-	4,593	-	2,950	1,617
0610 - Redemption of Principal				31,725	140,618	3,802	-
0621 - Regular Interest					21,259	1,016	-
0640 - Dues and Fees	3	-	-	199	7,501	2,073	13,100

• Fund 145 Historical Expenditures

- Expenditures have grown at an unprecedented rate as the District makes State mandated adoptions and shifts to digital curriculum.
- Significant increases in transfer revenue to fund curricular adoptions are contributing to declining GF reserve levels.
- Multiple conversations are occurring regarding curriculum, future expenditures, and what level of funding the GF can viably support.



General Fund Other - Transportation Reserve (155) Budget

- **Fund 155**

- Holds the budget for annual District-wide Bus purchases as fleet ages out.
- Primary resource is a depreciation reimbursement from the State.
- On average we need to invest \$1-2M a year to maintain a safe and stable fleet.
- Goal of fund was to purchase annual buses and hold 1-2 years of bus fleet costs in reserve due to uncertainty & legislation.
- Reserve is down to less than 1 year of additional bus costs due to falling reserves and bus price increases.
- Because the District is projecting a financially challenging future we did not transfer any funds into the transportation capital/reserve.
- FY27 budget plans to front load some bus purchases and spend down \$700k in expenditures.

Sum of Proposed_Budget_Sign_Corr	Column Labels
Row Labels	2027
3 - Fund Balance	(1,661,063)
9770 - Unreserved Fund Balance	(1,661,063)
4 - Revenues	(1,200,000)
1510 - Interest on Investments	(54,000)
1990 - Miscellaneous	(50,000)
3222 - State School Fund Trans Equip	(1,096,000)
5 - Expenditures	2,861,063
0564 - Buses and Bus Improvements	1,597,092
0610 - Redemption of Principal	264,000
0622 - Bus Garg, Bus, Cap Impr Intst	22,919
0820 - Reserved for Next Year	977,052



General Fund Other - Print Shop Fund 165 (Budget)

- **Fund 165**

- Holds the budget for our self-sustaining print shop, which provides printing services to the District and local community.
- Primary resource is from printing fees.
- This is not a “reserve fund,” but is where the District actually pays for staff and equipment to run the Print Shop.
- Print shop rebates are issued to schools when fund balance accumulates

Row Labels	Sum of Sign Corrected
3 - Fund Balance	(375,000)
9770 - Unreserved Fund Balance	(375,000)
4 - Revenues	(835,000)
1510 - Interest on Investments	(5,000)
1991 - Print Shop Click Charges	(245,000)
1993 - Print Shop Services	(440,000)
1996 - Printer Click Charges	(145,000)
5 - Expenditures	1,210,000
0112 - Classified Salaries	253,780
0114 - Managerial Salaries	126,035
0130 - Additional Salary	1,000
0137 - Cell Phone Stipend	960
0211 - PERS Employer Contribution	70,299
0212 - PERS Employee Contribution	22,849
0220 - Soc Security	29,132
0231 - Workers Comp	6,855
0233 - OR Paid Family Medical Leave	1,523
0241 - Classified Insurance	76,080
0243 - Administrator Insurance	20,256
0321 - Copier Clicks Maint	90,000
0322 - Repairs Maintenance Services	7,000
0323 - Printer Clicks Maint	30,100
0324 - Rentals	105,000
0353 - Postage	150
0410 - Supplies	8,000
0411 - Paper and Plastics	135,000
0460 - Non Consumable Items	6,000
0480 - Computer Hardware < \$10,000	8,000
0540 - Equipment >= \$10,000	40,000
0820 - Reserved for Next Year	171,981



General Fund Other - Facility Usage Fund 170 (Budget)

- **Fund 170**

- Holds approximately 25% of the budget for facilities rentals and other revenues, and some facilities related costs.
- Includes furniture replacement budget and additional CTE resources
- Does not receive a transfer from GF Operations.
- Ending balance \$517K and projected to slowly decrease year over year.

Sum of Proposed_Budget_Sign_Corr	Column Labels
Row Labels	2027
3 - Fund Balance	(572,663)
9770 - Unreserved Fund Balance	(572,663)
4 - Revenues	(95,000)
1510 - Interest on Investments	(20,000)
1913 - Facility Rental	(75,000)
5 - Expenditures	667,663
0112 - Classified Salaries	-
0211 - PERS Employer Contribution	-
0212 - PERS Employee Contribution	-
0213 - PERS Bond Assessment	-
0220 - Soc Security	-
0231 - Workers Comp	-
0233 - OR Paid Family Medical Leave	-
0241 - Classified Insurance	-
0322 - Repairs Maintenance Services	5,000
0324 - Rentals	-
0328 - Garbage	-
0353 - Postage	-
0389 - Othr NonInstr Prof Tech Svcs	15,000
0410 - Supplies	30,000
0460 - Non Consumable Items	70,000
0461 - Equipment <\$10,000	-
0470 - Computer Software	30,000
0480 - Computer Hardware < \$10,000	-
0540 - Equipment >= \$10,000	-
0550 - Technology >=\$10,000	-
0820 - Reserved for Next Year	517,663



General Fund Other - Facility Usage Fund 171 (Budget)

