

Pleasant Hill School District No. 1

Budget Committee Orientation
May 3, 2021





Purpose of the budget

- Financial plan estimating expenditures and revenues for a fiscal year.
- Authority to spend public money.
- Certification of property taxes to the county assessor.



Oregon Budget Law

- Every district must pass an annual budget (ORS 294.338).
- Budget process must comply with uniform procedures for preparing, presenting and administering the budget.
- Citizens must be involved in the budget preparation process, and the budget must be disclosed to the public before it is adopted by the school board.



Oregon Budget Law

The budget process is designed to be a joint effort between the people affected by the budget and the officials responsible for providing the services.



Oregon Budget Law

Requires that each district

- Designate a **Budget Officer** responsible for creating a draft budget document before the first budget committee meeting;
- Set up a **Budget Committee**, the vehicle that enables the public to participate in the budget process; and
- Publish public **Notice of the Budget Committee Meeting** at which the Proposed Budget and Budget Message will be presented.



Board Policy Direction

- *Board Policy DBEA: Function of the Budget Committee.*
- *It is the function of the budget committee to approve budget estimates for an educational plan previously determined by the Board.*
- *No new program should be considered for the budget estimate that has not previously been submitted to the Board and approved as a part of the educational plan.*
- *The budget committee will determine levels of spending, but will not determine programs.*



Budget Committee

- Serves as fiscal planning advisory committee to the school district board.
- Includes elected members of school district board plus an equal number of qualified district voters, appointed by board for staggered three-year terms.

All members have equal authority and responsibility.



Budget Committee Responsibilities

- Receive the Superintendent's Budget Message and review the Proposed Budget.
- Hear and consider public comment.
- Discuss and make changes to the Proposed Budget as needed.
- Approve the Budget.
- Approve an amount or rate of total *ad valorem* taxes to be certified by the county assessor.
- Forward the Approved Budget to the School Board for additional public hearing and adoption.



Budget Committee Requirements

- All meetings are subject to public meeting laws.
 - All budget discussions must be held in public meetings.
- A quorum (6 for PH) must be present to conduct business.
- A majority vote is required to take action.
- The budget committee may request and receive additional information from district staff.
- Any member of the public may speak.
- The budget committee may establish time limits and other policies for the public comment period.
- The Proposed Budget becomes public as soon as the budget document is released to the Budget Committee.



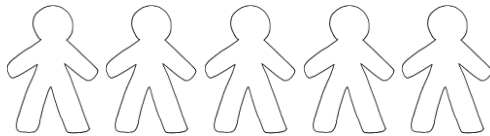
Budget Committee Guidance

- Board mission and District policy.
- Statutory requirement to approve a balanced budget.
- Value of a sustainable budget.
 - On-going obligations supported by on-going resources.
- Impact of budget decisions on the District's bond rating and ability to meet cash flow needs.

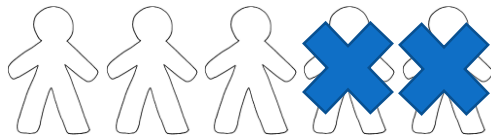


Quorum Example

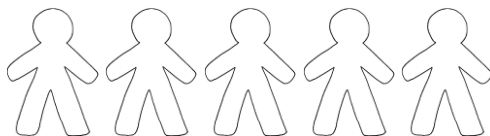
GOVERNING BODY



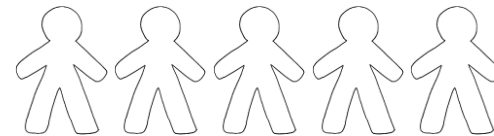
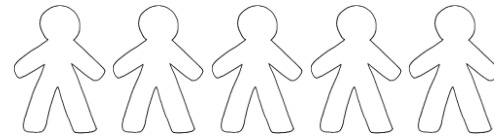
If your full budget committee is 10 people, quorum = 6



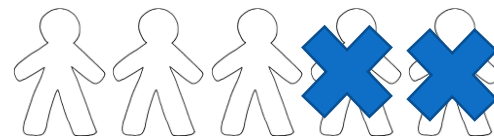
Vacancies on the governing body side still count toward the quorum.
Quorum = 6



