

Budget Committee Meeting

Tuesday, May 24, 2022 6:30 PM

District Administration Office, 88834 Territorial Road, Elmira, Oregon 97437

1. **Call Meeting to Order**

2. **Flag Salute**

3. **Approval of Minutes - Budget Committee Action**

4. **Receive Superintendent's Budget Message**

Presenter: Gary
Carpenter

5. **Review Proposed Budget**

Presenter: Quanah
Bennett

6. **Take Public Comment**

7. **Approve Budget and Tax Levies - Budget
Committee Action**

8. **Adjourn or Recess Until Next Meeting**



FERN RIDGE SCHOOL DISTRICT 28J Budget Committee Meeting Minutes

BUDGET MEETING of the FERN RIDGE SCHOOL DISTRICT 28J

April 26, 2022 – 6:30 P.M.

<https://fernridge-k12-or-us.zoom.us/j/89619090306>

Or One tap mobile :

US: +12532158782,,89619090306# or +13462487799,,89619090306#

Or Telephone:

Dial(for higher quality, dial a number based on your current location):

US: +1 253 215 8782 or +1 346 248 7799 or +1 669 900 9128 or +1 301 715 8592 or +1
312 626 6799 or +1 646 558 8656

Webinar ID: 896 1909 0306

International numbers available: <https://fernridge-k12-or-us.zoom.us/j/89619090306>

MINUTES

CALL MEETING TO ORDER/FLAG SALUTE (Agenda Items 1 & 2) The Budget Committee Meeting of the Fern Ridge School District was called to order by School Board Chair Andrea Larson at 6:31 p.m. Andrea Larson led in the flag salute.

In attendance were School Board Chair Andrea Larson, Directors Mark Boren, Lorrie Daniels, and Budget Committee Members, Tory Macklin, David Voltz and Anna Reid, as well as Superintendent Gary Carpenter and Business Manager Quanah Bennett.

Directors Graham-Adams and Turle and Budget Committee Members Erik Carlstrom and Carol Castle were not present.

ELECTION OF OFFICERS (Agenda Item 3): Board Director Mark Boren made a motion to nominate Budget Committee Member David Voltz for Budget Committee Chair; seconded by Board Chair Andrea Larson; the motion passed with 6 yes votes and 0 no votes. Committee chair David Voltz made a motion to elect Mark Boren as Vice-Chair; seconded by Andrea Larson. The motion passed with 6 yes votes and 0 no votes.

APPROVAL OF MINUTES (Agenda Item 4): Board Chair Andrea Larson made a motion to approve the minutes from the May 18th, 2021 budget meeting; seconded by Budget Committee member Anna Reid; the motion passed with 6 yes votes and 0 no votes.

OVERVIEW OF BUDGET PROCESS & BUDGET COMMITTEE ROLE

(Agenda Item 5): Business Manager Quanah Bennett gave an overview of the budget process, timelines, and the role of the Budget Committee.

BUDGET PREPARATION & FORECASTING

(Agenda Item 6): Business Manager Quanah Bennett led a review of the key factors that will go into preparing the budget for 2022-2023 as follows:

- *22-23 will receive 51% of the State School Fund biennium allocation.*
- *General Fund Revenue mostly comes from the SSF Grant (98%), Property Taxes, Local Revenue and Other Revenue make up the remaining General Fund revenue.*

- *A review of past, current, and projected ADMr was presented.*
- *How the weights applied to the ADMr were reviewed as well as our projected ADMw for 22-23.*
- *A General Fund Summary Forecast was presented showing prior year actuals, budgeted and projected for 21-22 as well as a forecasted amount for 22-23.*
- *The Early Retirement Fund was reviewed.*
- *Business Manager Quanah Bennett explained that the next step was to build the budget aligning resources to meet student needs. Estimate expenditures based on enrollment and staffing levels and continue to support reserve funds.*

Business Manager Quanah Bennett asked if there were any Questions:

Budget Committee Chair David Voltz asked about the roles of a Budget Committee member.
Superintendent Carpenter reviewed the slide discussing the Do's and Dont's of a budget committee member.

No other questions were asked.

Business Manager Quanah Bennett reminded everyone that the next Budget Meeting will be on May 24th, 2022 at 6:30 p.m. and will be held in the District Office as well as virtually.

The budget document will be available on-line on or before May 16th and to let her know if you would like a hard copy.

RECESS UNTIL NEXT MEETING (Agenda Item 7): Budget Committee member Erik Carlstrom moved to recess the meeting at 7:08pm until May 24th.

