

Multnomah Education Service District
Multnomah County, Oregon

Adopted Budget

For the Fiscal Year 2017-2018

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

Approved by the MESD Board of Directors
6/20/2017

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:

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*Multnomah Education Service District
2017-2018 Adopted Budget*

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Introduction and Overview

This section contains the Superintendent's budget message, budget overview, profile, organization, and financial structure of the District as well as a brief overview of the budget process.





Superintendent's Budget Message

2017-2018 Proposed Budget

April 11, 2017

The Multnomah Education Service District (MESD) is pleased to present the proposed budget for fiscal year 2017-2018. 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 6, 2017. We expect adjustments will be made before June 30, 2017 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, 2017 and our budget is largely based on these estimates. Once our district's final selections are known in May 2017, 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 Governor's \$8.0159 billion State School Fund (SSF) budget split 49/51 over the biennium. ESDs receive 4.5 percent of that SSF amount.
- MESD's 4.5 percent share of the SSF allotment for 2017-18 is approximately \$40.4 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. A placeholder has been used for the MESDEA agreement while negotiations are underway.
 - PERS defined rates are 9.23% for Tier I/II, 3.90% for OPSRP, and 8.67% for Fire & Police
 - MESD contribution rate for PERS pickup is 6%
 - Increased employer contribution for health insurance premiums is capped at 6%

Superintendent *Sam Breyer*

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

Areas of Uncertainty

As is typical during the legislative session of a new biennium there is a great deal of uncertainty regarding the State School Fund. The legislature has identified a significant budget shortfall for the 2017-19 biennium. The Governor's budget included \$8.015 billion for K-12 education, while the Co-Chairs framework allocated \$7.8 billion. Both are significantly below the \$8.4 billion that school districts estimate is needed to continue current service levels. It is unlikely that there will be clarity regarding the SSF until the summer of 2017. As the component districts we serve face funding shortfalls, their spending choices necessarily impact the agency. We continue to strive to provide financially efficient services to support our component districts in challenging funding times.

Additionally, voters approved two ballot measures that have a potential impact on the MESD budget.

- Measure 98 specifies funding for drop-out prevention and career and college readiness programs. It also allows regional coordination efforts to develop plans and spend funds in these areas. MESD could potentially provide service in this area.
- Measure 99 specifies funding to support Outdoor School programs for all students in the state. As a major provider of quality outdoor school programs, MESD could see participation increase as a result of this funding.

Currently, the level of funding for these Measures, and the resulting impacts to MESD, are unclear. As a result, this budget document is presented assuming these measures have not been funded and implemented. If the measures are funded, any impact to the agency would likely be positive.

MESD is entering contract negotiations with MESDEA. The financial impact of the settlement could result in budget adjustments.

As noted above, we have used the best available information to make educated suppositions in preparing this proposed budget. As suppositions meet reality, it is likely that adjustments will be required.

Service Stability and Expansion

The array of services forecast for 2017-2018 is not significantly different than that provided in the current year. We continue to work with our component districts to improve our service quality and financial efficiency and to ensure we meet regional needs through our Local Service Planning (LSP) process. MESD has worked to strengthen advisory participation and review during the LSP development process this year. After a comprehensive review, there were only minor adjustments to LSP offerings.

Districts have not indicated any significant reductions in participation or total withdrawal from programs. We do anticipate minor shifts in participation based on the final level of funding. These minor fluctuations are a regular aspect of ESD operations. Though not currently anticipated, more significant shifts could occur, depending on final levels of funding and component district choices.

We are anticipating expansion in two areas. The first is the planned expansion of the School Health Assistant model in Portland Public. This will require hiring additional staff.

The second is expansion of the support programs offered by Arata and Burlingame Creek. We anticipate leasing additional space and hiring additional staff to accommodate this expansion. The revenue and cost for this expansion is included in the proposed budget.

Operational Stability

While there is a great deal of uncertainty around K-12 funding, and current SSF levels are inadequate, MESD does not anticipate significant staffing reductions as a result of a one-time budget circumstance. The agency has completed debt-service payments on two of its facilities. The elimination of this expense going forward allows us to offer a relatively stable staffing and budget picture for the 2017-18 school year. Had this debt-service completion not been fortuitously timed, we would be facing deep reductions. As it is likely that funding will remain tight for the foreseeable future, MESD must continue to rigorously analyze its operating costs.

Strategic Alignment

This year, MESD has undertaken a comprehensive strategic planning process. It is critical that the agency operate from a strategic orientation in order to most effectively serve our students and community. This requires identifying clear metrics, building systems that allow for financial analysis and measurement of stakeholder satisfaction, and the ability to repurpose resources to impact priorities.

While this process is not yet complete, we have begun to align resources to emerging strategies. Two examples of this include new positions supporting financial analysis, and the transition of an employee wellness position from one-time funding sources to the agency operating fund.

The work to make the strategic plan a reality will be critical throughout next year's budget process and in the years ahead.

In Summary

Multnomah ESD anticipates relative stability for the coming year. On the operational side, this is largely due to the fortuitously-timed completion of debt-service payments for MESD facilities.

Districts continue to see value and participate in our offerings through the local service plan process.

The statewide K-12 funding picture continues to remain challenging at best. MESD has a critical role in serving our component districts and community in this time of insufficient resources. MESD will continue to improve operational systems, financial efficiency, and strategic processes in order to support the critical work of improving outcomes for students. We have the opportunity to truly serve our community in this area. The work we've undertaken this year, and the skilled and dedicated staff throughout the agency, leave us well positioned for future success.

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

Sam Breyer
MESD Superintendent and Budget Officer

Changes from the Approved Budget

June 2017

The specified revenues and expenditures in the approved budget were based on educated suppositions as of April 6, 2017. We expected adjustments would be made before June 30, 2017 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:

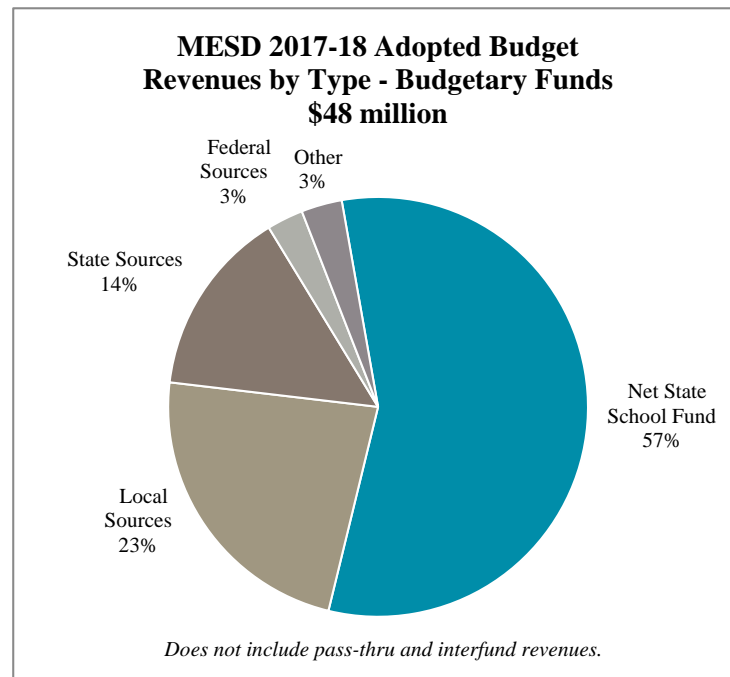
- Increasing State School Fund (SSF) revenues by \$810 thousand based upon the June 7, 2017 ODE estimate in which K-12 education is funded at \$8.2 billion for the 2017-19 biennium, split equally between fiscal years.
- Resolution Fund, \$1.2 million or 3% decrease (excludes transfers out & contingency)
 - SSF revenues increase by \$810 thousand and are offset by a decrease in beginning fund balance of \$760 thousand, largely attributable to districts taking additional transit payments in 2016-17.
 - A reduction in 2017-18 transit payments to districts of \$340 thousand
 - A reduction of \$800 thousand for services our districts selected to purchase through contracts rather than resolution funds. This change shifts expenditures to the Contracted Services Fund.
 - 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, \$135 thousand or 1% increase (excludes transfers out & contingency)
 - An increase of \$940 thousand for services our districts selected to purchase through contracts. \$800 thousand of this total is a shift from Resolution Fund expenditures.
 - A net decrease of \$800 thousand in contracts outside of the Local Service Plan. Significant changes to contracts reflected in the adopted budget include a reduction of \$640 thousand in youth detention and correction education programs, a reduction of \$405 thousand in long-term care and treatment programs and an increase of \$250 thousand for hospital programs.
 - The expansion of services planned through additional contracts awarded as well as renewal levels for existing contracts continued to evolve as the adopted budget was finalized. We continually seek additional contract and grant opportunities to serve the needs of children and families. Budget amendments throughout the 2017-18 year will incorporate expenditure changes as needed.
 - Other program changes to meet component district requests and state contract funding.

- A \$250 thousand reduction in contingency reflects the use of fund balance to mitigate slot price increases in Special Education services.
- Operating Fund, \$186 thousand or 4% decrease (excludes transfers out & contingency)
 - Increased SSF fund revenues of \$81 thousand are largely offset by a decrease of \$62 thousand in overhead revenues due to the reductions in contracts described above.
 - The reduction, through attrition, of the School Health Services Director position. This change has become part of the Superintendent's re-alignment of cabinet and management structure.
 - 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.



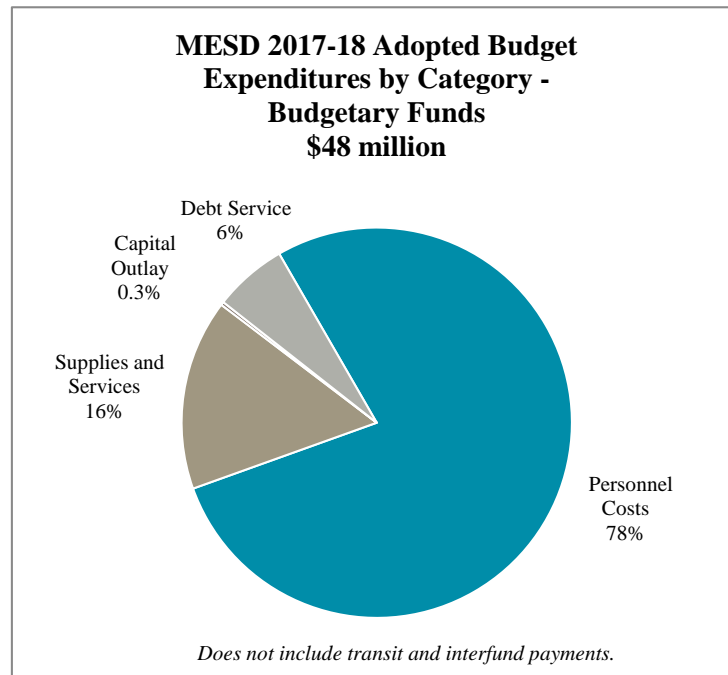
Multnomah Education Service District 2016-17 Estimated Revenues and 2017-18 Adopted Budget

	Estimated 2016-2017	Adopted 2017-2018	Change
Revenues by Type:			
Property Taxes	\$30,897,000	\$32,125,000	4%
State School Fund	8,028,444	9,042,091	13%
Less Transits to Districts	<u>-14,654,695</u>	<u>-13,960,000</u>	-5%
Net State School Fund	24,270,749	27,207,091	12%
Local Sources	10,269,713	11,092,135	8%
State Sources	9,890,852	6,932,277	-30%
Federal Sources	1,578,231	1,345,885	-15%
Other	<u>1,330,148</u>	<u>1,508,731</u>	13%
Subtotal - Revenues by Type	47,339,693	48,086,119	2%
SSF Revenue passed thru to Districts	14,654,695	13,960,000	-5%
Interfund Revenues for Debt Service	2,756,553	2,910,082	6%
Interfund Revenues for Workers Comp	<u>696,000</u>	<u>799,215</u>	15%
Total Revenues - Budgetary Funds	<u><u>65,446,941</u></u>	<u><u>65,755,416</u></u>	0%

Budget Overview

Expenditures – All Funds

As with most all government agencies, our most significant expenditures are our people. Personnel costs make up 78% of our total expenditures for the District.