ELECTORS



Vacancies on the electors side are not counted.
Quorum = 4





2021-22 Budget Calendar

- May 7 Publish Notice of Budget Committee Meeting
- May 17 First Budget Committee Meeting**
Elect officers, receive the Budget Message, review the Proposed Budget and hear public comment
- June 7 Second Budget Committee Meeting**
Approve the Budget and set the date for the public hearing by the Board
- June 14 Third Budget Committee meeting** (if needed)
- June 18 Publish Notice of Budget Hearing
- June 28 Public hearing** on Approved Budget and **Board adoption** of the Budget
- June 30 Final date for Board adoption of the Budget



Budget Requirements

- The budget must be prepared by fund.
- Each fund must include estimated resources and requirements in line item detail.
- All resources and requirements must be budgeted.
- Resources and requirements must balance.



Budget Organization

- Fund – Self-balancing set of accounts, identified by the purpose of activities
 - Function – Classification of activity or purpose
 - Object – Grouping of expenditures



Budget Organization - Funds

- General Fund (100)
- Special Revenue Funds (200)
- Debt Service Fund (300)

Each fund must be self-balancing.



Funds – Sources

Fund	Source
General Fund	State funding, local property taxes, interest earnings, other local sources
Special Revenue Fund	<ul style="list-style-type: none">•Grants – Federal, state and local grants•Student Body Funds – Fees, payments and donations related to student activities•Reserves – General Fund transfers•Nutrition Services Fund – Breakfast and lunch sales, federal reimbursement and commodities, state matching funds, General Fund transfers
Debt Service Fund	Local property taxes



Funds – Uses and Restrictions

Fund	Use	Restrictions
General Fund	District general operations	Not restricted
Special Revenue Fund	<ul style="list-style-type: none">•Grants – Purposes identified by the grant•Student body funds – Funds received by schools to support student activities•Reserves – For specific services, projects, property or equipment•Nutrition Services Fund – To support the district food service program	<ul style="list-style-type: none">•Grants – Restricted by the terms of the grant•Student body funds – Restricted to purposes for which funds were collected•Reserves – Restricted for certain uses by board resolution•Nutrition Services Fund – Restricted to support the food service program
Debt Service Fund	Payment of principal and interest on G.O. bonds	Restricted for debt service on outstanding bonds



Classification of Resources

- Local revenue (1000) - Property taxes, transportation fees, interest earnings
- Revenue from intermediate sources (2000) - County School Funds, Lane ESD payments
- State sources (3000) - State School Fund Grant, Common School Fund
- Federal sources (4000) - Grants
- Other sources (5000) - Transfers to the GF from other funds, Beginning Fund Balance



Classification of Requirements

- Appropriations by function (program)
 - Instruction (1000)
 - Support Services (2000)
 - Enterprise and Community Services (3000)
 - Facilities Acquisition and Construction (4000)
 - Debt Service (5100)
 - Transfers to Other Funds (5200)
 - Contingency (6000)
- Unappropriated Ending Fund Balance (UEFB) (7000)



Classification of Requirements, cont'd

- Functions further classified by object
 - Salaries (100)
 - Benefits (200)
 - Purchased Services (300)
 - Supplies and Materials (400)
 - Capital Outlay (500)
 - Other Objects (600)
 - Transfers (700)
 - Reserves (800)



State School Fund

- Created in 1991 by Oregon state legislature to distribute state aid to K-12 school districts
- Funded with state general fund and lottery fund revenues and appropriated by legislature on biennial basis
- Distributed through formula developed to provide equal funding to all districts
- Allocated on per student basis, with extra weighting for certain special needs
- District estimates can be found at *<http://www.oregon.gov/ode/schools-and-districts/grants/Pages/School-District-and-ESD-payment-statements.aspx>*



State School Fund, cont'd

- The 2021-2023 State School Grant has been set at 9.1 billion dollars. We are going into the first year of the biennium.
- Funds are expected to be distributed 49%/51% over the two years of the biennium.



