

**Lebanon Community School District  
485 South Fifth Street  
Lebanon, OR 97355  
District Office  
Thursday, March 10, 2016  
7:00 p.m.**

**SPECIAL BOARD/BUDGET COMMITTEE MEETING**

1. Call to Order – Board Chair Richard Borden
2. Information:
  - a.) Budget Committee Roles & Responsibility (Booklet Enclosed)
  - b.) Financial Information (Enclosure 2-b)
  - c.) School & Operation Requests (Enclosure 2-c)
3. Public Comment
4. Request for Information

**Budget Committee Meeting Dates**

April 14, 2016	7:00 p.m./District Office Board Room	Budget Committee Meeting #1
April 28, 2016	7:00 p.m./District Office Board Room	Budget Committee Meeting #2
May 12, 2016	7:00 p.m./District Office Board Room	Budget Committee Meeting #3
May 26, 2016	6:00 p.m./District Office Board Room	Public Budget Hearing & Special Board Meeting

7. Adjournment

## **Budget Committee Business Report**

By: Linda Darling, Business Director

March 10, 2016

### **Financial Information:**

I will have a presentation that will include financial information that the state will be releasing the week of March 7<sup>th</sup>.

### **Financial Report:** (enclosure 2-b)

The 2015-2016 Financial Board report included in this Board packet reflects all of actual (audited) revenue and expenditures for 2014-2015 and 2015-2016 along with the budgeted, spent and/or encumbered, and projected amounts for 2015-2016. The March's projected EFB for 2015-2016 is \$3,348,700. This is a decrease from February's \$3,627,900. The major changes in this projection are:

- Increase in revenues are in the areas of:
  - the state school funding estimated increase for actual students instead of November 2014 estimated numbers (approx. \$252,000)
  - miscellaneous revenue is not coming in as it has in the past resulting in a decrease (approx. \$43,000)
- Increase in expenditures are in the areas of:
  - Salaries & Benefits: this estimate includes the financial impact from the recent Licensed Contractual settlement. We are currently working to process the salary changes. Until the April report the numbers are subject to change. (approx. \$732,400)
  - Purchased Services: the current number of students participating in the K-12 online school and Beyond LHS has resulted in the projection being reduced by approx. \$200,000. This could increase if there are a large number of students that participate in Beyond LHS Spring term.
  - Supplies & Materials: the cost of fuel is staying at a fairly consistent rate, resulting in the decrease of anticipated expenditures by approx. \$30,000. All the anticipated purchasing of replacement textbooks, and ongoing textbook support is finishing its cycle, which is an approx. decrease in expenditures of approx. \$45,000.

### **School Presentation:**

I need to apologize that the school presentations are not included in the packet mailed to you. I lost track of time and didn't give Principals timely notification for information. We will have a presentation for you at the Budget Committee meeting, March 10<sup>th</sup>. Each school is providing information on their top funding requests.

### **Operations Presentation:** (enclosure 2-c)

Assistant Superintendent Yates has provided a report (enclosed) that covers the following areas: Facilities, Technology, Transportation, Food Service, and CTE.

# 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 [ORS 334.240] 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.**

## OREGON SCHOOL BOARDS ASSOCIATION

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).

