



Board of Education Informational Report

MEMORANDUM

Date: May 20, 2016
To: Members of the Board of Education
From: David Wynde, Deputy CFO & Budget Director
Subject: 2016/17 Budget

On May 24, 2016 the Board (acting as the Budget Committee) is scheduled to vote to approve a budget for PPS for 2016/17.

You have received a published version of the approved budget and a draft resolution.

This memorandum is to confirm any significant changes from the proposed budget document, which you received on March 29, 2016, that are reflected in the approved budget document.

It also summarizes some possible additions to the budget and sources of funds to pay for those changes, based upon the budget committee work sessions on May 17. None of the possible additions are reflected in the published approved budget document, which had to be finalized for balancing and for printing before May 17.

Changes from Proposed Budget

QZAB Bonds

A number of changes have been made to budget for the issuance of the bonds, which the Board has authorized with two recent resolutions. We have added receipt of \$5.5 million in bond proceeds in Fund 438 (Facilities Capital Fund), and have shown the related debt service (\$323,500) in Fund 338 (Facilities Capital Debt Service Fund) funded by a transfer from Fund 404 (Construction Excise Tax Fund).

Facilities Capital

The general fund budget includes \$3.3 million for facilities capital projects. Each year, a portion of this funding is transferred to Fund 438 (Facilities Capital Fund) and a portion is retained within the General Fund. The amount transferred for 2016/17 has been reduced by \$602,500 in the approved budget so that shows as higher expenditures and lower transfers in the General Fund, and correspondingly lower numbers in Fund 438.

Other Changes to General Fund

In between preparation of proposed and approved budget documents staff has been engaged in a number of technical activities that result in changes to numbers in the budgets. These include:

- Refining the allocation of proposals to specific programs and accounts. For example, reducing the allocation to the Workload Committee by \$300,000 and adding these funds to pay for the multi-cultural curriculum website.
- At the request of budget holders, moving amounts between programs and accounts in order to better reflect the proposed activity in their department. For example, in Office of Teaching and Learning and the budget addition for the PK-5 curriculum innovation and adoption, moving eight literacy coaches from elementary instruction to instructional staff training services to better reflect the role they would play next year.
- Updating the budget to reflect more detailed implementation to each department, program and account of the overall assumptions used to develop the budget. For example, department by department change to salaries and benefits to reflect the proposed 1.5% COLA for non-represented employees.

Possible changes to approved budget

At the budget committee work sessions on May 17 board members identified a list of possible funding additions, which is detailed on the spreadsheet attached to this report. In addition, board members indicated the level of priority that they attached to each possibility.

Staff has reviewed the list and, based upon the level of support for each item and the relative cost and separated these into three categories:

- Funding by changing the budget as part of this approval (i.e. now)
- Considering for inclusion in a budget amendment should funds be available (December/January)
- Considering for inclusion in the 2017/18 budget

Staff only made explicit recommendations for items where five or more board members had indicated support.

In several cases items can be funded by using or repurposing funds within the current budget (shown on the spreadsheet in the column “Covered within existing proposed budget”).

Uses of Funds

The following items were identified for possible immediate action:

1. Strategic/intensive academic interventions (\$200,000). This would include materials for strategic intensive interventions and completing the work on an interactive online tool for multi-tiered systems of support. We have also applied for a \$400,000 planning year grant for social emotional learning from the Wallace Foundation.
2. Implementation of TAG action plan (\$100,000). This represents a placeholder to begin implementation of recommendations to improve services for TAG students in partnership with the TAGAC.
3. Summer transition program for Ockley Green feeder schools. This will be funded from the DBRAC implementation funds/the funds previously allocated for summer school programs.
4. Site Support Instructors (SSIs) (\$400,000). Five of these positions are already funded through the general fund. Staff considers it likely that four additional positions can be

funded using Title I funds again next year. Revised estimates have been received recently and are being analyzed. If this not possible then the recommendation is that these four positions be considered as a priority for a budget amendment.