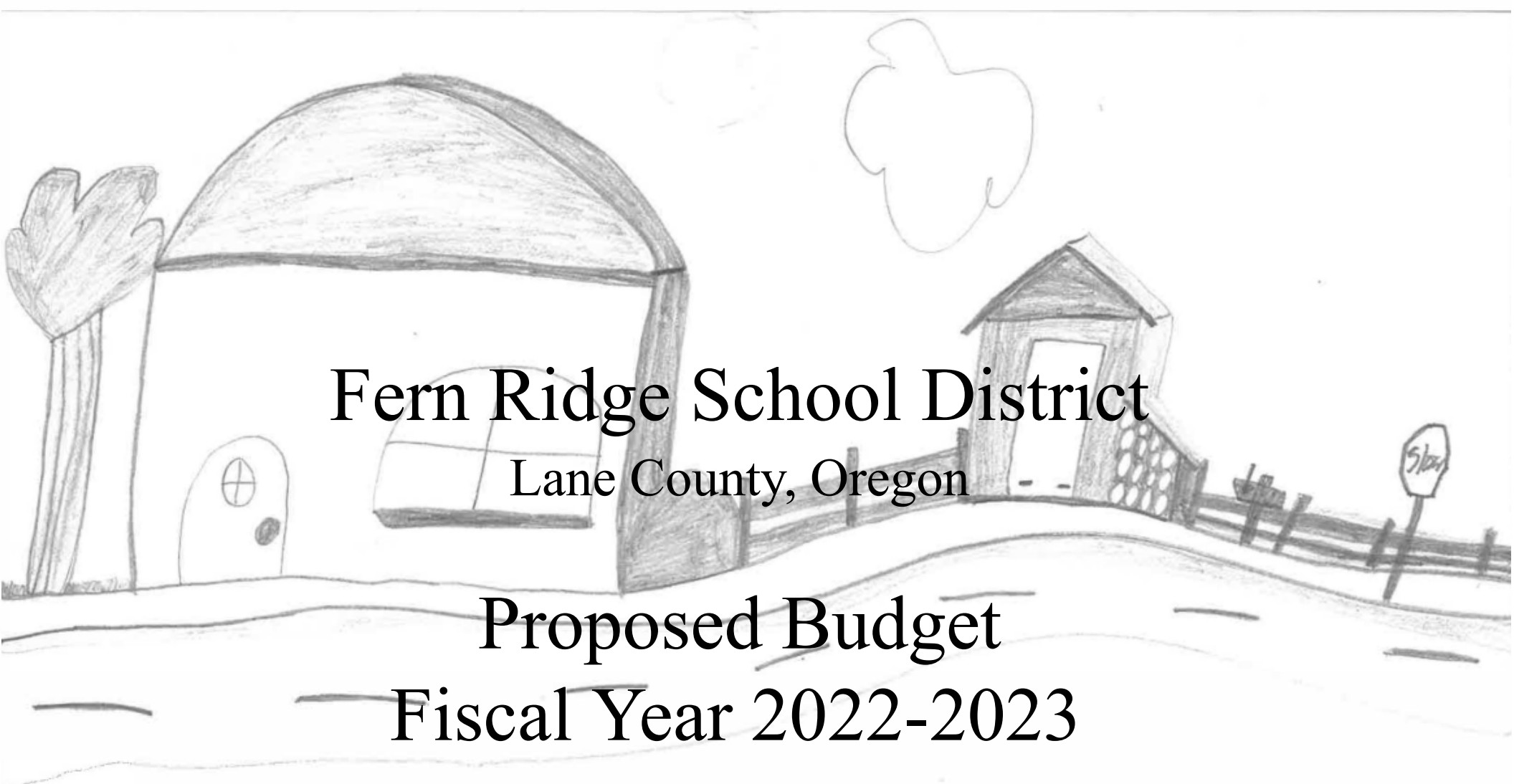
Attest:

X

David Voltz
Budget Committee Chair

X

Gary Carpenter
Superintendent/Budget Officer



Fern Ridge School District
Lane County, Oregon

Proposed Budget
Fiscal Year 2022-2023



**FERN RIDGE SCHOOL DISTRICT 28J
SUPERINTENDENT'S BUDGET MESSAGE
2022-2023**

Dear Members of the Budget Committee and Community:

The 2021-2022 school year wraps up the first year of the current biennium. As we head into year two, our District budget and fiscal position continues to be heavily impacted, both positively and negatively, as a result of the current local and national environment; most notably due to the pandemic and inflation. In year two of the biennium the District will receive slightly more \$ per student, although total district enrollment is down over 100 students. State public school enrollment is down over 32,000 students across Oregon. The small increase in per pupil funding is not keeping up with rising employee costs, nor inflation for purchased services. Absent of other factors, this information should put us in a position of needing to reduce staff and or services the District provides. However, the “other factors” have been significant in allowing the district to weather this storm in a manageable, if not reasonably stable financial position. Those factors include:

- Several staffing positions remain unfilled.
- Money saved during periods of remote instruction.
- The addition of Student Investment Account (SIA) funds.
- The addition of Federal ESSER Funds (I, II, and III).

- Statewide reduction in K-12 students, that increases our per pupil allotment.
- Supplanting wherever allowable.
- Underspensing nearly 15% of the annual budget the past two years.
- An end fund balance projected to be around 30% come July 1st, 2022.

While our proposed budget for 2022-2023 has us deficit spending at approximately 1.5 million dollars, our projected end fund balance of nearly 5 million dollars will allow us to address this issue in the short term. In the near future we will continue to find ways to use the allotment of Federal ESSER and SIA dollars to offset general fund costs in ways that are allowable through the various grants, while also meeting some of the fiscal needs of the district.

