



**TSCC**

# Budget Law Training - Abridged -

1:30 PM, January 19, 2022

**Tax Supervising and Conservation Commission**

Allegra Willhite & Tunie Betschart

# Tips for Today

## Tips for participating via Zoom

- We'll be recording today's session
- Change your zoom display name to your first name and first name
- Stay on mute unless speaking
- Put questions in the chat

# Training Overview & Key Questions Answered

## TSCC & Budget Law Overview

- What is the TSCC & its role in the budget process?
- What are the steps in the budget process?
- What happens if I don't follow local budget law?

## Preparation for Budget Creation

- What needs to happen before I start the budget?

## Proposed Budget

- How do I create a proposed budget?
- How do I estimate property tax revenues?

## Approved Budget

- What are the requirements for approving the budget?

## Adopted Budget

- What are the requirements for adopting the budget?
- How do I make changes between the approved and the adopted budget?

## Post-Adoption

- How do I make changes after the budget is adopted?

# What is the Tax Supervising and Conservation Commission?

# What is the TSCC?

- Created by the Legislature in 1919 to monitor Multnomah County local government budgets, taxes, and debt
- State agency with five commissioners appointed by the governor
- Role is primarily advisory and consultative
- Duties:
  - Review and certify member district budgets
  - Hold hearings on member budgets and tax measures
  - Advise districts on Oregon Local Budget Law
  - Prepare annual report documenting district budgets & debt
  - Provide information to the public
  - Investigate claims of budget law violations

## ADVOCATE

We hold public hearings to engage with elected officials and advocate for the public interest in spending of taxpayer dollars.

## TRAIN

We support and train local jurisdictions to adhere to local and state budget law.

## INFORM

We publish an annual report that informs the public on local government budgets, indebtedness, and property taxes.

## REVIEW

We analyze, review, and certify budgets to ensure adherence to state budget law.

# Membership

**Taxing districts primarily located in Multnomah County**

[43 eligible districts - 33 are members]

**Required** for districts serving populations of more than 200,000

Optional for districts serving populations of fewer than 200,000

# Budget Process Overview

# Pop Quiz: What is a Budget?



- a) A financial plan
- b) An instrument to prioritize spending
- c) A tool to monitor expenditures
- d) An estimate of income and expenditures for a set period of time
- e) The basis used to establish appropriations
- f) All of the above



# Why Create A Budget?

We create a budget in order to identify appropriations

**Appropriations are the legal authority  
to spend public money**

# How to Create A Budget?

All local governments use a standard system as laid out in:

[Oregon Revised Statutes 294.305-565](#)

[Oregon Administrative Rules 150-294-0300-0550](#)

# Why follow budget law?

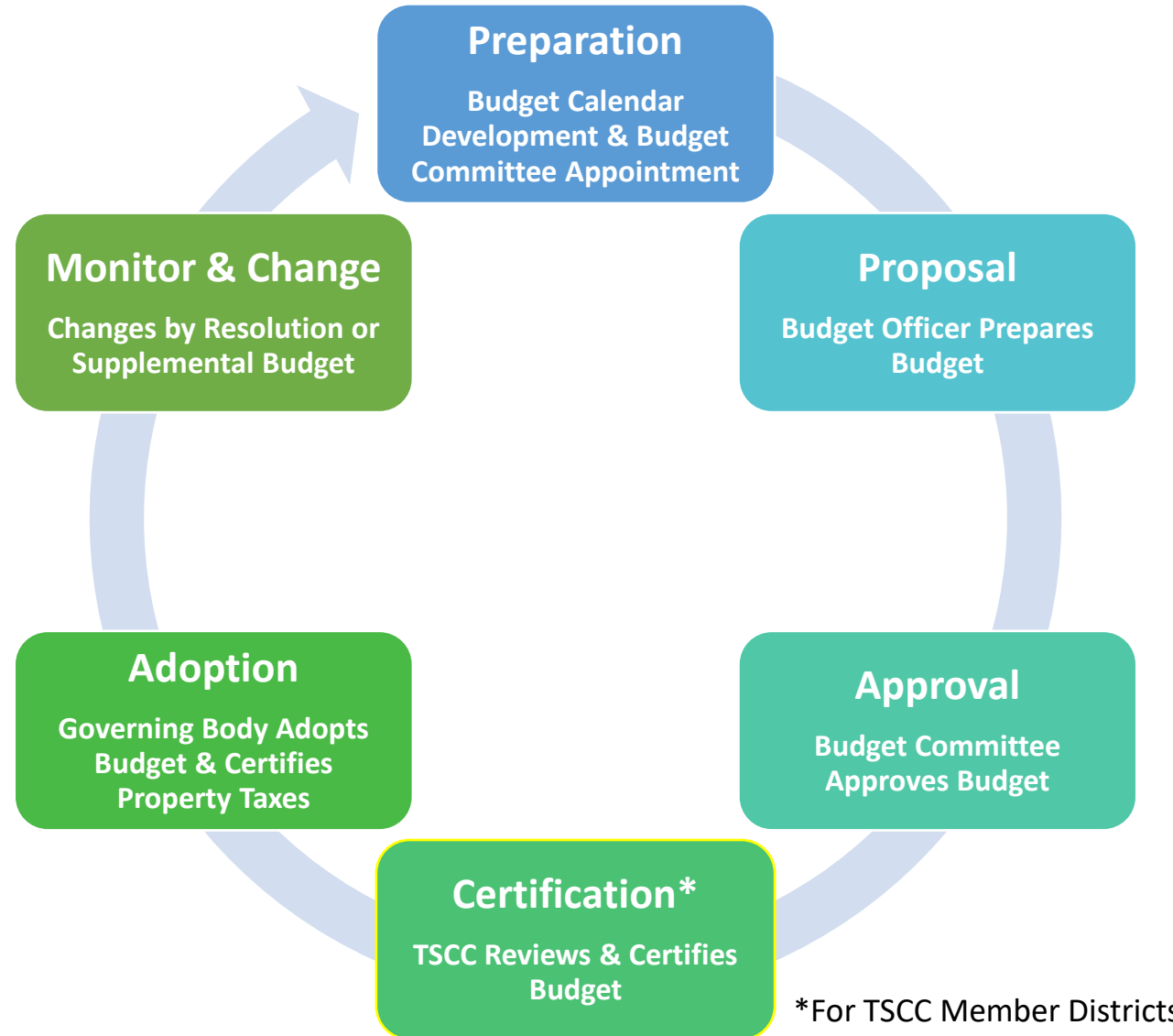
- If your district does not follow local budget law your district can not levy taxes or expend money. 294.338(1)
- An improperly adopted property tax is voidable. 294.461
- Spending money in excess of the amounts provided by law, or for a different purpose than provided by law is illegal. 294.100(1)
- Any public official (who does so) shall be civilly liable for return of the money... 294.100(2)

