

Multnomah Education Service District
Multnomah County, Oregon

Adopted Budget

For the Fiscal Year 2019-2020

11611 NE Ainsworth Circle
Portland, OR 97220
www.multnomahesd.org
Approved by the MESD Board of Directors
6/18/2019

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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Contracts & Risk Manager
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*Multnomah Education Service District
2019-2020 Adopted Budget*

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Introduction and Overview

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



Superintendent's Budget Message

2019-2020 Proposed Budget

April 9, 2019

The Multnomah Education Service District (MESD) is pleased to present the proposed budget for fiscal year 2019-2020. 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 4, 2019. We expect adjustments will be made before June 30, 2019 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, 2019 and our budget is largely based on these estimates. Once our customer's final selections are known in May 2019, 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 Co-Chairs \$8.87 billion State School Fund (SSF) legislative budget appropriation split 49/51 over the biennium. ESDs receive 4.5 percent of that SSF amount.
- MESD's 4.5 percent share of the SSF allotment for 2019-20 is approximately \$43.8 million per the current SSF formula and most recent ODE estimates.
- Other Federal, State & Local Revenue sources are budgeted based on the most current information available.
- MESD has used the following payroll assumptions:
 - Salary step increases for eligible employees
 - The agreed-upon salary schedules for all bargaining groups. A placeholder has been used for AFSCME health benefits while negotiations are underway.
 - PERS defined rates are 14.56% for Tier I/II, 9.11% for OPSRP, and 13.74% 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 ♦ Susie Jones ♦ Denyse Peterson ♦ Helen Ying*

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

Areas of Uncertainty

As is typical during the legislative session of a new biennium there is a great deal of uncertainty regarding the State School Fund. The Governor's budget included \$8.97 billion for K-12 education, while the Co-Chairs budget allocated \$100 million less. Both are still below the \$10.723 billion recommended by the Quality Education Commission (QEC) to meet the Quality Education Model (QEM) and the \$9.13 billion needed to meet current service levels. As the component districts we serve face funding shortfalls, their spending choices necessarily impact the agency.

The legislature has tasked the Joint Committee on Student Success to develop proposals, including revenue reform and cost containment, to shore-up the gap between current service levels and the QEM. Any proposal developed by the Joint Student Success Committee and approved by the legislature will likely be referred to the voters who will decide on the matter in November. The outcome of the election, and the resulting impacts to MESD, are unclear. As a result, this budget document is presented assuming the measures have not been funded and implemented.

There is currently a question of whether ESDs would be included in funding for the school improvement fund (SIF). This proposed budget does not assume funding from the SIF. It is important to note that if ESDs are not included in the SIF distribution, but program increases are required for component districts, this will drive cost increases without funding to support.

If the voters approve additional funding for schools, and ESDs are included in the funding distribution, MESD would, based on our component district feedback, prioritize our investments in the following ways: increase social-emotional supports for students by hiring additional Mental Health Therapists, Interventionists and nursing support, support regional collaboration to expand CTE and STEM offerings for our districts and our schools, add additional days to staff serving students in lockstep with our component districts actions to expand learning time and add school days.

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 a contract re-opener with AFSCME for health benefits. The financial impact of these negotiations 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 2019-2020 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 8% 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 2019-20 school year, MESD does not anticipate a significant change in staffing levels. The leaner senior management structure that the agency implemented has helped position the agency to remain stable at even the Co-Chair's budget level. 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 and Investments

In August 2017 after a comprehensive strategic planning process, MESD adopted a new mission, vision, set of values and a two-year strategic plan with five goals. Goal teams have worked diligently to implement the plan, now in its second and final year. In January 2019, the agency began the process of creating a 2019-21 plan which builds on the progress of the 17-19 plan and identifies new key initiatives to support component districts and regional student achievement. The proposed 2019-21 plan will be presented to the Board for approval in May. With the current year budget, the agency continued to align resources to strategies and goals. The 2019-20 Proposed Budget continues this work in support and anticipation of the proposed 2019-21 Plan.

Strategic Plan Goal Three is to "increase district and community satisfaction and participation with MESD services." Our first action in 2018 was to offer a stakeholder engagement survey to directors and superintendents in our eight component districts. We recently concluded our 2019 survey. Ten metrics were surveyed across five categories of MESD programs, two more than the 2018 survey instrument, providing greater granularity for the agency to use to improve services. Results from the 32 respondents

were positive with an overall satisfaction rating of 88% or better for all categories. 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.

Equity is a key value for the agency, and many strategic actions are focused on equity. Additionally, component districts identify regional equity support and alignment as a need. MESD has partnered with two other ESDs (Northwest Regional and Clackamas) to create a metro-area equity collaborative. This budget includes funding for a shared equity director position to serve the collaborative and MESD internal work. This is a clear example of continued alignment between budget and strategic priorities.

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 value in our offerings. The agency is increasingly being asked to take on a greater regional support and alignment role. This is positive for MESD and the region.

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. Should there be a significant infusion of resources for education in Oregon, MESD is ready to provide services and support positive impacts 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

Changes from the Approved Budget

June 2019

The specified revenues and expenditures in the approved budget were based on educated suppositions as of April 4, 2019. We expected adjustments would be made before June 30, 2019 dependent upon the availability of additional information from our component districts and the state.

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

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

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

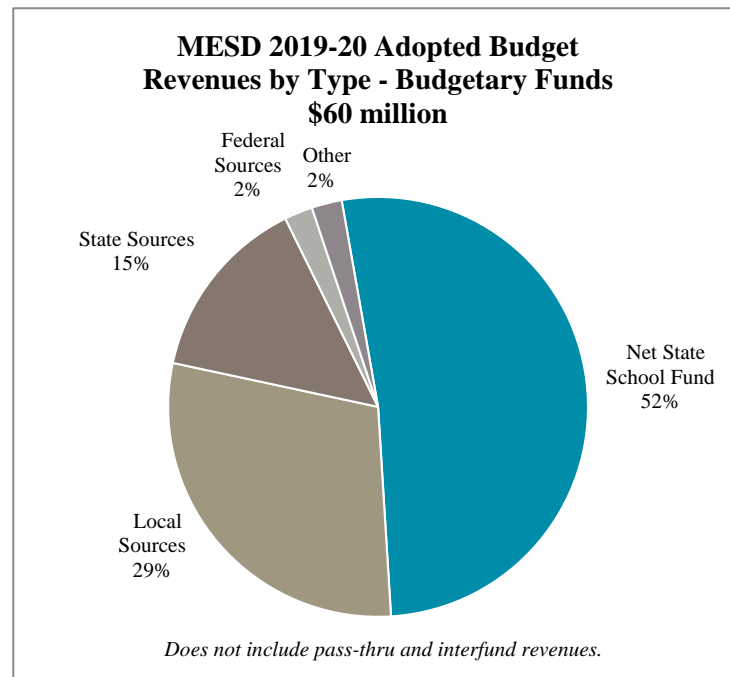
- Resolution Fund, \$513 thousand or 1% increase (excludes transfers out & contingency)
 - SSF revenues increase by \$715 thousand as of the May 15, 2019 ODE estimate.
 - An increase in 2019-20 transit payments to districts of \$302 thousand
 - A net increase of \$210 thousand for additional resolution services selected by our districts.
 - The balance of estimated revenues has been appropriated as contingency so that it is available for additional services if requested.
- Contracted Services Fund, \$543 thousand or 2% reduction from Approved resolution (excludes transfers out & contingency)
 - Program changes to meet component district requests result in a net increase of \$163 thousand.
 - A net decrease of \$706 thousand in contracts outside of the Local Service Plan. Significant changes to contracts reflected in the adopted budget include a reduction of \$383 thousand for hospital programs and a reduction of \$256 thousand for youth detention education programs.
 - Renewal levels for existing contracts continued to evolve as the adopted budget was finalized. We continually seek additional contract and grant opportunities to serve the needs of children and families. Budget amendments throughout the 2019-20 year will incorporate expenditure changes as needed.
 - Beginning balance and revenues were updated. The balance has been appropriated as contingency so that it is available for additional services if requested.
- Operating Fund, \$393 thousand or 7% increase (excludes transfers out & contingency)
 - One-time and ongoing targeted investments to support the agency's strategic goals
 - \$305 thousand in positions/personnel: K-12/Higher Education Professional Development Project Manager (pilot program for 2019-20), Business & Operations Administrative Assistant, partial positions/funding to support regional

- convening, communications, and attracting, developing and retaining high-quality staff.
 - \$80 thousand in non-personnel: Strategic Plan Fund for plan support as well as critical small-scale actions, Equity Development Fund for internal equity work, and funding for meeting room supplies to support regional convening.
 - Other minor adjustments
 - Revenue sources are updated and a balancing adjustment has been made in contingency.
- Facilities & Equipment Reserve Fund
 - Minor adjustments in Facility and Technology reserve plans as new information became available.
- Risk Management Reserve Fund
 - Insurance costs, and resulting payroll rates for the agency, have been updated as new information became available.

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.



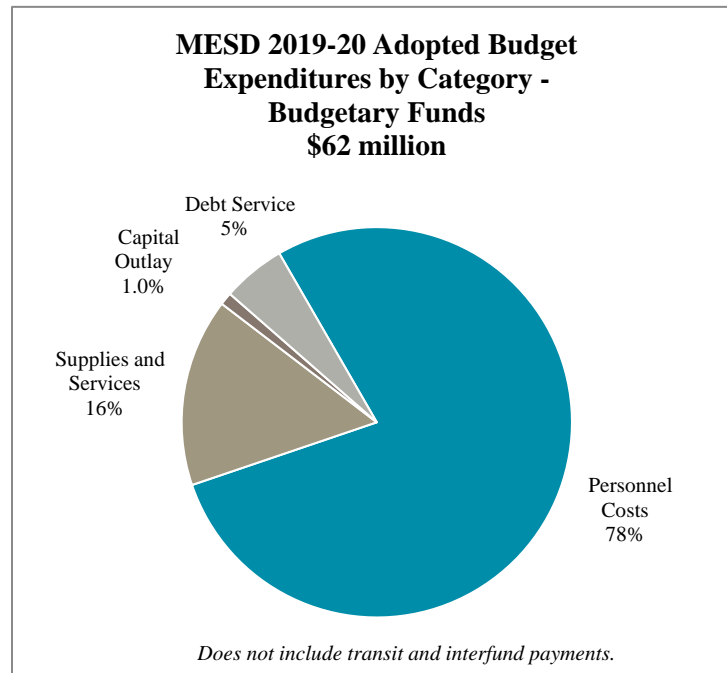
Multnomah Education Service District 2018-19 Estimated Revenues and 2019-20 Adopted Budget

