

Budget Committee Orientation Meeting
Thursday, January 20, 2022 6:30 PM Pacific

Virtual

- I. **6:30 p.m. Budget Committee Orientation Meeting:** New Board Member and New Budget Committee Member Orientation and Training
Presented by: Andrea Belz, Director of Financial Services
- II. Adjourn



Budget Committee Orientation

January 20, 2022

Agenda

- Introductions
- Local Budget Law
- The Role of the Budget Committee
- 4J Budget Process
 - How Did We Get Here?
 - Building the Budget

Welcome to our New Members!

- Laural O'Rourke
- Maya Rabasa
- Dakota Boulette
- Tom Di Liberto
- Ericka Thessen

Local Budget Law

Purpose of Local Budget Law

- Establish standard procedures for budget development
- Outline programs & fiscal policies
- Require estimates of revenues, expenditures and proposed taxes
- Encourage citizen involvement
- Control expenditure of public funds
- Inform the public, taxpayers and investors

Oregon Revised Statute (ORS) 294.321

Why Follow Local Budget Law?

A school district that doesn't follow Local Budget Law may not lawfully:

- Expend funds (with some exceptions)
- Certify and declare taxes and levies to the county assessor

ORS 294.338

A property tax made contrary to Local Budget Law is voidable by the Oregon Tax Court if appealed by:

- County Assessor
- County Court
- County Board of Commissioners
- The Department of Revenue
- Ten or more interested taxpayers

ORS 294.461

The Role of the Budget Committee

Budget Committee Membership

4J Board of Directors

+

7 Budget Committee Members Appointed by the Board

Appointed Members:

- ▶ Serve a 3-year term
- ▶ Must be a qualified voter of the District
- ▶ Cannot be officers, agents or employees of the District
- ▶ May total less than 7 positions due to vacancy or failure to fill an appointment
- ▶ If selected at the first Budget Committee Meeting, may serve as Chair or Vice Chair of the committee

ORS 294.414

Budget Committee's Meeting Process

- All meetings are subject to Public Meetings Law
- Presiding officers must be elected at first meeting from among the members
- Quorum is required to conduct business
- Majority of committee is required to take action
- Committee may request and receive additional information from District officials

What the Budget Committee Does

- Receives and reviews the Proposed Budget
- Hears the Budget Message
- Hears & considers public comment
- Requests and receives additional information from District officials
- Approves the Proposed Budget and declares taxes and levies

Receives and Reviews the Proposed Budget

- Proposed Budget is a “public document” when released to the Budget Committee – it can be accessed by the public via the District’s website or in hard-copy at the Education Center
- Public has the right to inspect
- Must provide means for public to copy (can also charge for copies)

Hears the Budget Message

- Presented in the Executive Summary section of the Proposed Budget document
- Describes strategic planning and investments, financial policies, and operational factors
- Highlights changes from the prior year and their impact on the budget
- Includes a summary of the proposed budget, including risk factors

ORS 294.403

Hear and Consider Public Comment

- Provide members of the public with an opportunity to ask questions about and comment on the Proposed Budget document
- Establish time limits and other policies for public comment periods
- Include a public comment period in additional meetings, if desired

ORS 294.426(1)(b)

Requests and Receives Additional Information from District Officials

- Requests may be made during Budget Committee meetings or between meetings
- Requests may be submitted to the Superintendent or designee for assignment to District staff
- The Budget Committee may request the attendance of any District employee at its meetings

ORS 294.428(3)

Approves the Proposed Budget

Example: Motion made for 2017-18 Proposed Budget

“I move to approve the Budget Total for All Funds, including:

- *General Fund Total of \$192,231,721 or as amended by the budget committee.*
- *Other Funds Total of \$199,443,752 or as amended by the budget committee.”*

(motion and vote recorded in the minutes)

Declares Taxes and Levies

Example: Motion made for 2017-18 Proposed Budget

“I move to declare the tax rates and levy:

- *General Fund tax rate of 4.7485 per \$1,000 of assessed valuation of the district.*
- *Local Option Levy tax rate of \$1.50 per \$1,000 of assessed valuation of the district.*
- *Debt Service Fund tax levy of \$23,824,301.”*