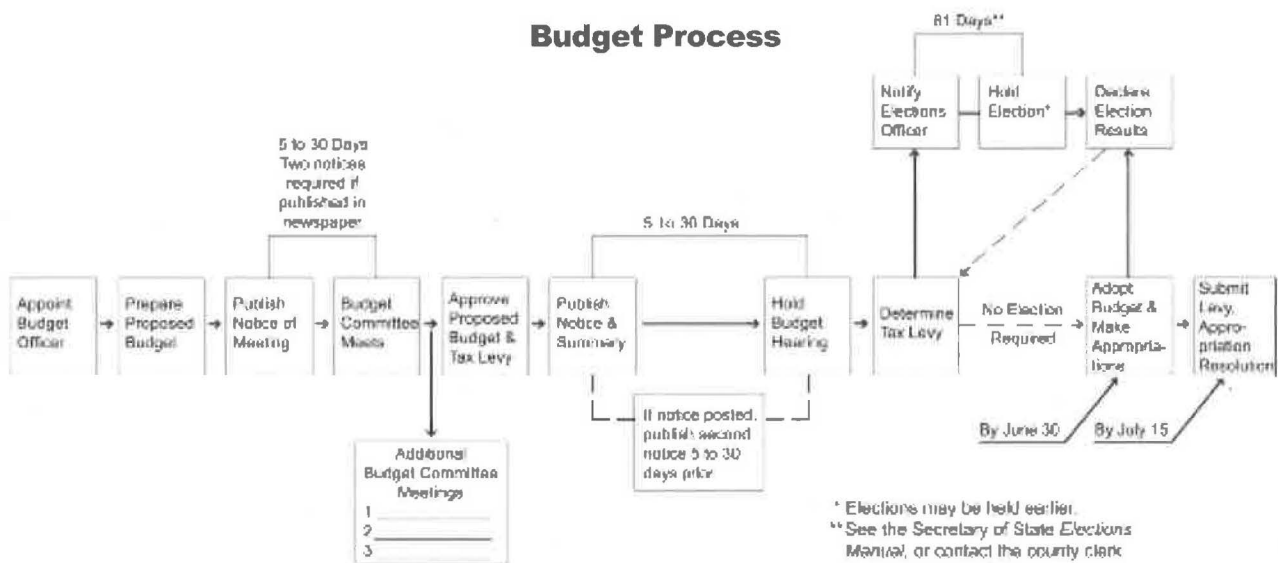


## Supplemental budget

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.

## Budget Process



## 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

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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

The *Budget Committee Handbook* is available to all school district and education service district board chairs, superintendents and business officials.

You can access publications online at [www.osba.org](http://www.osba.org). Click on My OSBA/Member Resources.

For information about this publication and the full range of OSBA services, contact:

Oregon School Boards Association

PO Box 1068, Salem, OR 97308

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

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## 2015-2016 General Fund Summary Report

	12/13 Actual	13/14 Actual	14/15 Actual	15/16 Budget	2-26-16 YTD & Enc	2-26-16 Balance	15/16 Project 3/1/2016
<b>General Fund - Revenue</b>							
SSF Formula	30,017,096	33,010,958	34,926,096	35,975,000	28,451,709	7,523,291	36,050,000
SSF Adjustment	337,479	354,709	48,134	-	-	-	-
Federal Ed Jobs	-	-	-	-	-	-	-
School Year SubAccount	-	-	-	-	-	-	-
Loan Receipts	-	-	-	-	-	-	-
Interest	59,860	55,090	62,596	40,000	42,824	(2,824)	75,000
Third Party Billing		35,680	25,179	50,000	33,223	16,777	50,000
TMR	176,000	189,021	154,930	175,000	74,757	100,243	150,000
JROTC	62,358	44,877	64,220	62,000	43,619	18,381	65,000
Other	422,445	493,650	379,017	367,400	210,302	157,098	265,500
Interfund Transfer	60,000	680,000	60,000	60,000	35,077	24,923	60,000
BFB	2,596,141	1,065,336	3,162,455	3,500,000	3,932,387	(432,387)	3,932,000
<b>Total</b>	<b>33,731,379</b>	<b>35,929,322</b>	<b>38,882,628</b>	<b>40,229,400</b>	<b>32,824,618</b>	<b>7,404,782</b>	<b>40,647,500</b>
	=====	=====	=====	=====	=====	=====	=====
<b>General Fund - Expenses</b>							
Salaries	16,090,527	15,946,123	16,263,399	17,309,590	16,862,234	447,356	17,917,400
Benefits	9,467,455	9,581,618	10,020,660	11,260,053	10,156,627	1,103,426	10,659,790
P. Services	4,635,957	4,781,674	5,112,768	6,235,965	3,654,745	2,581,220	4,920,010
Supplies	1,165,368	1,123,636	1,477,643	1,696,562	1,122,619	573,943	1,285,500
Capital Outlay	23,301	-	6,779	30,000	11,000	19,000	30,000
Other Objects	240,048	262,806	308,993	337,230	265,593	71,637	311,100
Transfers	1,093,860	902,369	1,760,000	2,360,000	2,154,052	205,948	2,175,000
Contingency	-	-	-	1,000,000	-	1,000,000	-
<b>Total</b>	<b>32,716,516</b>	<b>32,598,226</b>	<b>34,950,241</b>	<b>40,229,400</b>	<b>34,226,870</b>	<b>6,002,530</b>	<b>37,298,800</b>
	=====	=====	=====	=====	=====	=====	=====
<b>Projected Ending Fund Balance</b>							<b>3,348,700</b>