Multnomah Education Service District 2016-17 Estimated Expenditures and 2017-18 Adopted Budget

Expenditure by Category:	Estimated 2016-2017	Adopted 2017-2018	Change
Personnel Costs	\$34,202,610	\$37,488,131	10%
Supplies and Services	10,394,199	7,613,798	-27%
Capital Outlay	184,000	130,999	-29%
Debt Service	3,294,522	2,920,082	-11%
Subtotal - Expenditures by Category	48,075,331	48,153,010	0.2%
Transit Payments	14,654,695	13,960,000	-5%
Interfund Payment for Debt Service	2,756,553	2,910,082	6%
Interfund Payment for Workers Comp	696,000	799,215	15%
Total Expenditures - Budgetary Funds	66,182,579	65,822,307	-1%

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

Samuel Breyer	Superintendent
Sean Woodard	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	14	6,275	Parkrose	6	3,238
Corbett	1	1,238	Portland	108	48,198
David Douglas	18	10,616	Reynolds	19	11,538
Gresham-Barlow	23	12,124	Riverdale	2	628

Source: ODE Fall Membership Report 2016/17, <http://www.oregon.gov/ode/reports-and-data/students>

Within these districts are 191 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

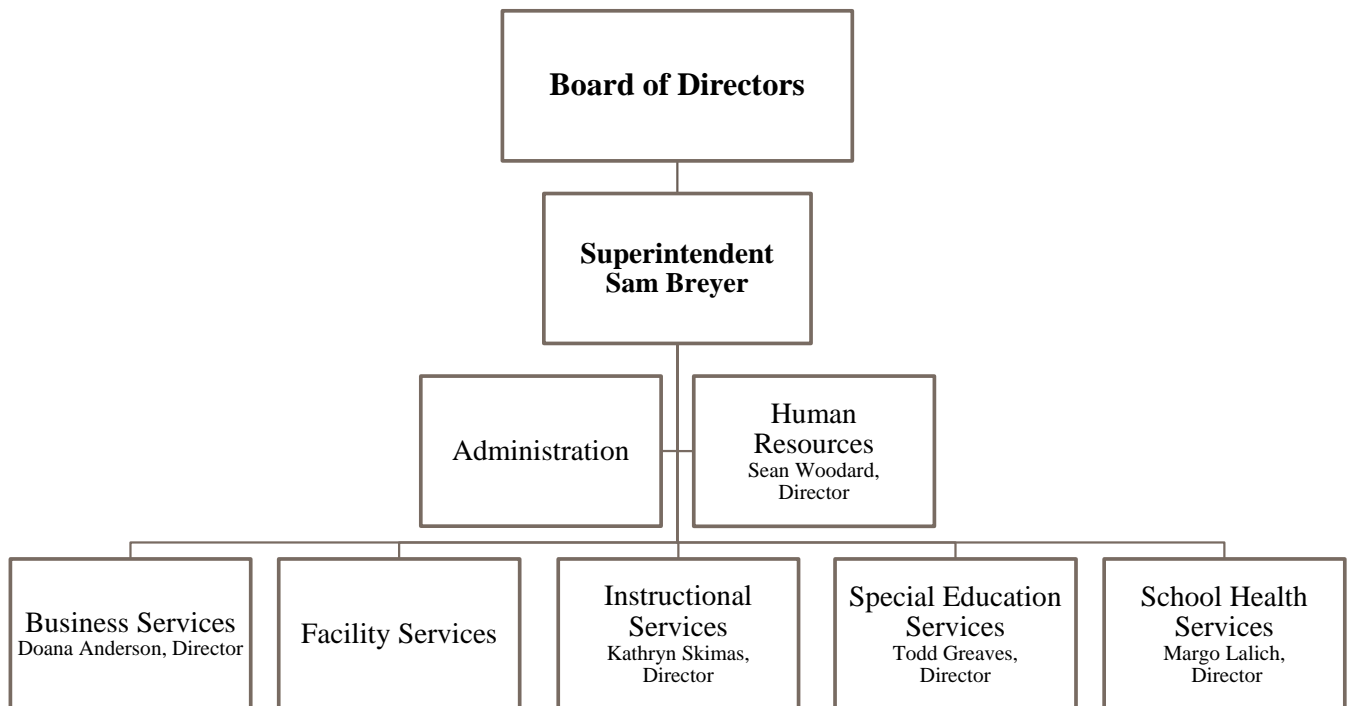
internal and external communications. The services fall into four categories: Student Information Services, Business Systems Support, Network Services, and Internal Agency Support.

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, 2017



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. 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, Vice-Chair	MESD Board Member	June 30, 2017
Ernie Butenschoen	Centennial School District	June 30, 2017
Maureen Phelps	Corbett School District	June 30, 2019
Cheryl Scarcelli	David Douglas School District	June 30, 2019
John Hartsock, Chair	Gresham-Barlow School District	June 30, 2017
Unfilled	Parkrose School District	June 30, 2016
Cynthia Duley	Portland Public School District	June 30, 2019
Rachel Hopper	Reynolds School District	June 30, 2018
Joe Prats	Riverdale School District	June 30, 2017

2017-2018 Budget Calendar

January to March	MESD Management Develops Proposed Budget MESD Board appoints Budget Committee Members
April 4, 2017	Budget Committee New Member Orientation
April 11, 2017	Proposed Budget and Budget Message Presentation
April 19 & 25, 2017	Budget Committee Approves Budget and submits it to the TSCC <i>The Budget Committee approved the budget on April 11, 2017</i>
May 16, 2017	TSCC Public Hearing and Budget Certification
June 20, 2017	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.

Consolidated Schedules

This section includes three combining statements each displaying the agency's six budgetary funds in separate columns. 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. In the same way, 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
2017 - 2018 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
Resources						
Beginning Fund Balance	2,000,000	3,350,000	3,100,000		980,000	480,000
Revenues						
Property Taxes	32,125,000					
State School Fund	9,042,091					
Local Sources	16,500	10,996,801	38,834		40,000	
State Sources		6,932,277				
Federal Sources		1,345,885				
Investment Earnings			100,000	10,000		
Sales of Goods & Services		9,122				
Other Revenues	566,894	567,447	255,268			
Services to Other Funds				2,910,082		799,215
Total Revenues	41,750,485	19,851,532	394,102	2,920,082	40,000	799,215
Transfers In & Overhead Revenues						
Overhead Revenues			744,695			744,695
From Resolution Services			4,116,709		130,000	4,246,709
From Contract Services					85,000	85,000
From Operating					489,009	489,009
Total Transfers In/Overhead			4,861,404		704,009	5,565,413
TOTAL RESOURCES	43,750,485	23,201,532	8,355,506	2,920,082	1,724,009	1,279,215
Requirements						
Total Expenditures	37,395,394	19,401,071	4,552,536	2,920,082	734,009	819,215
Transfers Out & Overhead Charges						
Overhead Charges		744,695				744,695
To Facilities & Equip Reserve	130,000	85,000	489,009			704,009
To Operating	4,116,709					4,116,709
Total Transfers Out/Overhead	4,246,709	829,695	489,009			5,565,413
Contingency						
	2,108,382	2,970,766	213,961		210,000	460,000
Ending Fund Balance			3,100,000		780,000	3,880,000
TOTAL REQUIREMENTS	43,750,485	23,201,532	8,355,506	2,920,082	1,724,009	1,279,215

Combining Fund Summary- Budgetary Funds

**Multnomah Education Service District
2017 - 2018 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
Property Taxes						
Current Year Taxes	31,646,000					31,646,000
Prior Year Taxes	468,000					468,000
Penalties & Interest Taxes	11,000					11,000
Total Property Taxes	32,125,000					32,125,000
State School Fund						
State School Support Fund	9,042,091					9,042,091
Total State School Fund	9,042,091					9,042,091
Local Sources						
Services to Component LEAs	16,500	10,045,264	38,834			10,100,598
Revenue From Non-Comp LEAs		951,537			40,000	951,537
E-Rate Revenue						40,000
Total Local Sources	16,500	10,996,801	38,834		40,000	11,092,135
State Sources						
ODE Contract Revenue		6,932,277				6,932,277
Total State Sources		6,932,277				6,932,277
Federal Sources						
Medicaid SBHS Revenue		150,000				150,000
Restricted Revenue From Fed		259,208				259,208
Title I Revenue		481,382				481,382
Natnl School Lunch Program Rev		190,000				190,000
Vocational Education		72,604				72,604
IDEA Revenue		94,128				94,128
Title II Revenue		98,563				98,563
Total Federal Sources		1,345,885				1,345,885
Investment Earnings						

Combining Revenue Detail- Budgetary Funds

**Multnomah Education Service District
2017 - 2018 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
Interest on Investments			100,000	10,000		
Total Investment Earnings			100,000	10,000		
Sales of Goods & Services						
Special Function Revenue		7,622				
Sales To Component LEAs		1,500				
Total Sales of Goods & Services		9,122				
Other Revenues						
Fingerprinting Service Revenue			5,000			
TSPC PDC Fees		10,000	5,000			
Testing Service Revenue			2,000			
Rental/Lease Income			23,940			
Contributions		147,132				
Fees - Non-Component Districts			200,328			
Miscellaneous Revenue	30	12,300	19,000			
Revenue From Non-LEAs	19,462	15,200				
Allocated MAC Reven	232,982					
Restricted-Intermediate Source	314,420	382,815				
Total Other Revenues	566,894	567,447	255,268			
Services to Other Funds						
Services To Other Funds				2,910,082		799,215
Total Services to Other Funds				2,910,082		799,215
Total Revenues	41,750,485	19,851,532	394,102	2,920,082	40,000	799,215
						65,755,416

Combining Revenue Detail- Budgetary Funds

**Multnomah Education Service District
2017 - 2018 Fiscal Year Adopted Budget**

	Program Funds		Support Funds					
	Resolution Services	Contracted Services	Operating	Debt Service	Facilities & Equipment Reserve	Risk Management Reserve	Total	
By Department	Administration	2,480	133,288	817,767		809,215	1,762,750	
	Facilities Services	37,285		329,442		520,341	887,068	
	Business Services	13,970,500		946,825			14,917,325	
	Human Resources	14,500	35,469	932,686		10,000	992,655	
	Technology Services	3,052,570	797,445	1,022,055		213,668	5,085,738	
	Special Education Services	8,251,304	6,149,417	174,681			14,575,402	
	School Health Services	8,111,960	2,580,019	81,247			10,773,226	
	Instructional Services	3,954,795	9,705,433	247,833			13,908,061	
	Debt Services				2,920,082		2,920,082	
		37,395,394	19,401,071	4,552,536	2,920,082	734,009	819,215	65,822,307
By Function	Instruction	6,327,055	10,509,082				16,836,137	
	Support Services	16,865,919	8,240,201	4,547,536		729,009	31,201,880	
	Enterprise & Community Service	242,420	651,788	5,000		5,000	899,208	
	Facilities Acq. & Construction						5,000	
	Other Uses	13,960,000					13,960,000	
	Debt Service				2,920,082		2,920,082	
	Transfers Out							
		37,395,394	19,401,071	4,552,536	2,920,082	734,009	819,215	65,822,307
	By Category	Salaries	12,811,479	10,428,605	2,740,570		109,320	26,089,974
		Associated Payroll Costs	7,618,170	5,964,585	1,466,904		57,795	15,107,454
Purchased Services		2,507,926	1,905,859	190,665		616,412	5,846,057	
Supplies and Materials		484,417	1,102,022	154,397		26,905	1,767,741	
Capital Outlay		13,402				117,597	130,999	
Debt Service					2,920,082		2,920,082	
Transit Payments		13,960,000					13,960,000	
		37,395,394	19,401,071	4,552,536	2,920,082	734,009	819,215	65,822,307

Combining Expenditure Summary- Budgetary Funds

**Multnomah Education Service District
2017 - 2018 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	4,116,709
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	744,695
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 Facilities & Equip Reserve	85,000
A one-time transfer from Special Education to fund a basketball court cover for the Functional Living Skills (FLS) program in the Burlingame Creek School.		
Operating	To Facilities & Equip Reserve	489,009
This amount funds current and future repairs, replacement, and improvements of the Agency's facilities and equipment.		
Total Interfund Transfers and Overhead Charges		<u>5,565,413</u>

**Multnomah Education Service District
2017 - 2018 Fiscal Year Adopted Budget
Total Requirements by Fund and Function - All Budgetary Funds**

	Program Funds		Support Funds			
	Resolution Services	Contracted Services	Operating	Debt Service	Facilities & Equipment Reserve	Risk Management Reserve
Requirements by Function						Total
1000 Instruction*	\$ 6,327,055	\$ 10,980,533	\$ -	\$ -	\$ -	\$ 17,307,588
2000 Support Services*	16,865,919	8,513,445	4,547,536	-	729,009	31,475,124
3000 Enterprise & Community Services*	242,420	651,788	5,000	-	-	899,208
4000 Facilities Acquisition & Improvements	-	-	-	-	5,000	5,000
5000 Other Uses	13,960,000	-	-	-	-	13,960,000
5100 Debt Service	-	-	-	2,920,082	-	2,920,082
5200 Transfers Out	4,246,709	85,000	489,009	-	-	4,820,718
6000 Contingencies	2,108,382	2,970,766	213,961	-	210,000	5,963,109
Total Appropriations	43,750,485	23,201,532	5,255,506	2,920,082	944,009	77,350,829
7000 Unappropriated Ending Balance	-	-	3,100,000	-	780,000	3,880,000
Total Requirements	43,750,485	23,201,532	8,355,506	2,920,082	1,724,009	81,230,829

* 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
2017 - 2018 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		.85	2.65		3.50
Agency Support				1.00	1.00
Communication Services			1.00		1.00
Total Administration		.85	3.65	1.00	5.50
Facilities Services					
Facility Services			12.00		12.00
Transportation Services	.50		.50		1.00
Total Facilities Services	.50		12.50		13.00
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		.25	8.00		8.25
Total Human Resources		.25	8.00		8.25
Technology Services					
Student Applications	14.00				14.00
Business Applications			1.52		1.52
Infrastructure Services	2.83				2.83
Internal Agency Support			5.91		5.91
Application Development		3.18			3.18
Support Services		3.69			3.69
Total Technology Services	16.83	6.87	7.43		31.13
Special Education Services					
Special Education	75.67	42.19	1.00		118.86
Related Services	7.30	10.56			17.86
Arata Creek	21.45	25.36			46.81
Total Special Education Services	104.42	78.11	1.00		183.53
School Health Services					
Health Services	111.61	23.90	6.58		142.09
Total School Health Services	111.61	23.90	6.58		142.09

Multnomah Education Service District
2017 - 2018 Fiscal Year Adopted Budget
Combining FTE Summary- All Funds

