



Portland Public Schools Budget Work Session

MAY 17, 2017



PORTLAND PUBLIC SCHOOLS 

Summary

- Congratulations! And thank you for your hard work and support of our bond and PPS' children and families
- Net improvement in state outlook for the biennium – no upside expected for K-12 funding.
- Approved Budget updates revenue expectations, preserves Equity Allocation, makes select changes to contracts under Equity and Partnerships, and moves risk reserve
- Timeline includes Approval on May 23rd, Adopt on June 13th; with opportunity to make limited changes



State Budget Update

State Revenue Forecast May 2017

- 2015-17 biennium revenue projections \$407.9 million higher than expected, triggering “Kicker”
- Kicker refunds result in a reduction in 2017-19 biennial revenues. Net impact to 2017-19 with new changes is an increase of \$186.8 million. This is not anticipated to impact K-12 funding.
- State budget shortfall for 2017-19 biennium now projected at \$1.4 billion

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Budget Priorities

- Educational equity
 - Equity staffing allocation protected and preserved
- Learning and achievement
 - Protecting core program
 - K-8 staffing ratios maintained at current levels
 - Supporting focus and priority schools
 - Maintaining funding for special education
- Student health and safety
 - Enhanced funding for environmental projects
 - Maintaining transportation funding

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Proposed Budget Summary

PPS General Fund Budget: \$616.3 million

State School Fund revenue assumption: \$8.1 billion K-12 state budget. Aligns to COSA and other large Oregon school district assumptions. 4% contingency to cushion for uncertainty.

Budgeted spending is a net reduction with a focus on strategic re-prioritization in areas critical to student learning and success.

Reductions

- School staffing
- Non-school FTE
- Contracts, utilities, and consumables

Reinvestment/Reallocations

- Curriculum, literacy, and assessment
- Community engagement
- Health and safety
- New schools built using 2012 bonds
- School staffing

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Balanced proposed budget 2017-18

General Fund <i>USD in Millions</i>	Forecast 2016-17	Budget 2017-18	Change
Beginning Balance	\$ 37.8	\$ 19.9	
Total Revenue	565.5	596.4	
Total Resources	603.3	616.3	2%
Total Expenses	583.4	591.4	
Contingency	-	24.9	
Total Requirements	583.4	616.3	6%
Ending Balance	\$ 19.9	\$ -	

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Changes in requirements since proposed

- Learning and achievement: \$1.8 million
 - Restore equity allocation to 8% for all schools (18 FTE)
- Equity
 - Restore I Am Academy contract \$80,000
 - Reductions:
 - Campus Compact \$42,000
 - Grassroots News \$25,000
 - Conference sponsorships \$13,000
- Health and Safety
 - Move Risk Reserve from contingency to Claims expense (\$1.5 million)

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Changes in resources since proposed

- Updated MESD revenues – additional \$1 million
- Trust update

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Key Dates and State Rules

May 23rd – Budget Approval

- The Board can amend/change the budget before Adoption
- Changes can amount to up to 10% additional expense in each fund
- If increases are more than 10%, a new public notice process is required
- Budget can be decreased by any amount

June 13th - TSCC Hearing

- TSCC performs state-required review of District budget
- The hearing must occur 20 days or more after Approval

June 13th - Budget Adoption

- Budget must be adopted by June 30th