Sum of Proposed_Budget_Sign_Corr	Column Labels
	2027
3 - Fund Balance	(222,210)
9770 - Unreserved Fund Balance	(222,210)
4 - Revenues	(152,250)
1510 - Interest on Investments	(12,500)
1909 - Scheduling Fee	(3,250)
1910 - Supply Surcharge	(2,500)
1911 - Custodial Time	(7,500)
1912 - Equipment Rental	(1,500)
1913 - Facility Rental	(125,000)
5 - Expenditures	374,460
0112 - Classified Salaries	151,114
0122 - Classified Substitutes	4,772
0130 - Additional Salary	20,000
0211 - PERS Employer Contribution	33,776
0212 - PERS Employee Contribution	10,553
0213 - PERS Bond Assessment	-
0220 - Soc Security	13,456
0231 - Workers Comp	4,859
0233 - OR Paid Family Medical Leave	703
0241 - Classified Insurance	47,550
0389 - Othr NonInstr Prof Tech Svcs	-
0405 - Catering/Meals/Snacks	-
0410 - Supplies	-
0460 - Non Consumable Items	-
0470 - Computer Software	30,000
0820 - Reserved for Next Year	57,677

- Fund 171

- Holds roughly 75% of the budget for facilities rental and other revenues, and some facilities staff salaries.
- Is a partial small reserve fund for necessary capital projects not included in the capital bond.
- Projects may be deferred due to financial forecast.
- Does not receive a transfer from GF Operations.
- Ending balance \$57K



General Fund Other - Technology Replacement (175) Budget

- **Fund 175**

- Holds budget for servers, switches, routers, back ups, and cybersecurity for the entirety of the District.
- Is not a reserve fund, this is where our technological infrastructure purchases come from.
- Maintaining our networks and hardware is critical to the functioning of our schools, especially with digital curriculum.
- We hold a larger reserve due to heavy cost of major replacements of infrastructure every few years.
- However, we are letting the fund balance drop by \$1.4M and are not providing the fund with a GF operations transfer due to the financial forecast.
- Should fund balance continue to drop we will have to initiate a transfer to pay for security related infrastructure.

Sum of Proposed_Budget_Sign_Corr	Column Labels
Row Labels	2027
3 - Fund Balance	(2,682,478)
9770 - Unreserved Fund Balance	(2,682,478)
4 - Revenues	(316,250)
1990 - Miscellaneous	(316,250)
5 - Expenditures	2,998,728
0540 - Equipment >= \$10,000	2,000,000
0820 - Reserved for Next Year	998,728



General Fund Other - Maintenance Replacement (180) Budget

- **Fund 180**

- Holds current budget for LED lighting retrofits, carpets at schools, equipment replacement, and any other projects outside of the Maintenance and Capital Projects budgets.
- This is a reserve fund, and it's primary purpose is to hold an ending funding balance for non-covered maintenance emergencies such as HVAC issues which can easily reach \$1M and significantly disrupt school operations.
- Not fiscally advisable to hold a limited reserve for real-time maintenance issues for 33 schools and 16,600 students.
- Fund balance is not sufficient, yet any transfer would come at the cost of increased personnel reductions.

Sum of Proposed_Budget_Sign_Corr	Column Labels
Row Labels	2027
3 - Fund Balance	(1,286,923)
9770 - Unreserved Fund Balance	(1,286,923)
4 - Revenues	(115,000)
1510 - Interest on Investments	(40,000)
1990 - Miscellaneous	(75,000)
5 - Expenditures	1,451,923
0322 - Repairs Maintenance Services	-
0329 - Other Property Services	-
0383 - Architect Engineer Services	-
0389 - Othr NonInstr Prof Tech Svcs	-
0410 - Supplies	-
0460 - Non Consumable Items	-
0480 - Computer Hardware < \$10,000	-
0520 - Buildings Acquisition	100,000
0550 - Technology >=\$10,000	-
0820 - Reserved for Next Year	1,351,923
6 - Transfers In	(50,000)
5200 - Interfund Transfers	(50,000)



General Fund Other - Insurance (190) Budget

Sum of Proposed_Budget_Sign_Corr	Column Labels
Row Labels	2027
3 - Fund Balance	(2,455,442)
9770 - Unreserved Fund Balance	(2,455,442)
4 - Revenues	(1,265,000)
1510 - Interest on Investments	(90,000)
1990 - Miscellaneous	(775,000)
1992 - Payroll Reimbursements	(50,000)
1995 - Digital conversion Premiums	(350,000)
5 - Expenditures	3,095,442
0130 - Additional Salary	5,000
0211 - PERS Employer Contribution	950
0212 - PERS Employee Contribution	300
0220 - Soc Security	383
0231 - Workers Comp	50
0233 - OR Paid Family Medical Leave	50
0322 - Repairs Maintenance Services	500,000
0382 - Legal Services	100,000
0389 - Othr NonInstr Prof Tech Svcs	60,000
0410 - Supplies	165,000
0460 - Non Consumable Items	50,000
0659 - Other Insurance and Judgments	125,000
0820 - Reserved for Next Year	2,088,709
7 - Transfers Out	625,000
0711 - Fund Modifications-IntraFund	625,000
0712 - Depart Fund Modifica-IntraFund	-

- **Fund 190**

- Holds liability and judgement projected costs along with supplies and repairs that either reduce premiums or are required.
- Does not receive a transfer from GF Operations due to financial uncertainty.
- Ending balance \$2.1M
- The reserve covers us for non-covered damages resulting from a lawsuit or accident.
- We always hope to never need to draw down on these funds, but over the course of time it is statistically plausible.
- Fund balance reached \$3M and we transferred out \$625K to support operations.



