

LINCOLN COUNTY SCHOOLS

2021-22 PROPOSED BUDGET

DR. KAREN GRAY, SUPERINTENDENT

KIM CUSICK, BUSINESS DIRECTOR

LCSD BUDGET PROCESS

- **Budget Committee Responsibilities**
 - Receive the Proposed Budget Document and Budget Message
 - Receive public comment and questions on the Proposed Budget during scheduled meetings (May 20, 24 & 26)
 - Discuss, deliberate and test the budget against district goals, revising if necessary
 - Approve the Proposed Budget and tax levy amounts, and specify the maximum property tax rate (determined by the County)
 - Majority vote of the entire committee, not a majority of those present at the meeting, is required to approve the budget
 - This year a quorum is 5 (1 more than half of the committee)

LCSD BUDGET PROCESS

- Budget Committee Member Cautions
 - Public Meeting Laws Apply
 - All meetings must have public notice and minutes are required
 - District staff handles all public notices and minutes
 - Members may NOT meet with more than 4 other Budget Committee members to discuss the budget outside of the scheduled and noticed meetings
 - Oregon Ethics Laws Apply
 - May be related to District staff but must publicly disclose
 - Potential/Actual Conflicts of Interest must be publicly disclosed and may require abstention from voting
 - May not use their position for personal gain

LCSD BUDGET PROCESS

- Budget Committee Responsibilities
 - Approved Budget must be for an educational plan previously determined by the Board
 - The committee may not:
 - Add or delete programs
 - Adjust staffing or negotiated contracts, including Collective Bargaining Agreements with employees and contracted services such as food services, custodial or transportation
 - Develop policies

LCSD BUDGET PROCESS

- Budget Committee Responsibilities
 - Ask questions about the Proposed Budget
 - May request additional information from District staff
 - Requests should be made through the Superintendent if not during a committee meeting
 - May adjust General Fund discretionary budget lines by up to 10% of the General Fund budget within the following restrictions:
 - 61% of the budget is payroll
 - Another 18% is contracted services
 - 7% is the required Unappropriated Ending Fund Balance
 - Funds other than General Fund are restricted and budgets cannot be changed by the budget committee

LCSD BUDGET PROCESS

- Once the budget is approved, the budget committee's work is done for the year
- Approved Budget Notice will be posted to the District website
- Public Budget Hearing notice with Financial Summary will be published in the News Times and on the District website
- Board conducts a Public Hearing June 8, 2021 on the 2021-22 Approved Budget
- Board Adopts the 2021-22 Budget at their regular board meeting June 8, 2021
 - Board Adoption Required prior to June 30, 2021

2021-22 BUDGET ASSUMPTIONS

GENERAL FUND REVENUE

2021-22 State School Fund (SSF) Revenue:

- The Governor proposed a \$9.1 billion SSF budget
- The Legislature just passed a \$9.3 billion SSF budget
- Districts around the state were asking for \$9.6 billion
- At \$9.3 billion, LCSD has a roughly \$3.3 million shortfall
 - The May Economic Forecast yesterday was extremely positive and state reserves are expected to increase
 - \$9.4 billion is now a possibility that would give LCSD another \$460,000 to offset the amount of Beginning Fund Balance used to balance the budget

2021-22 BUDGET ASSUMPTIONS

GENERAL FUND REVENUE

- 2021-22 State School Fund (SSF) Revenue
 - The proposed budget is based on a \$9.3 billion biennial SSF budget
 - Distributed on a 49/51% split
 - 6,730.3 budgeted ADMw
 - \$8,630 per ADMw General Purpose Formula Rate
 - \$58,084,798 General Purpose Grant
 - Loss of (\$1,817,022) compared to 2020-21
 - Down 1.39% due to reduction in ADMw
 - This is dependent upon the recovery of 1/2 our ADMw loss
 - At \$9.4 billion we are still down (\$1,357,022) in revenue

2021-22 BUDGET ASSUMPTIONS

GENERAL FUND REVENUE

The District used updated figures to determine a higher ADMw than is shown on the 21/22 SSF Estimate