# 2015-2016 General Fund Summary Report

	12/13 Actual	13/14 Actual	14/15 Actual	15/16 Budget	2-26-16 YTD	2-26-16 Balance	15/16 Project 3/1/2016
SSF Formula							
Taxes	7,841,946	7,903,432	8,234,812	8,170,000	7,875,466	294,534	8,410,000
Federal Forest Fees	226,617	270,219	264,679	-	-	-	251,000
Common School	348,692	390,784	409,884	405,000	196,805	208,195	394,000
County School	-	-	-	-	-	-	-
State Timber	53,044	210,996	405,152	100,000	121,425	(21,425)	200,000
School Support Fund	21,546,797	24,235,526	25,578,283	27,300,000	20,258,013	7,041,987	27,045,000
Adjustments to SSF Payments			-				
Adj for HC Disability Grant	8,476	44,585	33,286	-	-	-	-
Adj for 11/12 payment	329,004	-	-	-	-	-	-
Adj for 12/13 payment	-	310,123	-	-	-	-	-
Adj for 13/14 payment	-	-	48,134	-	-	-	-
Adj for 14/15 payment	-	-	-	-	-	-	(250,000)
State Fiscal Stabilization Fund	-	-	-	-	720	(720)	-
Federal Ed Jobs	-	-	-	-	-	-	-
School Year SubAccount	-	-	-	-	-	-	-
Total SSF Formula	30,354,576	33,365,667	34,974,231	35,975,000	28,452,429	7,522,571	36,050,000
Loan Receipts	-	-	-	-	-	-	-
Interest of Investments	59,860	55,090	62,596	40,000	42,824	(2,824)	75,000
Third Party billing - Medicaid		35,680	25,179	50,000	33,223	16,777	50,000
TMR	176,000	189,021	154,930	175,000	74,757	100,243	150,000
JROTC reimbursement	62,358	44,877	64,220	62,000	43,619	18,381	65,000
Other							
Outdoor School	-	-	-	-	-	-	-
Rental Fees	24,695	24,989	27,828	24,000	4,489	19,511	8,000
Fees Charged to Grants	53,440	-	-	50,000	-	50,000	-
Miscellaneous	278,595	396,771	282,468	233,400	122,903	110,497	174,500
E-Rate reimbursement	65,715	71,891	68,721	60,000	82,910	(22,910)	83,000
Interfund Transfer - Athletics	60,000	680,000	60,000	60,000	35,077	24,923	60,000
Beginning Fund Balance	2,596,141	1,065,336	3,162,455	3,500,000	3,932,387	(432,387)	3,932,000
Total	33,731,379	35,929,322	38,882,628	40,229,400	32,824,618	7,404,782	40,647,500
	=====	=====	=====	=====	=====	=====	=====