General Fund Sub Funds

- GF other sub funds are not reserve funds, or hidden pockets of reserve dollars, they are actual and vital components of our day to day operations and integral in creating successful student outcomes.
 - District curriculum purchases
 - All athletics expenditures
 - All internet connectivity, cyber security
 - Transportation
 - Critical maintenance district-wide
 - Safety
 - Legal coverage
- Despite the importance of these funds, BLS is no longer budgeting to increase these sub fund balances/reserve levels through transfers.
 - Due to current financial picture, we are spending down GF sub fund reserves rapidly to save funds in GF operations to prevent larger reductions in staffing.



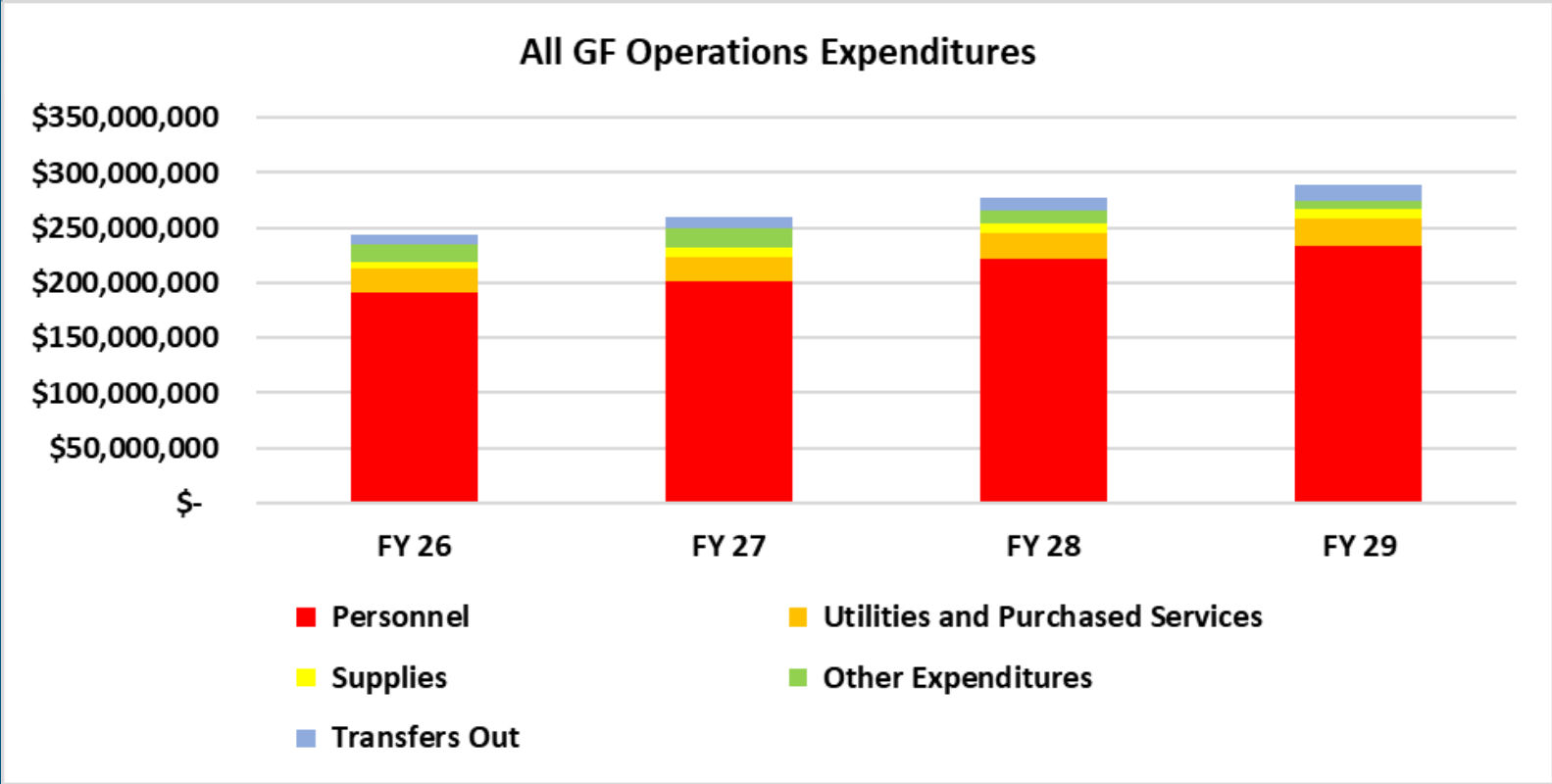
General Fund Sub Funds - Transfers Budget and Projections

- As stated earlier the total transfer from GF operations into sub funds is \$9.7M, an increase of 21% over FY26
- When we project transfers out to sub funds past FY27, we find a continuing pattern of sub funds spending down carryover funds, and therefore needing a greater transfer of dollars from GF operations to cover essential costs.
- The table below shows estimated transfers for the GF sub-funds in future years
- An increased transfer-in is needed every year, not to build reserves in sub funds, but rather just to support critical expenditures at a minimum level.

