



## **PORTLAND PUBLIC SCHOOLS**

### **OFFICE OF FINANCE**

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**Date:** April 7, 2020

**To:** School Board

**From:** Claire Hertz, Deputy Superintendent, Business and Operations  
Cynthia Le, Chief Financial Officer

**Subject:** Resolution to amend the 2019-20 adopted budget appropriation levels

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### **BACKGROUND**

The District's General Fund finished the 2018-19 fiscal year with an Ending Fund Balance of \$39.8 million, which was \$5.8 million more than budgeted. Portland Public Schools (PPS) also expects increased State School Funding in May 2020, when ODE performs the final true-up for the fiscal year 2018-19 State School Fund formula grant. These additional resources provide an opportunity to advance our District's priorities beyond what was planned when the 2019-20 budget was created and adopted.

General Fund budget modifications target additional investments in school support, the majority of which include budget increases for the addition of special education Social Emotional Support (SES) classrooms, expansion of the teen parent program, set aside increases for teacher workload, athletics, and the SUN program. There will also be central office staffing increases to support the implementation of the new Student Investment Account (SIA) funding, as well as funding increases to Office of Technology and Information Services (OTIS), primarily for technology spending budgeted for the end of last fiscal year which did not occur until the beginning of the current fiscal year.

Special Revenue Fund budget changes are related to additional grant and E-Rate funding, as well as a reduction in transfers from the PERS Rate Stabilization Fund to the General Fund.

Debt Service Fund modifications are minor true-ups to anticipated resources and spending.

Capital Projects Fund modifications are primarily related to the planned issuance of bonds, the sale of Washington High School parking lot, and for spending related to the Oregon School Capital Improvement Match (OSCIM) grant program which was planned for the 2018-19 fiscal year, which will occur in the 2019-20 fiscal year.

### **RELATED POLICIES/BEST PRACTICES**

Oregon Local Budget Law, Oregon Revised Statutes (ORS) 294.305 to 294.565, allows budget changes after adoption under prescribed guidelines.

**ANALYSIS OF SITUATION**

Should the Board choose not to pass this resolution, we will end the year out of compliance with Oregon Local Budget Law (ORS) 294.305 to 294.565, which would result in audit findings.

**FISCAL IMPACT**

There is no fiscal impact beyond that which has been outlined above.

**COMMUNITY ENGAGEMENT (IF APPLICABLE)**

Not Applicable

**TIMELINE FOR IMPLEMENTATION / EVALUATION**

Staff will perform appropriate budget transfers within fifteen business days of the resolution’s passage.

**BOARD OPTIONS WITH ANALYSIS**

The Board may choose to pass or not pass the proposed resolution. If passed, the current spending plan will continue through June 30, 2020. Consequences of non-passage were previously discussed above.

**CONNECTION TO BOARD GOALS**

This proposed additional spending allocates resources to support enhancement of equitable opportunities and outcomes for all students, by focusing resources as discussed above.

**STAFF RECOMMENDATION**

Staff recommends that the Board pass the proposed resolution to allow continued investment into instructional initiatives, and to enable capital spending related to new resources.

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

CH (Initials)

**ATTACHMENTS**

- A. Resolution
- B. Summary of Amendments to 2019-20 Budget - Amendment #1

**RESOLUTION No. XXXX**  
**Amendment to the Fiscal Year 2019-20 Budget**  
**For School District No. 1J, Multnomah County, Oregon**

**RECITALS**

- WHEREAS, On June 25, 2019 the Board of Education (“Board”), by way of Resolution No. 5913, voted to adopt an annual budget for the Fiscal Year 2019-20 as required under Local Budget Law; and
- WHEREAS, Board Policy 8.10.030-AD, “Budget Reallocations – Post Budget Adoption,” establishes the guidelines to ensure consistent and detailed communication on fiscal issues between the Superintendent and the Board; and
- WHEREAS Oregon Local Budget Law, ORS 294.471, allows budget changes after adoption under prescribed guidelines; and
- WHEREAS This resolution is to enable the Board to approve Amendment to the annual budget for the Fiscal Year 2019-20, and is allowed under ORS 294.471(a) (b) (c) & (d) which state that the budget may be amended at a regular meeting of the governing body; and
- WHEREAS This Amendment adjusts function allocation for funds to more accurately reflect intended expenditures, adjusts appropriation levels as needed, makes corrections for technical errors that occurred during the budget development and adjusts revenues and resources for known or expected significant changes, and
- WHEREAS Expenditures in Fund 400 will be changed by more than 10% under this amendment. Local budget law requires a public hearing on these changes. A public hearing occurred prior to Board action; and
- WHEREAS The Superintendent recommends approval of this resolution.