5. Ethnic Studies/Bill of Rights/Teach with Purpose (\$150,000). Funds to support the work to implement the recent Board approved resolutions.
6. Additional Staffing for Schools: Irvington SWIFT Vietnamese Immersion/George & Lane Middle Schools. Staff will review/continue to monitor the situation and will use set aside staffing as required to address this concern.
7. Textbooks & supplies. The Office of Teaching & Learning will find funds within the textbook budget to address needs in schools for the fall; and will also consider requests for supplies. In the case of supplies, staff will review schools' consolidate budgets to see if carry-over fund are available to address these needs.
8. Innovation Fund. (\$60,000 now; possible increase to \$150,000 at amendment). A fund will be created in the Board budget to address requests from students for support for programs. The immediate action provides funding for Grant Magazine and Roosevelt Freedom Writers. Additional funds will be considered at the time of the budget amendment.
9. Equity allocation for charter schools (\$167,000). This has been recommended by the charter committee.

Sources of Funds

Staff has identified the following sources of funds to cover the cost of these possible actions:

1. Elimination of two vacant positions (\$260,000). Staff undertook a review of currently vacant positions and has determined that two of the positions can be eliminated. The remaining vacant positions are in process of being filled via active recruitment or are being covered through temporary or contract staff.
2. Consolidated Budget Carry Over (\$200,000). Staff estimates that, similar to last year, there will be approximately \$600,000 in funds that are not spent by schools this year from consolidated budgets. Each year consideration is given to how much of these funds will be carried forward for schools to use in the following year. Staff is recommending that schools with a positive balance are credited with 2/3 of their 2016/17 ending balance, and the other 1/3 be used to fund the budget additions described here.
3. Charter Schools (\$167,000). PPS has a contractual obligation to fund its charter schools at a rate that passes through a percentage of the state school fund allocation. The amount in the proposed and approved budgets was based upon current year figures with a modest increase to reflect the higher per student state funding level that PPS will receive next year. Upon review of student enrollment numbers for the current year and resulting ADMw for charter schools, it is likely that the numbers for next year will be lower than included in the 2016/17 budgets. Staff believes that there is sufficient variance likely that the estimated cost of the proposed equity allocation can be covered within the current budgeted amounts for 2016/17 without the need for additional funds.
4. Performance Auditor (\$50,000). In the 2015/16 budget there is \$200,000 allocated for contracting for these services. If PPS were to create a position, staff estimates that it could cost \$150,000 for salary and benefits (\$125,000) and for other costs and expenses (\$25,000).

5. Title I Funds (\$400,000). Upon review of recently updated figures from ODE it is likely that there will be sufficient funds within Title I to pay for four SSIs again in 2016/17.

Budget Committee Action

The budget committee is asked to consider the possible additions and the related funding outlined above and to give staff clear direction on which of these changes they wish to see reflected in the 2016/17 budget.

It is not possible to reflect this number of possible changes in the resolution (and in particular the attachment that indicates appropriation levels) that the budget committee is asked to vote on. Therefore the budget committee is asked to vote on the approved budget as presented.

Any changes directed by the budget committee will be reflected in the adopted budget document that will be prepared and presented to the Board on June 21, 2016.

Attachment:

Spreadsheet with Sources and Uses of Funds for Possible Additions

PPS 2016/17 Budget

Sources and Uses of Funds for Possible Additions

Sub Total Uses							\$ 1,077,000	\$ 650,000	\$ 700,000
Idea	Estimated Cost	Votes	Notes	Covered within existing proposed budget	Now through change to proposed budget	Consider at Budget Amendment (December/January)	Consider in Next Budget (2017/18)		
Academic interventions	\$ 1,500,000	8	Immediate: materials for strategic/intensive; interactive website tool for multi-tiered systems of support.		\$ 200,000				
Talented & Gifted programs and supports	\$ 100,000	8	Placeholder to allow implementation to begin. Work with TAGAC to prioritize		\$ 100,000				
Ockley Green feeder schools transition program	\$ 40,000	8	Use DBRAC implementation funds/Repurpose budget funds set aside for summer school programs	X	\$ -				
Site Support Instructors	\$ 400,000	7	Funding five already in GF. Believe there could be capacity for Title I to fund four.		\$ 400,000				
Ethnic Studies/Bill of Rights/Teach with Purpose	\$ 150,000	7			\$ 150,000				
Irvington FTE	\$ 100,000	7	Review for use of set aside, as necessary. Report back.	X	\$ -				
Textbooks & supplies	\$ 750,000	7	Will find \$ for textbooks as needed. Also review consolidated budget carry-over.	X	\$ -				
Vietnamese Immersion FTE	\$ 200,000	7	Review for use of set aside, as necessary. Report back.	X	\$ -				
PISA	\$ 200,000	7	Add 2 FTE to increase numbers. No wait list.					\$ 200,000	
Equity allocation for charters	\$ 167,000	6			\$ 167,000				
"Innovation Fund"	\$ 150,000	6	Establish in Board budget		\$ 60,000	\$ 90,000			
Grant writer	\$ 110,000	6				\$ 110,000			
Eliminate credit recovery fees	\$ 210,000	5	Defer to amendment in time for next summer			\$ 210,000			
HR Recruiter/Capacity to Hire	\$ 120,000	5				\$ 120,000			
Library Books	\$ 700,000	5	Amendment priority: HS Reference/LGTBQ/District Purchases/PT Clerk			\$ 120,000	\$ 500,000		
George/Lane MS FTE		4	Review for use of set aside, as necessary. Report back.	X	\$ -				
Eliminate athletic fees for freshmen	\$ 180,000	4							
Latino Network/Roosevelt HS	\$ 258,000	4	Latino Network						
Systems Planning & Performance	\$ 125,000	4	Add position						
Tech algebra and geometry	\$ 50,000	4	Benson HS & beyond						
Roosevelt Freedom Writers	\$ 30,000	3	Consider under Innovation Fund		\$ -				
Eliminate all athletic fees	\$ 550,000	3	Athletics						
Facilitator for principal hiring	\$ 75,000	3	0.5 FTE						
Grant magazine	\$ 30,000	2	Consider under Innovation Fund		\$ -				
Add small middle school soccer	\$ 92,000	2	Can we get a grant?						
District Volunteer Coordinator	\$ 110,000	2	1 FTE						
Facilities/Energy Audit	\$ 135,000	2							
Increase Contingency to 3%	\$ 3,000,000	2							
Milagro	\$ 35,000	2							
Portland Workforce Alliance	\$ 65,000	2	Already funded	X	\$ -				
Study Abroad	\$ 16,000	2	2 students						
TAGAC Itinerant Math	\$ 600,000	1	Immediate action under \$100k placeholder						
TAGAC TOSAs	\$ 480,000	1	Immediate action under \$100k placeholder						
Add internal audit position	\$ 150,000		Funded by contract amount	X	\$ -				
Gender neutral bathrooms			Ensure compliance and communications	X	\$ -				
Outside evaluation for PK-5 literacy adoption			Will cover cost within proposed budget for innovation/adoption	X	\$ -				
Sub Total Sources					\$ 1,077,000				
Vacant Positions			Elimination of two positions		\$ 260,000				
Consolidated Budget Carry Over			Limit carryover to 2/3 of estimate		\$ 200,000				
Net Saving on Internal Auditor			Saving from hiring staff person as alternative to contracting		\$ 50,000				
Charter Schools			Revised estimate for pass through costs based upon current year numbers		\$ 167,000				
Title I funding			Likely source of funds for SSIs		\$ 400,000				
Balancing					\$ 0				