

Multnomah Education Service District
Multnomah County, Oregon

Adopted Budget

For the Fiscal Year 2016-2017

11611 NE Ainsworth Circle
Portland, OR 97220
www.mesd.k12.or.us

Approved by the MESD Board of Directors
6/21/2016

*Multnomah Education Service District
2016-2017 Adopted Budget*

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*Multnomah Education Service District
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Introduction and Overview

This section contains the Superintendent's budget message, a brief explanation of changes from the approved to the adopted budget, budget overview, District profile and financial structure, as well as a brief overview of the budget process.



Superintendent's Budget Message

2016-2017 Proposed Budget

April 12, 2016

The Multnomah Education Service District (MESD) is pleased to present the proposed budget for fiscal year 2016-2017. This document represents the collective work of all MESD departments and has been prepared in accordance with Local Budget Law, Oregon regulations, and MESD Board of Directors policies.

The specified revenue and expenditures are based upon educated suppositions as of April 7, 2016. We expect adjustments will be made before June 30, 2016 dependent upon the availability of additional information. Our level of service is contingent upon what our component school districts order from the MESD Local Service Plan. Our preliminary estimates are based on enrollment and selections of Local Service Plan services as of January 31, 2016 and our budget is largely based on these estimates. Once our customer's final selections are known in May 2016, the MESD will adjust its budget and staffing levels accordingly.

Budgeting Assumptions:

Assumptions have been made in preparing the MESD budget document. These assumptions include:

- The MESD budget is based on the \$7.4 billion State School Fund (SSF) legislatively approved budget. It includes the original \$7.255 billion split 50/50 over the biennium with additional revenue from the May 2015 forecast and end of session bill being added into 2016-17. ESDs receive 4.5 percent of that SSF amount.
- MESD's 4.5 percent share of the SSF allotment for 2016-17 is approximately \$38.5 million per the current SSF formula and most recent ODE estimates.
- Other Federal, State & Local Revenue sources are budgeted based on the most current information available.
- MESD has used the following payroll assumptions:
 - Salary step increases for eligible employees
 - The agreed upon salary schedules for all represented employees
 - PERS defined rates are 5.55% for Tier I/II, 0.86% for OPSRP, and 4.97% for Fire & Police
 - MESD contribution rate for PERS pickup is 6%
 - Increased employer contribution for health insurance premiums is capped at 6%

Interim Superintendent *Scott Perry*

Board of Directors *Francisco Acosta, Jr. ♦ Stephen Marc Beaudoin ♦ Mary Botkin ♦ Siobhan Burke ♦ Michael Durrow ♦ Bernie Giusto ♦ Nels Johnson*

11611 NE Ainsworth Circle ♦ Portland, Oregon 97220 ♦ 503-255-1841 ♦ fax 503-257-1519 ♦ www.mesd.k12.or.us

Specific Forces Impacting MESD Budget

The array of services forecast for 2016-2017 is not significantly different than that forecast for the current year with one exception. We do anticipate a significant increase in personnel in our School Health Services Department due to the implementation of a new School Health Assistant program we will be implementing with Portland Public Schools. Additionally, school districts have also requested that MESD consider providing a new program for students at the middle school level with significant behavior challenges. Discussions of the parameters of that new service are under discussion as this budget message is being written and this budget contains some expenditure authority for that new service, should it become a reality.

Given that our employee contracts are settled for the 2016-2017 year and the Local Service Plan has been approved we do not anticipate additional significant service changes beyond those noted above.

Transparency

MESD is working to provide transparency in our cost estimates for Local Service Plan services to our component districts. To this end, three meetings were held between February and March with Advisory Committee members, Business Managers, and Superintendents representing all of our districts to ensure that any questions or issues related to service costs were fully vetted.

In Summary

Multnomah ESD is working hard to be responsive to school district priorities and needs. We look forward to providing quality service to students, families, schools and districts in 2016-2017 and are committed to doing so in a manner that builds trust and confidence in our capacity and integrity as an agency.

The work of the budget committee in reviewing the 2016-2017 budget is very much appreciated. The role of the budget committee is to approve the total budget amount and establish the MESD tax rate for the upcoming fiscal year. The proposed budget is \$79 million with an overall General Fund budget of \$11 million. It is proposed that the maximum tax rate remains \$0.4576 per \$1,000 assessed value.

The proposed budget is recommended to you, the Budget Committee of Multnomah Education Service District.

Scott Perry
MESD Interim Superintendent and Budget Officer

Changes from the Approved Budget

June 2016

The specified revenues and expenditures in the approved budget were based on educated suppositions as of April 7, 2016. We expected adjustments would be made before June 30, 2016 dependent upon the availability of additional information from our component districts and the state.

Local Budget Law allows the governing body of a local government to make changes to the approved budget by vote of the Board of Directors as follows:

- Reductions to resources, expenditures, or tax levies
- Increases in expenditures in an individual fund by up to \$5,000 or 10% whichever is greater.

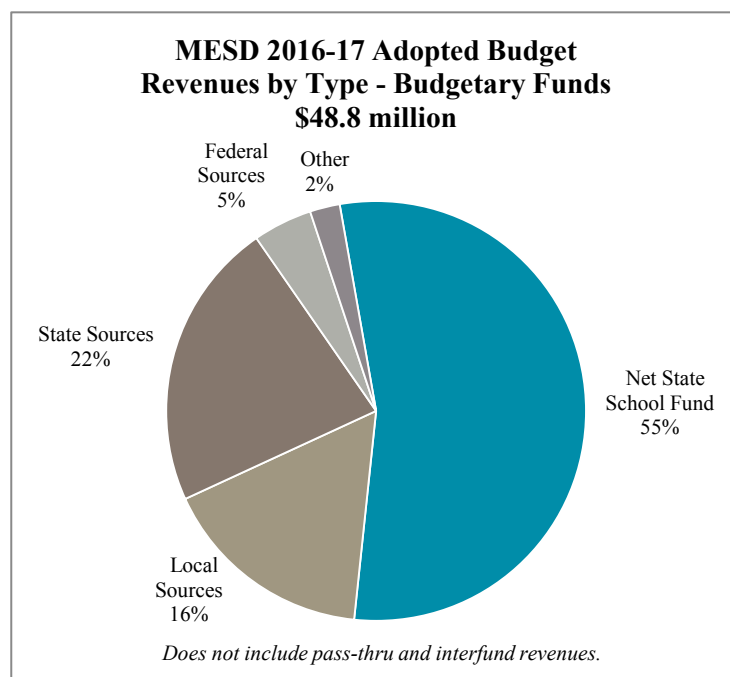
The MESD's adopted budget document includes changes that are within this level of authority. These changes include:

- Resolution Fund, \$1.9 million or 6% decrease (excludes transfers out & contingency)
 - A reduction in transit payments to districts by \$2.5 million.
 - An increase of \$700 thousand for additional classrooms at Arata and Burlingame Creek Schools.
 - A reduction of \$230 thousand for some additional school improvement and college readiness services not selected by our districts.
 - Other program changes to meet component district requests.
 - The balance of estimated revenues has been appropriated as contingency so that it is available for additional services if requested.
- Contracted Services Fund, \$138 thousand or 1% decrease (excludes transfers out & contingency)
 - A reduction of \$438 thousand for the pilot middle school program not selected by our component districts. We continue to work together to develop a program to meet the needs of our districts.
 - An increase of \$180 thousand to open the Riverside High School at Oak Creek
 - An increase of \$155 thousand in the Hospital Education Program
 - Other program changes to meet component district requests and state contract funding.
- Operating Fund, \$93 thousand or 2% increase
 - An increase of \$73 thousand for professional development erroneously excluded from the proposed budget.
 - An increase of \$10 thousand for consultation and software services to enhance Child Nutrition Program and National School Lunch Program processes.
 - An increase of \$11 thousand to correct a budget entry error in agency nurse allocation.
 - Other minor adjustments

Budget Overview

Revenues – All Funds

Property taxes and state school funding are the primary revenues received by the District. Ninety percent of these revenues remain in the Resolution Fund where up to fifty-five percent of those revenues are available to the component districts as direct transit dollars. Additional revenues include contracts with local school districts, and state and federal grants.



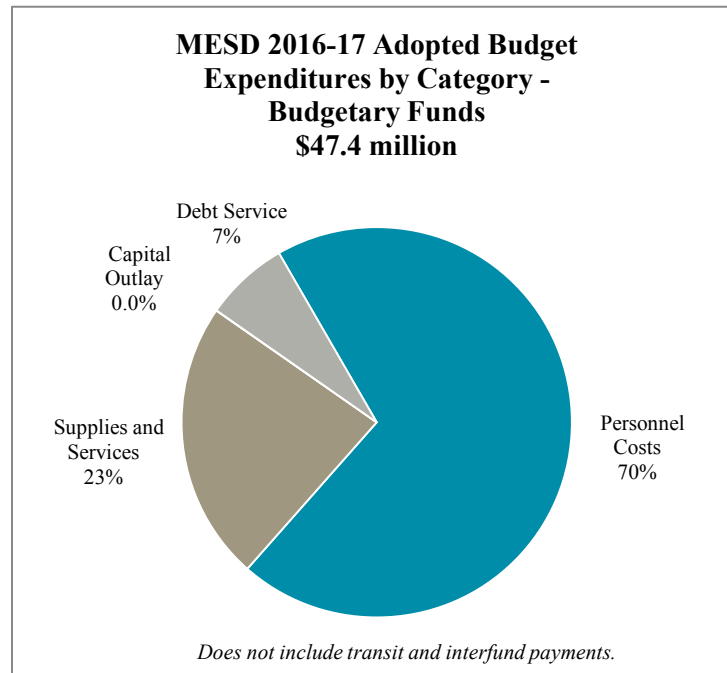
Multnomah Education Service District 2015-16 Estimated Revenues and 2016-17 Adopted Budget

	Estimated 2015-2016	Adopted 2016-2017	Change
Revenues by Type:			
Property Taxes	\$29,926,080	\$31,125,000	4%
State School Fund	8,607,649	7,474,687	-13%
Less Transits to Districts	-14,342,082	-12,000,000	-16%
Net State School Fund	24,191,647	26,599,687	10%
Local Sources	7,290,867	8,030,682	10%
State Sources	10,641,438	10,865,044	2%
Federal Sources	2,396,388	2,224,196	-7%
Other	1,667,768	1,128,117	-32%
Subtotal - Revenues by Type	46,188,108	48,847,726	6%
SSF Revenue passed thru to Districts	14,342,082	12,000,000	-16%
Interfund Revenues for Debt Service	2,639,498	2,775,022	5%
Interfund Revenues for Workers Comp	610,097	696,000	14%
Total Revenues - Budgetary Funds	63,779,785	64,318,748	1%

Budget Overview

Expenditures – All Funds

As with most all government agencies, our most significant expenditures are our people. Personnel costs make up 70% of our total expenditures for the District.



Multnomah Education Service District 2015-16 Estimated Expenditures and 2016-17 Adopted Budget

	Estimated <u>2015-2016</u>	Adopted <u>2016-2017</u>	<u>Change</u>
Expenditure by Category:			
Personnel Costs	\$30,386,813	\$33,083,821	9%
Supplies and Services	13,531,319	10,972,795	-19%
Capital Outlay	114,372	13,402	-88%
Debt Service	3,177,998	3,294,522	4%
Subtotal - Expenditures by Category	47,210,502	47,364,540	0.3%
Transit Payments	14,342,082	12,000,000	-16%
Interfund Payment for Debt Service	2,639,498	2,775,022	5%
Interfund Payment for Workers Comp	610,097	696,000	14%
Total Expenditures - Budgetary Funds	<u>64,802,179</u>	<u>62,835,562</u>	-3%

Profile of the District

Mission Statement:

Multnomah Education Service District improves the lives of all children and families by providing equitable, high quality, innovative, cost-effective and locally responsive educational, health and support services at a regional level in partnership with school districts and community agencies.

General Background

Education Service Districts (ESDs) originated in Oregon's first laws establishing a general system of common schools. The Multnomah ESD evolved from the county school superintendent's office, first established in 1854. Responsibilities of that office were transferred from county government to an independent district in 1957. The state legislature formally established the ESD in 1963. In 1978, the name of the district was changed from Intermediate Education District to Multnomah Education Service District.

Throughout the history of Oregon's regional services system, local governance and state statutes concerning the mission of ESDs has remained somewhat constant: "Education Service Districts assist school districts and the State of Oregon achieving Oregon's education goals by providing excellent and equitable educational opportunities for all Oregon public school students." Today, each ESD provides regional services to its component school districts, primarily in areas that the school districts alone would not be able to adequately and equitably provide. Currently there are 19 ESDs in Oregon serving 36 counties.

Local district programs and services are provided by two means. Non-resolution programs are funded via grants or fee for service contracts. Resolution programs are those that, through a resolution, are authorized by at least two-thirds of the school boards representing a majority of total county students. Resolution programs are funded from property taxes and state school fund revenue. The state allocates support by granting ESDs a percentage of the total amount available for K-12 school funding, with each ESD receiving a fixed share of that total based on the ADMw of its component school districts.

Senate Bill 250, adopted in the 2011 Legislative Session, substantially changed how ESDs operate. The bill allows component school districts in specific Education Service Districts, including MESD, to opt out of ESD services and provides for school districts to receive funding for ESD services directly from the state. For 2016-17, none of the MESD's local districts chose to opt out.

District Structure

Multnomah ESD is governed by an elected seven-member board consisting of five directors representing specific geographic zones in Multnomah County and two at-large. The Board of Directors establishes and oversees policies, employs staff and dedicates resources. It is the chief governing body and is exclusively responsible for its public policies and accountable for fiscal oversight. Board members serve four-year terms without compensation and can be re-elected. The chief administrative officer of the District is the superintendent who is appointed by the Board.

Multnomah Education Service District Board of Directors

<u>Position</u>	<u>Board Member</u>	<u>Represented Zone</u>	<u>Term Ends</u>
One	Bernie Giusto	East Multnomah County	6/30/2017
Two	Nels Johnson, Chair	At Large	6/30/2017
Three	Mary Botkin	Central Portland	6/30/2017
Four	Francisco Acosta, Jr.	Mid-Multnomah County	6/30/2017
Five	Michael Durrow	N/NE Portland	6/30/2019
Six	Stephen Beaudoin, Vice-Chair	At Large	6/30/2019
Seven	Siobhan Burke	SE/SW Portland	6/30/2019

Administration

Scott Perry	Interim Superintendent
Jim Rose	Chief Operating Officer, and Director, Technology Services
Dawn Strong	Interim Director, Human Resource Services
Laura Conroy	Public Information Officer
Don Hicks	Risk Management

Geography and Population

The Multnomah ESD is the second-largest education service district in Oregon. The eight school districts (referred to as “component districts”) in MESD's region are diverse and include inner city, suburban and rural schools.

MESD Component Districts



MESD Eight Component Districts					
District	Total Schools	Total Enrollment	District	Total Schools	Total Enrollment
Centennial	10	6,234	Parkrose	6	3,328
Corbett	3	1,239	Portland	95	47,393
David Douglas	14	10,786	Reynolds	19	11,553
Gresham-Barlow	23	11,997	Riverdale	2	601

Source: ODE October 1, 2015 Enrollment data, www.ode.state.or.us

Within these districts are 170 schools with more than 93,000 students over a geographic area that stretches from Portland's west hills to the foothills of the Cascades, and from the Columbia River on the north to the Clackamas County line on the south. An estimated population of 760,000 live within the Multnomah ESD boundary which includes Multnomah County and extends into Clackamas and Washington counties along school district boundaries.

Services Provided (Local Service Plan)

Every Oregon ESD, working with their component school districts, must annually develop a Local Service Plan which determines how the State School Funds (SSF) will be used. Ninety percent of the SSF revenue received by an ESD is subject to this process. The Local Service Plan determines programs and services that the ESD will offer its component districts for the following fiscal year. In accordance with Oregon Revised Statute 334.177, the remaining ten percent of the SSF revenue is used for the general operating costs of the ESD.

The Local Service Plan must include services from at least the following categories: special education, technology, and school improvement and administrative support. The plan must also include any "entrepreneurial services" that the ESD intends to offer to any entity that is not a component school district either outside of the ESD boundary or inside the ESD boundary.

Under the Resolution Process, at least two-thirds of the school districts in an ESD, representing more than one-half of the student population, must approve the Local Service Plan.

MESD provides the following services to its component school districts:

Special Education Services provides services to the component districts as well as to districts outside of Multnomah County. Special education partners with community organizations and the component districts to ensure that every child with a disability is provided the best educational opportunities available.

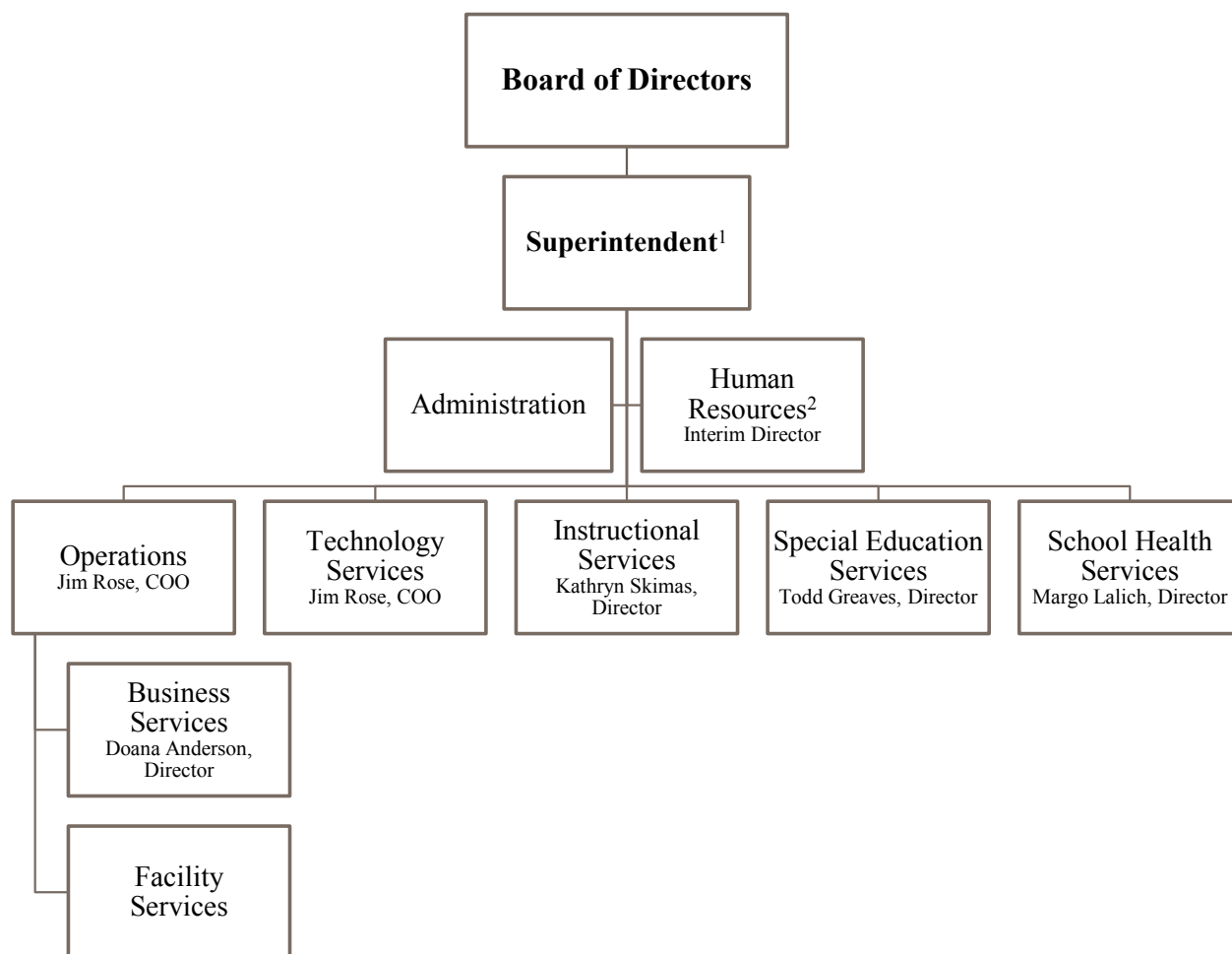
School Health Services provides and coordinates specialized services that support the educational experience for students enrolled in our component districts as well as some Clackamas County districts. The department works to ensure that all areas of health are supported for our students' physical, emotional and mental well-being. Together a connection is formed between health and education.

