

## **Alsea Budget Information Session**

Wednesday, January 17, 2024 6:00 PM

Alsea School Library, 301 South 3rd Street, Alsea, OR 97324

1. **Call to Order**
  - a. Flag Salute
  - b. Approval of Agenda
2. **Introduction of Current Budget Committee Members**
3. **Budget Committee Members Roles and Responsibilities**

# Budget Committee



h a n d b o o k

for School Districts and  
Education Service Districts

# Budget Committee

h a n d b o o k



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# The Budget Committee plays an important role

Although the majority of school funding comes from state sources, local budget committees remain an important part of a district's decision-making processes in setting local budget priorities.

The budget committee process provides an ideal forum for a district's citizens to discuss priorities for maintaining good schools, programs and facilities, how to deal with state and federal requirements and how best to allocate resources.

# Oregon state law requires a budget

The state requires every district to pass an annual budget [ORS 294.338]. Oregon law outlines a procedure for preparing, presenting and administering the budget. The statute requires citizen involvement in the budget preparation and public disclosure of the budget before its final adoption by the district board of directors.

## **Budget period**

A district's budget must cover at least one fiscal year (July 1 through June 30). The district, however, may pass an ordinance, resolution or charter that requires preparing a two-year budget. If a district develops a two-year budget, it must certify the property tax to the county assessor for each of the fiscal years. [ORS 294.323(1)(2)]

The budgeting process includes preparation, approval and formal adoption. The final product is the district's financial plan that estimates expenditures and revenues for a fiscal year. By the final day of every fiscal year (June 30), the district's budget for the upcoming year must be finalized.

## **Budget officer**

Oregon law requires a district to designate a budget officer, commonly the superintendent or business manager. The budget officer, working under the direction of the superintendent, creates a draft budget document prior to the first meeting of the district's budget committee. [ORS 294.331]

## **The budget committee**

Every district must set up a budget committee, which is the vehicle that enables the public to participate in the budget process. [ORS 294.414]; ESDs [ORS334.240] After receiving the proposed budget from the budget officer, the committee must hold meetings to examine and possibly revise the document. The committee must then make the revised budget available for public comment. After holding the public hearing, the committee may make additional revisions and hold more public hearings before sending the budget to the district's board for final adoption.

Once the budget committee approves the proposed budget and sends it to the district board, the committee has no authority over the budget until the process begins again for the next budget cycle.

**Budget committee membership**

All district board members must be members of the budget committee plus an equal number of qualified district voters who are appointed by the board. [ORS 294.414(2)] An education service district budget (ESD) committee must include the ESD board and school board members (or designees) from the districts in the ESD boundary. [ORS 334.240]

To be eligible for appointment, a school district budget committee candidate must:

- Not be an officer, employee or agent of the district [ORS 294.414(4)]
- Be a qualified voter of the district [ORS 294.414(2)]

All budget committee members have equal authority and responsibility. Members establish their own operating procedures as a committee.

Committee members may not receive compensation for serving. [ORS 294.414(3)]

If the school district or ESD board is unable to appoint qualified people to vacancies, the budget committee may proceed with a reduced number of members. For example, if a five-member board, after seeking qualified citizens, can fill only three of the five citizen positions, the budget committee can function with eight members rather than 10. A majority would then be five instead of six. [ORS 294.414(2)]

**Term of office**

If the budget committee prepares one-year budgets, the board appoints the citizen members for three-year terms. The terms are staggered so that one-third of the appointed members' terms end every year. [ORS 294.414(5)]

If the budget committee prepares a biennial budget, appointed members serve four-year terms, with the terms staggered so that one-fourth of appointed members' terms end each year. [ORS 294.414(6)]

If an appointed committee member is unable to serve an entire term, the district board must appoint someone to fill the vacancy. [ORS 294.414(7)]

**Budget committee officers**

At its first meeting the budget committee must elect a presiding officer from among its appointed or elected members. [ORS 294.414(9)] It may elect a vice chair, but it is not required.

**Meetings**

Budget committee meetings are open to the public. A majority of committee members must be present to convene a meeting and only budget committee business may be transacted during the meeting. A majority of the committee is required to approve any motion. (A majority is one more than half the committee members.) Approval of any motion requires at least six "yes" votes with a budget committee of 10 members or at least eight "yes" votes with a committee of 14. [ORS 174.130, *Attorney General Opinion 38 (1978), p. 1935*]

The committee must hold at least one meeting to receive the draft budget, the superintendent's budget message and provide the public an opportunity to ask questions and comment. [ORS 294.426]

**Duties, responsibilities**

Notification of the first budget committee meeting must appear in a newspaper of general circulation. Specifically, the budget officer must either (1) publish notice twice in a newspaper not more than 30 days before the meeting, or (2) publish once in the paper not more than 30 days before the meeting and publish on the district's website at least 10 days before the meeting, or (3) mail notice to the members of the public not less than 10 days from the date of the meeting. This notice must state the purpose, time and place of the meeting, where the budget document is available, and that the budget committee will deliberate at the meeting; it must also state that members of the public may ask questions and comment on the budget at a specific time or meeting. **For specific requirements on meeting notification see ORS 294.426(3-5).**

**Budget committee meetings are open to the public.**



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The committee hears the budget message, receives the budget document, hears patrons and announces the time and place for any subsequent meetings. [ORS 294.426]

Minutes of the meetings are kept and made available upon request. The committee reviews the budget as proposed and makes needed changes. Additional committee meetings, which are open to the public, must follow the procedure for public notice required for regular school board meetings. [ORS 294.406; ORS 294.428]

The budget committee may request information for the preparation or revision of the budget document from any district officer or employee. It may request the attendance of any employee at its meetings. Such requests by the budget committee should go through the superintendent or budget officer. [ORS 294.428(3)]

The budget committee does not approve new personnel, employee contracts or salary schedules. Neither does it negotiate salary contracts. The budget committee may request and review previously adopted salary schedules, negotiated contracts and other materials that have a fiscal impact on the budget document. Any deviation from this requirement could cause a liability for the district in regard to negotiated labor agreements and other contracts the district currently has in place.

By the time the budget committee receives the budget message and budget document, many hours of work have been spent developing the proposed budget. The budget officer appointed by the board coordinates these efforts with faculty, staff and other administrators.

The budget committee approves the budget document as submitted by the budget officer or as revised by the committee. The committee recommends a level of spending for the year. It also specifies the property tax amount or rate for all funds in the approved budget.

The budget committee's duties cease after it has approved a proposed budget. The district board holds a final hearing on the budget document. [ORS 294.453] The document presented at this hearing is the budget as recommended by the budget committee. The board may make additional adjustments after the hearing, but not before. However, there are limits to the changes permitted. In a one-year budget, if those changes increase property taxes by any amount or increase expenditures in any fund by more than 10 percent or more than \$5,000 – whichever is greater – the district must republish the budget document and hold another budget hearing. In a biennial budget, if the changes increase property taxes by an amount or increase expenditures in any fund by more than 10 percent or \$10,000 – whichever is greater – the district must republish the budget document and hold another budget hearing. [ORS 294.456]

The board may reconvene the budget committee at a later date if financial conditions in the district change. The board can call this meeting; however,<sup>1</sup> it is not required by law. The board must give public notice in a way similar to the notice given for the first budget committee meeting.

### Budget checklist

- First meeting:
  - Elect presiding officer (required) and vice chair (optional).
  - Establish budget committee procedural rules.
  - Receive budget message and proposed budget.
  - Establish a meeting calendar.
  - Request additional information on budget items.
  - Additional steps:
    - Make sure the budget documents are available to anyone requesting copies.
    - Provide opportunities for district patrons to ask questions and make comments about the proposed budget. This is not a strict requirement for the first meeting; it may occur at any budget committee meeting.





- Final meeting:
  - Approve budget and send it to the district board of directors.
  - Specify the tax amount or rate for each fund imposing a property tax.

**The board of directors' role in the budget committee process**

The school or ESD board of directors is the governing body with the ultimate responsibility for district operations. The board's duties and responsibilities encompass many topics, including, but not limited to:

- Setting operational policy
- Setting district budget goals and adopting the district's budget
- Determining staffing levels
- Negotiating employee contracts
- Appointing committee members
- With specific regard to the budget process, the board is responsible for appointing the citizen budget committee members in accordance with **ORS 294.414(2)** and adopting the district's final budget. [**ORS 294.456**]

**Suggested board activities and timeline for budget process:**

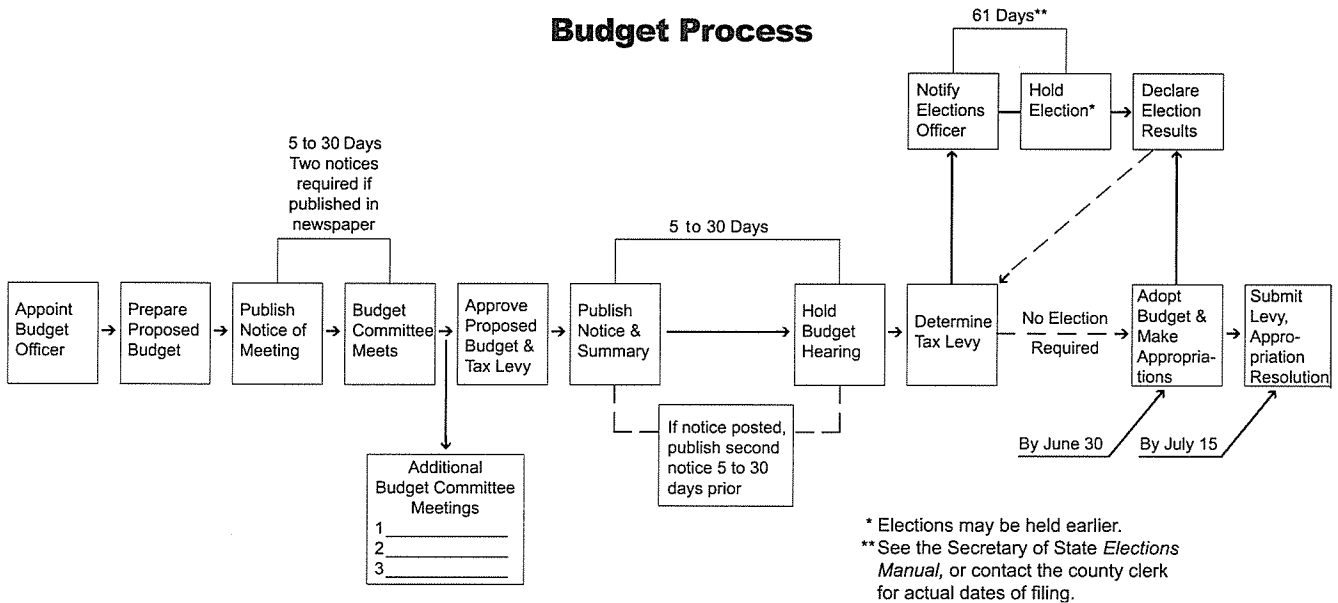
- Designate the budget officer.
- Appoint citizen budget committee members.
- Approve budget calendar.
- Publish required notices.
- Participate in budget committee meetings.
- Hold public hearing on budget committee approved budget.
- Provide citizens with information about the budget.
- No later than June 30, adopt budget, make appropriations, declare and categorize tax levy.
- No later than July 15, certify levy to the county assessor.
- Receive financial reports monthly during the year.
- Make any budget transfers of appropriations which may be required during the year.
- Determine if any supplemental budget is required.
- Review audit (examination of annual financial report) and auditor's comments regarding compliance with legal requirements and Generally Accepted Accounting Principles (GAAP).



### Supplemental budget

By transferring appropriations (allocating money from one fund in the budget to another fund), the district usually has enough flexibility to carry out the programs prescribed in an adopted budget. But occasionally an adopted budget gives no authority to make certain expenditures, or it does not address an instance when revenues are received for which the board had no previous knowledge. In these cases, a supplemental budget may be appropriate to authorize expenditures or spend additional revenues in a current fiscal year.

Oregon budget law does not provide for the involvement of the local budget committee in adopting supplemental budgets. The district board may adopt a supplemental budget at a regular public meeting if it gives prior notice and the expenditures in the supplemental budget are not more than 10 percent of the budget fund being adjusted. If the expenditures are higher, the board must publish the supplemental budget and hold a hearing for this supplemental budget. Public notice must go out not less than five days before the hearing, along with a summary of the changes proposed in the funds that differ by more than 10 percent from the previous budget.



## Frequently asked questions



- What is a budget committee?

*Answer:* The budget committee is a school district's or ESD's fiscal planning advisory committee. It consists of the elected board members and an equal number of qualified district voters appointed by the board.

- Who can serve on a budget committee?

*Answer:* The board may appoint any qualified voter of the district to serve on the budget committee, except school district officers, agents or employees.

- How long do members serve?

*Answer:* Most budget committee members receive appointments for three-year terms. Terms are staggered so that approximately one-third of the terms expire each year. Members may be reappointed for successive terms. If a district adopts a biennial budget, the terms are four years, with one-fourth of the terms expiring each year.

- Are budget committee members paid for their work?

*Answer:* No. Budget committee members may not receive any compensation for their work on the budget. They may be eligible, however, for travel or meal expenses resulting from meetings or other authorized committee functions.

- What is the budget committee's main function?

*Answer:* The budget committee holds a series of public meetings to review, discuss, make additions or deletions, and approve the budget that the district's budget officer proposes. After finishing its deliberations, the budget committee approves the budget and sends it to the district board of directors for final approval. The budget committee also specifies the maximum tax rate or amount for any fund imposing a property tax levy.

- May the budget committee meet and discuss the budget before the first meeting for which public notice is published?

*Answer:* No. If the district releases the proposed budget before the first budget committee meeting, that document is for use by individual budget committee members. The committee should not get together in person, by telephone or via e-mail before the first public meeting to discuss or deliberate on the proposed budget. Any deliberation on the proposed budget must take place at a properly advertised public meeting.