	Program Funds		Support Funds		
	Resolution Services	Contracted Services	Operating	Risk Management Reserve	Total
Instructional Services					
Social Services		42.22			42.22
Instructional Services	.46		1.63		2.09
Curriculum & Instruction	4.24				4.24
Outdoor School	6.01	5.42			11.43
Helensview	16.58	7.75			24.33
Youth Correction Education	3.38	28.92			32.30
Alternative Pathways		2.50			2.50
Migrant Education		3.43			3.43
Total Instructional Services	30.67	90.24	1.63		122.54
Total FTE	264.03	200.22	48.79	1.00	514.04

Full-Time Equivalent (FTE) by Function

Instruction	92.22	126.20			218.42
Support Services	171.81	73.02	48.79	1.00	294.62
Enterprise & Community Service		1.00			1.00
Total FTE	264.03	200.22	48.79	1.00	514.04

**Multnomah Education Service District
2017 - 2018 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		.85	2.65		3.50
Agency Support				1.00	1.00
Communication Services			1.00		1.00
Total Administration		.85	3.65	1.00	5.50
Facilities Services					
Facility Services			12.00		12.00
Transportation Services	.50		.50		1.00
Total Facilities Services	.50		12.50		13.00
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		.25	8.00		8.25
Total Human Resources		.25	8.00		8.25
Technology Services					
Student Applications	14.00				14.00
Business Applications			1.52		1.52
Infrastructure Services	2.83				2.83
Internal Agency Support			5.91		5.91
Application Development		3.18			3.18
Support Services		4.06			4.06
Total Technology Services	16.83	7.24	7.43		31.50
Special Education Services					
Special Education	84.61	45.74	1.00		131.35
Related Services	10.20	12.00			22.20
Arata Creek	22.95	27.52			50.47
Total Special Education Services	117.76	85.26	1.00		204.02
School Health Services					
Health Services	133.91	25.92	6.92		166.75
Total School Health Services	133.91	25.92	6.92		166.75

Multnomah Education Service District
2017 - 2018 Fiscal Year Adopted Budget
Combining Position Summary- All Funds

	Program Funds		Support Funds		
	Resolution Services	Contracted Services	Operating	Risk Management Reserve	Total
Instructional Services					
Social Services		45.58			45.58
Instructional Services	.46		1.63		2.09
Curriculum & Instruction	5.14				5.14
Outdoor School	6.29	5.75			12.04
Helensview	17.47	7.90			25.37
Youth Correction Education	3.50	30.26			33.76
Alternative Pathways		3.00			3.00
Migrant Education		4.00			4.00
Total Instructional Services	32.86	96.49	1.63		130.98
Total Positions	301.86	216.01	49.13	1.00	568.00

Positions by Function

Instruction	101.80	137.25			239.05
Support Services	200.06	77.76	49.13	1.00	327.95
Enterprise & Community Service		1.00			1.00
Total Positions	301.86	216.01	49.13	1.00	568.00

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 projected balance for 2016-17 and the ensuing year proposed budget. The 2017-18 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
2017-2018 Fiscal Year Annual Budget
Combined Fund Summary- All Budgetary Funds

	Actual 2014-15	Actual 2015-16	Revised 2016-17	Proposed 2017-18	Approved 2017-18	Adopted 2017-18
Resources						
Beginning Fund Balance	12,777,165	11,151,902	11,009,683	10,592,826	10,592,826	9,910,000
Revenues						
Property Taxes	28,425,261	29,673,252	30,897,000	32,125,000	32,125,000	32,125,000
State School Fund	6,307,067	8,594,610	8,028,444	8,231,811	8,231,811	9,042,091
Local Sources	8,399,582	7,235,200	9,665,141	10,549,432	10,549,432	11,092,135
State Sources	8,821,479	8,864,457	9,828,585	7,714,098	7,714,098	6,932,277
Federal Sources	2,846,792	2,335,938	1,624,590	1,353,393	1,353,393	1,345,885
Investment Earnings	81,783	82,524	107,371	110,000	110,000	110,000
Sales of Goods & Services	8,700	6,149	8,134	8,622	8,622	9,122
Other Revenues	1,478,208	1,712,298	1,204,553	1,322,342	1,322,342	1,389,609
Services to Other Funds	3,070,692	3,262,222	3,471,022	3,726,995	3,726,995	3,709,297
Total Revenues	59,439,564	61,766,650	64,834,840	65,141,693	65,141,693	65,755,416
Transfers In & Overhead Revenues						
Overhead Revenues	993,228	1,152,251	1,078,385	806,262	806,262	744,695
From Resolution Services	3,553,233	3,946,786	4,022,544	4,185,681	4,185,681	4,246,709
From Contract Services	334,000	316,028	551,375	85,000	85,000	85,000
From Operating	661,588	628,498	559,500	489,009	489,009	489,009
From Risk Mgmt Reserve	65,708	22,778				
Total Transfers In/Overhead	5,607,757	6,066,341	6,211,804	5,565,952	5,565,952	5,565,413
TOTAL RESOURCES	77,824,486	78,984,893	82,056,327	81,300,471	81,300,471	81,230,829
Requirements						
Total Expenditures	61,064,823	61,908,866	66,690,572	66,996,357	66,996,357	65,822,307
Transfers Out & Overhead Charges						
Overhead Charges	993,232	1,152,254	962,880	806,262	806,262	744,695
To Debt Service	546,588	538,498	519,500			
To Facilities & Equip Reserve	529,000	468,470	411,100	724,009	724,009	704,009
To Operating	3,538,941	3,907,122	4,202,819	4,035,681	4,035,681	4,116,709
Total Transfers Out/Overhead	5,607,761	6,066,344	6,096,299	5,565,952	5,565,952	5,565,413
Contingency			3,627,886	4,905,070	4,905,070	5,963,109
Total Budget	66,672,584	67,975,210	76,414,757	77,467,379	77,467,379	77,350,829
Ending Fund Balance	11,151,902	11,009,683	5,641,570	3,833,092	3,833,092	3,880,000
TOTAL REQUIREMENTS	77,824,486	78,984,893	82,056,327	81,300,471	81,300,471	81,230,829

Multnomah Education Service District
2017-2018 Fiscal Year Annual Budget
Combined Fund Summary- All Budgetary Funds

	Actual 2014-15	Actual 2015-16	Revised 2016-17	Proposed 2017-18	Approved 2017-18	Adopted 2017-18
EXPENDITURE PERSPECTIVES						
By Department						
Administration	1,946,835	1,724,996	1,641,433	1,784,624	1,784,624	1,762,750
Facilities Services	1,014,866	1,239,983	1,057,052	887,068	887,068	887,068
Business Services	14,141,663	15,076,449	15,544,188	15,442,710	15,442,710	14,917,325
Human Resources	735,680	761,254	689,309	751,758	751,758	992,655
Technology Services	9,672,721	8,327,601	7,286,796	5,104,193	5,104,193	5,085,738
Special Education Services	11,155,821	11,109,043	13,890,661	14,533,228	14,533,228	14,575,402
School Health Services	8,849,619	9,298,119	9,640,144	11,040,977	11,040,977	10,773,226
Instructional Services	10,496,624	11,193,424	13,646,467	14,531,717	14,531,717	13,908,061
Debt Services	3,050,994	3,177,997	3,294,522	2,920,082	2,920,082	2,920,082
Total Expenditures by Department	61,064,823	61,908,866	66,690,572	66,996,357	66,996,357	65,822,307
By Function						
Instruction	12,434,247	13,171,397	16,706,724	17,439,595	17,439,595	16,836,137
Support Services	26,048,377	26,117,313	28,866,549	31,451,856	31,451,856	31,201,880
Enterprise & Community Service	6,242,784	5,083,295	3,163,082	879,824	879,824	899,208
Facilities Acq. & Construction		36,782	5,000	5,000	5,000	5,000
Other Uses	13,288,421	14,322,082	14,654,695	14,300,000	14,300,000	13,960,000
Debt Service	3,050,994	3,177,997	3,294,522	2,920,082	2,920,082	2,920,082
Total Expenditures by Function	61,064,823	61,908,866	66,690,572	66,996,357	66,996,357	65,822,307
By Category						
Salaries	20,018,619	21,845,882	25,079,360	26,278,956	26,278,956	26,089,974
Associated Payroll Costs	12,305,408	11,062,443	12,891,822	15,393,628	15,393,628	15,107,454
Purchased Services	10,537,014	9,909,847	8,223,938	6,151,222	6,151,222	5,846,057
Supplies and Materials	1,725,512	1,483,644	2,177,199	1,921,470	1,921,470	1,767,741
Capital Outlay	138,855	106,971	183,320	30,999	30,999	130,999
Debt Service	3,050,994	3,177,997	3,294,522	2,920,082	2,920,082	2,920,082
Transfers			185,716			
Transit Payments	13,288,421	14,322,082	14,654,695	14,300,000	14,300,000	13,960,000
Total Expenditures by Category	61,064,823	61,908,866	66,690,572	66,996,357	66,996,357	65,822,307
FTE SUMMARY						
By Fund						
1 Resolution Services	207.72	217.32	257.89	271.05	271.05	264.03
2 Contracted Services	162.08	147.49	164.21	195.12	195.12	200.22
6 Operating	44.74	42.08	44.07	48.81	48.81	48.79
7 Risk Management Reserve	1.00	1.00	1.00	1.00	1.00	1.00
Total Number of FTE	415.54	407.89	467.17	515.98	515.98	514.04

Multnomah Education Service District
2017-2018 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 major 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 extended average daily membership weighted (ADMw).

	Actual 2014-15	Actual 2015-16	Revised 2016-17	Proposed 2017-18	Approved 2017-18	Adopted 2017-18
Resources						
Beginning Fund Balance	1,461,383	1,795,340	3,174,207	2,762,183	2,762,183	2,000,000
Revenues						
Current Year Taxes	27,803,249	29,088,476	30,436,000	31,646,000	31,646,000	31,646,000
Prior Year Taxes	599,453	565,251	450,000	468,000	468,000	468,000
Tax Title Fund Receipts	17,664	12,168				
Penalties & Interest Taxes	4,895	7,357	11,000	11,000	11,000	11,000
State School Support Fund	6,307,067	8,594,610	8,028,444	8,231,811	8,231,811	9,042,091
Services to Component LEAs	56,677	33,086	16,500	16,500	16,500	16,500
E-Rate Revenue	22,935	12,004				
SSF School Lunch Match	(2,600)					
Medicaid Admin Claiming Rev			181,819			
Medicaid SBHS Revenue	49,271	76,073				
IDEA Revenue		473				
Rental/Lease Income	200					
Contributions	6,584	1,738				
Recovery of Pr Yr Expenditures	4,236	311,744				
Miscellaneous Revenue	415,632	2,605	30	30	30	30
Revenue From Non-LEAs		40,612	20,400	19,462	19,462	19,462
Allocated MAC Reven				186,470	186,470	232,982
Restricted-Intermediate Source	221,496	401,372	398,108	414,000	414,000	314,420
Total Revenues	35,506,759	39,147,569	39,542,301	40,993,273	40,993,273	41,750,485
Transfers In						
Total Transfers In						
TOTAL RESOURCES	36,968,142	40,942,909	42,716,508	43,755,456	43,755,456	43,750,485
Requirements						
Total Expenditures	31,619,569	33,821,916	36,727,032	38,564,997	38,564,997	37,395,394
Transfers Out						
To Facilities & Equip Reserves	80,000	120,000	130,000	150,000	150,000	130,000
To Operating Funds	3,473,233	3,826,786	3,892,544	4,035,681	4,035,681	4,116,709
Total Transfers Out	3,553,233	3,946,786	4,022,544	4,185,681	4,185,681	4,246,709
Contingency			1,966,932	1,004,778	1,004,778	2,108,382
Total Budget	35,172,802	37,768,702	42,716,508	43,755,456	43,755,456	43,750,485
Ending Fund Balance	1,795,340	3,174,207				
TOTAL REQUIREMENTS	36,968,142	40,942,909	42,716,508	43,755,456	43,755,456	43,750,485

**Multnomah Education Service District
2017-2018 Fiscal Year Annual Budget
1- Resolution Services Fund Summary**

	Actual 2014-15	Actual 2015-16	Revised 2016-17	Proposed 2017-18	Approved 2017-18	Adopted 2017-18
EXPENDITURE PERSPECTIVES						
By Department						
Administration	2,486	2,486	2,480	2,480	2,480	2,480
Facilities Services	34,859	35,341	35,747	37,285	37,285	37,285
Business Services	13,288,421	14,322,082	14,654,695	14,310,500	14,310,500	13,970,500
Human Resources				14,500	14,500	14,500
Technology Services	2,912,038	2,836,873	2,957,247	3,051,280	3,051,280	3,052,570
Special Education Services	7,001,988	6,736,555	8,564,687	8,836,840	8,836,840	8,251,304
School Health Services	5,777,815	6,442,128	6,841,931	8,192,694	8,192,694	8,111,960
Instructional Services	2,601,962	3,446,451	3,670,245	4,119,418	4,119,418	3,954,795
Total Expenditures by Department	31,619,569	33,821,916	36,727,032	38,564,997	38,564,997	37,395,394
By Function						
Instruction	5,248,314	5,827,845	7,215,857	6,958,322	6,958,322	6,327,055
Support Services	13,082,419	13,314,502	14,724,042	17,072,528	17,072,528	16,865,919
Enterprise & Community Service	415	357,487	132,438	234,147	234,147	242,420
Other Uses	13,288,421	14,322,082	14,654,695	14,300,000	14,300,000	13,960,000
Total Expenditures by Function	31,619,569	33,821,916	36,727,032	38,564,997	38,564,997	37,395,394
By Category						
Salaries	9,351,394	10,285,350	12,878,766	13,174,259	13,174,259	12,811,479
Associated Payroll Costs	6,009,457	5,749,417	6,702,030	7,888,449	7,888,449	7,618,170
Purchased Services	2,580,214	2,958,858	2,009,227	2,651,348	2,651,348	2,507,926
Supplies and Materials	356,024	506,209	468,912	537,539	537,539	484,417
Capital Outlay	34,059		13,402	13,402	13,402	13,402
Transit Payments	13,288,421	14,322,082	14,654,695	14,300,000	14,300,000	13,960,000
Total Expenditures by Category	31,619,569	33,821,916	36,727,032	38,564,997	38,564,997	37,395,394

