RESOLUTION 26-NNN **Approval of Fiscal Year 2026-2027 Budgeted Beginning Fund Balance Adjustment, Supplemental Budget Greater than 10% of Appropriation, Appropriation Adjustments and Transfers**

Background:

During the 2026-27 fiscal year the Multnomah Education Service District realized differing beginning fund balances than originally anticipated in the adopted budget and received additional information about specific expenditures within funds and specific expenditures related to grants and contracts that were not anticipated in the adopted budget. Oregon Revised Statutes ORS 294.338 and ORS 294.463 allow the Board to approve adjustments by appropriation and transfer resolutions for these purposes.

ORS 294.473 allows the Board, with an appropriately noticed public hearing, to approve a supplemental budget increasing estimated expenditures more than 10% above the most recently amended budget.

Changes in Beginning Fund Balances*

Fund	Adopted Beginning Fund Balance	Actual Beginning Fund Balance	Beginning Fund Balance Increase (Decrease)
Resolution (Fund 1)	$ 3,300,000	$ 5,629,153	$ 2,329,153
Contracted Services (Fund 2)	2,100,000	2,387,983	287,983
Operating (Fund 6)	4,295,000	4,433,227	138,227
Debt Service (Fund 3)	2,250,000	2,232,141	(17,859)
Risk Management and Reserve (Fund 7)	1,740,000	1,918,065	178,065
Total Beginning Fund Balances	**$13,685,000**	**$16,600,569**	**$ 2,915,569**

*The Facilities and Equipment Reserve fund balance change was included as part of Resolution 26-061, approved by the Board on October 20, 2026.

Changes in expenditures above 10% of the current expenditures appropriation <u>which require a public hearing</u>, include:

1. Facilities and Equipment Reserve Fund
    a. An increase of Support Services expenditures by $341,550 for unanticipated expenses as part of two space reconfiguration projects as well as unanticipated facility repairs at four sites.

Increases and reductions in appropriation below 10% of current budget, as well as transfers of contingency appropriation below 15% of original adopted budget, <u>none of which require a public hearing</u>, include:

1. Resolution Services Fund
   Supported by: Beginning Fund Balance, State School Fund and Other Revenues
   a. Net decrease $1,826,872 in Instructional Services primarily for adjustments in Special Education programs.
   b. Net increase $122,721 in Support Services primarily for adjustments in Special Education programs.
   c. Increase Transfers Out $55,591 for the State School Fund revenues allocation to Operating Fund 6.
   d. Increase Contingency $4,537,660.

2. Contracted Services Fund
   Supported by: Beginning Fund Balance, Local Sources, State Sources, Federal Sources, Sales of Goods & Services, Other Revenues and Overhead Revenues
   a. Net decrease $171,377 in Instructional Services primarily for adjustments in Special Education Programs.
   b. Net increase $2,612,509 in Support Services primarily for grants and revenue contracts which were extended or updated after the budget was adopted including Gaining Early Awareness and Readiness for Undergraduate Programs (GEAR UP) and Perkins grants.
   c. Net increase $329,051 in Enterprise & Community Services primarily for adjustments in Oregon Association of Education Service Districts (OAESD) programs.
   d. Increase Contingency $2,500,512.

3. Operating Fund
   Supported by: Beginning Fund Balance, Investment Earnings, Other Revenues, Overhead Revenues and Transfers In
   a. Net increase $137,839 in Support Services primarily for operational staff to support GEAR UP.
   b. Increase $256,500 in Transfers Out for the Facilities Equipment and Reserve fund projects.
   c. Increase Contingency $44,879.

4. Facilities and Equipment Reserve
   Supported by: Transfers In
   a. Decrease Contingency $58,550.

5. Risk Management and Reserve Fund
   Supported by: Beginning Fund Balance, Other Revenues and Services to Other Funds

   a. Increase Support Services $42,095 for a review of Human Resources operations and compliance originally budgeted for fiscal year 2025-26.
   b. Add Transfers Out $26,500 for a portion of the cost of camera software upgrades. This is a new category that did not previously have appropriations in the budget.
   c. Increase Contingency $431,816.

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The Superintendent recommends adoption of the following resolution:

WHEREAS, the Resolution Fund (Fund 1), the Contracted Services Fund (Fund 2), Operating Fund (Fund 6), the Debt Service Fund (Fund 3), the Facilities and Equipment Reserve Fund (Fund 4), and the Risk Management and Reserve Fund (Fund 7) had beginning fund balances, revenues or transfers that differed from what was anticipated in the adopted budget; and,

WHEREAS, the Resolution Fund (Fund 1), the Contracted Services Fund (Fund 2), the Operating Fund (Fund 6), the Facilities and Equipment Reserve Fund (Fund 4), and the Risk Management and Reserve Fund (Fund 7) had changes in required expenditures not anticipated in the adopted budget;

NOW THEREFORE BE IT RESOLVED, that for the fiscal year beginning July 1, 2026, the amounts shown below are hereby appropriated for the purposes indicated within the Funds listed. The amounts shown are the changes to the appropriations from the most recently revised budget.

	Resolution Services	Contracted Services	Operating	Debt Service	Facilities & Equipment Reserve	Risk Management & Reserve
Resources						
Beginning Fund Balance	2,329,153	287,983	138,227	(17,859)	-	178,065
Local Sources	-	109,639	-	-	-	-
State School Fund	559,917	-	-	-	-	-
State Sources	-	1,096,192	-	-	-	-
Federal Sources	-	2,987,101	-	-	-	-
Investment Earnings	-	-	50,000	-	-	-
Sales of Goods & Services	-	1,492	-	-	-	-
Other Revenues	430	782,048	20,000	-	-	114,346
Services to Other Funds	-	-	-	17,859	-	208,000
Overhead Revenues	-	6,240	175,000	-	-	-
Transfers In	-	-	55,991	-	283,000	-
Total Resources	$ 2,889,500	$ 5,270,695	$ 439,218	$ -	$ 283,000	$ 500,411
Requirements						
Instructional Services	(1,826,872)	(171,377)	-	-	-	-
Support Services	122,721	2,612,509	137,839	-	341,550	42,095
Enterprise & Community Svs.	-	329,051	-	-	-	-
Transfers Out	55,991	-	256,500	-	-	26,500
Contingencies	4,537,660	2,500,512	44,879	-	(58,550)	431,816
Total Requirements	$ 2,889,500	$ 5,270,695	$ 439,218	$ -	$ 283,000	$ 500,411