- What sorts of things may the budget committee discuss before the first meeting for which it issues public notice?

*Answer:* The committee may engage in the following activities before the first public meeting:

- Receive training on the budget committee process, calendar, expectations for committee members, etc.
- Discuss committee members' preferences for ground rules, rules of order, conduct of meetings, method of voting / reaching consensus, etc.
- Receive orientation on the district and its various departments or programs and staffing, and on the activities or services that each provides.
- Receive orientation on the budget document, the fund structure and the types of activities or programs and expenditures made from each fund in the budget.
- Discuss the current year budget or prior year budgets.

- What topics must the budget committee *not* discuss before the first meeting?

*Answer:* The budget committee must *not* discuss any of the following matters before the first meeting for which proper public notice occurs:

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

- What happens at the first budget committee meeting?

*Answer:* The budget committee elects officers, receives the budget message, gives citizens an opportunity to comment on the budget, sets dates for future meetings and adopts rules of order. These rules should establish an operating procedure for the review process. The committee may adopt Robert's Rules of Order or establish its own rules.

- What is the budget message?

*Answer:* The budget message explains the budget. It gives the budget committee and the public information that will help them understand the proposed budget. The law says the budget message must contain a brief description of the financial policies reflected in the proposed budget and explain the important features of the budget.

The budget message must also explain significant changes from last year's budget in revenues or appropriations and explain any major changes in financial policies.

- Who prepares the budget message? Who reads it?

*Answer:* The budget message is prepared by or under the direction of the superintendent. It must be in writing so it can become part of the budget committee's records. The superintendent delivers the budget message to the committee at its first meeting.

- What other information is available to the budget committee?

*Answer:* The budget committee may request and receive from any district officer or employee any information it requires during consideration of the proposed budget. The budget committee may also require staff members to attend budget committee meetings. Such requests by the budget committee should be made through the superintendent.

- Who are the budget committee officers?

*Answer:* The law requires only one actual position—the presiding officer. The presiding officer's duties are to chair budget committee meetings. However, the budget committee may elect a vice chair to conduct meetings in the presiding officer's absence.

- What happens at subsequent budget meetings?

*Answer:* Generally, the second meeting and other subsequent meetings take place at least one week after the first meeting. This practice allows members to review the proposed budget document. Committee members may arrange with the superintendent or budget officer to visit schools during this week, ask about specific budget items, request more information or indicate areas of interest the committee should discuss at future meetings. In later meetings, the entire budget receives a thorough review, fund-by-fund and section-by-section.

The committee must take steps to keep accurate minutes of each meeting and approve them at the beginning of the next meeting. The minutes are the official

**The budget message must explain changes from last year's budget.**

record of these meetings. Because state law mandates the budget process, districts need to document that their proceedings comply with the law. The official minutes serve this purpose.

- How many meetings must the budget committee hold?

*Answer:* The number of meetings may vary from year to year. Some district budget committees meet only once. In other school districts, budget committees may need to meet several times. Many varying factors influence how often budget committees meet (e.g., the degree of detail in the budget documents, size of the district, number of separate funds, presentation of the budget and the personalities of committee members).

- May budget committee members ask questions of the superintendent and budget officer between meetings?

*Answer:* Yes. Saving questions for “off-line” is often helpful and courteous to other budget committee members, especially when the formal meeting agenda is full. Checking with the superintendent or budget officer between meetings lets members explore budget items of interest in greater detail. Such questioning also helps the superintendent or budget officer by indicating specific concerns that may be of interest to the entire budget committee.

- May I consult with other budget committee members about details in the budget other than at budget committee meetings?

*Answer:* This is a tricky question. The answer is “yes,” if a majority of committee members is *not* present. If a quorum is on hand for such a discussion, however, the meeting violates Oregon’s public meetings law. Budget committee discussions must take place in a public meeting. Oregon uses the budget committee process to ensure open public involvement and full disclosure of budget deliberations. Circumventing the budget law puts the district and its property tax levy at risk. Remember, all deliberations of the budget committee must be held at a public budget meeting.

- What questions should a budget committee ask about a district’s revenue sources?

*Answer:* The following questions about revenue are critical to the committee’s deliberations:

- *Are expenditure forecasts expected to be within the district’s appropriations?* Budget law requires districts to stay within their appropriations or transfer appropriations prior to making any “over-expenditure.” [ORS 294.450]
- *Are we outspending our current year revenue?* To establish a stable financial plan, districts should not outspend their revenue. If this becomes necessary, however, expenditures should occur as a planned process that recognizes use of reserves is a one-time source of funding.

- Does the budget committee have any other duties?

*Answer:* At the final meeting, the committee approves the budget and establishes the tax levy. Its work is now finished. Frequently, budget committee members offer to help the board and administration in any public meetings or appearances concerning the budget. The administration and the board of directors may also consult the budget committee if financial conditions change.

- After the budget committee approves the budget and recommends it to the board of directors, what action does the board take?

*Answer:* The board of directors must publish a financial summary of the budget that the budget committee developed. The board publishes the first notice of the budget hearing with the financial summary. At the public hearing the board hears citizens’ input on the budget that the budget committee approved. Following the hearing, and no later than June 30, the board must adopt the final

**To establish a stable financial plan, districts should not outspend their revenue.**



## OREGON SCHOOL BOARDS ASSOCIATION

budget, make appropriations, certify the property tax levy rate or amount to the county assessor and categorize the levy.

- When do budget committee members get a copy of the budget?

*Answer:* The budget officer distributes copies of the proposed budget at the first budget committee meeting, when the superintendent presents the budget message. Advanced copies of the budget may go to budget committee members by mail.

- What if the budget committee doesn't agree with the board's changes to the budget?

*Answer:* The board of directors has the right to make changes to the budget that the committee submits. In a one-year budget, however, the amount of the estimated expenditure for each fund may not increase more than 10 percent or \$5,000 (whichever is greater), and the total property tax to be levied may not exceed the amount of the rate shown in the budget (as approved by the budget committee and published with the notice of the budget hearing) unless the district republishes a summary of the revised budget and holds another public hearing. In a biennial budget, if the changes increase property taxes by an amount or increase expenditures in any fund by more than 10 percent or \$10,000 (whichever is greater), the district must republish the budget document and hold another budget hearing.

Budget committee members are free to attend that hearing and voice their opinions of changes made by the board.

- What other information is available to the budget committee?

*Answer:* The budget committee may request any information required during consideration of the proposed budget. A majority of the committee must authorize reports that require time or expense to prepare. Individual members do not have authority to ask staff to prepare documents that have not previously been published. The budget committee may also require attendance of staff members at budget committee meetings.

- May the budget committee establish or delete educational programs or services?

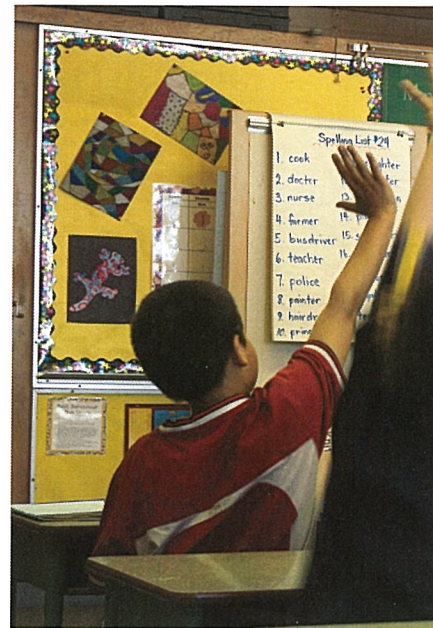
*Answer:* The budget committee's role is not to establish or eliminate specific educational programs or services directly. State standards and the board of directors' budget parameters give the budget officer and administrative staff general guidelines for budget development. The budget officer then prepares a budget that meets state requirements and the board's parameters. It is this proposed budget which the budget committee considers during the meeting. It is possible that the tax levy rate the budget committee sets increases or decreases the district's resources, which may reduce programs or provide funding for additional programs. Public participation at budget committee meetings may influence decisions in either direction.

- What is a supplemental budget?

*Answer:* School districts or ESDs may find it necessary to prepare a supplemental budget. Supplemental budgets are authorized under these circumstances:

- An occurrence, condition or need arises which was not known at the time the budget was adopted.
- Additional funds are made available after the budget was adopted.
- The board wishes to use insurance proceeds for purposes other than replacing buildings or equipment that were involuntarily destroyed.

The procedures for supplemental budgets are the same as those required for the annual budget. These procedures include publishing a notice five to 30 days prior to the board meeting and board approval of the supplemental budget.



- Where can I find the law that governs the creation and operation of the budget committees?

*Answer:* The budget committee is a requirement of Oregon's Local Budget Law. This law appears in the Oregon Revised Statutes (ORS), beginning at **ORS 294.414 for School Districts; ORS 334.240 for ESDs.**

### **Suggested budget committee policy**

District boards must establish budget committees in accordance with the provisions of **ORS 294.414**, and **ORS 334.240 for ESDs.**

The budget committee must consist of all board members and an equal number of members who are qualified district voters appointed by the board. If no qualified voters are willing to serve, the board of directors serves as the budget committee. District officers, agents or employees of the district may not serve as members of the budget committee.

Most appointed budget committee members serve three-year terms. The terms are staggered so that one-third of the terms are appointed each year. If the district adopts a biennial budget, the terms are four years, with one-fourth of the terms expiring each year.

If any appointed member is unable to serve the term for which he/she was appointed, the board must fill the vacancy by appointment for the remainder of the unexpired term. **[ORS 294.336]**

### **SAMPLE LETTER TO PROSPECTIVE BUDGET COMMITTEE APPOINTEES**

Dear \_\_\_\_\_:

Thank you for your interest in serving on the \_\_\_\_\_ District/  
ESD budget committee. To help us make a careful and objective decision, please complete the enclosed candidate information sheet.

The budget committee meetings take place approximately every week during the months of \_\_\_\_\_ and \_\_\_\_\_.

If you have questions about how much time you must commit to service on the budget committee, please contact me or any board member.

Please return this candidate information sheet by \_\_\_\_\_. The board will arrange for personal interviews with all candidates before making a final decision on \_\_\_\_\_.

Your interest is appreciated.

Sincerely,

Board Chair



**Suggested procedure**

When a vacancy occurs on the budget committee, utilize the following procedure:

- The board declares the budget committee position open.
- Issue notice of a vacancy, with the following information:
  - The position number
  - Deadline for receiving applications
  - Person whom applicants should contact, e.g., superintendent
  - Qualifications for holding office
  - Term of appointment
  - Date appointment will occur

The board chair should send a letter to everyone who submits his or her name for consideration. The letter must provide general information about the budget committee. A candidate information sheet also will be sent. The candidate information sheet will be included in the board packet when the selection is made. (See example below)

Interviews will be held with prospective appointees and appointment will be made at a regular or special board meeting.

**SAMPLE INFORMATION SHEET FOR BUDGET COMMITTEE CANDIDATE**

Please fill out and return by \_\_\_\_\_ to the school district/ESD administrative office, (address).

\_\_\_\_\_ Last Name      \_\_\_\_\_ First Name      \_\_\_\_\_ Initial      \_\_\_\_\_ Date

Business address \_\_\_\_\_

Business telephone \_\_\_\_\_

Home address \_\_\_\_\_

Home telephone \_\_\_\_\_

Occupation \_\_\_\_\_

Number of years in district/ESD region \_\_\_\_\_

Schools attended \_\_\_\_\_

Do you have children in the school district or ESD region? \_\_\_\_\_

Which schools? \_\_\_\_\_

Have you worked on any school or ESD committees? \_\_\_\_\_

If so, which committees? \_\_\_\_\_

Precinct where you are registered to vote \_\_\_\_\_

Other community or business activities \_\_\_\_\_

What qualifications do you have that will help you to be a member of the budget committee? \_\_\_\_\_

\_\_\_\_\_  
\_\_\_\_\_

**Adopted budget:** The financial plan adopted by the district board of directors. The adopted budget forms a basis for appropriations.

**Appropriation:** An authorization for spending specific amounts of money for specific purposes during specific periods of time, based on an adopted budget, and presented in a resolution or ordinance adopted by the district board.

**Assessed value:** The taxable value of real or personal property.

**Associated payroll costs:** Amounts of money the district pays on behalf of its employees. These amounts are not part of “gross salary,” but are in addition to it. While not paid directly to employees, such payments are still part of the cost of salaries and benefits. The following are examples of associated payroll costs:

- Group health or life insurance
- Contributions to Public Employees Retirement System
- Social security (FICA)
- Workers’ compensation
- Unemployment insurance

**Biennial budget:** A budget adopted for a 24-month period beginning July 1 and ending June 30 of the next two succeeding calendar years.

**Budget:** A written report showing the district’s comprehensive financial plan for one fiscal year. Districts have the option of budgeting for a two-year period. These budgets must show actual revenues and expenditures for each of the past two budget periods. They also provide estimates for the current and upcoming budget periods. Budgets must include a balanced statement of actual revenues and expenditures during each of the past two years, estimated revenues and expenditures for the current and upcoming years.

**Budget committee:** The school district’s or ESD’s fiscal planning body, consisting of the board of directors and an equal number of qualified voters from the district.

**Budget message:** The written explanation of the budget and district’s financial priorities (usually prepared by the superintendent).

**Budget officer:** The board’s appointee who assembles budget material and prepares the proposed budget.

**Capital outlay:** Money spent on items that generally have a useful life of one or more years (e.g., machinery, land, furniture, equipment or buildings).

**Contingency :** Money allocated for use in cases of emergency or to cover unforeseen expenditures. Boards must take action to approve expenditures of these funds in specific budget areas.

**Expenditures:** Total amount incurred if accounts are kept on an accrual basis; total amount paid if accounts are kept on a cash basis.

**Fiscal year:** The 12-month period that begins on July 1 and ends on the following June 30.

**Fund:** A division in a budget that segregates independent fiscal and accounting requirements; an entity within a district’s financial plan designated to carry on specific activities or to reach certain objectives.