Instructional Services provides instruction for students enrolled in regional programs, instructional support for schools, and professional development for educators on a variety of topics. These programs offer a variety of enrichment and enhancement opportunities which complement instruction within the component districts as well as to several districts outside of Multnomah County. Students in the District's educational programs receive comprehensive educational support, social services, career training, college assistance, environmental education, and specialized education services. These programs emphasize compassion for others, nonviolent ways of settling disputes, resiliency to handle life's challenges, and preparation for college, work, parenthood and civic responsibility.

Technology Services provides services both to the component districts through resolution and contracted services as well as internally to the District. The goal of Technology Services is to deliver administrative computer technology and support designed to increase the component district's efficiency and improve

internal and external communications. The services fall into four categories: Student Information Services, Business Systems Support, Network Services, and Internal Agency Support.

Administrative and Support Services provides services for component school districts, including but not limited to services designed to consolidate component school district business functions, liaison services between the Department of Education and component school districts, registration of children being taught by private teachers, parents or legal guardians pursuant to ORS 339.035, and substitute teacher registration and administration. Other support services include home school registration and courier services.

Multnomah Education Service District**Organization Chart****June 15, 2016**

¹ Incoming Superintendent Sam Breyer will replace Interim Superintendent Scott Perry on July 1

² Incoming Director Sean Woodard will replace Interim Director Dawn Strong on July 1

Financial Structure

The District, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. A fund is a grouping of related accounts that are used to maintain control over resources that have been segregated for specific activities or objectives. A budget is prepared and legally adopted for each governmental fund type on the modified accrual basis of accounting in the main program categories required by the Oregon Local Budget Law. The District uses the following fund types:

Budgetary Funds:

General Fund - accounts for the general operating costs of the District and provides support services to other funds. For accounting purposes, the District appropriates expenditures in three funds: the *Operating Fund (6)*, the *Risk Management and Reserve Fund (7)*, and the *Facilities and Equipment Reserve Fund (4)* that was formerly the Facilities Acquisition and Improvement Fund prior to FY 2015-16.

Special Revenue Funds – these funds are used to account for and report the proceeds of specific revenue sources that are restricted or committed to expenditure for specified purposes other than debt service or capital projects. The MESD has two special revenue funds: the *Resolution Services Fund (1)* and the *Contracted Services Fund (2)*.

Debt Service Fund (3) - accounts for the payment and interest on the Limited Tax Pension Obligation (PERS) bonds and the 2004 Refunding General Obligation bonds.

Non-Governmental Fund:

Fiduciary Fund – serves as a pass-through for assets held in trustee capacity for others and not used to support the District's own programs. The *Agency Pass-Through Fund (5)* is used for E-Rate revenue which is recorded as a liability and passed on to component Districts, and for resources held by the District for the Oregon Association of Education Service Districts (OAESD) as fiscal agent. The MESD is not required to budget resources and expenditures for this fund under Oregon Administrative Rule 150-294.388 (1)-(A), section 3. Information in this budget document for the Agency Pass-Through Fund is for informational purposes only.

More information about the specific funds can be found in the Fund Financial Summaries and the Glossary.

Budget Process

The District is required by the State of Oregon to adopt an annual budget for all funds subject to the requirements of Local Budget Law as outlined in the 2011 Oregon Revised Statutes 297.405 to 297.555 and 297.990. The budget for each individual fund is a plan for the financial operations to be conducted during the coming fiscal year and is adopted annually, prior to July 1, by the Board after certification by the Multnomah County Tax Supervising and Conservation Commission (TSCC). The budget also provides the authority to levy property taxes. After adoption, the budget may be amended through procedures specified in State statute and Board policy.

For each fund, the expenditures are appropriated by the following major functions:

- Instruction
- Enterprise & Community Services
- Debt Service
- Fund Transfers
- Support Services
- Facilities Acquisitions & Construction
- Other Uses (Transit Payments)
- Contingencies

Appropriations may not legally be over-expended, except in the case of grant receipts which could not be reasonably estimated at the time the budget was adopted. Department directors may realign appropriation within a major function; however, transfers between major functions, even within the same fund, require Board approval. Appropriations lapse at the end of each fiscal year.

Budget Committee

The Budget Committee consists of the seven members of the MESD Board, along with an equal number of representatives, plus one, who are appointed by the MESD Board from among applicant members of component district boards or designees of component district boards. To be eligible for appointment, the appointive member must 1) live and be registered to vote in the district, and 2) not be an officer, agent or employee of the ESD. Members are appointed for three-year terms and may be reappointed for as many consecutive terms as deemed appropriate.

The Superintendent is designated as budget officer and he/she or designee prepares the budget document and submits it to the Budget Committee for approval before presentation to the Board and the TSCC. Activities for all funds are included in the annual appropriated budget.

The District begins its budgeting process by appointing Budget Committee members. Beginning in January, budget recommendations are developed by management and presented to the Budget Committee as the Proposed Budget in the spring. The Budget Committee meets, evaluates and approves the budget document at least 30 days prior to the scheduled TSCC public hearing. Public notices of the budget hearing are generally published in April, and the hearing is held in May. The budget is adopted, appropriations are made and the tax levy is declared no later than June 30.

**Multnomah Education Service District
Current Budget Committee**

Budget Committee Member	Representing	Term Expires
Francisco (Frank) Acosta Jr.	MESD Board Member	June 30, 2017
Bernie Giusto	MESD Board Member	June 30, 2017
Michael Durrow	MESD Board Member	June 30, 2019
Nels Johnson	MESD Board Member	June 30, 2017
Stephen Beaudoin	MESD Board Member	June 30, 2019
Siobhan Burke	MESD Board Member	June 30, 2019
Mary Botkin	MESD Board Member	June 30, 2017
Ernie Butenschoen	Centennial School District	June 30, 2017
Sarah Judson	Corbett School District	June 30, 2017
Cheryl Scarcelli	David Douglas School District	June 30, 2016
John Hartsock	Gresham-Barlow School District	June 30, 2017
Mary Lu Baetkey	Parkrose School District	June 30, 2016
Sara Bottomley	Portland Public School District	June 30, 2018
Rachel Hopper	Reynolds School District	June 30, 2018
Joe Prats	Riverdale School District	June 30, 2017

2016-2017 Budget Calendar

January to March	MESD Management Develops Proposed Budget MESD Board appoints Budget Committee Members
April 5, 2016	Budget Committee New Member Orientation
April 12, 2016	Proposed Budget and Budget Message Presentation
April 20 & 26, 2016	Budget Committee Approves Budget and submits it to the TSCC <i>The Budget Committee approved the budget on April 12, 2016</i>
May 17, 2016	TSCC Public Hearing and Budget Certification
June 21, 2016	MESD Board Adopts Budget by Resolution and Certifies Tax Levy

Supplemental Adjustments

Unexpected additional resources or reductions may be added to the budget through the use of a supplemental budget and appropriation resolution. Adjustments less than 10% of the fund's original budget may be adopted by the Board at a regular meeting. A supplemental budget greater than 10% of the fund's original budget requires hearings before the public, public notices and approval by the Board. Original and supplemental budgets may be modified by the use of appropriation transfers between the levels of control (major function levels). Such transfers require approval by the Board.

*Multnomah Education Service District
2016-2017 Adopted Budget*

Consolidated Schedules

This section includes three combining statements each displaying the agency's five budgetary funds in separate columns, a summary of interfund transfers, and staffing reports.

- The Fund Summary displays all the resources and requirements of the agency.
- The Revenue Detail expands on the revenue section of the previous Fund Summary report.
- The Expenditure Summary expands on the expenditure line. It shows three different perspectives including expenditures by department, by function and lastly by major category.
- The next report describes the District's interfund transfers and overhead charges.
- The final reports in the section display the full-time equivalent positions and actual positions by division within each department as well as by major function.

**Multnomah Education Service District
2016 - 2017 Fiscal Year Adopted Budget
Combining Fund Summary- Budgetary Funds**

	Program Funds		Support Funds				
	Resolution Services	Contracted Services	Operating	Debt Service	Facilities & Equipment Reserve	Risk Management Reserve	Total
Resources							
Beginning Fund Balance	1,504,327	3,367,980	3,043,219	10,990	1,035,022	430,131	9,391,669
Revenues							
Property Taxes	31,125,000						31,125,000
State School Fund	7,474,687						7,474,687
Local Sources	16,500	7,935,348	38,834		40,000		8,030,682
State Sources		10,865,044					10,865,044
Federal Sources	181,819	2,042,377					2,224,196
Investment Earnings			50,000	5,000			55,000
Sales of Goods & Services		8,372					8,372
Other Revenues	448,192	394,883	219,170			2,500	1,064,745
Services to Other Funds				2,775,022		696,000	3,471,022
Total Revenues	39,246,198	21,246,024	308,004	2,780,022	40,000	698,500	64,318,748
Transfers In & Overhead Revenues							
Overhead Revenues			1,159,291				1,159,291
From Resolution Services			3,859,969		130,000		3,989,969
From Contract Services			196,177				196,177
From Operating				519,500	40,000		559,500
Total Transfers In/Overhead			5,215,437	519,500	170,000		5,904,937
TOTAL RESOURCES	40,750,525	24,614,004	8,566,660	3,310,512	1,245,022	1,128,631	79,615,354
Requirements							
Total Expenditures	33,274,416	20,165,539	4,938,941	3,294,522	403,323	758,821	62,835,562
Transfers Out & Overhead Charges							
Overhead Charges		1,159,291					1,159,291
To Debt Service			519,500				519,500
To Facilities & Equip Reserve	130,000		40,000				170,000
To Operating	3,859,969	196,177					4,056,146
Total Transfers Out/Overhead	3,989,969	1,355,468	559,500				5,904,937
Contingency	3,486,140	1,071,197	25,000		281,138	369,810	5,233,285
Ending Fund Balance		2,021,800	3,043,219	15,990	560,561		5,641,570
TOTAL REQUIREMENTS	40,750,525	24,614,004	8,566,660	3,310,512	1,245,022	1,128,631	79,615,354

**Multnomah Education Service District
2016 - 2017 Fiscal Year Adopted Budget
Combining Revenue Detail- Budgetary Funds**

	Program Funds		Support Funds				
	Resolution Services	Contracted Services	Operating	Debt Service	Facilities Acquisition & Improvements	Risk Management Reserve	Total
Property Taxes							
Current Year Taxes	30,625,000						30,625,000
Prior Year Taxes	481,000						481,000
Tax Title Fund Receipts	8,000						8,000
Penalties & Interest Taxes	11,000						11,000
Total Property Taxes	31,125,000						31,125,000
State School Fund							
State School Support Fund	7,474,687						7,474,687
Total State School Fund	7,474,687						7,474,687
Local Sources							
Services to Other LocalEdAgency	16,500	7,920,348	38,834				7,975,682
Services to Other Ed Agencies		15,000					15,000
E-Rate Revenue					40,000		40,000
Total Local Sources	16,500	7,935,348	38,834		40,000		8,030,682
State Sources							
Other State Revenue		4,840,725					4,840,725
ODE Contract Revenue		6,024,319					6,024,319
Total State Sources		10,865,044					10,865,044
Federal Sources							
Medicaid Admin Claiming Rev	181,819	90,000					271,819
Medicaid SBHS Revenue		905,000					905,000
Restricted Revenue From Fed		252,838					252,838
Title I Revenue		530,141					530,141
Natnl School Lunch Program Rev		214,000					214,000
IDEA Revenue		50,398					50,398
Total Federal Sources	181,819	2,042,377					2,224,196

Combining Revenue Detail- Budgetary Funds

**Multnomah Education Service District
2016 - 2017 Fiscal Year Adopted Budget
Combining Revenue Detail- Budgetary Funds**

	Program Funds		Support Funds				
	Resolution Services	Contracted Services	Operating	Debt Service	Facilities Acquisition & Improvements	Risk Management Reserve	Total
Investment Earnings							
Interest on Investments			50,000	5,000			55,000
Total Investment Earnings			50,000	5,000			55,000
Sales of Goods & Services							
Sale of Meals-NonReimb Program		250					250
Special Function Revenue		7,622					7,622
Sales- External		500					500
Total Sales of Goods & Services		8,372					8,372
Other Revenues							
Fingerprinting Service Revenue			4,080				4,080
TSPC PDC Fees		10,000	9,925				19,925
Testing Service Revenue			6,225				6,225
Rental/Lease Income			23,940				23,940
Contributions	6,093	103,481					109,574
Fees - Non-Component Districts			150,000				150,000
Miscellaneous Revenue		21,726	25,000				46,726
Services Provided Non-LEAs	20,400	15,000					35,400
Expenditure Subsidy						2,500	2,500
Restricted-Intermediate Source	421,699	244,676					666,375
Total Other Revenues	448,192	394,883	219,170			2,500	1,064,745
Services to Other Funds							
Services - Other Funds				2,775,022		696,000	3,471,022
Total Services to Other Funds				2,775,022		696,000	3,471,022
Total Revenues	39,246,198	21,246,024	308,004	2,780,022	40,000	698,500	64,318,748

Combining Revenue Detail- Budgetary Funds

Multnomah Education Service District
2016 - 2017 Fiscal Year Adopted Budget
Combining Expenditure Summary- Budgetary Funds

	Program Funds		Support Funds				
	Resolution Services	Contracted Services	Operating	Debt Service	Facilities & Equipment Reserve	Risk Management Reserve	Total
By Department							
Administration	2,480		852,773			748,821	1,604,074
Facilities Services	35,747		430,629		213,323		679,699
Business Services	12,000,000		890,082				12,890,082
Human Resources			680,609			10,000	690,609
Technology Services	2,946,989	5,221,075	1,379,393		190,000		9,737,457
Special Education Services	7,499,004	4,231,686	194,471				11,925,161
School Health Services	6,954,494	2,444,747	292,908				9,692,149
Instructional Education Svcs	3,835,702	8,268,031	218,076				12,321,809
Debt Services				3,294,522			3,294,522
Total Expenditures by Department	33,274,416	20,165,539	4,938,941	3,294,522	403,323	758,821	62,835,562
By Function							
Instruction	6,200,735	8,593,751					14,794,486
Support Services	14,972,243	6,421,854	4,535,531		398,323	758,821	27,086,772
Enterprise & Community Service	101,438	5,149,934	403,410				5,654,782
Facilities Acq. & Construction					5,000		5,000
Other Uses	12,000,000						12,000,000
Debt Service				3,294,522			3,294,522
Transfers Out							
Total Expenditures by Function	33,274,416	20,165,539	4,938,941	3,294,522	403,323	758,821	62,835,562
By Category							
Salaries	12,136,424	8,646,550	2,841,570			101,563	23,726,107
Associated Payroll Costs	6,727,219	4,579,850	1,471,041			50,626	12,828,736
Purchased Services	1,952,850	6,018,470	500,843		403,323	603,280	9,478,766
Supplies and Materials	444,521	920,669	125,487			3,352	1,494,029
Capital Outlay	13,402						13,402
Debt Service				3,294,522			3,294,522
Transit Payments	12,000,000						12,000,000
Total Expenditures by Category	33,274,416	20,165,539	4,938,941	3,294,522	403,323	758,821	62,835,562

Combining Expenditure Summary- Budgetary Funds

**Multnomah Education Service District
2016 - 2017 Fiscal Year Adopted Budget
Interfund Transfers and Overhead Charges**

<u>From Fund</u>	<u>To Fund</u>	<u>Amount</u>
Resolution Services	To Facilities & Equip Reserve	130,000
This amount is being set aside to fund the future replacement of computer hardware necessary to serve the needs of the component districts.		
Resolution Services	To Operating	3,859,969
In accordance with Oregon Revised Statute 334.177, a maximum of 10% of local revenues received (Property Taxes and State School Fund) are transferred to the Operating fund to pay for operating costs incurred by the Agency in support of services provided through the Resolution Services fund.		
Contracted Services	Operating	1,159,291
A maximum 10% surcharge in the Contracted Services Fund is credited to the Operating Fund as overhead revenue to pay for costs incurred by the agency in support of services rendered.		
Contracted Services	To Operating	196,177
This amount supports program staff whose work benefits multiple departments and who are not directly charged to services; such as, the School Wellness Coordinator.		
Operating	To Debt Service	519,500
The Full Faith & Credit Refunding Obligations, Series 2004 debt service requirement is funded by a transfer from the Operating Fund. This general obligation issue refunded the 1997 Certificates of Participation (COP) originally used to fund the construction of Alpha High School and Arata Creek School.		
Operating	To Facilities & Equip Reserve	40,000
This amount funds current and future repairs, replacement, and improvements of the Agency's facilities and equipment.		
Total Interfund Transfers and Overhead Charges		5,904,937

Multnomah Education Service District
2016 - 2017 Fiscal Year Adopted Budget
Total Requirements by Fund and Function - All Budgetary Funds

	Program Funds		Support Funds				Total
	Resolution Services	Contracted Services	Operating	Debt Service	Facilities & Equipment Reserve	Risk Management Reserve	
Requirements by Function							
1000 Instruction*	\$ 6,200,735	\$ 9,065,807	\$ -	\$ -	\$ -	\$ -	\$ 15,266,542
2000 Support Services*	14,972,243	6,771,364	4,535,531	-	398,323	758,821	27,436,282
3000 Enterprise & Community Services*	101,438	5,487,659	403,410	-	-	-	5,992,507
4000 Facilities Acquisition & Improvements	-	-	-	-	5,000	-	5,000
5000 Other Uses	12,000,000	-	-	-	-	-	12,000,000
5100 Debt Service	-	-	-	3,294,522	-	-	3,294,522
5200 Transfers Out	3,989,969	196,177	559,500	-	-	-	4,745,646
6000 Contingencies	3,486,140	1,071,197	25,000	-	281,138	369,810	5,233,285
Total Appropriations	40,750,525	22,592,204	5,523,441	3,294,522	684,461	1,128,631	73,973,784
7000 Unappropriated Ending Balance	-	2,021,800	3,043,219	15,990	560,561	-	5,641,570
Total Requirements	40,750,525	24,614,004	8,566,660	3,310,512	1,245,022	1,128,631	79,615,354

* For the purpose of this report, indirect overhead charges in the Contracted Services Fund is included as a requirement of the appropriate function.
Other reports within the budget document show overhead charges in the Transfers Out and Overhead Charges section.