	Estimated 2018-2019	Adopted 2019-2020	Change
Revenues by Type:			
Property Taxes	\$34,710,000	\$34,300,000	-1%
State School Fund	9,031,073	10,166,833	13%
Less Transits to Districts	<u>-12,800,000</u>	<u>-13,452,000</u>	5%
Net State School Fund	30,941,073	31,014,833	0%
Local Sources	16,033,102	17,572,259	10%
State Sources	10,233,112	8,598,249	-16%
Federal Sources	1,721,631	1,303,237	-24%
Other	<u>1,283,113</u>	<u>1,393,728</u>	9%
Subtotal - Revenues by Type	60,212,031	59,882,306	-1%
SSF Revenue passed thru to Districts	12,800,000	13,452,000	5%
Interfund Revenues for Debt Service	2,973,785	3,193,364	7%
Interfund Revenues for Workers Comp	<u>853,770</u>	<u>897,990</u>	5%
Total Revenues - Budgetary Funds	<u><u>76,839,586</u></u>	<u><u>77,425,660</u></u>	1%

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 2018-19 Estimated Expenditures and 2019-20 Adopted Budget

Expenditure by Category:	Estimated 2018-2019	Adopted 2019-2020	Change
Personnel Costs	\$44,037,327	\$48,132,777	9%
Supplies and Services	10,661,990	9,607,854	-10%
Capital Outlay	398,191	644,402	62%
Debt Service	3,068,266	3,223,364	5%
Subtotal - Expenditures by Category	58,165,774	61,608,397	5.9%
Transit Payments	12,800,000	13,452,000	5%
Interfund Payment for Debt Service	2,973,785	3,193,364	7%
Interfund Payment for Workers Comp	853,770	897,990	5%
Total Expenditures - Budgetary Funds	74,793,329	79,151,751	6%

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 2018-19, 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, Chair	East Multnomah County	6/30/2021
Two	Helen Ying	At Large	6/30/2021
Three	Mary Botkin, Vice-Chair	Central Portland	6/30/2021
Four	Jessica Arzate	Mid-Multnomah County	6/30/2021
Five	Denyse Peterson	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	12	6,184	Parkrose	7	3,066
Corbett	1	1,222	Portland	107	48,677
David Douglas	15	10,009	Reynolds	19	11,019
Gresham-Barlow	22	11,981	Riverdale	2	637

Source: ODE Fall Membership Report 2018/19, <http://www.oregon.gov/ode/reports-and-data/students>

Within these districts are 185 schools with more than 92,000 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.

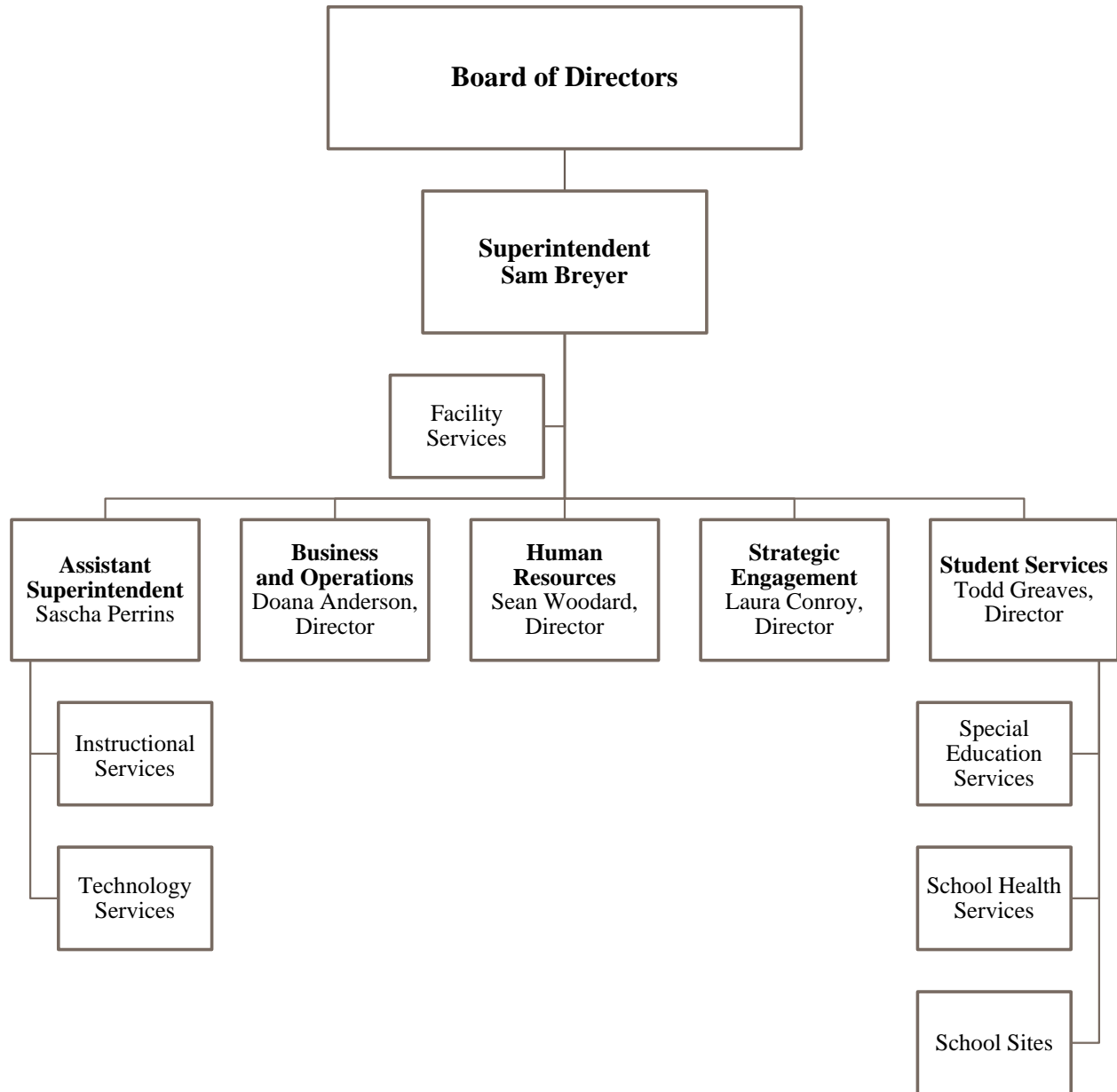
Student Services - School Health provides and coordinates specialized services that support the educational experience for students enrolled in our component districts as well as some Clackamas County districts. The department works to ensure that all areas of health are supported for our students' physical, 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****June 18, 2019**

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
Susie Jones	MESD Board Member	June 30, 2021
Denyse Peterson	MESD Board Member	June 30, 2019
Helen Ying	MESD Board Member	June 30, 2021
Ronald Hardin	Centennial School District	June 30, 2021
Marguerite Perry	Corbett School District	June 30, 2020
Frieda Christopher	David Douglas School District	June 30, 2021
John Hartsock	Gresham-Barlow School District	June 30, 2020
Dave Carter	Parkrose School District	June 30, 2020
Cynthia Le	Portland Public School District	June 30, 2021
Steven Gallagher	Reynolds School District	June 30, 2021
Paul Spellman	Riverdale School District	June 30, 2020

2019-2020 Budget Calendar

January to March	MESD management develops proposed budget MESD Board appoints Budget Committee members
April 5, 2019	Budget Committee orientation
April 9, 2019	Proposed budget and budget message presentation Budget Committee approves budget and tax levy
April 17 & 23, 2019	Budget Committee work sessions, if needed <i>The Budget Committee approved the budget on April 9, 2019.</i>
May 21, 2019	TSCC public hearing and budget certification (ORS 294.430)
June 18, 2019	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
2019 - 2020 Fiscal Year Adopted Budget
Combining Fund Summary- Budgetary Funds**

	Program Funds			Support Funds			
	Resolution Services	Contracted Services	Operating	Debt Service	Facilities & Equipment Reserve	Risk Management Reserve	Total
Resources							
Beginning Fund Balance	5,000,000	1,500,000	3,650,000		1,113,000	775,000	12,038,000
Revenues							
Property Taxes	34,300,000						34,300,000
State School Fund	10,166,833						10,166,833
Local Sources	17,500	17,523,814	5,945		25,000		17,572,259
State Sources	2,075,356	6,522,893					8,598,249
Federal Sources		1,303,237					1,303,237
Investment Earnings			280,000	30,000			310,000
Sales of Goods & Services		9,122					9,122
Other Revenues	280,775	458,891	334,940				1,074,606
Services to Other Funds				3,193,364		897,990	4,091,354
Total Revenues	46,840,464	25,817,957	620,885	3,223,364	25,000	897,990	77,425,660
Transfers In & Overhead Revenues							
Overhead Revenues			730,000				730,000
From Resolution Services			4,446,683		145,000		4,591,683
From Operating					259,200		259,200
Total Transfers In/Overhead			5,176,683		404,200		5,580,883
TOTAL RESOURCES	51,840,464	27,317,957	9,447,568	3,223,364	1,542,200	1,672,990	95,044,543
Requirements							
Total Expenditures	43,015,376	25,187,582	5,886,939	3,223,364	920,200	918,290	79,151,751
Transfers Out & Overhead Charges							
Overhead Charges		730,000					730,000
To Facilities & Equip Reserve	145,000		259,200				404,200
To Operating	4,446,683						4,446,683
Total Transfers Out/Overhead	4,591,683	730,000	259,200				5,580,883
Contingency							
	4,233,405	1,400,375	101,429		422,000	254,700	6,411,909
Ending Fund Balance			3,200,000		200,000	500,000	3,900,000
TOTAL REQUIREMENTS	51,840,464	27,317,957	9,447,568	3,223,364	1,542,200	1,672,990	95,044,543

Combining Fund Summary- Budgetary Funds

**Multnomah Education Service District
2019 - 2020 Fiscal Year Adopted Budget
Combining Revenue Detail- Budgetary Funds**

	Program Funds			Support Funds		
	Resolution Services	Contracted Services	Operating	Debt Service	Facilities Acquisition & Improvements	Risk Management Reserve
Property Taxes						
Current Year Taxes	33,770,000					33,770,000
Prior Year Taxes	519,000					519,000
Penalties & Interest Taxes	11,000					11,000
Total Property Taxes	34,300,000					34,300,000
State School Fund						
State School Support Fund	10,166,833					10,166,833
Total State School Fund	10,166,833					10,166,833
Local Sources						
Services to Component LEAs	10,000	13,299,582	5,945			13,315,527
Revenue from Non-CTA LEAs		2,790,739				2,790,739
Revenue From CTA NCD LEAs	7,500	1,433,493			25,000	1,440,993
E-Rate Revenue						25,000
Total Local Sources	17,500	17,523,814	5,945		25,000	17,572,259
State Sources						
Other Restricted Grants In Aid	2,026,356	501,863				2,528,219
Other State Revenue	49,000					49,000
ODE Contract Revenue		6,021,030				6,021,030
Total State Sources	2,075,356	6,522,893				8,598,249
Federal Sources						
Restricted Revenue From Fed		257,070				257,070
Title I Revenue		732,615				732,615
Natnl School Lunch Program Rev		193,910				193,910
IDEA Revenue		119,642				119,642
Total Federal Sources		1,303,237				1,303,237
Investment Earnings						

