

FORM ED-1

NOTICE OF BUDGET HEARING

A public meeting of the Board of Directors of the Medford School District 549C will be held on Monday, May 21, 2018 at 7:00 p.m. at the Medford School District Boardroom, 815 S. Oakdale Avenue, Medford, Oregon. The purpose of this meeting is to discuss the budget for the fiscal year beginning July 1, 2018 as approved by the Medford School District 549C Budget Committee. A summary of the budget is presented below. A copy of the budget may be inspected or obtained at the Business Services Office located at 815 S. Oakdale, Room 214, Medford, Oregon between the hours of 8:00 a.m. and 4:00 p.m. or online at www.medford.k12.or.us. This budget is for an annual budget period. This budget was prepared on a basis of accounting that is the same as the basis of accounting used during the preceding year.

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FINANCIAL SUMMARY - RESOURCES			
TOTAL OF ALL FUNDS	Actual Budget 2016-2017	Amended Budget This Year 2017-18	Approved Budget Next Year 2018-19
Beginning Fund Balance	16,567,428	20,591,752	18,880,557
Current Year Property Taxes, other than Local Option Taxes	47,414,030	48,789,208	50,878,650
Current Year Local Option Property Taxes	-	-	-
Other Revenue from Local Sources	27,183,815	28,228,525	29,168,283
Revenue from Intermediate Sources	2,292,668	2,191,800	3,277,110
Revenue from State Sources	92,269,088	102,483,368	101,674,060
Revenue from Federal Sources	12,393,674	12,673,786	12,867,061
Interfund Transfers	4,135,000	8,542,100	5,309,163
All Other Budget Resources	553,955	649,650	649,650
Total Resources	202,809,658	224,150,189	222,704,534

FINANCIAL SUMMARY - REQUIREMENTS BY OBJECT CLASSIFICATION

Salaries	69,837,494	71,454,243	74,924,795
Other Associated Payroll Costs	38,980,180	43,566,139	46,130,756
Purchased Services	43,346,976	49,643,992	50,634,548
Supplies & Materials	5,325,394	5,498,265	5,493,160
Capital Outlay	2,418,390	8,087,382	4,740,425
Other Objects (except debt service & interfund transfers)	2,173,574	2,318,403	2,337,995
Debt Service*	16,503,231	16,483,338	16,647,992
Interfund Transfers*	4,135,000	8,542,100	5,309,163
Operating Contingency	12,229,335	18,531,326	16,435,700
Unappropriated Ending Fund Balance & Reserves	7,860,084	25,000	50,000
Total Requirements	202,809,658	224,150,189	222,704,534

FINANCIAL SUMMARY - REQUIREMENTS AND FULL-TIME EQUIVALENT EMPLOYEES (FTE) BY FUNCTION

1000 Instruction	92,289,053	99,357,353	103,299,805
FTE	867	909	926
2000 Support Services	61,085,589	67,888,403	70,487,607
FTE	312	328	346
3000 Enterprise & Community Service	5,547,255	6,265,640	6,351,865
FTE			
4000 Facility Acquisition & Construction	2,008,129	5,905,047	2,970,420
FTE			
5000 Other Uses	20,638,231	25,025,438	21,957,155
5100 Debt Service*	16,503,231	16,483,338	16,647,992
5200 Interfund Transfers*	4,135,000	8,542,100	5,309,163
6000 Contingency	21,241,400	19,520,794	17,405,167
7000 Unappropriated Ending Fund Balance	0	187,515	232,515
Total Requirements	202,809,658	224,150,189	222,704,534
Total FTE	1,178	1,238	1,271

* not included in total 5000 Other Uses. To be appropriated separately from other 5000 expenditures.

STATEMENT OF CHANGES IN ACTIVITIES and SOURCES OF FINANCING FROM LAST YEAR **

General Fund

The District is proposing a balanced budget in the General Fund for 2018-19. This is driven by the combination of a favorable 2017-18 surplus of +\$0.24 million, revenue increases of +\$1.54 million, reductions of transfers to other funds of +\$2.93 million, and expenses of -\$4.7 million. This results in a projected \$8.1 million ending General Fund Balance that equates to approximately 5.71% of 2018-19 budgeted General Fund Revenue plus Transfers In. Key assumptions for sources in the FY18-19 Budget include using the March 2, 2018 State Controller's revenue estimate based on a total \$8.2 Billion K-12 budget allocated 50%/50% over the 2017-19 biennium.

