



Nolberto Delgadillo
Chief Financial Officer

Portland Public Schools
Office of Chief Financial Officer
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Date: June 14, 2022
To: Portland Public Schools Board of Education
From: Nolberto Delgadillo, Chief Financial Officer
Subject: Adoption of the 2022-23 Budget

BACKGROUND

Staff is requesting that the Board resolve to adopt the 2022-23 budget as approved by the Board at the June 1, 2022 board meeting with a technical amendment as recommended by the Tax Supervising & Conservation Commission (attachment A) and subsequently to make appropriations and impose taxes.

Regarding the amendment described in attachment A of the resolution, in accordance with ORS 294.368 and as recommended by the Tax Supervising & Conservation Commission (TSCC), staff is requesting from the Board to make an amendment to the Debt Service Funds (Fund 300) to reduce anticipated collection of taxes from approximately \$149 million to \$145 million for the general obligation bonds in order to more accurately reflect the tax collection rate. This update will reduce the Debt Service Funds' unappropriated fund balance by approximately four million dollars. Although the overall total budget will be reduced from approximately \$1.887 billion to \$1.883 billion, this change does not impact the General Fund or the Special Revenue Fund and is confined solely to the Debt Service Fund. The Debt Service Fund will continue to have enough resources based on the approved tax levy and remaining fund balance to meet our debt service obligations for the 2022-23 fiscal year.

RELATED POLICIES/BEST PRACTICES

ORS 294.456 requires the governing body to appropriate spending authority before staff can spend any resources in a fiscal year. The same statute stipulates for governments organized by function, the governing body must appropriate resources by fund and function, as presented in the attached resolution.

Furthermore, per budget law (ORS 294.456), the board can make minor changes to the approved budget after the TSCC hearing but before adoption within certain parameters, which attachment B falls within (this amended change to Fund 300 has been vetted by TSCC).

ANALYSIS OF SITUATION

The Board may choose to adopt the budget as presented, adopt it with revisions, or not adopt it. However, the current spending authority ends on June 30, 2022. If a budget is not adopted by June 30, 2022, the District would need to cease operations, not pay its employees and not meet any other financial obligations, until the Board adopts a budget.



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ORS 294.100 indicates that officials who authorize spending without an adopted budget on or after July 1st (of the new fiscal year), can be held personally liable for repayment of monies spent. Nonetheless, after the board adopts the budget, Oregon Local Budget Law, ORS 294.471, allows budget changes after adoption under prescribed guidelines.

FISCAL IMPACT

No further impacts beyond those identified in section, “Analysis of Situation”.

TIMELINE FOR IMPLEMENTATION / EVALUATION

If adopted, the appropriations will be uploaded into the District’s financial system on or before July 1, 2022.

BOARD OPTIONS WITH ANALYSIS

No further analysis beyond section III, “Analysis of Situation”.

STAFF RECOMMENDATION

Staff recommends the passage of the board resolution to adopt the 2022-23 Budget (including the amendment), make appropriations, and impose taxes as presented in the attached resolution.

As a member of the PPS Executive Leadership Team, I have reviewed this staff report.

_____ *(Initials)*

ATTACHMENTS

- . Resolution to Impose Taxes and Adoption of the 2022-23 Budget.
- A. Attachment “A and B” to the Resolution to Impose Taxes and Adoption of the 2022-23 Budget.