# 2015-2016 General Fund Summary Report

Obj	Description	12/13	13/14	14/15	15/16	2-26-16	2-26-16	2-26-16	3/1/2016
		Actual	Actual	Actual	Budget	YTD	Encumb	Balance	15/16 Project
111	Certified salaries	9,691,110	9,312,212	9,311,147	9,848,605	4,893,314	4,881,073	74,218	10,295,000
112	Classified salaries	3,570,418	3,821,771	4,164,521	4,550,655	2,530,542	2,006,560	13,553	4,546,000
113	Administrative salaries	1,356,839	1,409,054	1,464,907	1,668,123	1,082,664	542,546	42,914	1,639,000
114	Managerial - classified	124,134	92,856	94,714	96,608	117,990	58,995	(80,377)	179,000
116	Retirement stipends	98,858	99,065	76,123	51,135	37,506	13,628	1	52,000
118	Retirement Support Program	159,600	159,600	-	-	-	-	-	-
119	Confidential salaries	146,195	125,872	125,785	132,974	52,071	31,596	49,307	84,000
121	Certified subs	337,851	364,590	373,350	381,400	192,004	-	189,396	400,000
122	Classified subs	109,047	147,575	148,818	127,625	82,893	-	44,732	157,000
123	Temp certified	51,529	61,461	62,030	53,500	21,410	-	32,090	62,000
124	Temp classified	-	3,775	982	500	-	-	500	-
127	Student helpers salaries	2,884	12,466	11,768	6,000	5,300	-	700	8,000
132	Compensation time	12,822	19,026	23,861	20,500	2,397	-	18,103	30,000
133	Extra duty	174,502	149,434	254,381	207,565	190,139	25,049	(7,623)	307,000
134	Classified extra hrs	127,482	123,909	142,975	135,000	93,273	-	41,727	150,000
135	Vacation Payoff	31,234	17,384	4,377	24,000	-	-	24,000	4,000
136	Mentor teacher pay	2,438	1,568	990	-	57	-	(57)	1,700
137	Personal Leave Payout	25,750	22,057	75	-	-	-	-	-
138	Department Head Extra Duty	2,300	2,122	2,159	4,000	975	-	4,000	2,200
140	Salary Settlements	64,867	-	-	-	-	-	-	-
142	Taxable Meal Reimbursement	667	328	436	1,400	252	-	1,148	500
	<b>Total Salaries</b>	<b>16,090,527</b>	<b>15,946,123</b>	<b>16,263,399</b>	<b>17,309,590</b>	<b>9,302,788</b>	<b>7,559,446</b>	<b>447,356</b>	<b>17,917,400</b>
210	PERS	3,708,868	3,955,693	3,976,407	4,378,647	2,156,077	1,723,945	498,625	4,206,600
220	Social Security	1,173,990	1,183,575	1,207,537	1,303,449	690,108	557,348	55,994	1,328,200
231	Worker's Comp	130,637	119,163	136,822	183,311	100,141	68,224	14,946	175,200
241	Employee Ins - Admin	163,789	-	177,948	217,470	139,035	73,820	4,615	212,900
242	Employee Ins - Certified	2,038,405	2,146,033	2,307,416	2,601,416	1,158,170	1,163,072	280,174	2,329,000
243	Employee Ins - Classified	1,691,683	1,721,374	1,874,827	2,223,221	1,142,575	974,115	106,532	2,124,000
244	Employee Ins - Other	31,766	20,636	20,700	38,729	5,163	2,575	30,991	7,740
245	Employee Ins - Retired	472,809	389,149	276,090	270,000	161,270	-	108,731	235,150
246	Classified Insurance Pool	4,979	-	-	-	-	-	-	-
247	TSA	50,530	45,996	42,912	43,810	23,690	17,302	2,819	41,000
	<b>Total Benefits</b>	<b>9,467,455</b>	<b>9,581,618</b>	<b>10,020,660</b>	<b>11,260,053</b>	<b>5,576,228</b>	<b>4,580,399</b>	<b>1,103,426</b>	<b>10,659,790</b>

