
The work session began at 5:30 pm.

2024-25 Budget Issues & Budget Preview - Kathy Steinert

Current K-12 Fiscal Context
The 2023-24 budget priority was to steer clear of the ESSER fiscal cliff. The largest allocation of federal COVID relief funds were the ESSER III funds, which for our district was almost $10 million, will expire September 30, 2024. Kathy explained the risks associated with enrollment declines, inflation, and labor scarcity and new hiring driving up recurring commitments. Our district has also added employees, while enrollment is declining, which is happening state-wide. This is mostly due to the increase of student needs.

Salaries
The REA 2023-25 Licensed Agreement includes:
- 6.5% COLA, eliminating the first two column, steps (3.5% increase) added for columns F, G, H and I, and a $900 annual increase in health insurance ($1,525/month)

2024-25 Includes:
- 4.75% COLA, additional step added to column I, $900 annual increase in health insurance ($1,600/month)

These changes make Redmond School District a bit more competitive in the region.

The OSEA 2023-25 Classified Agreement includes:
- 6.5% COLA, added step 8 at 2.5% increase over step 7, $900 annual increase in health insurance ($1,524/month)

2024-25 includes:
- 4.5% COLA, step increases for steps 1-7 at 5.0%, $900 annual increase in health insurance ($1,600/month)

Total compensation cost increases include: 2022-23 increase was 6.9%, 2023-24 increase was 12.3%, and projected 2024-25 increase at 10.0% (increase to $76,593,100).

Operating Grants
Last year ODE consolidated the application for several large grants with Integrated Guidance Grants. Student Investment Account and High School Success grants are two of the large Integrated Guidance Grants. They fund a number of people and programs for our district.

2024-25 General Fund Estimate
The 2024-25 fund estimate is showing a deficit of approximately $4.9 million (-5.4%), this is mainly due to the increase of salary/payroll/benefits costs. There are more estimates that the district will receive from ODE that may change the SSF revenue.
Oregon’s Economic and Revenue Forecast
General Fund revenues are slowing as expected and will slow further as the record kicker credit is realized during the upcoming tax filing season. Revenue growth is expected to return to trend in 2025-27.

Long Range Budget Financial Challenges
- Negotiations with REA and OSEA for 2025-26
- District Employer PERS Rates for 2025-27 Biennium are forecasted to increase by 4 percentage points due to negative investment returns as of Dec 31, 2022
- 2,200 Chromebook replacement in 2025-26 at an estimated cost of $880,000
- Rationalizing and funding the number of existing schools in the face of enrollment declines

Long Range Budget Financial Opportunities
- Dedicated funding through the Early Literacy Success Initiative (2023 HB 3198)
- Potential Summer Learning Funding (HB 4082 in current session)
- Successful push for Quality Education Model (QEM) funding

2024-25 Budget Next Steps
- ODE releases SSF and IG Grant Allocation Estimates
- 2023-24 Projection and 2024-25 Budget Development
- April 24 - First Budget Committee Meeting (balanced budget will be presented)
- May 8 - Second Budget Committee Meeting

Work Session adjourned at 7:26 pm.

This meeting was followed by a Special Board Meeting from 7:29 pm - 7:34 pm.

[Signatures]
Budget Committee, Chair

[Signature]
Gina Blanchette, Executive Assistant