# Who Creates A Budget?

## The budget is:

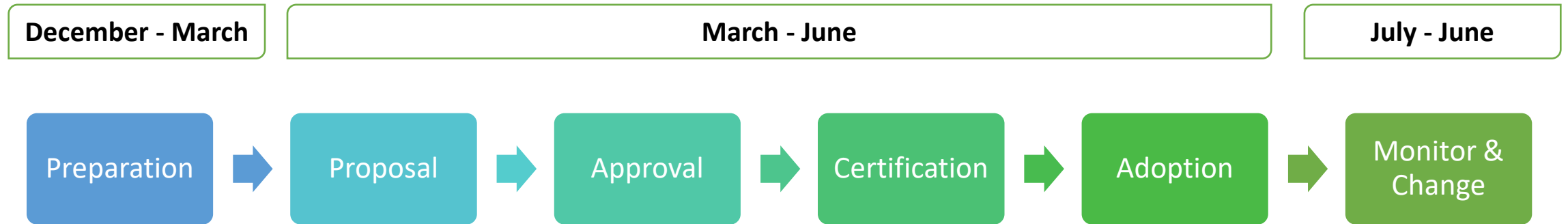
- Prepared & **Proposed** by Staff
  - Modified & **Approved** by the Budget Committee
    - Modified & **Adopted** by the Governing Board

# Budget Cycle



\*For TSCC Member Districts

# Timeline



## Prior to July 1

Resolutions to adopt budget, make appropriations, levy and categorize property taxes

# Budget Terms

## Resources and Requirements

Resources: All sources of available funds, including beginning fund balance and transfers in from other funds

Requirements: all expenditures, as well as other obligations that must be planned for but may not actually be spent

## Revenues and Expenditures

Revenues: sources of new money anticipated to be received in the coming year

Expenditures: money expected to be spent in the coming budget year

## Appropriations

Your legal spending authority. The budget is the basis for appropriations. Appropriations establish spending limits.

# The Holy Grail of Budget Law Is the Appropriation

- Districts DO things
- Doing things costs money
- Districts can't spend public money without legal authority
- District gives itself legal authority to spend money through appropriations
- Appropriation is legal permission to spend
- Appropriation is also legal limit on spending
- After budget adoption, all that matters is appropriations

*Source – DOR 2018 TSCC Appropriations Presentation*



# To Summarize...

- Budget law is built with transparency in mind
- Statutes and admin rules are your guide
- Budgets must be organized by fund and balanced
- Budget is used to justify your appropriations

Proposal



Approval



Certification



Adoption



Monitor &  
Change

# Proposed Budget

# Preparation

## District:

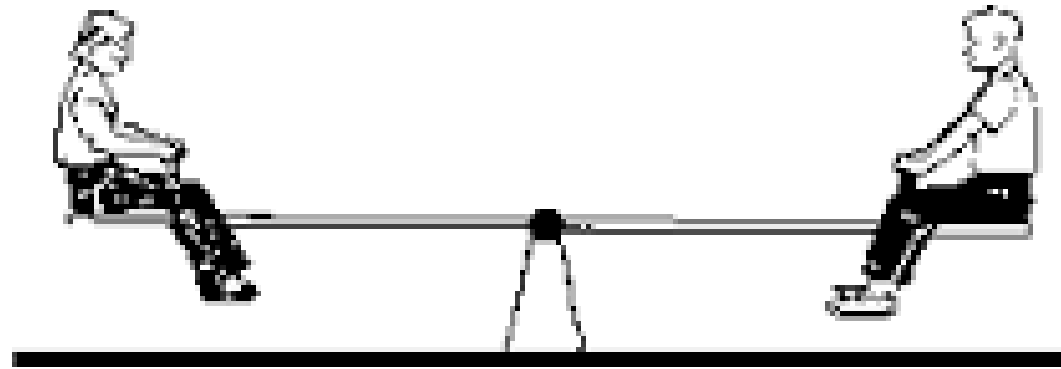
- Appoints Budget Officer
- Develops Budget Calendar (**send to TSCC**)
- Updates Budget Committee

# Proposed Budget Steps

1. Estimate Resources
2. Estimate Requirements
3. Balance the budget
4. Write your Budget Message

# Funds

A Fund is a fiscal and accounting entity with *self-balancing* accounts to record cash and other financial resources, related liabilities, and balances and changes, all segregated for specific, regulated activities and objectives.



# Resources & Requirements

Each fund must be balanced

Resources = Requirements

	Beginning Fund Balance		Ending Fund Balance
+	Revenues	+	Expenditures
+	<u>Transfers In</u>	+	<u>Other Requirements</u>
=	Total Resources	=	Total Requirements

## REMEMBER

- Resources are budgeted by fund and source
- Requirements are budgeted by fund, function, and use
- Budget numbers are good faith effort estimates
- Negative resource amounts are contrary to statute

# Estimating Resources – By Fund & By Source

\$ Beginning Fund Balance

\$ Revenues

- ¢ Property Taxes (current year)
- ¢ Prior Year Property Taxes
- ¢ Fees, Licenses, Fines
- ¢ Enterprise Revenue
- ¢ Federal / State / Local Revenue
- ¢ Grants
- ¢ Interest on Investments
- ¢ Bond or other Debt Proceeds
- ¢ Sale of Assets