# 2015-2016 General Fund Summary Report

		12/13	13/14	14/15	15/16	2-26-16	2-26-16	2-26-16	3/1/2016
Obj	Description	Actual	Actual	Actual	Budget	YTD	Encumb	Balance	Project
311	Instructional Services	300	69,272	152,856	260,800	76,554	-	184,246	145,000
312	Instr Prog Improve Service	8,800	18,733	43,468	32,000	32,023	6,878	(6,901)	51,900
319	Other Instr-Prof-Tech SVCS	20,884	14,977	21,870	15,000	9,745	-	5,255	20,900
322	Repairs & Maintenance	87,245	101,489	163,270	107,300	128,749	12,984	(34,433)	195,200
323	Radio Service	1,188	-	-	-	7,767	-	(7,767)	7,800
324	Rentals	137,321	121,204	135,308	144,350	56,849	69,687	17,814	129,300
325	Electricity	414,837	440,338	467,896	472,100	298,312	-	173,788	472,600
326	Fuel	159,642	187,486	177,759	236,000	112,648	-	123,352	180,000
327	Water & Sewer	130,496	112,986	139,255	145,900	82,206	-	63,694	140,000
328	Garbage	82,910	77,676	86,324	95,600	51,772	-	43,828	88,100
329	Other Property Services	675	420	13,001	11,400	-	-	11,400	4,700
330	Reimb. Student Transportation	-	4,204	6,950	8,800	-	-	8,800	-
340	Travel	62,436	65,317	114,592	176,565	84,344	12,756	79,464	140,000
343	Travel - Student - Out of Dist.	191	1,665	-	2,700	-	-	2,700	-
346	Meals/Transportation	228	148	104	500	48	-	452	160
348	Staff Tuition	15,033	30,645	49,577	41,000	35,352	760	4,888	50,000
351	Telephone	66,659	67,513	82,642	71,300	46,071	774	24,455	82,000
353	Postage	17,610	25,894	23,607	29,250	10,796	-	18,454	24,751
354	Advertising	1,316	1,874	4,416	4,700	2,416	-	2,284	3,200
355	Printing & Binding	14,735	13,897	68,861	83,800	44,191	691	38,918	68,900
360	Charter School Payments	1,800,976	1,954,971	2,064,403	2,423,000	1,560,555	-	862,445	2,010,000
362	Insurance Reimbursement	643	-	-	-	-	-	-	-
371	Tuitions Payments to Other Dist.	32,878	37,250	40,570	175,000	29,701	-	145,299	30,000
373	Tuition Pay Private School	-	-	-	5,000	-	-	5,000	-
374	Other Tuition	906,502	782,257	605,954	811,000	275,268	5,066	530,666	400,000
381	Audit Services	21,950	27,150	27,650	30,000	25,150	-	4,850	28,000
382	Legal Services	6,776	9,011	2,028	25,000	3,165	-	21,835	5,900
384	Negotiation Services	5,449	14,344	5,934	10,000	7,695	-	2,305	20,000
386	Data Processing SVCS	53,576	57,261	59,787	100,300	52,213	120	47,967	61,800
387	Statistical Services	1,000	-	-	-	-	-	-	-
388	Election Services	6,410	-	4,565	-	-	-	-	-
389	Other Non_instr Pro/Tech	543,914	510,398	515,889	675,200	326,111	149,161	199,928	523,400
391	Physical Exams - Drivers	2,540	2,175	2,380	3,700	1,263	1,337	1,100	2,400
392	Drug Tests Drivers	1,535	1,110	1,110	3,000	600	1,400	1,000	1,300
393	Child Care Services	22,000	22,000	22,000	25,000	13,200	8,800	3,000	22,000
394	Sub calling service	5,464	5,536	5,559	6,800	7,489	-	(689)	7,500
396	Criminal History checks	1,440	2,332	2,546	2,900	2,078	-	822	2,600
398	Fingerprinting	400	138	639	1,000	-	-	1,000	600
<b>Total P. Services</b>		<b>4,635,957</b>	<b>4,781,674</b>	<b>5,112,768</b>	<b>6,235,965</b>	<b>3,384,331</b>	<b>270,415</b>	<b>2,581,220</b>	<b>4,920,010</b>