Revenue Outlook - All Funds

Total General Fund resources for FY18-19 are estimated at \$149.8 million, \$1.78 million (1.2%) higher than the FY17-18 Amended Budget. This includes \$140.3 million of revenue, up \$1.5 million (1.1%), \$1.4 million of transfers in from the PERS reserve fund and \$8.1 million of beginning Fund Balance Reserves, up \$0.24 million (3.1%). The net revenue increase of \$1.5 million is made up of a gross General Fund revenue increase of \$2.5 million in 2018-19 partially offset a \$1.0 million loss in funding from using Extended ADMw in 2017-18. Of the \$2.5 million gross increase in revenue, approximately \$2.17 million comes from the combination of higher enrollment, higher pass through from SOESD for non-Special Education (non-SPED) functions and higher transportation reimbursement. Most of this \$2.17 million increase in revenue is offset by higher costs in the form of staffing, charter school pass through's and contract transportation costs. The remaining \$0.37 million is largely incremental revenue driven by higher \$/ADMw, interest income and other local revenue increases.

Expense Outlook - All Funds

This budget includes an estimated \$4.7 million increase in total spending due to the combination of \$2.4 million for salaries and wage increases, \$2.0 million for increased payroll benefits, \$0.39 million for increased purchased services and supplies/capital outlay/other objects down \$0.07 million. Of the \$4.4 million, combined increase in payroll and payroll benefits, \$2.5 million comes from STEP and COLA wage increases, \$2.0 million comes from a 33.72 increase in FTE and \$0.8 comes from higher healthcare costs which are partially offset by the assumption of a \$0.9 million cost reduction due to lower average salary after attrition. Of the \$0.39 million increase in purchased services, \$0.32 million comes from an increase in charter school pass through's primarily from adding another grade at Kids Unlimited Academy (KUA) with the remaining \$0.07 million spread across changes in several other accounts. The \$0.07 million reduction in supplies/capital outlay/other objects is spread across several objects with the largest decrease being \$65K in capital outlay.

The projected student enrollment for 2018-19 is up 117 or 0.84% from the 2017-18 year-end projection of 14,133. Of the 117 student increase, 67 are coming from charter schools primarily driven by an additional grade at Kids Unlimited Academy and 50 are across all District, non-charter schools primarily driven by an estimated increase from open enrollment.

Summary - All Funds

In summary, across all funds the FY18-19 Approved Budget reflects an decrease in resources of \$1.4M from the current year, bringing the total to \$222.7M. This is the combination of an increase of \$1.78M from the General Fund, a decrease of \$3.8M in Special Revenue resources, and a \$0.57M increase in other funds. This budget plan includes a continued shift of resources from certain areas to refocus staff toward certain key strategies and investments that will provide academic rigor and relevance necessary for our students to achieve success. These strategies are designed to engage students across the spectrum and to fully prepare them for college, career, and life after graduation. For most students, our programs will help them obtain an industry certification, college credit or even an associate's degree along with their high school diploma.

PROPERTY TAX LEVIES

	Rate or Amount Imposed 2016-17	Rate or Amount Imposed 2017-18	Rate or Amount Approved 2018-19
Permanent Rate Levy (Rate Limit \$4.4123 per \$1,000)	35,048,120	36,149,964	39,605,348
Local Option Levy			
Levy For General Obligation Bonds	13,894,441	13,525,780	13,000,000

STATEMENT OF INDEBTEDNESS

LONG TERM DEBT	Estimated Debt Outstanding July 1, 2018	Estimated Debt Authorized, But Not Incurred on July 1, 2018
General Obligation Bonds	\$137,325,000	
Other Bonds (Pension)	\$31,245,000	
Other Borrowings		
Total	\$168,570,000	