\$ Interfund Transfers In

- \$ Cash
- \$ Interfund Service Reimbursements

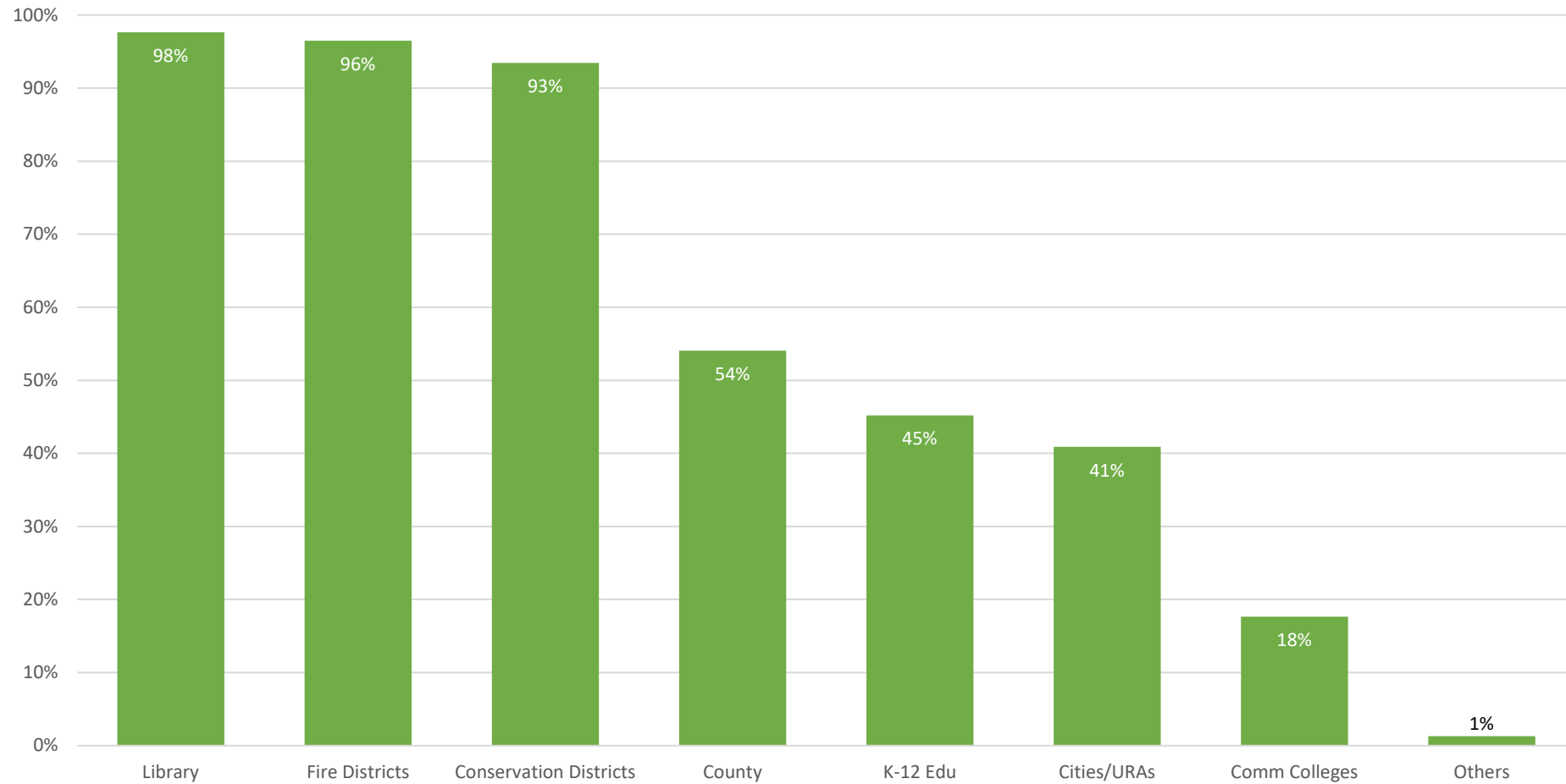
# Pop Quiz

For which types of districts do property taxes make up 75% or more of General Fund Revenues?

- A. Library, Fire, and Conservation Districts
- B. Library, Counties, and Cities
- C. Counties, Cities, and Schools



## Property Tax as % of GF Revenue



# Estimating Resources

## Property Taxes

### Rate-Based Levy

[Permanent Levies & Local Option Levies, e.g. \$5.2781 & \$1.99]

$$\text{Assessed Value} \times \text{Rate} = \text{Taxes Levied}$$

### Dollar Amount Levy

[GO Bond Levies, e.g. \$136 million, optional for Permanent Levies & Local Options Levies]

#### Tax Levy Types

##### Permanent Levy

Permanent Tax Rate  
Limit

##### Local Option Levy

For operations (5 yr  
limit) or capital  
projects (10 yr limit)

##### General Obligation Bonds

Capital Costs

# What you see is NOT what you get

- Measure 5 & 50 limit property taxes
- Measure 5 (1990)
  - Capped property taxes for all general governments (cities, counties, special districts) and schools at \$10 and \$5 respectively per \$1,000 of real market value (RMV)
  - If the property taxes on an individual property exceed the Measure 5 limits, the taxes are reduced until the limitations are reached, a process known as *compression*.
- Measure 50 (1997)
  - Set a new assessed value (AV) level
  - Capped annual growth in AV at 3% annually
  - Set permanent rates for all taxing districts

**Corbett School District**

Numbers in red can be changed

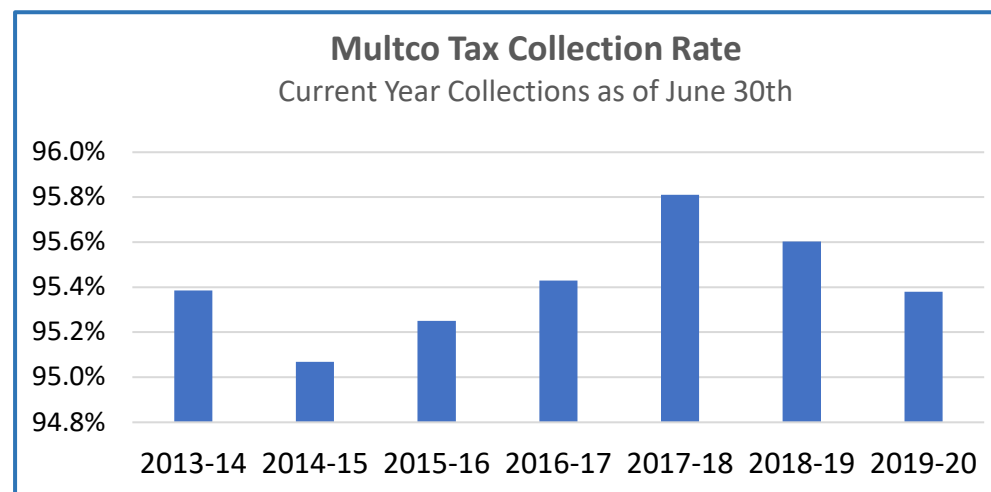
	2018-19	2019-20	2020-21	2021-22		2022-23	PROJECTION
					Rate	Selected Factor	Projection
<b>Permanent Rate Levy</b>					<b>\$ 4.5941</b>		
Assessed Value	404,189,950	414,695,400	437,160,300	447,974,970			<b>459,174,000</b>
Annual AV Increase		2.60%	5.42%	2.47%		<b>2.50%</b>	
Taxes Extended	1,856,889	1,905,152	2,008,358	2,058,042			2,109,491
Taxes Compressed	15,879	15,563	20,258	19,115			(21,095)
Comp as a % of Extended	0.86%	0.82%	1.01%	0.93%		<b>1.00%</b>	
				Estimated Taxes to be Imposed:			2,088,396
				Assumed Collection Rate:			<b>95.5%</b>
				<b>2022-23 Estimated Taxes to be Received:</b>			<b>1,994,000</b>