**Permanent tax rate:** A district’s property tax rate limit for operating purposes.

# Glossary



OREGON SCHOOL BOARDS ASSOCIATION

**Program:** A group of related activities that accomplish a major service or function for which the district board is responsible.

**Proposed budget:** The financial and operating plan prepared by the budget officer and submitted to the public and budget committee for review.

**Reserve Fund:** A fund established to accumulate money from one fiscal year to the next for a specific purpose.

**Resolution:** A written motion for enactment by a board or committee, which contains background and the reasons behind the action of the body.

**Resources:** The estimated fund balances on hand at the beginning of the budget period, plus all anticipated revenues.

**Revenues:** Monies received or anticipated by a district board from taxes or non-tax sources.

**State School Fund:** The major appropriation of state funding for public elementary and secondary schools. This fund consists of state money appropriated for distribution to school districts and ESDs according to a formula adopted by the legislature.

**Supplemental budget:** A budget the board of directors prepares to meet unexpected needs or to spend revenues not anticipated at the time the regular budget was adopted. A supplemental budget cannot be used to increase a tax levy.

**Tax levy:** The amount of property taxes required to pay general obligation bonded indebtedness or, for certain taxing districts, the amount of a local option tax voters approve for a specific purpose.

**Transfers:** Amounts distributed from one fund to finance activities in another fund, shown as an expenditure in the originating fund and revenue in the receiving fund.

**Unappropriated ending fund balance:** Amount set aside in the budget to be used as cash carryover to the next year's budget. This balance provides the local government with needed cash flow until other money is received. This amount cannot be transferred by resolution or used through a supplemental budget during the fiscal year in which it is budgeted.

**A supplemental budget cannot be used to increase a tax levy.**

For more information about the budget process, visit OSBA's website and see Resources: Budget and Finance, or go to:  
[http://www.osba.org/Resources/Article/Budget\\_and\\_Finance/Budget\\_committee\\_process.aspx](http://www.osba.org/Resources/Article/Budget_and_Finance/Budget_committee_process.aspx)

Or contact:

Oregon School Boards Association  
P.O. Box 1068, Salem, OR 97308-1068  
1201 Court St. NE, Suite 400, Salem, OR 97301-4188  
503-588-2800 or 800-578-6722  
[www.osba.org](http://www.osba.org)

You may also direct questions on the budget committee process to:

Oregon Department of Revenue  
Assessment and Taxation  
Standards Section  
P.O. Box 14380  
Salem, OR 97309-5075  
Phone: 503-945-8293  
Fax: 503-945-873

# Budget Committee h a n d b o o k

Purchase the *Budget Committee Handbook* from OSBA for \$3.00 per copy, or \$2.50 each for 10 or more copies.

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Oregon School Boards Association

PO Box 1068, Salem, OR 97308

(503) 588-2800 or 1-800-578-OSBA

[www.osba.org](http://www.osba.org)

#### 4. Overview of Budget Process



**Alsea School District 7J  
Board Recommendation Form**

**To:** The Board of Directors of Alsea School District  
**Prepared By:** Don Staehley, Business Manager  
**Date:** January 10, 2023

**Background:**

State law requires each school district and its board of directors to adopt and publish a budget calendar for the review, approval and adoption of the next fiscal year's budget.

**Action Requested:**

To approve the dates (and meeting times) on the budget calendar.

**Motion Requested:**

"I move to approve the 2024 – 2025 Proposed Budget Calendar."





# ALSEA SCHOOL DISTRICT 7J

PO Box B \* Alsea, Oregon 97324 \* 541-487-4305 \* Fax 541-487-4089

[www.alsea.k12.or.us](http://www.alsea.k12.or.us)

## **2024 – 2025 PROPOSED BUDGET CALENDAR**

Wednesday, January 10, 2024	Approval of 2024 – 2025 Budget Calendar Announce Budget Committee Vacancies – Advertise on Website, Facebook, and Email
Wednesday, January 17, 2024	School Board Budget Workshop
Thursday March 14, 2024	School Board fills all Budget Committee Vacancies by Appointment
Friday, March 29, 2024	Publish Notice of Budget Committee Meeting
Tuesday, April 16, 2024	Proposed Budget Document Due
Tuesday, April 23, 2024	Budget Committee Training (5pm) Budget Committee Meeting #1 (6pm)
Friday, April 26, 2024	Second Publish Notice of Budget Committee Meeting
Tuesday, May 21, 2024	Budget Committee Meeting #2 / Budget Approval (6pm)
Tuesday, May 28, 2024	Budget Committee Meeting #3 (only if needed) / Budget Approval (6pm)
Friday, June 7, 2024	Publish Budget Financial Summary and Notice of Budget Hearing (ORS 294.441(2))
Thursday, June 13, 2024	Public Hearing on Budget before Regular School Board Meeting (6:30pm) <ul style="list-style-type: none"><li>• Consider public testimony from budget hearing</li><li>• Adopt Budget</li><li>• Levy Taxes</li><li>• Make Appropriations for the FY 2024 – 2025 Budget</li></ul> Regular School Board Meeting (7pm)
Monday, July 15, 2024	Submit Notice of Property Tax Levy to County Assessors

a. Account Overview

## ACCOUNT OVERVIEW

School Districts and Education Service Districts in Oregon use the Program Budgeting and Accounting Manual established by the Oregon Department of Education. The revenues and expenditures are accounted for in separate units called Funds. Each fund is a self-balancing set of accounts that shows its assets, liabilities, reserves, fund balances, revenues and expenditures.

### General Fund – 100

The General Fund is the general operation of the School District, except those required to be recorded in other funds. The majority of the revenue in the current fiscal year is represented by local taxes, state revenue and available beginning net working capital.

### Special Revenue Fund – 200

The Special Revenue Fund account is for various restricted used grants from the federal government and specific purpose projects. Included in this fund are Title 1, IDEA (special education), Student Investment Account (SIA), Food Service, Student body Funds, Bus Replacement and other grants and contracts that are outlined in the Summary of Special Revenue Fund.

### Debt Service Fund – 300

The Debt Service Funds account for the accumulation of resources for, and the payment of, general long-term debt, principal, and interest.

### Capital Projects Fund – 400

The Capital Projects Funds account for financial resources used to acquire or construct major capital facilities.

Function describes the type of activity that is carried out. They provide program and service area information. These are broken out into 7 major functions.

**1000 Instruction**

Activities dealing directly with the teaching of students, or the interaction between teacher and students.

**2000 Supporting Services**

Services which provide administrative, technical, personal (such as guidance and health), and logistical support to facilitate and enhance instruction.

**3000 Enterprise and Community Services**

Activities which provide services to or interaction with the greater community and are indirectly related to the education of pupils.

**4000 Facilities Acquisition and Construction**

Activities concerned with the acquisition of land and buildings or major renovation and repair.

**5000 Debt Service and Transfers**

Activities that service the debt of the District and transfers from one fund to another fund within the district.

**6000 Contingency**

Expenditures which cannot be foreseen and planned in the budget process which can only be expended by Board resolution.

**7000 Unappropriated Ending Fund Balance**

An estimate of funds needed to maintain operations of the school district from July 1 of the ensuing fiscal year, and the time when sufficient new revenues become available to meet cash flow needs of the fund. No expenditure shall be made from the unappropriated ending fund balance in the year in which it is budgeted.

Expenditures are also divided into specific categories to define the service or commodity bought. These categories are also divided into objects for more detailed accounting.

- 100 Salaries** – The gross salaried amounts paid to employees of the District who are considered to be in positions of a permanent nature or hired temporarily, including personnel substituting for those in permanent positions.
- 200 Employee Benefits** – Amounts paid by the District on behalf of employees. Such payments include group health insurance, contributions to employee retirement, social security, workers compensation, and unemployment insurance.
- 300 Purchased Services** – Amounts paid for personal services rendered by personnel who are not on the payroll of the District, and other services which the District may purchase, with the primary reason for the purchase is the service provided.
- 400 Supplies and Materials** – Amounts paid for material items of an expendable nature that are consumed, worn out, or deteriorated by use; or items that lose their identity through fabrication or incorporation into different or more complex units or substances.
- 500 Capital Outlay** – Expenditures for the acquisition of fixed assets or additions to fixed assets. They are expenditures for land or existing buildings; improvement of grounds; construction of buildings, additions to buildings; remodeling of buildings; initial equipment; additional equipment; and replacement of equipment.
- 600 Other Objects** – Amounts paid for goods and services not otherwise classified above. This includes expenditures for the retirement of debt, the payment of interest on debt, and the payment of dues and fees.
- 700 Transfers** – This object does not represent a purchase; rather it is used as an accounting entity to show that funds have been handled without having goods and services rendered in return. Included here are transactions for interchanging money from one fund to the other and for transmitting flow through funds to the recipient.

b. Fund Descriptions

## **FUND DESCRIPTIONS**

### **Integrated Guidance Funds**

226 Early Indicator Intervention - Identify strengths, assets, and areas to support individual students.

248 Federal School Improvement Funds - Increase academic achievement.

251 Student Investment Account (SIA) - Meet Mental Health/Behavioral Needs, reduce academic disparities and increase academic achievement.

252 High School Success - Increase graduation rates and ensure graduates are ready for their next step.

### **Title Funds - Federal funds to supplement instructional efforts of a school district.**

210 Title I-A - Provides all children an opportunity to receive a fair, equitable, and high-quality education. The amounts come from SAIPE and number of children in poverty.

220 Title II - Moved into Title IV funds.

220 – Title IV - Student Support and Academic Enrichment

### **Youth Transition Program Funds**

207 – YTP - Youth Transition Program for students who qualify for IEPs.

### **Individuals with Disabilities Education Act (IDEA) Funds**

210 IDEA Part B Sec 611 - supports IEP eligible children aged 3 through 21.

216 IDEA Part B Sec 619 - supports IEP eligible children aged 3 through 5.



### **Capital Projects Funds**

230/232– Elementary and Secondary School Emergency Relief (ESSER) Fund - Federal funds to support approved capital projects and student enrichment programs.

400 – Capital Reserve - funds available for capital projects with Board approval

410 – Oregon School Capital Improvement Matching (OSCIM) - State matching funds to supplement the General Obligation Bond issued 4/13/2021 for approved capital projects, e.g. HVAC, Electrical upgrade, and CTE building.

### **Other Non-General Funds**

200 – Donations - funds donated to the district for specific purposes, including scholarships

257 – Baseball/Softball Program - funds donated in 2020 to support the district baseball and softball programs.

259 – Student Activities - funds generated by student activities for the specific purposes and controlled by the student groups or designee.

267 Tap - Asbestos Assessment - state funds to support the district's asbestos management and testing program.

268 E-rate Program - Federal funds through Schools and Library Program to support the purchase of technology to the classroom.

272 Tap – Seismic - state funds to upgrade district facilities to meet federal and state seismic requirements.

290 – Bus Reserve - state and district funds for the purpose of purchasing district buses. The district is required to fund the reserve at a minimum, the state school fund reimbursement amount for the bus fleet depreciation approved by the Oregon Department of Education

299 – Food Reserve Fund - accounts for the district's nutritional program. Revenue sources are provided by United States Department of Agriculture, federal and state grants, adult sales, and an annual transfer from the General Fund

300 – Debt Service - accounts for the annual tax levy and payment of principal and interest on the General Obligation Bond issued 4/13/2021.

## 5. State School Fund (SSF) Overview

# School Finance: Formula Revenue Distribution

Senate Committee on Finance and Revenue

Presented by

Legislative Revenue Office

State of Oregon

Legislative Revenue Office

May 2023



# Operating Revenue of K-12 Public Education

- **The revenue for operating expenditures** of K-12 public education in Oregon has been primarily funded through a **combination of state and local resources**
- This combined revenue is often called the **formula revenue**\*
- **The relative shares** between state and local revenue resources **have shifted over time**, primarily in response to Measure 5 (1990) and Measure 50 (1997).

\*Formula Revenue is not a statutory language





# Sources and Distribution

- I. Background Information and Big Picture**
- II. Sources of Formula Revenue**
- III. About Formula: Fundamentals of Formula Revenue Distribution – commonly referred to as State School Fund Distribution**
- IV. A Hypothetical Case Study: Property Tax Exemption and Formula Revenue**
  
- V. A Primer on Local Option Property Tax**





# I. Background and Big Picture

- **Operationally**
- **Distribution Charts 2019-23**
- **Big Picture**





# Operationally

- **Revenue Available = State School Fund + Local Revenues of School Districts and Education Service Districts**
- **Shares: After carve-outs/set-asides from the top, School Districts (SD) receive 95.5%, Education Service Districts (ESD) 4.5%**
- **Within SD and ESD shares, there are statutorily defined grants and distributions**







# The Distribution Chart (Example: 2021-23 Distribution\*)

## **SB 5514 (2021)\*\***

[61176 \(oregonlegislature.gov\)](https://legislature.oregon.gov/bills/2021/61176)

\*Estimate as of May 12, 2021

\*\*Later in the session, **HB 5006 (2021)** adjusted appropriations to the State School Fund (SSF) to align with the total amount in SB 5514 as enrolled. **HB 5202 (2022)** further changed the composition of the SSF. The net impact of these changes is to maintain the SSF appropriation of \$9.3 billion for FY 2021-23.