# 2015-2016 General Fund Summary Report

Obj	Description	12/13	13/14	14/15	15/16	2-26-16	2-26-16	2-26-16	3/1/2016
		Actual	Actual	Actual	Budget	YTD	Encumb	Balance	15/16 Project
406	Gas Oil & Lubricants	202,584	189,904	152,805	231,000	60,389	135,396	35,215	110,000
410	Supplies & Materials	359,880	356,317	457,671	465,630	283,023	32,949	149,658	420,000
413	Vehicle repair parts	41,968	54,783	50,201	63,000	31,638	16,888	14,474	49,000
414	Transportation operations	4,379	5,262	5,674	5,300	3,339	1,947	14	6,000
420	Textbooks	120,737	173,653	240,685	261,500	45,883	57,070	158,547	120,000
430	Library Books	10,819	6,636	9,934	13,000	3,961	2,372	6,667	7,000
440	Periodicals	4,440	3,753	6,012	5,320	2,325	-	2,995	3,500
460	Equipment under 5K	141,047	122,132	125,632	221,880	98,124	6,488	117,268	140,000
470	Computer software	118,839	139,153	173,513	230,648	157,897	2,841	69,910	174,000
480	Computer hardware	160,675	72,041	255,516	199,284	180,089	-	19,195	256,000
	<b>Total Supplies &amp; Materials</b>	<b>1,165,368</b>	<b>1,123,636</b>	<b>1,477,643</b>	<b>1,696,562</b>	<b>866,667</b>	<b>255,952</b>	<b>573,943</b>	<b>1,285,500</b>
540	Equipment	23,301	-	6,779	30,000	11,000	-	19,000	30,000
	<b>Total Capital Outlay</b>	<b>23,301</b>	<b>-</b>	<b>6,779</b>	<b>30,000</b>	<b>11,000</b>	<b>-</b>	<b>19,000</b>	<b>30,000</b>
621	Regular Interest	-	-	-	500	-	-	500	-
640	Dues & Fees	50,998	51,933	92,488	103,130	46,925	29	56,176	92,000
650	Insurance & Judgments	189,050	210,873	216,456	233,600	218,639	-	14,961	219,000
670	Taxes & Licenses	-	-	49	-	-	-	-	100
	<b>Total Other Objects</b>	<b>240,048</b>	<b>262,806</b>	<b>308,993</b>	<b>337,230</b>	<b>265,564</b>	<b>29</b>	<b>71,637</b>	<b>311,100</b>
710	Transfer - Technology	50,000	50,000	175,000	200,000	200,000	-	-	200,000
711	Transfer - Classroom Furniture	-	-	50,000	50,000	50,000	-	-	50,000
712	Transfer - Textbook Adoption	200,000	50,000	350,000	350,000	350,000	-	-	350,000
713	Transfer - Capital Improvement	200,000	150,000	225,000	250,000	250,000	-	-	250,000
714	Transfer - Track and Turf Fund	100,000	100,000	110,000	110,000	110,000	-	-	110,000
715	Transfer - Athletic Fund	336,000	336,000	365,000	365,000	365,000	-	-	365,000
716	Transfer - Bus Replacement	150,000	150,000	250,000	250,000	250,000	-	-	250,000
717	Transfer - Unemploy Ins	-	50,000	25,000	50,000	15,000	-	35,000	50,000
718	PERS Reserve	-	-	150,000	500,000	500,000	-	-	500,000
719	Transfer - Food Service	17,860	16,369	50,000	235,000	64,052	-	170,948	50,000
730	Transfer - Debt Service	30,000	-	-	-	-	-	-	-
731	Transfer - Academic Achievemer	10,000	-	10,000	-	-	-	-	-
	<b>Total Transfers</b>	<b>1,093,860</b>	<b>902,369</b>	<b>1,760,000</b>	<b>2,360,000</b>	<b>2,154,052</b>	<b>-</b>	<b>205,948</b>	<b>2,175,000</b>
810	Reserve/Contingency	-	-	-	1,000,000	-	-	1,000,000	-
	<b>Grand Total</b>	<b>32,716,516</b>	<b>32,598,226</b>	<b>34,950,241</b>	<b>40,229,400</b>	<b>21,560,629</b>	<b>12,666,241</b>	<b>6,002,530</b>	<b>37,298,800</b>