# Estimating Compression & Collection Rate

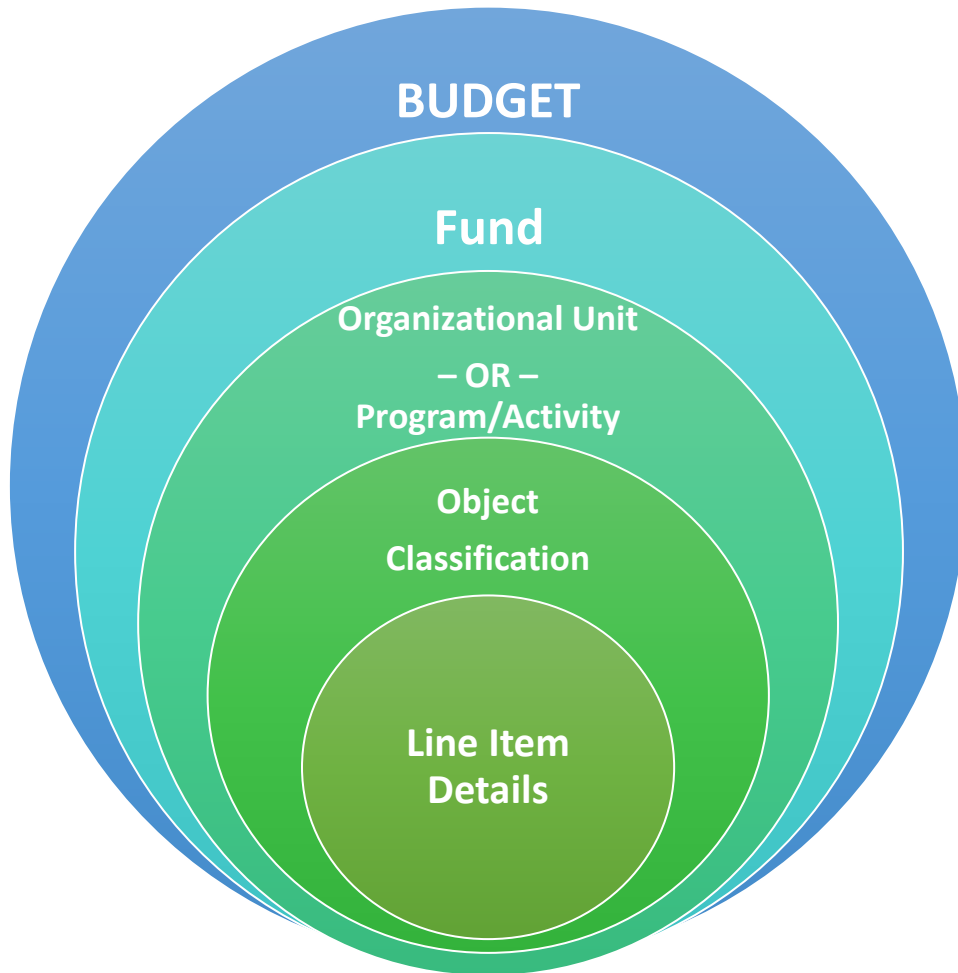
**Taxes Extended**  
**- Compression**  
**Taxes Imposed**

Taxes Lost to Compression				
	<u>FY 19-20</u>	<u>FY 20-21</u>	<u>FY 21-22</u>	
Multnomah County	4.0%	4.3%	4.1%	
City of Portland	5.6%	6.1%	7.6%	
Portland Public Schools	5.2%	5.4%	5.6%	

**Taxes Imposed**  
**x Collection Rate**  
**Taxes Budgeted**



# Estimating Requirements – By Fund, Function, & Use



## Requirements Classification System

Object Classification	Expenditure or Requirement?	Allocated or Not Allocated to an Organizational Unit or Activity?
Personnel Services	Expenditure	Usually Allocated
Materials & Service		
Capital Outlay		
Special Payments		
Debt Service		
Transfers (Out)	Requirement	Not Allocated
Operating Contingency		
Reserves for future expenditure		
Unappropriated Ending Fund Balance		

ORS 294.388

# Estimating Requirements - Example

<b>Requirements Classification System</b>			
<b>Fund: General Fund</b>			
<b>Org Unit</b>	<b>Object Code</b>	<b>Line Item</b>	<b>FTE</b>
Admin Svcs	Pers Svcs	Wages	12.5
		Benefits	
	M & S	Office Supplies	
		Travel	
		Prof Svcs	
	Cap Outlay	Office Furn	
		Vehicles	
Public Safety	Multiple	Multiple	
Cap Outlay Unallocated	Cap Outlay	New City Hall	
Contingency	Contingency	Contingency	
Transfer Out	Transfer Out	Transfer Out	
Ending Fund Balance	UEFB	UEFB	

# Proposed Budget Format

2019-20 Actual	2020-21 Actual	2021-22 Revised Budget	Line Item	2022-23 Budget			
				FTE	Proposed	Approved	Adopted
\$	\$\$	\$\$\$	Wages	10	\$\$\$\$		

**Matches  
numbers from  
respective  
year's audit or  
CAFR**

**Adopted budget as  
modified by post-  
adoption changes**

**The Proposed Budget  
as prepared by the  
Budget Officer for  
presentation to the  
Budget Committee**



# Creating the Proposed Budget: Estimating Requirements

- Step 1: Estimate Personnel Costs
- Step 2: Estimate Materials & Services
- Step 3: Estimate Capital Outlay
- Step 4: Estimate Debt Service
- Step 5: Estimate Transfers Out
- Step 6: Calculate Contingencies, Reserves, & Unappropriated Fund Balance

# Estimating Requirements – Personnel Example

General Fund – Administration							
REQUIREMENTS							
Personnel Services							
	FY 2019-20 Actual	FY 2020-21 Actual	FY 2021-22 Revised	FY 2022-23 Proposed	FY 2022-23 Approved	FY 2022-23 Adopted	FTE
Full-time Salaries	100,000	110,000	112,000	115,000	0	0	2.00
Employee Benefits	2,000	2,100	2,500	3,000	0	0	
FICA	7,000	7,200	7,300	7,500	0	0	
Pension	40,000	41,000	41,500	42,000	0	0	
Insurance	30,000	32,000	34,000	35,000	0	0	
Total Personnel Services	179,000	192,300	197,300	202,500	0	0	

Salaries not required but must be available on request ORS 294.388(5)

And now we balance!