# Big Picture I

**State School Fund + Local Revenue = \$ available for SDs and ESDs**

**(-) Carve-Outs/Set-Asides off the top**

- Small High School Grants
- Talented and Gifted; Speech Pathology
- Virtual School District
- Educator Advancement Fund (EAF)
- Long Term Care and Treatment; Pediatric Nursing Facility; State School
- Office of School Facilities; Healthy School; Feminine Hygiene Products
- English Language Learner; No Charge School Lunch
- Local Option Equalization Grant
- Reserves\* and Others

**= Formula Revenue to be distributed to SDs and ESDs (100%)** (continued)

\* Reserves will be eventually distributed according to formula





# Big Picture II

## **(1) School Districts (95.5%)**

(-) School District Share of EAF

(-) High Cost Disabilities Grant

(-) Facility Grant

**= General Purpose Grant + Transportation Grant to SDs**

(-) Transportation Grant

**= General Purpose Grant** (*ADMw and teacher experience factor come into play*)

## **(2) Education Service Districts (4.5%)**

(-) 10th Grade Assessment

(-) ESD Share of EAF

**= Formula Revenue available for distribution to ESDs**





# In One Big Picture

**State School Fund + Local Revenue = \$ available for SDs and ESDs**

**(-) Carve-Outs and Set-Asides off the top**

- Small High School Grants
- Talented and Gifted; Speech Pathology
- Virtual School District
- Educator Advancement Fund (EAF)
- Long Term Care and Treatment; Pediatric Nursing Facility; State School
- Office of School Facilities; Healthy School; Feminine Hygiene Products
- English Language Learner; No Charge School Lunch
- Local Option Equalization Grant
- Reserves\* and Others

**= Formula Revenue to be distributed to SDs and ESDs (100%)** (continued)

\* Reserves will be eventually distributed according to formula

**(1) School Districts (95.5%)**

- (-) School District Share of EAF
- (-) High Cost Disabilities Grant
- (-) Facility Grant
- (-) Transportation Grant

**= Formula Revenue remaining for distribution to SDs**

**= General Purpose Grant**

**(2) Education Service Districts (4.5%)**

- (-) 10th Grade Assessment
- (-) ESD Share of EAF

**= Formula Revenue available for distribution to ESDs**





## II. Sources of Formula Revenue: State and Local

- **State School Fund (SSF) – State contribution/support (mostly GF)**
- **Local Revenues – Local contribution (over 95% property taxes)**
- **Roughly 2/3 of formula revenue come from SSF, and 1/3 from Local Revenues**
- **For the 2021-23 school years**
  - **SSF = \$9.30 billion**
  - **Local Revenues (estimate\*) = \$4.6 billion**
  - **Total Formula Revenue = SSF + Local Revenues = \$13.9 billion**

**\*As of Feb 2021. Since then, revised up. Property taxes came in higher than forecast.**





# State School Fund (SSF)

- **General Fund**
- **Lottery Resources**
- **Marijuana Tax Revenue**
- **Transfer from the Fund for Student Success**





# Local Revenues

## **ORS 327.011 explicitly lists local revenues for SDs for the purpose of SSF distributions**

- **Permanent rate based property tax revenue (over 95% of total)**
- **Other sources: Common School Fund distribution, county school fund and state timber sales revenue from state managed forestlands, occasional federal funds without specific application, and not deemed non-supplantable under federal law, moneys in lieu of property taxes, local option property taxes above statutorily allowed limits**

**Note: ORS 327.019 defines local revenues for an ESD – permanent rate based property tax revenue and state timber sales revenue, among other things**







# Local Revenue Forecast (FY 2023-25)

	March 2022 Forecast			March 2023 Forecast		
	2023-24	2024-25	2023-25	2023-24	2024-25	2023-25
<b>School Districts (A)</b>						
<b>Total Available Local Revenue</b>	2,317,593,056	2,397,109,767	4,714,702,823	2,362,259,792	2,458,137,041	<b>4,820,396,833</b>
<b>Net Property Taxes</b>	2,211,067,812	2,288,630,185	4,499,697,997	2,246,791,437	2,341,366,677	4,588,158,114
Property Taxes	2,247,627,076	2,326,294,023	4,573,921,099	2,284,414,405	2,380,359,810	4,664,774,214
Excluded from Formula	-36,559,264	-37,663,838	-74,223,102	-37,622,968	-38,993,132	-76,616,100
<b>Other Revenues</b>	106,525,244	108,479,582	215,004,826	115,468,355	116,770,364	232,238,719
Common School Fund	75,060,327	76,904,806	151,965,133	74,168,181	75,102,671	149,270,852
County School Fund	8,463,140	8,496,992	16,960,132	13,815,040	13,951,160	27,766,200
State Timber & Misc	19,001,777	19,077,784	38,079,561	23,485,134	23,716,533	47,201,667
ESD Equalization Sharing	4,000,000	4,000,000	8,000,000	4,000,000	4,000,000	8,000,000
<b>Education Service Districts (B)</b>						
<b>Total Available Local Revenue</b>	155,374,364	160,935,156	316,309,520	158,236,947	165,030,838	<b>323,267,785</b>
<b>Net Property Taxes</b>	158,815,959	164,374,517	323,190,476	161,612,895	168,400,637	330,013,532
<b>Other Revenues</b>	-3,441,595	-3,439,361	-6,880,956	-3,375,948	-3,369,799	-6,745,747
State Timber	558,405	560,639	1,119,044	624,052	630,201	1,254,253
ESD Equalization Sharing	-4,000,000	-4,000,000	-8,000,000	-4,000,000	-4,000,000	-8,000,000
<b>Total Available Local Revenue (A+B)</b>	<b>2,472,967,420</b>	<b>2,558,044,923</b>	<b>5,031,012,343</b>	<b>2,520,496,739</b>	<b>2,623,167,879</b>	<b>5,143,664,618</b>





# A Closer Look into School District Property Taxes

(Imposed, \$1,000): FY 2021-22\*

District Type	Permanent Authority			Local Option			Bonds		
	FY 20-21	FY 21-22	% CH	FY 20-21	FY 21-22	% CH	FY 20-21	FY 21-22	% CH
County	1,098,335	1,148,164	4.5	147,517	157,109	6.5	17,097	70,390	311.7
City	1,220,024	1,274,138	4.4	103,036	154,864	50.3	100,874	101,804	0.9
<b>School</b>	<b>2,060,872</b>	<b>2,150,896</b>	<b>4.4</b>	<b>239,734</b>	<b>253,193</b>	<b>5.6</b>	<b>816,814</b>	<b>822,901</b>	<b>0.7</b>
<b>Education Service</b>	<b>145,629</b>	<b>151,981</b>	<b>4.4</b>	<b>0</b>	<b>0</b>	<b>0.0</b>	<b>0</b>	<b>0</b>	<b>0.0</b>
Community College	201,322	209,916	4.3	0	0	0.0	106,237	107,925	1.6
Cemetery	3,310	3,469	4.8	0	65	0.0	0	0	0.0
Fire	368,530	383,531	4.1	60,997	66,965	9.8	23,480	23,551	0.3
Health	35,006	36,831	5.2	5,268	5,197	-1.4	5,525	4,794	-13.2
Park	95,010	99,125	4.3	1,538	1,558	1.3	15,099	15,652	3.7
Port	22,917	23,868	4.2	0	0	0.0	963	1,153	19.8
Road	13,520	13,958	3.2	152	158	3.8	8	8	0.0
Sanitary	1,315	1,390	5.7	0	0	0.0	1,404	1,403	0.0
Water Supply	3,078	3,148	2.3	1,315	1,361	3.5	1,409	1,403	-0.4
Water Control	20,533	26,059	26.9	0	0	0.0	284	300	5.9
Vector Control	5,365	5,630	4.9	1,948	2,063	5.9	0	0	0.0
Service	46,262	48,340	4.5	17,394	18,039	3.7	75,041	75,465	0.6
Other	263,454	274,925	4.4	19,219	19,741	2.7	0	12,553	0.0
<b>Statewide Total</b>	<b>5,604,481</b>	<b>5,855,369</b>	<b>4.5</b>	<b>598,120</b>	<b>680,313</b>	<b>13.7</b>	<b>1,164,234</b>	<b>1,239,303</b>	<b>6.4</b>





# Imposed Property Taxes: School Districts

(\$ million)

<b>FY</b>	<b>Permanent Rate</b>	<b>% ch</b>	<b>Local Option</b>	<b>% ch</b>
<b>2011-12</b>	<b>1,438.9</b>	<b>1.9%</b>	<b>94.8</b>	<b>11.2%</b>
<b>2012-13</b>	<b>1,457.7</b>	<b>1.3%</b>	<b>86.9</b>	<b>-8.3%</b>
<b>2013-14</b>	<b>1,504.1</b>	<b>3.2%</b>	<b>113.2</b>	<b>30.3%</b>
<b>2014-15</b>	<b>1,581.1</b>	<b>5.1%</b>	<b>134.1</b>	<b>18.5%</b>
<b>2015-16</b>	<b>1,658.0</b>	<b>4.9%</b>	<b>155.4</b>	<b>15.9%</b>
<b>1016-17</b>	<b>1,729.1</b>	<b>4.3%</b>	<b>170.4</b>	<b>9.7%</b>
<b>2017-18</b>	<b>1,809.8</b>	<b>4.7%</b>	<b>185.8</b>	<b>9.0%</b>
<b>2018-19</b>	<b>1,883.9</b>	<b>4.1%</b>	<b>200.1</b>	<b>7.7%</b>
<b>2019-20</b>	<b>1,969.1</b>	<b>4.5%</b>	<b>229.8</b>	<b>14.8%</b>
<b>2020-21</b>	<b>2,060.9</b>	<b>4.7%</b>	<b>239.7</b>	<b>4.3%</b>
<b>2021-22</b>	<b>2,150.9</b>	<b>4.4%</b>	<b>253.2</b>	<b>5.6%</b>
<b>2022-23*</b>	<b>2,258.3</b>	<b>5.0%</b>		
Source: Oregon Dept of Revenue				
*preliminary				





## III. About Distribution Formula

- **Mechanics**
- **What the Formula Is and Is Not About**
- **Distribution Principles**
- **Formula Revenue distributed to a school district = General Purpose Grant + Transportation Grant + High Cost Disabilities Grant + Facility Grant**
- **Some Terms in the Formula**
- **Weight and Cost Factors in the Formula**





# SSF Distribution to Districts: Mechanics

- **Formula revenues to districts are determined (using formula, of course)**
- **Districts keep their local revenues in their accounts**
- **For a school district (SD),**
  - **If apportioned formula revenue  $>$  its local revenue, the district receives the difference from the state**
  - **An example: Salem-Keizer SD (details later)**
    - **Total formula grants = \$469.6 million**
    - **Local Revenue = \$91.6 million**
    - **SSF = \$469.6 mil - \$91.6 mil = \$378.0 mil**

**Note:** If apportioned formula revenue  $\leq$  local revenue, no additional money to the district; district keeps the difference (i.e., keeps the excess local revenue)





# What Formula Is or Is Not About

- **Not about general cost reimbursement**
- **Not about revenue entitlement per student**
- **Not about funding adequacy or stability**
- **Not about outcomes or achievements**
- **Not about program quality or accountability**
- **About Quantifying Relative Need of Districts for Funding, Given Student Demographics and School/District Characteristics**





# SSF Distribution: Principles

- **Share school funding sources statewide - Allocate all state and local operating revenue combined**
- **Let each district decide how to spend its allocation - Give state aid in lump sum, not categorical grants**
- **Adjust funding only for uncontrollable cost differences - Justify revenue differences in a rational manner**
- **Avoid incentives to increase district allocation - Minimize classifications and set limits**





# Some Terms in Formula

- **ADM - Average daily membership (ORS 327.006 and Rules by State Board of Education)**
- **ADMw - ADM adjusted by student demographics and/or district characteristics**
- **Extended ADMw - Higher of current or prior year ADMw to alleviate financial burden of a district in coping with sometimes abrupt change in ADM and associated ADMw**





# Factors in Formula

- **Student Demographics and School/District Characteristics**
  - Individualized Education Plan (or special education) and At Risk
  - Grades and School
  - Teacher Experience relative to the state average
- **Transportation Costs**
- **High Cost Disability Students**
- **New Facility Costs**







Formula Revenue distributed to a school district =  
General Purpose Grant + Transportation Grant + High  
Cost Disabilities Grant + Facility Grant

- **Formula Grants based NOT on ADMw**
  - **Transportation Grant**
  - **High Cost Disabilities Grant**
  - **Facility Grant**
- **General Purpose Grant**
  - **\$4,500 (or Target Grant)**
  - **ADMw (Student Demographics and School/District Characteristics)**
  - **Teacher Experience**
  - **Balance Ratio (or Percentage)**





# Grants Not Dependent on ADMw

- **Transportation Grant** - 70% to 90% of approved transportation costs (depending on district's approved cost per ADM)
- **High Cost Disabilities Grant** – Up to district's sum of approved costs above \$30,000 per disability student; limited to \$55 million per year; prorated if statewide costs exceed the limit
- **Facility Grant** – Up to 8% of district's new buildings-related costs; limited to \$3 million per biennium in 21-23; prorated if statewide costs exceed the limit





# General Purpose Grant

- **Equals Weighted Students multiplied by (\$4,500 + teacher experience adjustment), balanced to available formula revenue for distribution, or**

$$\left[ \text{ADMw Extended} \times \left[ \$4,500 + \text{Teacher Experience Adjustment} \right] \right] \times \text{Balance Ratio}$$

- A change in the way a weight is assigned, or a change in a set-aside, or a change in the application of the distribution formula, among other things, will impact the General Purpose Grant distributions.
- Impact on school district funding is often discussed in terms of **a change in \$ per ADMw for the General Purpose Grant for each school district.**





# Student Demographics: IEP and At Risk

**Each student has One Weight** to begin with

	<b>Additional Weight</b>
Individualized education program (IEP)	1.00
English language learner (ELL)	0.50
Students in poverty	0.25
Neglected and delinquent	0.25
Students in foster homes	0.25
Pregnant and parenting	1.00





# School and District Characteristics: Grades and School

	<b>Weight</b>	<b>or</b>	<b>Additional Weight</b>
Elementary district students	0.90		- 0.1
Union High district students	1.20		+ 0.2
Remote small elementary schools (K-8)	Varies		
Small high schools (9-12)	Varies		





# Summary: SSF Distribution to School Districts

## Equals

**General Purpose Grant** (using extended ADMw)

+ **Transportation Grant** (reimbursed at 70-90%)