Combining Revenue Detail- Budgetary Funds

**Multnomah Education Service District
2019 - 2020 Fiscal Year Adopted Budget
Combining Revenue Detail- Budgetary Funds**

	Program Funds			Support Funds		
	Resolution Services	Contracted Services	Operating	Debt Service	Facilities Acquisition & Improvements	Risk Management Reserve
Interest on Investments			280,000	30,000		
Total Investment Earnings			280,000	30,000		
Sales of Goods & Services						
Special Function Revenue		7,622				
Sales To Component LEAs		1,500				
Total Sales of Goods & Services		9,122				
Other Revenues						
TSPC PDC Fees		10,000	5,000			
Rental/Lease Income			23,940			
Contributions		25,574				
Fees-Non-Component Districts			280,000			
Miscellaneous Revenue		287,640	26,000			
Revenue From Non-LEAs	19,466	104,000				
Allocated MAC Reven	242,999					
Restricted-Intermediate Source	18,310	31,677				
Total Other Revenues	280,775	458,891	334,940			
Services to Other Funds						
Services To Other Funds				3,193,364		897,990
Total Services to Other Funds				3,193,364		897,990
Total Revenues	46,840,464	25,817,957	620,885	3,223,364	25,000	897,990
						77,425,660

Combining Revenue Detail- Budgetary Funds

**Multnomah Education Service District
2019 - 2020 Fiscal Year Adopted Budget**

	Program Funds		Support Funds					
	Resolution Services	Contracted Services	Operating	Debt Service	Facilities & Equipment Reserve	Risk Management Reserve	Total	
By Department	Administration	81,757	1,557,164				1,638,921	
	Facilities Services	20,686	706,542			230,200	957,428	
	Business Services	13,492,700	1,077,766				15,478,195	
	Human Resources	25,000	1,127,049				1,162,610	
	Technology Services	3,559,503	748,755			690,000	6,124,876	
	Special Education Services	11,346,849	11,373,989				22,945,097	
	School Health Services	9,391,316	3,260,306				12,651,622	
	Instructional Services	5,097,565	9,804,532	67,541			14,969,638	
	Debt Services				3,223,364		3,223,364	
	Total Expenditures by Department		43,015,376	25,187,582	5,886,939	3,223,364	918,290	79,151,751
By Function	Instruction	8,954,193	14,048,656				23,002,849	
	Support Services	20,104,888	10,349,486			915,200	38,174,803	
	Enterprise & Community Service	504,295	789,440				1,293,735	
	Facilities Acq. & Construction					5,000	5,000	
	Other Uses	13,452,000					13,452,000	
	Debt Service				3,223,364		3,223,364	
	Total Expenditures by Function		43,015,376	25,187,582	5,886,939	3,223,364	918,290	79,151,751
	By Category	Salaries	15,564,229	12,887,893	3,336,252			31,905,583
		Associated Payroll Costs	10,034,940	8,298,358	1,920,036			20,318,548
		Purchased Services	3,170,483	2,551,013	325,705		320,200	7,076,363
Supplies and Materials		780,322	1,419,318	304,946			2,531,491	
Capital Outlay		13,402	31,000			600,000	644,402	
Debt Service					3,223,364		3,223,364	
Transit Payments		13,452,000					13,452,000	
Total Expenditures by Category		43,015,376	25,187,582	5,886,939	3,223,364	918,290	79,151,751	

Multnomah Education Service District
2019 - 2020 Fiscal Year Adopted Budget
Interfund Transfers and Overhead Charges

<u>From Fund</u>	<u>To Fund</u>	<u>Amount</u>
Resolution Services	To Facilities & Equip Reserve	145,000
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	4,446,683
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	730,000
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	259,200
This amount funds current and future repairs, replacement, and improvements of the Agency's facilities and equipment.		
Total Interfund Transfers and Overhead Charges		5,580,883

**Multnomah Education Service District
2019 - 2020 Fiscal Year Adopted Budget
Total Requirements by Fund and Function - All Budgetary Funds**

	Program Funds		Support Funds				Total
	Resolution Services	Contracted Services	Operating	Debt Service	Facilities & Equipment Reserve	Risk Management Reserve	
Requirements by Function							
1000 Instruction*	\$ 8,954,193	\$ 14,608,713	\$ -	\$ -	\$ -	\$ -	\$ 23,562,906
2000 Support Services*	20,104,888	10,519,429	5,886,939	-	915,200	918,290	38,344,746
3000 Enterprise & Community Services*	504,295	789,440	-	-	-	-	1,293,735
4000 Facilities Acquisition & Improvements	-	-	-	-	5,000	-	5,000
5000 Other Uses	13,452,000	-	-	-	-	-	13,452,000
5100 Debt Service	-	-	-	3,223,364	-	-	3,223,364
5200 Transfers Out	4,591,683	-	259,200	-	-	-	4,850,883
6000 Contingencies	4,233,405	1,400,375	101,429	-	422,000	254,700	6,411,909
Total Appropriations	51,840,464	27,317,957	6,247,568	3,223,364	1,342,200	1,172,990	91,144,543
7000 Unappropriated Ending Balance	-	-	3,200,000	-	200,000	500,000	3,900,000
Total Requirements	51,840,464	27,317,957	9,447,568	3,223,364	1,542,200	1,672,990	95,044,543

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

Total Requirements by Fund and Function - All Budgetary Funds

**Multnomah Education Service District
2019 - 2020 Fiscal Year Adopted Budget
Combining FTE Summary- All Funds**

	Program Funds		Support Funds		
	Resolution Services	Contracted Services	Operating	Risk Management Reserve	Total
Full-Time Equivalent (FTE) by Department And Division					
Administration					
Administration	1.00		4.42		5.42
Communication Services			3.37		3.37
Total Administration	1.00		7.79		8.79
Facilities Services					
Facility Services			13.50		13.50
Transportation Services	.47		.50		.97
Total Facilities Services	.47		14.00		14.47
Business Services					
Business Services Admin			1.00		1.00
Fiscal Services			8.00	1.00	9.00
Total Business Services			9.00	1.00	10.00
Human Resources					
Human Resources			8.75		8.75
Total Human Resources			8.75		8.75
Technology Services					
Student Applications	14.14				14.14
Business Applications			1.52		1.52
Infrastructure Services	3.08				3.08
Internal Agency Support			5.91		5.91
Application Development		2.48			2.48
Support Services		3.65			3.65
Total Technology Services	17.22	6.13	7.43		30.78
Special Education Services					
Special Education	74.61	47.58	1.00		123.19
Helensview SPED	5.74				5.74
Related Services	4.50	28.60			33.10
Arata Creek	46.25	68.78			115.03
Total Special Education Services	131.10	144.96	1.00		277.06
School Health Services					
Health Services	104.91	19.09	12.16		136.16
Total School Health Services	104.91	19.09	12.16		136.16

Multnomah Education Service District
2019 - 2020 Fiscal Year Adopted Budget
Combining FTE Summary- All Funds

	Program Funds		Support Funds		
	Resolution Services	Contracted Services	Operating	Risk Management Reserve	Total
Instructional Services					
Instructional Services	.65		.63		1.28
Curriculum & Instruction	4.24	2.05			6.29
Outdoor School	6.94	5.84			12.78
LTCT and Hospital		28.87			28.87
Helensview	18.17	4.24			22.41
Youth Correction Education	3.35	25.54			28.89
Alternative Pathways		2.50			2.50
Migrant Education		6.37			6.37
Total Instructional Services	33.35	75.41	.63		109.39
Total FTE	288.05	245.59	60.76	1.00	595.40

Full-Time Equivalent (FTE) by Function

Instruction	115.87	169.94			285.81
Support Services	172.18	75.65	60.76	1.00	309.59
Enterprise & Community Service					
Total FTE	288.05	245.59	60.76	1.00	595.40

Multnomah Education Service District
2019 - 2020 Fiscal Year Adopted Budget
Combining Position Summary- All Funds

	Program Funds		Support Funds		
	Resolution Services	Contracted Services	Operating	Risk Management Reserve	Total
Positions by Department And Division					
Administration					
Administration	1.00		5.00		6.00
Communication Services			3.38		3.38
Total Administration	1.00		8.38		9.38
Facilities Services					
Facility Services			13.50		13.50
Transportation Services	1.00		.50		1.50
Total Facilities Services	1.00		14.00		15.00
Business Services					
Business Services Admin			1.00		1.00
Fiscal Services			8.00	1.00	9.00
Total Business Services			9.00	1.00	10.00
Human Resources					
Human Resources			9.25		9.25
Total Human Resources			9.25		9.25
Technology Services					
Student Applications	14.33				14.33
Business Applications			1.52		1.52
Infrastructure Services	3.08				3.08
Internal Agency Support			5.91		5.91
Application Development		2.48			2.48
Support Services		3.68			3.68
Total Technology Services	17.41	6.16	7.43		31.00
Special Education Services					
Special Education	83.05	52.99	1.00		137.04
Helensview SPED	6.10				6.10
Related Services	5.00	32.42			37.42
Arata Creek	50.60	74.84			125.44
Total Special Education Services	144.75	160.25	1.00		306.00
School Health Services					
Health Services	128.60	20.40	13.00		162.00
Total School Health Services	128.60	20.40	13.00		162.00

Multnomah Education Service District
2019 - 2020 Fiscal Year Adopted Budget
Combining Position Summary- All Funds

	<u>Program Funds</u>		<u>Support Funds</u>		
	<u>Resolution Services</u>	<u>Contracted Services</u>	<u>Operating</u>	<u>Risk Management Reserve</u>	<u>Total</u>
Instructional Services					
Instructional Services	.65		.63		1.28
Curriculum & Instruction	5.14	2.55			7.69
Outdoor School	7.51	6.36			13.87
LTCT and Hospital		31.91			31.91
Helensview	18.98	5.20			24.18
Youth Correction Education	3.47	26.97			30.44
Alternative Pathways		3.00			3.00
Migrant Education		7.00			7.00
Total Instructional Services	35.75	82.99	.63		119.37
Total Positions	328.51	269.80	62.69	1.00	662.00

Positions by Function

Instruction	127.27	187.88			315.15
Support Services	201.24	81.92	62.69	1.00	346.85
Enterprise & Community Service					
Total Positions	328.51	269.80	62.69	1.00	662.00



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 2019-20 proposed budget, the 2019-20 approved budget and the 2019-20 adopted budget. The 2019-20 Adopted Budget column ties to the total column in the Combining Fund Summary report. Following this statement is a series of reports showing each fund separately but showing the same columns as the combined summary for comparative purposes. Each of these statements summarizes both resources and requirements.