Total Requirements by Fund and Function - All Budgetary Funds

**Multnomah Education Service District
2016 - 2017 Fiscal Year Adopted Budget
Combining FTE Summary- All Funds**

	Program Funds		Support Funds		
	Resolution Services	Contracted Services	Operating	Risk Management Reserve	Total
Full-Time Equivalent (FTE) by Department And Division					
Administration					
Administration			2.50		2.50
Agency Support				1.00	1.00
Communication Services			1.00		1.00
Total Administration			3.50	1.00	4.50
Facilities Services					
Facility Services	.50		10.25		10.75
Total Facilities Services	.50		10.25		10.75
Business Services					
Business Services Admin			1.00		1.00
Fiscal Services			7.00		7.00
Total Business Services			8.00		8.00
Human Resources					
Human Resources			6.00		6.00
Total Human Resources			6.00		6.00
Technology Services					
Student Applications	15.00				15.00
Business Applications			1.37		1.37
Infrastructure Services	2.83				2.83
Internal Agency Support			5.44		5.44
Application Development		3.00			3.00
Support Services		3.58	4.53		8.11
Total Technology Services	17.83	6.58	11.34		35.75
Special Education Services					
EI/ECSE		1.00			1.00
Special Education	71.32	33.97	1.69		106.98
Related Services	7.44	7.04			14.48
Arata Creek	21.24	9.19			30.43
Total Special Education Services	100.00	51.20	1.69		152.89
School Health Services					
Employee Committees		.25			.25
Health Services	90.38	27.02	6.07		123.47
Total School Health Services	90.38	27.27	6.07		123.72

Multnomah Education Service District
2016 - 2017 Fiscal Year Adopted Budget
Combining FTE Summary- All Funds

	<u>Program Funds</u>		<u>Support Funds</u>		
	<u>Resolution Services</u>	<u>Contracted Services</u>	<u>Operating</u>	<u>Risk Management Reserve</u>	<u>Total</u>
Instructional Education Svcs					
Social Services		41.14			41.14
Instructional Services	.51		1.64		2.15
Curriculum & Instruction	4.19	1.84			6.03
Outdoor School	6.55	5.01			11.56
Helensview	15.43	4.76			20.19
Youth Correction Education	3.43	20.85			24.28
Alternative Pathways		2.97			2.97
Migrant Education		3.77			3.77
Total Instructional Education Svcs	30.11	80.34	1.64		112.09
Total FTE	238.82	165.39	48.49	1.00	453.70

Full-Time Equivalent (FTE) by Function

Instruction	86.95	102.58			189.53
Support Services	151.87	61.81	43.96	1.00	258.64
Enterprise & Community Service		1.00	4.53		5.53
Total FTE	238.82	165.39	48.49	1.00	453.70

Multnomah Education Service District
2016 - 2017 Fiscal Year Adopted Budget
Combining Position Summary- All Funds

	Program Funds		Support Funds		
	Resolution Services	Contracted Services	Operating	Risk Management Reserve	Total
Positions by Department And Division					
Administration					
Administration			2.50		2.50
Agency Support				1.00	1.00
Communication Services			1.00		1.00
Total Administration			3.50	1.00	4.50
Facilities Services					
Facility Services	.50		10.25		10.75
Total Facilities Services	.50		10.25		10.75
Business Services					
Business Services Admin			1.00		1.00
Fiscal Services			7.00		7.00
Total Business Services			8.00		8.00
Human Resources					
Human Resources			6.00		6.00
Total Human Resources			6.00		6.00
Technology Services					
Student Applications	15.00				15.00
Business Applications			1.37		1.37
Infrastructure Services	2.83				2.83
Internal Agency Support			5.44		5.44
Application Development		3.00			3.00
Support Services		3.58	4.53		8.11
Total Technology Services	17.83	6.58	11.34		35.75
Special Education Services					
EI/ECSE		1.00			1.00
Special Education	79.86	37.07	2.00		118.93
Related Services	9.90	8.00			17.90
Arata Creek	23.56	9.79			33.35
Total Special Education Services	113.32	55.86	2.00		171.18
School Health Services					
Employee Committees		.25			.25
Health Services	102.57	29.77	6.41		138.75
Total School Health Services	102.57	30.02	6.41		139.00

Multnomah Education Service District
2016 - 2017 Fiscal Year Adopted Budget
Combining Position Summary- All Funds

	Program Funds		Support Funds		
	Resolution Services	Contracted Services	Operating	Risk Management Reserve	Total
Instructional Education Svcs					
Social Services		43.23			43.23
Instructional Services	.51		1.70		2.21
Curriculum & Instruction	5.10	3.00			8.10
Outdoor School	6.83	5.21			12.04
Helensview	16.63	4.80			21.43
Youth Correction Education	3.54	23.27			26.81
Alternative Pathways		3.00			3.00
Migrant Education		4.00			4.00
Total Instructional Education Svcs	32.61	86.51	1.70		120.82
Total Positions	266.83	178.97	49.20	1.00	496.00

Positions by Function

Instruction	96.68	112.41			209.09
Support Services	170.15	65.56	44.67	1.00	281.38
Enterprise & Community Service		1.00	4.53		5.53
Total Positions	266.83	178.97	49.20	1.00	496.00

*Multnomah Education Service District
2016-2017 Adopted Budget*

Fund Financial Summaries

The first statement in this section combines all funds and compares the previous two years actual amounts, the current year revised budget, the 2016-17 proposed budget, the 2016-17 approved budget, and the 2016-17 adopted budget. The 2016-17 Adopted Budget column ties to the total column in the Combining Fund Summary report.

Following this statement is a series of reports showing each fund separately but showing the same columns as the combined summary for comparative purposes. Each of these statements summarizes both resources and requirements.

Multnomah Education Service District
2016-2017 Fiscal Year Annual Budget
Combined Fund Summary- All Budgetary Funds

	Actual 2013-14	Actual 2014-15	Revised 2015-16	Proposed 2016-17	Approved 2016-17	Adopted 2016-17
Resources						
Beginning Fund Balance	14,544,504	12,777,165	11,151,903	9,109,719	9,109,719	9,391,669
Revenues						
Property Taxes	27,001,138	28,425,261	30,176,000	31,125,000	31,125,000	31,125,000
State School Fund	6,850,158	6,307,067	7,724,000	7,424,189	7,424,189	7,474,687
Local Sources	8,338,421	8,399,582	6,758,538	8,209,136	8,209,136	8,030,682
State Sources	7,550,908	8,821,479	10,014,656	10,656,593	10,656,593	10,865,044
Federal Sources	2,079,394	2,846,792	2,448,407	2,177,412	2,177,412	2,224,196
Investment Earnings	79,432	81,783	75,000	55,000	55,000	55,000
Sales of Goods & Services	7,025	8,700	8,372	8,372	8,372	8,372
Other Revenues	1,422,321	1,478,208	1,012,930	1,060,473	1,060,473	1,064,745
Services to Other Funds	3,007,619	3,070,692	3,231,417	3,471,022	3,471,022	3,471,022
Total Revenues	56,336,416	59,439,564	61,449,320	64,187,197	64,187,197	64,318,748
Transfers In & Overhead Revenues						
Overhead Revenues	1,087,745	993,228	1,381,196	1,140,917	1,140,917	1,159,291
From Resolution Services	3,465,130	3,553,233	3,910,000	3,984,919	3,984,919	3,989,969
From Contract Services	770,980	334,000	412,739	126,470	126,470	196,177
From Operating	546,606	661,588	628,500	559,500	559,500	559,500
From Risk Mgmt Reserve	84,241	65,708	22,778			
Total Transfers In/Overhead	5,954,702	5,607,757	6,355,213	5,811,806	5,811,806	5,904,937
TOTAL RESOURCES	76,835,622	77,824,486	78,956,436	79,108,722	79,108,722	79,615,354
Requirements						
Total Expenditures	58,103,751	61,064,823	65,206,325	64,820,374	64,820,374	62,835,562
Transfers Out & Overhead Charges						
Overhead Charges	1,087,749	993,232	1,381,196	1,140,917	1,140,917	1,159,291
To Debt Service	546,606	546,588	538,500	519,500	519,500	519,500
To Facilities & Equip Reserve	80,000	529,000	562,739	170,000	170,000	170,000
To Operating	4,240,351	3,538,941	3,872,778	3,981,389	3,981,389	4,056,146
Total Transfers Out/Overhead	5,954,706	5,607,761	6,355,213	5,811,806	5,811,806	5,904,937
Contingency			4,679,488	2,775,879	2,775,879	5,233,285
Total Budget	64,058,457	66,672,584	76,241,026	73,408,059	73,408,059	73,973,784
Ending Fund Balance	12,777,165	11,151,902	2,715,410	5,700,663	5,700,663	5,641,570
TOTAL REQUIREMENTS	76,835,622	77,824,486	78,956,436	79,108,722	79,108,722	79,615,354

Multnomah Education Service District
2016-2017 Fiscal Year Annual Budget
Combined Fund Summary- All Budgetary Funds

	Actual 2013-14	Actual 2014-15	Revised 2015-16	Proposed 2016-17	Approved 2016-17	Adopted 2016-17
EXPENDITURE PERSPECTIVES						
By Department						
Administration	1,291,291	1,939,422	1,624,911	1,554,075	1,554,075	1,604,074
Facilities Services	1,346,598	1,014,866	1,452,194	709,994	709,994	679,699
Business Services	12,973,762	14,141,663	14,867,246	15,383,876	15,383,876	12,890,082
Human Resources	804,482	735,680	775,929	617,610	617,610	690,609
Technology Services	8,907,613	9,672,721	10,259,929	9,678,070	9,678,070	9,737,457
Special Education Services	11,516,161	11,155,821	12,403,844	11,048,329	11,048,329	11,925,161
School Health Services	8,889,702	8,857,032	9,749,836	9,717,281	9,717,281	9,692,149
Instructional Education Svcs	9,446,782	10,496,624	10,894,438	12,816,617	12,816,617	12,321,809
Debt Services	2,927,360	3,050,994	3,177,998	3,294,522	3,294,522	3,294,522
Total Expenditures by Department	58,103,751	61,064,823	65,206,325	64,820,374	64,820,374	62,835,562
By Function						
Instruction	11,974,087	12,434,247	13,230,543	14,498,937	14,498,937	14,794,486
Support Services	24,409,550	26,048,377	27,692,059	26,808,340	26,808,340	27,086,772
Enterprise & Community Service	5,236,356	6,242,784	7,044,700	5,709,782	5,709,782	5,654,782
Facilities Acq. & Construction	235,065		40,000	5,000	5,000	5,000
Other Uses	13,321,333	13,288,421	14,021,025	14,503,793	14,503,793	12,000,000
Debt Service	2,927,360	3,050,994	3,177,998	3,294,522	3,294,522	3,294,522
Total Expenditures by Function	58,103,751	61,064,823	65,206,325	64,820,374	64,820,374	62,835,562
By Category						
Salaries	19,258,189	20,018,619	21,940,982	23,663,552	23,663,552	23,726,107
Associated Payroll Costs	12,238,856	12,305,408	11,638,164	12,537,096	12,537,096	12,828,736
Purchased Services	9,043,413	10,537,014	12,916,281	9,239,791	9,239,791	9,478,766
Supplies and Materials	1,044,565	1,725,512	1,458,473	1,568,218	1,568,218	1,494,029
Capital Outlay	270,035	138,855	53,402	13,402	13,402	13,402
Debt Service	2,927,360	3,050,994	3,177,998	3,294,522	3,294,522	3,294,522
Transit Payments	13,321,333	13,288,421	14,021,025	14,503,793	14,503,793	12,000,000
Total Expenditures by Category	58,103,751	61,064,823	65,206,325	64,820,374	64,820,374	62,835,562
FTE SUMMARY						
By Fund						
1 Resolution Services	200.94	207.72	217.32	230.79	230.79	238.82
2 Contracted Services	165.54	162.08	147.49	166.82	166.82	165.39
6 Operating	38.61	44.74	42.08	46.58	46.58	48.49
7 Risk Management Reserve	1.00	1.00	1.00	1.00	1.00	1.00
Total Number of FTE	406.09	415.54	407.89	445.19	445.19	453.70

Multnomah Education Service District
2016-2017 Fiscal Year Annual Budget
1- Resolution Services Fund Summary

The Resolution Services Fund accounts for the various programs provided to the component districts as specified by the resolutions. The sources of revenues for this fund come exclusively from local property taxes and the State School Fund. In accordance with Oregon Revised Statute 334.177, a maximum of 10% of these revenues are transferred to the Operating Fund and used to pay for the general operating costs of the agency. The remaining 90% is apportioned to the eight component school districts according to average daily membership weighted (ADMw).

	Actual 2013-14	Actual 2014-15	Revised 2015-16	Proposed 2016-17	Approved 2016-17	Adopted 2016-17
Resources						
Beginning Fund Balance	1,063,053	1,461,383	1,795,340	1,301,768	1,301,768	1,504,327
Revenues						
Current Year Taxes	26,312,524	27,803,249	29,426,000	30,625,000	30,625,000	30,625,000
Prior Year Taxes	649,185	599,453	734,000	481,000	481,000	481,000
Tax Title Fund Receipts	31,975	17,664	10,000	8,000	8,000	8,000
Penalties & Interest Taxes	7,454	4,895	6,000	11,000	11,000	11,000
State School Support Fund	6,850,158	6,307,067	7,724,000	7,424,189	7,424,189	7,474,687
Services to Other LocalEdAgency	53,415	56,677	6,500	16,500	16,500	16,500
E-Rate Revenue		22,935				
SSF School Lunch Match	(2,698)	(2,600)				
Medicaid Admin Claiming Rev				187,537	187,537	181,819
Medicaid SBHS Revenue		49,271				
Rental/Lease Income		200				
Contributions	1,299	6,584	6,530	6,093	6,093	6,093
Recovery of Pr Yr Expenditures	22,726	4,236				
Miscellaneous Revenue	950	415,632				
Services Provided Non-LEAs				20,400	20,400	20,400
Restricted-Intermediate Source	81,593	221,496	434,808	421,699	421,699	421,699
Total Revenues	34,008,581	35,506,759	38,347,838	39,201,418	39,201,418	39,246,198
Transfers In						
Total Transfers In						
TOTAL RESOURCES	35,071,634	36,968,142	40,143,178	40,503,186	40,503,186	40,750,525
Requirements						
Total Expenditures	30,145,121	31,619,569	34,723,529	35,216,499	35,216,499	33,274,416
Transfers Out						
To Facilities & Equip Reserves	80,000	80,000	120,000	130,000	130,000	130,000
To Operating Funds	3,385,130	3,473,233	3,790,000	3,854,919	3,854,919	3,859,969
Total Transfers Out	3,465,130	3,553,233	3,910,000	3,984,919	3,984,919	3,989,969
Contingency			1,383,445	1,301,768	1,301,768	3,486,140
Total Budget	33,610,251	35,172,802	40,016,974	40,503,186	40,503,186	40,750,525
Ending Fund Balance	1,461,383	1,795,340	126,204			
TOTAL REQUIREMENTS	35,071,634	36,968,142	40,143,178	40,503,186	40,503,186	40,750,525

Multnomah Education Service District
2016-2017 Fiscal Year Annual Budget
1- Resolution Services Fund Summary

	Actual 2013-14	Actual 2014-15	Revised 2015-16	Proposed 2016-17	Approved 2016-17	Adopted 2016-17
EXPENDITURE PERSPECTIVES						
By Department						
Administration	2,465	2,486	2,480	2,480	2,480	2,480
Facilities Services	36,867	34,859	33,632	35,747	35,747	35,747
Business Services	12,131,957	13,288,421	14,021,025	14,503,793	14,503,793	12,000,000
Technology Services	2,970,766	2,912,038	2,637,561	2,887,601	2,887,601	2,946,989
Special Education Services	7,544,231	7,001,988	8,129,092	6,641,800	6,641,800	7,499,004
School Health Services	5,217,200	5,777,815	6,219,587	6,991,157	6,991,157	6,954,494
Instructional Education Svcs	2,241,635	2,601,962	3,680,152	4,153,921	4,153,921	3,835,702
Total Expenditures by Department	30,145,121	31,619,569	34,723,529	35,216,499	35,216,499	33,274,416
By Function						
Instruction	5,881,723	5,248,314	6,796,706	5,724,280	5,724,280	6,200,735
Support Services	12,124,728	13,082,419	13,619,785	14,831,988	14,831,988	14,972,243
Enterprise & Community Service	6,713	415	286,013	156,438	156,438	101,438
Other Uses	12,131,957	13,288,421	14,021,025	14,503,793	14,503,793	12,000,000
Total Expenditures by Function	30,145,121	31,619,569	34,723,529	35,216,499	35,216,499	33,274,416
By Category						
Salaries	9,214,553	9,351,394	11,675,672	11,893,717	11,893,717	12,136,424
Associated Payroll Costs	5,998,188	6,009,457	6,134,782	6,443,513	6,443,513	6,727,219
Purchased Services	2,505,931	2,580,214	2,466,392	1,923,853	1,923,853	1,952,850
Supplies and Materials	294,492	356,024	412,256	438,221	438,221	444,521
Capital Outlay		34,059	13,402	13,402	13,402	13,402
Transit Payments	12,131,957	13,288,421	14,021,025	14,503,793	14,503,793	12,000,000
Total Expenditures by Category	30,145,121	31,619,569	34,723,529	35,216,499	35,216,499	33,274,416

Multnomah Education Service District
2016-2017 Fiscal Year Annual Budget
2- Contracted Services Fund Summary

The Contracted Services Fund accounts for activities carried on for the benefit of participating local school districts, as well as food dispensing programs. The fund is self-supporting through grants and other reimbursements, mainly from the state and participating school districts. A maximum surcharge of 10% is added to the cost of services from this fund in order to cover the operating costs of the agency. Where grants specify a different overhead rate the lower rate is applied.