	FY27	FY28	FY29	FY30
Total Transfers to Sub Funds	9,748,524	10,877,778	14,033,682	14,434,108



All General Fund Operating Expenditures



General Fund Operations - Budgeted Fund/Balance Reserves

- We have now walked through all budgeted and forecasted revenues and expenditures for the General Fund Operations.
- Subtracting all expenditures from all revenue leaves us with the District fund balance.
- This is the same process someone does when estimating how much money they may be able to save in a year.
 - If I make \$50K/year, and my expenditures are \$40K/year, I subtract the expenditures and know I can start the next year with \$10K saved.
 - The District does this process on a much larger scale, and we call the amount we start the next year with our beginning fund balance.
- A table of the historical beginning fund balances of the General Fund (including sub funds) along with FY27 budget estimate is shown below.

Row Labels	Column Labels						
	2021	2022	2023	2024	2025	2026	2027 Budget
3 - Fund Balance	(23,886,866)	(29,790,448)	(28,574,009)	(33,529,177)	(40,753,449)	(41,290,532)	(31,983,827)
Beginning Fund Balance	(23,886,866)	(29,790,448)	(28,574,009)	(33,529,177)	(40,753,449)	(41,290,532)	(31,983,827)



- The drop in FY27 fund balance is estimated at \$9.5M YOY, indicating we spent \$9.5M more this current year than we had in funding
- Without significant cuts fund balance/reserves will be spent down within two years due to expenditures outpacing revenues.

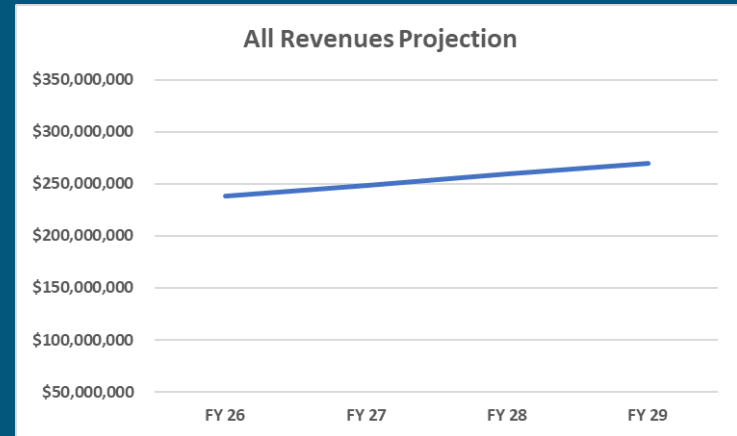
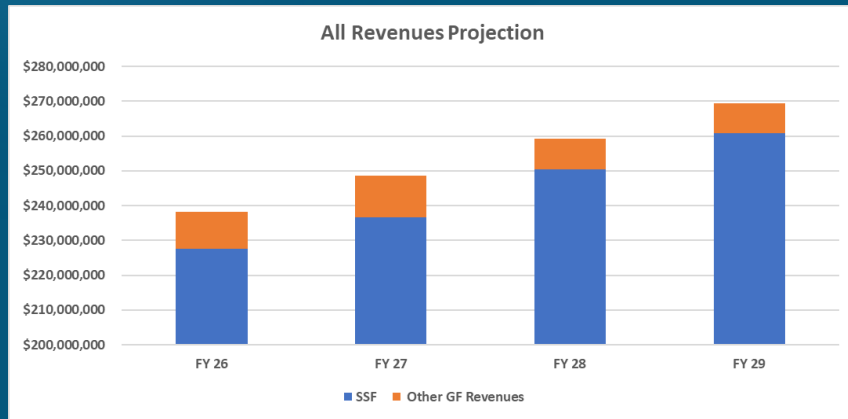
How is it that fund balance is decreasing?

- Funding levels are not keeping up with expenditures.
- Specifically, SSF cannot keep up with personnel costs.
- SSF grows at an average annual rate of 4.7%.
- Even with holding personnel flat (not increasing FTE) it grows at the following rate:
 - 2.7% steps actual (only half of staff are eligible).
 - COLA 3.3%
 - PERS rate increases account for another 1-4% (depending on biennium).
 - Recent insurance cap increases <.5%.
- Personnel growth of 8%, annually vastly outpaces SSF revenue growth.
- Utility rates and fees have skyrocketed.
- Digital curriculum is more costly, and state mandated adoptions have contributed to unprecedented expenditures related to instructional materials
- Inflation rates increased supplies by 3.5% and higher during the pandemic.
- In addition, ESSER funding dropped off decreasing revenues and making it difficult to retain former staffing ratios.
- A visual aid or graphical look at the long-term forecast can be helpful.