Multnomah Education Service District
2017-2018 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 2014-15	Actual 2015-16	Revised 2016-17	Proposed 2017-18	Approved 2017-18	Adopted 2017-18
Resources						
Beginning Fund Balance	4,807,487	4,365,467	3,130,938	3,339,323	3,339,323	3,350,000
Revenues						
Services to Component LEAs	8,156,661	7,111,458	8,590,965	9,495,760	9,495,760	10,045,264
Revenue From Non-Comp LEAs	29,131	3,013	978,842	958,338	958,338	951,537
E-Rate Revenue	51,758	19,983				
SSF School Lunch Match	2,600	1,974				
Mentoring Revenue - Students	109,520					
Other Restricted Grants In Aid	138,329	51,965	144,419	119,575	119,575	
Other State Revenue	4,345,289	3,868,626	2,109,242			
ODE Contract Revenue	4,228,341	4,941,600	7,574,924	7,594,523	7,594,523	6,932,277
Medicaid Admin Claiming Rev	93,271	75,329	90,000			
Medicaid SBHS Revenue	946,441	790,434	155,000	150,000	150,000	150,000
Restricted Revenue From Fed	222,061	222,428	275,058	259,208	259,208	259,208
Title I Revenue	407,039	487,648	417,791	486,074	486,074	481,382
Natnl School Lunch Program Rev	151,672	168,824	218,139	183,889	183,889	190,000
Vocational Education			76,020	72,603	72,603	72,604
IDEA Revenue	199,544	225,120	105,763	97,527	97,527	94,128
Title II Revenue		1,500	105,000	104,092	104,092	98,563
Perkins Grant (84.048)	5,573	6,749				
LAUNCH Grant	771,920	269,761				
Interest on Investments	1,555					
Sale of Meals-Reimb Programs	2,289	2,957				
Sale of Meals-NonReimb Program		370				
Special Function Revenue	6,138	2,635	7,622	7,622	7,622	7,622
Sales To Component LEAs	249	187	512	1,000	1,000	1,500
TSPC PDC Fees	7,704	3,108	10,000	10,000	10,000	10,000
Community Yoga Class Donations		739				
Community Workshop Fees		270				
Contributions	82,586	179,907	132,114	134,632	134,632	147,132
Recovery of Pr Yr Expenditures	(1,749)	18,559	71			
Miscellaneous Revenue	28,794	25,397	67,932	12,300	12,300	12,300
Revenue From Non-LEAs		128,720	32,663	15,200	15,200	15,200
Conference Fees		480				
Other Intermediate Sources	15,430					
Restricted-Intermediate Source	378,683	235,649	257,616	283,748	283,748	382,815
Total Revenues	20,380,829	18,845,390	21,349,693	19,986,091	19,986,091	19,851,532
TOTAL RESOURCES	25,188,316	23,210,857	24,480,631	23,325,414	23,325,414	23,201,532
Requirements						
Total Expenditures	19,495,617	18,611,637	20,128,822	19,204,466	19,204,466	19,401,071
Transfers Out						
Federal/State Indirect	993,232	1,152,254	962,880	806,262	806,262	744,695

Fund Summary

Multnomah Education Service District
2017-2018 Fiscal Year Annual Budget
2- Contracted Services Fund Summary

	Actual 2014-15	Actual 2015-16	Revised 2016-17	Proposed 2017-18	Approved 2017-18	Adopted 2017-18
To Facilities & Equip Reserves	334,000	258,470	241,100	85,000	85,000	85,000
To Operating Funds		57,558	310,275			
Total Transfers Out	1,327,232	1,468,282	1,514,255	891,262	891,262	829,695
Contingency			815,754	3,229,686	3,229,686	2,970,766
Total Budget	20,822,849	20,079,919	22,458,831	23,325,414	23,325,414	23,201,532
Ending Fund Balance	4,365,467	3,130,938	2,021,800			
TOTAL REQUIREMENTS	25,188,316	23,210,857	24,480,631	23,325,414	23,325,414	23,201,532

EXPENDITURE PERSPECTIVES

By Department

Administration	2,851			133,288	133,288	133,288
Human Resources						35,469
Technology Services	4,863,817	4,208,627	2,694,457	812,231	812,231	797,445
Special Education Services	4,026,246	4,277,718	5,169,914	5,515,844	5,515,844	6,149,417
School Health Services	2,853,811	2,585,429	2,506,305	2,576,671	2,576,671	2,580,019
Instructional Services	7,748,892	7,539,863	9,758,146	10,166,432	10,166,432	9,705,433
Total Expenditures by Department	19,495,617	18,611,637	20,128,822	19,204,466	19,204,466	19,401,071

By Function

Instruction	7,127,415	7,343,552	9,490,867	10,481,273	10,481,273	10,509,082
Support Services	6,744,590	6,900,738	7,923,150	8,077,516	8,077,516	8,240,201
Enterprise & Community Service	5,623,612	4,367,347	2,714,805	645,677	645,677	651,788
Total Expenditures by Function	19,495,617	18,611,637	20,128,822	19,204,466	19,204,466	19,401,071

By Category

Salaries	7,756,268	8,929,563	9,327,644	10,122,479	10,122,479	10,428,605
Associated Payroll Costs	4,515,167	4,030,983	4,694,578	5,909,079	5,909,079	5,964,585
Purchased Services	6,092,124	4,839,090	4,373,367	1,964,882	1,964,882	1,905,859
Supplies and Materials	1,122,108	778,835	1,540,697	1,208,026	1,208,026	1,102,022
Capital Outlay	9,950	33,166	6,820			
Transfers			185,716			
Total Expenditures by Category	19,495,617	18,611,637	20,128,822	19,204,466	19,204,466	19,401,071

Multnomah Education Service District
2017-2018 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 2014-15	Actual 2015-16	Revised 2016-17	Proposed 2017-18	Approved 2017-18	Adopted 2017-18
Resources						
Beginning Fund Balance	4,108,152	2,908,751	3,050,700	3,064,785	3,064,785	3,100,000
Revenues						
Services to Component LEAs	33,179	5,500	38,834	38,834	38,834	38,834
E-Rate Revenue	9,027	24,472				
Other Restricted Grants In Aid		292				
IDEA Revenue		11,599				
Interest on Investments	74,238	74,497	100,000	100,000	100,000	100,000
Special Function Revenue	24					
Fingerprinting Service Revenue	2,795	5,020	4,080	5,000	5,000	5,000
TSPC PDC Fees	7,880	3,060	9,925	5,000	5,000	5,000
Testing Service Revenue	1,610	2,700	6,225	2,000	2,000	2,000
Rental/Lease Income	33,085	24,240	23,940	23,940	23,940	23,940
Contributions	350	(4,331)				
Finger Printing		(100)				
Recovery of Pr Yr Expenditures	29,973	6,552	13,996			
Fees - Non-Component Districts	108,596	96,670	150,000	191,560	191,560	200,328
Miscellaneous Revenue	40,294	56,407	25,000	19,000	19,000	19,000
Total Revenues	341,051	306,578	372,000	385,334	385,334	394,102
Transfers In						
Fees Charged to Grants	993,228	1,152,251	1,078,385	806,262	806,262	744,695
From Resolution Services Funds	3,473,233	3,826,786	3,892,544	4,035,681	4,035,681	4,116,709
From Contract Services Funds		57,557	310,275			
From Risk Management Funds	65,708	22,778				
Total Transfers In	4,532,169	5,059,372	5,281,204	4,841,943	4,841,943	4,861,404
TOTAL RESOURCES	8,981,372	8,274,701	8,703,904	8,292,062	8,292,062	8,355,506
Requirements						
Total Expenditures	5,411,033	4,595,503	5,080,225	4,738,268	4,738,268	4,552,536
Transfers Out						
To Debt Service Funds	546,588	538,498	519,500			
To Facilities & Equip Reserves	115,000	90,000	40,000	489,009	489,009	489,009
Total Transfers Out	661,588	628,498	559,500	489,009	489,009	489,009
Contingency			20,960			213,961
Total Budget	6,072,621	5,224,001	5,660,685	5,227,277	5,227,277	5,255,506
Ending Fund Balance	2,908,751	3,050,700	3,043,219	3,064,785	3,064,785	3,100,000
TOTAL REQUIREMENTS	8,981,372	8,274,701	8,703,904	8,292,062	8,292,062	8,355,506

Multnomah Education Service District
2017-2018 Fiscal Year Annual Budget
6- Operating Fund Summary

	Actual 2014-15	Actual 2015-16	Revised 2016-17	Proposed 2017-18	Approved 2017-18	Adopted 2017-18
EXPENDITURE PERSPECTIVES						
By Department						
Administration	1,205,375	871,128	880,132	821,943	821,943	817,767
Facilities Services	525,834	437,048	546,854	329,442	329,442	329,442
Business Services	853,242	754,367	889,493	1,132,210	1,132,210	946,825
Human Resources	730,764	757,221	679,309	727,258	727,258	932,686
Technology Services	1,604,468	1,203,297	1,418,393	1,029,392	1,029,392	1,022,055
Special Education Services	127,587	94,770	156,060	180,544	180,544	174,681
School Health Services	217,993	270,562	291,908	271,612	271,612	81,247
Instructional Services	145,770	207,110	218,076	245,867	245,867	247,833
Total Expenditures by Department	5,411,033	4,595,503	5,080,225	4,738,268	4,738,268	4,552,536
By Function						
Support Services	4,792,276	4,237,042	4,764,386	4,738,268	4,738,268	4,547,536
Enterprise & Community Service	618,757	358,461	315,839			5,000
Total Expenditures by Function	5,411,033	4,595,503	5,080,225	4,738,268	4,738,268	4,552,536
By Category						
Salaries	2,811,344	2,535,114	2,771,387	2,872,898	2,872,898	2,740,570
Associated Payroll Costs	1,724,629	1,233,384	1,444,588	1,538,305	1,538,305	1,466,904
Purchased Services	671,021	672,333	595,914	178,065	178,065	190,665
Supplies and Materials	163,981	139,684	154,238	149,000	149,000	154,397
Capital Outlay	40,058	14,988	114,098			
Total Expenditures by Category	5,411,033	4,595,503	5,080,225	4,738,268	4,738,268	4,552,536

Multnomah Education Service District
2017-2018 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 2014-15	Actual 2015-16	Revised 2016-17	Proposed 2017-18	Approved 2017-18	Adopted 2017-18
Resources						
Beginning Fund Balance	1,585,565	1,408,208	1,155,284	945,929	945,929	980,000
Revenues						
E-Rate Revenue	40,214	25,684	40,000	40,000	40,000	40,000
Contributions		95,985				
Miscellaneous Revenue		3,334				
Total Revenues	40,214	125,003	40,000	40,000	40,000	40,000
Transfers In						
From Resolution Services Funds	80,000	120,000	130,000	150,000	150,000	130,000
From Contract Services Funds	334,000	258,471	241,100	85,000	85,000	85,000
From Operating Funds	115,000	90,000	40,000	489,009	489,009	489,009
Total Transfers In	529,000	468,471	411,100	724,009	724,009	704,009
TOTAL RESOURCES	2,154,779	2,001,682	1,606,384	1,709,938	1,709,938	1,724,009
Requirements						
Total Expenditures	746,571	846,398	691,150	731,631	731,631	734,009
Contingency			354,673	210,000	210,000	210,000
Total Budget	746,571	846,398	1,045,823	941,631	941,631	944,009
Ending Fund Balance	1,408,208	1,155,284	560,561	768,307	768,307	780,000
TOTAL REQUIREMENTS	2,154,779	2,001,682	1,606,384	1,709,938	1,709,938	1,724,009

Multnomah Education Service District
2017-2018 Fiscal Year Annual Budget
4- Facilities & Equipment Reserve Fund Summary

	Actual 2014-15	Actual 2015-16	Revised 2016-17	Proposed 2017-18	Approved 2017-18	Adopted 2017-18
EXPENDITURE PERSPECTIVES						
By Department						
Facilities Services	454,173	767,594	474,451	520,341	520,341	520,341
Technology Services	292,398	78,804	216,699	211,290	211,290	213,668
Total Expenditures by Department	746,571	846,398	691,150	731,631	731,631	734,009
By Function						
Instruction	58,518					
Support Services	688,053	809,616	686,150	726,631	726,631	729,009
Facilities Acq. & Construction		36,782	5,000	5,000	5,000	5,000
Total Expenditures by Function	746,571	846,398	691,150	731,631	731,631	734,009
By Category						
Salaries	6,878					
Associated Payroll Costs	795					
Purchased Services	600,911	729,059	642,150	714,034	714,034	616,412
Supplies and Materials	83,199	58,522				
Capital Outlay	54,788	58,817	49,000	17,597	17,597	117,597
Total Expenditures by Category	746,571	846,398	691,150	731,631	731,631	734,009

Multnomah Education Service District
2017-2018 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.

