

Multnomah Education Service District
Multnomah County, Oregon

Proposed Budget

For the Fiscal Year 2018-2019

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

Presented to the MESD Budget Committee
4/10/2018

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
2018-2019 Proposed 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

2018-2019 Proposed Budget

April 10, 2018

The Multnomah Education Service District (MESD) is pleased to present the proposed budget for fiscal year 2018-2019. 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 5, 2018. We expect adjustments will be made before June 30, 2018 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, 2018 and our budget is largely based on these estimates. Once our customer's final selections are known in May 2018, 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 \$8.2 billion State School Fund (SSF) legislative budget appropriation split 50/50 over the biennium. ESDs receive 4.5 percent of that SSF amount.
- MESD's 4.5 percent share of the SSF allotment for 2018-19 is approximately \$41.7 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 MESDEA. A placeholder has been used for all other bargaining group agreements 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 *Jessica Arzate ♦ Mary Botkin ♦ Kristin Cornuelle ♦ Siobhan Burke ♦ Michael Durrow ♦ Susie Jones ♦ Helen Ying*

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Areas of Uncertainty

Information available on the renewal and funding levels for existing grant awards and contracts, such as those with state agencies, is preliminary at this stage in the budget cycle. Additionally, MESD will continue to seek new contracts and grant opportunities to meet the needs of children and families. The Contracted Services Fund and to some extent the Operations Fund (through indirect expenses) are impacted by fluctuations in these areas.

MESD is currently engaged in contract negotiations with AFSCME and has entered discussions with the confidential employee groups. The financial impact of renewing these agreements 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

The array of services forecast for 2018-2019 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. After a comprehensive review, there were only minor adjustments to LSP offerings.

MESD recognizes the difficulties facing districts as they balance budgets under challenging circumstances and staff have made a concerted effort to limit service cost increases to 3.5% or less (the estimated agency-wide level of payroll roll-up) wherever possible. Districts have not indicated any significant reductions in participation or total withdrawal from programs. Minor fluctuations in participation have been indicated and are a regular aspect of ESD operations. Though not currently anticipated, more significant shifts could occur as districts work to balance their budgets. Component districts will communicate minimum commitments to MESD at the end of April.

Operational Stability and Management Efficiencies

For the 2018-19 school year, MESD does not anticipate a significant change in staffing levels. The legislature allocated State School Funding with a 50/50 split in the current biennium, meaning this primary revenue source is not structured to account for any year-over-year roll-up increase. However, partly due to fortuitous timing in the 2016-17 completion of debt service on two facilities and due to other decisions made in the 2017-2018 budget development process, the agency was able to reserve sufficient funding in the Operating Fund to allow for roll-up costs in 2018-19. A projected increase in the local revenue portion of the State School Fund formula for 2018-19 also helps to counter the flat funding for the second year of the biennium. Job duties of the Director of Instruction position, which was reduced through attrition for 2018-19, will be redistributed through the ongoing process to re-align cabinet and management structure. This combined with the previous elimination of the Director of School Health Services has led to a leaner senior management structure and enabled the agency to weather the current financial challenges without

other significant reductions. As it is likely that funding will remain tight for the foreseeable future, particularly considering the increases expected in PERS costs, MESD must continue to rigorously analyze its operating costs.

Strategic Alignment

Last August after a comprehensive strategic planning process, MESD adopted a new mission, vision, set of values and a strategic plan with five goals. Underlying strategies and metrics have been identified for each of the goals. With the current year budget, the agency began to align resources to emerging strategies. The 2018-19 Proposed Budget continues this work.

Strategic Plan Goal Three is to “increase district and community satisfaction and participation with MESD services.” Our first action this year was to offer a stakeholder engagement survey to directors and superintendents in our eight component districts. Eight metrics were surveyed across five categories of MESD programs. Results from the 28 respondents were overall positive, with more than 80 percent of responses rated as good or excellent across all metrics. These results also point to areas where we have room to improve. This data as well as the additional details learned through follow-up conversations with our district partners will help orient the agency as the work to align resources to our strategic goals continues. Further surveys of our community partners and MESD employees, as well as a continued focus on student outcome metrics, will provide additional opportunities for growth and alignment. Increasing alignment with the strategic goals of the agency will continue to be a feature of future MESD budgets.

In Summary

Multnomah ESD anticipates relative stability for the coming year due to prudent budgeting and reduced management costs. Both the stakeholder survey and purchasing decisions indicate that our Districts continue to see in our offerings.

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's growing culture of continuous improvement will include our operational systems, financial efficiency, and strategic processes in order to support the critical work of improving outcomes for students. We have the opportunity and responsibility to truly serve our community in this area.

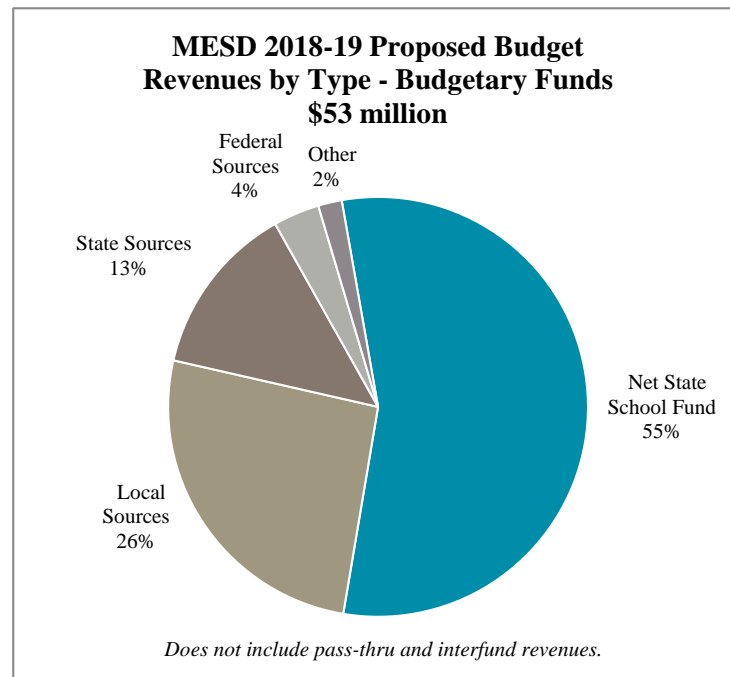
The proposed budget is recommended to you, the Budget Committee of Multnomah Education Service District.

Sam Breyer
MESD Superintendent and Budget Officer

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. Component districts have the option of selecting services or taking direct transit dollars. Additional revenues include contracts with local school districts, and state and federal grants.



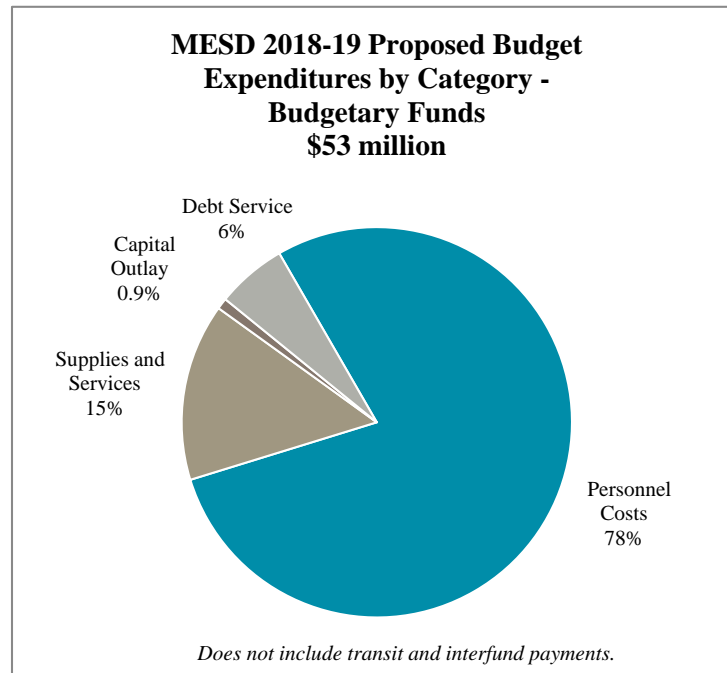
Multnomah Education Service District 2017-18 Estimated Revenues and 2018-19 Proposed Budget

	Estimated 2017-2018	Proposed 2018-2019	Change
Revenues by Type:			
Property Taxes	\$32,413,000	\$33,534,000	3%
State School Fund	9,139,544	8,176,623	-11%
Less Transits to Districts	-14,360,000	-12,285,000	-14%
Net State School Fund	27,192,544	29,425,623	8%
Local Sources	12,671,631	13,750,911	9%
State Sources	6,739,500	7,052,359	5%
Federal Sources	1,869,852	1,887,784	1%
Other	1,029,924	966,002	-6%
Subtotal - Revenues by Type	49,503,451	53,082,679	7%
SSF Revenue passed thru to Districts	14,360,000	12,285,000	-14%
Interfund Revenues for Debt Service	2,823,827	3,053,266	8%
Interfund Revenues for Workers Comp	799,215	853,536	7%
Total Revenues - Budgetary Funds	67,486,493	69,274,481	3%

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 2017-18 Estimated Expenditures and 2018-19 Proposed Budget

Expenditure by Category:	Estimated 2017-2018	Proposed 2018-2019	Change
Personnel Costs	\$37,742,781	\$41,521,439	10%
Supplies and Services	8,277,494	7,769,770	-6%
Capital Outlay	406,164	485,302	19%
Debt Service	2,920,082	3,068,266	5%
Subtotal - Expenditures by Category	49,346,521	52,844,777	7.1%
Transit Payments	14,360,000	12,285,000	-14%
Interfund Payment for Debt Service	2,910,082	3,058,266	5%
Interfund Payment for Workers Comp	799,215	853,536	7%
Total Expenditures - Budgetary Funds	67,415,818	69,041,579	2%

Profile of the District

Mission Statement:

We support all students to achieve excellence.

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 2017-18, 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	Susie Jones, Vice-Chair	East Multnomah County	6/30/2021
Two	Helen Ying	At Large	6/30/2021
Three	Mary Botkin, Chair	Central Portland	6/30/2021
Four	Jessica Arzate	Mid-Multnomah County	6/30/2021
Five	Michael Durrow	N/NE Portland	6/30/2019
Six	Kristin Cornuelle	At Large	6/30/2019
Seven	Siobhan Burke	SE/SW Portland	6/30/2019

Administration

Samuel Breyer	Superintendent
Sascha Perrins	Assistant Superintendent
Sean Woodard	Director, Human Resource Services
Laura Conroy	Director, Strategic Engagement

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	13	6,215	Parkrose	7	3,198
Corbett	1	1,235	Portland	106	48,650
David Douglas	15	10,420	Reynolds	20	11,276
Gresham-Barlow	22	12,044	Riverdale	2	639

Source: ODE Fall Membership Report 2017/18, <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:

Student Services - Special Education 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.

