



P: 541.923.5437

F: 541.923.5142

145 SE Salmon Ave | Redmond, OR 97756

www.redmond.k12.or.us

COMMITTEE APPROVED 4/28/21

Redmond School District

Budget Committee Work Session

February 10, 2021

Board Members in Attendance: Board Chair Tim Carpenter, Vice Chair Shawn Hartfield, and Directors Liz Goodrich, Travis Bennett. Absent: Rick Bailey

Citizen Budget Committee Members in Attendance: James Wood, Kevin Palmer, Travis Browning, Tim Benesh. Absent: Michael Baumgartner

Chair Carpenter called the work session to order at 5:32 p.m.

Introductions of committee members were made.

2021-22 Budget Issues and 2022-2026 Long Range Financial Plan – Kathy Steinert

There is a number of areas where the District lacks certainty, which has a high significance to the budget process. These include the state revenue, student enrollment, federal revenue, student needs, and sustained COVID-related expenses. In addition to that, the Economic and Revenue Forecast was prepared prior to our state's stricter shutdown that occurred in November. It is highly likely this forecast is more optimistic than warranted. The projected General Fund Revenue Growth has also been significantly affected by the pandemic. Economists expect Oregon's economy to return to health by mid-2023.

The Governor has proposed \$9.1 billion for the State School Fund, which is only a \$100 million increase and is inadequate for current service levels. \$9.6 billion would be needed to maintain current service levels. The budget does fully fund High School Success (Measure 98) at \$318 million, as well as fully fund the Student Investment Account at \$778.8 million.

The District's student enrollment is down this year by approximately 400 students. This has changed our typical enrollment projection methodology. We are assuming that next year we will recapture approximately 50% of our missing students.

Our District received ESSER I and CDL federal grant dollars. The CDL grant is spent and the ESSER I grant is fully allocated to current year costs. We will receive \$5 million in ESSER II (\$4.5 million after RPA pass though). Planning is in the process of how to use these funds. There is a possibility of additional funding with another proposed stimulus package.

In looking at the 2022-2026 Long Range Financial Plan, the state's economy is projected to recover. If the district assumes the same K12 allocations of 38.2% General Fund Revenues for the future biennia, we should see our revenues grow. This is assuming full funding of Measure 98 and Student Investment Account. If the district utilizes the one time federal revenues in 2021-2022 it creates a fiscal cliff as there

will be no increase in revenue for 2022-2023. If the district splits the ESSER II revenues between 2021-22 and 2022-23 we could see a manageable increase in revenue to cover the increase costs.

In August 2020, Legislators reduced the Student Investment Account (SIA) by 68%. Our district was expecting to receive \$5.3 million, but with the reduction, actually received \$1.8 million. The SIA revenues are allowed to be used to meet students' mental and behavioral health needs, increase academic achievement for students and reduce academic disparities. Our district assumes in future years, we will fund the planned investments that were not able to be made this current year.

Over the next five year, the district projects increasing FTE by 50 with 30 of those FTE being funded by SIA revenue.

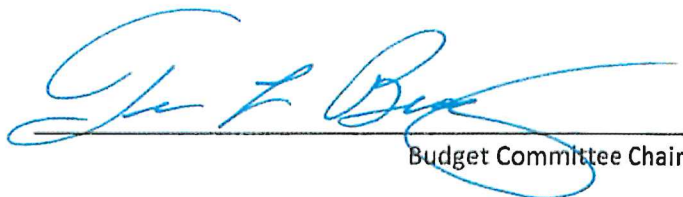
Salary and benefit increase assumptions, are just that, assumptions. Both the licensed and classified salary and benefits are negotiated and approved by the board.

PERS rates for our district are lower than current biennium due to strong investment returns of 13.5%, UAL amortization extension, and an IAP redirect. Our district's net rates for the next biennium are slated to decrease by almost 3% points.

Our district assumes growth in salaries and related payroll costs. Embedded in the projected salary increases are COLAs as well as step increases for licensed and classified employees. The vast majority of our related payroll costs include PERS, which represents 28% of salaries and health insurance represents approximately 22%.

This 2021-22 budget process will require a great deal of flexibility and a willingness to work through multiple scenarios. The first Budget Committee Meeting is April 28 and the second meeting will be May 12.

Work session adjourned at 7:11 p.m.



Budget Committee Chair



Gina Blanchette, Executive Assistant