	Actual 2014-15	Actual 2015-16	Revised 2016-17	Proposed 2017-18	Approved 2017-18	Adopted 2017-18
Resources						
Beginning Fund Balance	779,057	668,146	489,935	480,606	480,606	480,000
Revenues						
Recovery of Pr Yr Expenditures		4,253	250			
Miscellaneous Revenue	93,505	67,608	49,703			
Expenditure Subsidy	524		2,500			
Services To Other Funds	601,807	628,121	696,000	816,913	816,913	799,215
Total Revenues	695,836	699,982	748,453	816,913	816,913	799,215
TOTAL RESOURCES	1,474,893	1,368,128	1,238,388	1,297,519	1,297,519	1,279,215
Requirements						
Total Expenditures	741,039	855,415	768,821	836,913	836,913	819,215
Transfers Out						
To Operating Funds	65,708	22,778				
Total Transfers Out	65,708	22,778				
Contingency			469,567	460,606	460,606	460,000
Total Budget	806,747	878,193	1,238,388	1,297,519	1,297,519	1,279,215
Ending Fund Balance	668,146	489,935				
TOTAL REQUIREMENTS	1,474,893	1,368,128	1,238,388	1,297,519	1,297,519	1,279,215

Multnomah Education Service District
2017-2018 Fiscal Year Annual Budget
7- Risk Management Reserve Fund Summary

	Actual 2014-15	Actual 2015-16	Revised 2016-17	Proposed 2017-18	Approved 2017-18	Adopted 2017-18
EXPENDITURE PERSPECTIVES						
By Department						
Administration	736,123	851,382	758,821	826,913	826,913	809,215
Human Resources	4,916	4,033	10,000	10,000	10,000	10,000
Total Expenditures by Department	741,039	855,415	768,821	836,913	836,913	819,215
By Function						
Support Services	741,039	855,415	768,821	836,913	836,913	819,215
Total Expenditures by Function	741,039	855,415	768,821	836,913	836,913	819,215
By Category						
Salaries	92,735	95,855	101,563	109,320	109,320	109,320
Associated Payroll Costs	55,360	48,659	50,626	57,795	57,795	57,795
Purchased Services	592,744	710,507	603,280	642,893	642,893	625,195
Supplies and Materials	200	394	13,352	26,905	26,905	26,905
Total Expenditures by Category	741,039	855,415	768,821	836,913	836,913	819,215

Multnomah Education Service District
2017-2018 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. The debt service payment is funded by at transfer from the Operating Fund. The final payment for the second issue is due May 2017.

	Actual 2014-15	Actual 2015-16	Revised 2016-17	Proposed 2017-18	Approved 2017-18	Adopted 2017-18
Resources						
Beginning Fund Balance	35,521	5,990	8,619			
Revenues						
Interest on Investments	5,990	8,027	7,371	10,000	10,000	10,000
Services To Other Funds	2,468,885	2,634,101	2,775,022	2,910,082	2,910,082	2,910,082
Total Revenues	2,474,875	2,642,128	2,782,393	2,920,082	2,920,082	2,920,082
Transfers In						
From Operating Funds	546,588	538,498	519,500			
Total Transfers In	546,588	538,498	519,500			
TOTAL RESOURCES	3,056,984	3,186,616	3,310,512	2,920,082	2,920,082	2,920,082
Requirements						
Total Expenditures	3,050,994	3,177,997	3,294,522	2,920,082	2,920,082	2,920,082
Total Budget	3,050,994	3,177,997	3,294,522	2,920,082	2,920,082	2,920,082
Ending Fund Balance	5,990	8,619	15,990			
TOTAL REQUIREMENTS	3,056,984	3,186,616	3,310,512	2,920,082	2,920,082	2,920,082
EXPENDITURE PERSPECTIVES						
By Department						
Debt Services	3,050,994	3,177,997	3,294,522	2,920,082	2,920,082	2,920,082
Total Expenditures by Department	3,050,994	3,177,997	3,294,522	2,920,082	2,920,082	2,920,082
By Function						
Debt Service	3,050,994	3,177,997	3,294,522	2,920,082	2,920,082	2,920,082
Total Expenditures by Function	3,050,994	3,177,997	3,294,522	2,920,082	2,920,082	2,920,082
By Category						
Debt Service	3,050,994	3,177,997	3,294,522	2,920,082	2,920,082	2,920,082
Total Expenditures by Category	3,050,994	3,177,997	3,294,522	2,920,082	2,920,082	2,920,082

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 adopted 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:

Superintendent Sam Breyer joined MESD in July 2016. The departure of Jim Rose as COO in January 2017 resulted in savings that was used to support the Strategic Planning process. As part of the Superintendent's re-alignment of cabinet and management structure, the position has been repurposed as an Assistant Superintendent and is included as a vacancy in the 2017-18 budget.

The 2017-18 budget also includes the addition of Public Affairs services requested by component district Superintendents. Services include technical support and professional assistance for districts in the area of government relations at the state and/or local level.

Brief Description of significant funding changes:

Approximately 85% of the funding for Public Affairs will be paid by the districts, either with resolution or contracted dollars. The budget currently reflects the use of resolution dollars.

Brief Description of FTE changes:

Relative to the 2016-17 revised budget, the 2017-18 budget reflects an increase of 0.50 FTE for the Administration portion of Assistant Superintendent position. There is also the addition of 1.0 FTE for Public Affairs support requested by the component districts.

Multnomah Education Service District
2017-2018 Fiscal Year Annual Budget
Expenditures by Department
100- Administration

	Actual 2014-15	Actual 2015-16	Revised 2016-17	Proposed 2017-18	Approved 2017-18	Adopted 2017-18
EXPENDITURE PERSPECTIVES						
By Category						
Salaries	682,654	496,556	506,714	639,023	639,023	633,263
Associated Payroll Costs	345,088	198,880	229,990	273,957	273,957	274,041
Purchased Services	900,128	1,023,219	859,950	827,574	827,574	809,876
Supplies and Materials	18,965	6,341	44,779	44,070	44,070	45,570
Total by Category	1,946,835	1,724,996	1,641,433	1,784,624	1,784,624	1,762,750
By Division						
100 Board of Directors	264,675	156,153	223,160	123,150	123,150	123,150
110 Administration	707,943	552,581	505,348	669,797	669,797	664,117
160 Agency Support	736,123	851,382	758,821	826,913	826,913	809,215
300 Legal Services	79,974	20,720				
500 Communication Services	133,953	141,674	151,624	162,284	162,284	163,788
520 School Closure	2,486	2,486	2,480	2,480	2,480	2,480
530 Foundation	21,681					
Total by Division	1,946,835	1,724,996	1,641,433	1,784,624	1,784,624	1,762,750
By Fund						
1 Resolution Services	2,486	2,486	2,480	2,480	2,480	2,480
2 Contracted Services	2,851			133,288	133,288	133,288
6 Operating	1,205,375	871,128	880,132	821,943	821,943	817,767
7 Risk Management Reserve	736,123	851,382	758,821	826,913	826,913	809,215
Total by Fund	1,946,835	1,724,996	1,641,433	1,784,624	1,784,624	1,762,750
FTE SUMMARY						
By Division						
110 Administration	3.50	2.50	2.00	3.50	3.50	3.50
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	.22					
Total Number of FTE	6.12	4.90	4.00	5.50	5.50	5.50
By Fund						
2 Contracted Services				.85	.85	.85
6 Operating	5.12	3.90	3.00	3.65	3.65	3.65
7 Risk Management Reserve	1.00	1.00	1.00	1.00	1.00	1.00
Total Number of FTE	6.12	4.90	4.00	5.50	5.50	5.50

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 and operating funds

Brief Description of significant department / service changes:

The department added an Environmental Monitor to its program in January 2016 to support our facility maintenance and to be available for component district support in the future. For 16-17, this position was funded by keeping an Administrator Assistant position unfilled for the remainder of the year.

The MESD anticipates leasing the Knott facility from Parkrose School District beginning in July 2017. The building will be used to expand Special Education services for our districts. The 2017-18 budget includes the addition of facility improvements and maintenance and custodial services for the new site.

Brief Description of significant funding changes:

The addition of the Knott lease will be supported by increased program revenue for providing student services.

Brief Description of FTE changes:

The 2017-18 budget includes the addition of an Environmental Monitor and one custodian for the Knott facility.

Multnomah Education Service District
2017-2018 Fiscal Year Annual Budget
Expenditures by Department
150- Facilities Services

	Actual 2014-15	Actual 2015-16	Revised 2016-17	Proposed 2017-18	Approved 2017-18	Adopted 2017-18
EXPENDITURE PERSPECTIVES						
By Category						
Salaries	263,071	261,849	266,913	325,346	325,346	325,346
Associated Payroll Costs	168,551	153,489	159,679	207,766	207,766	207,766
Purchased Services	478,652	735,130	464,562	294,656	294,656	294,656
Supplies and Materials	97,692	47,453	51,800	59,300	59,300	59,300
Capital Outlay	6,900	42,062	114,098			
Total by Category	1,014,866	1,239,983	1,057,052	887,068	887,068	887,068
By Division						
150 Facility Services	861,558	1,156,247	855,609	798,774	798,774	798,774
155 Transportation Services	63,599	64,908	178,443	65,294	65,294	65,294
510 Printing & Graphics	31,191	18,828	23,000	23,000	23,000	23,000
750 Special Education	58,518					
Total by Division	1,014,866	1,239,983	1,057,052	887,068	887,068	887,068
By Fund						
1 Resolution Services	34,859	35,341	35,747	37,285	37,285	37,285
4 Facilities & Equipment Reserve	454,173	767,594	474,451	520,341	520,341	520,341
6 Operating	525,834	437,048	546,854	329,442	329,442	329,442
Total by Fund	1,014,866	1,239,983	1,057,052	887,068	887,068	887,068
FTE SUMMARY						
By Division						
150 Facility Services	7.75	7.75	10.00	12.00	12.00	12.00
155 Transportation Services	1.00	1.00	1.00	1.00	1.00	1.00
Total Number of FTE	8.75	8.75	11.00	13.00	13.00	13.00
By Fund						
1 Resolution Services	.50	.50	.50	.50	.50	.50
6 Operating	8.25	8.25	10.50	12.50	12.50	12.50
Total Number of FTE	8.75	8.75	11.00	13.00	13.00	13.00

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:

In order to provide better fiscal support to the agency, Business Services has created a new Business Partner position to provide professional accounting and budgeting services direct to programs. The position resides in the department and reports to the Business Services Director. It is considered the bridge between program service needs and our agency's fiscal responsibilities and will provide better consistency of process and understanding across the agency.

As part of the Superintendent's re-alignment of cabinet and management structure, payroll will be supervised by the Human Resources department.

Brief Description of significant funding changes:

No significant changes anticipated

Brief Description of FTE changes:

The 2017-18 budget includes the addition of two Business Partner positions. The adopted budget reflects the shift of payroll personnel (two) to the Human Resources department.

Multnomah Education Service District
2017-2018 Fiscal Year Annual Budget
Expenditures by Department
200- Business Services

	Actual 2014-15	Actual 2015-16	Revised 2016-17	Proposed 2017-18	Approved 2017-18	Adopted 2017-18
EXPENDITURE PERSPECTIVES						
By Category						
Salaries	479,768	429,226	507,475	657,401	657,401	539,407
Associated Payroll Costs	286,236	232,926	278,693	372,759	372,759	290,168
Purchased Services	83,027	90,182	87,469	99,100	99,100	117,200
Supplies and Materials	4,211	2,033	15,856	13,450	13,450	10,550
Transit Payments	13,288,421	14,322,082	14,654,695	14,300,000	14,300,000	13,960,000
Total by Category	14,141,663	15,076,449	15,544,188	15,442,710	15,442,710	14,917,325
By Division						
210 Business Services Admin	359,590	175,193	175,327	200,515	200,515	202,061
220 Fiscal Services	302,277	579,174	714,166	942,195	942,195	755,264
221 Fiscal Services-Transits	13,288,421	14,322,082	14,654,695	14,300,000	14,300,000	13,960,000
240 Payroll Services	191,375					
Total by Division	14,141,663	15,076,449	15,544,188	15,442,710	15,442,710	14,917,325
By Fund						
1 Resolution Services	13,288,421	14,322,082	14,654,695	14,310,500	14,310,500	13,970,500
6 Operating	853,242	754,367	889,493	1,132,210	1,132,210	946,825
Total by Fund	14,141,663	15,076,449	15,544,188	15,442,710	15,442,710	14,917,325
FTE SUMMARY						
By Division						
210 Business Services Admin	3.00	1.00	1.00	1.00	1.00	1.00
220 Fiscal Services	3.00	7.00	7.00	9.00	9.00	7.00
240 Payroll Services	2.00					
Total Number of FTE	8.00	8.00	8.00	10.00	10.00	8.00
By Fund						
6 Operating	8.00	8.00	8.00	10.00	10.00	8.00
Total Number of FTE	8.00	8.00	8.00	10.00	10.00	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:

Director of Human Resources, Sean Woodard joined MESD in July 2016. As part of the Superintendent's re-alignment of cabinet and management structure, Human Resources will assume supervision of payroll and the employee wellness program.

Brief Description of significant funding changes:

No significant changes anticipated

Brief Description of FTE changes:

The adopted budget reflects the shift of Payroll personnel (two) as well as the grant-funded portion of the Wellness Coordinator.