Multnomah Education Service District
2019-2020 Fiscal Year Annual Budget
Combined Fund Summary- All Budgetary Funds

	Actual 2016-17	Actual 2017-18	Revised 2018-19	Proposed 2019-20	Approved 2019-20	Adopted 2019-20
Resources						
Beginning Fund Balance	11,009,683	9,264,851	11,866,544	11,716,900	11,716,900	12,038,000
Revenues						
Property Taxes	30,858,755	32,234,389	34,710,000	34,300,000	34,300,000	34,300,000
State School Fund	8,028,445	9,493,746	9,031,073	9,450,912	9,450,912	10,166,833
Local Sources	8,050,999	10,474,445	15,264,316	17,277,430	17,277,430	17,572,259
State Sources	8,886,988	7,973,594	8,113,454	9,051,167	9,051,167	8,598,249
Federal Sources	2,090,988	2,338,604	1,799,885	1,352,466	1,352,466	1,303,237
Investment Earnings	140,582	221,230	290,000	305,000	305,000	310,000
Sales of Goods & Services	1,116	2,085	9,122	9,122	9,122	9,122
Other Revenues	1,403,381	903,764	903,551	820,049	820,049	1,074,606
Services to Other Funds	3,532,685	3,697,022	3,842,555	4,155,886	4,155,886	4,091,354
Total Revenues	62,993,939	67,338,879	73,963,956	76,722,032	76,722,032	77,425,660
Transfers In & Overhead Revenues						
Overhead Revenues	897,565	651,127	782,000	781,577	781,577	730,000
From Resolution Services	4,018,720	4,302,813	4,579,107	4,520,091	4,520,091	4,591,683
From Contract Services	437,625	104,548				
From Operating	559,500	757,291	256,100	259,200	259,200	259,200
Total Transfers In/Overhead	5,913,410	5,815,779	5,617,207	5,560,868	5,560,868	5,580,883
TOTAL RESOURCES	79,917,032	82,419,509	91,447,707	93,999,800	93,999,800	95,044,543
Requirements						
Total Expenditures	64,738,769	64,737,184	75,270,541	78,759,873	78,759,873	79,151,751
Transfers Out & Overhead Charges						
Overhead Charges	897,567	651,129	782,000	781,577	781,577	730,000
To Contract Services		268,282				
To Debt Service	519,500					
To Facilities & Equip Reserve	421,346	723,557	461,100	404,200	404,200	404,200
To Operating	4,074,999	4,172,813	4,374,107	4,375,091	4,375,091	4,446,683
Total Transfers Out/Overhead	5,913,412	5,815,781	5,617,207	5,560,868	5,560,868	5,580,883
Contingency			6,534,959	5,691,559	5,691,559	6,411,909
Total Budget	70,652,181	70,552,965	87,422,707	90,012,300	90,012,300	91,144,543
Ending Fund Balance	9,264,851	11,866,544	4,025,000	3,987,500	3,987,500	3,900,000
TOTAL REQUIREMENTS	79,917,032	82,419,509	91,447,707	93,999,800	93,999,800	95,044,543

Multnomah Education Service District
2019-2020 Fiscal Year Annual Budget
Combined Fund Summary- All Budgetary Funds

	Actual 2016-17	Actual 2017-18	Revised 2018-19	Proposed 2019-20	Approved 2019-20	Adopted 2019-20
EXPENDITURE PERSPECTIVES						
By Department						
Administration	760,327	978,536	1,372,757	1,422,346	1,422,346	1,638,921
Facilities Services	1,107,426	873,295	1,305,555	933,389	933,389	957,428
Business Services	15,995,094	15,062,820	14,615,052	15,144,738	15,144,738	15,478,195
Human Resources	718,370	982,429	1,023,450	1,109,194	1,109,194	1,162,610
Technology Services	7,074,344	4,693,577	5,589,243	6,070,088	6,070,088	6,124,876
Special Education Services	13,242,430	15,910,102	20,662,661	22,294,336	22,294,336	22,945,097
School Health Services	9,299,991	10,250,942	11,976,489	12,646,252	12,646,252	12,651,622
Instructional Services	13,246,267	13,065,459	15,657,068	15,916,166	15,916,166	14,969,638
Debt Services	3,294,520	2,920,024	3,068,266	3,223,364	3,223,364	3,223,364
Total Expenditures by Department	64,738,769	64,737,184	75,270,541	78,759,873	78,759,873	79,151,751
By Function						
Instruction	16,034,715	17,611,227	21,913,060	23,744,867	23,744,867	23,002,849
Support Services	27,908,976	29,556,208	35,756,457	37,343,503	37,343,503	38,174,803
Enterprise & Community Service	3,071,506	984,888	1,404,315	1,293,139	1,293,139	1,293,735
Facilities Acq. & Construction		124,837	328,443	5,000	5,000	5,000
Other Uses	14,429,052	13,540,000	12,800,000	13,150,000	13,150,000	13,452,000
Debt Service	3,294,520	2,920,024	3,068,266	3,223,364	3,223,364	3,223,364
Total Expenditures by Function	64,738,769	64,737,184	75,270,541	78,759,873	78,759,873	79,151,751
By Category						
Salaries	24,311,769	26,367,128	31,408,981	31,897,740	31,897,740	31,905,583
Associated Payroll Costs	12,510,177	14,224,683	16,823,931	20,339,031	20,339,031	20,318,548
Purchased Services	7,882,486	5,688,993	7,802,384	7,012,698	7,012,698	7,076,363
Supplies and Materials	1,865,199	1,664,019	2,968,788	2,523,638	2,523,638	2,531,491
Capital Outlay	259,850	332,337	398,191	613,402	613,402	644,402
Debt Service	3,294,520	2,920,024	3,068,266	3,223,364	3,223,364	3,223,364
Transfers	185,716					
Transit Payments	14,429,052	13,540,000	12,800,000	13,150,000	13,150,000	13,452,000
Total Expenditures by Category	64,738,769	64,737,184	75,270,541	78,759,873	78,759,873	79,151,751
FTE SUMMARY						
By Fund						
1 Resolution Services	257.89	280.63	282.44	287.48	287.48	288.05
2 Contracted Services	164.21	204.07	210.78	250.47	250.47	245.59
6 Operating	44.07	46.79	57.93	57.84	57.84	60.76
7 Risk Management Reserve	1.00	1.00	1.00	1.00	1.00	1.00
Total Number of FTE	467.17	532.49	552.15	596.79	596.79	595.40

Multnomah Education Service District
2019-2020 Fiscal Year Annual Budget
1- Resolution Services Fund Summary

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

	Actual 2016-17	Actual 2017-18	Revised 2018-19	Proposed 2019-20	Approved 2019-20	Adopted 2019-20
Resources						
Beginning Fund Balance	3,174,207	3,086,043	5,489,831	5,000,000	5,000,000	5,000,000
Revenues						
Current Year Taxes	30,331,171	31,736,906	33,370,000	33,770,000	33,770,000	33,770,000
Prior Year Taxes	516,335	477,001	1,300,000	519,000	519,000	519,000
Penalties & Interest Taxes	11,249	20,482	40,000	11,000	11,000	11,000
State School Support Fund	8,028,445	9,493,746	9,031,073	9,450,912	9,450,912	10,166,833
Services to Component LEAs	22,435	170	17,500	10,000	10,000	10,000
Revenue From CTA NCD LEAs	26,045	33,724		7,500	7,500	7,500
E-Rate Revenue	302	2,215				
SSF School Lunch Match		(2,419)				
Other Restricted Grants In Aid		1,080,255		2,026,896	2,026,896	2,026,356
Other State Revenue		41,318	89,000	49,000	49,000	49,000
Medicaid SBHS Revenue	86,523	95,449				
Contributions	6,893	655				
Recovery of Pr Yr Expenditures	82,142	(574)				
Miscellaneous Revenue	2,025	491	30			
Revenue From Non-LEAs	38,891	44,697	118,251	19,466	19,466	19,466
Allocated MAC Reven	163,112	208,515	209,041	243,364	243,364	242,999
Restricted-Intermediate Source	361,976	166,257	17,164	18,310	18,310	18,310
Total Revenues	39,677,544	43,398,888	44,192,059	46,125,448	46,125,448	46,840,464
Transfers In						
Total Transfers In						
TOTAL RESOURCES	42,851,751	46,484,931	49,681,890	51,125,448	51,125,448	51,840,464
Requirements						
Total Expenditures	35,746,988	36,692,287	41,395,181	42,502,540	42,502,540	43,015,376
Transfers Out						
To Facilities & Equip Reserves	130,000	130,000	205,000	145,000	145,000	145,000
To Operating Funds	3,888,720	4,172,813	4,374,107	4,375,091	4,375,091	4,446,683
Total Transfers Out	4,018,720	4,302,813	4,579,107	4,520,091	4,520,091	4,591,683
Contingency			3,707,602	4,102,817	4,102,817	4,233,405
Total Budget	39,765,708	40,995,100	49,681,890	51,125,448	51,125,448	51,840,464
Ending Fund Balance	3,086,043	5,489,831				
TOTAL REQUIREMENTS	42,851,751	46,484,931	49,681,890	51,125,448	51,125,448	51,840,464

Multnomah Education Service District
2019-2020 Fiscal Year Annual Budget
1- Resolution Services Fund Summary