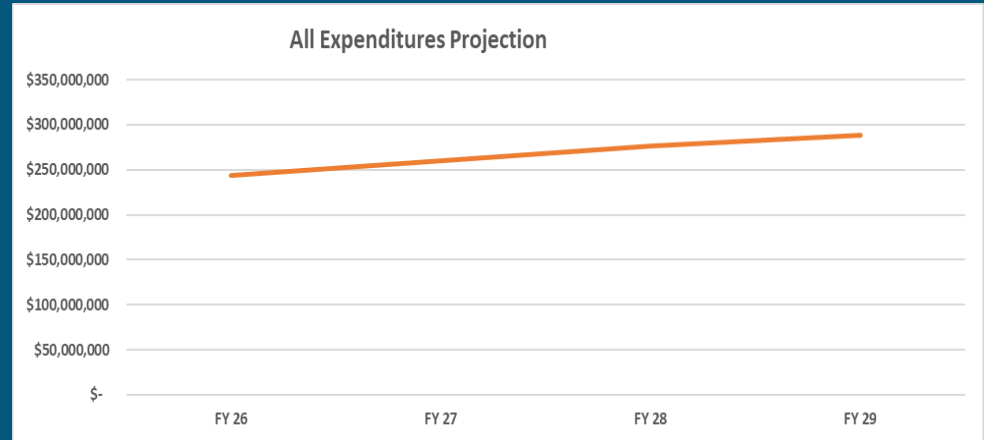
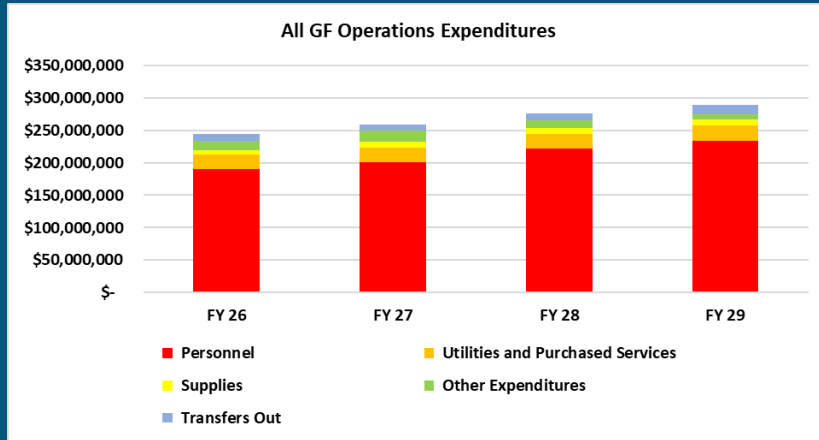
GF Operations Graphical Long-Term Forecast

- Based on our earlier assumptions and projections of GF operations revenue, we can project out our revenues by year.
- For simplicity we convert the detailed revenue graph to a single line.



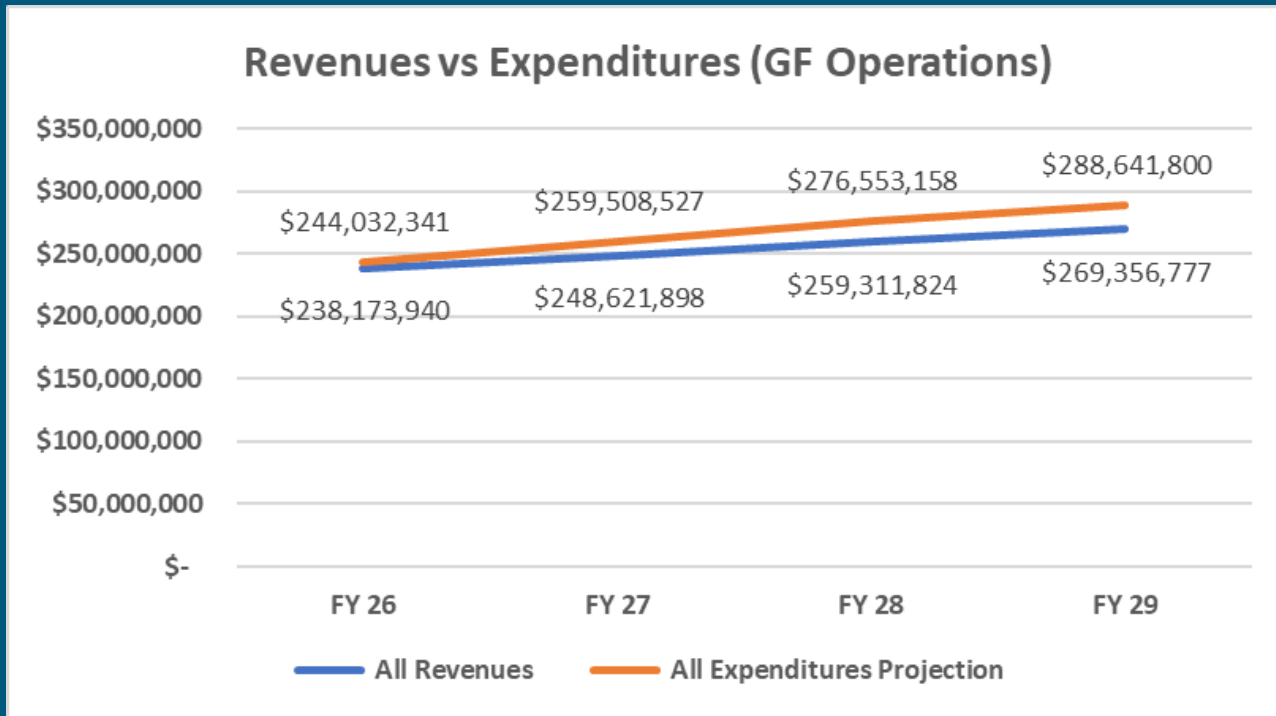
GF Operations Graphical Long-Term Forecast

- Based on our earlier assumptions and projections of GF operations, we can also project out our expenditures by year.
- For simplicity we convert the detailed expenditure graph to a single line.