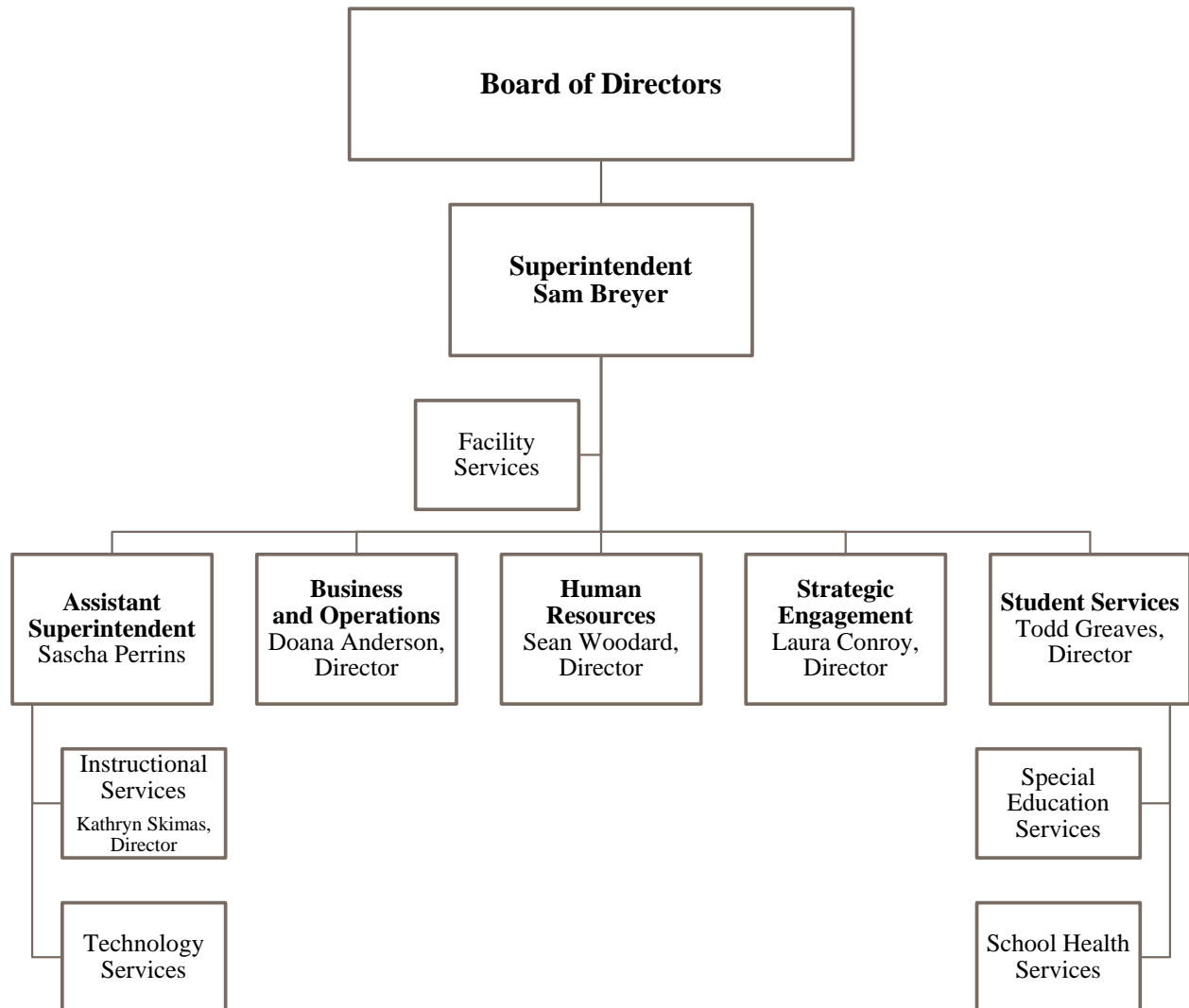
Student Services - School Health provides and coordinates specialized services that support the educational experience for students enrolled in our component districts as well as some Clackamas County districts. The department works to ensure that all areas of health are supported for our students' physical, 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****April 10, 2018**

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.

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
Jessica Arzate	MESD Board Member	June 30, 2021
Mary Botkin	MESD Board Member	June 30, 2021
Siobhan Burke	MESD Board Member	June 30, 2019
Kristin Cornuelle	MESD Board Member	June 30, 2019
Michael Durrow	MESD Board Member	June 30, 2019
Susie Jones	MESD Board Member	June 30, 2021
Helen Ying	MESD Board Member	June 30, 2021
Ernie Butenschoen	Centennial School District	June 30, 2020
Marguerite Perry	Corbett School District	June 30, 2020
Unfilled	David Douglas School District	N/A
John Hartsock	Gresham-Barlow School District	June 30, 2020
Dave Carter	Parkrose School District	June 30, 2020
Emily Courtnage	Portland Public School District	June 30, 2020
Rachel Hopper	Reynolds School District	June 30, 2018
Paul Spellman	Riverdale School District	June 30, 2020

2018-2019 Budget Calendar

January to March	MESD management develops proposed budget MESD Board appoints Budget Committee members
April 3, 2018	Budget Committee orientation
April 10, 2018	Proposed budget and budget message presentation Budget Committee approves budget and tax levy
April 18 & 24, 2018	Budget Committee work sessions, if needed
May 15, 2018	TSCC public hearing and budget certification (ORS 294.430)
June 19, 2018	MESD Board adopts budget and certifies tax levy (ORS 294.435)

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
2018 - 2019 Fiscal Year Proposed Budget
Combining Fund Summary- Budgetary Funds**

	Program Funds			Support Funds			
	Resolution Services	Contracted Services	Operating	Debt Service	Facilities & Equipment Reserve	Risk Management Reserve	Total
Resources							
Beginning Fund Balance	2,000,000	2,600,000	3,100,000		1,086,000	540,000	9,326,000
Revenues							
Property Taxes	33,534,000						33,534,000
State School Fund	8,176,623						8,176,623
Local Sources	17,500	13,651,912	41,499		40,000		13,750,911
State Sources		7,052,359					7,052,359
Federal Sources		1,887,784					1,887,784
Investment Earnings			150,000	15,000			165,000
Sales of Goods & Services		9,122					9,122
Other Revenues	245,582	226,158	320,140				791,880
Services to Other Funds				3,053,266		853,536	3,906,802
Total Revenues	41,973,705	22,827,335	511,639	3,068,266	40,000	853,536	69,274,481
Transfers In & Overhead Revenues							
Overhead Revenues			784,625				784,625
From Resolution Services			4,171,062		130,000		4,301,062
From Operating					242,100		242,100
Total Transfers In/Overhead			4,955,687		372,100		5,327,787
TOTAL RESOURCES	43,973,705	25,427,335	8,567,326	3,068,266	1,498,100	1,393,536	83,928,268
Requirements							
Total Expenditures	37,871,997	21,818,988	4,888,094	3,068,266	520,800	873,434	69,041,579
Transfers Out & Overhead Charges							
Overhead Charges		784,625					784,625
To Facilities & Equip Reserve	130,000		242,100				372,100
To Operating	4,171,062						4,171,062
Total Transfers Out/Overhead	4,301,062	784,625	242,100				5,327,787
Contingency	1,800,646	2,823,722	337,132		210,000	95,102	5,266,602
Ending Fund Balance			3,100,000		767,300	425,000	4,292,300
TOTAL REQUIREMENTS	43,973,705	25,427,335	8,567,326	3,068,266	1,498,100	1,393,536	83,928,268

Combining Fund Summary- Budgetary Funds

**Multnomah Education Service District
2018 - 2019 Fiscal Year Proposed 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	33,000,000					33,000,000
Prior Year Taxes	523,000					523,000
Penalties & Interest Taxes	11,000					11,000
Total Property Taxes	33,534,000					33,534,000
State School Fund						
State School Support Fund	8,176,623					8,176,623
Total State School Fund	8,176,623					8,176,623
Local Sources						
Services to Component LEAs	17,500	10,994,581	41,499			11,053,580
Revenue From Non-Comp LEAs		2,657,331			40,000	2,657,331
E-Rate Revenue						40,000
Total Local Sources	17,500	13,651,912	41,499		40,000	13,750,911
State Sources						
Other Restricted Grants In Aid		332,744				332,744
ODE Contract Revenue		6,719,615				6,719,615
Total State Sources		7,052,359				7,052,359
Federal Sources						
Medicaid SBHS Revenue		160,000				160,000
Restricted Revenue From Fed		260,760				260,760
Title I Revenue		971,950				971,950
Natnl School Lunch Program Rev		164,815				164,815
Vocational Education		83,432				83,432
IDEA Revenue		126,224				126,224
Title II Revenue		120,603				120,603
Total Federal Sources		1,887,784				1,887,784

Combining Revenue Detail- Budgetary Funds

**Multnomah Education Service District
2018 - 2019 Fiscal Year Proposed Budget
Combining Revenue Detail- Budgetary Funds**

	Program Funds			Support Funds			
	Resolution Services	Contracted Services	Operating	Debt Service	Facilities Acquisition & Improvements	Risk Management Reserve	Total
Investment Earnings							
Interest on Investments			150,000	15,000			165,000
Total Investment Earnings			150,000	15,000			165,000
Sales of Goods & Services							
Special Function Revenue		7,622					7,622
Sales To Component LEAs		1,500					1,500
Total Sales of Goods & Services		9,122					9,122
Other Revenues							
TSPC PDC Fees		10,000	7,000				17,000
Rental/Lease Income			23,940				23,940
Contributions		100,163					100,163
Fees - Non-Component Districts			265,000				265,000
Miscellaneous Revenue	30	11,300	24,200				35,530
Revenue From Non-LEAs	19,462	73,000					92,462
Allocated MAC Reven	208,926						208,926
Restricted-Intermediate Source	17,164	31,695					48,859
Total Other Revenues	245,582	226,158	320,140				791,880
Services to Other Funds							
Services To Other Funds				3,053,266		853,536	3,906,802
Total Services to Other Funds				3,053,266		853,536	3,906,802
Total Revenues	41,973,705	22,827,335	511,639	3,068,266	40,000	853,536	69,274,481

Combining Revenue Detail- Budgetary Funds

**Multnomah Education Service District
2018 - 2019 Fiscal Year Proposed Budget
Combining Expenditure Summary- Budgetary Funds**

	Program Funds			Support Funds		
	Resolution Services	Contracted Services	Operating	Debt Service	Facilities & Equipment Reserve	Risk Management Reserve
By Department						
Administration	80,449		1,128,435			1,208,884
Facilities Services	39,182	300,000	600,509		275,800	1,215,491
Business Services	12,286,000		883,678			14,033,220
Human Resources	24,400		975,443			1,009,735
Technology Services	3,130,858	792,487	965,691		245,000	5,134,036
Special Education Services	8,971,192	7,694,029	193,946			16,859,167
School Health Services	8,669,234	3,114,535	84,464			11,868,233
Instructional Services	4,670,682	9,917,937	55,928			14,644,547
Debt Services				3,068,266		3,068,266
Total Expenditures by Department	37,871,997	21,818,988	4,888,094	3,068,266	520,800	873,434
By Function						
Instruction	7,742,702	12,009,059				19,751,761
Support Services	17,563,255	8,767,498	4,888,094		515,800	32,608,081
Enterprise & Community Service	281,040	742,431				1,023,471
Facilities Acq. & Construction		300,000			5,000	305,000
Other Uses	12,285,000					12,285,000
Debt Service				3,068,266		3,068,266
Total Expenditures by Function	37,871,997	21,818,988	4,888,094	3,068,266	520,800	873,434
By Category						
Salaries	14,304,137	11,456,121	2,773,847			28,645,202
Associated Payroll Costs	8,488,515	6,770,995	1,470,315			16,788,039
Purchased Services	2,275,112	2,229,823	430,782		350,800	5,963,735
Supplies and Materials	505,831	1,060,149	213,150			1,806,035
Capital Outlay	13,402	301,900			170,000	485,302
Debt Service				3,068,266		3,068,266
Transit Payments	12,285,000					12,285,000
Total Expenditures by Category	37,871,997	21,818,988	4,888,094	3,068,266	520,800	873,434
Total Expenditures by Category	37,871,997	21,818,988	4,888,094	3,068,266	520,800	873,434
Total Expenditures by Category	37,871,997	21,818,988	4,888,094	3,068,266	520,800	69,041,579

Combining Expenditure Summary- Budgetary Funds

Multnomah Education Service District
2018 - 2019 Fiscal Year Proposed 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	4,171,062
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	784,625
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.		
Operating	To Facilities & Equip Reserve	242,100
This amount funds current and future repairs, replacement, and improvements of the Agency's facilities and equipment.		
Total Interfund Transfers and Overhead Charges		5,327,787

**Multnomah Education Service District
2018 - 2019 Fiscal Year Proposed Budget
Total Requirements by Fund and Function - All Budgetary Funds**

	Program Funds		Support Funds				Total
	Resolution Services	Contracted Services	Operating	Debt Service	Facilities & Equipment Reserve	Risk Management Reserve	
Requirements by Function							
1000 Instruction*	\$ 7,742,702	\$ 12,619,888	\$ -	\$ -	\$ -	\$ -	\$ 20,362,590
2000 Support Services*	17,563,255	8,941,294	4,888,094	-	515,800	873,434	32,781,877
3000 Enterprise & Community Services*	281,040	742,431	-	-	-	-	1,023,471
4000 Facilities Acquisition & Improvements	-	300,000	-	-	5,000	-	305,000
5000 Other Uses	12,285,000	-	-	-	-	-	12,285,000
5100 Debt Service	-	-	-	3,068,266	-	-	3,068,266
5200 Transfers Out	4,301,062	-	242,100	-	-	-	4,543,162
6000 Contingencies	1,800,646	2,823,722	337,132	-	210,000	95,102	5,266,602
Total Appropriations	43,973,705	25,427,335	5,467,326	3,068,266	730,800	968,536	79,635,968
7000 Unappropriated Ending Balance	-	-	3,100,000	-	767,300	425,000	4,292,300
Total Requirements	43,973,705	25,427,335	8,567,326	3,068,266	1,498,100	1,393,536	83,928,268

* 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.