	Actual 2013-14	Actual 2014-15	Revised 2015-16	Proposed 2016-17	Approved 2016-17	Adopted 2016-17
Resources						
Beginning Fund Balance	6,854,522	4,807,487	4,365,467	3,258,014	3,258,014	3,367,980
Revenues						
Tuition From Individuals	1,826					
Services to Other LocalEdAgency	8,106,595	8,156,661	6,667,038	8,098,802	8,098,802	7,920,348
Services to Other Ed Agencies	26,311	29,131	36,000	15,000	15,000	15,000
E-Rate Revenue		51,758	43,000			
SSF School Lunch Match	2,699	2,600				
Mentoring Revenue - Students	1,604	109,520				
Other Restricted Grants In Aid	9,933	138,329	674			
Other State Revenue	4,100,903	4,345,289	5,469,578	4,840,725	4,840,725	4,840,725
ODE Contract Revenue	3,438,467	4,228,341	4,544,404	5,815,868	5,815,868	6,024,319
Medicaid Admin Claiming Rev	89,766	93,271	65,000	108,750	108,750	90,000
Medicaid SBHS Revenue	453,788	946,441	600,000	905,000	905,000	905,000
Restricted Revenue From Fed	222,428	222,061	230,000	259,193	259,193	252,838
Title I Revenue	408,382	407,039	431,290	444,201	444,201	530,141
ARRA Federal Stimulus Revenue	6,500					
Natnl School Lunch Program Rev	172,953	151,672	214,000	222,333	222,333	214,000
IDEA Revenue	93,222	199,544	77,200	50,398	50,398	50,398
Title II Revenue	78					
Perkins Grant (84.048)		5,573				
LAUNCH Grant	632,277	771,920	830,917			
Interest on Investments	1,494	1,555				
Sale of Meals-Reimb Programs	1,703	2,289				
Sale of Meals-NonReimb Program			250	250	250	250
Special Function Revenue	5,150	6,138	7,622	7,622	7,622	7,622
Sales- External	143	249	500	500	500	500
TSPC PDC Fees		7,704	10,000	10,000	10,000	10,000
Contributions	223,932	82,586	105,319	103,481	103,481	103,481
Recovery of Pr Yr Expenditures	6,024	(1,749)				
Miscellaneous Revenue	18,085	28,794	800	21,726	21,726	21,726
Services Provided Non-LEAs	303,030			15,000	15,000	15,000
Other Intermediate Sources		15,430				
Restricted-Intermediate Source	530,565	378,683	197,612	240,404	240,404	244,676
Total Revenues	18,857,858	20,380,829	19,531,204	21,159,253	21,159,253	21,246,024
TOTAL RESOURCES	25,712,380	25,188,316	23,896,671	24,417,267	24,417,267	24,614,004
Requirements						
Total Expenditures	19,046,164	19,495,617	20,249,649	20,322,399	20,322,399	20,165,539
Transfers Out						
Federal/State Indirect	1,087,749	993,232	1,381,196	1,140,917	1,140,917	1,159,291
To Facilities & Equip Reserves		334,000	352,739			
To Operating Funds	770,980		60,000	126,470	126,470	196,177

Fund Summary

Multnomah Education Service District
2016-2017 Fiscal Year Annual Budget
2- Contracted Services Fund Summary

	Actual 2013-14	Actual 2014-15	Revised 2015-16	Proposed 2016-17	Approved 2016-17	Adopted 2016-17
Total Transfers Out	1,858,729	1,327,232	1,793,935	1,267,387	1,267,387	1,355,468
Contingency			1,853,087	748,163	748,163	1,071,197
Total Budget	20,904,893	20,822,849	23,896,671	22,337,949	22,337,949	22,592,204
Ending Fund Balance	4,807,487	4,365,467		2,079,318	2,079,318	2,021,800
TOTAL REQUIREMENTS	25,712,380	25,188,316	23,896,671	24,417,267	24,417,267	24,614,004

EXPENDITURE PERSPECTIVES

By Department

Administration	7,133	2,851				
Technology Services	4,794,922	4,863,817	5,788,209	5,221,075	5,221,075	5,221,075
Special Education Services	3,800,025	4,026,246	4,152,464	4,212,057	4,212,057	4,231,686
School Health Services	3,454,134	2,853,811	3,248,614	2,444,648	2,444,648	2,444,747
Instructional Education Svcs	6,989,950	7,748,892	7,060,362	8,444,619	8,444,619	8,268,031
Total Expenditures by Department	19,046,164	19,495,617	20,249,649	20,322,399	20,322,399	20,165,539

By Function

Instruction	6,092,364	7,127,415	6,433,837	8,774,657	8,774,657	8,593,751
Support Services	6,534,781	6,744,590	7,422,791	6,397,808	6,397,808	6,421,854
Enterprise & Community Service	5,229,643	5,623,612	6,393,021	5,149,934	5,149,934	5,149,934
Other Uses	1,189,376					
Total Expenditures by Function	19,046,164	19,495,617	20,249,649	20,322,399	20,322,399	20,165,539

By Category

Salaries	7,549,955	7,756,268	7,486,566	8,833,183	8,833,183	8,646,550
Associated Payroll Costs	4,615,544	4,515,167	3,982,929	4,645,516	4,645,516	4,579,850
Purchased Services	5,134,519	6,092,124	8,002,036	5,842,542	5,842,542	6,018,470
Supplies and Materials	556,770	1,122,108	778,118	1,001,158	1,001,158	920,669
Capital Outlay		9,950				
Transit Payments	1,189,376					
Total Expenditures by Category	19,046,164	19,495,617	20,249,649	20,322,399	20,322,399	20,165,539

Multnomah Education Service District
2016-2017 Fiscal Year Annual Budget
3- Debt Service Fund Summary

The Debt Service Fund accounts for the principal and interest payments associated with the agency's two bond issues. The OSBA Limited Tax Pension Obligations, Series 2004 were sold to fund the District's Public Employees Retirement System (PERS) unfunded actuarial liability. A benefit expense is applied to all payrolls to generate the funds necessary to pay this debt service. The funding is then recognized in the Debt Service Fund as revenue for services to other funds. The second issue is the Full Faith & Credit Refunding Obligations, Series 2004. This general obligation issue refunded the 1997 Certificates of Participation (COP) originally used to fund the construction of Alpha High School and Arata Creek School. A portion of the debt service is expensed to the programs located at the schools and recorded in the Debt Service Fund as revenue for services to other funds; the remainder is funded by a transfer from the Operating Fund.

	Actual 2013-14	Actual 2014-15	Revised 2015-16	Proposed 2016-17	Approved 2016-17	Adopted 2016-17
Resources						
Beginning Fund Balance	20	35,521	5,990	10,990	10,990	10,990
Revenues						
Interest on Investments		5,990		5,000	5,000	5,000
Services - Other Funds	<u>2,416,255</u>	<u>2,468,885</u>	<u>2,639,498</u>	<u>2,775,022</u>	<u>2,775,022</u>	<u>2,775,022</u>
Total Revenues	<u>2,416,255</u>	<u>2,474,875</u>	<u>2,639,498</u>	<u>2,780,022</u>	<u>2,780,022</u>	<u>2,780,022</u>
Transfers In						
From Operating Funds	<u>546,606</u>	<u>546,588</u>	<u>538,500</u>	<u>519,500</u>	<u>519,500</u>	<u>519,500</u>
Total Transfers In	<u>546,606</u>	<u>546,588</u>	<u>538,500</u>	<u>519,500</u>	<u>519,500</u>	<u>519,500</u>
TOTAL RESOURCES	<u>2,962,881</u>	<u>3,056,984</u>	<u>3,183,988</u>	<u>3,310,512</u>	<u>3,310,512</u>	<u>3,310,512</u>
Requirements						
Total Expenditures	<u>2,927,360</u>	<u>3,050,994</u>	<u>3,177,998</u>	<u>3,294,522</u>	<u>3,294,522</u>	<u>3,294,522</u>
Total Budget	<u>2,927,360</u>	<u>3,050,994</u>	<u>3,177,998</u>	<u>3,294,522</u>	<u>3,294,522</u>	<u>3,294,522</u>
Ending Fund Balance	<u>35,521</u>	<u>5,990</u>	<u>5,990</u>	<u>15,990</u>	<u>15,990</u>	<u>15,990</u>
TOTAL REQUIREMENTS	<u>2,962,881</u>	<u>3,056,984</u>	<u>3,183,988</u>	<u>3,310,512</u>	<u>3,310,512</u>	<u>3,310,512</u>

EXPENDITURE PERSPECTIVES

By Department

Debt Services	<u>2,927,360</u>	<u>3,050,994</u>	<u>3,177,998</u>	<u>3,294,522</u>	<u>3,294,522</u>	<u>3,294,522</u>
Total Expenditures by Department	<u>2,927,360</u>	<u>3,050,994</u>	<u>3,177,998</u>	<u>3,294,522</u>	<u>3,294,522</u>	<u>3,294,522</u>

By Function

Debt Service	<u>2,927,360</u>	<u>3,050,994</u>	<u>3,177,998</u>	<u>3,294,522</u>	<u>3,294,522</u>	<u>3,294,522</u>
Total Expenditures by Function	<u>2,927,360</u>	<u>3,050,994</u>	<u>3,177,998</u>	<u>3,294,522</u>	<u>3,294,522</u>	<u>3,294,522</u>

By Category

Debt Service	<u>2,927,360</u>	<u>3,050,994</u>	<u>3,177,998</u>	<u>3,294,522</u>	<u>3,294,522</u>	<u>3,294,522</u>
Total Expenditures by Category	<u>2,927,360</u>	<u>3,050,994</u>	<u>3,177,998</u>	<u>3,294,522</u>	<u>3,294,522</u>	<u>3,294,522</u>

Multnomah Education Service District
2016-2017 Fiscal Year Annual Budget
4- Facilities & Equipment Reserve Fund Summary

This fund accounts for facility acquisitions and improvements as well as major maintenance projects. In addition, it also accounts for the accumulation of resources for future acquisition of major software, equipment and furniture. It is funded primarily by transfers from the Operating and Resolution Funds.

	Actual 2013-14	Actual 2014-15	Revised 2015-16	Proposed 2016-17	Approved 2016-17	Adopted 2016-17
Resources						
Beginning Fund Balance	1,799,934	1,585,565	1,408,209	1,081,802	1,081,802	1,035,022
Revenues						
E-Rate Revenue	83,172	40,214		40,000	40,000	40,000
Contributions			94,985			
Total Revenues	83,172	40,214	94,985	40,000	40,000	40,000
Transfers In						
From Resolution Services Funds	80,000	80,000	120,000	130,000	130,000	130,000
From Contract Services Funds		334,000	352,739			
From Operating Funds		115,000	90,000	40,000	40,000	40,000
Total Transfers In	80,000	529,000	562,739	170,000	170,000	170,000
TOTAL RESOURCES	1,963,106	2,154,779	2,065,933	1,291,802	1,291,802	1,245,022
Requirements						
Total Expenditures	377,541	746,571	1,109,355	432,323	432,323	403,323
Contingency			888,836	281,138	281,138	281,138
Total Budget	377,541	746,571	1,998,191	713,461	713,461	684,461
Ending Fund Balance	1,585,565	1,408,208	67,742	578,341	578,341	560,561
TOTAL REQUIREMENTS	1,963,106	2,154,779	2,065,933	1,291,802	1,291,802	1,245,022

Multnomah Education Service District
2016-2017 Fiscal Year Annual Budget
4- Facilities & Equipment Reserve Fund Summary

	Actual 2013-14	Actual 2014-15	Revised 2015-16	Proposed 2016-17	Approved 2016-17	Adopted 2016-17
EXPENDITURE PERSPECTIVES						
By Department						
Facilities Services	356,132	454,173	824,985	242,323	242,323	213,323
Technology Services	21,409	292,398	284,370	190,000	190,000	190,000
Total Expenditures by Department	377,541	746,571	1,109,355	432,323	432,323	403,323
By Function						
Instruction		58,518				
Support Services	142,476	688,053	1,069,355	427,323	427,323	398,323
Facilities Acq. & Construction	235,065		40,000	5,000	5,000	5,000
Total Expenditures by Function	377,541	746,571	1,109,355	432,323	432,323	403,323
By Category						
Salaries	3,400	6,878				
Associated Payroll Costs	392	795				
Purchased Services	118,541	600,911	1,046,616	432,323	432,323	403,323
Supplies and Materials	6,866	83,199	22,739			
Capital Outlay	248,342	54,788	40,000			
Total Expenditures by Category	377,541	746,571	1,109,355	432,323	432,323	403,323

Multnomah Education Service District
2016-2017 Fiscal Year Annual Budget
6- Operating Fund Summary

The Operating Fund accounts for the general operating costs of the agency. In accordance with Oregon Revised Statute 334.177, 10% of local revenues from the Resolution Services Fund are transferred to this fund. In addition, a maximum 10% surcharge in the Contracted Services Fund is credited to this fund as overhead revenue.

	Actual 2013-14	Actual 2014-15	Revised 2015-16	Proposed 2016-17	Approved 2016-17	Adopted 2016-17
Resources						
Beginning Fund Balance	4,049,642	4,108,152	2,908,751	3,027,014	3,027,014	3,043,219
Revenues						
Services to Other LocalEdAgency	67,102	33,179	6,000	38,834	38,834	38,834
E-Rate Revenue		9,027				
Interest on Investments	77,938	74,238	75,000	50,000	50,000	50,000
Special Function Revenue		24				
Sales- External	29					
Custodial Fees (Room Rentals)	75					
Fingerprinting Service Revenue	1,350	2,795	3,000	4,080	4,080	4,080
TSPC PDC Fees		7,880	11,936	9,925	9,925	9,925
Testing Service Revenue		1,610	2,000	6,225	6,225	6,225
Rental/Lease Income	78,633	33,085	23,940	23,940	23,940	23,940
Contributions		350				
Recovery of Pr Yr Expenditures	3,690	29,973				
Fees - Non-Component Districts		108,596	77,000	150,000	150,000	150,000
Miscellaneous Revenue	28,215	40,294	45,000	25,000	25,000	25,000
Restricted-Intermediate Source	5,559					
Sale of Fixed Assets	12,750					
Total Revenues	275,341	341,051	243,876	308,004	308,004	308,004
Transfers In						
Fees Charged to Grants	1,087,745	993,228	1,381,196	1,140,917	1,140,917	1,159,291
From Resolution Services Funds	3,385,130	3,473,233	3,790,000	3,854,919	3,854,919	3,859,969
From Contract Services Funds	770,980		60,000	126,470	126,470	196,177
From Risk Management Funds	84,241	65,708	22,778			
Total Transfers In	5,328,096	4,532,169	5,253,974	5,122,306	5,122,306	5,215,437
TOTAL RESOURCES	9,653,079	8,981,372	8,406,601	8,457,324	8,457,324	8,566,660
Requirements						
Total Expenditures	4,998,321	5,411,033	5,042,951	4,845,810	4,845,810	4,938,941
Transfers Out						
To Debt Service Funds	546,606	546,588	538,500	519,500	519,500	519,500
To Facilities & Equip Reserves		115,000	90,000	40,000	40,000	40,000
Total Transfers Out	546,606	661,588	628,500	559,500	559,500	559,500
Contingency			219,676	25,000	25,000	25,000
Total Budget	5,544,927	6,072,621	5,891,127	5,430,310	5,430,310	5,523,441
Ending Fund Balance	4,108,152	2,908,751	2,515,474	3,027,014	3,027,014	3,043,219
TOTAL REQUIREMENTS	9,653,079	8,981,372	8,406,601	8,457,324	8,457,324	8,566,660

Multnomah Education Service District
2016-2017 Fiscal Year Annual Budget
6- Operating Fund Summary

	Actual 2013-14	Actual 2014-15	Revised 2015-16	Proposed 2016-17	Approved 2016-17	Adopted 2016-17
EXPENDITURE PERSPECTIVES						
By Department						
Administration	682,509	1,197,962	728,955	852,774	852,774	852,773
Facilities Services	953,599	525,834	593,577	431,924	431,924	430,629
Business Services	841,805	853,242	846,221	880,083	880,083	890,082
Human Resources	794,422	730,764	766,562	607,610	607,610	680,609
Technology Services	1,120,516	1,604,468	1,549,789	1,379,394	1,379,394	1,379,393
Special Education Services	171,905	127,587	122,288	194,472	194,472	194,471
School Health Services	218,368	225,406	281,635	281,476	281,476	292,908
Instructional Education Svcs	215,197	145,770	153,924	218,077	218,077	218,076
Total Expenditures by Department	4,998,321	5,411,033	5,042,951	4,845,810	4,845,810	4,938,941
By Function						
Support Services	4,998,321	4,792,276	4,677,285	4,442,400	4,442,400	4,535,531
Enterprise & Community Service		618,757	365,666	403,410	403,410	403,410
Total Expenditures by Function	4,998,321	5,411,033	5,042,951	4,845,810	4,845,810	4,938,941
By Category						
Salaries	2,395,605	2,811,344	2,678,727	2,835,089	2,835,089	2,841,570
Associated Payroll Costs	1,568,528	1,724,629	1,471,439	1,397,441	1,397,441	1,471,041
Purchased Services	826,578	671,021	649,645	487,793	487,793	500,843
Supplies and Materials	185,917	163,981	243,140	125,487	125,487	125,487
Capital Outlay	21,693	40,058				
Total Expenditures by Category	4,998,321	5,411,033	5,042,951	4,845,810	4,845,810	4,938,941

Multnomah Education Service District
2016-2017 Fiscal Year Annual Budget
7- Risk Management Reserve Fund Summary

The purpose of this fund is to pay for costs associated with risk management activities including insurance premiums, activities to prevent or minimize exposure and incurred losses. A benefit expense is applied to all payrolls to generate the funds necessary to support these activities. The funding is then recognized in the Risk Management Fund as revenue for services to other funds. In the 2010-11 fiscal year a \$450 thousand PERS reserve was established in this fund to help offset the anticipated sharp increase in future PERS costs to the Operating Fund beginning in 2011-12. Annual transfers to the Operating Fund are intended to offset PERS costs as follows: 80% in 2011-12, 60% in 2012-13, 40% in 2013-14, 30% in 2014-15, and 10% in 2015-16.

	Actual 2013-14	Actual 2014-15	Revised 2015-16	Proposed 2016-17	Approved 2016-17	Adopted 2016-17
Resources						
Beginning Fund Balance	777,333	779,057	668,146	430,131	430,131	430,131
Revenues						
Miscellaneous Revenue	100,207	93,505				
Expenditure Subsidy	3,638	524		2,500	2,500	2,500
Services - Other Funds	591,364	601,807	591,919	696,000	696,000	696,000
Total Revenues	695,209	695,836	591,919	698,500	698,500	698,500
Transfers In						
Total Transfers In						
TOTAL RESOURCES	1,472,542	1,474,893	1,260,065	1,128,631	1,128,631	1,128,631
Requirements						
Total Expenditures	609,244	741,039	902,843	708,821	708,821	758,821
Transfers Out						
To Operating Funds	84,241	65,708	22,778			
Total Transfers Out	84,241	65,708	22,778			
Contingency			334,444	419,810	419,810	369,810
Total Budget	693,485	806,747	1,260,065	1,128,631	1,128,631	1,128,631
Ending Fund Balance	779,057	668,146				
TOTAL REQUIREMENTS	1,472,542	1,474,893	1,260,065	1,128,631	1,128,631	1,128,631

Multnomah Education Service District
2016-2017 Fiscal Year Annual Budget
7- Risk Management Reserve Fund Summary

	Actual 2013-14	Actual 2014-15	Revised 2015-16	Proposed 2016-17	Approved 2016-17	Adopted 2016-17
EXPENDITURE PERSPECTIVES						
By Department						
Administration	599,184	736,123	893,476	698,821	698,821	748,821
Human Resources	10,060	4,916	9,367	10,000	10,000	10,000
Total Expenditures by Department	609,244	741,039	902,843	708,821	708,821	758,821
By Function						
Support Services	609,244	741,039	902,843	708,821	708,821	758,821
Total Expenditures by Function	609,244	741,039	902,843	708,821	708,821	758,821
By Category						
Salaries	94,676	92,735	100,017	101,563	101,563	101,563
Associated Payroll Costs	56,204	55,360	49,014	50,626	50,626	50,626
Purchased Services	457,844	592,744	751,592	553,280	553,280	603,280
Supplies and Materials	520	200	2,220	3,352	3,352	3,352
Total Expenditures by Category	609,244	741,039	902,843	708,821	708,821	758,821

*Multnomah Education Service District
2016-2017 Adopted Budget*

Expenditures by Department

This section includes two documents per department. The first provides a brief description of the department, its primary funding sources, and a description of any significant changes in services, funding and FTE in the proposed budget. The next document displays the expenditure perspectives by category, division and fund followed by position summaries by division and fund.