Corbett School District 39  
2020 - 2021 Fiscal Year Annual Budget  
Federal Funds

	Actual 2017-18	Actual 2018-19	Revised Budget 2019-20	Proposed Budget 2020-21	Approved Budget 2020-21	Adopted Budget 2020-21
<b>RESOURCES</b>						
Beginning Fund Balance	\$ 7,725	\$ 7,725	\$ 7,726	\$ 7,726	\$ 7,726	\$ 7,726
<b>Revenues</b>						
<b>Federal Sources</b>						
4500 Restricted Pass-Thru State	369,842	408,594	302,284	269,983	269,983	269,983
Total Federal Sources	369,842	408,594	302,284	269,983	269,983	269,983
Total Revenues	369,842	408,594	302,284	269,983	269,983	269,983
<b>TOTAL RESOURCES</b>	<b>\$ 377,567</b>	<b>\$ 416,319</b>	<b>\$ 310,010</b>	<b>\$ 277,709</b>	<b>\$ 277,709</b>	<b>\$ 277,709</b>
<b>REQUIREMENTS</b>						
<b>Expenditures by Function</b>						
<b>Instruction</b>						
1200 Special Programs						
1250 Less Restrictive Programs	231,947	240,932	159,787	167,280	158,835	158,835
1272 Title I	137,895	125,882	122,497	78,710	87,155	87,155
1299 Other Designated Programs	-	32,328	10,000	10,000	10,000	10,000
Total Instruction	369,842	399,142	292,284	255,990	255,990	255,990
<b>Support Services</b>						
2200 Instructional Staff Support						
2210 Improvement Of Instruction	-	1,999	-	3,000	3,000	3,000
2240 Instructional Staff Developmnt	-	7,453	10,000	10,993	10,993	10,993
Total Support Services	-	9,452	10,000	13,993	13,993	13,993
Total Expenditures	369,842	408,594	302,284	269,983	269,983	269,983
<b>Contingency</b>						
03 Federal Funds	-	-	7,726	7,726	7,726	7,726
Total Contingency	-	-	7,726	7,726	7,726	7,726
<b>SUBTOTAL</b>	<b>369,842</b>	<b>408,594</b>	<b>310,010</b>	<b>277,709</b>	<b>277,709</b>	<b>277,709</b>
<b>Ending Fund Balance</b>						
03 Federal Funds	7,725	7,725	-	-	-	-
Total Ending Fund Balance	7,725	7,725	-	-	-	-
<b>TOTAL REQUIREMENTS</b>	<b>\$ 377,567</b>	<b>\$ 416,319</b>	<b>\$ 310,010</b>	<b>\$ 277,709</b>	<b>\$ 277,709</b>	<b>\$ 277,709</b>

# Tips on releasing the Proposed Budget document

- May be provided to members of the Budget Committee prior to first meeting for informational purposes only, (i.e. *no deliberations*)
- When given to Budget Committee it becomes a public document and a copy must be filed in the office of the municipal corporation for public inspection
- Means of duplication must be available to public. (District may charge reasonable fee for photo copies).



# Approved Budget

# Getting the Budget Approved: The Budget Committee

**Only in Multnomah County:**

Districts serving populations under 200,000

**Citizen Budget Committee**

Districts serving populations over 200,000

**Governing Board is Budget Committee**

# Budget Committee Membership For Small Districts

- Governing body and equal number of appointed electors
  - ❖ Electors are registered voters in the district
  - ❖ Cannot be officers, agents or employees of the district
- Serve three year terms (four year terms if biennial budget)
  - ❖ Terms must be staggered
  - ❖ If unable to find a willing number of appointive members, those who are willing to serve act along with the governing body
- All have equal authority
- Serve without compensation





# Budget Committee Membership For Large Districts

- Governing body acts as the budget committee, without appointed citizen members.
- Governing body may choose, by Resolution, to appoint citizen members to the budget committee. ORS 294.423(1)
- Governing body of a city with a population in excess of 400,000 is the budget committee of the city's urban renewal agency. ORS 294.423(2)



# Getting the Budget Approved

**All Budget Committees have the same duties:**

- Receive budget document
- Hear the budget message
- Take public comment
- Deliberate the budget and modify as agreed upon
- Approve the proposed or modified budget
- Specify the maximum tax rate or levy for each fund

**First things first: Notice the budget committee meeting(s)**

Must be advertised 5-30 days before the committee meeting

## OREGON LAWS 2020 FIRST SPECIAL SESSION Chap. 12

State of  
Emergency  
declared 3/8/20,  
in effect until  
06/30/22

For the duration of the state of emergency:

1. If Districts hold in-person meetings, they must follow social distancing guidelines.
2. Districts can hold virtual meetings if:
  - They make available means for public to listen or observe the meeting
  - They make available a means of gathering public testimony
  - They make a recording of the meeting available to the public after the meeting (assuming the technology used for the virtual meeting allows recording).
3. A quorum count excludes any member unable to attend because of illness due to COVID-19.

**This is a non-attorney's abridged restatement of portions of the law.  
Refer to your district's attorney for legal advice regarding this law.**

## NOTICE OF BUDGET COMMITTEE MEETING

A public meeting of the Board of Directors, acting in their capacity as the Budget Committee of Portland Public School District 1J, Multnomah County, Oregon, will take place during the regular School Board meeting on the 26th day of May at 6:00 pm. The purpose of the meeting is to receive the Superintendent's budget message and Proposed Budget for the fiscal year July 1, 2020 through June 30, 2021, and to receive public comment. This notice is also published on the District website at [www.pps.net](http://www.pps.net).

In light of current public health concerns related to COVID-19, under the provision of ORS 192.670 the virtual meeting will be conducted online, rather than in person. The meeting will be streamed live at: <https://www.youtube.com/user/ppscomms/live>. Public comment and testimony related to the Proposed Budget may be submitted via email to: [publiccomment@pps.net](mailto:publiccomment@pps.net) or by mail addressed to: Board of Education, 501 N. Dixon Street, Portland, OR 97227. The items must be clearly labeled as public comment or testimony. Items received by 2:00 pm on May 26, 2020 will be presented to the Budget Committee at the May 26th meeting.

An additional meeting of the Budget Committee where public comment or testimony will be taken will be held on June 11th at 6:00 pm, also by virtual means via the website above. Public comment should be received by e-mail or mail no later than 2:00 pm on June 11, 2020 for the meeting on June 11th. A copy of the Proposed Budget is posted on the District website:

<http://www.pps.net/Domain/214>



# Getting the Budget Approved

## Budget Committee Outcomes

Meeting notes or resolutions that document:

- Public comment
- Motions to make changes to the budget
- A motion to approve the budget
- A motion to approve the tax rates and tax levies

# Approved Budget Materials

## Member Districts Send TSCC:

- Approved Budget Checklist (on TSCC website)
- Approved budget document
- Budget Message
- Budget Committee Meeting Notice
- Minutes and resolutions from the Budget Committee Meetings



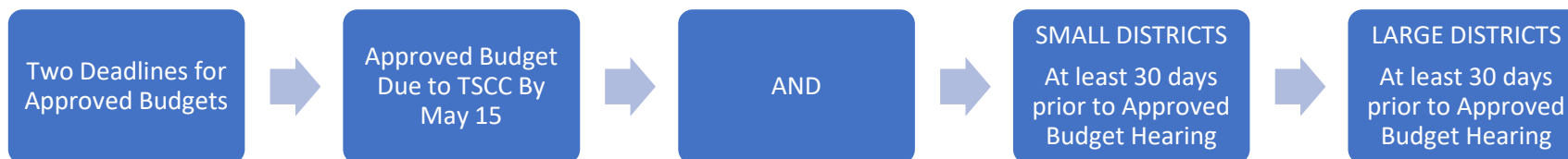
### 2022-23 APPROVED BUDGET CHECKLIST To Accompany Approved Budget Document Filed with TSCC