Things to keep an eye on:

- **State funding:** It is impossible to predict the economy and what amount the State will allot K-12 education a year from now. However, this allotment for the 23-25 biennium will be the most integral component in regards to shaping our budget for the 2023-2024 school year and beyond.



- **Inflation:** Where this will show up most will be in decreased underspending this school year. While we typically plan for 3% underspending, in normal years it is often 5%. Inflation will hinder the district's ability to underspend.
- **Federal Stimulus dollars:** We will continue to make every effort to use these dollars in ways that support students, like summer school, our OPTIONS program, and an additional Title 1 teacher at the elementary schools in 22-23. While also finding ways to offset district facility projects like we have been doing with replaced carpet, upgraded HVAC equipment and more.
- **Enrollment:** Enrollment and the local housing market will be an important area to keep an eye on over the next 12 months. If our current enrollment numbers become the new norm, staffing reductions may be in order in the coming years to align with this new reality.

There are fewer large or significant changes from previous years budgets. However, I have identified a few below I would like to bring to the committee's attention.

- We have allocated significant increases to building fuel/electricity, as well as to the transportation budget.
- Due to rising costs and needs, the annual transfer to the Athletics special revenue account has seen a significant increase.

- The annual transfer to the Early Retirement Fund was larger than normal. However, this fund is now fully funded and we do not expect this to be a line item in ANY further FRSD budgets! We elected to make this transfer now after considering our large end fund balance position.
- Due to inflation, a larger than normal increase was given to all expenditure areas.

The District is committed to providing the best possible learning environment that is fiscally possible. I believe this proposal is an accurate depiction of the budget, and it is the most reasonable projection of our fiscal resources and uses at this time. This proposal implements the desires of the Board and utilizes fiscally responsible financial practices.

While our proposed 2022-2023 budget does not fully fund everything our students deserve, our efforts are designed to maintain an environment that still promotes high levels of student achievement and progression of our students to college and beyond. This school year we have added positions across our District, including a district nurse, additional counselors at the elementary and high school level, additional technology staff, an additional middle school teacher, a family liaison position and a Director of K-12 programs. All of these positions remain in 22-23, and we will continue to look for meaningful ways to support staff and students with our incoming Federal dollars.

We are grateful to you, the budget committee and school board, for reviewing this proposed budget and thank you for



SUPERINTENDENT'S BUDGET MESSAGE

generously balancing your responsibility for our district's financial plan with your heartfelt desire to do what is best for all of our students.

Professionally,

A handwritten signature in black ink, appearing to read 'Gary E. Carpenter, Jr.', written in a cursive style.

Gary E. Carpenter, Jr., Superintendent



SCHOOL BOARD GOALS

Vision:

Provide excellence for every student so that each will reach their greatest potential.

1. Engage constituents in a wide variety of ways to elicit feedback that will focus board direction and facilitate continuous improvement while improving student success.
2. Provide a comprehensive system of support services to facilitate student and staff success, both academically and personally.
3. Support ongoing equity based professional development and continuous improvement cycle that looks at multiple data sources to identify our strengths and areas of growth.

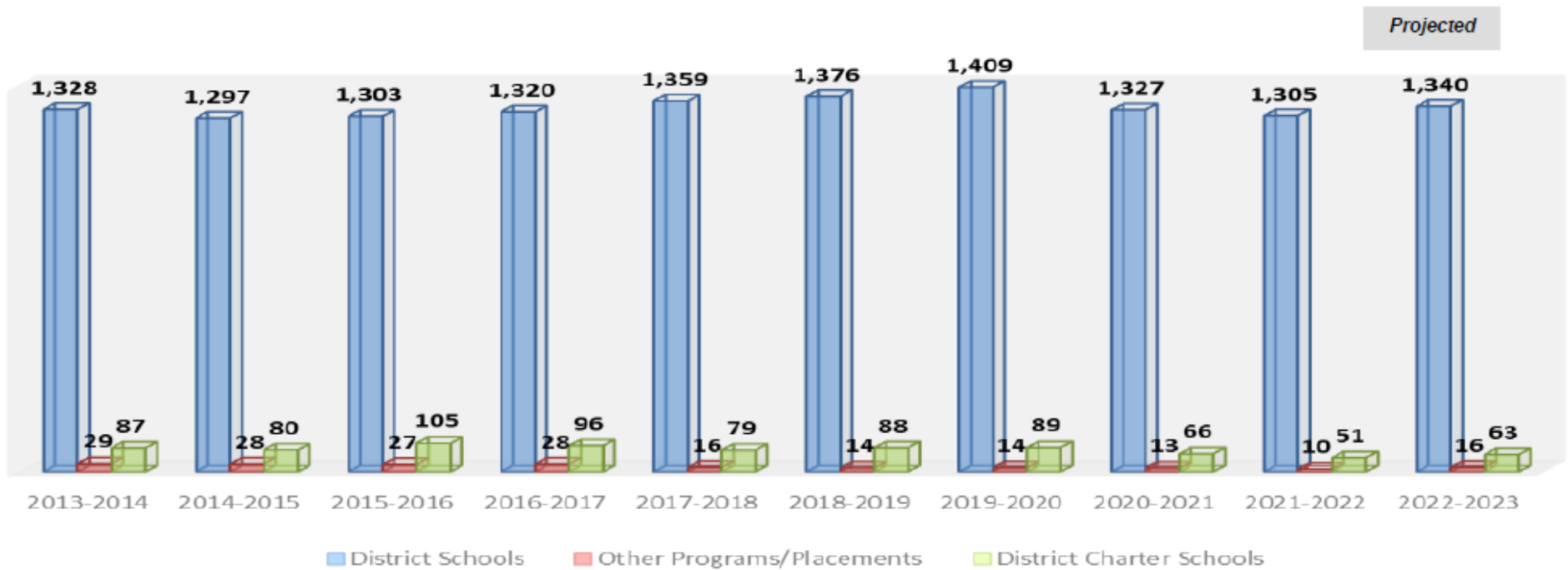
What the Proposed Budget Supports (Budget/Service Level Changes)