Administration

Department Description: The purpose of Administration is to assist component district efforts in providing efficient and high quality education opportunities for students served.

The Superintendent serves as the Board's Executive Officer, Chief Administrator of MESD, Budget Officer, and Executive Officer of the Local Contract Review Board. The Superintendent is tasked with organizing the staff and facilities of MESD to optimize the quality of services and efficiency of operation and to delegate appropriate authority to members of the Administrative/Supervisory staff as necessary, in the judgment of the Superintendent, for the operation of MESD.

Administration also includes Communication Services which provides internal and external communications, media and community relations, fundraising and resource development, support for MESD's publications and websites, and coordinates agency events throughout the year.

Primary Funding Sources:

Operating Fund

Brief Description of significant department / service changes:

For 2016-17, a new Superintendent, Sam Breyer, will be in place.

Brief Description of significant funding changes:

No significant changes anticipated.

Brief Description of FTE changes:

The Superintendent position filled with a temporary employee in 2015-2016.

Multnomah Education Service District
2016-2017 Fiscal Year Annual Budget
Expenditures by Department
100- Administration

	Actual 2013-14	Actual 2014-15	Revised 2015-16	Proposed 2016-17	Approved 2016-17	Adopted 2016-17
EXPENDITURE PERSPECTIVES						
By Category						
Salaries	422,532	682,654	502,608	498,714	498,714	498,714
Associated Payroll Costs	244,678	345,088	257,302	225,791	225,791	225,790
Purchased Services	587,059	893,074	843,803	821,670	821,670	871,670
Supplies and Materials	37,022	18,606	21,198	7,900	7,900	7,900
Total by Category	1,291,291	1,939,422	1,624,911	1,554,075	1,554,075	1,604,074
By Division						
100 Board of Directors	75,138	264,675	58,300	223,160	223,160	223,160
110 Administration	391,619	700,530	446,702	479,290	479,290	479,289
160 Agency Support	599,184	736,123	893,476	698,821	698,821	748,821
300 Legal Services	1,492	79,974	76,872			
500 Communication Services	167,052	133,953	147,081	150,324	150,324	150,324
520 School Closure	2,465	2,486	2,480	2,480	2,480	2,480
530 Foundation	54,341	21,681				
Total by Division	1,291,291	1,939,422	1,624,911	1,554,075	1,554,075	1,604,074
By Fund						
1 Resolution Services	2,465	2,486	2,480	2,480	2,480	2,480
2 Contracted Services	7,133	2,851				
6 Operating	682,509	1,197,962	728,955	852,774	852,774	852,773
7 Risk Management Reserve	599,184	736,123	893,476	698,821	698,821	748,821
Total by Fund	1,291,291	1,939,422	1,624,911	1,554,075	1,554,075	1,604,074
FTE SUMMARY						
By Division						
110 Administration	2.00	3.50	2.50	2.50	2.50	2.50
160 Agency Support	1.00	1.00	1.00	1.00	1.00	1.00
300 Legal Services		.40	.40			
500 Communication Services	1.00	1.00	1.00	1.00	1.00	1.00
530 Foundation	.85	.22				
Total Number of FTE	4.85	6.12	4.90	4.50	4.50	4.50
By Fund						
6 Operating	3.85	5.12	3.90	3.50	3.50	3.50
7 Risk Management Reserve	1.00	1.00	1.00	1.00	1.00	1.00
Total Number of FTE	4.85	6.12	4.90	4.50	4.50	4.50

Facilities

Department Description: The Facilities Services department provides high quality project management, maintenance, custodial and transportation services to all MESD-operated sites. In addition, the department provides mail distribution and office supply services to all ESD facilities. Services include:

The Facilities Service team takes an active role in suggesting, planning and budgeting for capital projects. Once projects are approved, Facilities Service administers and manages these projects from bid process through completion.

The Facilities Maintenance team provides a wide variety of repairs and support services including everything from roof repair to rearranging furniture. All repairs related to MESD buildings are either directly conducted by or supervised by Facilities staff.

The Custodial staff provides services to the five locations operated by MESD. They ensure that all the buildings are cleaned nightly during the school year and also perform minor repairs, and moving materials.

Ainsworth Mail/Supply Room staff provides mail support for all agency staff as well as maintains a ready supply of forms and other office supplies.

The transportation side of the department provides courier and transportation services between the MESD locations, MESD component districts, and school districts in Clackamas ESD and NW Regional ESD.

Primary Funding Sources:

Resolution, contract and operating funds

Brief Description of significant department / service changes:

No significant changes anticipated

Brief Description of significant funding changes:

No significant changes anticipated

Brief Description of FTE changes:

Addition of 1 custodian to support increasing enrollment at Wheatley and Arata/Burlingame Creek schools. A reporting error has caused the number of FTE reported for FY 2015-16 and the 2016-17 Proposed & Approved Budgets to show 8.75 when it should have been 9.75.

Multnomah Education Service District
2016-2017 Fiscal Year Annual Budget
Expenditures by Department
150- Facilities Services

	Actual 2013-14	Actual 2014-15	Revised 2015-16	Proposed 2016-17	Approved 2016-17	Adopted 2016-17
EXPENDITURE PERSPECTIVES						
By Category						
Salaries	280,978	263,071	256,322	268,864	268,864	266,913
Associated Payroll Costs	185,148	168,551	159,810	162,073	162,073	159,679
Purchased Services	559,340	478,652	941,362	227,257	227,257	201,307
Supplies and Materials	72,790	97,692	54,700	51,800	51,800	51,800
Capital Outlay	248,342	6,900	40,000			
Total by Category	1,346,598	1,014,866	1,452,194	709,994	709,994	679,699
By Division						
150 Facility Services	1,328,744	925,157	1,429,194	686,994	686,994	656,699
510 Printing & Graphics	17,854	31,191	23,000	23,000	23,000	23,000
750 Special Education		58,518				
Total by Division	1,346,598	1,014,866	1,452,194	709,994	709,994	679,699
By Fund						
1 Resolution Services	36,867	34,859	33,632	35,747	35,747	35,747
4 Facilities & Equipment Reserve	356,132	454,173	824,985	242,323	242,323	213,323
6 Operating	953,599	525,834	593,577	431,924	431,924	430,629
Total by Fund	1,346,598	1,014,866	1,452,194	709,994	709,994	679,699
FTE SUMMARY						
By Division						
150 Facility Services	9.50	8.75	8.75	8.75	8.75	10.75
Total Number of FTE	9.50	8.75	8.75	8.75	8.75	10.75
By Fund						
1 Resolution Services	.50	.50	.50	.50	.50	.50
6 Operating	9.00	8.25	8.25	8.25	8.25	10.25
Total Number of FTE	9.50	8.75	8.75	8.75	8.75	10.75

Business Services

Department Description:

Business Services provides accounting, financial, budgeting, payroll, and purchasing services to the MESD.

Fiscal Services include preparing the annual budget, preparing and maintaining the resolution service plan, preparing requests for proposals and managing bid and procurement processes, audit services and comprehensive annual financial report preparation, and providing fiscal leadership to the organization. Accounting Services performs all accounts payable, accounts receivable, and general ledger functions for the agency. Payroll Services performs all payroll functions for the agency.

Primary Funding Sources:

Operating Fund.

Brief Description of significant department / service changes:

No significant changes anticipated

Brief Description of significant funding changes:

No significant changes anticipated

Brief Description of FTE changes:

Due to budgetary constraints, the department did not hire a vacant position in 2015-16. The position is included in the 2016-17 Adopted Budget.

Multnomah Education Service District
2016-2017 Fiscal Year Annual Budget
Expenditures by Department
200- Business Services

	Actual 2013-14	Actual 2014-15	Revised 2015-16	Proposed 2016-17	Approved 2016-17	Adopted 2016-17
EXPENDITURE PERSPECTIVES						
By Category						
Salaries	476,502	479,768	496,872	511,814	511,814	511,814
Associated Payroll Costs	298,746	286,236	260,309	275,294	275,294	275,293
Purchased Services	57,354	83,027	81,065	85,425	85,425	95,425
Supplies and Materials	9,203	4,211	7,975	7,550	7,550	7,550
Transit Payments	12,131,957	13,288,421	14,021,025	14,503,793	14,503,793	12,000,000
Total by Category	12,973,762	14,141,663	14,867,246	15,383,876	15,383,876	12,890,082
By Division						
210 Business Services Admin	365,731	359,590	169,213	175,328	175,328	175,327
220 Fiscal Services	286,663	302,277	677,008	704,755	704,755	714,755
221 Fiscal Services-Transits	12,131,957	13,288,421	14,021,025	14,503,793	14,503,793	12,000,000
240 Payroll Services	189,411	191,375				
Total by Division	12,973,762	14,141,663	14,867,246	15,383,876	15,383,876	12,890,082
By Fund						
1 Resolution Services	12,131,957	13,288,421	14,021,025	14,503,793	14,503,793	12,000,000
6 Operating	841,805	853,242	846,221	880,083	880,083	890,082
Total by Fund	12,973,762	14,141,663	14,867,246	15,383,876	15,383,876	12,890,082
FTE SUMMARY						
By Division						
210 Business Services Admin	3.00	3.00	1.00	1.00	1.00	1.00
220 Fiscal Services	3.00	3.00	7.00	7.00	7.00	7.00
240 Payroll Services	2.00	2.00				
Total Number of FTE	8.00	8.00	8.00	8.00	8.00	8.00
By Fund						
6 Operating	8.00	8.00	8.00	8.00	8.00	8.00
Total Number of FTE	8.00	8.00	8.00	8.00	8.00	8.00

Human Resources

Department Description: The Human Resources department supports the MESD community to succeed in the delivery of services to children and families by providing resources and knowledge to meet their personal and professional needs. This is accomplished through the recruitment and hiring of quality permanent and temporary staff, administration of employee benefits, management of worker's compensation and leaves of absences, and tracking of licensure and professional development.

Primary Funding Sources:

Operating Fund

Brief Description of significant department / service changes:

Starting in 2016-2017, a permanent HR Director will be in place.

Brief Description of significant funding changes:

No significant changes anticipated

Brief Description of FTE changes:

The HR Director position was partially filled with a temporary contract employee in 2015-16.

Multnomah Education Service District
2016-2017 Fiscal Year Annual Budget
Expenditures by Department
400- Human Resources

	Actual 2013-14	Actual 2014-15	Revised 2015-16	Proposed 2016-17	Approved 2016-17	Adopted 2016-17
EXPENDITURE PERSPECTIVES						
By Category						
Salaries	375,850	339,055	399,961	380,405	380,405	380,405
Associated Payroll Costs	364,590	314,602	300,157	181,591	181,591	254,590
Purchased Services	48,283	64,539	59,809	31,482	31,482	31,482
Supplies and Materials	15,759	17,484	16,002	24,132	24,132	24,132
Total by Category	804,482	735,680	775,929	617,610	617,610	690,609
By Division						
400 Human Resources	804,482	735,680	775,929	617,610	617,610	690,609
Total by Division	804,482	735,680	775,929	617,610	617,610	690,609
By Fund						
6 Operating	794,422	730,764	766,562	607,610	607,610	680,609
7 Risk Management Reserve	10,060	4,916	9,367	10,000	10,000	10,000
Total by Fund	804,482	735,680	775,929	617,610	617,610	690,609
FTE SUMMARY						
By Division						
400 Human Resources	6.67	6.26	6.60	6.00	6.00	6.00
Total Number of FTE	6.67	6.26	6.60	6.00	6.00	6.00
By Fund						
6 Operating	6.67	6.26	6.60	6.00	6.00	6.00
Total Number of FTE	6.67	6.26	6.60	6.00	6.00	6.00

Technology Services

Department Description: Multnomah ESD is a founding member of the Cascade Technology Alliance (CTA). This organization is created through the participation of the Multnomah ESD, Columbia Gorge ESD, Northwest Regional ESD, and Willamette ESD technology departments. The technology staffs from these ESDs have combined to form a single organizational group that serves their 53 constituent districts, as well as other public and nonprofit agencies in need of technology solutions.

The Technology Services department provides services both to the component districts through resolution and contracted services as well as internally to MESD. The goal of Technology Services is to deliver administrative computer technology and support designed to increase the component district's efficiency and improve internal and external communications. The services fall into four primary categories: Student Information Services, Business Systems Support, Network Services, and Internal Agency Support.

Student Information Services provides comprehensive computer services for administrative student applications. CTA supports a web-based student information system with access for administrators, teachers and professional staff concerned with the management of student records. This integrated system includes demographics, scheduling, attendance, progress/grade reporting, graduation requirement tracking, state reporting, special education, and grade book access for parents and students.

Business Systems Support provides extensive integrated administrative, financial and human resource computer systems. CTA supports a web-based financial and human resources system.

The Network Services division manages the Wide Area Network (WAN). Management of the WAN responsibilities includes deployment of updated routers, router maintenance, network management and connection to the Internet, and other emerging networks.

Lastly, Internal Agency Support provides Local Area Network (LAN) and desktop support services. Internal Agency Support provides industry standards based hardware and software to MESD employees and students.

Primary Funding Sources:

Resolution, contracted, and operating funds

Brief Description of significant department / service changes:

No significant changes anticipated

Brief Description of significant funding changes:

No significant changes anticipated

Brief Description of FTE changes:

No significant changes anticipated

Multnomah Education Service District
2016-2017 Fiscal Year Annual Budget
Expenditures by Department
600- Technology Services

	Actual 2013-14	Actual 2014-15	Revised 2015-16	Proposed 2016-17	Approved 2016-17	Adopted 2016-17
EXPENDITURE PERSPECTIVES						
By Category						
Salaries	2,373,850	2,460,918	2,605,216	2,713,472	2,713,472	2,713,472
Associated Payroll Costs	1,341,321	1,415,247	1,275,562	1,315,235	1,315,235	1,315,234
Purchased Services	5,063,361	5,501,224	6,122,320	5,520,191	5,520,191	5,579,579
Supplies and Materials	107,388	173,327	243,429	115,770	115,770	115,770
Capital Outlay	21,693	122,005	13,402	13,402	13,402	13,402
Total by Category	8,907,613	9,672,721	10,259,929	9,678,070	9,678,070	9,737,457
By Division						
610 Student Applications	1,666,195	1,802,778	1,424,579	1,408,615	1,408,615	1,419,503
620 Business Applications	129,876	52,072	50,156	276,270	276,270	276,270
630 Infrastructure Services	1,206,339	1,225,665	1,333,019	1,514,204	1,514,204	1,562,704
640 Internal Agency Support	957,433	940,700	1,157,542	777,256	777,256	777,255
650 Application Development	550,648	430,682	477,669	463,716	463,716	463,716
660 Substitute Registration	160,206	168,932	157,110	77,240	77,240	77,240
695 Support Services	4,236,916	5,051,892	5,659,854	5,160,769	5,160,769	5,160,769
Total by Division	8,907,613	9,672,721	10,259,929	9,678,070	9,678,070	9,737,457
By Fund						
1 Resolution Services	2,970,766	2,912,038	2,637,561	2,887,601	2,887,601	2,946,989
2 Contracted Services	4,794,922	4,863,817	5,788,209	5,221,075	5,221,075	5,221,075
4 Facilities & Equipment Reserve	21,409	292,398	284,370	190,000	190,000	190,000
6 Operating	1,120,516	1,604,468	1,549,789	1,379,394	1,379,394	1,379,393
Total by Fund	8,907,613	9,672,721	10,259,929	9,678,070	9,678,070	9,737,457
FTE SUMMARY						
By Division						
610 Student Applications	11.00	10.70	14.00	15.00	15.00	15.00
620 Business Applications	.30	.15	.15	1.37	1.37	1.37
630 Infrastructure Services	2.78	2.63	2.83	2.83	2.83	2.83
640 Internal Agency Support	7.15	7.50	7.66	5.44	5.44	5.44
650 Application Development	5.82	3.10	3.35	3.00	3.00	3.00
660 Substitute Registration	1.00	1.00				
695 Support Services	6.00	8.67	7.76	8.11	8.11	8.11
Total Number of FTE	34.05	33.75	35.75	35.75	35.75	35.75
By Fund						
1 Resolution Services	14.48	14.38	16.98	17.83	17.83	17.83
2 Contracted Services	11.82	5.60	6.78	6.58	6.58	6.58
6 Operating	7.75	13.77	11.99	11.34	11.34	11.34
Total Number of FTE	34.05	33.75	35.75	35.75	35.75	35.75

Special Education Services

Department Description: The Special Education Services Department (SPED) provides special education services for students K-21 to our component districts as well as to districts outside of Multnomah County. Staff includes teachers, educational assistants, behavioral and instructional consultants, school psychologists, speech pathologists, physical therapists, assistive technology consultants, occupational therapists, various levels of support staff, supervisors and a coordinator. This includes program services for students at Arata Creek and Wheatley Schools. Special Education Services collaborates with community organizations and our component districts to ensure that every child with a disability is provided the best educational opportunities available.

The SPED department is organized into Functional Living Skills (FLS), FLS Alternative at Wheatley School, Arata/Burlingame Creeks, and Related Services. In addition, each division is comprised of several programs.

Primary Funding Sources:

Resolution funds and contracts for service, IDEA, federal grants, and ODE sub-grants

Brief Description of significant department / service changes:

Increased the number of classrooms at Arata and Burlingame Creek Schools.