	Loss Calculation	ADMw Calculation
ODE 21/22 Estimate at 3/1/21 (page 9s) Based on December ADMr		6,684.65
19/20 Final ADMw	7,029.95	
20/21 ADMw at 2/26/21	<u>6,430.65</u>	
Difference (Loss)	599.30	
Regain 1/2 Loss		<u>299.65</u>
Budgeted ADMw		6,730.30
Difference		45.65

2021-22 BUDGET ASSUMPTIONS

GENERAL FUND REVENUE

- Budgeted revenue is dependent upon recovering at least half of our student ADMw losses
- Failure to recover the ADMw could mean a further \$2.5 million loss of SSF revenue at a \$9.3 billion SSF

SSF Revenue Estimates	ADMw	\$ / ADMw	Revenue
Budgeted	6,730.3	\$8,630	\$58,082,489
20/21 at 4/22/21	6,435.65	\$8,630	\$55,539,660
Difference	(294.65)		(\$2,542,829)

2021-22 BUDGET ASSUMPTIONS

GENERAL FUND REVENUE

- Beginning Fund Balance Used:
 - \$1,003,000 School Discretionary Carryover
 - \$1,000,000 To Balance the Budget (one-time funds)
 - \$3,340,000 Offset with Contingency (one-time funds)
 - To mitigate losses if SSF or ADMw is lower than expected
 - \$ 750,000 Offset with Contingency – regular set aside
 - \$4,908,299 Required 7% Unappropriated Ending Fund Balance
 - No longer coupled with Contingency to meet the 7%

2021-22 BUDGET ASSUMPTIONS

GENERAL FUND REVENUE

Other Revenue Assumptions:

- LBL ESD Tier II Funding
 - \$ 90,000 1.0 FTE West Area School Resource Officer (agency TBD)
 - \$ 45,000 1.0 FTE East/South Area School Resource Officer
 - \$102,481 .7 FTE Early Childhood Coordinator
 - \$ 83,000 .88 FTE SIS Support Specialist
- Rental revenue decreased \$45,000 due to prepayment by LBL ESD of long term lease on Early Childhood Center
- Grant Indirect Rate revenue increased \$600,000 due to increased number of grants – full amount not budgeted as revenue depends on actual grant expenditures.

2021-22 BUDGET ASSUMPTIONS

GENERAL FUND EXPENSES

Positions Moved from General Fund	FTE	SIA -Moved in 20/21	SIA	CRRSA
Elementary Counselors	6.0	\$618,014		
Reading/Math TOSAs	2.0	\$262,278		
Hispanic Family Liaison	1.0	\$60,237		
Music Teachers (.5 FTE in 20/21)	6.97	\$42,118	\$625,146	
School Nurses	3.0		\$346,477	
K-5 Online Program Teachers	6.0			\$537,929
K-12 Online Program Assistant (Classified)	1.0			\$60,976
Teacher Reductions if ADMw remains low	7.0			\$710,674
Total General Fund Relief	32.97	\$982,647	\$971,623	\$1,309,579

2021-22 BUDGET ASSUMPTIONS

GENERAL FUND EXPENSES

- Total New Adjustments to Balance at \$9.3 billion SSF
 - \$ 971,623 Expenditures moved to SIA
 - \$1,309,579 Expenditures moved to CRRSA *
 - \$1,000,000 Beginning Fund Balance Revenue *
 - Total \$3,281,202
- * \$2,309,579 one-time funding will be gone in 23/24
- Need an additional 380.2 ADMw to fill the gap at \$9.3 billion
 - $(\$3,281,202 / \$8,630 = 380.2 \text{ ADMw})$
 - Need 679.85 Total ADMw recovery for full funding

2021-22 BUDGET ASSUMPTIONS

GENERAL FUND EXPENSES

- Employees
 - All allocations were based on existing staffing
 - A 2% COLA with step was used for all staff
 - This is an average rollup cost used in years when contract negotiations are not finalized.
 - The district is negotiating with the Licensed and Classified Unions as well as the Confidential/Exempt Supervisory Group
- Health Insurance
 - Licensed/Admin cap increased \$50 to \$1,490.39 based on negotiations
 - Classified cap increased \$50 per contract to \$1,540.39
 - Confidential/Exempt/Supervisory remains at \$1,692.37