	Actual 2016-17	Actual 2017-18	Revised 2018-19	Proposed 2019-20	Approved 2019-20	Adopted 2019-20
EXPENDITURE PERSPECTIVES						
By Department						
Administration	2,480	48,465	80,713	81,851	81,851	81,757
Facilities Services	36,829	40,088	39,433	20,848	20,848	20,686
Business Services	14,448,971	13,541,000	12,840,700	13,190,700	13,190,700	13,492,700
Human Resources	11,172	24,400	25,000	25,000	25,000	25,000
Technology Services	3,041,873	3,139,504	3,358,787	3,555,638	3,555,638	3,559,503
Special Education Services	7,858,822	8,064,253	11,012,845	11,013,911	11,013,911	11,346,849
School Health Services	6,785,241	7,730,258	9,112,404	9,285,956	9,285,956	9,391,316
Instructional Services	3,561,600	4,104,319	4,925,299	5,328,636	5,328,636	5,097,565
Total Expenditures by Department	35,746,988	36,692,287	41,395,181	42,502,540	42,502,540	43,015,376
By Function						
Instruction	6,651,973	6,826,367	8,749,571	9,134,516	9,134,516	8,954,193
Support Services	14,533,850	16,073,644	19,228,056	19,714,027	19,714,027	20,104,888
Enterprise & Community Service	132,113	252,276	617,554	503,997	503,997	504,295
Other Uses	14,429,052	13,540,000	12,800,000	13,150,000	13,150,000	13,452,000
Total Expenditures by Function	35,746,988	36,692,287	41,395,181	42,502,540	42,502,540	43,015,376
By Category						
Salaries	12,158,057	12,759,765	15,922,374	15,476,943	15,476,943	15,564,229
Associated Payroll Costs	6,545,874	7,108,996	8,582,315	9,977,758	9,977,758	10,034,940
Purchased Services	2,078,438	2,695,494	2,995,468	3,125,115	3,125,115	3,170,483
Supplies and Materials	482,756	582,412	982,833	759,322	759,322	780,322
Capital Outlay	52,811	5,620	112,191	13,402	13,402	13,402
Transit Payments	14,429,052	13,540,000	12,800,000	13,150,000	13,150,000	13,452,000
Total Expenditures by Category	35,746,988	36,692,287	41,395,181	42,502,540	42,502,540	43,015,376

Multnomah Education Service District
2019-2020 Fiscal Year Annual Budget
2- Contracted Services Fund Summary

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

	Actual 2016-17	Actual 2017-18	Revised 2018-19	Proposed 2019-20	Approved 2019-20	Adopted 2019-20
Resources						
Beginning Fund Balance	3,130,938	1,444,464	1,103,947	1,350,000	1,350,000	1,500,000
Revenues						
Services to Component LEAs	5,888,064	7,665,083	11,242,428	12,927,742	12,927,742	13,299,582
Revenue from Non-CTA LEAs						2,790,739
Revenue From CTA NCD LEAs	2,048,808	2,740,876	3,958,724	4,301,243	4,301,243	1,433,493
E-Rate Revenue	329	1,534				
SSF School Lunch Match	2,292	2,419				
Other Restricted Grants In Aid	199,728	1,024,885	736,966	494,172	494,172	501,863
Other State Revenue	2,037,967	(17,640)				
ODE Contract Revenue	6,639,657	5,844,276	7,287,488	6,481,099	6,481,099	6,021,030
Medicaid Admin Claiming Rev	199,669	47,511				
Medicaid SBHS Revenue	613,365	820,281	160,000			
Restricted Revenue From Fed	235,425	246,969	295,770	256,455	256,455	257,070
Title I Revenue	609,617	635,931	909,396	778,295	778,295	732,615
Natnl School Lunch Program Rev	164,843	161,282	167,195	196,110	196,110	193,910
Vocational Education	43,343	106,415	25,744			
IDEA Revenue	122,862	92,962	163,526	121,606	121,606	119,642
Title II Revenue	10,073	122,879	78,254			
Perkins Grant (84.048)	5,268	8,925				
Sale of Meals-Reimb Programs	100					
Sale of Meals-NonReimb Program		275				
Special Function Revenue	957	1,780	7,622	7,622	7,622	7,622
Sales To Component LEAs	59	30	1,500	1,500	1,500	1,500
TSPC PDC Fees	5,800	4,184	10,000	10,000	10,000	10,000
Community Yoga Class Donations	978	370				
Contributions	108,970	26,771	25,574	25,574	25,574	25,574
Recovery of Pr Yr Expenditures	471	7,602				
Miscellaneous Revenue	4,220	1,705	10,000	68,718	68,718	287,640
Revenue From Non-LEAs	219,651	193,648	72,800	88,000	88,000	104,000
Allocated MAC Reven	(163,113)	(208,515)				
Restricted-Intermediate Source	283,669	108,745	81,193	31,677	31,677	31,677
Total Revenues	19,283,072	19,641,183	25,234,180	25,789,813	25,789,813	25,817,957
Transfers In						
From Operating Funds		268,282				
Total Transfers In		268,282				
TOTAL RESOURCES	22,414,010	21,353,929	26,338,127	27,139,813	27,139,813	27,317,957
Requirements						
Total Expenditures	19,634,354	19,494,305	24,088,204	25,678,688	25,678,688	25,187,582
Transfers Out						

Multnomah Education Service District
2019-2020 Fiscal Year Annual Budget
2- Contracted Services Fund Summary

	Actual 2016-17	Actual 2017-18	Revised 2018-19	Proposed 2019-20	Approved 2019-20	Adopted 2019-20
Federal/State Indirect	897,567	651,129	782,000	781,577	781,577	730,000
To Facilities & Equip Reserves	251,346	104,548				
To Operating Funds	186,279					
Total Transfers Out	1,335,192	755,677	782,000	781,577	781,577	730,000
Contingency			1,467,923	679,548	679,548	1,400,375
Total Budget	20,969,546	20,249,982	26,338,127	27,139,813	27,139,813	27,317,957
Ending Fund Balance	1,444,464	1,103,947				
TOTAL REQUIREMENTS	22,414,010	21,353,929	26,338,127	27,139,813	27,139,813	27,317,957

EXPENDITURE PERSPECTIVES

By Department

Administration		31,584				
Facilities Services		2,212	308,443			
Human Resources		34,873				
Technology Services	2,691,887	605,338	800,362	734,674	734,674	748,755
Special Education Services	5,234,698	7,655,390	9,450,713	11,063,814	11,063,814	11,373,989
School Health Services	2,251,035	2,442,830	2,853,071	3,360,296	3,360,296	3,260,306
Instructional Services	9,456,734	8,722,078	10,675,615	10,519,904	10,519,904	9,804,532
Total Expenditures by Department	19,634,354	19,494,305	24,088,204	25,678,688	25,678,688	25,187,582

By Function

Instruction	9,382,742	10,784,860	13,163,489	14,610,351	14,610,351	14,048,656
Support Services	7,533,080	7,974,639	9,829,511	10,279,195	10,279,195	10,349,486
Enterprise & Community Service	2,718,532	732,594	786,761	789,142	789,142	789,440
Facilities Acq. & Construction		2,212	308,443			
Total Expenditures by Function	19,634,354	19,494,305	24,088,204	25,678,688	25,678,688	25,187,582

By Category

Salaries	9,365,857	10,760,206	12,428,594	13,172,205	13,172,205	12,887,893
Associated Payroll Costs	4,577,468	5,616,571	6,604,059	8,495,819	8,495,819	8,298,358
Purchased Services	4,258,804	2,263,855	3,353,538	2,531,576	2,531,576	2,551,013
Supplies and Materials	1,234,689	851,799	1,702,013	1,479,088	1,479,088	1,419,318
Capital Outlay	11,820	1,874				31,000
Transfers	185,716					
Total Expenditures by Category	19,634,354	19,494,305	24,088,204	25,678,688	25,678,688	25,187,582

Multnomah Education Service District
2019-2020 Fiscal Year Annual Budget
6- Operating Fund Summary

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

	Actual 2016-17	Actual 2017-18	Revised 2018-19	Proposed 2019-20	Approved 2019-20	Adopted 2019-20
Resources						
Beginning Fund Balance	3,050,700	3,077,601	3,189,388	3,400,000	3,400,000	3,650,000
Revenues						
Services to Component LEAs	14,160	3,294	5,664	5,945	5,945	5,945
Revenue From CTA NCD LEAs	5,000					
E-Rate Revenue	17,964	5,473				
Other State Revenue		500				
Interest on Investments	126,850	194,849	275,000	275,000	275,000	280,000
Fingerprinting Service Revenue	5,079	175				
TSPC PDC Fees	6,660	4,800	7,000	5,000	5,000	5,000
Testing Service Revenue	1,605	90				
Rental/Lease Income	23,940	23,940	23,940	23,940	23,940	23,940
Contributions	5,764					
Recovery of Pr Yr Expenditures	14,509	(3,884)				
Fees-Non-Component Districts	158,487	236,802	260,000	260,000	260,000	280,000
Miscellaneous Revenue	20,574	26,822	26,000	26,000	26,000	26,000
Total Revenues	400,592	492,861	597,604	595,885	595,885	620,885
Transfers In						
Fees Charged to Grants	897,565	651,127	782,000	781,577	781,577	730,000
From Resolution Services Funds	3,888,720	4,172,813	4,374,107	4,375,091	4,375,091	4,446,683
From Contract Services Funds	186,279					
Total Transfers In	4,972,564	4,823,940	5,156,107	5,156,668	5,156,668	5,176,683
TOTAL RESOURCES	8,423,856	8,394,402	8,943,099	9,152,553	9,152,553	9,447,568
Requirements						
Total Expenditures	4,786,755	4,447,723	5,162,029	5,463,616	5,463,616	5,886,939
Transfers Out						
To Contract Services Funds		268,282				
To Debt Service Funds	519,500					
To Facilities & Equip Reserves	40,000	489,009	256,100	259,200	259,200	259,200
Total Transfers Out	559,500	757,291	256,100	259,200	259,200	259,200
Contingency			424,970	229,737	229,737	101,429
Total Budget	5,346,255	5,205,014	5,843,099	5,952,553	5,952,553	6,247,568
Ending Fund Balance	3,077,601	3,189,388	3,100,000	3,200,000	3,200,000	3,200,000
TOTAL REQUIREMENTS	8,423,856	8,394,402	8,943,099	9,152,553	9,152,553	9,447,568

Multnomah Education Service District
2019-2020 Fiscal Year Annual Budget
6- Operating Fund Summary

	Actual 2016-17	Actual 2017-18	Revised 2018-19	Proposed 2019-20	Approved 2019-20	Adopted 2019-20
EXPENDITURE PERSPECTIVES						
By Department						
Administration	757,847	898,487	1,292,044	1,340,495	1,340,495	1,557,164
Facilities Services	580,059	341,850	648,379	693,941	693,941	706,542
Business Services	862,559	854,689	895,724	981,511	981,511	1,077,766
Human Resources	707,198	923,156	988,517	1,073,656	1,073,656	1,127,049
Technology Services	1,238,534	922,166	1,071,094	1,089,776	1,089,776	1,126,618
Special Education Services	148,910	190,459	199,103	216,611	216,611	224,259
School Health Services	263,715	77,854	11,014			
Instructional Services	227,933	239,062	56,154	67,626	67,626	67,541
Total Expenditures by Department	4,786,755	4,447,723	5,162,029	5,463,616	5,463,616	5,886,939
By Function						
Support Services	4,565,894	4,447,705	5,162,029	5,463,616	5,463,616	5,886,939
Enterprise & Community Service	220,861	18				
Total Expenditures by Function	4,786,755	4,447,723	5,162,029	5,463,616	5,463,616	5,886,939
By Category						
Salaries	2,683,323	2,745,851	2,942,762	3,131,358	3,131,358	3,336,252
Associated Payroll Costs	1,331,363	1,443,355	1,577,958	1,800,022	1,800,022	1,920,036
Purchased Services	527,999	62,634	384,272	273,913	273,913	325,705
Supplies and Materials	129,972	195,883	232,037	258,323	258,323	304,946
Capital Outlay	114,098		25,000			
Total Expenditures by Category	4,786,755	4,447,723	5,162,029	5,463,616	5,463,616	5,886,939