Multnomah Education Service District
2018 - 2019 Fiscal Year Proposed 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	1.00		3.00		4.00
Communication Services			1.52		1.52
Total Administration	1.00		4.52		5.52
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	1.00	8.00
Total Business Services			8.00	1.00	9.00
Human Resources					
Human Resources			8.00		8.00
Total Human Resources			8.00		8.00
Technology Services					
Student Applications	14.00				14.00
Business Applications			1.52		1.52
Infrastructure Services	2.83				2.83
Internal Agency Support			5.41		5.41
Application Development		3.18			3.18
Support Services		3.69			3.69
Total Technology Services	16.83	6.87	6.93		30.63
Special Education Services					
Special Education	77.77	62.85	1.00		141.62
Related Services	7.28	15.93			23.21
Arata Creek	25.34	26.02			51.36
Total Special Education Services	110.39	104.80	1.00		216.19
School Health Services					
Health Services	116.08	23.22	5.26		144.56
Total School Health Services	116.08	23.22	5.26		144.56

Multnomah Education Service District
2018 - 2019 Fiscal Year Proposed Budget
Combining FTE Summary- All Funds

	Program Funds		Support Funds		
	Resolution Services	Contracted Services	Operating	Risk Management Reserve	Total
Instructional Services					
Instructional Services	.70		.55		1.25
Curriculum & Instruction	4.25	1.00			5.25
Outdoor School	6.42	7.20			13.62
LTCT and Hospital		31.00			31.00
Helensview	18.58	5.20			23.78
Youth Correction Education	3.51	28.18			31.69
Alternative Pathways		2.50			2.50
Migrant Education		5.60			5.60
Total Instructional Services	33.46	80.68	.55		114.69
Total FTE	278.26	215.57	46.76	1.00	541.59

Full-Time Equivalent (FTE) by Function

Instruction	102.23	144.37			246.60
Support Services	176.03	69.70	46.76	1.00	293.49
Enterprise & Community Service		1.00			1.00
Revenue		.50			.50
Total FTE	278.26	215.57	46.76	1.00	541.59

Multnomah Education Service District
2018 - 2019 Fiscal Year Proposed 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	1.00		3.00		4.00
Communication Services			1.53		1.53
Total Administration	1.00		4.53		5.53
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	1.00	8.00
Total Business Services			8.00	1.00	9.00
Human Resources					
Human Resources			8.00		8.00
Total Human Resources			8.00		8.00
Technology Services					
Student Applications	14.00				14.00
Business Applications			1.52		1.52
Infrastructure Services	2.83				2.83
Internal Agency Support			5.41		5.41
Application Development		3.18			3.18
Support Services		4.06			4.06
Total Technology Services	16.83	7.24	6.93		31.00
Special Education Services					
Special Education	86.02	70.04	1.00		157.06
Related Services	9.80	18.10			27.90
Arata Creek	27.83	28.45			56.28
Total Special Education Services	123.65	116.59	1.00		241.24
School Health Services					
Health Services	136.71	24.94	6.10		167.75
Total School Health Services	136.71	24.94	6.10		167.75

Multnomah Education Service District
2018 - 2019 Fiscal Year Proposed Budget
Combining Position Summary- All Funds

	Program Funds		Support Funds		
	Resolution Services	Contracted Services	Operating	Risk Management Reserve	Total
Instructional Services					
Instructional Services	.70		.55		1.25
Curriculum & Instruction	5.15	1.50			6.65
Outdoor School	6.52	7.29			13.81
LTCT and Hospital		33.04			33.04
Helensview	20.14	5.26			25.40
Youth Correction Education	3.63	30.70			34.33
Alternative Pathways		3.00			3.00
Migrant Education		6.00			6.00
Total Instructional Services	36.14	86.79	.55		123.48
Total Positions	314.83	235.56	47.61	1.00	599.00

Positions by Function

Instruction	113.43	160.53			273.96
Support Services	201.40	73.53	47.61	1.00	323.54
Enterprise & Community Service		1.00			1.00
Revenue		.50			.50
Total Positions	314.83	235.56	47.61	1.00	599.00



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 2017-18 and the ensuing year proposed budget. The 2018-19 Proposed 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
2018-2019 Fiscal Year Annual Budget
Combined Fund Summary- All Budgetary Funds

	Actual 2015-16	Actual 2016-17	Revised Budget 2017-18	Projected Actual 2017-18	Proposed Budget 2018-19
Resources					
Beginning Fund Balance	11,151,902	11,009,683	9,910,000	9,264,833	9,326,000
Revenues					
Property Taxes	29,673,252	30,858,755	32,125,000	32,413,000	33,534,000
State School Fund	8,594,610	8,028,445	9,042,091	9,139,544	8,176,623
Local Sources	7,235,200	8,050,999	11,092,135	12,671,631	13,750,911
State Sources	8,864,457	8,886,988	6,932,277	6,739,500	7,052,359
Federal Sources	2,335,938	2,090,988	1,345,885	1,869,852	1,887,784
Investment Earnings	82,524	140,582	110,000	165,000	165,000
Sales of Goods & Services	6,149	1,116	9,122	9,122	9,122
Other Revenues	1,712,298	1,403,381	1,389,609	855,802	791,880
Services to Other Funds	3,262,222	3,532,685	3,709,297	3,623,042	3,906,802
Total Revenues	61,766,650	62,993,939	65,755,416	67,486,493	69,274,481
Transfers In					
Overhead Revenues	1,152,251	897,565	744,695	764,348	784,625
From Resolution Services	3,946,786	4,018,720	4,246,709	4,285,254	4,301,062
From Contract Services	316,028	437,625	85,000	104,548	
From Operating	628,498	559,500	489,009	759,009	242,100
From Risk Mgmt Reserve	22,778				
Total Transfers In	6,066,341	5,913,410	5,565,413	5,913,159	5,327,787
TOTAL RESOURCES	78,984,893	79,917,032	81,230,829	82,664,485	83,928,268
Requirements					
Total Expenditures	61,908,866	64,738,769	65,822,307	67,415,818	69,041,579
Transfers Out					
Overhead Charges	1,152,254	897,567	744,695	764,348	784,625
To Contract Services				270,000	
To Debt Service	538,498	519,500			
To Facilities & Equip Reserve	468,470	421,346	704,009	723,557	372,100
To Operating	3,907,122	4,074,999	4,116,709	4,155,254	4,171,062
Total Transfers Out	6,066,344	5,913,412	5,565,413	5,913,159	5,327,787
Contingency			5,963,109	5,141,833	5,266,602
Total Budget	67,975,210	70,652,181	77,350,829	78,470,810	79,635,968
Ending Fund Balance	11,009,683	9,264,851	3,880,000	4,193,675	4,292,300
TOTAL REQUIREMENTS	78,984,893	79,917,032	81,230,829	82,664,485	83,928,268

Multnomah Education Service District
2018-2019 Fiscal Year Annual Budget
Combined Fund Summary- All Budgetary Funds

	Actual 2015-16	Actual 2016-17	Revised Budget 2017-18	Projected Actual 2017-18	Proposed Budget 2018-19
EXPENDITURE PERSPECTIVES					
By Department					
Administration	873,614	760,327	1,107,700	1,013,982	1,208,884
Facilities Services	1,239,983	1,107,426	887,068	874,118	1,215,491
Business Services	15,927,831	15,995,094	15,652,590	16,042,620	14,033,220
Human Resources	761,254	718,370	992,655	1,021,299	1,009,735
Technology Services	8,327,601	7,074,344	5,005,523	4,998,931	5,134,036
Special Education Services	11,109,043	13,242,430	14,665,824	16,056,932	16,859,167
School Health Services	9,298,119	9,299,991	10,773,226	10,808,459	11,868,233
Instructional Services	11,193,424	13,246,267	13,817,639	13,679,395	14,644,547
Debt Services	3,177,997	3,294,520	2,920,082	2,920,082	3,068,266
Total Expenditures by Department	61,908,866	64,738,769	65,822,307	67,415,818	69,041,579
By Function					
Instruction	13,171,397	16,034,715	16,836,137	18,084,705	19,751,761
Support Services	26,117,313	27,908,976	31,201,880	30,870,022	32,608,081
Enterprise & Community Service	5,083,295	3,071,506	899,208	1,046,009	1,023,471
Facilities Acq. & Construction	36,782		5,000	135,000	305,000
Other Uses	14,322,082	14,429,052	13,960,000	14,360,000	12,285,000
Debt Service	3,177,997	3,294,520	2,920,082	2,920,082	3,068,266
Total Expenditures by Function	61,908,866	64,738,769	65,822,307	67,415,818	69,041,579
By Category					
Salaries	21,845,882	24,311,769	26,089,974	26,689,244	28,645,202
Associated Payroll Costs	11,062,443	12,510,177	15,107,454	14,762,834	16,788,039
Purchased Services	9,909,847	7,882,486	5,846,057	6,208,904	5,963,735
Supplies and Materials	1,483,644	1,865,199	1,767,741	2,068,590	1,806,035
Capital Outlay	106,971	259,850	130,999	406,164	485,302
Debt Service	3,177,997	3,294,520	2,920,082	2,920,082	3,068,266
Transfers		185,716			
Transit Payments	14,322,082	14,429,052	13,960,000	14,360,000	12,285,000
Total Expenditures by Category	61,908,866	64,738,769	65,822,307	67,415,818	69,041,579
FTE SUMMARY					
By Fund					
1 Resolution Services	217.32	257.89	264.03	280.63	278.26
2 Contracted Services	147.49	164.21	200.22	204.07	215.57
6 Operating	42.08	44.07	48.79	46.79	46.76
7 Risk Management Reserve	1.00	1.00	1.00	1.00	1.00
Total Number of FTE	407.89	467.17	514.04	532.49	541.59

