

147 GUIDE

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The following information is for reference only and is based on the 24-25 current state budget and the proposed 25-26 budget. These funding sources could change at any time.

Section	Title	Description/Notes	Effective Dates	State Budget	General Ledger / Budget
147a(1)	MPSERS COST OFFSET	Amount is consistent. This amount is allocated to LEA’s, not ISD’s.	24-25 FY 25-26 FY	\$100 million budgeted for 24-25 & 25-26	Cost offset (revenue with no expenditure) 25-26 Budget is estimated to be the same amount.
147a(2)	MPSERS ONE TIME DEPOSIT	Increased in 24-25, but proposed to decrease in 25-26. Paid on state aid <i>quarterly</i> - Nov. Feb, May & Aug and <i>is not</i> paid in equal payment. Based on employees in BASIC, MIP, and Original Pension Plus	24-25 FY 25-26 FY	24-25 \$364m 25-26 \$336m	Cost offset (revenue with no expenditure) 25-26 estimated budget is 92% of PY
147a(3)	MPSERS COST OFFSET	FY25 amount is consistent with FY24. This amount is allocated to ISD’s only.		FY24 \$11,939,000 FY25 \$11,939,000 FY26:\$0	Cost offset (Revenue with NO expenditure)
147a(4)	MPSERS COST OFFSET - REDUCED UAAL	The Pension UAAL 5.75% reduction for FY25 is based on FY24 reported wages and will be given to districts as revenue under section 147a(4). My notes indicate that districts should start to see this revenue in our November state aid. It could be March; however, the amount allocated to your district should be based on wages reported last fiscal year (BUT, is there enough allocated through the budget to give every district the full 5.75% on their FY24 reported wages - that remains to be seen). So for FY25, your expenses will not decrease but your revenue will increase. The permanent reduction takes effect on 10/1/2025. This is when you will start to see the savings in the district’s expenses and will no longer receive the section 147a(4) funds next year.	24-25 FY <i>only</i>	2024-25 budgeted (offset \$0 per pupil increase). Eliminated in state budget for 2025-26.	***Do not budget revenue for 25-26FY*** Revenue: Major Class: 312, Suffix 0000 Matching expenses not required; however, legislation does include intent language: “the allocation under this subsection be used to support mental health, school safety, the educator workforce and academic interventions” Per Chris May on 2/14/25: Consider keeping a brief record on how the district spending aligned with the intent language
147c(1)	MPSERS UAAL RATE STABILIZATION (Unfunded Actuarial Accrued Liability)	The UAAL stabilization rate was reduced by 6.44% to 10.58%, effective 10/3/2024 (actually 90 days after the legislature adjourns, which is where the March date that’s been stated comes from - The employer rates posted on ORS show the 10.58% effective 10/3/24). Effective 10/1/25, the rate is expected to increase to 15.02%. This is the section 147c(1) funds the district receives in their state aid and then turn around and repay to MPSERS. Your revenue will decrease but so will your UAAL 147c(1) expenses. First payment is in November as a double payment (2/10th), then it is monthly (1/10th) from then on. Amount on state aid will not change. Remit payment to ORS monthly for UAAL (Nov through August). Additional Contributions Invoice from ORS will determine amount due that month with due date.		2024-25 Rate is 10.58% 2025-26 Rate is 15.02%	Revenue = Expense Make sure expense budget is in corresponding payroll function codes. Use a unique object code (282X, for example) that is ONLY for UAAL so you can run reports to balance. Can run through GL in one of two ways (1) Through payroll benefit, then JE to true up expense to revenue amount. (2) Journal entry full amount without running through payroll. In either scenario you can choose how often you journal entry (monthly, quarterly, yearly). Look at district past practice.

Section	Title	Description/Notes	Effective Dates	State Budget	General Ledger / Budget
147c(2)	MPSERS ONE TIME DEPOSIT	Treated like 147c(1) where we receive the revenue in our state aid and then turn around and repay the state. The FY25 amount budgeted was 1/4 of the previous amount (FY 23): \$250m to districts	24-25 FY <i>only</i>	Eliminated in 25-26 budget.	Revenue = Expense Revenue: Major Class 312, Suffix 0000 Grant code NOT required for expenses in FY25. Remove both revenue and expense for 25-26.
147e	MPSERS REFORMS - DEFINED CONTRIBUTION	Paid on state aid <i>quarterly</i> - Nov. Feb, May & Aug. Based on current year data. Percentage allocated to each district changes every year.		24-25 \$100mil 25-26 \$118mil	Revenue only, no offsetting expense. Budget the same for 25-26 as prior year.
147f	MPSERS 0.5 UAAL RATE REIMBURSEMENT	For 2023-2024 only.	23-24 FY <i>only</i>	Eliminated in 24-25 Budget	Do not budget for 24-25 or 25-26.
147g	MPSERS EMP HEALTHCARE REIMB	<p>Section 147g - the 3% "reimbursement" to staff who contributed 3%.The permanent reduction of the employee contributions begins 10/1/2025. The language in this permanent reduction indicates that if this contribution is ever needed in the future, it will be the responsibility of the district to pay this, not the employee.</p> <p>In 25-26 (effective 10/1/25) employees will no longer have 3% deduction, employers defined benefit retirement rate could be increased (proposed 2.58% increase).</p> <p>Reference ORS Rate Sheet.</p>	<p>24-25 FY</p> <p>25-26 FY</p>	<p>24-25 \$181.5mil budgeted.</p> <p>\$90 mil</p>	<p>Revenue = Reimbursed 3% Expense Amount to Employee*</p> <p>*This would not include FICA and retirement contributions applicable to the reimbursement.</p> <ul style="list-style-type: none">• Expense needs to run through payroll.• 1790 Object Code if processed as pay code.• Object 282x or 299x if processed as a benefit or deduction.• Can use 208X grant code or Other code (last 4). <p>IMPORTANT: Unspent funds in 24-25 must be booked as deferred revenue and used for reimbursement 7/1-9/30/2025.</p> <p>25-26 budget revenue only, no offsetting expense. Estimate 50% of prior year revenue.</p>

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