Name of District: \_\_\_\_\_  
Contact Person: \_\_\_\_\_  
Telephone: \_\_\_\_\_  
E-Mail Address: \_\_\_\_\_

For TSCC Use

#### The Approved Budget includes the following:

- ☐ 1. Budget Message - ORS 294.403 \_\_\_\_
- ☐ 2. Notice of Budget Committee Meeting - Proof of publication by one of the following means — ORS 294.426
  - ☐ A) Newspaper, two notices are required 5 to 30 days prior to the meeting. (Send copies of the actual publications, including dates published OR an affidavit of publication from the newspaper.) \_\_\_\_
  - ☐ B) Once in newspaper (5-30 days prior to meeting) plus once in a prominent manner on district internet website (10 days prior to meeting). (Send copies of publication or affidavit and date posted on website.) \_\_\_\_
  - ☐ C) If mailed or hand delivered, one notice is required (not later than 10 days prior to the meeting). (Send a copy of the notification and an explanation of how delivery was accomplished.) \_\_\_\_
- ☐ 3. Form LB/ED/CCUR-1 in draft (We will review prior to publication to assure it is done correctly) \_\_\_\_
- ☐ 4. Budget Detail Sheets for resources and requirements - ORS 294.358
- ☐ 5. Evidence that the Budget Committee approved the budget — ORS 294.428(1)  
Include meeting minutes or a copy of the motion/resolution passed \_\_\_\_
- ☐ 6. Evidence that the Budget Committee set the tax levy - ORS 294.428(1)  
Include meeting minutes or a copy of the motion/resolution passed \_\_\_\_



# Actions Before Adoption

1. Prepare financial summary of Approved Budget ORS 294.438
2. Schedule and notice a budget hearing ORS 294.438
  - Use LB-1
  - Must be advertised 5-30 days before budget hearing.
3. Hold public hearing to accept comments from the public ORS 294.453.
4. Use a Budget Resolution to adopt the budget ORS 294.456

Send the draft resolution to TSCC, so we can confirm that it is correct.

**You do not want to have a do-over here.**



# TSCC CERTIFICATION



# Certifying the Approved Budget

## For all member districts, TSCC will

- Review the Approved Budget and all the documentation and write a budget review.
- Contact you if anything in the budget or documentation is out of compliance with local budget law.
- Meet with the TSCC Commissioners and discuss budget issues and develop questions for the budget hearing (if applicable).

**Then.....**

# Next Steps: Hearings on the Approved Budget & TSCC Certification Letters

## *For Small Districts*

District holds the hearing & TSCC sends a certification letter

If your budget violates local budget law, we will say so in an **Objection**.

If we have any suggestions for your budget or budget process we will state it as **Recommendation**.

## *For Large Districts*

TSCC holds the hearing & sends a certification letter

TSCC discusses the budget with the board and staff:

- TSCC takes public testimony
- TSCC closes the hearing
- TSCC raises any objections or recommendations to the budget
- Issues an approved budget certification letter that allows district to proceed with budget adoption.

# Budget Certification: What Does TSCC Review?

Some of the items we look for:

- ☐ Is each fund balanced in all four years?
- ☐ Do the actual expenses for prior years balance to the audit?
- ☐ Are the current and prior year property tax collections reasonable?
- ☐ Do the GO debt service payments balance to the debt service schedules?
- ☐ Is the GO debt service fund balance unnecessarily high?

# The TSCC Budget Hearing

The TSCC Commissioners seek information from the board and staff.

- How are the budget priorities manifested in the budget?
- How do staffing increases or decreases impact the budget?
- Are performance measures being met over time?
- What are the budget impacts of new legislation?
- How is the district gathering and using community feedback?

Hearings are public and must be noticed properly by the district. Community members can testify at these hearings.

Proposal



Approval



Certification



**Adoption**



Monitor &  
Change

# Adopted Budget

# Governing Body Responsibilities

## The District's Governing Body:

- Deliberates and modifies the budget
- Adopts the budget by passing the budget resolution to make appropriations
- Authorizes the property tax levy by passing the tax levy resolution

# The 10% rule

The Governing Board may not increase expenditures in any fund by more than 10%\*

<b>Expenditures</b>	<b>Non-Expenditures</b>
Personal Services	Transfers Out
Materials and Services	Contingency
Capital Outlay	Ending Fund Balance
Debt Services	

\*To make a change more than 10%, you must publish a new financial summary and schedule and notice a new budget hearing.

# Property Tax Levy Rule

The Governing Board may not increase the property tax levy as approved by the Budget Committee\*

\*To increase the property tax levy at this stage, you must publish a new financial summary and schedule and notice a new budget hearing.



# The Adopted Budget Document

- Budget Message
- Budget committee meeting notices and screen shots of web site postings
- Budget committee minutes, resolutions, motions
- Budget hearing notice (LB-1) and screen shots
- Budget detail sheets
- Budget Resolution
- Resolution imposing and categorizing property taxes
- Notice of property tax levy form (LB-50)
- Samples of ballots of any new property tax approved by voters, for first time levy

**OAR 150-294.0310**

Reminder: Send  
your Adopted  
Budget documents  
to TSCC  
electronically

**Use the budget document to show the world that you prepared your budget correctly.**

# Post Adoption Staff Actions

By July 15 file with the County Assessor's Office:

- Two copies of budget and tax levy resolutions
- The property tax certification form (Form ED-50)
- Ballot Title for any new voter-approved property taxes

By September 30 to the County Clerk in each county

- Budget Document

***In Multnomah County there is no County Clerk.  
Budget document is filed with TSCC.***

Proposal



Approval



Certification



Adoption



Monitor &  
Change

# Post-Adoption Changes

# Post Adoption Changes

**“...an occurrence or condition not ascertained when preparing original budget...”**

**ORS 294.471(1) (a)**

- **Transfer or Appropriation Resolution**

Examples:

- Intra-fund & Inter-fund transfers
- Contingency transfer (up to 15% of total adopted fund appropriations)
- Unforeseen grant funds for a specific purpose