Multnomah Education Service District

2018-2019 Fiscal Year Annual Budget

1- Resolution Services 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 2015-16	Actual 2016-17	Revised Budget 2017-18	Projected Actual 2017-18	Proposed Budget 2018-19
Resources					
Beginning Fund Balance	1,795,340	3,174,207	2,000,000	3,086,043	2,000,000
Revenues					
Current Year Taxes	29,088,476	30,331,171	31,646,000	31,886,000	33,000,000
Prior Year Taxes	565,251	516,335	468,000	510,000	523,000
Tax Title Fund Receipts	12,168				
Penalties & Interest Taxes	7,357	11,249	11,000	17,000	11,000
State School Support Fund	8,594,610	8,028,445	9,042,091	9,139,544	8,176,623
Services to Component LEAs	33,086	22,435	16,500	16,500	17,500
Revenue From Non-Comp LEAs		26,045			
E-Rate Revenue	12,004	302			
Medicaid SBHS Revenue	76,073	86,523			
IDEA Revenue	473				
Contributions	1,738	6,893			
Recovery of Pr Yr Expenditures	311,744	82,142			
Miscellaneous Revenue	2,605	2,025	30	30	30
Revenue From Non-LEAs	40,612	38,891	19,462	19,462	19,462
Allocated MAC Reven		163,112	232,982	175,656	208,926
Restricted-Intermediate Source	401,372	361,976	314,420	164,610	17,164
Total Revenues	39,147,569	39,677,544	41,750,485	41,928,802	41,973,705
Transfers In					
Total Transfers In					
TOTAL RESOURCES	40,942,909	42,851,751	43,750,485	45,014,845	43,973,705
Requirements					
Total Expenditures	33,821,916	35,746,988	37,395,394	38,683,629	37,871,997
Transfers Out					
To Facilities & Equip Reserves	120,000	130,000	130,000	130,000	130,000
To Operating Funds	3,826,786	3,888,720	4,116,709	4,155,254	4,171,062
Total Transfers Out	3,946,786	4,018,720	4,246,709	4,285,254	4,301,062
Contingency			2,108,382	2,045,962	1,800,646
Total Budget	37,768,702	39,765,708	43,750,485	45,014,845	43,973,705
Ending Fund Balance	3,174,207	3,086,043			
TOTAL REQUIREMENTS	40,942,909	42,851,751	43,750,485	45,014,845	43,973,705

Multnomah Education Service District
2018-2019 Fiscal Year Annual Budget
1- Resolution Services Summary

	Actual 2015-16	Actual 2016-17	Revised Budget 2017-18	Projected Actual 2017-18	Proposed Budget 2018-19
EXPENDITURE PERSPECTIVES					
By Department					
Administration	2,486	2,480	2,480	80,762	80,449
Facilities Services	35,341	36,829	37,285	40,064	39,182
Business Services	14,322,082	14,448,971	13,970,500	14,370,500	12,286,000
Human Resources		11,172	14,500	24,400	24,400
Technology Services	2,836,873	3,041,873	3,052,570	3,051,948	3,130,858
Special Education Services	6,736,555	7,858,822	8,251,304	9,016,068	8,971,192
School Health Services	6,442,128	6,785,241	8,111,960	8,142,644	8,669,234
Instructional Services	3,446,451	3,561,600	3,954,795	3,957,243	4,670,682
Total Expenditures by Department	33,821,916	35,746,988	37,395,394	38,683,629	37,871,997
By Function					
Instruction	5,827,845	6,651,973	6,327,055	7,251,165	7,742,702
Support Services	13,314,502	14,533,850	16,865,919	16,810,345	17,563,255
Enterprise & Community Service	357,487	132,113	242,420	262,119	281,040
Other Uses	14,322,082	14,429,052	13,960,000	14,360,000	12,285,000
Total Expenditures by Function	33,821,916	35,746,988	37,395,394	38,683,629	37,871,997
By Category					
Salaries	10,285,350	12,158,057	12,811,479	13,375,050	14,304,137
Associated Payroll Costs	5,749,417	6,545,874	7,618,170	7,575,330	8,488,515
Purchased Services	2,958,858	2,078,438	2,507,926	2,759,891	2,275,112
Supplies and Materials	506,209	482,756	484,417	594,331	505,831
Capital Outlay		52,811	13,402	19,027	13,402
Transit Payments	14,322,082	14,429,052	13,960,000	14,360,000	12,285,000
Total Expenditures by Category	33,821,916	35,746,988	37,395,394	38,683,629	37,871,997

Multnomah Education Service District
2018-2019 Fiscal Year Annual Budget
2- Contracted Services 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 2015-16	Actual 2016-17	Revised Budget 2017-18	Projected Actual 2017-18	Proposed Budget 2018-19
Resources					
Beginning Fund Balance	4,365,467	3,130,938	3,350,000	1,444,463	2,600,000
Revenues					
Services to Component LEAs	7,111,458	5,888,064	8,599,317	9,689,211	10,994,581
Revenue From Non-Comp LEAs	3,013	2,048,808	2,397,484	2,887,086	2,657,331
E-Rate Revenue	19,983	329			
SSF School Lunch Match	1,974	2,292			
Other Restricted Grants In Aid	51,965	199,728		252,709	332,744
Other State Revenue	3,868,626	2,037,967			
ODE Contract Revenue	4,941,600	6,639,657	6,932,277	6,486,791	6,719,615
Medicaid Admin Claiming Rev	75,329	199,669			
Medicaid SBHS Revenue	790,434	613,365	150,000	150,000	160,000
Restricted Revenue From Fed	222,428	235,425	259,208	285,634	260,760
Title I Revenue	487,648	609,617	481,382	922,506	971,950
Natnl School Lunch Program Rev	168,824	164,843	190,000	165,000	164,815
Vocational Education		43,343	72,604	106,568	83,432
IDEA Revenue	225,120	122,862	94,128	145,555	126,224
Title II Revenue	1,500	10,073	98,563	94,589	120,603
Perkins Grant (84.048)	6,749	5,268			
LAUNCH Grant	269,761				
Sale of Meals-Reimb Programs	2,957	100			
Sale of Meals-NonReimb Program	370				
Special Function Revenue	2,635	957	7,622	7,622	7,622
Sales To Component LEAs	187	59	1,500	1,500	1,500
TSPC PDC Fees	3,108	5,800	10,000	10,000	10,000
Community Yoga Class Donations	739	978			
Community Workshop Fees	270				
Contributions	179,907	108,970	147,132	70,411	100,163
Recovery of Pr Yr Expenditures	18,559	471			
Miscellaneous Revenue	25,397	4,220	12,300	12,300	11,300
Revenue From Non-LEAs	128,720	219,651	15,200	73,000	73,000
Allocated MAC Reven		(163,113)			
Conference Fees	480				
Restricted-Intermediate Source	235,649	283,669	382,815	100,924	31,695
Total Revenues	18,845,390	19,283,072	19,851,532	21,461,406	22,827,335
Transfers In					
From Operating Funds				270,000	
Total Transfers In				270,000	
TOTAL RESOURCES	23,210,857	22,414,010	23,201,532	23,175,869	25,427,335

Requirements

Multnomah Education Service District
2018-2019 Fiscal Year Annual Budget
2- Contracted Services Summary

	Actual 2015-16	Actual 2016-17	Revised Budget 2017-18	Projected Actual 2017-18	Proposed Budget 2018-19
Total Expenditures	18,611,637	19,634,354	19,401,071	19,746,171	21,818,988
Transfers Out					
Federal/State Indirect	1,152,254	897,567	744,695	764,348	784,625
To Facilities & Equip Reserves	258,470	251,346	85,000	104,548	
To Operating Funds	57,558	186,279			
Total Transfers Out	1,468,282	1,335,192	829,695	868,896	784,625
Contingency			2,970,766	2,560,802	2,823,722
Total Budget	20,079,919	20,969,546	23,201,532	23,175,869	25,427,335
Ending Fund Balance	3,130,938	1,444,464			
TOTAL REQUIREMENTS	23,210,857	22,414,010	23,201,532	23,175,869	25,427,335

EXPENDITURE PERSPECTIVES

By Department

Administration			133,288		
Facilities Services					300,000
Human Resources			35,469	35,469	
Technology Services	4,208,627	2,691,887	797,445	796,264	792,487
Special Education Services	4,277,718	5,234,698	6,239,839	6,851,749	7,694,029
School Health Services	2,585,429	2,251,035	2,580,019	2,584,321	3,114,535
Instructional Services	7,539,863	9,456,734	9,615,011	9,478,368	9,917,937
Total Expenditures by Department	18,611,637	19,634,354	19,401,071	19,746,171	21,818,988

By Function

Instruction	7,343,552	9,382,742	10,509,082	10,833,540	12,009,059
Support Services	6,900,738	7,533,080	8,240,201	8,128,841	8,767,498
Enterprise & Community Service	4,367,347	2,718,532	651,788	783,790	742,431
Facilities Acq. & Construction					300,000
Total Expenditures by Function	18,611,637	19,634,354	19,401,071	19,746,171	21,818,988

By Category

Salaries	8,929,563	9,365,857	10,428,605	10,454,423	11,456,121
Associated Payroll Costs	4,030,983	4,577,468	5,964,585	5,659,922	6,770,995
Purchased Services	4,839,090	4,258,804	1,905,859	2,216,471	2,229,823
Supplies and Materials	778,835	1,234,689	1,102,022	1,270,218	1,060,149
Capital Outlay	33,166	11,820		145,137	301,900
Transfers		185,716			
Total Expenditures by Category	18,611,637	19,634,354	19,401,071	19,746,171	21,818,988

Multnomah Education Service District

2018-2019 Fiscal Year Annual Budget

6- Operating 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 2015-16	Actual 2016-17	Revised Budget 2017-18	Projected Actual 2017-18	Proposed Budget 2018-19
Resources					
Beginning Fund Balance	2,908,751	3,050,700	3,100,000	3,077,601	3,100,000
Revenues					
Services to Component LEAs	5,500	14,160	38,834	38,834	41,499
Revenue From Non-Comp LEAs		5,000			
E-Rate Revenue	24,472	17,964			
Other Restricted Grants In Aid	292				
IDEA Revenue	11,599				
Interest on Investments	74,497	126,850	100,000	150,000	150,000
Fingerprinting Service Revenue	5,020	5,079	5,000	175	
TSPC PDC Fees	3,060	6,660	5,000	7,000	7,000
Testing Service Revenue	2,700	1,605	2,000	90	
Rental/Lease Income	24,240	23,940	23,940	23,940	23,940
Contributions	(4,331)	5,764			
Finger Printing	(100)				
Recovery of Pr Yr Expenditures	6,552	14,509			
Fees - Non-Component Districts	96,670	158,487	200,328	175,000	265,000
Miscellaneous Revenue	56,407	20,574	19,000	23,204	24,200
Total Revenues	306,578	400,592	394,102	418,243	511,639
Transfers In					
Fees Charged to Grants	1,152,251	897,565	744,695	764,348	784,625
From Resolution Services Funds	3,826,786	3,888,720	4,116,709	4,155,254	4,171,062
From Contract Services Funds	57,557	186,279			
From Risk Management Funds	22,778				
Total Transfers In	5,059,372	4,972,564	4,861,404	4,919,602	4,955,687
TOTAL RESOURCES	8,274,701	8,423,856	8,355,506	8,415,446	8,567,326
Requirements					
Total Expenditures	4,595,503	4,786,755	4,552,536	4,548,762	4,888,094
Transfers Out					
To Contract Services Funds				270,000	
To Debt Service Funds	538,498	519,500			
To Facilities & Equip Reserves	90,000	40,000	489,009	489,009	242,100
Total Transfers Out	628,498	559,500	489,009	759,009	242,100
Contingency			213,961		337,132
Total Budget	5,224,001	5,346,255	5,255,506	5,307,771	5,467,326
Ending Fund Balance	3,050,700	3,077,601	3,100,000	3,107,675	3,100,000
TOTAL REQUIREMENTS	8,274,701	8,423,856	8,355,506	8,415,446	8,567,326

Multnomah Education Service District
2018-2019 Fiscal Year Annual Budget
6- Operating Summary

	Actual 2015-16	Actual 2016-17	Revised Budget 2017-18	Projected Actual 2017-18	Proposed Budget 2018-19
EXPENDITURE PERSPECTIVES					
By Department					
Administration	871,128	757,847	971,932	933,220	1,128,435
Facilities Services	437,048	580,059	329,442	344,166	600,509
Business Services	754,367	862,559	872,875	862,905	883,678
Human Resources	757,221	707,198	932,686	951,430	975,443
Technology Services	1,203,297	1,238,534	941,840	942,648	965,691
Special Education Services	94,770	148,910	174,681	189,115	193,946
School Health Services	270,562	263,715	81,247	81,494	84,464
Instructional Services	207,110	227,933	247,833	243,784	55,928
Total Expenditures by Department	4,595,503	4,786,755	4,552,536	4,548,762	4,888,094
By Function					
Support Services	4,237,042	4,565,894	4,547,536	4,548,662	4,888,094
Enterprise & Community Service	358,461	220,861	5,000	100	
Total Expenditures by Function	4,595,503	4,786,755	4,552,536	4,548,762	4,888,094
By Category					
Salaries	2,535,114	2,683,323	2,740,570	2,750,451	2,773,847
Associated Payroll Costs	1,233,384	1,331,363	1,466,904	1,469,787	1,470,315
Purchased Services	672,333	527,999	190,665	151,388	430,782
Supplies and Materials	139,684	129,972	154,397	177,136	213,150
Capital Outlay	14,988	114,098			
Total Expenditures by Category	4,595,503	4,786,755	4,552,536	4,548,762	4,888,094