Multnomah Education Service District
2019-2020 Fiscal Year Annual Budget
3- Debt Service Fund 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 2016-17	Actual 2017-18	Revised 2018-19	Proposed 2019-20	Approved 2019-20	Adopted 2019-20
Resources						
Beginning Fund Balance	8,619	81,272	64,481			
Revenues						
Interest on Investments	13,732	26,381	15,000	30,000	30,000	30,000
Services To Other Funds	2,833,941	2,876,852	2,988,785	3,193,364	3,193,364	3,193,364
Total Revenues	2,847,673	2,903,233	3,003,785	3,223,364	3,223,364	3,223,364
Transfers In						
From Operating Funds	519,500					
Total Transfers In	519,500					
TOTAL RESOURCES	3,375,792	2,984,505	3,068,266	3,223,364	3,223,364	3,223,364
Requirements						
Total Expenditures	3,294,520	2,920,024	3,068,266	3,223,364	3,223,364	3,223,364
Total Budget	3,294,520	2,920,024	3,068,266	3,223,364	3,223,364	3,223,364
Ending Fund Balance	81,272	64,481				
TOTAL REQUIREMENTS	3,375,792	2,984,505	3,068,266	3,223,364	3,223,364	3,223,364
EXPENDITURE PERSPECTIVES						
By Department						
Debt Services	3,294,520	2,920,024	3,068,266	3,223,364	3,223,364	3,223,364
Total Expenditures by Department	3,294,520	2,920,024	3,068,266	3,223,364	3,223,364	3,223,364
By Function						
Debt Service	3,294,520	2,920,024	3,068,266	3,223,364	3,223,364	3,223,364
Total Expenditures by Function	3,294,520	2,920,024	3,068,266	3,223,364	3,223,364	3,223,364
By Category						
Debt Service	3,294,520	2,920,024	3,068,266	3,223,364	3,223,364	3,223,364
Total Expenditures by Category	3,294,520	2,920,024	3,068,266	3,223,364	3,223,364	3,223,364

Multnomah Education Service District
2019-2020 Fiscal Year Annual Budget
4- Facilities & Equipment Reserve Fund Summary

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

	Actual 2016-17	Actual 2017-18	Revised 2018-19	Proposed 2019-20	Approved 2019-20	Adopted 2019-20
Resources						
Beginning Fund Balance	1,155,284	1,020,402	1,250,589	1,191,900	1,191,900	1,113,000
Revenues						
E-Rate Revenue	27,892	22,076	40,000	25,000	25,000	25,000
Other Unrestricted Grants	7,344					
Miscellaneous Revenue	1,124	268				
Total Revenues	36,360	22,344	40,000	25,000	25,000	25,000
Transfers In						
From Resolution Services Funds	130,000	130,000	205,000	145,000	145,000	145,000
From Contract Services Funds	251,346	104,548				
From Operating Funds	40,000	489,009	256,100	259,200	259,200	259,200
Total Transfers In	421,346	723,557	461,100	404,200	404,200	404,200
TOTAL RESOURCES	1,612,990	1,766,303	1,751,689	1,621,100	1,621,100	1,542,200
Requirements						
Total Expenditures	592,588	515,714	668,300	908,600	908,600	920,200
Contingency			583,389	425,000	425,000	422,000
Total Budget	592,588	515,714	1,251,689	1,333,600	1,333,600	1,342,200
Ending Fund Balance	1,020,402	1,250,589	500,000	287,500	287,500	200,000
TOTAL REQUIREMENTS	1,612,990	1,766,303	1,751,689	1,621,100	1,621,100	1,542,200

Multnomah Education Service District
2019-2020 Fiscal Year Annual Budget
4- Facilities & Equipment Reserve Fund Summary

	Actual 2016-17	Actual 2017-18	Revised 2018-19	Proposed 2019-20	Approved 2019-20	Adopted 2019-20
EXPENDITURE PERSPECTIVES						
By Department						
Facilities Services	490,538	489,145	309,300	218,600	218,600	230,200
Technology Services	102,050	26,569	359,000	690,000	690,000	690,000
Total Expenditures by Department	592,588	515,714	668,300	908,600	908,600	920,200
By Function						
Support Services	592,588	393,089	648,300	903,600	903,600	915,200
Facilities Acq. & Construction		122,625	20,000	5,000	5,000	5,000
Total Expenditures by Function	592,588	515,714	668,300	908,600	908,600	920,200
By Category						
Salaries	9,663					
Associated Payroll Costs	6,194					
Purchased Services	481,452	165,225	397,300	308,600	308,600	320,200
Supplies and Materials	14,158	25,646	10,000			
Capital Outlay	81,121	324,843	261,000	600,000	600,000	600,000
Total Expenditures by Category	592,588	515,714	668,300	908,600	908,600	920,200

Multnomah Education Service District
2019-2020 Fiscal Year Annual Budget
7- Risk Management Reserve Fund Summary

The purpose of this fund is to pay for costs associated with risk management activities including insurance premiums, activities to prevent or minimize exposure and incurred losses. A benefit expense is applied to all payrolls to generate the funds necessary to support these activities. The funding is then recognized in the Risk Management Fund as revenue for services to other funds.

	Actual 2016-17	Actual 2017-18	Revised 2018-19	Proposed 2019-20	Approved 2019-20	Adopted 2019-20
Resources						
Beginning Fund Balance	489,935	555,069	768,308	775,000	775,000	775,000
Revenues						
Recovery of Pr Yr Expenditures	250					
Miscellaneous Revenue	49,704	60,200	42,558			
Services To Other Funds	698,744	820,170	853,770	962,522	962,522	897,990
Total Revenues	748,698	880,370	896,328	962,522	962,522	897,990
TOTAL RESOURCES	1,238,633	1,435,439	1,664,636	1,737,522	1,737,522	1,672,990
Requirements						
Total Expenditures	683,564	667,131	888,561	983,065	983,065	918,290
Contingency			351,075	254,457	254,457	254,700
Total Budget	683,564	667,131	1,239,636	1,237,522	1,237,522	1,172,990
Ending Fund Balance	555,069	768,308	425,000	500,000	500,000	500,000
TOTAL REQUIREMENTS	1,238,633	1,435,439	1,664,636	1,737,522	1,737,522	1,672,990
EXPENDITURE PERSPECTIVES						
By Department						
Business Services	683,564	667,131	878,628	972,527	972,527	907,729
Human Resources			9,933	10,538	10,538	10,561
Total Expenditures by Department	683,564	667,131	888,561	983,065	983,065	918,290
By Function						
Support Services	683,564	667,131	888,561	983,065	983,065	918,290
Total Expenditures by Function	683,564	667,131	888,561	983,065	983,065	918,290
By Category						
Salaries	94,869	101,306	115,251	117,234	117,234	117,209
Associated Payroll Costs	49,278	55,761	59,599	65,432	65,432	65,214
Purchased Services	535,793	501,785	671,806	773,494	773,494	708,962
Supplies and Materials	3,624	8,279	41,905	26,905	26,905	26,905
Total Expenditures by Category	683,564	667,131	888,561	983,065	983,065	918,290



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, research and data analytics, healthy schools, safe schools, and communications.

Primary Funding Sources:

Operating Fund

Brief Description of significant department / service changes:

This budget includes funding for a shared equity director position which will be funded in collaboration with Northwest Regional and Clackamas ESDs as well as a K-12/Higher Education Professional Development Project Manager.

Brief Description of significant funding changes:

Because 2019-20 will not be a Board member election year, election fees have been removed from the Board budget.

In addition to the position changes described below, targeted investments to support the agency's goals include a Strategic Plan Fund and an Equity Development Fund.

Brief Description of FTE changes:

Within the 2018-19 year, the wellness coordinator position was shifted to be more fully funded under Administration (0.75 FTE rather than 0.25 FTE).

The proposed budget included the addition of a portion of an equity director position (equivalent to 0.42 FTE).

The adopted budget includes the addition of a K-12/Higher Education Professional Development Project Manager (1.0 FTE, pilot program) as well as a partial position to support communications (equivalent to 0.42 FTE).

Multnomah Education Service District
2019-2020 Fiscal Year Annual Budget
Expenditures by Department
100- Administration

	Actual 2016-17	Actual 2017-18	Revised 2018-19	Proposed 2019-20	Approved 2019-20	Adopted 2019-20
EXPENDITURE PERSPECTIVES						
By Category						
Salaries	381,587	561,302	748,994	832,085	832,085	931,360
Associated Payroll Costs	163,755	243,937	348,787	411,529	411,529	464,321
Purchased Services	211,552	153,940	244,706	144,235	144,235	186,120
Supplies and Materials	3,433	19,357	30,270	34,497	34,497	57,120
Total by Category	760,327	978,536	1,372,757	1,422,346	1,422,346	1,638,921
By Division						
100 Board of Directors	159,241	109,971	257,450	157,450	157,450	157,450
110 Administration	454,849	705,664	765,850	890,333	890,333	1,094,255
500 Communication Services	143,757	160,421	346,977	372,083	372,083	384,736
520 School Closure	2,480	2,480	2,480	2,480	2,480	2,480
Total by Division	760,327	978,536	1,372,757	1,422,346	1,422,346	1,638,921
By Fund						
1 Resolution Services	2,480	48,465	80,713	81,851	81,851	81,757
2 Contracted Services		31,584				
6 Operating	757,847	898,487	1,292,044	1,340,495	1,340,495	1,557,164
Total by Fund	760,327	978,536	1,372,757	1,422,346	1,422,346	1,638,921
FTE SUMMARY						
By Division						
110 Administration	2.00	4.00	4.00	4.42	4.42	5.42
500 Communication Services	1.00	1.27	2.52	2.95	2.95	3.37
Total Number of FTE	3.00	5.27	6.52	7.37	7.37	8.79
By Fund						
1 Resolution Services			1.00	1.00	1.00	1.00
2 Contracted Services		1.00				
6 Operating	3.00	4.27	5.52	6.37	6.37	7.79
Total Number of FTE	3.00	5.27	6.52	7.37	7.37	8.79

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 seven 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:

For 2019-20, all custodial positions are expected to increase from working 210 days to a full work-year, permitting deep cleaning and other duties during the summer months.