Brief Description of significant funding changes:

No significant changes anticipated

Brief Description of FTE changes:

No significant changes anticipated

Multnomah Education Service District
2016-2017 Fiscal Year Annual Budget
Expenditures by Department
700- Special Education Services

	Actual 2013-14	Actual 2014-15	Revised 2015-16	Proposed 2016-17	Approved 2016-17	Adopted 2016-17
EXPENDITURE PERSPECTIVES						
By Category						
Salaries	5,249,126	5,515,298	5,997,251	6,213,649	6,213,649	6,648,909
Associated Payroll Costs	3,595,976	3,629,243	3,455,091	3,743,118	3,743,118	4,080,751
Purchased Services	1,348,712	1,717,492	2,672,608	736,329	736,329	804,037
Supplies and Materials	132,971	293,788	278,894	355,233	355,233	391,464
Transit Payments	1,189,376					
Total by Category	11,516,161	11,155,821	12,403,844	11,048,329	11,048,329	11,925,161
By Division						
710 EI/ECSE	1,792,450	819,587	1,375,026	81,025	81,025	81,025
750 Special Education	7,529,499	7,906,605	8,288,012	7,610,849	7,610,849	7,965,512
780 Related Services	1,013,753	919,713	1,123,638	1,067,124	1,067,124	1,164,534
960 Arata Creek	1,180,459	1,509,916	1,617,168	2,289,331	2,289,331	2,714,090
Total by Division	11,516,161	11,155,821	12,403,844	11,048,329	11,048,329	11,925,161
By Fund						
1 Resolution Services	7,544,231	7,001,988	8,129,092	6,641,800	6,641,800	7,499,004
2 Contracted Services	3,800,025	4,026,246	4,152,464	4,212,057	4,212,057	4,231,686
6 Operating	171,905	127,587	122,288	194,472	194,472	194,471
Total by Fund	11,516,161	11,155,821	12,403,844	11,048,329	11,048,329	11,925,161
FTE SUMMARY						
By Division						
710 EI/ECSE	1.00	5.91	2.84	1.00	1.00	1.00
750 Special Education	125.39	122.28	105.52	102.71	102.71	106.98
780 Related Services	4.26	7.20	8.38	12.92	12.92	14.48
960 Arata Creek	12.30	14.33	18.73	26.22	26.22	30.43
Total Number of FTE	142.95	149.72	135.47	142.85	142.85	152.89
By Fund						
1 Resolution Services	100.72	101.02	105.99	89.68	89.68	100.00
2 Contracted Services	41.73	48.00	28.78	51.48	51.48	51.20
6 Operating	.50	.70	.70	1.69	1.69	1.69
Total Number of FTE	142.95	149.72	135.47	142.85	142.85	152.89

School Health Services

Department Description: The Department of School Health Services (SHS) provides and coordinates specialized health services that support the educational experience for students enrolled in our component districts as well as some Clackamas County districts. Staff includes nurses, school health assistants, support staff, outreach and eligibility specialists, audiologists and immunization specialists. The department coordinates the services MESD staff provides to students with parents and families, school district staff, community health care providers, health care systems, local and state health departments, hospital staff, and other community partners. The department works to ensure that all areas of health and education are supported for our students' physical, emotional and mental well-being. Together, an essential connection is formed between health and education helping Oregon achieve its vision for health and education transformation.

The Department of School Health Services is comprised of many programs, including population-based nursing services, contracted and grant funded nursing services, special needs nursing including 1:1 nursing for students with complex health needs, nurse consultation, immunization tracking and monitoring, communicable disease surveillance, health education and training, health insurance eligibility and enrollment services.

Primary Funding Sources:

Resolution Funds, Local District Contracts

Brief Description of significant department / service changes:

Expansion of the School Health Assistant (SHA) program in Portland Public Schools to include four clusters: Madison, Jefferson, Roosevelt, and Franklin. SHAs will be the primary point of contact in each K-8 School 4-7 hours per day under the oversight of a registered nurse.

Brief Description of significant funding changes:

Supervisors, administrative support staff, and the nurse consultant time has been reallocated to accurately reflect how their time is being spent in each program.

Brief Description of FTE changes:

The expansion of the service requires the addition of one nursing supervisor, ~ 30 new SHAs, and a decrease in the number of registered nurses in the department. The Float Nurse will be eliminated from the school nursing program. Admin staff vacancies have been filled to and allocated to best meet programs need program needs.

Multnomah Education Service District
2016-2017 Fiscal Year Annual Budget
Expenditures by Department
800- School Health Services

	Actual 2013-14	Actual 2014-15	Revised 2015-16	Proposed 2016-17	Approved 2016-17	Adopted 2016-17
EXPENDITURE PERSPECTIVES						
By Category						
Salaries	5,278,383	5,107,652	6,080,063	6,175,445	6,175,445	6,161,133
Associated Payroll Costs	3,328,978	3,170,106	3,121,515	3,209,133	3,209,133	3,198,313
Purchased Services	128,714	457,145	363,849	131,831	131,831	131,831
Supplies and Materials	153,627	122,129	184,409	200,872	200,872	200,872
Total by Category	8,889,702	8,857,032	9,749,836	9,717,281	9,717,281	9,692,149
By Division						
450 Employee Committees		9,752		26,232	26,232	26,232
810 Health Services	8,889,702	8,847,280	9,749,836	9,691,049	9,691,049	9,665,917
Total by Division	8,889,702	8,857,032	9,749,836	9,717,281	9,717,281	9,692,149
By Fund						
1 Resolution Services	5,217,200	5,777,815	6,219,587	6,991,157	6,991,157	6,954,494
2 Contracted Services	3,454,134	2,853,811	3,248,614	2,444,648	2,444,648	2,444,747
6 Operating	218,368	225,406	281,635	281,476	281,476	292,908
Total by Fund	8,889,702	8,857,032	9,749,836	9,717,281	9,717,281	9,692,149
FTE SUMMARY						
By Division						
450 Employee Committees				.25	.25	.25
810 Health Services	109.62	111.58	107.75	124.40	124.40	123.47
Total Number of FTE	109.62	111.58	107.75	124.65	124.65	123.72
By Fund						
1 Resolution Services	64.18	67.17	69.36	91.42	91.42	90.38
2 Contracted Services	43.94	42.91	36.89	27.07	27.07	27.27
6 Operating	1.50	1.50	1.50	6.16	6.16	6.07
Total Number of FTE	109.62	111.58	107.75	124.65	124.65	123.72

Instructional Services

Department Description: The Instructional Services department provides a variety of value added services to teachers, administrators, para-educators, students and parents in our component districts as well as to districts outside of Multnomah County.

Students in MESD's educational programs receive comprehensive educational support, social services, career training, college assistance, environmental education, and specialized education services within one or more of the following programs and/or schools: Incarcerated Programs, Helensview, Home School Registration, Migrant Education, and Outdoor School. These programs emphasize compassion for others, nonviolent ways of settling disputes, resiliency to handle life's challenges, and preparation for college, work, parenthood, and civic responsibility.

Instructional Services provides instruction for students enrolled in regional programs, instructional support for schools, and professional development for educators on a wide range of topics. These programs offer a variety of enrichment and enhancement opportunities which complement instruction within our component districts.

Primary Funding Sources:

Resolution Funds, Local District Contracts, ODE Contracts

Brief Description of significant department / service changes:

Department services change to meet the needs of component districts and the regional student population.

Brief Description of significant funding changes:

We continually seek additional contract and grant opportunities to serve the needs of children and families.

Brief Description of FTE changes:

FTE changes are a result of changes in service requests and contracts.

Multnomah Education Service District
2016-2017 Fiscal Year Annual Budget
Expenditures by Department
900- Instructional Education Svcs

	Actual 2013-14	Actual 2014-15	Revised 2015-16	Proposed 2016-17	Approved 2016-17	Adopted 2016-17
EXPENDITURE PERSPECTIVES						
By Category						
Salaries	4,800,968	5,170,203	5,602,689	6,901,189	6,901,189	6,544,747
Associated Payroll Costs	2,879,419	2,976,335	2,808,418	3,424,861	3,424,861	3,319,086
Purchased Services	1,250,590	1,341,861	1,831,465	1,685,606	1,685,606	1,763,435
Supplies and Materials	515,805	998,275	651,866	804,961	804,961	694,541
Capital Outlay		9,950				
Total by Category	9,446,782	10,496,624	10,894,438	12,816,617	12,816,617	12,321,809
By Division						
750 Special Education	39,648	28,510	36,561	29,326	29,326	
850 Social Services	2,217,103	2,470,392	2,743,880	3,532,530	3,532,530	3,684,097
900 Instructional Services	263,353	627,918	275,958	312,397	312,397	254,950
910 Curriculum & Instruction	457,230	532,395	525,916	685,920	685,920	680,069
920 Outdoor School	1,820,891	1,900,348	2,677,737	2,931,476	2,931,476	2,779,417
940 Alpha	717,253	777,614				
950 Helensview	1,802,970	1,774,341	2,114,688	2,557,604	2,557,604	2,166,327
970 Youth Correction Education	1,593,121	1,828,105	1,984,124	2,244,166	2,244,166	2,154,907
980 Alternative Pathways	216,987	220,745	216,613	238,122	238,122	238,122
990 Migrant Education	318,226	336,256	318,961	285,076	285,076	363,920
Total by Division	9,446,782	10,496,624	10,894,438	12,816,617	12,816,617	12,321,809
By Fund						
1 Resolution Services	2,241,635	2,601,962	3,680,152	4,153,921	4,153,921	3,835,702
2 Contracted Services	6,989,950	7,748,892	7,060,362	8,444,619	8,444,619	8,268,031
6 Operating	215,197	145,770	153,924	218,077	218,077	218,076
Total by Fund	9,446,782	10,496,624	10,894,438	12,816,617	12,816,617	12,321,809
FTE SUMMARY						
By Division						
750 Special Education	.88	.44	1.00	.88	.88	
850 Social Services	25.28	25.91	31.76	38.46	38.46	41.14
900 Instructional Services	1.74	1.54	2.29	2.81	2.81	2.15
910 Curriculum & Instruction	3.55	3.95	4.10	6.10	6.10	6.03
920 Outdoor School	8.24	8.24	11.15	11.56	11.56	11.56
940 Alpha	6.25	7.60				
950 Helensview	18.91	18.07	21.38	23.72	23.72	20.19
970 Youth Correction Education	18.79	18.86	22.05	24.42	24.42	24.28
980 Alternative Pathways	3.16	3.10	3.06	2.97	2.97	2.97
990 Migrant Education	3.65	3.65	3.88	3.77	3.77	3.77
Total Number of FTE	90.45	91.36	100.67	114.69	114.69	112.09
By Fund						
1 Resolution Services	21.06	24.65	24.49	31.36	31.36	30.11
2 Contracted Services	68.05	65.57	75.04	81.69	81.69	80.34
6 Operating	1.34	1.14	1.14	1.64	1.64	1.64
Total Number of FTE	90.45	91.36	100.67	114.69	114.69	112.09

Debt Service and Facilities & Equipment Reserve Expenditures

This section completes the budget picture by providing additional information describing details on the Agency's debt issues and upcoming capital maintenance and equipment reserve expenditures.

Multnomah Education Service District

Debt Service Schedule

PERS UAL Bonding OSBA Limited Tax Pension Obligations, Series 2004

2004 Refunding of 1997 Full Faith Credit Obligation (FFCO)

Total Debt Service (Fund 3)

Period Ending	Principal	Coupon	Interest	Debt Service	Total Annual Debt Service	Principal Balance Remaining	Principal	Interest	Debt Service	Total Annual Debt Service	Principal Balance Remaining	Principal Paid	Interest Paid	Annual Debt Service	Balance	Year End
Dec-2011			883,658	883,658				55,065	55,065							
Jun-2012	375,000	4.59%	883,658	1,258,658	2,142,316	32,330,000	440,000	55,065	495,065	550,130	2,415,000	815,000	1,877,446	2,692,446	34,745,000	6/30/2012
Dec-2012			875,055	875,055				46,265	46,265							
Jun-2013	510,000	4.77%	875,055	1,385,055	2,260,111	31,820,000	455,000	46,265	501,265	547,530	1,960,000	965,000	1,842,641	2,807,641	33,780,000	6/30/2013
Dec-2013			862,884	862,884				38,303	38,303							
Jun-2014	655,000	4.79%	862,884	1,517,884	2,380,768	31,165,000	470,000	38,303	508,303	546,605	1,490,000	1,125,000	1,802,373	2,927,373	32,655,000	6/30/2014
Dec-2014			847,187	847,187				28,315	28,315							
Jun-2015	810,000	4.92%	847,187	1,657,187	2,504,374	30,355,000	490,000	28,315	518,315	546,630	1,000,000	1,300,000	1,751,004	3,051,004	31,355,000	6/30/2015
Dec-2015			827,249	827,249				19,250	19,250							
Jun-2016	985,000	5.02%	827,249	1,812,249	2,639,498	29,370,000	500,000	19,250	519,250	538,500	500,000	1,485,000	1,692,998	3,177,998	29,870,000	6/30/2016
Dec-2016			802,511	802,511				9,750	9,750							
Jun-2017	1,170,000	5.12%	802,511	1,972,511	2,775,021	28,200,000	500,000	9,750	509,750	519,500	0	1,670,000	1,624,521	3,294,521	28,200,000	6/30/2017
Dec-2017			772,541	772,541												
Jun-2018	1,375,000	5.22%	772,541	2,147,541	2,920,082	26,825,000						1,375,000	1,545,082	2,920,082	26,825,000	6/30/2018
Dec-2018			736,633	736,633												
Jun-2019	1,595,000	5.32%	736,633	2,331,633	3,068,266	25,230,000						1,595,000	1,473,266	3,068,266	25,230,000	6/30/2019
Dec-2019			694,182	694,182												
Jun-2020	1,835,000	5.37%	694,182	2,529,182	3,223,364	23,395,000						1,835,000	1,388,364	3,223,364	23,395,000	6/30/2020
Dec-2020			644,885	644,885												
Jun-2021	2,095,000	5.42%	644,885	2,739,885	3,384,770	21,300,000						2,095,000	1,289,770	3,384,770	21,300,000	6/30/2021
Dec-2021			588,079	588,079												
Jun-2022	2,375,000	5.47%	588,079	2,963,079	3,551,158	18,925,000						2,375,000	1,176,158	3,551,158	18,925,000	6/30/2022
Dec-2022			523,087	523,087												
Jun-2023	2,680,000	5.53%	523,087	3,203,087	3,726,174	16,245,000						2,680,000	1,046,174	3,726,174	16,245,000	6/30/2023
Dec-2023			449,012	449,012												
Jun-2024	3,015,000	5.53%	449,012	3,464,012	3,913,024	13,230,000						3,015,000	898,024	3,913,024	13,230,000	6/30/2024
Dec-2024			365,677	365,677												
Jun-2025	3,370,000	5.53%	365,677	3,735,677	4,101,354	9,860,000						3,370,000	731,354	4,101,354	9,860,000	6/30/2025
Dec-2025			272,530	272,530												
Jun-2026	3,755,000	5.53%	272,530	4,027,530	4,300,061	6,105,000						3,755,000	545,061	4,300,061	6,105,000	6/30/2026
Dec-2026			168,742	168,742												
Jun-2027	4,170,000	5.53%	168,742	4,338,742	4,507,484	1,935,000						4,170,000	337,484	4,507,484	1,935,000	6/30/2027
Dec-2027			53,483	53,483												
Jun-2028	1,935,000	5.53%	53,483	1,988,483	2,041,967	0						1,935,000	106,967	2,041,967	0	6/30/2028

Facilities and Equipment Reserve Plan

Summary of Significant Changes from 2015-16

Facilities

Repairs, Replacements & Improvements:

The 2016-17 fiscal year is the third year most repairs, equipment replacements, and building improvements will be recorded in Fund 4. Expenditures will be funded by an ongoing transfer from the Operating Fund and will help to reduce the financial impact of fluctuations from one year to the next. The District continues to monitor the fund activity and will review transfer amounts annually.

Ainsworth Building:

Due to positive roof inspection reports, we are once again going to delay the replacement of the roof. The adopted budget keeps the estimated \$300 thousand for the project in the ending fund balance for next year.

Major upgrades to HVAC system are almost complete for the transition of our building from the aging pneumatic controls to Direct Digital Controls (DDC). Energy Trust of Oregon was able to provide us with funding for the project to help offset the cost.

Burlingame Creek and Arata Creek Buildings:

Many upgrades occurred this year at the Burlingame Creek (formerly Alpha High School) to expand the FLS program housed at Arata Creek. Arata Creek will also see a long-awaited playground this spring.

Re-carpeting at Alpha and Arata Creek will occur in 2016-17 as well as the installation of new non-proprietary fire panels.

Wheatley and Helensview Buildings:

Many upgrades also occurred in 2015-16 at our buildings leased from Parkrose School District. No additional significant changes are planned at this time.

Technology Services**Student Information Services:**

Major vendor supplied software enhancements are anticipated in 2016-17.

Business Systems Support:

Business Services is requesting an efficiency and maintenance review of SunGard BusinessPLUS in hopes to increase productivity. This may require upgrades to the existing software.

Network Services:

No expenditures are planned for the upcoming year. Funds are being accumulated for network hardware replacement in 2019-20.

Agency Services:

Funds will be used for general technology equipment for the agency, not including personal computers which are still purchased by the departments.