Multnomah Education Service District
2018-2019 Fiscal Year Annual Budget
4- Facilities & Equipment Reserve 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 2015-16	Actual 2016-17	Revised Budget 2017-18	Projected Actual 2017-18	Proposed Budget 2018-19
Resources					
Beginning Fund Balance	1,408,208	1,155,284	980,000	1,020,402	1,086,000
Revenues					
E-Rate Revenue	25,684	27,892	40,000	40,000	40,000
Other Unrestricted Grants		7,344			
Contributions	95,985				
Miscellaneous Revenue	3,334	1,124			
Total Revenues	125,003	36,360	40,000	40,000	40,000
Transfers In					
From Resolution Services Funds	120,000	130,000	130,000	130,000	130,000
From Contract Services Funds	258,471	251,346	85,000	104,548	
From Operating Funds	90,000	40,000	489,009	489,009	242,100
Total Transfers In	468,471	421,346	704,009	723,557	372,100
TOTAL RESOURCES	2,001,682	1,612,990	1,724,009	1,783,959	1,498,100
Requirements					
Total Expenditures	846,398	592,588	734,009	697,959	520,800
Contingency			210,000		210,000
Total Budget	846,398	592,588	944,009	697,959	730,800
Ending Fund Balance	1,155,284	1,020,402	780,000	1,086,000	767,300
TOTAL REQUIREMENTS	2,001,682	1,612,990	1,724,009	1,783,959	1,498,100

Multnomah Education Service District
2018-2019 Fiscal Year Annual Budget
4- Facilities & Equipment Reserve Summary

	Actual 2015-16	Actual 2016-17	Revised Budget 2017-18	Projected Actual 2017-18	Proposed Budget 2018-19
EXPENDITURE PERSPECTIVES					
By Department					
Facilities Services	767,594	490,538	520,341	489,888	275,800
Technology Services	78,804	102,050	213,668	208,071	245,000
Total Expenditures by Department	846,398	592,588	734,009	697,959	520,800
By Function					
Support Services	809,616	592,588	729,009	562,959	515,800
Facilities Acq. & Construction	36,782		5,000	135,000	5,000
Total Expenditures by Function	846,398	592,588	734,009	697,959	520,800
By Category					
Salaries		9,663			
Associated Payroll Costs		6,194			
Purchased Services	729,059	481,452	616,412	455,959	350,800
Supplies and Materials	58,522	14,158			
Capital Outlay	58,817	81,121	117,597	242,000	170,000
Total Expenditures by Category	846,398	592,588	734,009	697,959	520,800

Multnomah Education Service District
2018-2019 Fiscal Year Annual Budget
7- Risk Management Reserve 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 2015-16	Actual 2016-17	Revised Budget 2017-18	Projected Actual 2017-18	Proposed Budget 2018-19
Resources					
Beginning Fund Balance	668,146	489,935	480,000	555,069	540,000
Revenues					
Recovery of Pr Yr Expenditures	4,253	250			
Miscellaneous Revenue	67,608	49,704			
Services To Other Funds	628,121	698,744	799,215	799,215	853,536
Total Revenues	699,982	748,698	799,215	799,215	853,536
TOTAL RESOURCES	1,368,128	1,238,633	1,279,215	1,354,284	1,393,536
Requirements					
Total Expenditures	855,415	683,564	819,215	819,215	873,434
Transfers Out					
To Operating Funds	22,778				
Total Transfers Out	22,778				
Contingency			460,000	535,069	95,102
Total Budget	878,193	683,564	1,279,215	1,354,284	968,536
Ending Fund Balance	489,935	555,069			425,000
TOTAL REQUIREMENTS	1,368,128	1,238,633	1,279,215	1,354,284	1,393,536
EXPENDITURE PERSPECTIVES					
By Department					
Business Services	851,382	683,564	809,215	809,215	863,542
Human Resources	4,033		10,000	10,000	9,892
Total Expenditures by Department	855,415	683,564	819,215	819,215	873,434
By Function					
Support Services	855,415	683,564	819,215	819,215	873,434
Total Expenditures by Function	855,415	683,564	819,215	819,215	873,434
By Category					
Salaries	95,855	94,869	109,320	109,320	111,097
Associated Payroll Costs	48,659	49,278	57,795	57,795	58,214
Purchased Services	710,507	535,793	625,195	625,195	677,218
Supplies and Materials	394	3,624	26,905	26,905	26,905
Total Expenditures by Category	855,415	683,564	819,215	819,215	873,434

Multnomah Education Service District**2018-2019 Fiscal Year Annual Budget****3- Debt Service Summary**

As of FY18, the Debt Service Fund accounts for the principal and interest payments associated with the agency's one current bond issue. 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. FY17 shows 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 was funded by at transfer from the Operating Fund. The final payment for the second issue was due in May 2017.

	Actual 2015-16	Actual 2016-17	Revised Budget 2017-18	Projected Actual 2017-18	Proposed Budget 2018-19
Resources					
Beginning Fund Balance	5,990	8,619		81,255	
Revenues					
Interest on Investments	8,027	13,732	10,000	15,000	15,000
Services To Other Funds	<u>2,634,101</u>	<u>2,833,941</u>	<u>2,910,082</u>	<u>2,823,827</u>	<u>3,053,266</u>
Total Revenues	<u>2,642,128</u>	<u>2,847,673</u>	<u>2,920,082</u>	<u>2,838,827</u>	<u>3,068,266</u>
Transfers In					
From Operating Funds	<u>538,498</u>	<u>519,500</u>			
Total Transfers In	<u>538,498</u>	<u>519,500</u>			
TOTAL RESOURCES	<u>3,186,616</u>	<u>3,375,792</u>	<u>2,920,082</u>	<u>2,920,082</u>	<u>3,068,266</u>
Requirements					
Total Expenditures	<u>3,177,997</u>	<u>3,294,520</u>	<u>2,920,082</u>	<u>2,920,082</u>	<u>3,068,266</u>
Total Budget	<u>3,177,997</u>	<u>3,294,520</u>	<u>2,920,082</u>	<u>2,920,082</u>	<u>3,068,266</u>
Ending Fund Balance	<u>8,619</u>	<u>81,272</u>			
TOTAL REQUIREMENTS	<u>3,186,616</u>	<u>3,375,792</u>	<u>2,920,082</u>	<u>2,920,082</u>	<u>3,068,266</u>

EXPENDITURE PERSPECTIVES

By Department					
Debt Services	<u>3,177,997</u>	<u>3,294,520</u>	<u>2,920,082</u>	<u>2,920,082</u>	<u>3,068,266</u>
Total Expenditures by Department	<u>3,177,997</u>	<u>3,294,520</u>	<u>2,920,082</u>	<u>2,920,082</u>	<u>3,068,266</u>
By Function					
Debt Service	<u>3,177,997</u>	<u>3,294,520</u>	<u>2,920,082</u>	<u>2,920,082</u>	<u>3,068,266</u>
Total Expenditures by Function	<u>3,177,997</u>	<u>3,294,520</u>	<u>2,920,082</u>	<u>2,920,082</u>	<u>3,068,266</u>
By Category					
Debt Service	<u>3,177,997</u>	<u>3,294,520</u>	<u>2,920,082</u>	<u>2,920,082</u>	<u>3,068,266</u>
Total Expenditures by Category	<u>3,177,997</u>	<u>3,294,520</u>	<u>2,920,082</u>	<u>2,920,082</u>	<u>3,068,266</u>



Expenditures by Department

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

Administration

Department Description:

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

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

Administration also includes Strategic Engagement which is responsible for partnerships, government affairs, grants and communications.

Primary Funding Sources:

Operating Fund

Brief Description of significant department / service changes:

The department of Strategic Engagement replaces the previous Communication Services department. Laura Conroy accepted the position of Director of Strategic Engagement in May 2017.

Sascha Perrins joined MESD in August 2017 as Interim Assistant Superintendent and was selected to serve in the role permanently in March 2018. Initial funds for this position came from a re-purposing of budget for the vacant Chief Operating Officer position. The Assistant Superintendent oversees the Technology Services Department. In preparation for the departure of the Director of Instruction in June 2018, Sascha has begun assuming oversight for the department of Instructional Services as well.

Brief Description of significant funding changes:

As 2018-19 will be a Board member election year, election fees have been added to the Board budget.

Brief Description of FTE changes:

Shifts occurring within the 2017-18 year are that the Assistant Superintendent position is now fully funded through Administration (rather than funded 0.50 FTE through Technology Services) and that a fraction of an FTE has been added to the Strategic Engagement department (0.27 FTE).

The proposed budget includes the shift of a portion of an existing position (0.25 FTE) to the Strategic Engagement department.

Multnomah Education Service District
2018-2019 Fiscal Year Annual Budget
Expenditures by Department
100- Administration

	Actual 2015-16	Actual 2016-17	Revised Budget 2017-18	Projected Actual 2017-18	Proposed Budget 2018-19
EXPENDITURE PERSPECTIVES					
By Category					
Salaries	403,301	381,587	589,863	560,469	646,724
Associated Payroll Costs	151,654	163,755	239,636	244,623	296,781
Purchased Services	312,712	211,552	258,631	184,575	239,409
Supplies and Materials	5,947	3,433	19,570	24,315	25,970
Total by Category	873,614	760,327	1,107,700	1,013,982	1,208,884
By Division					
100 Board of Directors	156,153	159,241	197,100	136,450	255,180
110 Administration	552,581	454,849	744,332	711,385	756,667
300 Legal Services	20,720				
500 Communication Services	141,674	143,757	163,788	163,667	194,557
520 School Closure	2,486	2,480	2,480	2,480	2,480
Total by Division	873,614	760,327	1,107,700	1,013,982	1,208,884
By Fund					
1 Resolution Services	2,486	2,480	2,480	80,762	80,449
2 Contracted Services			133,288		
6 Operating	871,128	757,847	971,932	933,220	1,128,435
Total by Fund	873,614	760,327	1,107,700	1,013,982	1,208,884
POSITION SUMMARY					
By Division					
110 Administration	2.50	2.00	3.50	4.00	4.00
160 Agency Support					
300 Legal Services	.40				
500 Communication Services	1.00	1.00	1.00	1.27	1.52
530 Foundation					
Total Number of Positions	3.90	3.00	4.50	5.27	5.52
By Fund					
1 Resolution Services					1.00
2 Contracted Services			.85	1.00	
6 Operating	3.90	3.00	3.65	4.27	4.52
Total Number of Positions	3.90	3.00	4.50	5.27	5.52

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:

No significant changes anticipated.

Brief Description of significant funding changes:

In 2018-19, structural modifications in the kitchen and woodshop will occur at the Helensview building through a Career Technical Education (CTE) grant awarded to the school's Phoenix program. This work includes upgrading electrical panels, adding ventilation and moving cabinetry.

Brief Description of FTE changes:

There are no FTE changes currently planned for 2018-19.