2021-22 BUDGET ASSUMPTIONS

GENERAL FUND EXPENSES

- PERS
 - Debt Service rate charged against payroll remains at 19%
 - We are building reserves for future bond payments
 - 40.06% rate relief continues due to bonding our Unfunded Actuarial Liability in 2002 and 2003.
 - Without the bonds LCSD would pay a 26.78% contribution rate
 - The actual employer contribution rates are 0% for T1/T2 and .05% for OPSRP
 - LCSD continues to “pick up” the employee 6% contribution

PERS DEBT SERVICE FUND 320

PERS Rate Comparisons

Biennium	(A) Pension Contrib. Rate	(B) IAP Member Redirect	(C) Side Account Rate Relief	(D) Excess Rate Relief due to Side Acct (A-B-C)	(E) Employer Contrib. Rate (T1/T2)	(F) Employer Contrib. Rate (OPSRP)	(G) Charged to Payroll for Debt Payments	(H) Total Charged for PERS (E+F+G)	(I) Net Savings (A+B-H)
2017-19	26.70%		-36.74%	-10.04%	0%	.50%	21.25%	21.75%	4.95%
2019-21	31.97%		-41.37%	-9.4%	0%	.06%	19%	19.06%	12.91%
2021-23	29.23%	-2.45%	-40.06%	-13.28%	0%	.05%	19%	19.05%	7.73%

- PERS Side Account Balance at 12/31/17 = \$ 77,976,303
- PERS Side Account Balance at 12/31/19 = \$ 74,991,893
 - These funds are only available to help offset our PERS rates and cannot be accessed in any other way at this time
 - Excess Rate Relief is unused at this time – Contribution rate can't be less than 0%

2021-22 BUDGET ASSUMPTIONS

GENERAL FUND EXPENSES

- Contracted Services
 - ESS West negotiated with no increase
 - First Student at contracted 2.5% increase
 - Sodexo Custodial
 - 1.3% CPI
 - .75 cent wage increase
 - Retain 2.5 FTE added in 20/21

2021-22 BUDGET ASSUMPTIONS

GENERAL FUND EXPENSES

Allocations Increased 2%	Discretionary	Co-Curricular
K-6 per ADM	\$144.80	\$10.82
7-12 per ADM	\$169.92	\$45.46

- Athletics 2% increase
 - \$576,232 Coaching Salaries and fixed costs – current staffing levels
 - \$30,000 moved from Secondary Ed budget for equipment
 - \$25,731 for substitutes

2021-22 BUDGET ASSUMPTIONS

GENERAL FUND EXPENSES

- Central Budgets
 - 2% discretionary increase
 - Based on rollup of current staffing
 - Early Retiree Medical reduced by \$14,282.
 - Licensed Early Retiree program ended
 - Administrative Retiree Agreements included here
 - Utility budgets increased 3% with \$188,114 charged to food services
 - Property & Liability insurance increased 20% to cover premium increase
 - Cyber insurance increased 50% due to increase nationwide claims
 - Board budget includes funds for NSBA conference, BoardBook and Community Events

DISTRICT STRATEGIC GOALS

- **Academic Achievement and Student Success**
 - Increase Attendance
 - Increase Graduation Rates
 - Increase implementation of PBIS systems and Decrease Behavioral Exclusions
 - Align K-12 Mathematics
 - Continue to Align K-12 AVID Implementation and Strategies
- **Increase Student Engagement**
- **Create an Equity Plan and Provide Culturally Specific Outreach to our Growing Hispanic Community**
- **Fully implement the Board's Five Year Strategic Plan**

LINCOLN COUNTY SCHOOLS 2021-22 PROPOSED BUDGET

Thanks to everyone who helped create the Proposed Budget document!

Carole Kunde, Business Office Supervisor

Scott Cropley, ESP Budget Software

Leslie Doty, Grants Accountant

LCSD Central Administrators

LCSD Principals

LCSD Grant Managers

LCSD Support Staff

Thank you!