+ **High Cost Disabilities Grant** (up to district's sum of approved costs above \$30,000 per disability student)

+ **Facility Grant** (up to 8% of district's new buildings-related costs)





# An Example\*: Salem-Keizer SD 24J (2021-22)

- **Local revenue = \$91.6 million**
- **Extended ADMw = 49,724 (ADM = 38,701), Teacher experience adjustment = - 0.71**
- **General Purpose grant = \$451.2 million, Transportation grant = \$13.7 million, High Cost Disabilities grant = \$4.7 million**
- **SSF Distribution to SD 24J =  $(451.2+13.7+4.7) - 91.6$   
= \$378.0 million**

\*Estimates (Data Source - LRO, ODE)





# VI. A Hypothetical Case Study: Property Tax Exemption and Its Impact on Formula Revenue

- Statewide Property Tax Data
- Assumptions
- A concrete example using Five School Districts and their data on ADMw, Local Revenues and General Purpose (GP) Grants (21-22 school year); Other Grants Are Not Impacted
- The analysis will show that a property tax exemption leads to
  - A reduction in formula revenue (due to less local revenues)
  - A similar decline in \$ per ADMw for all school districts including the school district in the area where the exemption is made available
  - Local revenue share out of GP Grant could change substantially for the school district but not much for the other districts combined or the state







# SD and ESD Permanent Rate Based Taxes out of Total Property Taxes (Imposed, 21-22)

**Table 2.2 Tax Imposed from FY 2020-21 and 2021-22  
by Category of Tax and Type of District (Thousands of Dollars)**

District Type	Permanent Authority			Local Option			Gap Bonds			Bonds			Total		
	FY 2020-21	FY 2021-22	% CH	FY 2020-21	FY 2021-22	% CH	FY 2020-21	FY 2021-22	% CH	FY 2020-21	FY 2021-22	% CH	FY 2020-21	FY 2021-22	% CH
County	1,098,335	1,148,164	4.5%	147,517	157,268	6.6%	0	0	0.0%	17,097	70,390	311.7%	1,262,949	1,375,822	8.9%
City	1,220,024	1,274,138	4.4%	103,036	154,864	50.3%	173,322	199,938	15.4%	100,874	101,804	0.9%	1,597,257	1,730,744	8.4%
<b>School</b>	2,060,872	<b>2,150,896</b>	4.4%	239,734	253,193	5.6%	0	0	0.0%	816,814	822,901	0.7%	3,117,420	3,226,991	3.5%
<b>Education Service</b>	145,629	<b>151,981</b>	4.4%	0	0	0.0%	0	0	0.0%	0	0	0.0%	145,629	151,981	4.4%
Community College	201,322	209,916	4.3%	0	0	0.0%	0	0	0.0%	106,237	107,925	1.6%	307,559	317,840	3.3%
Cemetery	3,310	3,469	4.8%	0	65	0.0%	0	0	0.0%	0	0	0.0%	3,310	3,534	6.7%
Fire	368,530	383,531	4.1%	60,997	66,965	9.8%	0	0	0.0%	23,480	23,551	0.3%	453,007	474,048	4.6%
Health	35,006	36,831	5.2%	5,268	5,197	-1.4%	0	0	0.0%	5,525	4,794	-13.2%	45,800	46,822	2.2%
Park	95,010	99,125	4.3%	1,538	1,558	1.3%	0	0	0.0%	15,099	15,652	3.7%	111,647	116,335	4.2%
Port	22,917	23,868	4.2%	0	0	0.0%	0	0	0.0%	963	1,153	19.8%	23,879	25,021	4.8%
Road	13,520	13,958	3.2%	152	158	3.8%	0	0	0.0%	8	8	0.0%	13,680	14,124	3.2%
Sanitary	1,315	1,390	5.7%	0	0	0.0%	0	0	0.0%	1,404	1,403	0.0%	2,719	2,793	2.7%
Water Supply	3,078	3,148	2.3%	1,315	1,361	3.5%	0	0	0.0%	1,409	1,403	-0.4%	5,802	5,913	1.9%
Water Control	20,533	23,638	15.1%	0	0	0.0%	0	0	0.0%	284	300	5.9%	20,817	23,938	15.0%
Vector Control	5,365	5,630	4.9%	1,948	2,063	5.9%	0	0	0.0%	0	0	0.0%	7,314	7,693	5.2%
Service	46,262	48,340	4.5%	17,394	18,039	3.7%	0	0	0.0%	75,041	75,465	0.6%	138,696	141,843	2.3%
Other	263,454	274,765	4.3%	19,219	19,741	2.7%	0	0	0.0%	0	12,553	0.0%	282,672	307,060	8.6%
<b>Statewide Total</b>	<b>5,604,481</b>	<b>5,852,788</b>	<b>4.4%</b>	<b>598,120</b>	<b>680,472</b>	<b>13.8%</b>	<b>173,322</b>	<b>199,938</b>	<b>15.4%</b>	<b>1,164,234</b>	<b>1,239,303</b>	<b>6.4%</b>	<b>7,540,158</b>	<b>7,972,502</b>	<b>5.7%</b>

Notes: This table does not include property taxes for urban renewal.

The category "Other" includes taxing districts such as library, transit, and public utility districts.

Gap Bonds refer to the City of Portland pension levy.

Source: Oregon Dept of Revenue





# \$20 million reduction in local revenue; All Other Things Are Being Held Constant

- A Hypothetical, Highly Simplified, example – a property tax exemption is made available in an area where the school district “A” is a subset of all taxing districts of the area
- This Area Mimics the Entire State in the composition of four tax categories – permanent rate (or permanent authority), local option, gap bonds, and bonds
- As seen in the previous slide, SD and ESD permanent rate based property taxes are about 28-29% of total property taxes for a given fiscal year
- Suppose a utilized/granted exemption leads to \$20 million reduction in property taxes for the school district A (hence \$20 million reduction in local revenue). The qualified/utilized/granted exemption total for this area would be about \$70 million.





# School District Data (21-22): Focus on General Purpose Grant

Data Source: ODE

School District	extended ADMw	extADMw share	Local Revenue	Local Rrvenue share	General Purpose Grant	GP Grant share	Local Revenue <u>Before</u> change	Local Revenue <u>After</u> change
A	7,482.2	1.1%	\$32,608,461	1.6%	\$67,793,283	1.1%	<b>\$32,608,461</b>	<b>\$12,608,461</b>
B	55,688.1	8.2%	\$276,965,000	13.3%	\$507,164,353	8.2%	\$276,965,000	\$276,965,000
C	23,774.0	3.5%	\$85,241,510	4.1%	\$216,887,802	3.5%	\$85,241,510	\$85,241,510
D	8,570.0	1.3%	\$16,892,203	0.8%	\$78,161,977	1.3%	\$16,892,203	\$16,892,203
E	439.6	0.1%	\$392,000	0.0%	\$4,106,543	0.1%	\$392,000	\$392,000
All Others	584,619.9	85.9%	\$1,676,707,727	80.3%	\$5,327,249,040	85.9%	\$1,676,707,727	\$1,676,707,727
State	<b>680,573.8</b>	100.0%	<b>\$2,088,806,901</b>	100.0%	<b>\$6,201,362,998</b>	100.0%	<b>\$2,088,806,901</b>	<b>\$2,068,806,901</b>

1. The difference between GP grant and Local Revenues is state support (SSF)
2. School District A experiences a local revenue reduction of \$20 million. Total local revenue at the state level declines by \$20 million
3. ADMw shares and GP Grant shares look the same but GP Grant shares reflect teacher experience adjustment





# Consequences on \$ per ADMw

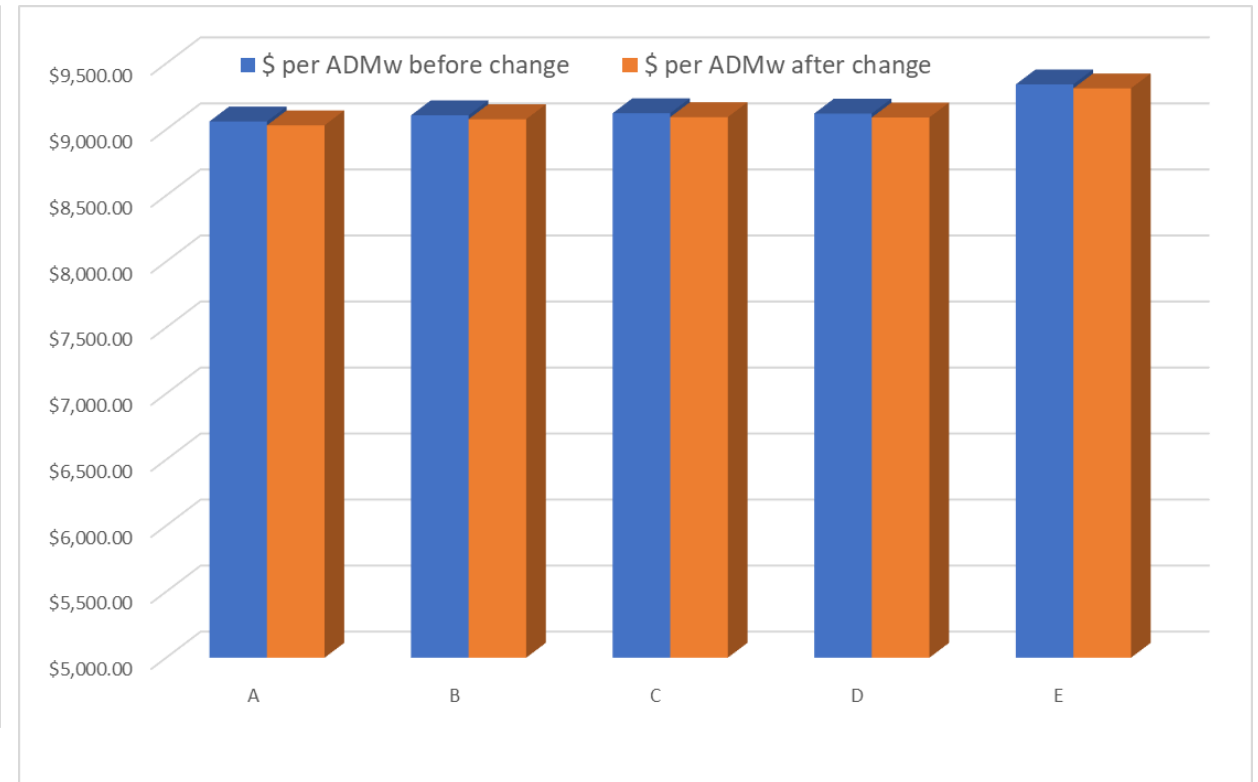
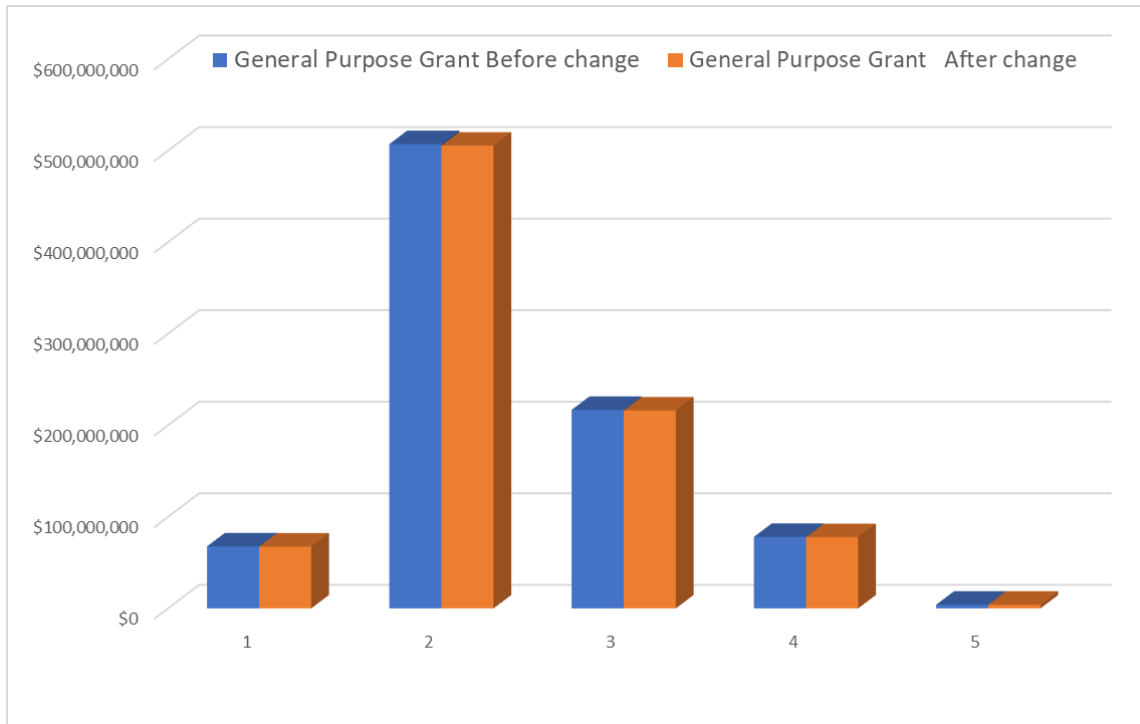
School District	General Purpose Grant <u>Before</u> change	General Purpose Grant <u>After</u> change	GP Grant difference*	\$ per ADMw <u>before</u> change	\$ per ADMw <u>after</u> change	Difference
A	\$67,793,283	\$67,574,643	(\$218,640)	\$9,060.66	\$9,031.44	(\$29.22)
B	\$507,164,353	\$505,528,698	(\$1,635,654)	\$9,107.22	\$9,077.85	(\$29.37)
C	\$216,887,802	\$216,188,317	(\$699,484)	\$9,122.91	\$9,093.49	(\$29.42)
D	\$78,161,977	\$77,909,897	(\$252,080)	\$9,120.38	\$9,090.97	(\$29.41)
E	\$4,106,543	\$4,093,299	(\$13,244)	\$9,341.57	\$9,311.44	(\$30.13)
All Others	\$5,327,249,040	\$5,310,068,143	(\$17,180,897)	\$9,112.33	\$9,082.94	(\$29.39)
State	\$6,201,362,998	\$6,181,362,998	(\$20,000,000)	\$9,111.96	\$9,082.58	(\$29.39)