Multnomah Education Service District
2018-2019 Fiscal Year Annual Budget
Expenditures by Department
150- Facilities Services

	Actual 2015-16	Actual 2016-17	Revised Budget 2017-18	Projected Actual 2017-18	Proposed Budget 2018-19
EXPENDITURE PERSPECTIVES					
By Category					
Salaries	261,849	277,808	325,346	328,980	356,027
Associated Payroll Costs	153,489	165,504	207,766	214,285	229,840
Purchased Services	735,130	464,138	294,656	138,723	261,524
Supplies and Materials	47,453	50,303	59,300	62,130	68,100
Capital Outlay	42,062	149,673		130,000	300,000
Total by Category	1,239,983	1,107,426	887,068	874,118	1,215,491
By Division					
150 Facility Services	1,156,247	881,633	798,774	764,916	1,111,403
155 Transportation Services	64,908	198,325	65,294	86,202	81,088
510 Printing & Graphics	18,828	27,468	23,000	23,000	23,000
Total by Division	1,239,983	1,107,426	887,068	874,118	1,215,491
By Fund					
1 Resolution Services	35,341	36,829	37,285	40,064	39,182
2 Contracted Services					300,000
4 Facilities & Equipment Reserve	767,594	490,538	520,341	489,888	275,800
6 Operating	437,048	580,059	329,442	344,166	600,509
Total by Fund	1,239,983	1,107,426	887,068	874,118	1,215,491
POSITION SUMMARY					
By Division					
150 Facility Services	7.75	10.00	12.00	12.00	12.00
155 Transportation Services	1.00	1.00	1.00	1.00	1.00
510 Printing & Graphics					
Total Number of Positions	8.75	11.00	13.00	13.00	13.00
By Fund					
1 Resolution Services	.50	.50	.50	.50	.50
6 Operating	8.25	10.50	12.50	12.50	12.50
Total Number of Positions	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. Starting in 2017-18 Risk Management moved over to Business Services.

Primary Funding Sources:

Operating Fund.

Brief Description of significant department / service changes:

No significant changes anticipated.

Brief Description of significant funding changes:

No significant changes anticipated.

Brief Description of FTE changes:

No FTE changes are anticipated for 2018-19.

Multnomah Education Service District
2018-2019 Fiscal Year Annual Budget
Expenditures by Department
200- Business Services

	Actual 2015-16	Actual 2016-17	Revised Budget 2017-18	Projected Actual 2017-18	Proposed Budget 2018-19
EXPENDITURE PERSPECTIVES					
By Category					
Salaries	522,481	600,927	641,727	646,602	673,627
Associated Payroll Costs	280,152	318,798	345,868	318,803	328,315
Purchased Services	800,689	621,705	668,445	674,804	706,148
Supplies and Materials	2,427	24,612	36,550	42,411	40,130
Transit Payments	14,322,082	14,429,052	13,960,000	14,360,000	12,285,000
Total by Category	15,927,831	15,995,094	15,652,590	16,042,620	14,033,220
By Division					
210 Business Services Admin	175,193	173,062	202,061	197,776	204,976
220 Fiscal Services	1,430,556	1,392,980	1,490,529	1,484,844	1,543,244
221 Fiscal Services-Transits	14,322,082	14,429,052	13,960,000	14,360,000	12,285,000
Total by Division	15,927,831	15,995,094	15,652,590	16,042,620	14,033,220
By Fund					
1 Resolution Services	14,322,082	14,448,971	13,970,500	14,370,500	12,286,000
6 Operating	754,367	862,559	872,875	862,905	883,678
7 Risk Management Reserve	851,382	683,564	809,215	809,215	863,542
Total by Fund	15,927,831	15,995,094	15,652,590	16,042,620	14,033,220
POSITION SUMMARY					
By Division					
210 Business Services Admin	1.00	1.00	1.00	1.00	1.00
220 Fiscal Services	8.00	8.00	8.00	8.00	8.00
230 Co-op Warehouse					
Total Number of Positions	9.00	9.00	9.00	9.00	9.00
By Fund					
6 Operating	8.00	8.00	8.00	8.00	8.00
7 Risk Management Reserve	1.00	1.00	1.00	1.00	1.00
Total Number of Positions	9.00	9.00	9.00	9.00	9.00

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.

Starting in 2017-18 Payroll moved to Human Resources as part of the Superintendent's management realignment.

Primary Funding Sources:

Operating Fund

Brief Description of significant department / service changes:

No significant changes anticipated.

Brief Description of significant funding changes:

No significant changes anticipated.

Brief Description of FTE changes:

The Proposed budget reflects the shift of a fractional FTE (0.25) to the Strategic Engagement department.

Multnomah Education Service District
2018-2019 Fiscal Year Annual Budget
Expenditures by Department
400- Human Resources

	Actual 2015-16	Actual 2016-17	Revised Budget 2017-18	Projected Actual 2017-18	Proposed Budget 2018-19
EXPENDITURE PERSPECTIVES					
By Category					
Salaries	373,668	391,643	555,286	549,797	570,606
Associated Payroll Costs	211,960	237,120	374,993	374,226	378,439
Purchased Services	153,268	71,901	21,964	64,714	30,135
Supplies and Materials	22,358	17,706	40,412	32,562	30,555
Total by Category	761,254	718,370	992,655	1,021,299	1,009,735
By Division					
400 Human Resources	761,254	718,370	992,655	1,021,299	1,009,735
Total by Division	761,254	718,370	992,655	1,021,299	1,009,735
By Fund					
1 Resolution Services		11,172	14,500	24,400	24,400
2 Contracted Services			35,469	35,469	
6 Operating	757,221	707,198	932,686	951,430	975,443
7 Risk Management Reserve	4,033		10,000	10,000	9,892
Total by Fund	761,254	718,370	992,655	1,021,299	1,009,735
POSITION SUMMARY					
By Division					
400 Human Resources	6.60	6.00	8.25	8.47	8.00
Total Number of Positions	6.60	6.00	8.25	8.47	8.00
By Fund					
2 Contracted Services			.25	.47	
6 Operating	6.60	6.00	8.00	8.00	8.00
Total Number of Positions	6.60	6.00	8.25	8.47	8.00

Technology Services

Department Description:

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

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

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

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

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

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

Primary Funding Sources:

Resolution, contracted, and operating funds

Brief Description of significant department / service changes:

No significant changes anticipated.

Brief Description of FTE changes:

The Adopted 2017-18 budget reflected a 0.50 FTE for the vacant Chief Operating Officer (COO) position. The COO position was re-purposed into the Assistant Superintendent position. While the Assistant Superintendent still oversees Technology Services, the position is now fully funded through Administration department. Proposed 2018-19 is reduced by this 0.50 FTE.

Multnomah Education Service District
2018-2019 Fiscal Year Annual Budget
Expenditures by Department
600- Technology Services

	Actual 2015-16	Actual 2016-17	Revised Budget 2017-18	Projected Actual 2017-18	Proposed Budget 2018-19
EXPENDITURE PERSPECTIVES					
By Category					
Salaries	2,462,309	2,561,525	2,477,108	2,477,108	2,510,081
Associated Payroll Costs	1,177,186	1,254,545	1,290,029	1,288,601	1,303,410
Purchased Services	4,475,908	3,054,568	994,154	992,987	999,060
Supplies and Materials	180,455	112,844	113,233	114,833	138,083
Capital Outlay	31,743	90,862	130,999	125,402	183,402
Total by Category	8,327,601	7,074,344	5,005,523	4,998,931	5,134,036
By Division					
610 Student Applications	1,276,840	1,331,494	1,536,202	1,536,050	1,571,935
620 Business Applications	47,487	309,328	237,163	233,156	225,174
630 Infrastructure Services	1,559,648	1,692,736	1,618,160	1,612,093	1,707,810
640 Internal Agency Support	799,298	745,098	729,101	737,316	752,545
650 Application Development	451,541	422,296	500,361	500,184	493,193
660 Substitute Registration	77,240	82,940	82,452	83,952	84,085
695 Support Services	4,115,547	2,490,452	302,084	296,180	299,294
Total by Division	8,327,601	7,074,344	5,005,523	4,998,931	5,134,036
By Fund					
1 Resolution Services	2,836,873	3,041,873	3,052,570	3,051,948	3,130,858
2 Contracted Services	4,208,627	2,691,887	797,445	796,264	792,487
4 Facilities & Equipment Reserve	78,804	102,050	213,668	208,071	245,000
6 Operating	1,203,297	1,238,534	941,840	942,648	965,691
Total by Fund	8,327,601	7,074,344	5,005,523	4,998,931	5,134,036
POSITION SUMMARY					
By Division					
610 Student Applications	14.00	15.00	14.00	13.00	14.00
620 Business Applications	.15	1.52	1.52	1.52	1.52
630 Infrastructure Services	2.83	2.83	2.83	2.83	2.83
640 Internal Agency Support	7.66	5.41	5.91	5.41	5.41
650 Application Development	3.35	3.18	3.18	3.18	3.18
660 Substitute Registration					
695 Support Services	7.76	5.06	3.69	3.69	3.69
Total Number of Positions	35.75	33.00	31.13	29.63	30.63
By Fund					
1 Resolution Services	16.98	17.83	16.83	15.83	16.83
2 Contracted Services	6.78	6.74	6.87	6.87	6.87
6 Operating	11.99	8.43	7.43	6.93	6.93
Total Number of Positions	35.75	33.00	31.13	29.63	30.63

Student Services - 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. 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/Knott 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:

In the 2017-18 year, the Social & Emotional Skills Program (SESP) and Behavioral Health (BH) programs expanded to the Knott Creek site and have continued to add classrooms throughout the year.

Brief Description of significant funding changes:

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

Brief Description of FTE changes:

Staffing has increased throughout the 2017-18 year and is anticipated to increase in 2018-19. Staffing increases are primarily in the SESP and BH programs and the FLS Alternative program at Wheatley. Additions to staff are primarily Education Assistants.

Relative to 2017-18 the additional staff includes approximately 4.5 licensed FTE (Special Education Teachers and a 0.5 FTE School Psychologist), 1 FTE for a Campus Safety Monitor and 25.5 FTE for Educational Assistants.

Multnomah Education Service District
2018-2019 Fiscal Year Annual Budget
Expenditures by Department
700- Special Education Services

	Actual 2015-16	Actual 2016-17	Revised Budget 2017-18	Projected Actual 2017-18	Proposed Budget 2018-19
EXPENDITURE PERSPECTIVES					
By Category					
Salaries	6,076,363	7,126,798	7,824,709	8,754,274	9,264,531
Associated Payroll Costs	3,370,769	3,961,756	4,921,664	4,960,104	6,015,887
Purchased Services	1,341,094	1,474,801	1,413,982	1,815,449	1,195,223
Supplies and Materials	307,319	488,359	505,469	519,580	381,626
Capital Outlay	13,498	5,000		7,525	1,900
Transfers		185,716			
Total by Category	11,109,043	13,242,430	14,665,824	16,056,932	16,859,167
By Division					
710 EI/ECSE	612,620	242,647	23,674	58,812	23,674
750 Special Education	7,397,744	8,722,199	9,136,196	9,945,321	10,654,872
780 Related Services	1,170,612	1,352,008	1,386,214	1,587,273	1,788,154
940 LTCT and Hospital	968	959	968	1,069	1,069
960 Arata Creek	1,927,099	2,924,617	4,118,772	4,464,457	4,391,398
Total by Division	11,109,043	13,242,430	14,665,824	16,056,932	16,859,167
By Fund					
1 Resolution Services	6,736,555	7,858,822	8,251,304	9,016,068	8,971,192
2 Contracted Services	4,277,718	5,234,698	6,239,839	6,851,749	7,694,029
6 Operating	94,770	148,910	174,681	189,115	193,946
Total by Fund	11,109,043	13,242,430	14,665,824	16,056,932	16,859,167
POSITION SUMMARY					
By Division					
710 EI/ECSE	2.84	1.00			
750 Special Education	105.52	109.79	120.48	144.34	141.62
780 Related Services	8.38	15.36	17.86	18.04	23.21
960 Arata Creek	18.73	39.74	46.81	47.68	51.36
Total Number of Positions	135.47	165.89	185.15	210.06	216.19
By Fund					
1 Resolution Services	105.99	119.09	104.42	119.40	110.39
2 Contracted Services	28.78	45.80	79.73	89.66	104.80
6 Operating	.70	1.00	1.00	1.00	1.00
Total Number of Positions	135.47	165.89	185.15	210.06	216.19

Student Services - 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:

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

Brief Description of significant funding changes:

Funding increases in parallel with fluctuation in district needs.