Brief Description of significant funding changes:

The proposed budget includes funding for a full custodial work-year.

Brief Description of FTE changes:

During the 2018-19 year, a custodial position was added to provide service to the newly leased Four Creeks building.

There are no FTE changes currently planned for 2019-20.

Multnomah Education Service District
2019-2020 Fiscal Year Annual Budget
Expenditures by Department
150- Facilities Services

	Actual 2016-17	Actual 2017-18	Revised 2018-19	Proposed 2019-20	Approved 2019-20	Adopted 2019-20
EXPENDITURE PERSPECTIVES						
By Category						
Salaries	277,808	336,580	374,066	403,598	403,598	403,490
Associated Payroll Costs	165,504	212,684	244,922	266,317	266,317	263,864
Purchased Services	464,138	(59,252)	581,967	181,974	181,974	193,574
Supplies and Materials	50,303	58,440	79,600	81,500	81,500	96,500
Capital Outlay	149,673	324,843	25,000			
Total by Category	1,107,426	873,295	1,305,555	933,389	933,389	957,428
By Division						
150 Facility Services	881,633	761,382	1,140,943	839,073	839,073	863,568
155 Transportation Services	198,325	94,684	141,612	71,316	71,316	70,860
510 Printing & Graphics	27,468	17,229	23,000	23,000	23,000	23,000
Total by Division	1,107,426	873,295	1,305,555	933,389	933,389	957,428
By Fund						
1 Resolution Services	36,829	40,088	39,433	20,848	20,848	20,686
2 Contracted Services		2,212	308,443			
4 Facilities & Equipment Reserve	490,538	489,145	309,300	218,600	218,600	230,200
6 Operating	580,059	341,850	648,379	693,941	693,941	706,542
Total by Fund	1,107,426	873,295	1,305,555	933,389	933,389	957,428
FTE SUMMARY						
By Division						
150 Facility Services	10.00	12.00	12.00	13.50	13.50	13.50
155 Transportation Services	1.00	1.00	1.52	.97	.97	.97
Total Number of FTE	11.00	13.00	13.52	14.47	14.47	14.47
By Fund						
1 Resolution Services	.50	.50	.50	.47	.47	.47
6 Operating	10.50	12.50	13.02	14.00	14.00	14.00
Total Number of FTE	11.00	13.00	13.52	14.47	14.47	14.47

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 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:

The adopted budget includes the addition of a Business & Operations Administrative Assistant.

Multnomah Education Service District
2019-2020 Fiscal Year Annual Budget
Expenditures by Department
200- Business Services

	Actual 2016-17	Actual 2017-18	Revised 2018-19	Proposed 2019-20	Approved 2019-20	Adopted 2019-20
EXPENDITURE PERSPECTIVES						
By Category						
Salaries	600,927	642,715	702,340	748,753	748,753	804,892
Associated Payroll Costs	318,798	320,308	351,404	401,611	401,611	438,461
Purchased Services	621,705	541,494	706,001	805,299	805,299	740,767
Supplies and Materials	24,612	18,303	55,307	39,075	39,075	42,075
Transit Payments	14,429,052	13,540,000	12,800,000	13,150,000	13,150,000	13,452,000
Total by Category	15,995,094	15,062,820	14,615,052	15,144,738	15,144,738	15,478,195
By Division						
210 Business Services Admin	173,062	195,219	204,143	230,394	230,394	230,015
220 Fiscal Services	1,392,980	1,327,601	1,610,909	1,764,344	1,764,344	1,796,180
221 Fiscal Services-Transits	14,429,052	13,540,000	12,800,000	13,150,000	13,150,000	13,452,000
Total by Division	15,995,094	15,062,820	14,615,052	15,144,738	15,144,738	15,478,195
By Fund						
1 Resolution Services	14,448,971	13,541,000	12,840,700	13,190,700	13,190,700	13,492,700
6 Operating	862,559	854,689	895,724	981,511	981,511	1,077,766
7 Risk Management Reserve	683,564	667,131	878,628	972,527	972,527	907,729
Total by Fund	15,995,094	15,062,820	14,615,052	15,144,738	15,144,738	15,478,195
FTE SUMMARY						
By Division						
210 Business Services Admin	1.00	1.00	1.00	1.00	1.00	1.00
220 Fiscal Services	8.00	8.00	8.00	8.00	8.00	9.00
Total Number of FTE	9.00	9.00	9.00	9.00	9.00	10.00
By Fund						
6 Operating	8.00	8.00	8.00	8.00	8.00	9.00
7 Risk Management Reserve	1.00	1.00	1.00	1.00	1.00	1.00
Total Number of FTE	9.00	9.00	9.00	9.00	9.00	10.00

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:

Within the 2018-19 year, the wellness coordinator position was shifted 0.25 FTE to Human Resources.

The adopted budget includes the addition of 0.50 FTE to support regional convening.

Multnomah Education Service District
2019-2020 Fiscal Year Annual Budget
Expenditures by Department
400- Human Resources

	Actual 2016-17	Actual 2017-18	Revised 2018-19	Proposed 2019-20	Approved 2019-20	Adopted 2019-20
EXPENDITURE PERSPECTIVES						
By Category						
Salaries	391,643	547,343	577,920	621,260	621,260	648,248
Associated Payroll Costs	237,120	353,933	382,540	426,344	426,344	452,772
Purchased Services	71,901	55,892	32,225	30,825	30,825	30,825
Supplies and Materials	17,706	25,261	30,765	30,765	30,765	30,765
Total by Category	718,370	982,429	1,023,450	1,109,194	1,109,194	1,162,610
By Division						
400 Human Resources	718,370	982,429	1,023,450	1,109,194	1,109,194	1,162,610
Total by Division	718,370	982,429	1,023,450	1,109,194	1,109,194	1,162,610
By Fund						
1 Resolution Services	11,172	24,400	25,000	25,000	25,000	25,000
2 Contracted Services		34,873				
6 Operating	707,198	923,156	988,517	1,073,656	1,073,656	1,127,049
7 Risk Management Reserve			9,933	10,538	10,538	10,561
Total by Fund	718,370	982,429	1,023,450	1,109,194	1,109,194	1,162,610
FTE SUMMARY						
By Division						
400 Human Resources	6.00	8.47	8.00	8.25	8.25	8.75
Total Number of FTE	6.00	8.47	8.00	8.25	8.25	8.75
By Fund						
2 Contracted Services		.47				
6 Operating	6.00	8.00	8.00	8.25	8.25	8.75
Total Number of FTE	6.00	8.47	8.00	8.25	8.25	8.75

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 service/funding changes:

A significant investment in network infrastructure is planned using the equipment reserve fund (Fund 4).

Brief Description of FTE changes:

Shifts occurring during the 2018-19 year include the reduction of an application development position through attrition.

The adopted budget includes a portion of a position for project management of hardware implementation.

Multnomah Education Service District
2019-2020 Fiscal Year Annual Budget
Expenditures by Department
600- Technology Services

	Actual 2016-17	Actual 2017-18	Revised 2018-19	Proposed 2019-20	Approved 2019-20	Adopted 2019-20
EXPENDITURE PERSPECTIVES						
By Category						
Salaries	2,561,525	2,216,329	2,603,054	2,519,357	2,519,357	2,557,708
Associated Payroll Costs	1,254,545	1,186,026	1,265,782	1,456,816	1,456,816	1,462,141
Purchased Services	3,054,568	1,143,888	1,196,133	1,212,922	1,212,922	1,224,034
Supplies and Materials	112,844	147,334	151,083	267,591	267,591	267,591
Capital Outlay	90,862		373,191	613,402	613,402	613,402
Total by Category	7,074,344	4,693,577	5,589,243	6,070,088	6,070,088	6,124,876
By Division						
610 Student Applications	1,331,494	1,386,903	1,618,198	1,916,988	1,916,988	1,921,881
620 Business Applications	309,328	214,213	230,856	387,162	387,162	386,859
630 Infrastructure Services	1,692,736	1,680,270	2,000,476	2,116,191	2,116,191	2,117,062
640 Internal Agency Support	745,098	718,869	855,266	830,988	830,988	860,033
650 Application Development	422,296	312,980	499,276	386,055	386,055	385,544
660 Substitute Registration	82,940	87,966	84,085	84,085	84,085	90,286
695 Support Services	2,490,452	292,376	301,086	348,619	348,619	363,211
Total by Division	7,074,344	4,693,577	5,589,243	6,070,088	6,070,088	6,124,876
By Fund						
1 Resolution Services	3,041,873	3,139,504	3,358,787	3,555,638	3,555,638	3,559,503
2 Contracted Services	2,691,887	605,338	800,362	734,674	734,674	748,755
4 Facilities & Equipment Reserve	102,050	26,569	359,000	690,000	690,000	690,000
6 Operating	1,238,534	922,166	1,071,094	1,089,776	1,089,776	1,126,618
Total by Fund	7,074,344	4,693,577	5,589,243	6,070,088	6,070,088	6,124,876
FTE SUMMARY						
By Division						
610 Student Applications	15.00	13.00	14.00	14.00	14.00	14.14
620 Business Applications	1.52	1.52	1.52	1.52	1.52	1.52
630 Infrastructure Services	2.83	2.83	2.83	3.08	3.08	3.08
640 Internal Agency Support	5.41	5.41	6.41	5.91	5.91	5.91
650 Application Development	3.18	3.18	3.18	2.48	2.48	2.48
695 Support Services	5.06	3.69	3.69	3.47	3.47	3.65
Total Number of FTE	33.00	29.63	31.63	30.46	30.46	30.78
By Fund						
1 Resolution Services	17.83	15.83	16.83	17.08	17.08	17.22
2 Contracted Services	6.74	6.87	6.87	5.95	5.95	6.13
6 Operating	8.43	6.93	7.93	7.43	7.43	7.43
Total Number of FTE	33.00	29.63	31.63	30.46	30.46	30.78

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/Four 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 2018-19 year, the Social & Emotional Skills Program (SESP) and Behavioral Health (BH) programs expanded to the Four Creeks building. A SPED classroom is expected to be added to the Helensview building in 2019-20.

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 significantly throughout 2018-19 year. Staffing increases are primarily in the SESP and BH programs, as programs expanded to the Four Creeks building and to additional classrooms within the Knott Creek building, and at the FLS Alternative program at Wheatley.

Additions to staff are primarily Education Assistants. Relative to 2018-19 Adopted budget, the additional staff also includes approximately 8.5 licensed FTE, 3.0 supervisor FTE, 4.0 FTE for mental health support, 2 FTE for behavior support facilitation, 1 FTE for a Campus Safety Monitor, 1.56 FTE for School Health Assistants and 0.50 FTE for transition support.