(motion and vote recorded in the minutes)

*****Your work is complete!*****

4J Budget Process

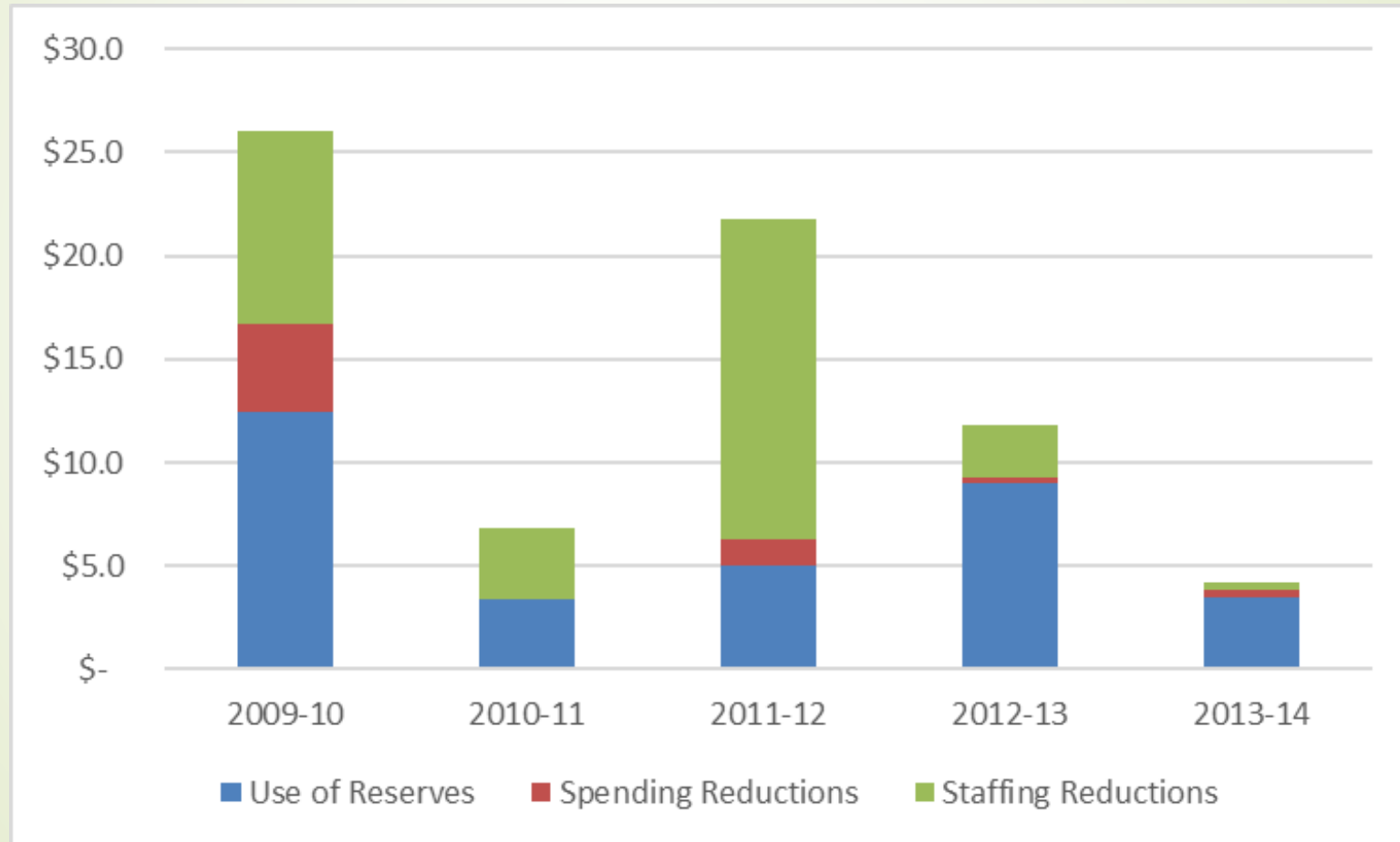
How Did We Get Here?