- **Supplemental Budget\***

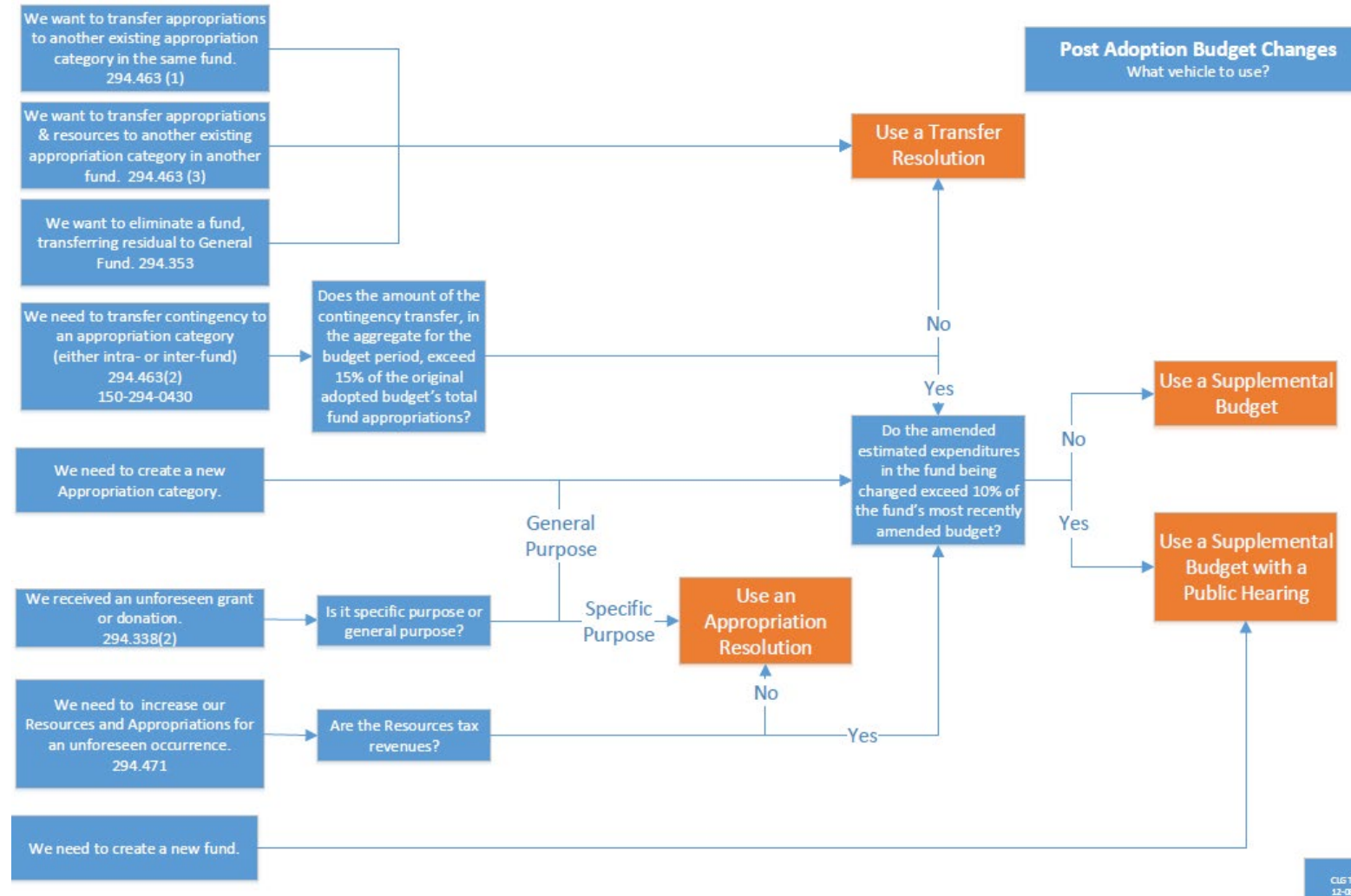
Examples

- Unforeseen grants funds for a general purpose
- Contingency transfer of over 15% of total adopted fund appropriations

*\*Change in expenditures of 10% or more in a fund triggers public noticing & hearing requirement*

<https://www.oregon.gov/dor/programs/property/Documents/local-budget-changes-after-adoption.pdf>

# Post Adoption Budget Changes



CISTSC  
12-08-16

# Post Adoption Budget Changes

Post Adoption Budget Changes					
Connecting Increased Financial Impact to Public Participation					
	Appropriation Resolution	Transfer Resolution	Supplemental Budget	Supplemental Budget with Hearing	
Hearing				Required	Increased Public Participation ----->
Notice			Required	Required	
Resolution	Required	Required	Required	Required	
	Increased Financial Impact ----->				

# Resources

- TSCC staff, available anytime, anywhere
- [TSCC Budget Manual for Local Governments in Multnomah County](#)
- TSCC website: [www.tscmultco.com](http://www.tscmultco.com)
- DOR website: <http://www.oregon.gov/DOR/programs/property/Pages/local-budget.aspx>
- DOR Local Budget Law Training sessions
- [State of Oregon: Forms - Forms and publications library](#) – Search “Local Budget”
  - Includes [DOR Local Budget Law Manual](#)

# Contact Us

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# REFERENCE SLIDES

# Fund Definitions

Funds Defined in OAR 150-294.0420	
Government Fund Definitions	
Special Revenue	To account for revenues legally restricted to specific purposes and the expenses from these revenues
Capital Projects	For the acquisition or construction of major capital facilities (other than those financed by Enterprise, Special Assessment, or Trust Funds).
Debt Service	To accumulate revenues for - and pay - debt service
Special Assessment	For the financing of public improvements or services deemed to benefit the properties against which the special assessments are levied
Enterprise	For functions operated like private business or functions for which the governing body wants to periodically determine "profit or loss"
Internal Service Funds	See ORS 294.343
General	To account for all financial resources except those required to be accounted for in another fund
Trust and Agency Funds	To account for assets held by a governmental unit in a trustee capacity or as an agent for other entities

Funds Defined in GAAFR		
Governmental Funds	Used to account for activities primarily supported by taxes, grants, and similar revenue sources	General Fund
		Special Revenue Funds
		Capital Projects Funds
		Debt Service Funds
		Permanent Funds
Proprietary Funds	Used to account for activities that receive significant support from fees and charges	Enterprise
		Internal Service
Fiduciary Funds	Used to account for resource that a government holds as a trustee or agent on behalf of an outside party that cannot be used to support the government's own programs	Agency
		Investment Trust
		Pension and Other Benefits Trust
		Private Purpose Trust

# Estimating Resources – Estimating BFB

$$\begin{array}{rcl} & \text{Current Cash on hand} & \\ + & \text{Estimated revenue for duration of fiscal year} & \\ - & \underline{\text{Estimated expenditures for duration of fiscal year}} & \\ = & \text{Estimated BFB for start of ensuing fiscal year} & \end{array}$$

# Estimating Resources: Rate-Based Property Tax Levies (Example)

\$30,000,000	Last Year's Assessed Value
X            3.0%	Estimated Annual AV Increase
<u>                    </u>	
\$30,900,000	Projected AV
\$30,900,000	Projected AV
X            .0015985	Permanent Tax Rate (\$1.5985 per \$1,000)
<u>                    </u>	
\$49,394	Taxes Extended
\$49,394	Taxes Extended
-            320	Compression
<u>                    </u>	
\$49,074	Estimated Taxes to be Imposed
\$49,074	Estimated Taxes to be Imposed
X            94%	Assumed Collection Rate
<u>                    </u>	
\$46,130	Estimated FY 22-23 Taxes to Be Received

