



PORTLAND PUBLIC SCHOOLS
OFFICE OF DEPUTY SUPERINTENDENT
501 North Dixon Street / Portland, OR 97227
Telephone: (503) 916-3380

Date: September 22, 2020
To: School Board
From: Claire Hertz, Deputy Superintendent of Business & Operations
Subject: Resolution to Amend the 2020-21 Adopted Budget

BACKGROUND

At the time of budget adoption, the legislative session had not been held and the District brought forward an Adopted budget that was built on estimated funding levels based on the 2019-21 biennial budget issued by the Oregon Department of Education on February 26, 2020, and included an expenditure allocation based on anticipated revenue shortfalls.

The second legislative special session was held on August 10, 2020 and this budget amendment will align resources and requirements with the most current state legislative revenue allocations.

General Fund Adjustments Include:

Resource Changes:

The Beginning Fund balance has been updated to reflect the estimated June 30, 2020 ending fund balance including furlough savings, purchasing freezes, and hiring freezes made from March through June 2020. State School Fund was initially budgeted at the \$9.0 Billion biennial funding level, and was not changed in the legislative special session.

Expenditure Changes:

General Fund expenditure changes include moving expenditures originally supported by the Student Investment Account (SIA) to the additional resources available in the General Fund. In addition, expenditures are aligned to appropriations with investments in instruction and support services to support the Comprehensive Distance Learning and Hybrid education models. Items include Personal Protective Equipment (PPE), Technology, Cleaning Supplies, Special Education supports, Software, and Classroom and School Site set up.

Special Revenue Fund Adjustments Include:

Resource Changes:

Measure 98 was adopted at 62.6%, and the special session allocated full funding for 2020-21. SIA funding was reduced by 68.4% and additional federal grants have been issued including Elementary and Secondary School Emergency Relief Funds (ESSER), Federal Emergency Management Agency (FEMA) and Comprehensive Distance Learning (CDL) Grants.

Expenditure Changes:

Special Revenue Fund changes include SIA expenditure reductions with the SIA initiatives being moved to the General Fund. Other expenditures changes include appropriations for ESSER, CDL, Title and other grant beginning fund balance changes.

RELATED POLICIES/BEST PRACTICES

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

ANALYSIS OF SITUATION

Should the Board choose not to pass this resolution, appropriations would not be reconciled for SIA initiatives to be spent in the general fund, and the fund balance from 2019-20 would be significantly understated.

FISCAL IMPACT

No further impacts beyond that which have been outlined above.

COMMUNITY ENGAGEMENT (IF APPLICABLE)

Matters related to the amendment of the 2020-21 budget have been reviewed at a meeting with the Community Budget Review Committee (CBRC) on September 16, 2020.

TIMELINE FOR IMPLEMENTATION / EVALUATION

N/A

BOARD OPTIONS WITH ANALYSIS

The Board may choose to pass or not pass the proposed budget amendment resolution. If passed, the District will move forward with the current staffing and spending plan for the Fiscal Year 2020-21. The staffing levels remain the same as the adopted budget, and the sources of funding have been modified due to the changes in funding levels from the second special legislative session and COVID related expenses. The consequences of non-passage would mean appropriations would not be available for anticipated expenditures, reductions would need to be made, and general fund balance would increase by fiscal year-end.

CONNECTION TO BOARD GOALS

The proposed Amendment allocates resources that will support our students, staff, and community, through the Racial Equity and Social Justice lens, theory of action, Board goals, and five system shifts outlined in the District's strategic plan.

STAFF RECOMMENDATION

Staff recommends that the Board pass the proposed resolution to amend the 2020-21 Budget to allow continued investments into the instructional initiatives and staff supports.

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 2020-20 Budget - Amendment #1
- C. SIA Changes