



Nolberto Delgadillo
Chief Financial Officer

Portland Public Schools
Office of Chief Financial Officer
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MEMORANDUM

Date: June 7, 2023
To: Portland Public Schools Board of Education
From: Nolberto Delgadillo
Subject: 2023-24 Adopted Budget

BACKGROUND

Staff is requesting that the Board resolve to adopt the 2023-24 budget as approved by the Board at the May 23, 2023 board meeting and subsequently to make appropriations and impose taxes.

Regarding the resolution, staff is requesting the Board adopt the budget with a reduced Bonded Debt Levy amount from \$170 million (which was approved on May 23, 2023) to a revised \$165 million. This \$5 million reduction is based on subsequent analysis and brings the Bonded Debt Levy amount into alignment with collection rate projections and which result in less taxes to be imposed on Portland Public School constituents. Debt Service Funds (Fund 300) remains balanced. The overall total budget is unchanged. The Debt Service Fund will continue to have enough resources based on the recommended tax levy and its remaining fund balance to meet our debt service obligations for the 2023-24 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.

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, 2023. If a budget is not adopted by June 30, 2023, the District would need to cease operations, not pay its employees and not meet any other financial obligations, until the Board adopts a budget.

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.

Because we are allowed to make changes after adoption under prescribed guidelines, if the Oregon State Legislature does not approve a state budget (and as a result impacting the State School Fund) within the timeframe of the district's budget adoption cycle or approves a biennium budget of a different amount, staff would come back to the board with an update.

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, 2023.

BOARD OPTIONS WITH ANALYSIS

No further analysis beyond section III, "Analysis of Situation."

STAFF RECOMMENDATION



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Staff recommends the passage of the board resolution to adopt the 2023-24 Budget, 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

1. Resolution to Impose Taxes and Adoption of the 2023-24 Budget
2. Attachment "A" to the Resolution to Impose Taxes and Adoption of the 2023-24 Budget