**RESOLUTION**

NOW THEREFORE BE IT RESOLVED BY the Board of Directors of Portland Public Schools, after public hearing on this amendment as required under local budget law, hereby amends budgeted expenditure appropriation levels as summarized by Fund and Appropriation Level in Attachment B for the fiscal year beginning July 1, 2019.

Summary of Amendments to 2019-20 Budget Amendment #1

Fund 100 - General Fund	Adopted Budget	Change Amount	Amendment #1
Resources			
Beginning Fund Balance	34,112	5,775	39,887
Local Sources	382,890	2,662	385,552
Intermediate Sources	13,357	-	13,357
State Sources	259,360	11,715	271,075
Federal Sources	-	-	-
Other Sources	2,050	(2,000)	50
<b>Total</b>	<b>691,769</b>	<b>18,152</b>	<b>709,921</b>

Requirements			
Instruction	371,970	8,979	380,949
Support Services	289,512	9,174	298,686
Enterprise & Community Services	1,901	-	1,901
Facilities Acquisition & Construction	-	-	-
Debt Service & Transfers Out	1,704	(1)	1,703
Contingency	26,682	-	26,682
Ending Fund Balance	-	-	-
<b>Total</b>	<b>691,769</b>	<b>18,152</b>	<b>709,921</b>

Fund 200 -Special Revenue Fund	Adopted Budget	Change Amount	Amendment #1
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Resources			
Beginning Fund Balance	34,896	-	34,896
Local Sources	24,876	2,162	27,038
Intermediate Sources	146	-	146
State Sources	23,990	-	23,990
Federal Sources	53,500	625	54,125
Other Sources	-	-	-
<b>Total</b>	<b>137,408</b>	<b>2,787</b>	<b>140,195</b>

Requirements			
Instruction	52,519	-	52,519
Support Services	30,839	1,637	32,476
Enterprise & Community Services	22,385	1,000	23,385
Facilities Acquisition & Construction	59	150	209
Debt Service & Transfers Out	2,000	(2,000)	-
Contingency	-	-	-
Ending Fund Balance	29,606	2,000	31,606
<b>Total</b>	<b>137,408</b>	<b>2,787</b>	<b>140,195</b>

Note: All numbers are in thousands

Summary of Amendments to 2019-20 Budget Amendment #1

Fund 300 - Debt Service Funds	Adopted Budget	Change Amount	Amendment #1
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Resources

Beginning Fund Balance	10,691	-	10,691
Local Sources	176,363	5	176,368
Intermediate Sources	-	-	-
State Sources	-	-	-
Federal Sources	104	(30)	74
Other Sources	1,724	30	1,754
<b>Total</b>	<b>188,882</b>	<b>5</b>	<b>188,887</b>

Requirements

Instruction	-	-	-
Support Services	-	-	-
Enterprise & Community Services	-	-	-
Facilities Acquisition & Construction	-	-	-
Debt Service & Transfers Out	177,734	5	177,739
Contingency	-	-	-
Ending Fund Balance	11,148	-	11,148
<b>Total</b>	<b>188,882</b>	<b>5</b>	<b>188,887</b>

Fund 400 - Capital Projects Fund	Adopted Budget	Change Amount	Amendment #1
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Resources

Beginning Fund Balance	325,790	50	325,840
Local Sources	11,749	-	11,749
Intermediate Sources	182	-	182
State Sources	11,000	2,000	13,000
Federal Sources	-	-	-
Other Sources	600	560,500	561,100
<b>Total</b>	<b>349,321</b>	<b>562,550</b>	<b>911,871</b>

Requirements

Instruction	-	-	-
Support Services	2,779	4,617	7,396
Enterprise & Community Services	-	-	-
Facilities Acquisition & Construction	302,989	492,572	795,561
Debt Service & Transfers Out	620	1	621
Contingency	42,933	55,000	97,933
Ending Fund Balance	-	10,360	10,360
<b>Total</b>	<b>349,321</b>	<b>562,550</b>	<b>911,871</b>

Note: All numbers are in thousands

Summary of Amendments to 2019-20 Budget Amendment #1

Fund 600 - Internal Service Funds	Adopted Budget	Change Amount	Amendment #1
Resources			
Beginning Fund Balance	8,105	-	8,105
Local Sources	3,797	-	3,797
Intermediate Sources	-	-	-
State Sources	177	-	177
Federal Sources	-	-	-
Other Sources	-	-	-
<b>Total</b>	<b>12,079</b>	<b>-</b>	<b>12,079</b>
Requirements			
Instruction	-	-	-
Support Services	3,755	-	3,755
Enterprise & Community Services	-	-	-
Facilities Acquisition & Construction	-	-	-
Debt Service & Transfers Out	-	-	-
Contingency	8,324	-	8,324
Ending Fund Balance	-	-	-
<b>Total</b>	<b>12,079</b>	<b>-</b>	<b>12,079</b>

Note: All numbers are in thousands