

Resolution 26-025**Approval of Fiscal Year 2025-2026 Supplemental Budget, Appropriation Adjustments and Budget Transfers****Background:**

During the 2025-2026 fiscal year, the Multnomah Education Service District received additional information about specific expenditures within funds, including expenditures related to grants and contracts, that were not anticipated in the 2025-2026 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. Oregon Revised Statute ORS 294.471 allows the Board to approve a supplemental budget revising resources and appropriations.

Increases and reductions in expenditure appropriation below 10% of current budget, transfers of appropriations and resources between funds, as well as transfers of contingency appropriation below 15% of the original adopted budget total fund appropriations; none of which require a public hearing, include:

1. Resolution Services Fund

Supported by: Property Taxes \$162,000, State School Fund \$1,093,997, Local Sources \$3,091, Federal Sources \$2,115, Other Revenues \$9,458, Transfers In \$32,809, and Contingency Transfer \$1,105,212.

- a. Net increase in Instructional Services appropriation \$895,445, net decrease in Support Services appropriation \$501,400, net decrease in Enterprise and Community Services appropriation \$110,963. Adjustments reflect expenditure updates for local service plan services primarily in Special Education, Technology Services, and School Health Services.
- b. Increase Other Uses \$ 2,000,000 for additional transit dollars requested by component school districts.
- c. Increase Transfers Out \$125,600 for SSF revenues allocation to Operating Fund.

2. Contracted Services Fund

Supported by: Local Sources \$488,595, State Sources (\$1,129,643), Federal Sources \$1,002,457, Sales of Goods and Services \$827, and Other Revenues \$541,348.

- a. Net decrease in Instructional Services appropriation \$212,737, net increase in Support Services \$824,196, net decrease in Enterprise and Community Services \$454,234, Facilities Acquisition & Improvements \$1,460. Adjustments reflect expenditure updates for specific grants and contracts, primarily for Outdoor School, Title 1-C, ORMed software, Student Success Act Technical Assistance, and the Portland Clean Energy Fund (PCEF) grant, which were extended or updated after the prior budget amendment. Adjustments also reflect updates to expenditures for local service plan services, primarily in Special Education and School Health Services.
 - b. Increase Contingency \$744,899.
3. Operating Fund
Supported by: Local Sources \$5,472, Investment Earnings \$162,000, Other Revenues \$44,571, Overhead Revenues \$155,000, and Transfers In \$125,600.
 - a. Net increase in Support Services appropriation \$245,180.
\$73,294 for an update to a building rental no longer categorized as a long-term lease under GASB 87. The remaining \$171,886 represents updates across multiple departments. A significant portion of this total will likely be reassigned to the Portland Clean Energy Fund grant once the final grant updates are completed.
 - b. Decrease Debt Service \$73,294 for an update to a building rental no longer categorized as a long-term lease under GASB 87.
 - c. Increase Transfers Out \$126,610 primarily to the Facilities and Equipment Reserve Fund for facilities projects.
 - d. Increase Contingency \$194,147.
4. Debt Service Fund
Supported by: Services to Other Funds \$1.
 - a. Increase in Other Uses \$1 to correct appropriation to match the exact projected expenditures.
5. Facilities and Equipment Reserve Fund
Supported by: Other Revenues \$108,500, Transfers In \$111,500

- a. Net decrease Support Services \$261,118 for updates to multiple facilities project costs and timing. Most significantly, the Ainsworth roof project is now anticipated for FY 2027-28.
 - b. Increase Facilities Acquisition & Improvements \$140,500 for the Ainsworth space reconfigurations and Creeks transition project.
 - c. Increase Transfers Out \$32,809 for E-Rate eligible network equipment purchases which are recorded in Resolution Fund 1.
 - d. Increase Contingency \$307,809.
6. Risk Management and Reserve Fund
Supported by: Investment Earnings (\$77,000), Services to Other Funds (\$136,835), Transfers In \$15,110, and Contingency Transfer \$198,725.
- a. Net Increase in Support Services appropriation \$96,676, primarily for additional insurance coverage and a review of Human Resources operations and compliance.
 - b. Decrease in Debt Service appropriation \$19,862 for updates to the Tax Anticipation Note (TAN) interest costs.

The Superintendent recommends adoption of the following resolution:

Whereas, the Resolution Fund (Fund 1), Contracted Services Fund (Fund 2) Operating Fund (Fund 6), Debt Service Fund (Fund 3), Facilities & Equipment Reserve Fund (Fund 4), and Risk Management & Reserve Fund (Fund 7) have received revenues or transfers that differ from what was anticipated in the adopted budget; and,

Whereas, the Resolution Fund (Fund 1), Contracted Services Fund (Fund 2), Operating Fund (Fund 6), Debt Service Fund (Fund 3), Facilities & Equipment Reserve Fund (Fund 4), and Risk Management & Reserve Fund (Fund 7) have changes in requirements not anticipated in the adopted budget;

Now therefore be it resolved, that for the fiscal year beginning July 1, 2025, the amounts shown below are hereby appropriated for the purposes indicated within the Funds listed:

| | Resolution Services | Contracted Services | Operating | Debt Service | Facilities & Equipment Reserve | Risk Mgmt & Reserve |
|---------------------------|---------------------|---------------------|------------------|--------------|--------------------------------|---------------------|
| Resources | | | | | | |
| Property Taxes | 162,000 | - | - | - | - | - |
| State School Fund | 1,093,997 | - | - | - | - | - |
| Local Sources | 3,091 | 488,595 | 5,472 | - | - | - |
| State Sources | - | -1,129,643 | - | - | - | - |
| Federal Sources | 2,115 | 1,002,457 | - | - | - | - |
| Investment Earnings | - | - | 162,000 | - | - | -77,000 |
| Sales of Goods & Svcs. | - | 827 | - | - | - | - |
| Other Revenues | 9,458 | 541,348 | 44,571 | - | 108,500 | - |
| Svcs. to Other Funds | - | - | - | 1 | - | -136,835 |
| Overhead Revenues | - | - | 155,000 | - | - | - |
| Transfers In | 32,809 | - | 125,600 | - | 111,500 | 15,110 |
| Total Resources | \$1,303,470 | \$903,584 | \$492,643 | \$1 | \$220,000 | -\$198,725 |
| Requirements | | | | | | |
| Instructional Services | 895,445 | -212,737 | - | - | - | - |
| Support Services | -501,400 | 824,196 | 245,180 | - | -261,118 | 96,676 |
| Ent. & Comty. Svcs. | -110,963 | -454,234 | - | - | - | - |
| Facilities Acq. & Imp. | - | 1,460 | - | - | 140,500 | - |
| Other Uses | 2,000,000 | - | - | - | - | - |
| Debt Service | - | - | -73,294 | 1 | - | -19,862 |
| Transfers Out | 125,600 | - | 126,610 | - | 32,809 | - |
| Contingencies | -1,105,212 | 744,899 | 194,147 | - | 307,809 | -275,539 |
| Total Requirements | \$1,303,470 | \$903,584 | \$492,643 | \$1 | \$220,000 | -\$198,725 |