The Great Recession

The “Great Recession” may be over, but the impact to District operations goes on. Some of the program and staffing cuts made during this period have been reversed, but others remain and these supports may never return to their “pre-recession” levels. As you review the 2022-23 Proposed Budget it is important to understand that:

- ▶ Even with the addition of supports provided by the Student Success Act and federal COVID-19 relief grants, our resources will not be sufficient to meet every need – available resources have been prioritized
- ▶ We are still not back to pre-recession operating levels – some of the cuts made during this period will likely be slow to reverse or even permanent

The Great Recession



Then and Now – Lasting Impacts

2008-09 Student:Teacher Staffing Ratio

- ▶ Kindergarten – 22.7:1
- ▶ Grades 1-3 – 22.7:1
- ▶ Grades 4-5 – 25.1:1
- ▶ Grades 6-8 – 25.1:1
- ▶ Grades 9-12 – 25.4:1

2022-23 Student:Teacher Staffing Ratio

- ▶ Kindergarten – 23:1
- ▶ Grades 1-3 – 26:1
- ▶ Grades 4-5 – 26:1
- ▶ Grades 6-8 – 27:1
- ▶ Grades 9-12 – 29:1

“Grades 1-3 have seen the greatest impact with a ratio increase of 3.3 students per teacher over this period.”

Building the Budget

January: 5-Year Financial Forecast

- ▶ Preparation of the budget begins in early December with development of the General Fund 5-Year Forecast.
 - ▶ Uses **projected enrollment** to calculate state funding allocation
 - ▶ Assumes current **student:teacher ratio** for classrooms
 - ▶ Assumes **current expenditure level** for support services, administration, and operations adjusted for the Consumer Price Index (CPI)
 - ▶ Includes **bargaining agreements** currently in place for employee compensation; years not covered in an agreement are projected at “status quo”

Budget Parameters Set

- ▶ Make **internal budget decisions** using the results from the Financial Forecast
- ▶ Review and **prioritize current and proposed programs and initiatives** for alignment to the District's strategic plan
- ▶ Align budget to **4J Vision 20/20** with strategic investments. For example, the following areas will be a focus for 2022-23.
 - ▶ Continue to address the needs of students and families impacted by the COVID-19 pandemic
 - ▶ Projects and initiatives associated with the Student Success Act, including:
 - ▶ Student Investment Account (SIA)
 - ▶ Address class sizes and ensure support structures for students impacted by the COVID-19 pandemic

January: Getting Started

- Schools receive budget instructions and discretionary budget allocations
- Departments receive budget worksheets for discretionary budget assignments, staffing, and mapping to Vision 20/20. They are also asked to update narratives and Key Performance Indicators (KPIs) for the budget document
- Financial Services Budget staff begin work on the calculation of fund and cost center budgets

First Budget Committee Meeting on January 24th

February to March: Working Hard

- ▶ Finalize calculations for school licensed and classified staffing
- ▶ Review and finalize staffing and discretionary budgets for schools and departments
- ▶ Calculate and finalize budgets for:
 - ❖ Federal, State and Private Grants (including COVID-19 Relief Funds, SIA and High School Success)
 - ❖ School and Department Accounts
 - ❖ Debt Service
 - ❖ Capital Projects
 - ❖ Nutrition Services
 - ❖ Risk Management
 - ❖ Employee Healthcare and the Wellness Clinic
 - ❖ District Retirement Programs

April: The Proposed Budget

- Complete and review all budget calculations
- Review the draft proposed budget (peer, manager and senior management reviews) and make correction as needed
- Draft the 2022-23 Proposed Budget document for delivery to the Budget Committee
- Meeting Preparation:
 - ❖ Legal and public meeting notices in compliance with Local Budget Law
 - ❖ Preparation of agendas and presentations for Budget Committee meetings

April & May: Budget Committee Action

The Budget Committee will hold public meetings to:

- ▶ Receive the 2022-23 Proposed Budget and Budget Message
- ▶ Hear and consider public comment
- ▶ Request and receive additional information from District officials
- ▶ Approve the 2022-23 Proposed Budget and declare taxes and levies

*****Thanks for all your hard work! We couldn't do this without you!!!*****