Multnomah Education Service District
2017-2018 Fiscal Year Annual Budget
Expenditures by Department
400- Human Resources

	Actual 2014-15	Actual 2015-16	Revised 2016-17	Proposed 2017-18	Approved 2017-18	Adopted 2017-18
EXPENDITURE PERSPECTIVES						
By Category						
Salaries	339,055	373,668	380,405	412,970	412,970	555,286
Associated Payroll Costs	314,602	211,960	254,590	282,133	282,133	374,993
Purchased Services	64,539	153,268	31,482	27,150	27,150	21,964
Supplies and Materials	17,484	22,358	22,832	29,505	29,505	40,412
Total by Category	735,680	761,254	689,309	751,758	751,758	992,655
By Division						
400 Human Resources	735,680	761,254	689,309	751,758	751,758	992,655
Total by Division	735,680	761,254	689,309	751,758	751,758	992,655
By Fund						
1 Resolution Services				14,500	14,500	14,500
2 Contracted Services						35,469
6 Operating	730,764	757,221	679,309	727,258	727,258	932,686
7 Risk Management Reserve	4,916	4,033	10,000	10,000	10,000	10,000
Total by Fund	735,680	761,254	689,309	751,758	751,758	992,655
FTE SUMMARY						
By Division						
400 Human Resources	6.26	6.60	6.00	6.00	6.00	8.25
Total Number of FTE	6.26	6.60	6.00	6.00	6.00	8.25
By Fund						
2 Contracted Services						.25
6 Operating	6.26	6.60	6.00	6.00	6.00	8.00
Total Number of FTE	6.26	6.60	6.00	6.00	6.00	8.25

Technology Services

Department Description: Multnomah ESD is a founding member of the Cascade Education Alliance (CEA, formally known as Cascade Technology Alliance). This organization is created through the participation of the Multnomah, Columbia Gorge, Northwest Regional and Willamette ESDs' 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.

Primary Funding Sources:

Resolution, contracted, and operating funds

Brief Description of significant department / service changes:

The MESD's contract with the State of Oregon Department of Human Services (OR-Case) ended in the Spring of 2017. The departure of Jim Rose as Technology Director in January 2017 resulted in salary savings that helped to support OR-Case staff while they transitioned to other positions. In alignment with the Superintendent's cabinet and management restructuring plan, the Technology Director position has been repurposed as an Assistant Superintendent and is included as a vacancy in the adopted budget. The Assistant Superintendent will oversee both instruction and technology services.

Brief Description of FTE changes:

The loss of the OR-Case contract resulted in the reduction of 1.5 positions and/or re-distribution of existing staff to support application development or agency support in other areas.

Multnomah Education Service District
2017-2018 Fiscal Year Annual Budget
Expenditures by Department
600- Technology Services

	Actual 2014-15	Actual 2015-16	Revised 2016-17	Proposed 2017-18	Approved 2017-18	Adopted 2017-18
EXPENDITURE PERSPECTIVES						
By Category						
Salaries	2,460,918	2,462,309	2,660,964	2,543,348	2,543,348	2,536,028
Associated Payroll Costs	1,415,247	1,177,186	1,297,906	1,329,837	1,329,837	1,311,324
Purchased Services	5,501,224	4,475,908	3,150,918	1,091,776	1,091,776	994,154
Supplies and Materials	173,327	180,455	114,606	108,233	108,233	113,233
Capital Outlay	122,005	31,743	62,402	30,999	30,999	130,999
Total by Category	9,672,721	8,327,601	7,286,796	5,104,193	5,104,193	5,085,738
By Division						
610 Student Applications	1,802,778	1,276,840	1,419,503	1,533,825	1,533,825	1,536,202
620 Business Applications	52,072	47,487	339,664	237,133	237,133	237,163
630 Infrastructure Services	1,225,665	1,559,648	1,618,000	1,616,870	1,616,870	1,618,160
640 Internal Agency Support	940,700	799,298	818,131	821,682	821,682	809,316
650 Application Development	430,682	451,541	463,716	499,606	499,606	500,361
660 Substitute Registration	168,932	77,240	81,202	82,452	82,452	82,452
695 Support Services	5,051,892	4,115,547	2,546,580	312,625	312,625	302,084
Total by Division	9,672,721	8,327,601	7,286,796	5,104,193	5,104,193	5,085,738
By Fund						
1 Resolution Services	2,912,038	2,836,873	2,957,247	3,051,280	3,051,280	3,052,570
2 Contracted Services	4,863,817	4,208,627	2,694,457	812,231	812,231	797,445
4 Facilities & Equipment Reserve	292,398	78,804	216,699	211,290	211,290	213,668
6 Operating	1,604,468	1,203,297	1,418,393	1,029,392	1,029,392	1,022,055
Total by Fund	9,672,721	8,327,601	7,286,796	5,104,193	5,104,193	5,085,738
FTE SUMMARY						
By Division						
610 Student Applications	10.70	14.00	15.00	14.00	14.00	14.00
620 Business Applications	.15	.15	1.52	1.52	1.52	1.52
630 Infrastructure Services	2.63	2.83	2.83	2.83	2.83	2.83
640 Internal Agency Support	7.50	7.66	5.41	5.91	5.91	5.91
650 Application Development	3.10	3.35	3.18	3.18	3.18	3.18
660 Substitute Registration	1.00					
695 Support Services	8.67	7.76	5.06	3.69	3.69	3.69
Total Number of FTE	33.75	35.75	33.00	31.13	31.13	31.13
By Fund						
1 Resolution Services	14.38	16.98	17.83	16.83	16.83	16.83
2 Contracted Services	5.60	6.78	6.74	6.87	6.87	6.87
6 Operating	13.77	11.99	8.43	7.43	7.43	7.43
Total Number of FTE	33.75	35.75	33.00	31.13	31.13	31.13

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:

Director of Special Education, Todd Greaves, joined MESD in June 2016. The adopted budget includes the expansion of the Social & Emotional Skills Program (SESP) service beginning in 2017-18. This expansion includes three new classrooms for which there is already a waiting list. This was a high-need area for our component districts and we are pleased to be able to provide the services at a new site through a potential lease agreement with Parkrose School District. The new building will also house two FLS classrooms currently located at other sites.

Brief Description of significant funding changes:

The expansion of SESP services will be supported by increased program revenue for providing student services.

Brief Description of FTE changes:

Increase in staffing for expanded SESP services includes 2 teachers, 7 education assistants and other support staff. The department also added an assistant principal for FLS. Current year staffing levels on the report do not show temporary or agency staff in current hard-to-fill positions such as occupational therapists, school psychologists, and speech-language pathologists. The budget assumes that permanent staff are hired in 2017-18.

Multnomah Education Service District
2017-2018 Fiscal Year Annual Budget
Expenditures by Department
700- Special Education Services

	Actual 2014-15	Actual 2015-16	Revised 2016-17	Proposed 2017-18	Approved 2017-18	Adopted 2017-18
EXPENDITURE PERSPECTIVES						
By Category						
Salaries	5,515,298	6,076,363	7,536,498	7,702,546	7,702,546	7,769,964
Associated Payroll Costs	3,629,243	3,370,769	4,258,148	4,927,404	4,927,404	4,901,141
Purchased Services	1,717,492	1,341,094	1,372,586	1,401,479	1,401,479	1,401,520
Supplies and Materials	293,788	307,319	537,713	501,799	501,799	502,777
Capital Outlay		13,498				
Transfers			185,716			
Total by Category	11,155,821	11,109,043	13,890,661	14,533,228	14,533,228	14,575,402
By Division						
710 EI/ECSE	819,587	613,588	266,741	24,742	24,742	24,642
750 Special Education	7,907,018	7,397,744	9,100,393	8,968,220	8,968,220	9,045,774
780 Related Services	919,300	1,170,612	1,245,322	1,467,040	1,467,040	1,386,214
960 Arata Creek	1,509,916	1,927,099	3,278,205	4,073,226	4,073,226	4,118,772
Total by Division	11,155,821	11,109,043	13,890,661	14,533,228	14,533,228	14,575,402
By Fund						
1 Resolution Services	7,001,988	6,736,555	8,564,687	8,836,840	8,836,840	8,251,304
2 Contracted Services	4,026,246	4,277,718	5,169,914	5,515,844	5,515,844	6,149,417
6 Operating	127,587	94,770	156,060	180,544	180,544	174,681
Total by Fund	11,155,821	11,109,043	13,890,661	14,533,228	14,533,228	14,575,402
FTE SUMMARY						
By Division						
710 EI/ECSE	5.91	2.84	1.00			
750 Special Education	122.28	105.52	109.79	119.32	119.32	118.86
780 Related Services	7.20	8.38	15.36	17.86	17.86	17.86
960 Arata Creek	14.33	18.73	39.74	46.55	46.55	46.81
Total Number of FTE	149.72	135.47	165.89	183.73	183.73	183.53
By Fund						
1 Resolution Services	101.02	105.99	119.09	112.61	112.61	104.42
2 Contracted Services	48.00	28.78	45.80	70.12	70.12	78.11
6 Operating	.70	.70	1.00	1.00	1.00	1.00
Total Number of FTE	149.72	135.47	165.89	183.73	183.73	183.53

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:

Final stage of expansion of the School Health Assistant (SHA) program in Portland Public Schools to include the four remaining clusters: Cleveland, Grant, Lincoln and Wilson. SHAs will be the primary point of contact in each K-8 School 5-7 hours per day under the oversight of a registered nurse.

Reduction, through attrition, of the School Health Services Director position. This change is a part of the Superintendent's re-alignment of cabinet and management structure.

Brief Description of significant funding changes:

Outside of SHA program expansion, no significant changes anticipated.

Brief Description of FTE changes:

The expansion of the service requires the addition of one nursing supervisor, ~ 36 new SHAs (including two floaters), and a decrease in the number of registered nurses in the department. The adopted budget reflects the reduction of the School Health Services director position, the addition of two nurses for the MESD hospital education program and the Knott site and the shift of the wellness program grant funding to Human Resources.

Multnomah Education Service District
2017-2018 Fiscal Year Annual Budget
Expenditures by Department
800- School Health Services

	Actual 2014-15	Actual 2015-16	Revised 2016-17	Proposed 2017-18	Approved 2017-18	Adopted 2017-18
EXPENDITURE PERSPECTIVES						
By Category						
Salaries	5,107,652	5,784,185	6,157,597	6,549,954	6,549,954	6,410,500
Associated Payroll Costs	3,170,106	2,928,807	3,036,248	3,869,779	3,869,779	3,753,906
Purchased Services	450,091	441,909	285,270	432,570	432,570	429,256
Supplies and Materials	121,770	143,218	161,029	188,674	188,674	179,564
Total by Category	8,849,619	9,298,119	9,640,144	11,040,977	11,040,977	10,773,226
By Division						
450 Employee Committees	9,752	19,493	43,273	35,469	35,469	
810 Health Services	8,839,867	9,278,626	9,596,871	11,005,508	11,005,508	10,773,226
Total by Division	8,849,619	9,298,119	9,640,144	11,040,977	11,040,977	10,773,226
By Fund						
1 Resolution Services	5,777,815	6,442,128	6,841,931	8,192,694	8,192,694	8,111,960
2 Contracted Services	2,853,811	2,585,429	2,506,305	2,576,671	2,576,671	2,580,019
6 Operating	217,993	270,562	291,908	271,612	271,612	81,247
Total by Fund	8,849,619	9,298,119	9,640,144	11,040,977	11,040,977	10,773,226
FTE SUMMARY						
By Division						
450 Employee Committees			.25	.25	.25	
810 Health Services	111.58	107.75	119.93	142.09	142.09	142.09
Total Number of FTE	111.58	107.75	120.18	142.34	142.34	142.09
By Fund						
1 Resolution Services	67.17	69.36	90.31	111.61	111.61	111.61
2 Contracted Services	42.91	36.89	24.38	24.15	24.15	23.90
6 Operating	1.50	1.50	5.49	6.58	6.58	6.58
Total Number of FTE	111.58	107.75	120.18	142.34	142.34	142.09

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: youth detention and correction education programs, Helensview, home school registration, migrant education, hospital and long-term care and treatment (LTCT) programs; 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 will adjust as a result of changing levels in contract funding.

Brief Description of significant funding changes:

The adopted budget reflects decreases in contract funding for youth detention and correction education programs and LTCT programs as well as an increase for hospital Programs. The expansion of services planned through additional contracts awarded as well as renewal levels for existing contracts continued to evolve as the adopted budget was finalized. We continually seek additional contract and grant opportunities to serve the needs of children and families. Budget amendments throughout the 2017-18 year will incorporate expenditure changes as needed.