Brief Description of FTE changes:

The proposed budget includes one additional Nurse Supervisor and reflects projected Nurse and School Health Assistant positions anticipated for the 2018-19 year service requests and contracts.

Multnomah Education Service District
2018-2019 Fiscal Year Annual Budget
Expenditures by Department
800- School Health Services

	Actual 2015-16	Actual 2016-17	Revised Budget 2017-18	Projected Actual 2017-18	Proposed Budget 2018-19
EXPENDITURE PERSPECTIVES					
By Category					
Salaries	5,784,185	5,892,029	6,410,500	6,415,464	7,154,275
Associated Payroll Costs	2,928,807	3,000,510	3,753,906	3,738,400	4,098,135
Purchased Services	441,909	248,276	429,256	433,256	435,406
Supplies and Materials	143,218	151,681	179,564	221,339	180,417
Capital Outlay		7,495			
Total by Category	9,298,119	9,299,991	10,773,226	10,808,459	11,868,233
By Division					
450 Employee Committees	19,493	46,281			
810 Health Services	9,278,626	9,253,710	10,773,226	10,808,459	11,868,233
Total by Division	9,298,119	9,299,991	10,773,226	10,808,459	11,868,233
By Fund					
1 Resolution Services	6,442,128	6,785,241	8,111,960	8,142,644	8,669,234
2 Contracted Services	2,585,429	2,251,035	2,580,019	2,584,321	3,114,535
6 Operating	270,562	263,715	81,247	81,494	84,464
Total by Fund	9,298,119	9,299,991	10,773,226	10,808,459	11,868,233
POSITION SUMMARY					
By Division					
450 Employee Committees		.25			
810 Health Services	107.75	119.93	142.09	142.03	144.56
850 Social Services					
Total Number of Positions	107.75	120.18	142.09	142.03	144.56
By Fund					
1 Resolution Services	69.36	90.31	111.61	114.18	116.08
2 Contracted Services	36.89	24.38	23.90	23.31	23.22
6 Operating	1.50	5.49	6.58	4.54	5.26
Total Number of Positions	107.75	120.18	142.09	142.03	144.56

Instructional Services

Department Description:

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

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

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

Primary Funding Sources:

Resolution Funds, Local District Contracts, ODE Contracts

Brief Description of significant department / service changes:

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

Brief Description of significant funding changes:

Some contracts with ODE are still pending and/or estimated and will be adjusted in the budget prior to adoption. The majority of the expenditures planned for the Career Technical Education (CTE) grant awarded to Helensview's Phoenix program are included in the Facilities Services department. We continually seek additional contract and grant opportunities to serve the needs of children and families.

Brief Description of FTE changes:

The proposed budget reflects the reduction, through attrition, of the Instructional Services Director position. Other FTE changes are a result of changes in service requests and contracts.

Multnomah Education Service District
2018-2019 Fiscal Year Annual Budget
Expenditures by Department
900- Instructional Services

	Actual 2015-16	Actual 2016-17	Revised Budget 2017-18	Projected Actual 2017-18	Proposed Budget 2018-19
EXPENDITURE PERSPECTIVES					
By Category					
Salaries	5,961,726	7,079,452	7,265,435	6,956,550	7,469,331
Associated Payroll Costs	2,788,426	3,408,189	3,973,592	3,623,792	4,137,232
Purchased Services	1,649,137	1,735,545	1,764,969	1,904,396	2,096,830
Supplies and Materials	774,467	1,016,261	813,643	1,051,420	941,154
Capital Outlay	19,668	6,820		143,237	
Total by Category	11,193,424	13,246,267	13,817,639	13,679,395	14,644,547
By Division					
850 Social Services	12,404	3,237			
900 Instructional Services	373,071	275,463	308,620	309,825	118,538
910 Curriculum & Instruction	538,837	519,774	548,592	628,698	671,615
920 Outdoor School	2,783,409	2,938,789	2,939,431	3,081,993	3,823,797
940 LTCT and Hospital	3,003,596	3,790,575	4,233,098	3,361,855	3,542,085
950 Helensview	1,891,028	2,054,069	2,434,999	2,541,054	2,459,025
970 Youth Correction Education	2,043,368	3,154,670	2,792,930	3,050,674	3,244,858
980 Alternative Pathways	209,916	221,817	244,237	240,140	245,583
990 Migrant Education	337,795	287,873	315,732	465,156	539,046
Total by Division	11,193,424	13,246,267	13,817,639	13,679,395	14,644,547
By Fund					
1 Resolution Services	3,446,451	3,561,600	3,954,795	3,957,243	4,670,682
2 Contracted Services	7,539,863	9,456,734	9,615,011	9,478,368	9,917,937
6 Operating	207,110	227,933	247,833	243,784	55,928
Total by Fund	11,193,424	13,246,267	13,817,639	13,679,395	14,644,547
POSITION SUMMARY					
By Division					
530 Foundation					
850 Social Services					
900 Instructional Services	2.29	2.16	2.09	2.19	1.25
910 Curriculum & Instruction	4.10	4.19	4.24	5.25	5.25
920 Outdoor School	11.15	11.43	11.43	11.41	13.62
940 LTCT and Hospital	32.76	41.43	42.22	32.19	31.00
950 Helensview	21.38	20.34	24.33	24.30	23.78
970 Youth Correction Education	22.05	33.62	30.68	31.59	31.69
980 Alternative Pathways	3.06	2.50	2.50	2.50	2.50
990 Migrant Education	3.88	3.43	3.43	5.60	5.60
Total Number of Positions	100.67	119.10	120.92	115.03	114.69
By Fund					
1 Resolution Services	24.49	30.16	30.67	30.72	33.46
2 Contracted Services	75.04	87.29	88.62	82.76	80.68
6 Operating	1.14	1.65	1.63	1.55	.55
Total Number of Positions	100.67	119.10	120.92	115.03	114.69

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 2017-18

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 extend the life of the roof. We have revised our estimate for the replacement in 2019-20 to \$380 thousand.

Re-carpeting as well as some repairing/remodeling of restrooms is planned for 2018-19.

Burlingame Creek and Arata Creek Buildings:

The basketball court cover was completed at Burlingame Creek in 2017-18.

Re-carpeting at Burlingame and Arata Creek, originally scheduled to occur in 2017-18, is now planned for 2018-19 as well as the installation of new non-proprietary fire panels.

Knott Creek Building:

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

No significant additional changes are planned for 2018-19.

Wheatley and Helensview Buildings:

In 2018-19, structural modification in the kitchen and woodshop will occur at the Helensview building through a Career Technical Education (CTE) grant awarded to the school's Phoenix program. These expenditures are recorded in Fund 2 as the source of the funding is a grant.

No significant changes are planned for Wheatley at this time.

Facilities and Equipment Reserve Plan

Summary of Significant Changes from 2017-18

Technology Services

Student Information Services:

Hardware replacement, operating system software updates and Synergy Student Information System software enhancements continue in 2018-19.

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 2018-19 and may require additional upgrades to the existing software.

Network Services:

Depending on district selections, new network hardware may be purchased in 2018-19. Funds are also being accumulated for network hardware replacement in 2019-20.

Agency Services:

Funds will be used for general technology equipment for the agency. In 2017-18, Technology Services began a pilot project for new meeting room hardware. Additional meeting rooms may be updated in 2018-19.

Multnomah Education Service District
FY2019 Facilities & Equipment Reserve Plan
Fund 4
Facilities Services Plan

	Estimated FY2018	Proposed FY2019	Projected			
			FY2020	FY2021	FY2022	FY2023
Ainsworth (1989)						
Repairs & Maintenance (non-routine)	23,000	23,700	24,400	25,100	25,900	26,700
Carpet Replacement (common areas)	=>	20,000				
HVAC Repairs	10,000					
Restroom repair/remodel		20,000				
Roof Replacement (25yr)		=>	380,000			
Security Upgrades	7000					
Subtotal	40,000	63,700	404,400	25,100	25,900	26,700
Arata Creek (1999)						
Repairs & Maintenance (non-routine)	20,000	27,800	28,600	29,500	30,400	31,300
Carpet Replacement (15 yr)	=>	40,000				
HVAC Repair	3,000					
Fire Panel	=>	20,000				
Roof Replacement (20yr)			=>	30,000		
Sidewalk Install	4,000					
Water Leak Repair	3,000					
Subtotal	30,000	87,800	28,600	59,500	30,400	31,300
Burlingame Creek "Alpha" (1998)						
Repairs & Maintenance (non-routine)	15,000	15,500	16,000	16,500	17,000	17,500
Basketball Court Cover	130,000					
Carpet Replacement (15 yr)	=>	40,000				
Fire Panel	=>	20,000				
Roof Replacement (20yr)			=>	80,000		
Subtotal	145,000	75,500	16,000	96,500	17,000	17,500
Helensview						
Repairs & Maintenance (non-routine)	16,500	17,000	17,500	18,000	18,500	19,100
Security Upgrades	10,000					
Subtotal	26,500	17,000	17,500	18,000	18,500	19,100
Knott						
Repairs & Maintenance (non-routine)	10,000	14,000	14,400	14,800	15,200	15,700
Building Security & Safety Improvements	65,000					
Grounds - Playground & Fencing	24,000					
Interior Painting	20,000					
Safe Room Design & Construction	80,000					
Other Upgrades & Initial Set-up	21,187					
Subtotal	220,187	14,000	14,400	14,800	15,200	15,700
Wheatley						
Repairs & Maintenance (non-routine)	17,300	17,800	18,300	18,800	19,400	20,000
Building Safety Improvements	10,900					
Subtotal	28,200	17,800	18,300	18,800	19,400	20,000
Total Expenditures	489,887	275,800	499,200	232,700	126,400	130,300
Funding Sources						
Beginning Fund Balance	321,571	425,241	381,541	114,441	113,841	219,541
Transfer from Operating Fund	489,009	232,100	232,100	232,100	232,100	232,100
Transfer from Contracted Services	104,548					
Total Funding Sources	915,128	657,341	613,641	346,541	345,941	451,641
150-FACILITIES BALANCE	425,241	381,541	114,441	113,841	219,541	321,341

Multnomah Education Service District
FY2019 Facilities & Equipment Reserve Plan
Fund 4
Technology Equipment Reserve Plan

	Estimated FY2018	Proposed FY2019	Projected			
			FY2020	FY2021	FY2022	FY2023
Student Information Systems						
Computer Hardware: Servers & Routers	100,000	100,000	100,000	100,000	100,000	100,000
Software Updates & New Application Modules	25,000	25,000	25,000	25,000	25,000	25,000
Contingency						
Funding Sources						
Beginning Fund Balance	319,392	294,392	269,392	244,392	219,392	194,392
Transfer from Resolution Fund	100,000	100,000	100,000	100,000	100,000	100,000
Total Funding Sources	419,392	394,392	369,392	344,392	319,392	294,392
Ending Fund Balance	294,392	269,392	244,392	219,392	194,392	169,392
Business Systems Support						
Software: BusinessPLUS Application Updates	27,523	10,000	25,000			25,000
Contingency		10,000				
Funding Sources						
Beginning Fund Balance	69,272	41,749	31,749	16,749	26,749	36,749
Transfer from Operating Fund	-	10,000	10,000	10,000	10,000	10,000
Total Funding Sources	69,272	51,749	41,749	26,749	36,749	46,749
Ending Fund Balance	41,749	31,749	16,749	26,749	36,749	21,749
Network Services						
Network Hardware Replacement	12,000	70,000	90,000			90,000
Funding Sources						
Beginning Fund Balance	47,918	65,918	25,918	918	30,918	60,918
Transfer from Resolution Fund	30,000	30,000	30,000	30,000	30,000	30,000
E-Rate Revenue			35,000			
Total Funding Sources	77,918	95,918	90,918	30,918	60,918	90,918
Ending Fund Balance	65,918	25,918	918	30,918	60,918	918
Agency Support						
Meeting & Conference Room Hardware	2,000					
Agency Equipment	41,548	40,000	40,000	40,000	40,000	40,000
Contingency		200,000				
Funding Sources						
Beginning Fund Balance	262,248	258,700	58,700	58,700	58,700	58,700
E-Rate Revenue	40,000	40,000	40,000	40,000	40,000	40,000
Total Funding Sources	302,248	298,700	98,700	98,700	98,700	98,700
Ending Fund Balance	258,700	58,700	58,700	58,700	58,700	58,700
600-TECHNOLOGY BALANCE	660,759	385,759	320,759	335,759	350,759	250,759