- All Current staff and operating programs
- Increase in transfer to the Athletic Program \$35,000
- Increase in transfer to the Early Retirement Program \$220,000
- Increase in transfer to the Textbook Fund \$50,000
- Increase in transfer to the Technology Reserve Fund \$50,000
- Transfer to the Sewer Reserve \$100,000
- Increase in transfer to the District Maintenance Fund \$75,000
- A reserve of \$339,614 for possible lower enrollment than projected
- An increase in the Transportation/fuel budget



FERN RIDGE SCHOOL DISTRICT 28J

Student Enrollment and State Per Pupil Funding: Student enrollment is expressed as ADMr, or average daily resident membership. It represents the average annual enrollment as of June. The state uses ADMr as the basis for allocating funding under the State School Fund formula, as money is provided to districts on a per student basis. The graph below shows a history of changes in student ADMr over the past ten years and provides a forecast for next year, which is what our State School Fund revenues estimates are based on. The bottom table shows Extended ADMw for each year as well as the per pupil funding.



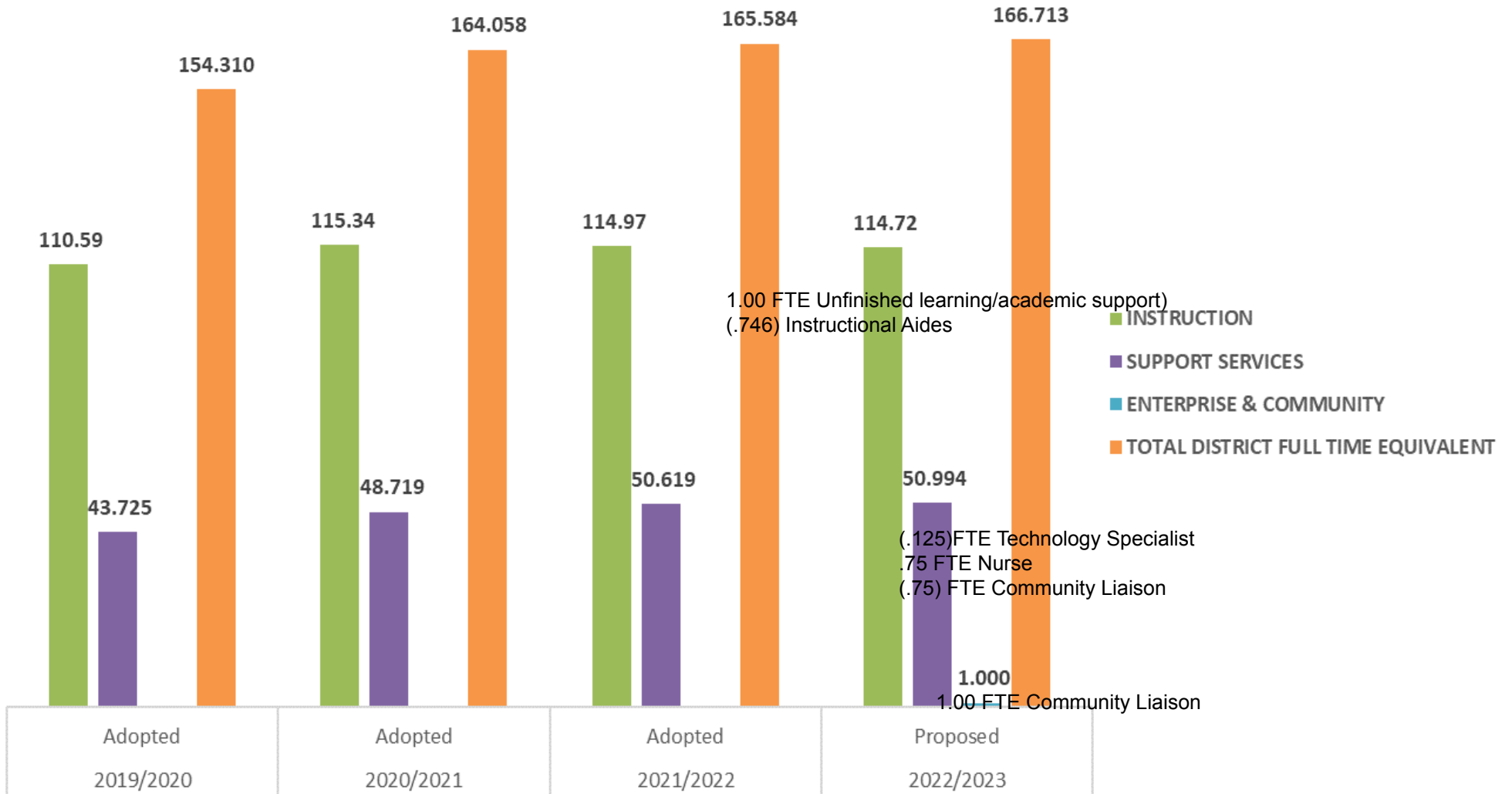
ADMw / Per Pupil Funding

1,752.01	1,748.59	1,728.39	1,743.24	1,743.24	1,743.30	1,805.14	1,805.14	1,642.73	1,675.08
\$ 6,969	\$ 7,327	\$ 7,347	\$ 7,580	\$ 8,191	\$ 8,353	\$ 8,857	\$ 9,084	\$ 9,614	\$ 9,984



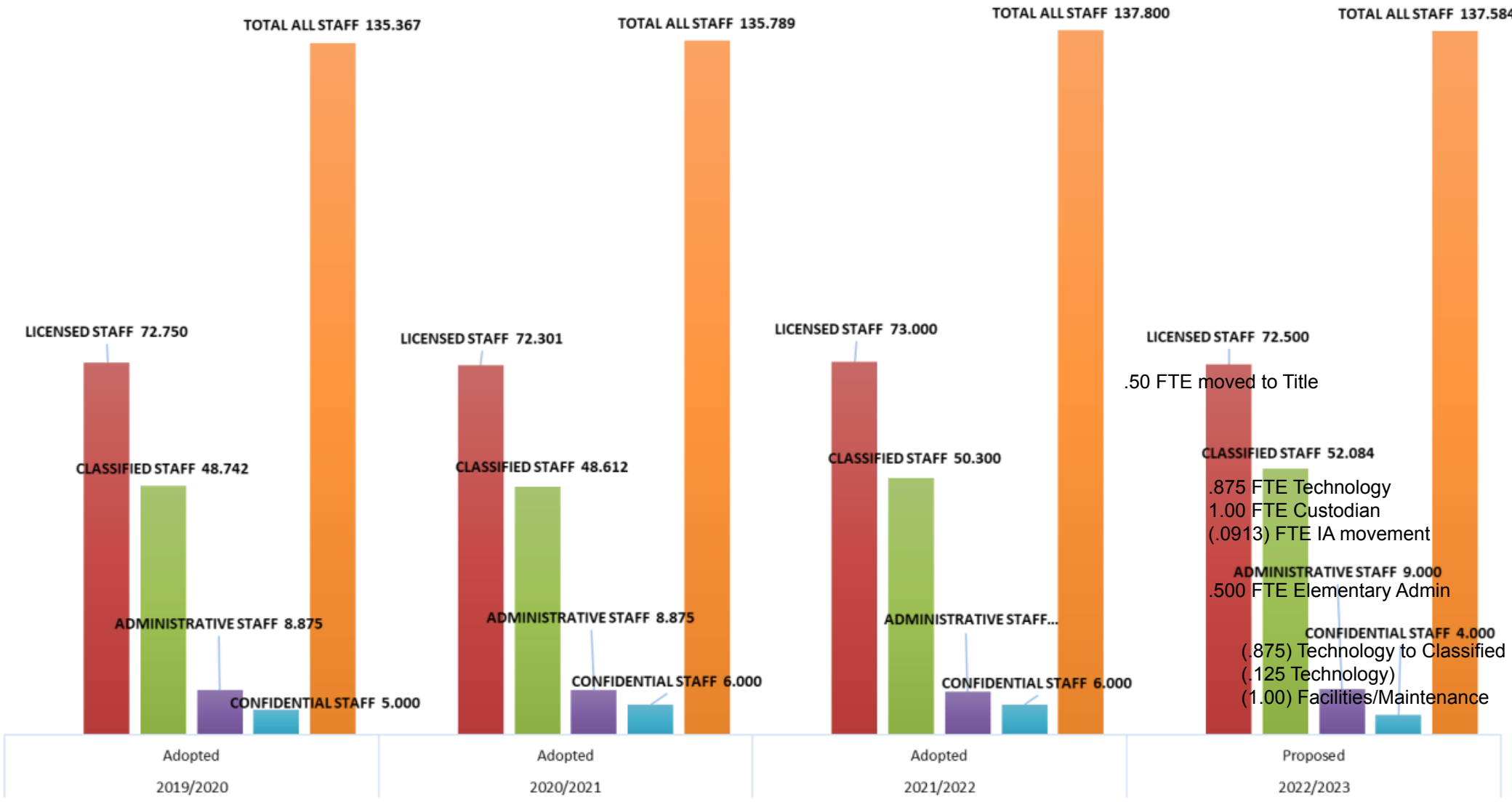
Our Staff: This graph below shows the amount of full-time equivalent (FTE) staff for fiscal year 2022-2023. The majority of employees are teachers and classified staff that support the classroom.