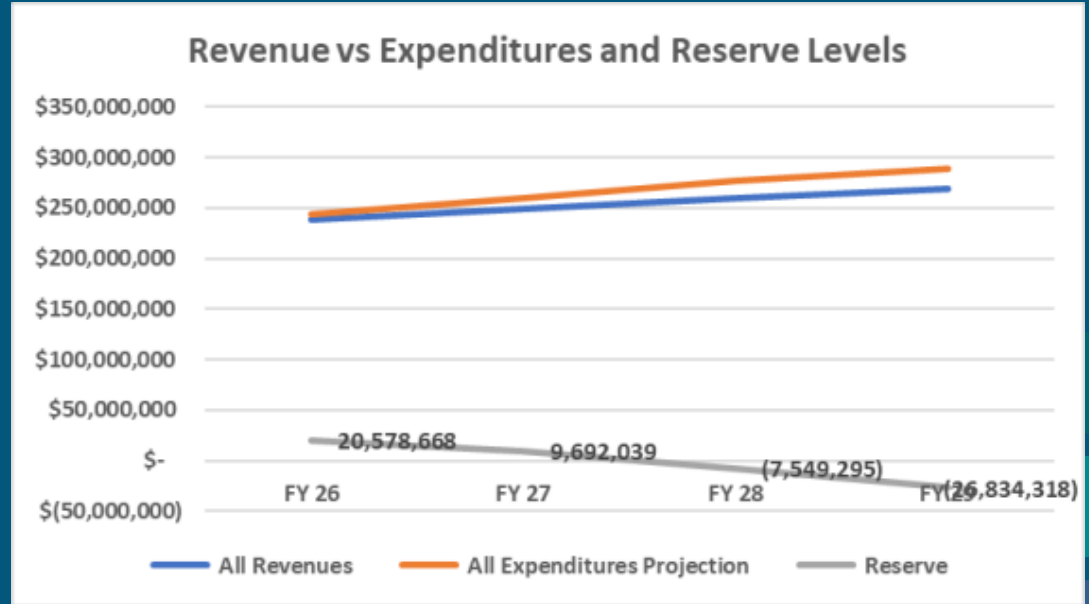
GF Operations Graphical Long-Term Forecast

- Fund balance/reserves go up when total revenues exceed total expenditures, they go down when expenditures are greater than revenues.
- An easy way to view this is to merge the revenue and expenditure lines from the previous slides in one graph.
- Whenever the expenditure line is above the revenue line we know we are consuming reserves/fund balance.



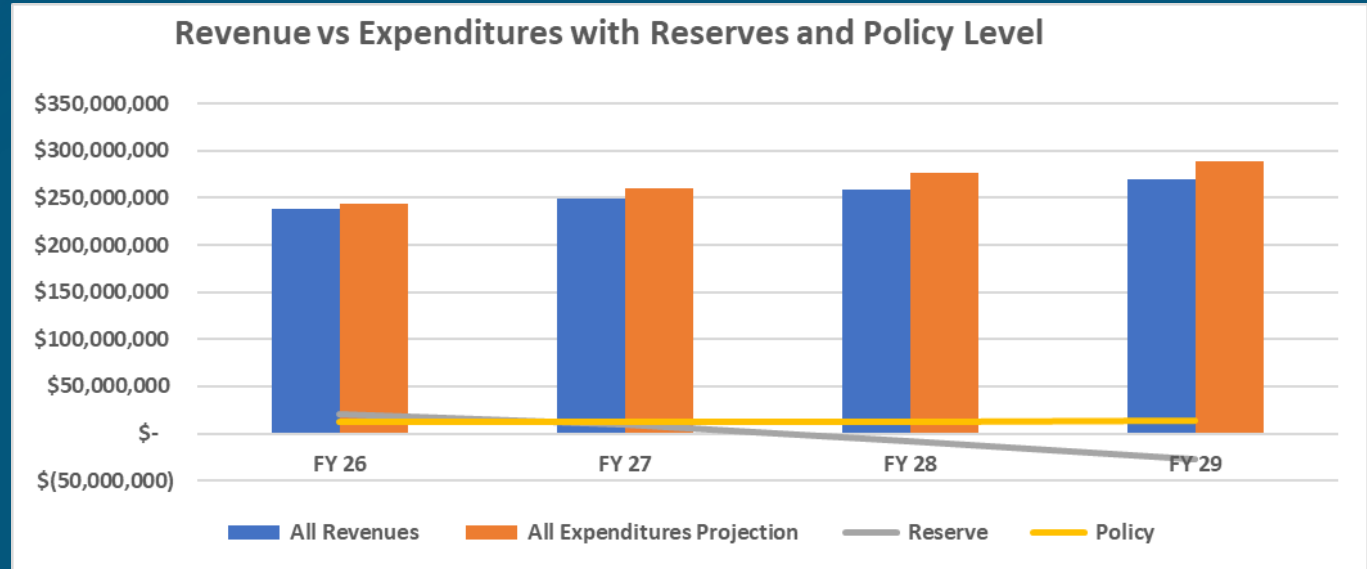
GF Operations Graphical Long-Term Forecast

- Based on conservative expenditure estimates and known revenue inputs we see that every year our expenditures are significantly higher than revenues, driving down our reserve levels.
- If we add in the current GF operations fund balance as a line at the bottom we can see how year over year expenditures reduce our reserve levels to unsustainably low levels.
- A negative reserve is impossible but helpful for understanding where we are going.