1. \$20 million reduction in a local district becomes \$20 million reduction in local revenue at the state level
2. \$20 million reduction does not lead to \$20 million reduction in operating revenue for school district A
3. Reduction is spread across school districts based on GP shares (or roughly ADMw shares)



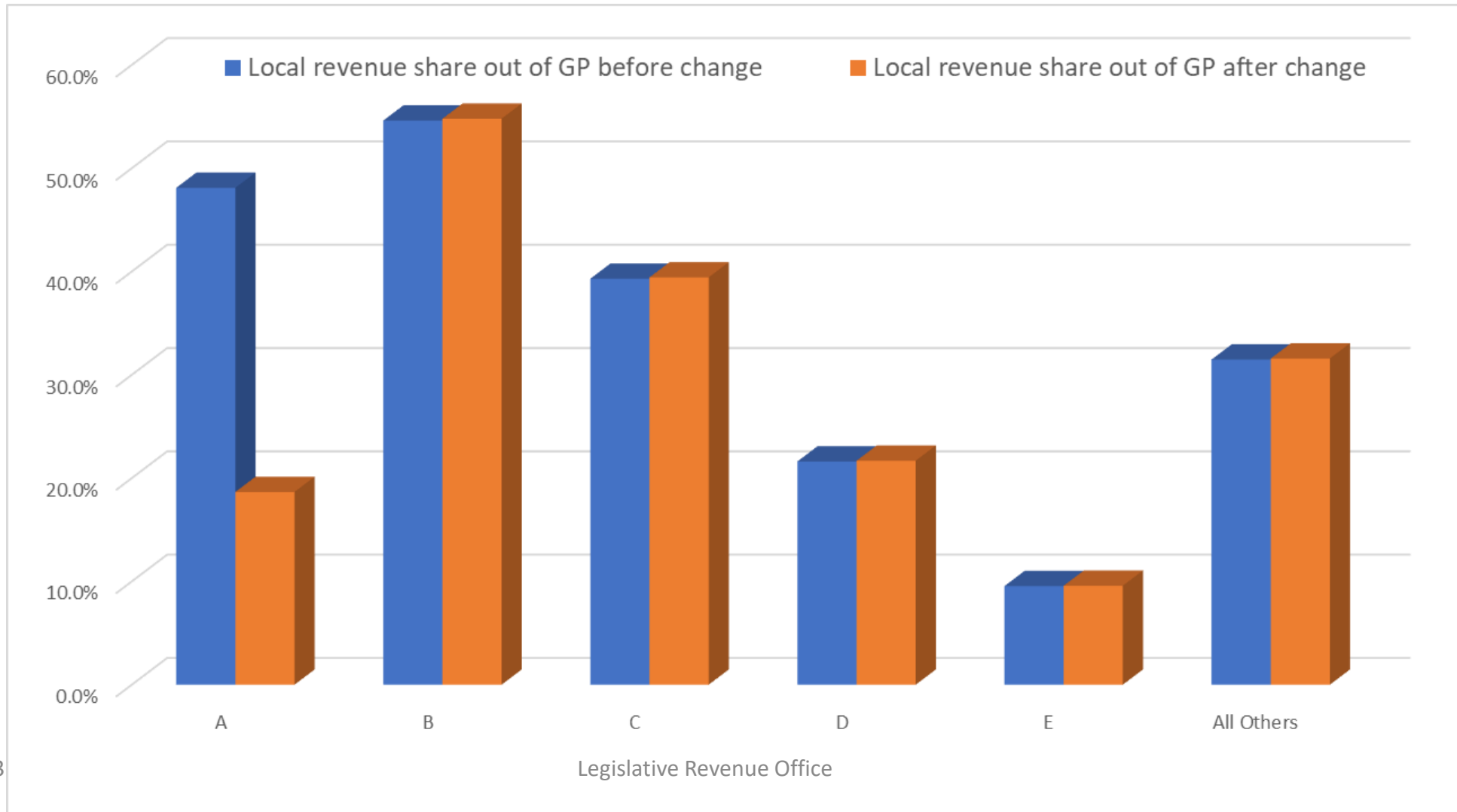


# General Purpose Grant and \$ per ADMw: Graphically





# Local Revenue Share out of GP Grant





## VI. Local Option Property Tax

- **Measure 50 and Measure 5**
- **Inception of Local Option Property Tax (1999)**
- **Local Option Property Taxes excluded from Formula – cap has changed over time**
- **Data**
- **Local Option Equalization Grants**







# Measure 50 and Measure 5

- In 1997, Ballot Measure 50 (revision to Measure 47 in 1996) amended the constitution to add a new limit to Oregon's local property tax system
- Measure 50 property tax limit is usually lower than the 1990 Measure 5 limit (Let's define the **difference** as M5 limit – M50 limit)
- Measure 50 allowed use of this difference with various restrictions
- School districts – needed legislative approval to use the difference





# Inception of Local Option Taxes for Schools: HB 2753 (1999)

- Allowed school districts to seek voter approval of a local option property tax for operational expenses (5-year limit)
- **Excluded local option tax from local revenue in the school funding equalization formula**
- Made taxes excluded equal to the least of
  - (1) Measures 5 and 50 limit difference,
  - (2) 10% of formula revenue, or
  - (3) \$500 per weighted student (or per extended ADMw)
- Allowed districts to collect less than the full tax approved by voters
- **Excess collections over-the-cap flow into the pool of formula revenue**





# Excluded local option revenue from formula

- **SB 550 (2003)** increased the limits on the amount of local option revenue that are excluded from the definition of local revenues in the formula revenue to the lesser of (1) 15% of the district's formula revenue or (2) \$750 per extended ADMw
- **HB 2641 (2007)** increased limits (1) to \$1,000 per weighted student or (2) to 20% of formula revenue; still the lesser of the two
- **HB 2641 (2007)** also escalated the \$1,000 limit by 3% per year beginning in 2008-09
- **HB 4117 (2018)** increased limits (1) to \$2,000 per weighted student with 3% annual escalation beginning in 2019-20, or (2) to 25% of formula revenue; still the lesser of the two



# Imposed Local Option Property Taxes by School Districts (FY 2021-22)

<b>District Name</b>	<b>Imposed</b>
<b>Portland Public Schools</b>	<b>109.0</b>
<b>Beaverton</b>	<b>38.4</b>
<b>Eugene</b>	<b>22.6</b>
<b>North Clackamas</b>	<b>22.1</b>
<b>Lake Oswego</b>	<b>14.8</b>
<b>West Linn</b>	<b>11.0</b>
<b>Tigard</b>	<b>10.9</b>
<b>Corvallis</b>	<b>8.9</b>
<b>Ashland</b>	<b>4.5</b>
<b>Hood River</b>	<b>3.1</b>
<b>Seaside</b>	<b>1.8</b>
<b>Sisters</b>	<b>1.8</b>
<b>Siuslaw</b>	<b>1.6</b>
<b>Philomath</b>	<b>1.1</b>
<b>Riverdale</b>	<b>1.0</b>
<b>Crow-Applegate-Lorane</b>	<b>0.3</b>
<b>Sweet Home</b>	<b>0.3</b>
<b>Falls City</b>	<b>0.1</b>

(in \$million)

Source: Oregon Department of Revenue, Property Tax Statistics



# Local Options Property Taxes: Imposed vs 25% Cap (21-22), \$1,000

District Name	extended ADMw	Total Formula Revenue	Local Option Imposed	Current Law Test		Usage		HB 3221
	(A)	(B)	(C)	ADMw (A)* \$2,185.45	25% cap = (B)*0.25	(C) divided by 25% cap	Margin to 25% cap	(A)*\$3,500
Philomath SD 17J	1,827	\$17,276	\$1,098	\$3,993	\$4,319	25.4%	74.6%	\$6,394
Corvallis SD 509J	7,482	\$72,677	\$8,853	\$16,352	\$18,169	48.7%	51.3%	\$26,188
West Linn-Wilsonville SD 3J	10,544	\$101,988	\$10,976	\$23,044	\$25,497	43.0%	57.0%	\$36,905
Lake Oswego SD 7J	7,655	\$73,175	\$14,849	\$16,729	\$18,294	81.2%	18.8%	\$26,791
North Clackamas SD 12	19,773	\$192,208	\$22,088	\$43,213	\$48,052	46.0%	54.0%	\$69,205
Seaside SD 10	1,823	\$17,378	\$1,842	\$3,985	\$4,344	42.4%	57.6%	\$6,382
Sisters SD 6	1,241	\$11,968	\$1,768	\$2,713	\$2,992	59.1%	40.9%	\$4,344
Hood River County SD	4,830	\$46,050	\$3,064	\$10,555	\$11,512	26.6%	73.4%	\$16,904
Ashland SD 5	2,901	\$27,061	\$4,485	\$6,340	\$6,765	66.3%	33.7%	\$10,153
Eugene SD 4J	19,102	\$182,135	\$22,603	\$41,746	\$45,534	49.6%	50.4%	\$66,857
Crow-Applegate-Lorane SD 66	402	\$3,990	\$346	\$879	\$997	34.7%	65.3%	\$1,408
Siuslaw SD 97J	1,454	\$13,841	\$1,578	\$3,177	\$3,460	45.6%	54.4%	\$5,088
Sweet Home SD 55	2,586	\$24,662	\$294	\$5,651	\$6,166	4.8%	95.2%	\$9,050
Portland SD 1J	55,688	\$540,173	\$108,957	\$121,704	\$135,043	80.7%	19.3%	\$194,909
Riverdale SD 51J	688	\$6,375	\$1,007	\$1,505	\$1,594	63.2%	36.8%	\$2,410
Falls City SD 57	331	\$3,040	\$121	\$724	\$760	16.0%	84.0%	\$1,160
Tigard-Tualatin SD 23J	13,888	\$138,500	\$10,899	\$30,352	\$34,625	31.5%	68.5%	\$48,609
Beaverton SD 48J	46,997	\$452,607	\$38,364	\$102,710	\$113,152	33.9%	66.1%	\$164,490





# Local Option Equalization Grants (ORS 327.333)

- To provide substantial equity in opportunity among school districts in which electors support local option taxes for primary and secondary education
- Provide grant supplements to those districts that enact local option taxes and that have lower property wealth per student

## Local Option Equalization Grants (2021-22, \$1,000)

<u>District</u>	<u>Grants</u>
<b>Beaverton</b>	\$1,328.8
<b>Crow-Applegate-Lorane</b>	\$12.9
<b>Hood River</b>	\$589.5
<b>Philomath</b>	\$539.9
<b>Sweet Home</b>	\$213.7
<b>Falls City</b>	\$173.4
<b>State Total</b>	<b>\$2,858.3</b>

Source: Oregon Department of Education





# Again Data: Imposed Property Tax – School Districts

(\$ million)

<u>FY</u>	<u>Permanent Rate</u>	<u>% ch</u>	<u>Local Option</u>	<u>% ch</u>
2011-12	1,438.9	1.9%	94.8	11.2%
2012-13	1,457.7	1.3%	86.9	-8.3%
2013-14	1,504.1	3.2%	113.2	30.3%
2014-15	1,581.1	5.1%	134.1	18.5%
2015-16	1,658.0	4.9%	155.4	15.9%
1016-17	1,729.1	4.3%	170.4	9.7%
2017-18	1,809.8	4.7%	185.8	9.0%
2018-19	1,883.9	4.1%	200.1	7.7%
2019-20	1,969.1	4.5%	229.8	14.8%
2020-21	2,060.9	4.7%	239.7	4.3%
2021-22	2,150.9	4.4%	253.2	5.6%
2022-23*	2,258.3	5.0%		
Source: Oregon Dept of Revenue				
*preliminary				





# For More Information

- LEGISLATIVE REVENUE OFFICE
- 900 Court St. NE, Room 160
- Temporary location - 255 Capitol St NE (5h floor)
- Salem, OR 97310
- 503-986-1266
- <https://www.oregonlegislature.gov/lro>

**Date: 5/8/2023**  
**To: District Business Managers**  
**Re: 2022-23 State School Fund Estimates**

	2021-22	2022-23	2021-23 Biennium
	<b>\$4,555,040,000</b>	<b>\$4,740,960,000</b>	<b>\$9,296,000,000</b>
<b>Budget Appropriation for school districts &amp; ESDs:</b>			<b>\$4,740,960,000</b>
Oregon Revised Statute			Less Reserve Account: (\$20,000,000)
327.008(15,16)			Less TAG, Speech Pathology, and Oregon Virtual School District: (\$1,037,807)
327.859(b), 327.023(1)			Less Long Term Care and State Schools: (\$14,500,000)
327.008(13)			English Language Learner Improvement Funds: (\$6,250,000)
327.008(12)(a)(A)			Less Educator advancement fund(EAF) (\$3,129,000)
327.008(17)			Less Small High School Grant (\$2,500,000)
327.008(3)			Less Charter School Closure Funds (\$300,000)
327.339			Less Local Option Equalization Grant: (\$3,848,455)
327.008(9)			Less Office of School Facilities: (\$6,000,000)
327.008(10)			Skilled Nursing Facilities (pediatric nursing): (\$2,577,479)
327.531			Free Lunch program: (\$1,425,188)
			Menstrual Hygiene HB 3294 (\$2,853,450)
<b>Transfers/Deductions</b>			<b>(\$64,421,379)</b>
<b>State Revenue for Formula</b>			<b>\$4,676,538,621</b>
District Local Revenue:			\$2,254,225,302
ESD Local Revenue:			\$153,212,111
<b>Local Rev. for Formula (District + ESD)</b>			<b>\$2,407,437,413</b>
<b>Total Revenue For Formula</b>			<b>\$7,083,976,035</b>
District Share at 95.50%			\$6,765,197,113
ESD Share at 4.50%			\$318,778,922
<b>Other Transfers/Deductions:</b>			<b>(\$55,000,000)</b>
327.008(8)			327.008(11) Less High Cost Disability Grants: (\$55,000,000)
327.008 (12)(a)(B)			Less Facility Grants: (\$1,716,682)
			Less share of EAF (\$8,735,125)
<b>Districts</b>			<b>(\$65,451,807)</b>
327.008(14)			Less ESD testing contract: (\$484,000)
327.008(12)(a)(C)			Less share of EAF (\$8,735,125)
<b>ESDs</b>			<b>(\$9,219,125)</b>
<b>Formula Revenue for Distribution</b>			
<b>School Districts</b>			<b>\$6,699,745,306</b>
<b>ESDs</b>			<b>\$309,559,797</b>