FTE (All funds)



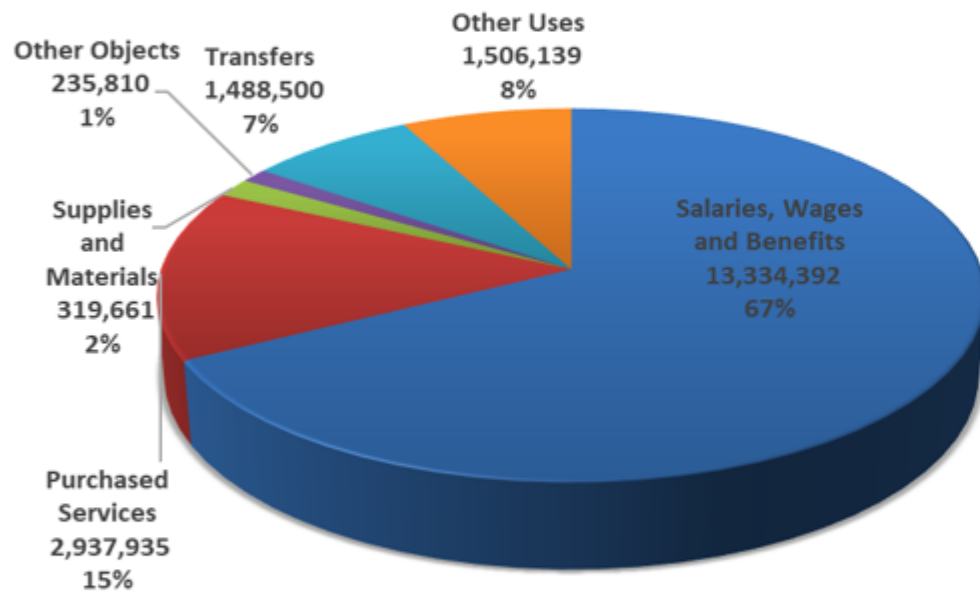


General Fund FTE





Proposed 2022-2023 General Fund Operating Budget By Category: The graph below shows how the 2022-2023 General Fund is budgeted by specific categories. As the graph shows, nearly 70% of the General Fund budget is allocated to pay for people (salaries and benefits), and the majority of those people are licensed teachers.



Salaries & Associated Payroll Costs:

Includes salaries for all District personnel, including substitutes, and all associated payroll costs such as PERS, FICA, workers' compensation, and health insurance benefits.

Purchased Services:

Includes all utilities, contracted student transportation, legal and audit services, other contracted work, and all other services not provided by the District but purchased from outside vendors.

Supplies & Materials:

Includes classroom supplies and materials, library books, and computer software and hardware.

Other Objects:

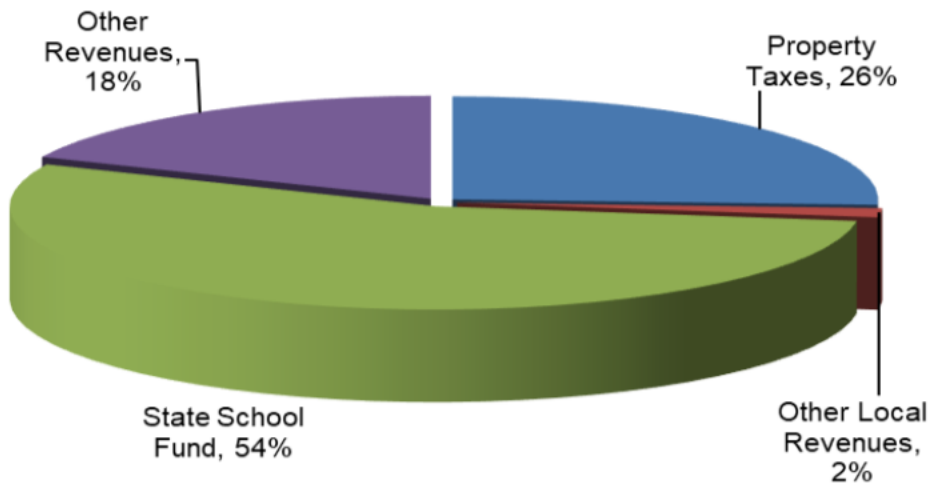
Includes goods and services not otherwise classified above, i.e. dues and fees.

Transfers: Transfers from General Fund to Athletics, Textbook fund, District Maintenance Reserve, Technology and Early Retirement.

Other Uses: Reserves



Proposed 2022-2023 General Fund Operating Revenues: The majority of general fund revenues are distributed from the State School Fund. School districts in Oregon receive most of their funding for general operations through the State School Fund (SSF) Formula, whereby local revenues are combined statewide and redistributed through a weighted per student formula.