Multnomah Education Service District
FY2017 Facilities & Equipment Reserve Plan
Fund 4
Facilities Services Plan

	Estimated FY2016	Adopted FY2017	Projected			
			FY2018	FY2019	FY2020	FY2021
Ainsworth (1989)						
Carpet Replacement (common areas)		20,000				
Window Tinting	20,423					
HVAC Computer Controls	41,000					
HVAC Control System Upgrade	274,300					
Parking Lot Resealing and Painting	9,840					
Patio & Shed Repairs	44,425					
Other Facilities Projects		6,888				
Roof Replacement (25yr)			300,000			
Non-routine Repairs & Maintenance	35,012	15,000	15,000	15,000	15,000	15,000
Subtotal	425,000	41,888	315,000	15,000	15,000	15,000
Burlingame Creek "Alpha" (1998)						
Repairs & Maintenance (non-routine)	68,500	8,471	10,000	10,000	10,000	10,000
HVAC Computer Controls	18,000					
Building Safety Improvements	113,500					
Basketball Court Cover	75,000					
Carpet Replacement (15 yr)		40,000				
Fire Panel		20,000				
Roof Replacement (20yr)				80,000		
Subtotal	275,000	68,471	10,000	90,000	10,000	10,000
Arata Creek (1999)						
Repairs & Maintenance (non-routine)	31,000	14,958	10,000	10,000	10,000	10,000
HVAC Computer Controls	18,000					
New Playground	36,782					
Carpet Replacement (15 yr)		40,000				
Fire Panel		20,000				
Roof Replacement (20yr)					30,000	
Subtotal	85,782	74,958	10,000	10,000	40,000	10,000
Helensview						
Repairs & Maintenance (non-routine)	25,000	17,221	10,000	10,000	10,000	10,000
Subtotal	25,000	17,221	10,000	10,000	10,000	10,000
Wheatley						
Repairs & Maintenance (non-routine)	55,280	10,785	10,000	10,000	10,000	10,000
Subtotal	55,280	10,785	10,000	10,000	10,000	10,000
Total Expenditures	866,062	213,323	355,000	135,000	85,000	55,000
Funding Sources						
Beginning Fund Balance	854,837	500,543	298,220	83,220	88,220	143,220
Contribution from Oregon Energy Trust	94,985					
Transfer from Operating Fund	90,000	40,000	140,000	140,000	140,000	140,000
Transfer from Contracted Services	326,783					
Total Funding Sources	1,366,605	540,543	438,220	223,220	228,220	283,220
150-FACILITIES BALANCE	500,543	327,220	83,220	88,220	143,220	228,220

Multnomah Education Service District
FY2017 Facilities & Equipment Reserve Plan
Fund 4
Technology Equipment Reserve Plan

	Estimated FY2016	Adopted FY2017	Projected			
			FY2018	FY2019	FY2020	FY2021
Student Information Systems						
Computer Hardware: Servers & Routers				250,000		
Software Updates & New Application Modules	75,000	75,000	75,000		75,000	75,000
Funding Sources						
Beginning Fund Balance	133,341	178,341	203,341	248,341	118,341	163,341
Transfer from Resolution Fund	120,000	100,000	120,000	120,000	120,000	120,000
Total Funding Sources	253,341	278,341	323,341	368,341	238,341	283,341
Ending Fund Balance	178,341	203,341	248,341	118,341	163,341	208,341
Business Systems Support						
Software: BusinessPLUS Application Updates		75,000			25,000	
Contingency		30,221				
Funding Sources						
Beginning Fund Balance	105,221	105,221	-	10,000	20,000	5,000
Transfer from Operating Fund			10,000	10,000	10,000	10,000
Total Funding Sources	105,221	105,221	10,000	20,000	30,000	15,000
Ending Fund Balance	105,221	-	10,000	20,000	5,000	15,000
Network Services						
Network Hardware Replacement	86,631				90,000	
Funding Sources						
Beginning Fund Balance	86,631		30,000	60,000	90,000	30,000
Transfer from Resolution Fund		30,000	30,000	30,000	30,000	30,000
Total Funding Sources	86,631	30,000	60,000	90,000	120,000	60,000
Ending Fund Balance	-	30,000	60,000	90,000	30,000	60,000
Agency Support						
Meeting & Conference Room Hardware	40,000					
Agency Equipment		40,000	40,000	40,000	40,000	40,000
Contingency		250,917				
Funding Sources						
Beginning Fund Balance	228,178	250,917	-	-	-	-
E-Rate Revenue	40,000	40,000	40,000	40,000	40,000	40,000
Transfer from Contracted Services Fund	22,739					
Total Funding Sources	290,917	290,917	40,000	40,000	40,000	40,000
Ending Contingency Balance	250,917	-	-	-	-	-
600-TECHNOLOGY BALANCE	534,479	233,341	318,341	228,341	198,341	283,341

Fund 4: Facilities and Equipment Reserve Summary

Beginning Fund Balance	1,408,208	1,035,022	531,561	401,561	316,561	341,561
Total Transfers In	559,522	170,000	300,000	300,000	300,000	300,000
Total Other Revenues	134,985	40,000	40,000	40,000	40,000	40,000
Total Expenditures	1,067,693	403,323	470,000	425,000	315,000	170,000
Total Contingency	-	281,138	-	-	-	-
Fund 4 Ending Fund Balance	1,035,022	560,561	401,561	316,561	341,561	511,561

*Multnomah Education Service District
2016-2017 Adopted Budget*

Appendix

The final section within this budget document displays the public notices and resolutions followed by a glossary providing definitions of the District's funds as well as definitions of functions and other terms.

Public Notices

Budget Committee Meeting, Online: www.mesd.k12.or.us, April 1, 2016

NOTICE OF MULTNOMAH EDUCATION SERVICE DISTRICT BUDGET COMMITTEE MEETING

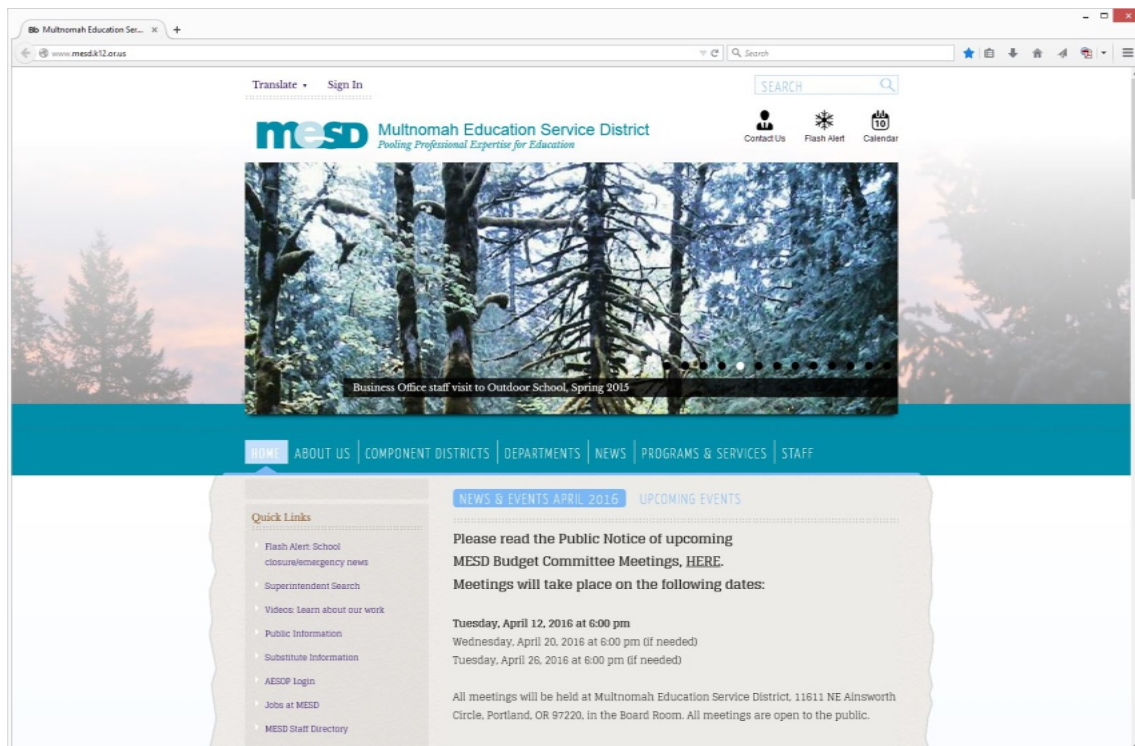
A public meeting of the MESD Budget Committee of the Multnomah Education Service District, Multnomah County, State of Oregon, to discuss the budget for the fiscal year July 1, 2016 to June 30, 2017, will be held at 11611 NE Ainsworth Circle, Portland, Oregon 97220 in the Board Room. The meeting will take place on Tuesday, April 12, 2016 at 6:00 p.m.

The purpose of the meeting is to receive the budget message and to receive public comment on the budget. A copy of the budget document may be inspected or obtained in the Business Services Office at 11611 NE Ainsworth Circle, Portland, OR 97220, beginning Friday, April 8, 2016 between the hours of 8:00 a.m. and 5:00 p.m. or viewed on the MESD website: www.mesd.k12.or.us.

This is a public meeting where deliberation of the MESD Budget Committee will take place. Any person may appear at the meeting and discuss the proposed programs with the MESD Budget Committee.

Additional MESD Budget Committee meetings, *if needed*, are scheduled to be held on Wednesday, April 20, 2016, and Tuesday, April 26, 2016 at 6:00 p.m. at the same location. All meetings are open to the public.

Scott Perry
Budget Officer
Multnomah Education Service District



Public Notices

Budget Committee Meeting, Newspaper: The Oregonian, April 1, 2016

OREGONIAN MEDIA GROUP**1515 SW 5th Ave, Suite 1000 Portland, OR 97201-5615**

Affidavit of Publication

I, Christine D. Cassel, being first duly sworn depose and say that I am the Principal Clerk Of The Publisher of The Oregonian, a newspaper of general circulation, published at Portland, in Multnomah County, Oregon; that I know from my personal knowledge that the advertisement, a printed copy of which is hereto annexed, was published in the entire issue of said newspaper in the following issues:

4/1/2016

Christine D. Cassel
Principal Clerk of the Publisher

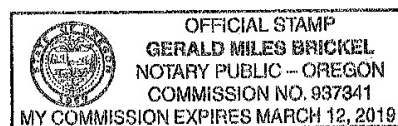
Subscribed and sworn to before me this date: 4th day of April, 2016.

Gerald Miles Brickel
Notary Public for Oregon

My commission expires 12th day of March, 2019.

Ad Order Number: 0003760029

NOTICE OF MULTNOMAH EDUCATION SERVICE DISTRICT BUDGET COMMITTEE MEETING A public meeting of the MESD Budget Committee of the Multnomah Education Service District, Multnomah County, State of Oregon, to discuss the budget for the fiscal year July 1, 2016 to June 30, 2017, will be held at 11611 NE Ainsworth Circle, Portland, Oregon 97220 in the Board Room. The meeting will take place on Tuesday, April 12, 2016 at 6:00 p.m. The purpose of the meeting is to receive the budget message and to receive public comment on the budget. A copy of the budget document may be inspected or obtained in the Business Services Office at 11611 NE Ainsworth Circle, Portland, OR 97220, beginning Friday, April 8, 2016 between the hours of 8:00 a.m. and 5:00 p.m. or viewed on the MESD website: www.mesd.k12.or.us. This is a public meeting where deliberation of the MESD Budget Committee will take place. Any person may appear at the meeting and discuss the proposed programs with the MESD Budget Committee. Additional MESD Budget Committee meetings, if needed, are scheduled to be held on Wednesday, April 20, 2016, and Tuesday, April 26, 2016 at 6:00 p.m. at the same location. All meetings are open to the public. Scott Perry Budget Officer Multnomah Education Service District



Public Notices

TSCC Budget Hearing Meeting, Newspaper: The Oregonian, May 6, 2016

OREGONIAN MEDIA GROUP

1515 SW 5th Ave, Suite 1000 Portland, OR 97201-5615

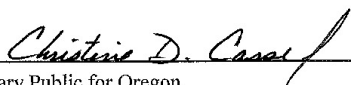
Affidavit of Publication

I, Gerald Brickel being first duly sworn depose and say that I am the Principal Clerk Of The Publisher of The Oregonian, a newspaper of general circulation, published at Portland, in Multnomah County, Oregon; that I know from my personal knowledge that the advertisement, a printed copy of which is hereto annexed, was published in the entire issue of said newspaper in the following issues:

05/06/2016



Principal Clerk of the Publisher

Subscribed and sworn to before me this date: 9th day of May, 20 16.

Notary Public for Oregon

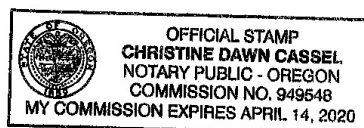
My commission expires 14th day of April, 20 20.

Ad Order Number: 0003766807

NOTICE OF TSCC BUDGET HEARING for May 17, 2016

A public hearing will be held by the Tax Supervising and Conservation Commission on the budget approved by the budget committee for the Multnomah Education Service District, Multnomah County, State of Oregon, for the fiscal year July 1, 2016 to June 30, 2017. The hearing will be held at 11611 NE Ainsworth Circle, Portland, OR 97220 in the Board Room on the 17th day of May, 2016 at 6:00 pm. The purpose of the hearing is to discuss the budget with interested persons. A copy of the budget document may be inspected or obtained in the Business Office at 11611 NE Ainsworth Circle, Portland, OR 97220 between the hours of 8:00 am and 5:00 pm, or viewed on the MESD website: www.mesd.k12.or.us **Total Budget**

Requirements: \$79,108,722 **Last Year's Total Levy Rate:** \$0.4576 per \$1,000 **This Year's Total Levy Rate:** \$0.4576 per \$1,000 **Change from Last Year's Rate:** \$0 per \$1,000



**RESOLUTION 15-044 Approval of the 2015-2016 Budget Calendar for Development
of the Fiscal Year 2016-2017 Budget**

Background: Although the law does not require the adoption of a Budget Calendar by education service districts, there are certain legal requirements in the development of the budget. It is, therefore, in the best interest of the agency that the Board adopt the Budget Calendar as a guide for the orderly development of the proposed budget for the ensuing year.

WHEREAS, a Budget Calendar is desirable as a guide for the orderly development of the proposed budget for the ensuing fiscal year; and

NOW THEREFORE BE IT RESOLVED, that the Multnomah Education Service District Board of Directors approved the 2015-2016 Budget Calendar for the Development of the Fiscal Year 2016-2017 Budget.

Multnomah ESD 2015-2016 Calendar for Fiscal Year 2016-2017 Budget

Monday, July 1, 2015	MESD Board Meeting	MESD Board
	<ul style="list-style-type: none"> MESD Board adopts the 2015-2016 Budget Calendar for 2016-16 (Resolution) 	
Tuesday, November 17, 2015	MESD Board Meeting	MESD Board
	<ul style="list-style-type: none"> Presentation by Auditors – Talbot, Korvola & Warwick of 2014-2015 Audit 	
Tuesday, December 15, 2015	MESD Board Meeting	MESD Board
	<ul style="list-style-type: none"> MESD Board Approves 2016-2017 Local Service Plan (Resolution) 	
Friday, January 8, 2016	Superintendent Council Meeting	Council
	<ul style="list-style-type: none"> MESD Superintendent delivers to Component Districts 2016-2017 Local Service Plan 	
January to April		
	<ul style="list-style-type: none"> MESD Management develops the Proposed Budget 	MESD Staff
Tuesday, February 16, 2016		
	<ul style="list-style-type: none"> MESD Board appoints new Budget Committee members MESD Board adopts 2015-16 Budget Planning Parameters (Resolution) 	MESD Board
Tuesday, March 1, 2016	Component District Boards	District Boards
	<ul style="list-style-type: none"> 2016-2017 Local Service Plan Approval [ORS 334.175(5)(b)/OAR 581-024-0285(2)] (Resolution) 	
Friday, April 1, 2016	<i>Publish Notices of Budget Committee Meetings</i>	
	<ul style="list-style-type: none"> <i>Newspaper notice within 5-30 days before meeting – (ORS 294.401)</i> <i>Online notice for at least 10 days before meeting</i> 	
Tuesday, April 5, 2016	Budget Committee Orientation	Budget Committee
	<ul style="list-style-type: none"> Introduction to MESD and budget process for new and current committee members. 	
Friday, April 8, 2016	Access to Proposed Budget	
	<ul style="list-style-type: none"> Proposed budget document available to public – (ORS 294.401) Open online access to Proposed Budget to the Budget Committee – no deliberations allowed 	
Tuesday, April 12, 2016	Budget Committee Meeting	Budget Committee
	<ul style="list-style-type: none"> Proposed Budget Presentation Elect Board Committee Chair Presentation of revenue forecast and assumptions Superintendent's Budget Message – (ORS 294.401) Proposed Budget Presentation and Department Summaries – (ORS 294.401) Public Comment Budget Committee Recommendations Approve Budget (Resolution) 	

Multnomah ESD 2015-2016 Calendar for Fiscal Year 2016-2017 Budget (continued)

Wednesday, April 20, 2016	Budget Committee Meeting <i>if necessary</i>	Budget Committee
<ul style="list-style-type: none"> Continue discussion of proposed budget presentation for approval 		
Tuesday, April 26, 2016	Budget Committee Meeting <i>if necessary</i>	Budget Committee
<ul style="list-style-type: none"> Continue discussion of proposed budget presentation for approval 		
Wednesday, April 27, 2016	Deadline to submit Approved Budget to TSCC [ORS 294.431(2), "twenty days before TSCC hearing"]	
Friday, May 6, 2016	Publish Notices of TSCC Public Hearing	
<ul style="list-style-type: none"> Newspaper notice within 5-30 days before hearing – (ORS 294.421)) FlashNews Alert notice of hearing – (ORS 294.421) Online notice for at least 10 days before meeting 		
Tuesday, May 17, 2016	TSCC Public Hearing (ORS 294.430)	TSCC
Tuesday, June 21, 2016	MESD Board Meeting	MESD Board
<ul style="list-style-type: none"> Adopt Budget Appropriation & Certify Tax Levy (ORS 294.435) (Resolution) Each fund cannot be increased by more than 10% of Approved Budget 		
Friday, July 15, 2016	Deadline to File Certification of Tax Levy with Counties	

RESOLUTION 16-011 – Fiscal Year 2016-2017 Budget Planning Parameters

Background: The resolution planning process and budget development begins with the Multnomah Education Service District Budget Officer's recommendation of planning parameters.

The Board Finance Committee recommends approval:

WHEREAS, the 2016-2017 budget planning parameters above were presented to the Board Finance Committee on February 1, 2016; and

WHEREAS, the Board Finance Committee requested that the draft be taken to the Board on February 16, 2016 for discussion; and

WHEREAS, the MESD Board of Directors discussed the draft Planning Parameters.

NOW THEREFORE BE IT RESOLVED, that the Multnomah Education Service District Board of Directors authorizes budget authority in support of 2016-2017 budget planning parameters as follows:

Motion: Director Stephen Beaudoin moved to approve Resolution 16-011.
Director Michael Durrow seconded the motion.

Discussion: Business Services Director Anderson outlined the Budget Planning Parameters for the Board. Board member Botkin asked for a report on employee demographics by PERS Tiers.

Action: The motion carried with Directors Beaudoin, Botkin, Burke, Durrow, Giusto and Johnson, voting aye. Motion passed 6-0.

2016-2017 Budget Planning Parameters

Revenues:

1. The MESD will forecast State School Fund (SSF) revenue using the most current information available. For the purpose of preparing a proposed budget, the MESD will assume a \$7.376 billion biennium (\$3.747 billion year-two) SSF base rate. Under this assumption, the MESD's estimated SSF revenue for 2016-17 will be approximately \$39.3 million per the current SSF formula with 90% going to component districts for service plan activities or transits.
2. Other funding sources including federal grants, state contracts and local sources will be budgeted utilizing the most current information available.
3. The indirect rate for grants passed through ODE will be budgeted at 9% unless specifically identified for individual grants or contracts.
4. MESD will continue to charge a 10% administrative fee to non-component districts that purchase services listed in the Local Service Plan.

Expenditures:

1. The MESD will budget utilizing the most current information available on service level.
2. The MESD will use the following payroll assumptions:
 - a. Step increases are budgeted for eligible employees.
 - b. The currently negotiated salary schedules for represented employees will be used for budgeting purposes.
 - c. PERS defined rates remain 5.55% for Tier I/II, 0.86% for OPSRP, and 4.97% for OPSRP Fire & Police.
 - d. The MESD contribution rate for the PERS pickup is 6%.
 - e. The increased employer contribution for health insurance premiums will be capped at 6%.
 - f. Other payroll rates will be calculated to fund estimated annual liabilities for workers' compensation and unemployment.
3. The PERS UAL Bond debt service requirement of \$2,775,021 will be funded by a benefit expense applied to all PERS eligible salaries and received into the Debt Service Fund as revenue for services to other funds.
4. The 2004 Refunding Obligation debt service requirement of \$519,500 will be funded by a transfer from the Operating Fund to the Debt Service Fund. This is the final debt payment for the obligation.

Ending Fund Balance and Contingency:

1. The Operating Fund unappropriated ending fund balance will ensure the agency's Operating and Resolution funds cash flow needs are met until property tax revenues are received in November.
2. Contingency will be set at an appropriate amount as a buffer for unexpected requirements.

**RESOLUTION 16-013 Approval of MESD Budget
Committee Representative for 2016**

Background: The MESD Board of Directors in January of 2012 elected to move to a new Budget Committee structure to align with the passage of Senate Bill 250 to include members from component district Boards and has amended their Board Policies to reflect this change.