# 2015-2016 General Fund Summary Report

## All Funds

Fund	Description	12/13 Actual	13/14 Actual	14/15 Actual	14/15 EFB	15/16 Adopted Budget	2-26-16 Y-T-D	2-26-16 Encumb	2-26-16 Balance	15/16 Proj. Actual	15/16 Proj. EFB
100	General Fund	32,716,516	32,766,866	34,950,241	3,932,387	40,229,400	21,560,629	12,666,241	6,002,530	37,298,800	3,348,700
200	Grant Funds	3,903,906	2,663,753	2,591,884	1,765	5,200,000	1,279,951	913,944	3,006,105	2,592,000	2,000
205	Senate Bill 1149	-	-	185,000	9,649	83,700	-	-	83,700	-	90,000
212	Academic Achievement	-	1,500	-	18,650	28,650	-	-	28,650	10,000	8,600
230	Bus Replacement	452,440	-	100,735	304,882	550,000	-	-	550,000	-	554,000
232	Classroom Furniture	-	-	50,000	-	53,000	35,866	-	17,134	40,000	10,000
240	Textbook Adoption	180,885	107,421	18,550	410,537	761,000	569,155	19,519	172,326	580,000	185,000
272	Capital Improvments	1,164,624	319,070	284,536	-	250,000	140,067	1,138	108,795	190,000	50,000
274	Technology	76,157	52,899	124,500	71,444	271,445	-	-	271,445	-	271,400
277	Track and Turf Replacement	-	100,000	100,000	56,554	200,000	100,000	-	100,000	100,000	77,800
279	Student Activity	550,340	593,221	590,053	467,082	1,120,000	334,474	26,726	758,800	600,000	465,000
286	High School Athletics	439,681	445,218	445,055	77,015	517,000	288,044	33,627	195,329	445,000	127,000
296	Nutrition Services	1,946,080	1,683,116	1,596,163	235,307	2,006,350	844,363	498,788	663,198	1,640,000	400,000
299	PERS Reserve	-	630,000	-	150,000	650,000	-	-	650,000	-	650,000
300	Debt Service	3,276,831	3,359,330	3,442,481	197,102	3,528,482	1,026,741	-	2,501,741	3,528,500	20,000
310	Debt Service / SB 1149	-	5,151	-	-	-	-	-	-	-	-
311	2011 Non-Bonded Debt	223,547	223,547	223,547	152,494	349,715	48,607	-	301,108	223,500	119,500
601	Unemployment	47,106	37,166	37,539	91,276	100,000	4,265	-	95,735	15,000	95,000
<b>Grand Total</b>		<b>44,978,112</b>	<b>42,988,258</b>	<b>44,740,285</b>	<b>6,176,143</b>	<b>55,898,742</b>	<b>26,232,162</b>	<b>14,159,983</b>	<b>15,506,597</b>	<b>47,262,800</b>	<b>6,474,000</b>



## Budget Narrative\Request

2016-2017

### Facilities, Technology, Transportation, Food Services, CTE

All numbers provided are exclusive of labor\salary costs

I have used zero (0) based budgeting in every department with the exception of custodial services. In nearly all line items, requests have been held constant or reduced. I have tried to be as conservative as possible in order to assure that we can maintain the status quo. It is my understanding that we are in year two of the biennium, and that our State support will be relatively flat. I understand with a flat budget, expansion in one area will require contraction in another.

#### Facilities

The Facilities department is tasked with the maintenance and upkeep of the district buildings and properties. Our goal is to continually improve the appearance and overall functionality of our schools. Although there are areas where we could spend considerable resources, we have tried to maintain each buildings infrastructure in order to maximize its comfort and functionality. Over the past several years we have dedicated 50k annually for roofing repairs, 50k for painting and 50k for parking lot repair and marking. The change that I would like to make for the 2016-2017 school year is to add District custodial service back to Riverview, Pioneer, and Seven Oak. We currently pay WVRC \$250k per year to perform custodial duties at these sites. Unfortunately we have found the quality of service not equal to what we are able to provide in our other schools. We will need to spend 50k on new cleaning equipment for these buildings. This will be a one-time cost and I will attach the itemized list of equipment needed at each site. I would like to staff all three of these sites with two custodians. We currently utilize one floater custodian, and plan to place this person at one of the schools. We would need to hire two five custodians (50k per) to cover the remaining sites. In order to better support all of our schools I would like to move our lead custodian from LHS to a District position, allowing him to direct more time and attention to each school site. We will also cover subs internally by having him available to help at each site. I would like to backfill the position at LHS with an additional Facility Operator in order to provide the day to day support that the school needs.

This is not a cost neutral proposal. The contract with WVRC is 250k and those monies will cover the replacement custodians. Resources will be needed for the one time equipment purchase as well as the support position. I believe this will improve the cleanliness in our schools considerably. The Facility Operator position will be a .5 position. The staffing costs are not represented in the numbers below.

	2015-2016	2016-17 request	
School Furniture:	50K	(25k)	
Grounds:	183k	(183k)	
Custodial Support	386k	(436)	(Adding Pioneer, Riverview, Seven Oak)
Contracts and supplies	379K	(379k)	
Capital projects	250K	(250k)	
Hourly Support\Summer Help		(25k)	



## Planned Projects 2016-17

HVAC: Lacombe boiler replacement, Cascades boiler, individual heat pump units at HCR (50k)

Blacktop repair: multiple sites (50k)

Bleacher replacement: old gym LHS (110k) (55k per side) Balcony is complete

Roofing maintenance: (50k)

Exterior paint: multiple sites (50k)

School Furniture: multiple sites (25k)

Hourly support: Summer painting (25k)

## **Technology**

We are currently upgrading our phone system as well as starting the upgrade to our technology infrastructure. All new monies will be going towards electronic devices for students. The life expectancy of a Chromebook is three years and we anticipate having to continually replace and upgrade devices.