# Estimating Resources: Dollar Amount Property Tax Levies (Example)

## Calculating Taxes to be Levied

### Example:

Total Debt Service Requirements \$ 60,000

Less Resources On Hand - \$ 10,000

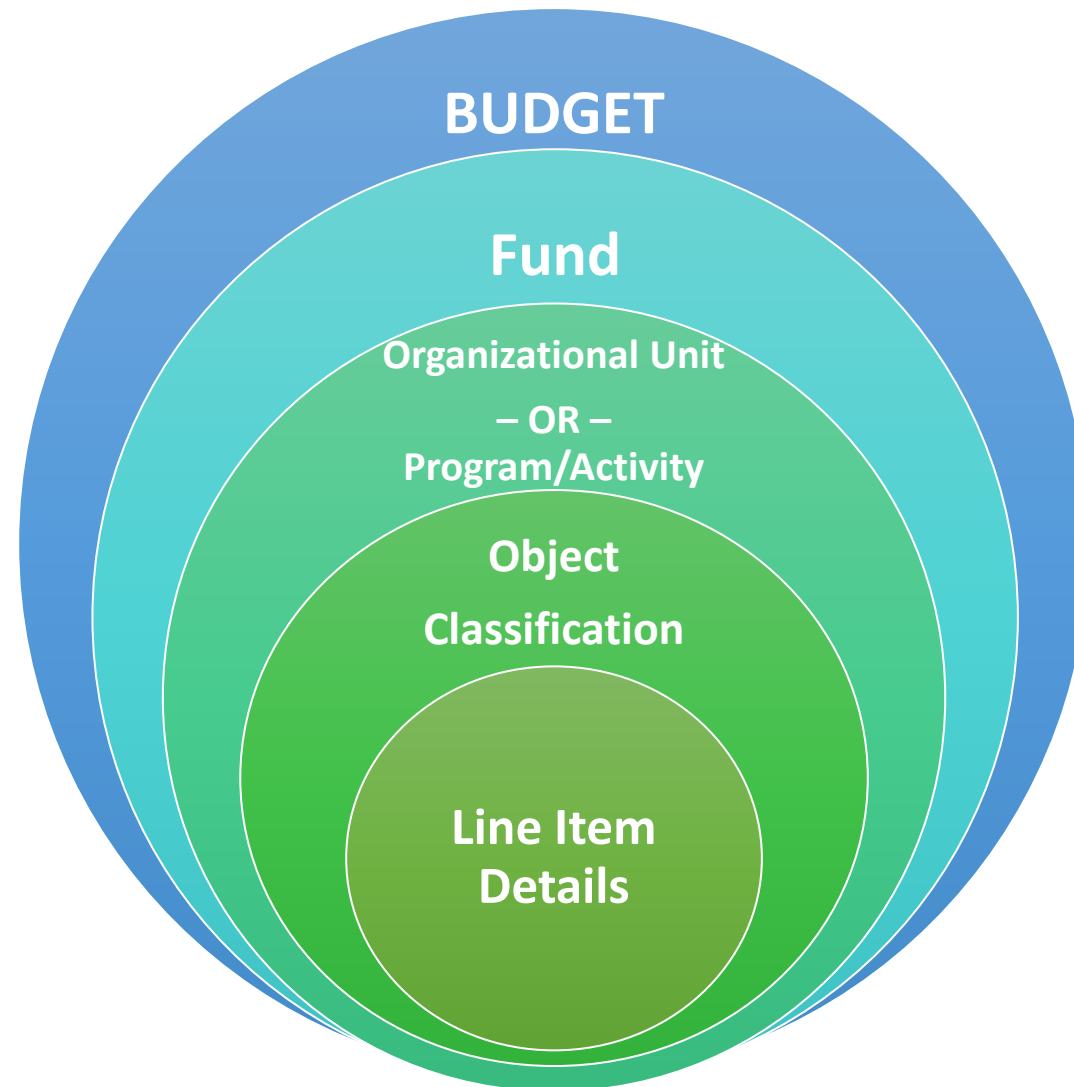
**Equals Taxes Needed = \$ 50,000**

Divided by Collection Percent .958

**Equals Tax Levy = \$ 53,236**

**Levy to Approve & Certify: \$ 53,236**

# Estimating Requirements



# Estimating Personnel Services

Estimates of expenditures for personnel services must include for each organizational unit or activity the total budgeted cost of all officers and employees **and the number of related full-time equivalent positions.**

Current salaries/salary ranges not required to be in budget document but must be available upon request.

ORS 294.388(5)

# Estimating Materials & Services

State of Oregon	
CPI Projection	
<i>All Urban Consumers, West Region (All Items)</i>	
2022	3.0%
2023	2.1%
2024	2.1%

CPI-W West-Size A <https://data.bls.gov/cgi-bin/srgate>



# Estimating Capital Outlay

Assets with an initial life exceeding one fiscal year, with a minimum value determined by governing board

Can be Allocated or Unallocated ORS 294.388(3)

. Requirements Classification System			
Fund: General Fund			
Admin Svcs	Cap Outlay	Office Furn	
		Vehicles	
Public Safety	Multiple	Multiple	
Cap Outlay Unallocated	Cap Outlay	New City Hall	

# Estimating Special Payments & Debt Service

**Special Payments** – includes payments of taxes, pass-through fees or charges, grants to other organizations, and other expenditure that do not fit in the other expenditure categories

(Object classifications section of Local Budgeting Manual)

**Debt service** – estimates must include separate amounts for principal and interest for each bond issue in each fund.

ORS 294.388(6)

# Estimating Contingencies

“The estimate for a fund may include an estimate for general operating contingencies”. 294.388(7)

An operating contingency is for expenditures in “operating funds” that “cannot be foreseen and planned in the budget” and should be based on prior history or risk analysis. OAR 150-294-0430

There is no limit on how much can be budgeted as contingency.

**No Contingencies in Debt Service Funds!**

# Estimating Reserved for Future Expenditures & Unappropriated Ending Fund Balance

150-294-0440

## **Reserved for Future Expenditures** OAR 150-294-0350

- Can be budgeted in a Reserve Fund and is for funds “saved” for use in future fiscal years.
- Not included in appropriations, but can be appropriated using a supplemental budget if need arises.

## **Unappropriated Ending Fund Balance** OAR 150-294-0440

- Set-aside for next year’s working capital prior to receipt of revenues sufficient to meet expenditures.
- Cannot be spent during the year except in specified situations.

# Budget Adoption: Statutory Appropriations