Candidate Information:

Sara Bottomly – Portland Public Schools District

- Is Assistant Budget Director for Portland Public Schools
- She has worked at PPS for thirteen years, including ten in the Budget Office.

Rachel Hopper – Reynolds School District

- Is Chief Financial Officer for Reynolds School District and is a resident of the City of Fairview.

Sarah Judson– Corbett School District

- Is the Business Office Assistant for Corbett School District.

WHEREAS, the Portland Public School District has submitted the name of Sara Bottomly to represent Portland Public Schools on the MESD Budget Committee; and

WHEREAS, the Reynolds School District has submitted the name of Rachel Hopper to represent Reynolds School District on the MESD Board Budget Committee; and

WHEREAS, the Corbett School District has submitted the name of Sarah Judson to represent Corbett School District on the MESD Board Budget Committee; and

WHEREAS, the Multnomah Education Service District Board of Directors has reviewed and discussed the candidates' biographical information as submitted.

NOW THEREFORE BE IT RESOLVED, that the Multnomah Education Service District Board of Directors approves Sara Bottomly, Rachel Hopper, and Sarah Judson to the MESD Budget Committee.

RESOLUTION MBCM-16-02

Approval of the Proposed 2016-2017 Budget and Ad Valorem Property Tax Rate

This resolution requests the MESD Budget Committee's acknowledgement of receipt and approval of the Proposed 2016-2017 Budget Document and the Ad Valorem Property Tax Rate.

Background: The Budget Officer is required by law to prepare a budget to submit to the MESD Budget Committee. The MESD Budget Committee should acknowledge receipt of that Proposed Budget and then is faced with two choices. The MESD Budget Committee can either approve the budget as submitted by the Budget Officer or approve a budget as modified by the MESD Budget Committee. Secondly, the MESD Budget Committee is required to approve the Ad Valorem Property Tax Rate.

The Budget Officer recommends adoption of the following resolution:

WHEREAS, the Budget Officer is required to prepare a Proposed Budget and present it to the MESD Budget Committee; and

WHEREAS, the MESD Budget Committee has met in a public MESD Budget Committee Work Session on April 12 to review the financial programs of the MESD and prepare a budget for the operational and administrative expenses of the MESD; and

WHEREAS, the MESD Budget Committee has received and reviewed the 2016-2017 Proposed Budget Document.

NOW THEREFORE BE IT RESOLVED, that the MESD Budget Committee approves the 2016-2017 Proposed Budget in the following amounts:

Resolution Services Fund

Instruction	\$ 5,724,280
Support Services	14,831,988
Enterprise & Community Services	156,438
Other Uses	14,503,793
Transfers Out	3,984,919
Contingency	1,301,768
Total	<u>\$ 40,503,186</u>

Contracted Services Fund

Instruction	\$ 9,224,698
Support Services	6,750,959
Enterprise & Community Services	5,487,659
Transfers Out	126,470
Contingency	748,163
Total	<u>\$ 22,337,949</u>

Operating Fund

Support Services	\$ 4,442,400
Enterprise & Community Services	403,410
Transfers Out	559,500
Contingency	25,000
Total	<u>\$ 5,430,310</u>

Debt Service Fund	
Debt Service	\$ 3,294,522
Facilities & Equipment Reserve Fund	
Support Services	\$ 427,323
Facilities Acquisition and Improvement	5,000
Contingency	281,138
Total	\$ 713,461
Risk Management Reserve Fund	
Support Services	\$ 708,821
Contingency	419,810
Total	\$ 1,128,631
Total Appropriation, All Funds	\$ 73,408,059
Total Unappropriated Amounts, All Funds	5,700,663
TOTAL APPROVED BUDGET	\$ 79,108,722

BE IT FURTHER RESOLVED, that the MESD Budget Committee approves the levy of the Ad Valorem Tax Rate of \$.4576 per \$1,000 of assessed for the Resolution Fund.

Motion: MESD Representative Mary Botkin moved to approve the Resolution MBCM 16-02 as revised and distributed. Riverdale SD Representative Joe Pratts seconded the motion.

Action: There being no further discussion the motion carried with Representatives Acosta, Bottomley, Botkin, Butenschoen, Hartsock, Hopper, Judson, Pratts, and voting aye. Motion passed 9-0

**RESOLUTION 16-027 Adoption of the Fiscal Year 2016-2017 Budget and
Appropriations for All Funds, and Declaration of
Taxes Imposed**

Background: Oregon Budget Law (ORS 294.435(2)) requires the Board adopt the budget and make appropriations by June 30, 2016, and certify the taxes imposed to the County Assessor prior to July 15, 2016.

The law also requires that the approved budget be submitted by April 27th to the Tax Supervising and Conservation Commission (TSCC) and that the TSCC hold a public hearing prior to adoption. The approved budget was submitted in a timely fashion and the public hearing was held on May 17, 2016. The TSCC certified the 2016-17 approved budget without objection.

The Superintendent recommends adoption of the following resolution:

WHEREAS, a public hearing and review of the budget previously approved by the Board Budget Committee was held on May 17, 2016 by the Tax Supervising and Conservation Commission (TSCC) and the budget has been certified by TSCC without objection; and

WHEREAS, the following totals reflect the amounts approved by the Budget Committee and changes as noted in the budget document.

NOW THEREFORE BE IT RESOLVED, that the Multnomah Education Service District Board of Directors hereby adopts the budget for the fiscal year 2016-17 in the sum of \$79,615,354 now on file at the district Administrative Office;

BE IT FURTHER RESOLVED, that the amounts for the fiscal year 2016-17 beginning July 1, 2016 and for the purposes shown below are hereby appropriated as follows:

**Multnomah Education Service District
Budget and Appropriations for the Fiscal Year 2016-2017**

Resolution Services Fund

Instruction	\$ 6,200,735
Support Services	14,972,243
Enterprise & Community Services	101,438
Other Uses	12,000,000
Transfers Out	3,989,969
Contingency	3,486,140
Total	<u>\$ 40,750,525</u>

Contracted Services Fund

Instruction	\$ 9,065,807
Support Services	6,771,364
Enterprise & Community Services	5,487,659
Transfers Out	196,177
Contingency	1,071,197
Total	<u>\$ 22,592,204</u>

Operating Fund

Support Services	\$ 4,535,531
Enterprise & Community Services	403,410
Transfers Out	559,500
Contingency	25,000
Total	<u>\$ 5,523,441</u>

Debt Service Fund

Debt Service	\$ 3,294,522
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Facilities and Equipment Reserve Fund

Support Services	\$ 398,323
Facilities Acquisition and Improvement	5,000
Contingency	281,138
Total	<u>\$ 684,461</u>

Risk Management Reserve Fund

Support Services	\$ 758,821
Contingency	369,810
Total	<u>\$ 1,128,631</u>

Total Appropriation, All Funds

\$ 73,973,784

Total Unappropriated Amounts, All Funds

5,641,570

TOTAL ADOPTED BUDGET

\$ 79,615,354

BE IT FURTHER RESOLVED, that the Multnomah Education Service District Board of Directors hereby levies the taxes provided for in the adopted budget at the rate of \$0.4576 per \$1,000 of assessed value for operations, and that these taxes are hereby imposed for the fiscal year 2016-17 upon the assessed value of all taxable property within the district and categorized as follows:

Education Limitation

Resolution Services Fund \$0.4576 / \$1,000 of Assessed Value

Motion: **Director Mary Botkin moved to approve Resolution 16-027.**
 Director Bernie Giusto seconded the motion.

Action: **The motion carried with Directors Acosta, Beaudoin, Botkin, Burke, Durrow, Giusto, and Johnson, voting aye. Motion passed 7-0.**

Glossary

Fund Definitions

Agency Pass-Through Fund (Fund 5): This fund was established in 2008-09 to record funds being held by the MESD in a custodial capacity for the component districts. All monies received by the MESD for distribution to the component districts are recorded in the Agency Pass-Through Fund as a liability. Distributions to the component districts will reduce this liability. Beginning in late-May 2013, the District became the fiscal agent for the Oregon Association of Education Service Districts (OAESD). This fund reports activity on behalf of OAESD.

Contracted Services Fund (Fund 2): This fund accounts for activities carried on for the benefit of participating local school districts, as well as food dispensing programs. The fund is self-supporting through grants and other reimbursements, mainly from the state and participating school districts. A maximum surcharge of 10% is added to the cost of services from this fund in order to cover the operating costs of the agency. Where grants specify a different overhead rate the lower rate is applied.

Debt Service Fund (Fund 3): This fund accounts for the principal and interest payments associated with the agency's two bond issues. The OSBA Limited Tax Pension Obligations, Series 2004 were sold to fund the District's Public Employees Retirement System (PERS) unfunded actuarial liability. A benefit expense is applied to all payrolls to generate the funds necessary to pay this debt service. The funding is then recognized in the Debt Service Fund as revenue for services to other funds. The second issue is the Full Faith & Credit Refunding Obligations, Series 2004. This general obligation issue refunded the 1997 Certificates of Participation (COP) originally used to fund the construction of Alpha High School, now renamed Burlingame Creek School, and Arata Creek School. It is funded by a transfer from the Operating Fund.

Facilities and Equipment Reserve Fund (Fund 4): This fund accounts for facility improvements, major maintenance projects, and non-routine repairs. In addition, it also accounts for the accumulation of resources for future acquisition of major software, equipment and furniture. It is funded primarily by transfers from the Operating and Resolution Funds. This fund was formerly known as the Facilities Acquisition and Improvement Fund.

Operating Fund (Fund 6): This fund accounts for the general operating costs of the agency. In accordance with Oregon Revised Statute 334.177, 10% of local revenues from the Resolution Services Fund are transferred to this fund. In addition, a maximum 10% surcharge in the Contracted Services Fund is credited to this fund as overhead revenue.

Resolution Services Fund (Fund 1): This fund accounts for the various programs provided to the component districts as specified by the resolutions. The sources of revenues for this fund come exclusively from local property taxes and the State School Fund. In accordance with Oregon Revised Statute 334.177, a maximum of 10% of these revenues are transferred to the Operating Fund and used to pay for the general operating costs of the District. The remaining 90% is apportioned to the eight component school districts according to average daily membership weighted (ADMw).

Risk Management and Reserve Fund (Fund 7): The purpose of this fund is to pay for costs associated with risk management activities including insurance premiums, activities to prevent or minimize exposure

and incurred losses. A benefit expense is applied to all payrolls to generate the funds necessary to support these activities. The funding is then recognized in the Risk Management Fund as revenue for services to other funds. In the 2010-11 fiscal year a \$450 thousand PERS reserve was established in this fund to help offset the anticipated sharp increase in future PERS costs to the Operating Fund beginning in 2011-12. Annual transfers to the Operating Fund are intended to offset PERS costs as follows: 80% in 2011-12, 60% in 2012-13, 40% in 2013-14, 30% in 2015-16, and 10% in 2016-17.

Function Definitions

1000 – Instruction: This function relates to activities dealing directly with the teaching of students, or the interaction between teacher and students. Teaching may be provided for students in a school classroom, in another location such as a home or hospital, or in other learning situations such as those involving co-curricular activities. It may also be provided through some other approved medium such as computer instruction applications, television, radio, telephone, and correspondence.

2000 – Support Services: This function accounts for those services which provide administrative, technical, personal (such as guidance and health), and logistical support to facilitate and enhance instruction. Support Services exist to sustain and enhance instruction, and would not otherwise exist if not for instructional programs.

3000 – Enterprise and Community Services: These are activities concerned with operations that are financed and operated in a manner similar to private business enterprises where the stated intent is that the costs of providing goods and services to the students or general public are financed or recovered primarily through user charges and community programs.

4000 – Facilities Acquisition and Construction: This function relates to activities concerned with the acquisition of land and buildings; major remodeling and construction of buildings and major additions to buildings; initial installation or extension of service systems and other built-in equipment; and major improvements to sites. Major capital expenditures, which are defined as capital expenditures that are eligible for general obligation bonding are recorded here.

5000 – Other Uses: This function is used for servicing the debt of a district, conduit-type transfers from one fund to another fund and apportionment of funds by ESD.

6000 – Contingencies (for budget only): These are expenditures which cannot be foreseen and planned in the budget process because of an occurrence of an unusual or extraordinary event.

7000 – Unappropriated Ending Fund Balance: This is an estimate of funds needed to maintain operations of the District from July 1 of the ensuing fiscal year and the time when sufficient new revenues become available to meet cash flow needs of the fund. No expenditure shall be made from the unappropriated ending fund balance in the year in which it is budgeted.

Other Terms

Accounting System: The total structure of records and procedures which discover, record, classify, summarize, and report information on the financial position and results of operations of its government of any of its funds, fund types, balanced account groups, or organizational components.

Accrual Basis: The basis of accounting under which transactions are recognized when they occur, regardless of the timing of related cash flows.

Activity: A specific and distinguished line of work performed by one or more organizational components of a government for the purpose of accomplishing a function for which the government is responsible. For example, food inspection is an activity performed in the discharge of the health function.

ADM: Average daily membership is the year-to-date average of daily student enrollment.

Appropriation: A legal authorization granted by the school board to make expenditures and to incur obligations for specific purposes. An appropriation is usually limited in amount and as to the time when it may be expended.

Assets: Resources owned or held by a government, which have monetary value.

Budget: A plan of financial operation embodying an estimate of proposed means of financing them for a single fiscal year. A proposed budget is presented to the budget committee for approval. An approved budget is subsequently adopted as approved or modified by the Board.

Budget Document: The instrument used by the budget-making authority to present a comprehensive financial program to the school board which is the appropriating body. The budget document contains a message from the Superintendent, together with a summary of the proposed expenditures, means of financing them, and the schedules supporting the summary. These schedules show in detail the information as to past years' actual revenues, expenditures and other data used in making the estimates.

Budgetary Control: The management of the district in accordance with an adopted budget for the purpose of keeping expenditures within the limitations of available appropriations and available revenue.

Budgetary Expenditures: Decreases in net current assets. In contrast to conventional expenditures, budgetary expenditures are limited in amount to exclude amounts represented by noncurrent liabilities. Due to their spending measurement focus, government fund types are concerned with the measurement of budgetary expenditures.

Capital Outlay: Expenditures which result in the acquisition of or addition to fixed assets.

Cash Basis: A basis of accounting under which transactions are recognized only when cash changes hands.

Certified Employees: Includes teachers, counselors, media specialists, psychologists, social workers, nurses, athletic trainers, occupational speech, and physical therapists

Classified Employees: Support staff, including instructional assistants, clerical staff, custodians and maintenance.

Component Districts: The eight school districts within Multnomah County that MESD serves.

Contingency: A special amount budgeted each year for unforeseen expenditures. Transfer of general operating contingency funds to cover unanticipated expenditures requires board approval.

Current Resources: Resources to which recourse can be had to meet current obligations and expenditures. Examples are current assets, estimated revenues of a particular period not yet realized, transfers from other funds authorized but not received, and in the case of certain funds, bonds authorized and unissued.

Deficit: The excess of the liabilities of a fund over its assets. Oregon school districts may not carry deficits in any fund.

Expenditures: Decreases in net financial resources. Expenditures include current operating expenses which require the current or future use of net current assets, debt service, and capital outlays.

FTE: Full-time equivalent staff. One FTE is defined as a regular position scheduled to work eight hours per day.

Fixed Assets: Asset of a long-term character which is intended to continue to be held or used, such as land, buildings, improvements other than building, machinery, and equipment.

Fixed Cost: A cost such as rent that does not change with increases or decreases in the amount of services provided.

Functional Classification: Expenditure classification according to the principle purposes for which expenditures are made.

Fund: A fiscal and accounting entity with a self-balancing set of accounts recording cash and other financial resources, together with all related liabilities and residual equities or balances, and changes therein, which are segregated for the purpose of carrying on specific activities or attaining certain objectives in accordance with special regulations, restrictions, or limitations.

Indirect Cost: A cost necessary for the functioning of the organization as a whole, but which cannot be directly assigned to one service.

Liabilities: Debt or other legal obligations arising out of transactions in the past which must be liquidated, renewed, or refunded at some future date. This term does not include encumbrances.

Modified Accrual Basis: All governmental funds and expendable trust funds are accounted for using the modified accrual basis of accounting. Under it, revenues are recognized when they become both “measurable” and “available to finance expenditures of the current period.” Expenditures are recognized when the related fund liability is incurred.

Object: As used in expenditure classification this term applies to the articles purchased or the service obtained (as distinguished from the results obtained from expenditures). Examples are salaries, employee benefits, personal services, contractual services, materials, and supplies.

Operating Budget: Plans of current expenditures and the proposed means of financing them. The annual operating budget is the primary means by which most of the financing acquisition, spending, and service delivery activities of a government are controlled. The use of annual operating budgets is required by law.

Payroll Costs: Amounts paid by the district on behalf of employees, in addition to gross salary. Examples are:

- Group Health Insurance
- Contributions to public employees' retirement system (PERS)
- Social Security (FICA)
- Workers' compensation
- Unemployment insurance

Program Budget: A budget wherein expenditures are based primarily on programs of work and secondarily on character and object class. A program budget is a transitional type of budget between the traditional character and object class budget, on the one hand, and the performance budget, on the other hand.

Purchase Order: A document which authorizes the delivery of specified merchandise or the rendering of certain services and the making of a charge for them.

Resources: Estimated beginning fund balances on hand at the beginning of the fiscal year, plus all anticipated revenues.

Revenues: Moneys received or anticipated by a local government from either tax or non-tax sources.

Shared Services: This is a cooperative model with Clackamas, Willamette, Columbia Gorge and Northwest Regional ESDs. Together these agencies have agreed to allow resolution dollars 63 districts receive from these ESDs, combined with their general fund dollars, to flow to reciprocal ESDs for services thus broadening the expertise across all boundaries. This opens up opportunities for districts to receive other needed services from five ESD partners rather than just one.

State School Fund: The major appropriation of state support for public schools. This fund consists of property tax loss replacement mandated by Measure 5 and state aid formerly called Basic School Support. The State School Fund is distributed to school districts according to a Legislature adopted formula.

Supplemental Budget: Prepared to meet unexpected needs or to spend revenues not anticipated at the time the regular budget was adopted. A supplemental budget cannot be used to increase a tax levy.

Transfers: Amounts distributed from one fund to finance activities in another fund.

Unappropriated Ending Fund Balance: Amount budgeted to carryover to the next year's budget to provide the district with needed cash flow until other money is received and to provide financial stability. This amount cannot be transferred by resolution or used through a supplemental budget during the year.

Variable Cost: A cost that increases/decreases with increase/decreases in the amount of service provided such as the payment of a salary.

Non-Discrimination Notice

Multnomah Education Service District does not discriminate on the basis of race, color, national origin, sex, sexual orientation, religion, disability, or age in its programs and activities, and provides equal access to designated youth groups such as the Boy Scouts. The following persons have been designated to handle inquiries regarding discrimination:

Don Hicks
Contracts & Risk Manager
11611 NE Ainsworth Circle, Portland, OR 97220
work: 503-257-1518
email: dhicks@mesd.k12.or.us

Director, Human Resources
11611 NE Ainsworth Circle, Portland, OR 97220
work: 503-257-1513