2021-22 State School Fund Grant Estimate dated 3/1/21

STATE SCHOOL FUND GRANT
2021-2022

Based on \$9.1 Billion Budget with a 49/51 split as of 3/1/2021

Lane County, Pleasant Hill SD 1 - 2081

2021-2022 Local Revenue		2021-2022 Transportation Grant	
Property Taxes and in-lieu of property taxes from local sources =	\$3,192,000.00	Salaries =	N/A
Federal Forest Fees =	\$0.00	Payroll =	N/A
Common School Fund =	\$105,041.35	Purchased Services =	N/A
County School Fund =	\$30,000.00	Supplies =	N/A
State Managed Timber =	\$0.00	Other =	N/A
ESD Equalization =	\$0.00	Garage Depreciation =	N/A
In-Lieu of Property Taxes(non-local sources) =	\$0.00	Bus Depreciation =	N/A
Revenue Adjustments =	\$0.00	Fees Collected =	N/A
Sum of Local Revenue =	\$3,327,041.35	Non-Reimbursable =	N/A
		Net Eligible Trans Expenditures =	\$985,000.00
		Transportation per ADMr Rank	71%
		Transportation Reimbursement Rate	70.00%
		70.00% of the Net Eligible Transportation Expenditures =	
		the Transportation Grant	\$675,500.00
2021-2022 Experience Adjustment			
District Average Teacher Experience =	11.51		
State Average Teacher Experience =	12.18		
Experience Adjustment (Difference in District and State Teacher Experience) =	-0.59		

2021-2022 Extended ADMw		
2021-2022 ADMw	1,165.22	2020-2021 ADMw 1,153.41
		Extended ADMw 1,165.22

2021-2022 General Purpose Grant
Multiply the Teacher Experience Adjustment of -0.59 by \$25 then add \$4500 to the result = \$4,485.25
Then multiply \$4,485.25 by the Extended ADMw 1165.22 and then by the funding ratio 1.912633780323 = \$9,996,003.67

2021-2022 Total Formula Revenue
Add the General Purpose Grant \$9,996,003.67 to the Transportation Grant \$675,500.00 = \$10,671,503.67

2021-2022 State School Fund Grant
Subtract the Local Revenue \$3,327,041.35 from the Total Formula Revenue \$10,671,503.67 = \$7,344,462.32

2021-2022 Rates per ADMw	
General Purpose Grant per Extended ADMw =	\$8,579
Total Formula Revenue per Extended ADMw =	\$9,158
Charter Schools Rate(ORS 338.155) =	\$8,579

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



State School Fund (SSF) formula

2021-2022 Local Revenue

Property Taxes and in-lieu of property taxes from local sources	=	\$3,192,000.00
Federal Forest Fees	=	\$0.00
Common School Fund	=	\$105,041.35
County School Fund	=	\$30,000.00
State Managed Timber	=	\$0.00
ESD Equalization	=	\$0.00
In-Lieu of Property Taxes(non-local sources)	=	\$0.00
Revenue Adjustments	=	\$0.00
Sum of Local Revenue	=	\$3,327,041.35



State School Fund (SSF) formula

2021-2022 Experience Adjustment

District Average Teacher Experience = 11.51

State Average Teacher Experience = 12.18

Experience Adjustment (difference in
District and State Teacher Experience) = -0.59



State School Fund (SSF) formula

2021-2022 Transportation Grant

Net eligible transportation expenditures x our
transportation reimbursement rate (70%)

$$\$965,000.00 \times 70\% = \$675,500$$

- ODE reimburses eligible transportation costs, according to district costs per ADMr
- For districts ranked below 80%, the state reimburses 70% of approved transportation expenses, primarily:
 - Home to school transportation costs
 - Bus and garage depreciation costs (does not apply to PHSD).
- PHSD's ranking is 71%.