Brief Description of FTE changes:

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

Multnomah Education Service District
2017-2018 Fiscal Year Annual Budget
Expenditures by Department
900- Instructional Services

	Actual 2014-15	Actual 2015-16	Revised 2016-17	Proposed 2017-18	Approved 2017-18	Adopted 2017-18
EXPENDITURE PERSPECTIVES						
By Category						
Salaries	5,170,203	5,961,726	7,062,794	7,448,368	7,448,368	7,320,180
Associated Payroll Costs	2,976,335	2,788,426	3,376,568	4,129,993	4,129,993	3,994,115
Purchased Services	1,341,861	1,649,137	1,971,701	1,976,917	1,976,917	1,777,431
Supplies and Materials	998,275	774,467	1,228,584	976,439	976,439	816,335
Capital Outlay	9,950	19,668	6,820			
Total by Category	10,496,624	11,193,424	13,646,467	14,531,717	14,531,717	13,908,061
By Division						
750 Special Education	28,510	119				
850 Social Services	2,470,392	3,015,664	3,900,043	4,374,123	4,374,123	4,233,098
900 Instructional Services	627,918	373,071	266,733	311,241	311,241	308,620
910 Curriculum & Instruction	532,395	538,837	518,621	541,727	541,727	548,592
920 Outdoor School	1,900,348	2,783,409	2,886,069	2,932,126	2,932,126	2,939,431
940 Alpha	777,614	217				
950 Helensview	1,774,341	1,891,028	2,150,907	2,338,815	2,338,815	2,434,999
970 Youth Correction Education	1,828,105	2,043,368	3,399,202	3,473,716	3,473,716	2,883,352
980 Alternative Pathways	220,745	209,916	223,915	244,237	244,237	244,237
990 Migrant Education	336,256	337,795	300,977	315,732	315,732	315,732
Total by Division	10,496,624	11,193,424	13,646,467	14,531,717	14,531,717	13,908,061
By Fund						
1 Resolution Services	2,601,962	3,446,451	3,670,245	4,119,418	4,119,418	3,954,795
2 Contracted Services	7,748,892	7,539,863	9,758,146	10,166,432	10,166,432	9,705,433
6 Operating	145,770	207,110	218,076	245,867	245,867	247,833
Total by Fund	10,496,624	11,193,424	13,646,467	14,531,717	14,531,717	13,908,061
FTE SUMMARY						
By Division						
750 Special Education	.44	1.00				
850 Social Services	25.91	31.76	41.43	44.68	44.68	42.22
900 Instructional Services	1.54	2.29	2.16	2.11	2.11	2.09
910 Curriculum & Instruction	3.95	4.10	4.19	4.19	4.19	4.24
920 Outdoor School	8.24	11.15	11.43	11.43	11.43	11.43
940 Alpha	7.60					
950 Helensview	18.07	21.38	20.34	21.34	21.34	24.33
970 Youth Correction Education	18.86	22.05	33.62	34.60	34.60	32.30
980 Alternative Pathways	3.10	3.06	2.50	2.50	2.50	2.50
990 Migrant Education	3.65	3.88	3.43	3.43	3.43	3.43
Total Number of FTE	91.36	100.67	119.10	124.28	124.28	122.54
By Fund						
1 Resolution Services	24.65	24.49	30.16	29.50	29.50	30.67
2 Contracted Services	65.57	75.04	87.29	93.13	93.13	90.24
6 Operating	1.14	1.14	1.65	1.65	1.65	1.63
Total Number of FTE	91.36	100.67	119.10	124.28	124.28	122.54

Debt Service and Capital 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**

Period Ending	Principal	Coupon	Interest	Debt Service	Total Annual Debt Service	Principal Balance Remaining
Dec-2011			883,658	883,658		
Jun-2012	375,000	4.59%	883,658	1,258,658	2,142,316	32,330,000
Dec-2012			875,055	875,055		
Jun-2013	510,000	4.77%	875,055	1,385,055	2,260,111	31,820,000
Dec-2013			862,884	862,884		
Jun-2014	655,000	4.79%	862,884	1,517,884	2,380,768	31,165,000
Dec-2014			847,187	847,187		
Jun-2015	810,000	4.92%	847,187	1,657,187	2,504,374	30,355,000
Dec-2015			827,249	827,249		
Jun-2016	985,000	5.02%	827,249	1,812,249	2,639,498	29,370,000
Dec-2016			802,511	802,511		
Jun-2017	1,170,000	5.12%	802,511	1,972,511	2,775,021	28,200,000
Dec-2017			772,541	772,541		
Jun-2018	1,375,000	5.22%	772,541	2,147,541	2,920,082	26,825,000
Dec-2018			736,633	736,633		
Jun-2019	1,595,000	5.32%	736,633	2,331,633	3,068,266	25,230,000
Dec-2019			694,182	694,182		
Jun-2020	1,835,000	5.37%	694,182	2,529,182	3,223,364	23,395,000
Dec-2020			644,885	644,885		
Jun-2021	2,095,000	5.42%	644,885	2,739,885	3,384,770	21,300,000
Dec-2021			588,079	588,079		
Jun-2022	2,375,000	5.47%	588,079	2,963,079	3,551,158	18,925,000
Dec-2022			523,087	523,087		
Jun-2023	2,680,000	5.53%	523,087	3,203,087	3,726,174	16,245,000
Dec-2023			449,012	449,012		
Jun-2024	3,015,000	5.53%	449,012	3,464,012	3,913,024	13,230,000
Dec-2024			365,677	365,677		
Jun-2025	3,370,000	5.53%	365,677	3,735,677	4,101,354	9,860,000
Dec-2025			272,530	272,530		
Jun-2026	3,755,000	5.53%	272,530	4,027,530	4,300,061	6,105,000
Dec-2026			168,742	168,742		
Jun-2027	4,170,000	5.53%	168,742	4,338,742	4,507,484	1,935,000
Dec-2027			53,483	53,483		
Jun-2028	1,935,000	5.53%	53,483	1,988,483	2,041,967	0

Facilities and Equipment Reserve Plan

Summary of Significant Changes from 2016-17

Facilities

Repairs, Replacements & Improvements:

Most repairs, equipment replacements, and building improvements are recorded in Fund 4. Expenditures are funded by an ongoing transfer from the Operating Fund which helps 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, with minor repairs, we are able to once again delay the replacement of the roof. The 2017-18 budget keeps the estimated \$300 thousand for the project in the ending fund balance for next year.

Burlingame Creek and Arata Creek Buildings:

Safety and security upgrades occurred at Burlingame (formerly Alpha High School) and Arata Creek in 2016-17. Additionally, Burlingame Creek saw modifications to expand classroom space.

Re-carpeting at Burlingame and Arata Creek will occur in 2017-18 as well as the installation of new non-proprietary fire panels. A basketball court cover is planned for Burlingame Creek.

Knott Building:

The District plans to expand classroom space by entering into a lease agreement with Parkrose School District for the Knott building beginning in 2017-18. Preparing this space for the student population will require modifications to the building in addition to the purchase of furniture, fixtures and equipment.

Wheatley and Helensview Buildings:

Many upgrades also occurred in 2016-17 at our buildings leased from Parkrose School District. Safety and security upgrades occurred at Wheatley and building modifications included the addition of an accessible shower. At Helensview, the District and Parkrose partnered on energy efficiency improvements. No additional significant changes are planned at this time.

Facilities and Equipment Reserve Plan

Summary of Significant Changes from 2016-17

Technology Services

Student Information Services:

Vendor supplied software enhancements are anticipated in 2017-18.

Business Systems Support:

In 2016-17, Business Services began an efficiency and maintenance review of SunGard BusinessPLUS in hopes to increase productivity. This work will continue into 2017-18 and may require upgrades to the existing software.

Network Services:

No significant 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
FY2018 Facilities & Equipment Reserve Plan
Fund 4
Facilities Services Plan

	Estimated FY2017	Adopted FY2018	Projected			
			FY2019	FY2020	FY2021	FY2022
Knott						
Repairs & Maintenance (non-routine)		10,000	10,000	10,000	10,000	10,000
Upgrades & Initial Set-up		206,341				
Subtotal		216,341	10,000	10,000	10,000	10,000
Ainsworth (1989)						
Repairs & Maintenance (non-routine)	44,451	15,000	15,000	15,000	15,000	15,000
Carpet Replacement (common areas)		20,000				
Environmental Quality	5,000					
Roof Replacement (25yr)			300,000			
Security Upgrades	15,000					
Subtotal	64,451	35,000	315,000	15,000	15,000	15,000
Burlingame Creek "Alpha" (1998)						
Repairs & Maintenance (non-routine)	39,500	10,000	10,000	10,000	10,000	10,000
Basketball Court Cover	20,000	85,000				
Building Safety Improvements	79,800					
Carpet Replacement (15 yr)		40,000				
Environmental Quality	1,300					
Expand Classroom Space	12,000					
Fire Panel		20,000				
Roof Replacement (20yr)			80,000			
Water Valve Repair	2,400					
Subtotal	155,000	155,000	90,000	10,000	10,000	10,000
Arata Creek (1999)						
Repairs & Maintenance (non-routine)	41,900	20,000	20,000	20,000	20,000	20,000
Building Safety Improvements	27,000					
Carpet Replacement (15 yr)		40,000				
Environmental Quality	1,600					
Fire Panel		20,000				
Roof Replacement (20yr)				30,000		
Water Main Repair	4,500					
Subtotal	75,000	80,000	20,000	50,000	20,000	20,000
Helensview						
Repairs & Maintenance (non-routine)	17,000	16,500	16,500	16,500	16,500	16,500
Environmental Quality	33,000					
Subtotal	50,000	16,500	16,500	16,500	16,500	16,500
Wheatley						
Repairs & Maintenance (non-routine)	40,000	17,500	17,500	17,500	17,500	17,500
Building Safety Improvements	85,000					
Environmental Quality	5,000					
Subtotal	130,000	17,500	17,500	17,500	17,500	17,500
Total Expenditures	474,451	520,341	444,000	94,000	64,000	64,000
Funding Sources						
Beginning Fund Balance	512,295	328,710	382,378	221,046	409,714	628,382
ODE Lead Testing Reimbursement	7,344					
Transfer from Operating Fund	40,000	489,009	282,668	282,668	282,668	282,668
Transfer from Contracted Services	241,100	85,000				
Total Funding Sources	800,739	902,719	665,046	503,714	692,382	911,050
150-FACILITIES BALANCE	326,288	382,378	221,046	409,714	628,382	847,050

Multnomah Education Service District
FY2018 Facilities & Equipment Reserve Plan
Fund 4
Technology Equipment Reserve Plan

	Estimated FY2017	Adopted FY2018	Projected			
			FY2019	FY2020	FY2021	FY2022
Student Information Systems						
Computer Hardware: Servers & Routers		100,000	100,000	100,000	100,000	100,000
Software Updates & New Application Modules	20,000	25,000	25,000	25,000	25,000	25,000
Funding Sources						
Beginning Fund Balance	227,623	307,623	282,623	257,623	232,623	207,623
Transfer from Resolution Fund	100,000	100,000	100,000	100,000	100,000	100,000
Total Funding Sources	327,623	407,623	382,623	357,623	332,623	307,623
Ending Fund Balance	307,623	282,623	257,623	232,623	207,623	182,623
Business Systems Support						
Computer Hardware: Servers & Routers	9,680					
Software: BusinessPLUS Application Updates	43,019	27,523		25,000		
Contingency		10,000				
Funding Sources						
Beginning Fund Balance	105,221	52,522	14,999	24,999	9,999	19,999
Transfer from Operating Fund			10,000	10,000	10,000	10,000
Total Funding Sources	105,221	52,522	24,999	34,999	19,999	29,999
Ending Fund Balance	52,522	14,999	24,999	9,999	19,999	29,999
Network Services						
Network Hardware Replacement	40,000	17,597		90,000		
Purchased Services	9,000					
Funding Sources						
Beginning Fund Balance	66,597	47,597	60,000	90,000	30,000	60,000
Transfer from Resolution Fund	30,000	30,000	30,000	30,000	30,000	30,000
Total Funding Sources	96,597	77,597	90,000	120,000	60,000	90,000
Ending Fund Balance	47,597	60,000	90,000	30,000	60,000	90,000
Agency Support						
Meeting & Conference Room Hardware						
Agency Equipment	40,000	43,548	40,000	40,000	40,000	40,000
Contingency		200,000				
Funding Sources						
Beginning Fund Balance	243,548	243,548	40,000	40,000	40,000	40,000
E-Rate Revenue	40,000	40,000	40,000	40,000	40,000	40,000
Transfer from Contracted Services Fund						
Total Funding Sources	283,548	283,548	80,000	80,000	80,000	80,000
Ending Fund Balance	243,548	40,000	40,000	40,000	40,000	40,000
600-TECHNOLOGY BALANCE	651,290	397,622	412,622	312,622	327,622	342,622

Fund 4: Facilities and Equipment Reserve Summary

Beginning Fund Balance	1,155,284	980,000	780,000	633,668	722,336	956,004
Total Transfers In	411,100	704,009	422,668	422,668	422,668	422,668
Total Other Revenues	40,000	40,000	40,000	40,000	40,000	40,000
Total Expenditures	636,150	734,009	609,000	374,000	229,000	229,000
Total Contingency	-	210,000	-	-	-	-
Fund 4 Ending Fund Balance	977,578	780,000	633,668	722,336	956,004	1,189,672

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, March 27, 2017

NOTICE OF MULTNOMAH EDUCATION SERVICE DISTRICT BUDGET COMMITTEE MEETING

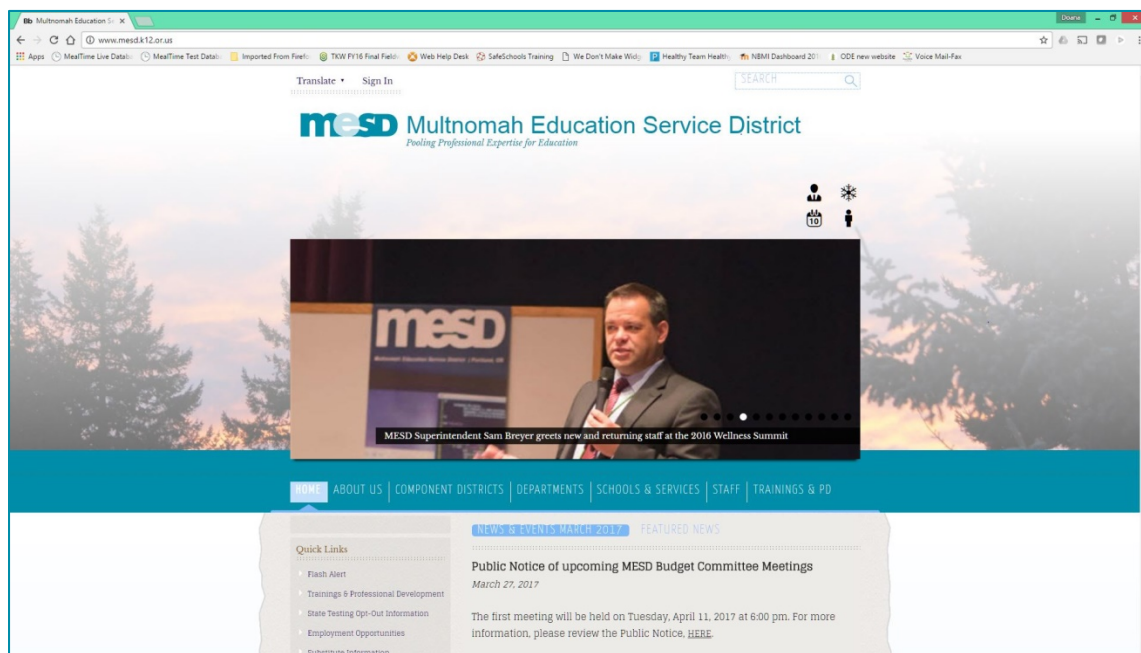
A public meeting of the MESD Budget Committee of the Multnomah Education Service District, Multnomah County, State of Oregon, to discuss the budget for the fiscal year July 1, 2017 to June 30, 2018, will be held at 11611 NE Ainsworth Circle, Portland, Oregon 97220 in the Board Room. The meeting will take place on Tuesday, April 11, 2017 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 7, 2017 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 19, 2017, and Tuesday, April 25, 2017 at 6:00 p.m. at the same location. All meetings are open to the public.