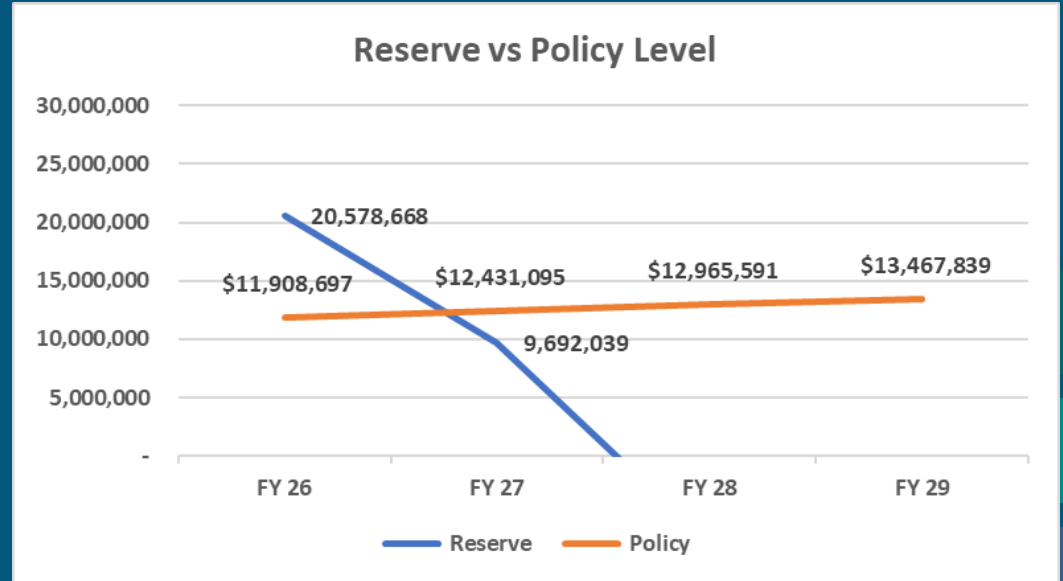
GF Operations Graphical Long-Term Forecast

- BLS has reserve policy of 5% of GF operational resources
- We cannot go below this reserve policy due to cash flow impacts (ability to pay staff) and ability to cover costs for emergency situations
- This reserve policy is represented by the yellow line
- It dips below 5% half way through FY27



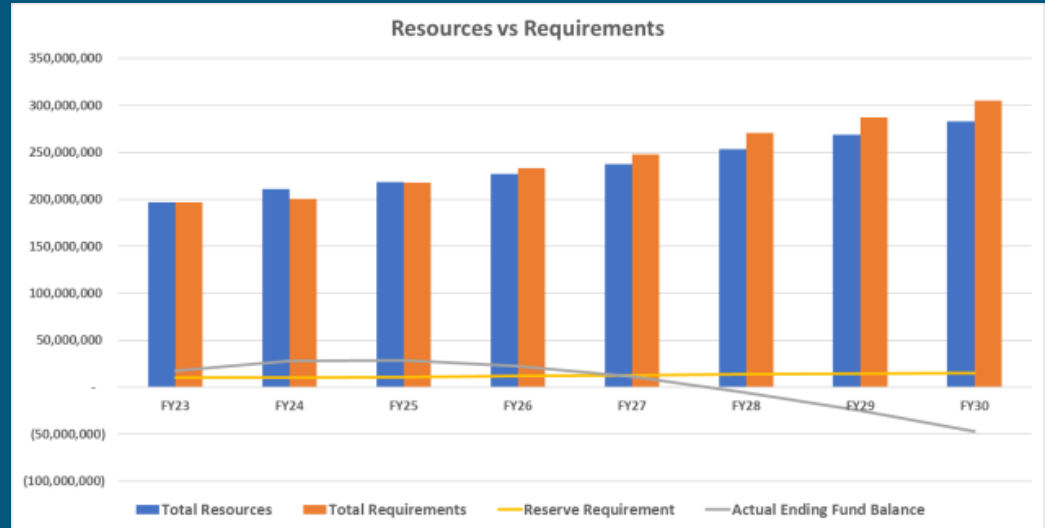
GF Operations Graphical Long-Term Forecast

- This graph shows a zoom in of the last slide
- This is why, in order to balance the budget this year and for future years, we need to cut operational and personnel costs.
- We must ensure the expenditure curve no longer grows faster than revenues.
- Most districts in Oregon are also facing this situation. Many more severely than BLS.