Sources for 2022-23 Estimates

ADMr:	2nd period
Property Taxes:	Estimated
Common School Fund:	Estimated
Other Local Revenues:	Estimated
Teacher Experience:	2021-22
11% Cap Waiver Basis:	2021-22
Poverty Basis:	December 2022
School District Funding Ratio:	2.132919148
Estimated Transportation Grant:	\$274,662,109.40
Estimated ADMr:	543,327
Estimated ADMw:	669,270
District Accrual per ADMw:	\$563
ESD Accrual per ADMw:	\$20
YCEP/JDEP amount per ADMw:	\$9,598

If you have any questions please contact [Vanessa.Clark@ode.oregon.gov](mailto:Vanessa.Clark@ode.oregon.gov)

**2022-2023 Extended ADMw**

**Alsea SD 7J: District total extended ADMw for funding calculations**

	2022-2023		2021-2022	
ADMr:	0.00 X 1.00 =	0.00	0.00 X 1.00 =	0.00
Students in ESL programs:	0.00 X 0.50 =	0.00	0.00 X 0.50 =	0.00
Students in Pregnant and Parenting Programs:	0.00 X 1.00 =	0.00	0.00 X 1.00 =	0.00
86 IEP Students capped at 11% of District ADMr:	55.18 X 1.00 =	55.18	86.00 X 1.00 =	86.00
Students on IEP Above 11% of ADMr:	2.30 X 1.00 =	2.30	2.30 X 1.00 =	2.30
Students in Poverty:	0.00 X 0.25 =	0.00	-0.28 X 0.25 =	-0.07
Students in Foster Care and Neglected/Delinquent:	1.00 X 0.25 =	0.25	2.00 X 0.25 =	0.50
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-0.15 =	0.00
	<b>2022-2023 ADMw</b>	<b>57.73</b>	<b>2021-2022 ADMw</b>	<b>88.73</b>
	<b>Alsea SD 7J Extended ADMw</b>		<b>1,120.07</b>	

**Alsea Charter School: Charter ADMw for information only**

	2022-2023		2021-2022	
ADMr:	501.68 X 1.00 =	501.68	934.77 X 1.00 =	934.77
Students in ESL programs:	12.03 X 0.50 =	6.02	6.29 X 0.50 =	3.15
Students in Pregnant and Parenting Programs:	0.00 X 1.00 =	0.00	0.00 X 1.00 =	0.00
0 IEP Students capped at 11% of District ADMr:	0.00 X 1.00 =	0.00	0.00 X 1.00 =	0.00
Students on IEP Above 11% of ADMr:	0.00 X 1.00 =	0.00	0.00 X 1.00 =	0.00
Students in Poverty:	29.00 X 0.25 =	7.25	20.28 X 0.25 =	5.07
Students in Foster Care and Neglected/Delinquent:	0.00 X 0.25 =	0.00	0.00 X 0.25 =	0.00
Remote Elementary School Correction:	0.00 X 1.00 =	0.00	0.00 X 1.00 =	0.00
Small High School Correction:	88.35 X 1.00 =	88.35	88.35 X 1.00 =	88.35
Post Graduate Scholars:	0.00 X-0.25 =	0.00	0.00 X-0.15 =	0.00
	<b>2022-2023 ADMw</b>	<b>603.30</b>	<b>2021-2022 ADMw</b>	<b>1,031.34</b>

**Alsea SD 7J Extended ADMw 1,120.07**

**STATE SCHOOL FUND GRANT**

**2022-2023**

Based on \$9.299 Billion with a 49/51 split as of 5/8/2023

**Benton County, Alsea SD 7J - 1899**

**2022-2023 Local Revenue**

Property Taxes and in-lieu of property taxes from local sources	=	\$480,000.00
Federal Forest Fees	=	\$0.00
Common School Fund	=	\$63,817.04
County School Fund	=	\$6,500.00
State Managed Timber	=	\$0.00
ESD Equalization	=	\$0.00
In-Lieu of Property Taxes(non-local sources)	=	\$0.00
Revenue Adjustments	=	\$0.00
<b>Sum of Local Revenue</b>	<b>=</b>	<b>\$550,317.04</b>

**2022-2023 Experience Adjustment**

District Average Teacher Experience	=	7.58
State Average Teacher Experience	=	11.90
Experience Adjustment (Difference in District and State Teacher Experience)	=	<b>-4.32</b>

**2022-2023 Transportation Grant**

Salaries	=	N/A
Payroll	=	N/A
Purchased Services	=	N/A
Supplies	=	N/A
Other	=	N/A
Garage Depreciation	=	N/A
Bus Depreciation	=	N/A
Fees Collected	=	N/A
Non-Reimbursable	=	N/A
Net Eligible Trans Expenditures	=	\$1,200,000.00
Transportation per ADMr Rank		90%
Transportation Reimbursement Rate		90.00%
90.00% of the Net Eligible Transportation Expenditures =		the Transportation Grant \$1,080,000.00

**2022-2023 Extended ADMw**

<b>2022-2023 ADMw</b> 661.03	<b>2021-2022 ADMw</b> 1,120.07	<b>Extended ADMw</b> 1,120.07
------------------------------	--------------------------------	-------------------------------

**2022-2023 General Purpose Grant**

Multiply the Teacher Experience Adjustment of -4.32 by \$25 then add \$4500 to the result = \$4,392.00  
 Then multiply \$4,392.00 by the Extended ADMw 1120.065 and then by the funding ratio 2.132919148363 = \$10,492,523.51

**2022-2023 Total Formula Revenue**

Add the General Purpose Grant \$10,492,523.51 to the Transportation Grant \$1,080,000.00 = \$11,572,523.51

**2022-2023 State School Fund Grant**

Subtract the Local Revenue \$550,317.04 from the Total Formula Revenue \$11,572,523.51 = \$11,022,206.47

**2022-2023 Rates per ADMw**

General Purpose Grant per Extended ADMw = \$9,368	Total Formula Revenue per Extended ADMw = \$10,332
Charter Schools Rate( ORS 338.155 ) = 15,873	

**Payments**

SSF Total Paid To Date	\$9,909,670	SSF Estimated Remaining Balance Due	\$1,112,536.47
Small HS Grant Total Paid To Date	\$0	Small HS Grant Estimated Remaining Balance Due	
Facility Grant Total Paid To Date	\$0	Facility Grant Estimated Remaining Balance Due	
		High Cost Disability Estimated Remaining Balance Due	

**Date: 12/19/2023**  
**To: District Business Managers**  
**Re: 2023-24 State School Fund Estimates**

	2023-24	2024-25	2023-25 Biennium
	\$4,998,000,000	\$5,202,000,000	\$10,200,000,000
<b>2023-24 Budget Appropriation for school districts &amp; ESDs:</b>			<b>\$4,998,000,000</b>
Oregon Revised Statute		Less Reserve Account:	(\$20,000,000)
327.008(15,16)		Less TAG, Speech Pathology, and Oregon Virtual School District:	(\$1,050,000)
327.859(b), 327.023(1)		Less Long Term Care and State Schools:	(\$14,500,000)
327.008(13)		English Language Learner Improvement Funds:	(\$6,250,000)
327.008(12)(a)(A)		Educator Advancement Fund (EAF):	(\$3,260,418)
327.008(17)		Less Small High School Grant:	(\$2,500,000)
327.008(3)		Less Charter School Closure Funds:	(\$112,406)
327.339		Less Local Option Equalization Grant:	(\$2,000,000)
327.008(9)		Less Office of School Facilities:	(\$7,500,000)
327.008(10)		Skilled Nursing Facilities (pediatric nursing):	(\$1,062,224)
327.531		Oregon Youth Challenge program:	(\$1,675,000)
		Menstrual Hygiene HB 3294	(\$2,853,450)
<b>Transfers/Deductions</b>			<b>(\$62,763,498)</b>
<b>State Revenue for Formula</b>			<b>\$4,935,236,502</b>
District Local Revenue:			\$2,340,631,212
ESD Local Revenue:			\$157,636,914
<b>Local Rev. for Formula (District + ESD)</b>			<b>\$2,498,268,126</b>
<b>Total Revenue For Formula</b>			<b>\$7,433,504,628</b>
District Share at 95.50%			\$7,098,996,920
ESD Share at 4.50%			\$334,507,708
<b>Other Transfers/Deductions:</b>		327.008(11) Less High Cost Disability Grants:	(\$55,000,000)
327.008 (12)(a)-(B)		Less share of EAF:	(\$8,735,125)
<b>Districts</b>			<b>(\$63,735,125)</b>
327.008(14)		Less ESD testing contract:	(\$484,000)
327.008(12)(a)-(C)		Less share of EAF:	(\$8,735,125)
<b>ESDs</b>			<b>(\$9,219,125)</b>
<b>Formula Revenue for Distribution</b>			
<b>School Districts</b>			<b>\$7,035,261,795</b>
<b>ESDs</b>			<b>\$325,288,583</b>

Sources for 2023-24 Estimates

ADMr:	Estimated
Property Taxes:	Estimated
Common School Fund:	Estimated
Federal Forest Fees:	Estimated
Other Local Revenues:	Estimated
Teacher Experience:	2021-22
11% Cap Waiver Basis:	2021-22
Poverty Basis:	December 2022
School District Funding Ratio:	2.229287017
Transportation Grant:	\$292,234,089.50
Estimated ADMr:	543,449
Estimated ADMw:	672,045
District Accrual per ADMw:	\$591
ESD Accrual per ADMw:	\$21
YCEP/JDEP amount per ADMw:	\$10,032

If you have any questions please contact Vanessa Clark at [Vanessa.Clark@ode.oregon.gov](mailto:Vanessa.Clark@ode.oregon.gov)

**2023-2024 Extended ADMw**

**Alsea SD 7J: District total extended ADMw for funding calculations**

	2023-2024		2022-2023	
ADMr:	459.00 X 1.00 =	459.00	0.00 X 1.00 =	0.00
Students in ESL programs:	26.00 X 0.50 =	13.00	0.00 X 0.50 =	0.00
Students in Pregnant and Parenting Programs:	0.00 X 1.00 =	0.00	0.00 X 1.00 =	0.00
77 IEP Students capped at 11% of District ADMr:	50.49 X 1.00 =	50.49	55.18 X 1.00 =	55.18
Students on IEP Above 11% of ADMr:	2.30 X 1.00 =	2.30	2.30 X 1.00 =	2.30
Students in Poverty:	29.00 X 0.25 =	7.25	0.00 X 0.25 =	0.00
Students in Foster Care and Neglected/Delinquent:	1.00 X 0.25 =	0.25	1.00 X 0.25 =	0.25
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
	<b>2023-2024 ADMw</b>	<b>532.29</b>	<b>2022-2023 ADMw</b>	<b>57.73</b>
	<b>Alsea SD 7J Extended ADMw</b>		<b>661.03</b>	

**Alsea Charter School: Charter ADMw for information only**

	2023-2024		2022-2023	
ADMr:	0.00 X 1.00 =	0.00	501.68 X 1.00 =	501.68
Students in ESL programs:	0.00 X 0.50 =	0.00	12.03 X 0.50 =	6.02
Students in Pregnant and Parenting Programs:	0.00 X 1.00 =	0.00	0.00 X 1.00 =	0.00
0 IEP Students capped at 11% of District ADMr:	0.00 X 1.00 =	0.00	0.00 X 1.00 =	0.00
Students on IEP Above 11% of ADMr:	0.00 X 1.00 =	0.00	0.00 X 1.00 =	0.00
Students in Poverty:	0.00 X 0.25 =	0.00	29.00 X 0.25 =	7.25
Students in Foster Care and Neglected/Delinquent:	0.00 X 0.25 =	0.00	0.00 X 0.25 =	0.00
Remote Elementary School Correction:	0.00 X 1.00 =	0.00	0.00 X 1.00 =	0.00
Small High School Correction:	88.35 X 1.00 =	88.35	88.35 X 1.00 =	88.35
Post Graduate Scholars:	0.00 X-0.25 =	0.00	0.00 X-0.25 =	0.00
	<b>2023-2024 ADMw</b>	<b>88.35</b>	<b>2022-2023 ADMw</b>	<b>603.30</b>

**Alsea SD 7J Extended ADMw 661.03**

**STATE SCHOOL FUND GRANT**

**2023-2024**

Based on \$10.2 Billion Budget with a 49/51 split as of 12/19/2023

**Benton County, Alsea SD 7J - 1899**

**2023-2024 Local Revenue**

Property Taxes and in-lieu of property taxes from local sources	=	\$500,000.00
Federal Forest Fees	=	\$0.00
Common School Fund	=	\$62,798.81
County School Fund	=	\$6,500.00
State Managed Timber	=	\$0.00
ESD Equalization	=	\$0.00
In-Lieu of Property Taxes(non-local sources)	=	\$0.00
Revenue Adjustments	=	\$0.00
<b>Sum of Local Revenue</b>	<b>=</b>	<b>\$569,298.81</b>

