

Budget Goals

Five Year Financial Forecast

Portland Public Schools
December 1, 2020





Governor's budget released today and this forecast will be updated



Assumptions - State Level

- Projection for K-12 Education of \$9.16B for the State School Fund
- Overall average of 6% PERS savings for the biennium across the state
- 50/50% split for the SSF over year one and two of the biennium
- District uses a 49/51% split



Revenue Assumptions

Revenue Assumptions	2020-21	2021-22	2022-23	2023-24	2024-25	2025-26
SSF Growth	4.88%	0.89%	0.89%	4.00%	4.00%	4.00%
SSF ADMw Count	57,582	57,274	57,832	57,389	56,889	56,193
SIA Funding	\$12,393,000	\$30,000,000				

Acronyms

SSF - State School Fund

ADMw - Average Daily Membership Weighted

SIA - Student Investment Account



Expenditure Assumptions	2020-21	2021-22	2022-23	2023-24	2024-25	2025-26
Salary Increase	4.61%	4.87%	4.74%	4.67%	4.62%	4.53%
PERS Blended Rate	4.68%	4.11%	4.11%	4.11%	4.11%	4.11%
Charter School Increase	5.55%	0.89%	0.89%	4.00%	4.00%	4.00%
Investments returned to SIA Fund		\$9,833,000	Carries through 2026			
Additional SIA Investments		\$6,961,000	Carries through 2026			



Board Goal General Fund Reserve 10% by 2025

	2020-21	2021-22	2022-23	2023-24	2024-25	2025-26
Fund Balance Goal	6%	7%	8%	9%	10%	10%



Scenario 1 - Spend 1% of fund balance per year

(in thousands)

Projected Fund Balance	\$ 63,612	\$ 54,183	\$ 49,255	\$ 43,228	\$ 36,917	\$ 30,138
Projected Fund Balance %	9%	8.0%	7.0%	6.0%	5.0%	4.0%
Shortfall (Reductions needed)	-	(19,168)	(6,146)	(12,317)	(13,773)	(17,331)
SIA Funds Available		6,962	6,962	6,962	6,962	6,962
Revised Shortfall		(12,206)	816	(5,355)	(6,811)	(10,369)



Scenario 2 - Grow fund balance per Goal

(in thousands)

Projected Fund Balance	\$ 63,612	\$ 47,410	\$ 56,292	\$ 64,842	\$ 73,834	\$ 75,344
Projected Fund Balance %	9%	7%	8%	9%	10%	10%
Shortfall (Reductions needed)	-	(12,395)	(26,729)	(13,085)	(14,498)	(10,318)
SIA Funds Available		6,962	6,962	6,962	6,962	6,962
Revised Shortfall		(5,433)	(19,767)	(6,123)	(7,536)	(3,356)



Scenario 3 - Maintain 7% Fund Balance

(in thousands)

Projected Fund Balance	\$ 63,612	\$ 47,410	\$ 49,255	\$ 50,432	\$ 51,684	\$ 52,741
Projected Fund Balance %	9%	7%	7%	7%	7%	7%
Shortfall (Reductions needed)	-	(12,395)	(19,692)	(12,748)	(14,130)	(17,605)
SIA Funds Available		6,962	6,962	6,962	6,962	6,962
Revised Shortfall		(5,433)	(12,730)	(5,786)	(7,168)	(10,643)



Scenario 4 - Maintain 8% Fund Balance

(in thousands)

Projected Fund Balance	\$ 63,612	\$ 54,183	\$ 56,292	\$ 57,637	\$ 59,067	\$ 60,276
Projected Fund Balance %	9.4%	8.00%	8.00%	8.00%	8.00%	8.00%
Shortfall (Reductions needed)	-	(19,168)	(13,183)	(12,653)	(14,141)	(17,577)
SIA Funds Available		6,962	6,962	6,962	6,962	6,962
Revised Shortfall		(12,206)	(6,221)	(5,691)	(7,179)	(10,616)



Discussion

As you review the scenarios, which scenario would you recommend to determine the General Fund Balance for the 2021-22 proposed budget?



Next Steps

- Update Forecast with Governor's Budget
- Action Item for December 15 board meeting