Fund 4: Facilities and Equipment Reserve Summary

Beginning Fund Balance	1,020,401	1,086,000	767,300	435,200	449,600	570,300
Total Transfers In	723,557	372,100	372,100	372,100	372,100	372,100
Total Other Revenues	40,000	40,000	75,000	40,000	40,000	40,000
Total Expenditures	697,958	520,800	779,200	397,700	291,400	410,300
Total Contingency	-	210,000	-	-	-	-
Fund 4 Ending Fund Balance	1,086,000	767,300	435,200	449,600	570,300	572,100

Appendix

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

Public Notices

Budget Committee Meeting, Online: www.mesd.k12.or.us, April 4, 2018

NOTICE OF MULTNOMAH EDUCATION SERVICE DISTRICT BUDGET COMMITTEE MEETING

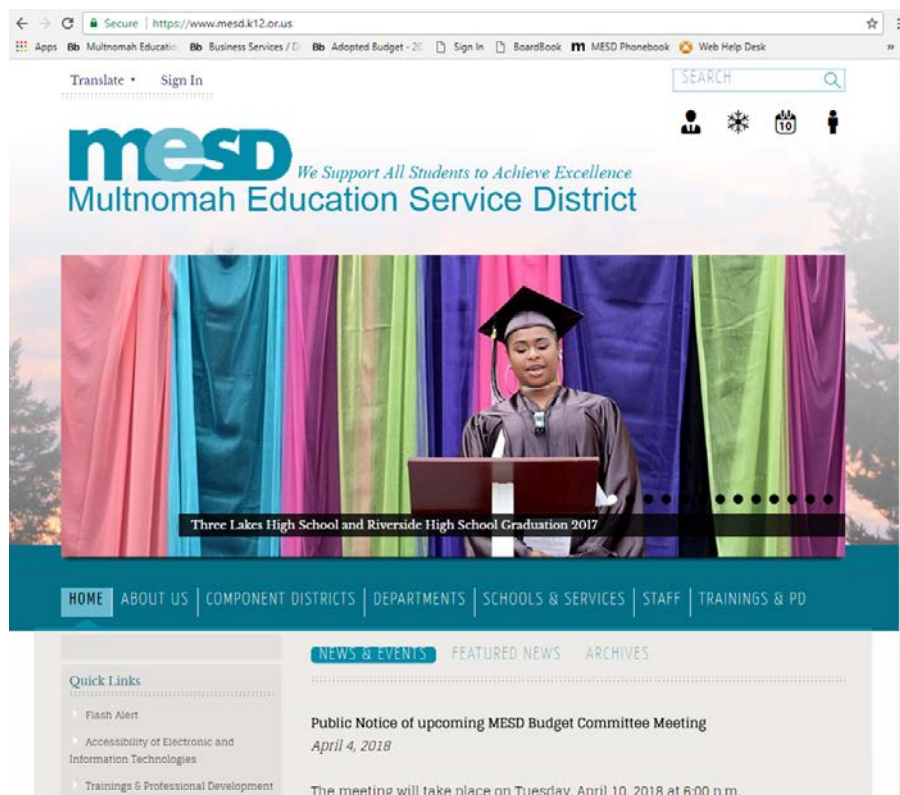
A public meeting of the MESD Budget Committee of the Multnomah Education Service District, Multnomah County, State of Oregon, to discuss the budget for the fiscal year July 1, 2018 to June 30, 2019, will be held at 11611 NE Ainsworth Circle, Portland, Oregon 97220 in the Board Room. The meeting will take place on Tuesday, April 10, 2018 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 6, 2018 between the hours of 7:30 a.m. and 4:30 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 18, 2018, and Tuesday, April 24, 2018 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 Notice #1: The Oregonian, March 30, 2018



The Oregonian

LEGAL AFFIDAVIT

AD#: 0008581831

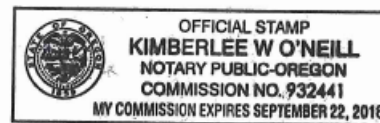
State of Oregon,) ss

County of Multnomah)

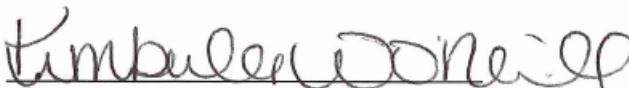
Justin Eubanks being duly sworn, deposes that he/she is principal clerk of Oregonian Media Group; that The Oregonian is a public newspaper published in the city of Portland, with general circulation in Oregon, and this notice is an accurate and true copy of this notice as printed in said newspaper, was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

The Oregonian 03/30/2018


Principal Clerk of the Publisher



Sworn to and subscribed before me this 2nd day of April 2018


Notary Public

**NOTICE OF MULTNOMAH EDUCATION
SERVICE DISTRICT
BUDGET COMMITTEE MEETINGS**

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Sam Breyer
Budget Officer
Multnomah Education Service District

Public Notices

Budget Committee Meeting, Newspaper Notice #2: The Oregonian, April 4, 2018



The Oregonian

LEGAL AFFIDAVIT

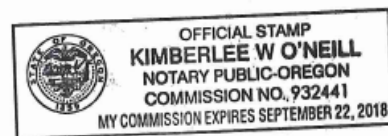
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State of Oregon,) ss
County of Multnomah)

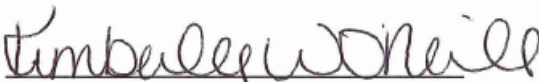
Justin Eubanks being duly sworn, deposes that he/she is principal clerk of Oregonian Media Group; that The Oregonian is a public newspaper published in the city of Portland, with general circulation in Oregon, and this notice is an accurate and true copy of this notice as printed in said newspaper, was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

The Oregonian 04/04/2018


Principal Clerk of the Publisher



Sworn to and subscribed before me this 5th day of April 2018


Notary Public

**NOTICE OF MULTNOMAH EDUCATION
SERVICE DISTRICT
BUDGET COMMITTEE MEETINGS**

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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 6, 2018 between the hours of 7:30 a.m. and 4:30 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 18, 2018, and Tuesday, April 24, 2018 at 6:00 p.m. at the same location. All meetings are open to the public.

Sam Breyer
Budget Officer
Multnomah Education Service District

**RESOLUTION 17-038 Approval of the 2017-2018 Budget Calendar for Development
of the Fiscal Year 2018-2019 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 2017-2018 Budget Calendar for the Development of the Fiscal Year 2018-2019 Budget.

Multnomah ESD 2017-2018 Calendar for Fiscal Year 2018-2019 Budget

Tuesday, July 11, 2017	MESD Board Meeting	MESD Board
	<ul style="list-style-type: none"> MESD Board adopts the 2017-2018 Budget Calendar for 2018-19 (Resolution) 	
Tuesday, November 21, 2017	MESD Board Meeting	MESD Board
	<ul style="list-style-type: none"> Presentation by Auditors – Talbot, Korvola & Warwick of 2016-2017 Audit 	
Friday, January 12, 2018	Superintendent Council Meeting	Council
	<ul style="list-style-type: none"> MESD Superintendent delivers to Component Districts 2018-2019 Local Service Plan 	
Tuesday, January 16, 2018	MESD Board Meeting	MESD Board
	<ul style="list-style-type: none"> MESD Board Approves 2018-2019 Local Service Plan (Resolution) 	
January to April 2018		
	<ul style="list-style-type: none"> MESD Management develops the Proposed Budget 	MESD Staff
February 2018	Component District Boards	District Boards
	<ul style="list-style-type: none"> 2018-2019 Local Service Plan Approval [ORS 334.175(5)(b)/OAR 581-024-0285(2)] (Resolution) 	
Tuesday, February 20, 2018		
	<ul style="list-style-type: none"> MESD Board appoints new Budget Committee members MESD Board adopts 2018-19 Budget Planning Parameters (Resolution) 	MESD Board
Friday, March 30, 2018	Publish Notices of Budget Committee Meetings	
	<ul style="list-style-type: none"> Newspaper notice within 5-30 days before meeting – (ORS 294.401) Online notice for at least 10 days before meeting 	
Tuesday, April 3, 2018	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 6, 2018	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 10, 2018	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 2017-2018 Calendar for Fiscal Year 2018-2019 Budget (continued)

Wednesday, April 18, 2018	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 24, 2018	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 25, 2018	Deadline to submit Approved Budget to TSCC [ORS 294.431(2), "twenty days before TSCC hearing"]	
Friday, May 4, 2018	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 15, 2018	TSCC Public Hearing (ORS 294.430)	TSCC
Tuesday, June 19, 2018	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 13, 2018	Deadline to File Certification of Tax Levy with Counties	

Motion: Director Stephen Beaudoin moved to approve Resolution 17-038. Director Helen Ying seconded the motion.

Discussion: Business Services Director Doana Anderson described the Budget Committee to the new MESD Board members.

Action: The motion carried with Directors Arzate, Beaudoin, Botkin, Burke, Jones, and Ying voting aye. Motion passed 6-0.

RESOLUTION 18-011 – Fiscal Year 2018-2019 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 2018-2019 budget planning parameters above were presented to the Board Finance Committee on February 14, 2018; and

WHEREAS, the Board Finance Committee requested that the draft be taken to the Board on February 20, 2018 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 2018-2019 budget planning parameters as follows:

Motion: Director Susie Jones moved to approve Resolution 18-011.
Director Helen Ying seconded the motion.

Discussion: None

Action: The motion carried with Directors Arzate, Botkin, Jones and Ying voting aye. Motion passed 4-0.

2018-2019 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 an \$8.2 billion biennium (\$4.1 billion year-two) SSF legislative appropriation. Under this assumption, the MESD's estimated SSF revenue for 2018-19 will be approximately \$41.7 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 MESDEA employees will be used for budgeting purposes. A placeholder will be used for all other represented employee agreements 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 \$3,068,266 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 18-012 Approval of MESD Budget
Committee Representatives for 2018**

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:

Ernie Butenschoen-Centennial School District

- Board member with Centennial School District
- Served as Centennials representative on the MESD Budget Committee 2014-2017

John Hartsock-Gresham Barlow School District

- Board member with Gresham Barlow School District
- Served as Gresham Barlow representative on the MESD Budget Committee 2014-2017

Marguerite Perry-Corbett School District

- Board member with Corbett School District

Dave Carter-Parkrose School District

- Board member with Parkrose School District

Paul Spellman-Riverdale School District

- Board member with Riverdale School District

Emily Courtmage-Portland Public School District

- Director of Purchasing and Contracting/Interim Manager Accounts Payable with Portland Public School District

WHEREAS, the Centennial School District has submitted the name of Ernie Butenschoen, Gresham Barlow has submitted the name of John Hartsock, Corbett School District has submitted the name of Marguerite Perry, Parkrose School District has submitted the name of Dave Carter, Portland Public School District has submitted the name of Emily Courtmage, and Riverdale School District has submitted the name of Paul Spellman to represent their districts 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 Ernie Butenschoen, John

Hartsock, Marguerite Perry, Dave Carter, Emily Courtnage, and Paul Spellman to the MESD Budget Committee.

Motion: **Director Susie Jones moved to approve Resolution 18-012.
Director Helen Ying seconded the motion.**

Discussion: **None**

Action: **The motion carried with Directors Arzate, Botkin, Jones and Ying 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 carryover to the next year's budget to provide the district with needed cash flow until other money is received and to provide financial stability. This amount cannot be transferred by resolution or used through a supplemental budget during the year.

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