**2023-2024 Experience Adjustment**

District Average Teacher Experience	=	7.58
State Average Teacher Experience	=	11.90
Experience Adjustment (Difference in District and State Teacher Experience)	=	<b>-4.32</b>

**2023-2024 Transportation Grant**

Salaries	=	N/A
Payroll	=	N/A
Purchased Services	=	N/A
Supplies	=	N/A
Other	=	N/A
Garage Depreciation	=	N/A
Bus Depreciation	=	N/A
Fees Collected	=	N/A
Non-Reimbursable	=	N/A
Net Eligible Trans Expenditures	=	\$1,200,000.00
Transportation per ADMr Rank		91%
Transportation Reimbursement Rate		90.00%
90.00% of the Net Eligible Transportation Expenditures =		
the Transportation Grant		\$1,080,000.00

**2023-2024 Extended ADMw**

**2023-2024 ADMw** 620.64

**2022-2023 ADMw** 661.03

**Extended ADMw** 661.03

**2023-2024 General Purpose Grant**

Multiply the Teacher Experience Adjustment of -4.32 by \$25 then add \$4500 to the result = \$4,392.00

Then multiply \$4,392.00 by the Extended ADMw 661.0298 and then by the funding ratio 2.229287017485 = \$6,472,161.66

**2023-2024 Total Formula Revenue**

Add the General Purpose Grant \$6,472,161.66 to the Transportation Grant \$1,080,000.00 = \$7,552,161.66

**2023-2024 State School Fund Grant**

Subtract the Local Revenue \$569,298.81 from the Total Formula Revenue \$7,552,161.66 = \$6,982,862.86

**2023-2024 Rates per ADMw**

General Purpose Grant per Extended ADMw = \$9,791

Total Formula Revenue per Extended ADMw = \$11,425

Charter Schools Rate( ORS 338.155 ) = :10,428

**Payments**

SSF Total Paid To Date

SSF Estimated Remaining Balance Due

Small HS Grant Total Paid To Date

Small HS Grant Estimated Remaining Balance Due

Facility Grant Total Paid To Date

Facility Grant Estimated Remaining Balance Due

High Cost Disability Estimated Remaining Balance Due



**ALSEA SCHOOL DISTRICT**  
**SSF Transportation Computation**

<u><b>2022-23</b></u>	<b>Account</b>	<b>Total</b>	<b>Alsea SD</b>	<b>KV</b>	<b>WLA</b>	
			000	601	604	
<b>Add</b>						
	Transportation Costs	100.2550.	\$ 1,312,951.09	\$ 605,802.08	\$ 329,049.15	\$ 378,099.86
	Depreciation		164,016.00	164,016.00		
<b>Less</b>						
	Non Reimbursable Miles	Miles	Rate			
	Greater than 20 passengers, including driver	15,367.00	2.96	(45,486.32)	(45,486.32)	
	20 passengers and less	11,202.00	1.49	(16,690.98)	(16,690.98)	
	20 passengers and less	3,602.00	1.49	(5,366.98)	(5,366.98)	
	Reimbursable Costs		\$ 1,409,422.81	\$ 707,640.78	\$ 323,682.17	\$ 378,099.86
	Reimbursement Rate Used			80%	80%	80%
	Estimated SSF Transportation Reimbursement		\$ 1,127,538.25	\$ 566,112.62	\$ 258,945.74	\$ 302,479.89
 <b><u>2023-24</u></b>						
<b>Add</b>						
	Transportation Costs	100.2550.	\$ 1,029,964.57	\$ 623,976.00	\$ 16,545.57	\$ 389,443.00
	Depreciation		124,563.50	124,563.50		
<b>Less</b>						
	Non Reimbursable Miles	Miles	Rate			
	Greater than 20 passengers, including driver	15,367.00	2.96	(45,486.32)	(45,486.32)	
	20 passengers and less	11,202.00	1.49	(16,690.98)	(16,690.98)	
				-		
	Reimbursable Costs		\$ 1,092,350.77	\$ 686,362.20	\$ 16,545.57	\$ 389,443.00
	Reimbursement Rate Used			80%	80%	80%
	Estimated SSF Transportation Reimbursement		\$ 873,880.62	\$ 549,089.76	\$ 13,236.46	\$ 311,554.40

6. **Two Year Budget Projection**

a. General Fund

**ALSEA SCHOOL DISTRICT  
GENERAL FUND**

	<u>Actual</u> <u>2021-22</u>	<u>Actual</u> <u>2022-23</u>	<u>Budget</u> <u>2023-24</u>	<u>Estimate</u> <u>2023-24</u>	<u>Estimate</u> <u>2024-25</u>
<b>ADMr</b>	934.77	481.53		287.00	295.00
<b>ADMw</b>	1,120.07	619.75		403.37	405.75
<b>State Funding ADMw Used</b>	1,120.07	1,120.07		619.75	405.75
<b>Change in ADMw</b>		-		(500.32)	(214.00)
<b>Resources</b>					
<u>State School Support Fund</u>					
Local Revenue (Taxes)	\$ 458,301	\$ 485,129	\$ 500,800	\$ 500,000	530,000
County Fund	8,805	7,543	2,500	\$ 6,500	6,500
Common School Fund	48,709	63,817	66,341	62,799	62,744
Federal Forest Fees	-	-	-		-
Formula Allocation	10,736,993	11,774,678	6,773,657	6,372,572	4,366,527
	<u>11,252,808</u>	<u>12,331,168</u>	<u>7,343,298</u>	<u>6,941,871</u>	<u>4,965,771</u>
Less:					
SSF Adjustment Prior Yr	-	-	-	(71,388)	-
<b>Total SSF Allocation</b>	<b>11,252,808</b>	<b>12,331,168</b>	<b>7,343,298</b>	<b>6,870,483</b>	<b>4,965,771</b>
 Change In SSF Compared to Prior FY		<b>1,078,360</b>		<b>(5,460,685)</b>	<b>(1,904,712)</b>
 Local Sources (1000)	134,403	442,927	178,805	281,445	166,900
County Sources (2000)	69	-	4,000		-
State Sources (3000)	8,393	8,125	8,000	3,824	-
Federal Sources (4000)	-	-	-		-
Sale of Fixed Assets (5300)	-	-	5,000	-	-
<b>Total Resources Received in FY</b>	<b>11,395,672</b>	<b>12,782,220</b>	<b>7,539,103</b>	<b>7,155,752</b>	<b>5,132,671</b>
 Beginning Fund Balance as of July 1	<u>1,696,388</u>	<u>1,146,493</u>	<u>3,000,000</u>	<u>4,390,473</u>	<u>5,995,314</u>
 <b>Total Resources</b>	<b>\$ 13,092,060</b>	<b>\$ 13,928,713</b>	<b>\$ 10,539,103</b>	<b>\$ 11,546,225</b>	<b>\$ 11,127,985</b>
<b>Expenditures</b>					
100 - Salaries	<b>\$ 4,979,423</b>	<b>\$ 4,458,785</b>	<b>\$ 3,831,000</b>	<b>\$ 2,255,146</b>	<b>\$ 2,360,207</b>
Licensed	1,773,426	1,842,541	1,696,500	945,503	1,005,890
Classified/Confidential	1,375,129	1,226,177	1,198,100	686,893	718,962
Administrators	650,515	716,695	362,000	255,992	269,528
Supervisor	915,345	479,853	322,000	118,807	85,233
Substitutes	164,534	114,831	105,000	105,000	130,000
Stipends	100,474	78,688	147,400	142,951	150,594
Early Retirement	-	-	-		-
200 - Benefits	<b>2,638,229</b>	<b>2,555,901</b>	<b>2,663,293</b>	<b>1,693,060</b>	<b>1,738,421</b>
300 - Purchased Services	<b>2,094,709</b>	<b>949,798</b>	<b>700,070</b>	<b>700,070</b>	728,073
400 - Materials and Supplies	<b>1,617,027</b>	<b>1,027,655</b>	<b>422,530</b>	<b>422,530</b>	439,431
500 - Capital Outlay	<b>75,356</b>	<b>36,745</b>	<b>238,000</b>	<b>238,000</b>	247,520
600 - Other Services	<b>262,117</b>	<b>133,290</b>	<b>159,700</b>	<b>159,700</b>	166,088
700 - Transfers					
Food Service	76,500	240,066	123,405	123,405	123,405
Bus Replacement	5,000	136,000	259,000	259,000	259,000
Capital Projects	200,000	-	-		-
800 - Contingency					
KV Transportation				(300,000)	(320,000)
<b>Total Expenditures</b>	<b>\$ 11,948,361</b>	<b>\$ 9,538,240</b>	<b>\$ 8,396,998</b>	<b>\$ 5,550,911</b>	<b>\$ 5,742,145</b>
 Ending Fund Balance	<u>\$ 1,143,699</u>	<u>\$ 4,390,473</u>	<u>\$ 2,142,105</u>	<u>\$ 5,995,314</u>	<u>\$ 5,385,840</u>
 <b>Use of Cash</b>	<b>\$ (552,689)</b>	<b>\$ 3,243,980</b>	<b>\$ (857,895)</b>	<b>\$ 1,604,841</b>	<b>\$ (609,474)</b>

b. Statement of FTE by Fund

**Statement of FTE by Fund**

#	Grant Description	SOURCE	Start Date	End Date	Grant Amount	Reported in		Grant Amount	FTE				
						PR FYS	Grant C/O		Adm/Supv/	Conf	Licensed	Classified	Total
	Title I-A	ODE	7/1/2022	9/30/2023	32,339.00	21,861.84	10,477.16	10,477.16					
	Title I-A	ODE	7/1/2023	9/30/2024	49,679.00	-		49,679.00					
<b>203</b>	<b>Total Title I</b>				<b>82,018.00</b>	<b>21,861.84</b>	<b>10,477.16</b>	<b>60,156.16</b>	-	-	-	-	-
<b>207</b>	Youth Transition Program	ESD	7/1/2023	6/30/2024	38,493.70	-		38,493.70	-	-	0.37	0.37	
	IDEA Part B 611	ODE	7/1/2022	9/30/2024	102,455.00	85,926.40	16,528.60	16,528.60					
	IDEA Part B 611	ODE	7/1/2023	9/30/2025	94,297.70	-		94,297.70					
<b>210</b>	<b>Total IDEA Part B 611</b>				<b>196,752.70</b>	<b>85,926.40</b>	<b>16,528.60</b>	<b>110,826.30</b>	-	-	<b>2.00</b>	<b>2.00</b>	
	IDEA Part B, Section 619 2021-22 ARP	ODE	7/1/2021	9/30/2023	849.00	-		849.00	-	-	-	-	-
	IDEA Part B, Section 619 PassThru 2022-23	ODE	7/1/2021	9/30/2023	1,313.40	1,313.40	-	-					
	IDEA Part B, Section 619 PassThru 2022-23	ODE	7/1/2022	9/30/2024	1,453.00	-		1,453.00					
<b>216</b>	<b>Total IDEA Part B 619</b>				<b>3,615.40</b>	<b>1,313.40</b>	<b>-</b>	<b>2,302.00</b>	-	-	-	-	-
	Title II-A - Teacher Quality 23-24	ODE	7/1/2023	9/30/2024	6,439.00	-		6,439.00					
	Title IV-A - Student Support and Academic Enrichment 23-24	ODE	7/1/2023	9/30/2024	10,000.00	-		10,000.00					
<b>220</b>	<b>Title V- B REAP</b>				<b>16,439.00</b>	<b>-</b>	<b>-</b>	<b>16,439.00</b>	-	-	-	-	-
	<b>ESSER</b>												
<b>230</b>	ESSER II	ODE	3/13/2020	9/30/2023	91,564.37	25,590.26	65,974.11	65,974.11	-	-	-	-	-
<b>232</b>	ESSER III	ODE	3/13/2020	9/30/2024	205,784.81	33,274.09	172,510.72	172,510.72	-	-	-	-	-
	<b>Total ESSER Grants</b>				<b>297,349.18</b>	<b>58,864.35</b>	<b>238,484.83</b>	<b>238,484.83</b>	-	-	-	-	-
	<b>Integrated Guidance</b>												
<b>226</b>	Early Indicator Intervention	ODE	7/1/2023	6/30/2024	1,505.04	-		1,505.04	-	-	-	-	-
<b>248</b>	Federal School Improvement Funds to CSI & TSI Schools 22-23	ODE	7/1/2023	9/30/2024	85,011.15	-		85,011.15	0.14	0.60	-	0.74	
<b>251</b>	Student Investment Account	ODE	7/1/2023	9/30/2024	894,970.05	-		894,970.05	0.46	4.00	4.00	8.46	
<b>252</b>	High School Success M98	ODE	7/1/2023	8/31/2025	116,492.52	-		116,492.52	-	1.17	-	1.17	
	<b>Total Integrated Guidance</b>				<b>1,097,978.76</b>	<b>-</b>	<b>-</b>	<b>1,097,978.76</b>	<b>0.60</b>	<b>5.77</b>	<b>4.00</b>	<b>10.37</b>	
<b>263</b>	Outdoor School	OSU		6/30/2024	10,000.00	-		11,000.00	-	-	-	-	-
<b>267</b>	TAP Asbestos Assessment	ODE	1/1/2022	12/31/2023	11,500.00	-		11,500.00	-	-	-	-	-
<b>272</b>	TAP Grant - Seismic	ODE				-		-	-	-	-	-	-
	<b>Total Grants</b>							<b>1,587,180.75</b>	<b>0.60</b>	<b>5.77</b>	<b>6.37</b>	<b>12.74</b>	
	<b>Other Programs</b>												
<b>100</b>	General Fund								5.90	16.67	16.67	39.24	
<b>299</b>	Nutrition Program								-	-	1.99	1.99	
	<b>Total FTE</b>								<b>6.50</b>	<b>22.44</b>	<b>25.03</b>	<b>53.97</b>	

## 7. Meeting Adjourn