For several years we have used part time temp labor to help in the technology department. I would like to add an entry level tech in order to help with the work that the part time employees have been assigned. I believe this will be cost neutral and allow for improved service and efficiency.

	2015-2016	2016-17 request	
Fund 274:	271k	(250k)	funding infrastructure upgrade (80% E-ratable)
Contracts and Supplies:	366k	(350K)	Projected purchases: Chromebooks

## **Transportation**

The budgetary issue regarding transportation is that all of our busses need to be updated to 2007, emission standards by 2025(ORS 468A.796). Any bus not purchased in 2007, or later will need to be retired at that time. Monies have been set aside in the bus replacement fund to save enough money to strategically purchase buses in the future. Our buses are maintained extremely well and it is reasonable to expect a service life in excess of 10 years for each vehicle. It is not essential that we purchase busses immediately but it is essential that we continue to put the monies aside in order to do so. In 2014-2015, the bus replacement fund was budgeted 250k. It is extremely important that we continue to budget at this level (+5% to cover increased bus pricing) in order to prepare for the complete updating of our fleet by 2025. I would like to postpone our purchase of buses as long as possible as this strategy will allow us to purchase a higher number of buses giving us leverage to get the best price. From a maintenance standpoint it allows us to service and support a fleet with fewer individual models which is more efficient.

	2015-2016	2016-17 request
Bus Replacement fund: (250k)	(250k)	(250k)
Supplies and Materials: (300k)	(292k)	(300k)
(Enclosure 2-c)		

## Food Service

We made some philosophical changes in our lunch program two years ago which has impacted the food service budget considerably. Three years ago Food Services was being run on a profit basis with food quality not being the priority. When Angie Gorman took over the food service program, the philosophy of the department changed to "providing the healthiest meals possible at a neutral price point". In the first year we burned through much of the reserves that had been built up. Food costs increased with the focus on food quality. In year two, it was necessary for the general fund to help support the department as federal guidelines as well as our own philosophy made it impossible to run on a cost neutral basis. Food and labor costs are continually monitored and controlled. Currently Food Services is operating with a positive budget for the year. Angie Gorman has done an incredible job of managing costs and getting kids the highest quality meals at a close to neutral price point. We anticipate the need for budget support in the near future due to the increase in labor costs. In order to remain cost neutral we would need to cut costs which would impact the quality of the meals we currently offer.

## CTE

Request for funding:

The **Building Construction Program** at LHS is requesting \$135,000.00 in funding in order to purchase property and construct a 1500 sq. ft. home. We have previously built homes for Habitat for Humanity and found this type of project to be a tremendous learning experience for our kids. Students are involved in the design and complete construction of a home that will at years end be sold. The proceeds from the sale will fund the next project as well as repay the initial investment in the program. Our intent is to have the initial allocation repaid within a 4 year period. Currently we are utilizing small projects referred to us by the Facilities department in order to provide students with learning opportunities.

We have a unique program that simply needs some short term funding in order to become self- sufficient.

The **Welding Program** has returned and is in high demand from students. We have several companies wanting to work with us in order to provide them with potential future employees. Many of our current stick welding machines need to be replaced. The majority of the machines were provided us from LBCC when they upgraded their machines. We need to replace the 10 machines that we currently use for our stations. Each machine is approximately \$3,600.00. This is a program that can and will place graduates directly into well- paying jobs. This program is looking for \$40,000.00 in order to update equipment.

The **Culinary Arts Program** is currently going through a transition from home centered cooking to commercial and professional food preparation. We have a strong instructor but need to modify and upgrade our labs. We are in need of commercial equipment and a kitchen make-over.

I realize the extra support of the CTE programs would be an additional cost to the district. I will propose to the Board possible options intended to create seed monies for these programs.