GENERAL FUND REVENUES

Property Taxes	5,123,445
Other Local Revenues	283,235
State School Fund	10,780,665
Other Revenues	3,635,092
	<hr/>
	19,822,437

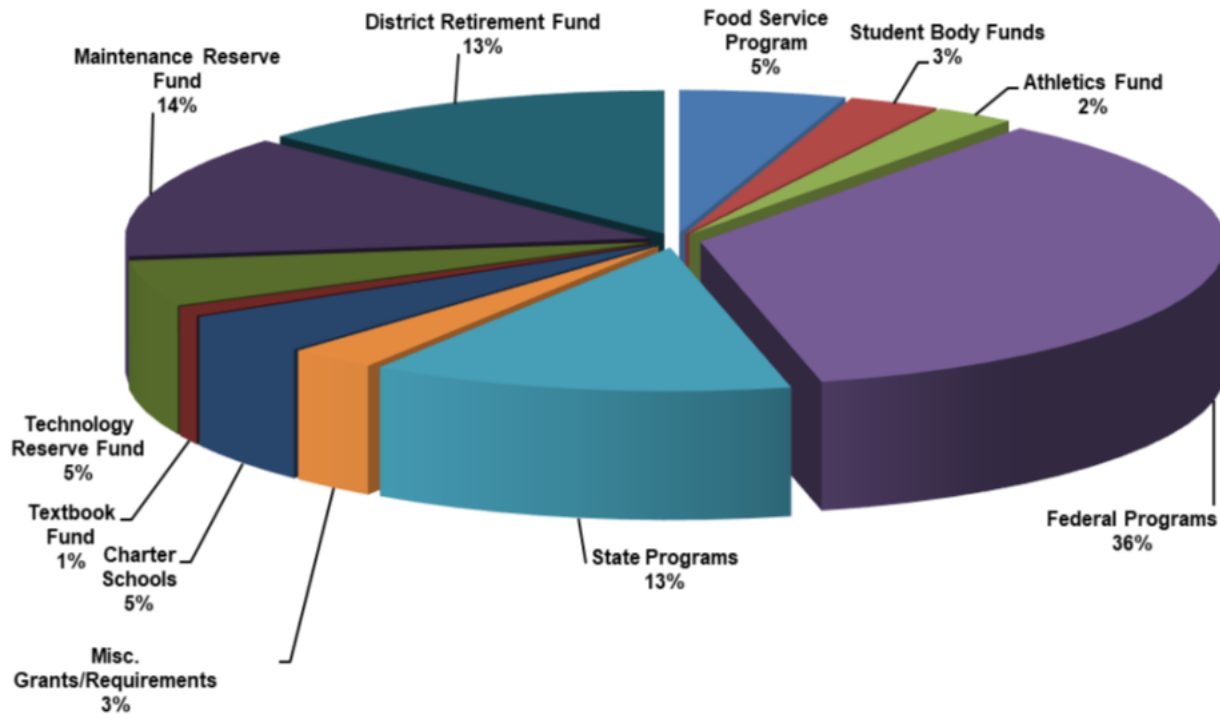
State School Fund: The District's distribution of per pupil funding from the Oregon Department of Education.

Other Revenues: This category includes interest earnings, rental income, services provided to charter schools, beginning fund balance and other miscellaneous revenues.

Property Taxes: Ad valorem taxes distributed to the District through an operating levy with a permanent tax rate of \$4.82 per \$1,000 of assessed value.

Other Local Revenues: Distributions from the county school fund, common school fund, state managed timber revenues, and federal forest fees.

Proposed 2022-2023 Special Revenue By Fund: The graph below shows how the 2022-2023 Special Revenue is budgeted by specific funds. As the graph shows, the two largest funds are for Federal and State Programs.



SPECIAL REVENUE FUNDS

Food Service Program	699,763
Student Body Funds	383,387
Athletics Fund	337,218
Federal Programs	4,884,283
State Programs	1,772,082
Misc. Grants/Requirements	368,311
Charter Schools	631,205
Textbook Fund	150,000
Technology Reserve Fund	710,699
Maintenance Reserve Fund	1,895,760
District Retirement Fund	1,783,127
	<hr/>
	13,615,835



DEBT SERVICE FUND

This fund accounts for payments of interest and principal on general long-term debt. Property taxes are the major source of revenue for general obligation debt; pension obligation debt is recovered through payroll charges. The District is currently paying debt service on one general obligation bond issue and one pension obligation bond issue:

GENERAL OBLIGATION BONDS:

	Purpose	Date of Issue	Date of Maturity	Amount Issued	Amount Outstanding
Series 2014	Finance costs of capital projects	9/30/2014	6/15/2027	\$ 24,299,842	\$ 5,375,700
Series 2021	Refinance the district's Series 2014	10/28/2021	6/15/2036	\$ 22,175,000	\$21,575,000

PENSION OBLIGATION BONDS:

	Purpose	Date of Issue	Date of Maturity	Amount Issued	Amount Outstanding
Series 2002	Lump-sum payment to PERS	10/31/2002	6/30/2028	\$ 4,568,364	\$ 3,935,000