SSF Formula – General Purpose Grant

2020-2021 Extended ADMw

2021-2022 ADMw 1,165.22

2020-2021 ADMw 1,153.41

Extended ADMw 1,165.22



State School Fund (SSF) formula

2021-2022 General Purpose Grant

*(Extended ADMw x [\$4500 +
(\$25 x Experience Adjustment)]
x Funding Ratio)*

*(1165.22 x \$4485.25 x 1.912633780323=
\$9,996,003.67)*



State School Fund (SSF) formula

2021-2022 Total Formula Revenue

$$\begin{aligned} &\text{General Purpose Grant} + \text{Transportation Grant} \\ &= \$9,996,003.67 + \$675,500 = \mathbf{\$10,671,503.67} \end{aligned}$$

2021-2022 State School Fund Grant

$$\begin{aligned} &\text{Total Formula Revenue} - \text{Local Revenue} \\ &= \$10,671,503.67 - \$3,327,041.35 = \mathbf{\$7,344,462.32} \end{aligned}$$



SSF Formula – General Purpose Grant

2021-2022 Rates per ADMw

General Purpose Grant per Extended ADMw = \$8,579
(before Transportation Grant)

$$\$8,579 \times 1,165.22 = \$9,996,422.38$$

Total Formula Revenue per Extended ADMw = \$9,158
(includes Transportation Grant)

$$\$9,158 \times 1,165.22 = \$10,671,084.76$$



SSF Formula – Student Count

STATE SCHOOL FUND GRANT
2021-2022

As of 2/26/2021

Lane County, Pleasant Hill SD 1

District ID: 2081

2021-2022 Extended ADMw

Pleasant Hill SD 1: District total extended ADMw for funding calculations

	2021-2022		2020-2021	
ADM _r :	1,000.00 X 1.00 =	1,000.00	991.19 X 1.00 =	991.19
Students in ESL programs:	5.00 X 0.50 =	2.50	0.93 X 0.50 =	0.47
Students in Pregnant and Parenting Programs:	0.00 X 1.00 =	0.00	0.00 X 1.00 =	0.00
155 IEP Students capped at 11% of District ADM _r :	110.00 X 1.00 =	110.00	109.03 X 1.00 =	109.03
Students on IEP Above 11% of ADM _r :	4.50 X 1.00 =	4.50	4.50 X 1.00 =	4.50
Students in Poverty:	109.00 X 0.25 =	27.25	109.00 X 0.25 =	27.25
Students in Foster Care and Neglected/Delinquent:	7.00 X 0.25 =	1.75	7.00 X 0.25 =	1.75
Remote Elementary School Correction:	0.00 X 1.00 =	0.00	0.00 X 1.00 =	0.00
Small High School Correction:	19.22 X 1.00 =	19.22	19.22 X 1.00 =	19.22
Post Graduate Scholars:	0.00 X 0.25 =	0.00	0.00 X 0.25 =	0.00
	2021-2022 ADMw	1,165.22	2020-2021 ADMw	1,153.41
	Pleasant Hill SD 1 Extended ADMw		1,165.22	

Pleasant Hill SD 1 Extended ADMw 1,165.22



Average Daily Membership, weighted Sources of Information

	Source
Resident ADM (ADMr)	District records – current year
ESL	District records – current year
IEP capped at 11% of ADMr	District records – December census
IEP above 11% cap	ODE - Actual prior year IEP counts and MOE data
Poverty	Small Area Income Poverty Estimate (SAIPE) created by the U.S. Census Bureau
Students in Foster Care, Neglected/Delinquent	Department of Human Services
Small High School Correction	ODE - based on final ADMr for prior year No more than 350 students for four grades



2021-22 Projected ADMr

Grade	District ADMr (Cohort Survival for Actual 2/12/21 Grades 1-12)	Total Projected ADMr
K - 5	433	438
6 - 12	557	562
Total	990	1000



Additional State Funding

2021-22 State Funding	ODE Grant Estimate Mar 2021
State School Fund Grant	\$7,344,462
+ Small High School Grant (estimate)	63,300
+ High Cost Disability Grant (estimate)	50,000
Total State Funding	\$7,457,762

- Small High School Grant - \$2.5 million for small districts
- High Cost Disability Grant - \$55 million per year to partially reimburse districts for costs greater than \$30,000 per IEP student
- This estimate does not show prior year adjustments - e.g., final ADM, local revenue, state resources



- Budget Orientation, Monday, May 3.

- Budget Committee Meeting Monday, May 17
 - Receive Superintendent's Budget Message
 - Review Proposed 2021-22 Budget
 - Hear and discuss public comment

Thank you for your participation. If you have any questions, please contact me, Sheri Longobardo, 541-736-0797 or slongobardo@pleasanthill.k12.or.us