Sam Breyer
Budget Officer
Multnomah Education Service District



Public Notices

Budget Committee Meeting, Newspaper: The Oregonian, March 29, 2017



The Oregonian

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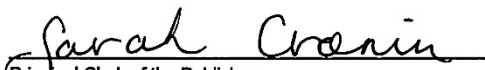
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State of Oregon,) ss

County of Multnomah)

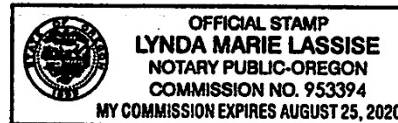
Sarah Cronin being duly sworn, deposes that he/she is principal clerk of Oregonian Media Group; that The Oregonian is a public newspaper published in the city of Portland, with general circulation in Oregon, and this notice is an accurate and true copy of this notice as printed in said newspaper, was printed and published in the regular edition and issue of said newspaper on the following date(s):

The Oregonian 03/29/2017


Principal Clerk of the Publisher

Sworn to and subscribed before me this 30th day of March 2017


Notary Public



NOTICE OF MULTNOMAH EDUCATION SERVICE DISTRICT BUDGET COMMITTEE MEETINGS

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, 2017 to June 30, 2018, will be held at 11611 NE Almsworth Circle, Portland, Oregon 97220 in the Board Room. The meeting will take place on Tuesday, April 11, 2017 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 Almsworth Circle, Portland, OR 97220, beginning Friday, April 7, 2017 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 19, 2017, and Tuesday, April 25, 2017 at 6:00 p.m. at the same location. All meetings are open to the public.

Sam Breyer, Budget Officer
Multnomah Education Service District

Public Notices

TSCC Budget Hearing Meeting, Newspaper: The Oregonian, May 5, 2017

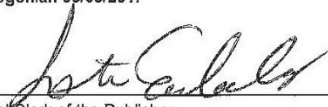


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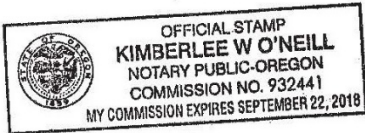
The Oregonian
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AD#: 0008166714

State of Oregon,) ss
County of Multnomah)


Justin Eubanks being duly sworn, deposes that he/she is principal clerk of Oregonian Media Group; that The Oregonian is a public newspaper published in the city of Portland, with general circulation in Oregon, and this notice is an accurate and true copy of this notice as printed in said newspaper, was printed and published in the regular edition and issue of said newspaper on the following date(s):
The Oregonian 05/05/2017



Principal Clerk of the Publisher



Sworn to and subscribed before me this 8th day of May 2017



Notary Public

**NOTICE OF TSCC BUDGET HEARING
for May 16, 2017**

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, 2017 to June 30, 2018. The hearing will be held at 11611 NE Almsworth Circle, Portland, OR 97220 in the Board Room on the 16th day of May, 2017 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 Almsworth Circle, Portland, OR 97220 between the hours of 8:00 am and 4:30 pm, or viewed on the MESD website: www.mesd.k12.or.us.

Total Budget Requirements:
\$81,300,471

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 16-033 Approval of the 2016-2017 Budget Calendar for Development
of the Fiscal Year 2017-2018 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 2016-2017 Budget Calendar for the Development of the Fiscal Year 2017-2018 Budget.

Multnomah ESD 2016-2017 Calendar for Fiscal Year 2017-2018 Budget

Tuesday, June 21, 2016	MESD Board Meeting	MESD Board
	<ul style="list-style-type: none"> MESD Board adopts the 2016-2017 Budget Calendar for 2017-18 (Resolution) 	
Tuesday, November 15, 2016	MESD Board Meeting	MESD Board
	<ul style="list-style-type: none"> Presentation by Auditors – Talbot, Korvola & Warwick of 2015-2016 Audit 	
Friday, January 13, 2017	Superintendent Council Meeting	Council
	<ul style="list-style-type: none"> MESD Superintendent delivers to Component Districts 2017-2018 Local Service Plan 	
Tuesday, January 17, 2017	MESD Board Meeting	MESD Board
	<ul style="list-style-type: none"> MESD Board Approves 2017-2018 Local Service Plan (Resolution) 	
January to April 2017		
	<ul style="list-style-type: none"> MESD Management develops the Proposed Budget 	MESD Staff
February 2017	Component District Boards	District Boards
	<ul style="list-style-type: none"> 2017-2018 Local Service Plan Approval [ORS 334.175(5)(b)/OAR 581-024-0285(2)] (Resolution) 	
Tuesday, February 21, 2017		
	<ul style="list-style-type: none"> MESD Board appoints new Budget Committee members MESD Board adopts 2016-17 Budget Planning Parameters (Resolution) 	MESD Board
Friday, March 31, 2017	<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 4, 2017	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 7, 2017	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 11, 2017	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 2016-2017 Calendar for Fiscal Year 2017-2018 Budget (continued)

Wednesday, April 19, 2017	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 25, 2017	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 26, 2017	Deadline to submit Approved Budget to TSCC [ORS 294.431(2), "twenty days before TSCC hearing"]	
Friday, May 5, 2017	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 16, 2017	TSCC Public Hearing (ORS 294.430)	TSCC
Tuesday, June 20, 2017	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 14, 2017	Deadline to File Certification of Tax Levy with Counties	

RESOLUTION 17-003 – Fiscal Year 2017-2018 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 2017-2018 budget planning parameters above were presented to the Board Finance Committee on February 21, 2017; and

WHEREAS, the Board Finance Committee requested that the draft be taken to the Board on February 21, 2017 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 2017-2018 budget planning parameters as follows:

Motion: Director Francisco Acosta moved to approve Resolution 17-003.
Director Mary Botkin seconded the motion.

Discussion: None

Action: The motion carried with Directors Acosta, Beaudoin, Botkin, and Burke voting aye. Motion passed 4-0.

2017-2018 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 \$8.0159 billion biennium (\$3.9278 billion year-one) SSF base rate. Under this assumption, the MESD's estimated SSF revenue for 2017-18 will be approximately \$40.4 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. A placeholder will be used for the MESDEA agreement while negotiations are underway.
 - c. PERS defined rates for the 17-19 biennium are 9.23% for Tier I/II, 3.90% for OPSRP, and 8.67% 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 \$2,920,082 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.

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 17-008 Approval of MESD Budget
Committee Representative for 2017**

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:

Cynthia Duley – Portland Public Schools District

- Is a Senior Budget Analyst for Portland Public Schools

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

WHEREAS, the Multnomah Education Service District Board of Directors have reviewed and discussed the candidate's information as submitted.

NOW THEREFORE BE IT RESOLVED, that the Multnomah Education Service District Board of Directors approves Cynthia Duley to the MESD Budget Committee.

Motion: **Director Mary Botkin moved to approve Resolution 17-008.
Director Michael Durrow seconded the motion.**

Discussion: **None**

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

**RESOLUTION 17-011 Approval of MESD Budget
Committee Representatives for 2017**

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:

Maureen Phelps – Corbett School District

- Is the new Business Manager for Corbett School District
- Former MESD Senior Accountant

Cheryl Scarcelli Ancheta – David Douglas School District

- Is a member of the David Douglas School Board

WHEREAS, the Corbett School District has submitted the name of Maureen Phelps to represent Corbett School District on the MESD Budget Committee; and

WHEREAS, the David Douglas School District has submitted the name of Cheryl Scarcelli Ancheta to represent David Douglas School District on the MESD Budget Committee; and

WHEREAS, the Multnomah Education Service District Board of Directors have reviewed and discussed the candidate's information as submitted.

NOW THEREFORE BE IT RESOLVED, that the Multnomah Education Service District Board of Directors approves Maureen Phelps and Cheryl Scarcelli Ancheta to the MESD Budget Committee.

Motion: **Director Bernie Giusto moved to approve Resolution 17-011.
Director Mary Botkin seconded the motion.**

Discussion: **None**

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

RESOLUTION MBCM-17-002

Approval of the Proposed 2017-2018 Budget and Ad Valorem Property Tax Rate

This resolution requests the MESD Budget Committee's acknowledgement of receipt and approval of the Proposed 2017-2018 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 11 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 2017-2018 Proposed Budget Document.

NOW THEREFORE BE IT RESOLVED, that the MESD Budget Committee approves the 2017-2018 Proposed Budget in the following amounts:

Resolution Services Fund

Instruction	\$ 6,958,322
Support Services	17,072,528
Enterprise & Community Services	234,147
Other Uses	14,300,000
Transfers Out	4,185,681
Contingency	1,004,778
Total	<u>\$ 43,755,456</u>

Contracted Services Fund

Instruction	\$ 11,005,380
Support Services	8,359,671
Enterprise & Community Services	645,677
Transfers Out	85,000
Contingency	3,229,686
Total	<u>\$ 23,325,414</u>

Operating Fund

Support Services	\$ 4,738,268
Transfers Out	489,009
Total	<u>\$ 5,227,277</u>

Debt Service Fund

Debt Service	<u>\$ 2,920,082</u>
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Facilities & Equipment Reserve Fund

Support Services	\$ 726,631
Facilities Acquisition and Improvement	5,000
Contingency	210,000
Total	<u>\$ 941,631</u>

Risk Management Reserve Fund

Support Services	\$ 836,913
Contingency	460,606
Total	<u>\$ 1,297,519</u>

Total Appropriation, All Funds \$ 77,467,379

Total Unappropriated Amounts, All Funds 3,833,092

TOTAL APPROVED BUDGET \$ 81,300,471

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 Michael Durrow moved to approve Resolution MBCM 17-002. Centennial SD Representative Ernie Butenschoen seconded the motion.

Discussion: None

Action: There being no further discussion the motion carried with Representatives Acosta, Beaudoin, Botkin, Burke, Butenschoen, Duley, Durrow, Hartsock, Phelps, and Prats voting aye. Motion passed 9-0

RESOLUTION 17-025 Adoption of the Fiscal Year 2017-2018 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, 2017, and certify the taxes imposed to the County Assessor prior to July 15, 2017.

The law also requires that the approved budget be submitted by April 26th 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 16, 2017. The TSCC certified the 2017-18 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 16, 2017 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 2017-18 in the sum of \$81,230,829 now on file at the district Administrative Office;

BE IT FURTHER RESOLVED, that the amounts for the fiscal year 2017-18 beginning July 1, 2017 and for the purposes shown below are hereby appropriated as follows:

**Multnomah Education Service District
Budget and Appropriations for the Fiscal Year 2017-18**

Resolution Services Fund

Instruction	\$ 6,327,055
Support Services	16,865,919
Enterprise & Community Services	242,420
Other Uses	13,960,000
Transfers Out	4,246,709
Contingency	2,108,382
Total	<u>\$ 43,750,485</u>

Contracted Services Fund

Instruction	\$ 10,980,533
Support Services	8,513,445
Enterprise & Community Services	651,788
Transfers Out	85,000
Contingency	2,970,766
Total	<u>\$ 23,201,532</u>

Operating Fund

Support Services	\$ 4,547,536
Enterprise & Community Services	5,000
Transfers Out	489,009
Contingency	213,961
Total	<u>\$ 5,255,506</u>

Debt Service Fund

Debt Service	\$ 2,920,082
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Facilities and Equipment Reserve Fund

Support Services	\$ 729,009
Facilities Acquisition and Improvement	5,000
Contingency	210,000
Total	<u>\$ 944,009</u>

Risk Management Reserve Fund

Support Services	\$ 819,215
Contingency	460,000
Total	<u>\$ 1,279,215</u>

Total Appropriation, All Funds \$ 77,350,829

Total Unappropriated Amounts, All Funds 3,880,000

TOTAL ADOPTED BUDGET \$ 81,230,829

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 2017-18 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 Bernie Giusto moved to approve Resolution 17-025.
Director Michael Durrow seconded the motion.

Discussion: None

Action: The motion carried with Directors Botkin, Durrow, Giusto and Johnson voting aye. Motion passed 4-0.

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.

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 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. Prior to July 2017, there was a second issue for 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 was funded by a transfer from the Operating Fund. The final payment on this obligation is due May 2017.

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 carry over 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.