Debt Service Requirements
General Obligation Bonds
June 30, 2022

Date	Series 2021 Refunding Bonds			Series 2014 Bonds				Total	
	Principal	Interest	Debt Service	Principal	Interest	Compounded	Interest	Debt Service	Debt Service
12/15/2022	-	218,881.70	218,881.70	-	135,300.00	-	135,300.00	135,300.00	354,181.70
6/15/2023	705,000.00	218,881.70	923,881.70	897,187.20	198,112.80	-	198,112.80	1,095,300.00	2,019,181.70
12/15/2023	-	217,517.53	217,517.53	-	116,100.00	-	116,100.00	116,100.00	333,617.53
6/15/2024	780,000.00	217,517.53	997,517.53	985,971.35	185,128.65	-	185,128.65	1,171,100.00	2,168,617.53
12/15/2024	-	214,631.53	214,631.53	-	95,000.00	-	95,000.00	95,000.00	309,631.53
6/15/2025	805,000.00	214,631.53	1,019,631.53	1,056,953.50	188,046.50	-	188,046.50	1,245,000.00	2,264,631.53
12/15/2025	-	210,284.53	210,284.53	-	66,250.00	-	66,250.00	66,250.00	276,534.53
6/15/2026	175,000.00	210,284.53	385,284.53	1,162,648.85	168,601.15	-	168,601.15	1,331,250.00	1,716,534.53
12/15/2026	-	209,173.28	209,173.28	-	34,625.00	-	34,625.00	34,625.00	243,798.28
6/15/2027	175,000.00	209,173.28	384,173.28	1,272,939.65	146,685.35	-	146,685.35	1,419,625.00	1,803,798.28
12/15/2027	-	207,811.78	207,811.78	-	-	-	-	-	207,811.78
6/15/2028	1,700,000.00	207,811.78	1,907,811.78	-	-	-	-	-	1,907,811.78
12/15/2028	-	193,735.78	193,735.78	-	-	-	-	-	193,735.78
6/15/2029	1,790,000.00	193,735.78	1,983,735.78	-	-	-	-	-	1,983,735.78
12/15/2029	-	177,419.93	177,419.93	-	-	-	-	-	177,419.93
6/15/2030	1,875,000.00	177,419.93	2,052,419.93	-	-	-	-	-	2,052,419.93
12/15/2030	-	159,204.30	159,204.30	-	-	-	-	-	159,204.30
6/15/2031	1,975,000.00	159,204.30	2,134,204.30	-	-	-	-	-	2,134,204.30
12/15/2031	-	139,029.68	139,029.68	-	-	-	-	-	139,029.68
6/15/2032	2,080,000.00	139,029.68	2,219,029.68	-	-	-	-	-	2,219,029.68
12/15/2032	-	116,534.48	116,534.48	-	-	-	-	-	116,534.48
6/15/2033	2,200,000.00	116,534.48	2,316,534.48	-	-	-	-	-	2,316,534.48
12/15/2033	-	91,311.48	91,311.48	-	-	-	-	-	91,311.48
6/15/2034	2,310,000.00	91,311.48	2,401,311.48	-	-	-	-	-	2,401,311.48
12/15/2034	-	63,672.33	63,672.33	-	-	-	-	-	63,672.33
6/15/2035	2,435,000.00	63,672.33	2,498,672.33	-	-	-	-	-	2,498,672.33
12/15/2035	-	33,320.05	33,320.05	-	-	-	-	-	33,320.05
6/15/2036	2,570,000.00	33,320.05	2,603,320.05	-	-	-	-	-	2,603,320.05
Total	21,575,000.00	4,505,056.76	26,080,056.76	5,375,700.55	1,333,849.45	-	1,333,849.45	6,709,550.00	32,789,606.76

FERN RIDGE SCHOOL DISTRICT 28J
Lane and Douglas Counties, Oregon

Debt Service Requirements
Pension Obligation Bonds
June 30, 2022

Date	Series 2002 Bonds			Series 2011 Refunding Bonds			Total
	Principal	Interest	Debt Service	Principal	Interest	Debt Service	Debt Service
12/30/2022	-	109,028.25	109,028.25	-	-	-	109,028.25
6/30/2023	560,000.00	109,028.25	669,028.25	-	-	-	669,028.25
12/30/2023	-	93,656.25	93,656.25	-	-	-	93,656.25
6/30/2024	625,000.00	93,656.25	718,656.25	-	-	-	718,656.25
12/30/2024	-	76,312.50	76,312.50	-	-	-	76,312.50
6/30/2025	700,000.00	76,312.50	776,312.50	-	-	-	776,312.50
12/30/2025	-	56,887.50	56,887.50	-	-	-	56,887.50
6/30/2026	780,000.00	56,887.50	836,887.50	-	-	-	836,887.50
12/30/2026	-	35,242.50	35,242.50	-	-	-	35,242.50
6/30/2027	865,000.00	35,242.50	900,242.50	-	-	-	900,242.50
12/30/2027	-	11,238.75	11,238.75	-	-	-	11,238.75
6/30/2028	405,000.00	11,238.75	416,238.75	-	-	-	416,238.75
Total	3,935,000.00	764,731.50	4,699,731.50	-	-	-	4,699,731.50



Questions?