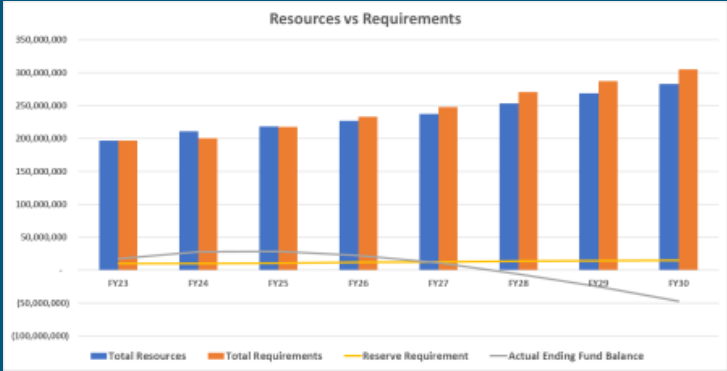
GF Operations Graphical Long-Term Forecast (Historical Picture)

- Historically revenues have been greater than expenditures and ending funding balance was above the requirement.
- Two years ago expenditures caught up with revenues and ending fund balance did not grow.
- This fiscal year fund balance will decrease as the expenditures have outpaced revenues.
- FY27 we project expenditures further outpacing revenues leading to a rapid decline in ending fund balance.
- Without multiple years of expenditure reductions or significant additional revenues the District will not be able to maintain the 5% reserve requirement, have cash flow in October, or be fiscally responsible.



GF Operations Graphical Long-Term Forecast

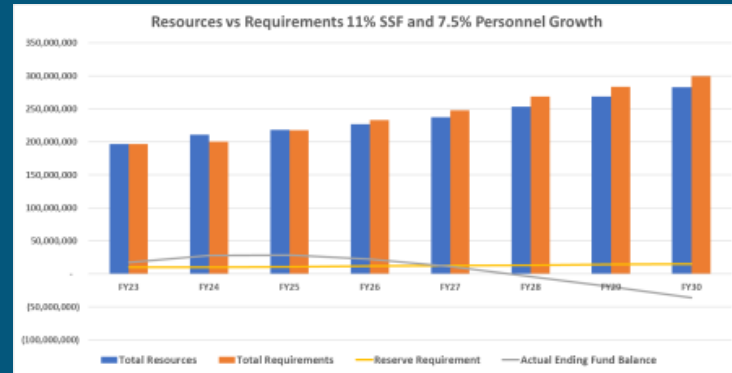
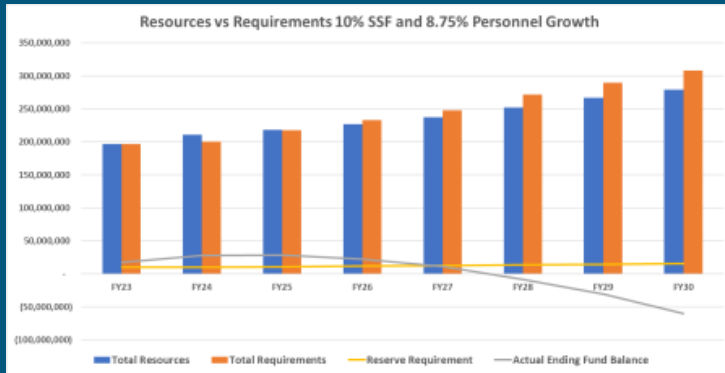
- In order to achieve our 5% reserve requirement, have cash flow for payroll, and be fiscally responsible we need to move from the top graph to the bottom graph.
- The more that is cut in earlier years, the less that needs to be cut in subsequent years. (\$1M in personnel now is about \$3.2M in three years time)
- We also have a duty to be responsible, and not cut too much before we know certain variables like FY28 SSF funding and future years compensation packages.
- Finance staff are working diligently with the superintendent and executive leadership identifying reduction scenarios.



GF Operations Graphical Long-Term Forecast (Other Scenarios)

- The scenario we have shown earlier was based on 11% SSF assumption, and 8.25% personnel growth in out years.
- The below scenario shows a 10% SSF and 8.75% personnel growth, comparing with the prior graph you can see the deficit in FY30 is significantly larger

- Alternatively, an 11% SSF assumption with a 7.5% personnel growth is markedly better.
- There are still many unknown variables and we are moving cautiously and evaluating all factors when assessing reduction scenarios.



Financial Solutions

- There are three financial solutions:
 - Significantly reduce expenditures (cuts), this does not change to slope of the expenditure line but lowers it below revenues.
 - Evaluating viable compensation packages in future years. Decreasing the slope of the personnel line so that it doesn't grow as fast as revenues.
 - Present a local option levy to the community, maintains current level of service by increasing revenue to District.
- Likely will need to utilize a combination of 2 of the 3 options to minimize impacts to staff and the community.



Key Takeaways

- SSF is 95% of GF revenues
- Personnel makes up 85% of our expenditures
- Budget Assumptions include:
 - 4.1% increase in YOY SSF revenue (49/51 biennial allocation)
 - Slight decrease in enrollment but maintaining 2.9% of total ADMw
 - 3.3% COLA, 2.7% personnel step increases and 3.15% vacancy assumption
 - Met with departments individually and went line by line assessing historical actuals to accurately budget for FY27 non-personnel expenditure
- Expenditures are now outpacing revenues and the FY27 budget shows a significant decrease in fund balance.
- BLS will need to make some reductions to balance the budget in FY27 and also provide financial stability for future years.
- Long-Term forecast is a tool we can use to model financials in future years and determine the appropriate course of action
- Local option levy, cost reductions and compensation agreements are all partial solutions to expenditures outpacing revenues.





QUESTIONS?
THANK YOU!