Multnomah Education Service District
2019-2020 Fiscal Year Annual Budget
Expenditures by Department
700- Special Education Services

	Actual 2016-17	Actual 2017-18	Revised 2018-19	Proposed 2019-20	Approved 2019-20	Adopted 2019-20
EXPENDITURE PERSPECTIVES						
By Category						
Salaries	7,126,798	8,677,263	11,305,791	11,647,455	11,647,455	11,950,702
Associated Payroll Costs	3,961,756	4,974,602	6,289,791	8,111,906	8,111,906	8,356,083
Purchased Services	1,474,801	1,809,252	2,231,926	1,919,491	1,919,491	2,008,792
Supplies and Materials	488,359	441,491	835,153	615,484	615,484	629,520
Capital Outlay	5,000	7,494				
Transfers	185,716					
Total by Category	13,242,430	15,910,102	20,662,661	22,294,336	22,294,336	22,945,097
By Division						
710 EI/ECSE	242,647	4,242	23,674	23,674	23,674	23,674
750 Special Education	8,722,199	10,372,518	9,923,466	10,383,532	10,383,532	9,817,250
755 Helensview SPED						575,458
780 Related Services	1,352,008	1,459,479	2,069,128	2,522,612	2,522,612	2,758,243
940 LTCT and Hospital	959	1,053	938	938	938	938
960 Arata Creek	2,924,617	4,072,810	8,645,455	9,363,580	9,363,580	9,769,534
Total by Division	13,242,430	15,910,102	20,662,661	22,294,336	22,294,336	22,945,097
By Fund						
1 Resolution Services	7,858,822	8,064,253	11,012,845	11,013,911	11,013,911	11,346,849
2 Contracted Services	5,234,698	7,655,390	9,450,713	11,063,814	11,063,814	11,373,989
6 Operating	148,910	190,459	199,103	216,611	216,611	224,259
Total by Fund	13,242,430	15,910,102	20,662,661	22,294,336	22,294,336	22,945,097
FTE SUMMARY						
By Division						
710 EI/ECSE	1.00					
750 Special Education	109.79	144.34	125.69	132.54	132.54	123.19
755 Helensview SPED						5.74
780 Related Services	15.36	18.04	25.00	29.38	29.38	33.10
960 Arata Creek	39.74	47.68	70.36	110.04	110.04	115.03
Total Number of FTE	165.89	210.06	221.05	271.96	271.96	277.06
By Fund						
1 Resolution Services	119.09	119.40	121.65	129.79	129.79	131.10
2 Contracted Services	45.80	89.66	98.40	141.17	141.17	144.96
6 Operating	1.00	1.00	1.00	1.00	1.00	1.00
Total Number of FTE	165.89	210.06	221.05	271.96	271.96	277.06

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/FTE changes:

Changes reflect fluctuations in component district needs as well as the proportion of services provided through Agency employees versus contracted positions.

Multnomah Education Service District
2019-2020 Fiscal Year Annual Budget
Expenditures by Department
800- School Health Services

	Actual 2016-17	Actual 2017-18	Revised 2018-19	Proposed 2019-20	Approved 2019-20	Adopted 2019-20
EXPENDITURE PERSPECTIVES						
By Category						
Salaries	5,892,029	6,341,693	7,252,365	7,110,959	7,110,959	7,116,713
Associated Payroll Costs	3,000,510	3,246,299	4,034,320	4,598,562	4,598,562	4,587,178
Purchased Services	248,276	451,398	473,638	656,735	656,735	667,735
Supplies and Materials	151,681	211,552	216,166	279,996	279,996	279,996
Capital Outlay	7,495					
Total by Category	9,299,991	10,250,942	11,976,489	12,646,252	12,646,252	12,651,622
By Division						
450 Employee Committees	46,281					
810 Health Services	9,253,710	10,250,942	11,976,489	12,646,252	12,646,252	12,651,622
Total by Division	9,299,991	10,250,942	11,976,489	12,646,252	12,646,252	12,651,622
By Fund						
1 Resolution Services	6,785,241	7,730,258	9,112,404	9,285,956	9,285,956	9,391,316
2 Contracted Services	2,251,035	2,442,830	2,853,071	3,360,296	3,360,296	3,260,306
6 Operating	263,715	77,854	11,014			
Total by Fund	9,299,991	10,250,942	11,976,489	12,646,252	12,646,252	12,651,622
FTE SUMMARY						
By Division						
450 Employee Committees	.25					
810 Health Services	119.93	142.03	144.90	136.16	136.16	136.16
Total Number of FTE	120.18	142.03	144.90	136.16	136.16	136.16
By Fund						
1 Resolution Services	90.31	114.18	108.83	103.91	103.91	104.91
2 Contracted Services	24.38	23.31	22.16	20.09	20.09	19.09
6 Operating	5.49	4.54	13.91	12.16	12.16	12.16
Total Number of FTE	120.18	142.03	144.90	136.16	136.16	136.16

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:

The adopted budget includes significant reductions in contracts for hospital programs and youth detention education programs.

Some contracts with ODE are still pending and/or estimated and will be adjusted in amendments during the budget year. We continually seek additional contract and grant opportunities to serve the needs of children and families.

Brief Description of FTE changes:

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

Multnomah Education Service District
2019-2020 Fiscal Year Annual Budget
Expenditures by Department
900- Instructional Services

	Actual 2016-17	Actual 2017-18	Revised 2018-19	Proposed 2019-20	Approved 2019-20	Adopted 2019-20
EXPENDITURE PERSPECTIVES						
By Category						
Salaries	7,079,452	7,043,903	7,844,451	8,014,273	8,014,273	7,492,470
Associated Payroll Costs	3,408,189	3,686,894	3,906,385	4,665,946	4,665,946	4,293,728
Purchased Services	1,735,545	1,592,381	2,335,788	2,061,217	2,061,217	2,024,516
Supplies and Materials	1,016,261	742,281	1,570,444	1,174,730	1,174,730	1,127,924
Capital Outlay	6,820					31,000
Total by Category	13,246,267	13,065,459	15,657,068	15,916,166	15,916,166	14,969,638
By Division						
850 Social Services	3,237					
900 Instructional Services	275,463	306,100	126,607	135,269	135,269	135,102
910 Curriculum & Instruction	519,774	584,604	1,098,156	1,101,918	1,101,918	1,061,365
920 Outdoor School	2,938,789	3,040,439	4,317,987	4,195,036	4,195,036	4,227,581
940 LTCT and Hospital	3,790,575	3,233,883	3,217,174	3,395,290	3,395,290	3,038,496
950 Helensview	2,054,069	2,476,414	2,658,575	2,755,240	2,755,240	2,442,521
970 Youth Correction Education	3,154,670	2,774,183	3,386,284	3,502,054	3,502,054	3,223,002
980 Alternative Pathways	221,817	231,738	241,842	241,529	241,529	252,306
990 Migrant Education	287,873	418,098	610,443	589,830	589,830	589,265
Total by Division	13,246,267	13,065,459	15,657,068	15,916,166	15,916,166	14,969,638
By Fund						
1 Resolution Services	3,561,600	4,104,319	4,925,299	5,328,636	5,328,636	5,097,565
2 Contracted Services	9,456,734	8,722,078	10,675,615	10,519,904	10,519,904	9,804,532
6 Operating	227,933	239,062	56,154	67,626	67,626	67,541
Total by Fund	13,246,267	13,065,459	15,657,068	15,916,166	15,916,166	14,969,638
FTE SUMMARY						
By Division						
900 Instructional Services	2.16	2.19	1.25	1.28	1.28	1.28
910 Curriculum & Instruction	4.19	5.25	7.25	6.81	6.81	6.29
920 Outdoor School	11.43	11.41	13.65	12.78	12.78	12.78
940 LTCT and Hospital	41.43	32.19	31.07	32.88	32.88	28.87
950 Helensview	20.34	24.30	26.06	25.04	25.04	22.41
970 Youth Correction Education	33.62	31.59	30.32	31.66	31.66	28.89
980 Alternative Pathways	2.50	2.50	2.50	2.30	2.30	2.50
990 Migrant Education	3.43	5.60	5.43	6.37	6.37	6.37
Total Number of FTE	119.10	115.03	117.53	119.12	119.12	109.39
By Fund						
1 Resolution Services	30.16	30.72	33.63	35.23	35.23	33.35
2 Contracted Services	87.29	82.76	83.35	83.26	83.26	75.41
6 Operating	1.65	1.55	.55	.63	.63	.63
Total Number of FTE	119.10	115.03	117.53	119.12	119.12	109.39

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 2018-19

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 and some minor repairs completed in 2018-2019, we are able to once again extend the life of the roof. We have revised our estimate for the replacement in 2021-22 to \$400 thousand.

Some re-carpeting, continuing from 2018-19, as well as caulking and foundation maintenance is planned for 2019-20.

Arata Creek and Burlingame Creek Buildings:

In 2018-19, new non-proprietary fire panels were installed at both buildings. A compressor was replaced at Arata.

Re-carpeting at both buildings, planned to occur in 2018-19, is now planned for 2019-20. Exterior painting and re-insulation of water line piping are planned for Arata. Interior painting, concrete work and a tree removal are planned for Burlingame Creek.

Four Creeks and Knott Creek Buildings:

The Agency again expanded classroom space by entering into a lease agreement with Reynolds School District for the Four Creeks building during 2018-19.

Some modifications at these buildings were completed in 2018-19 to prepare the spaces for our programs and/or student population. At this time, no significant additional changes are planned at either site for 2019-20.

Helensview and Wheatley Buildings:

In 2018-19, structural modifications in the kitchen and makerspace occurred at the Helensview building through a Career Technical Education (CTE) grant awarded to the school's Phoenix program. Most of these expenditures were recorded in Fund 2 as the source of the funding was a grant.

No significant changes are planned for either Wheatley or Helensview for 2019-20.

Facilities and Equipment Reserve Plan

Summary of Significant Changes from 2018-19

Technology Services

Student Information Services:

A large network infrastructure purchase is planned for 2019-20, which is anticipated to significantly reduce re-occurring costs in future years. Costs are being split between Student Information Services and Network Services. E-rate reimbursement is expected for the full portion expensed to this cost center.

Replacement of other hardware, operating system software updates and Synergy Student Information System software enhancements continue in 2019-20.

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 2019-20 and may require additional upgrades to the existing software.

Network Services:

A large network infrastructure purchase is planned for 2019-20, which is anticipated to significantly reduce re-occurring costs in future years. Costs are being split between Student Information Services and Network Services.

Agency Services:

Following a pilot project in 2017-18, meeting room technology updates occurred in 2018-19.

No significant additional changes are planned for 2019-20.

Multnomah Education Service District
FY2020 Facilities & Equipment Reserve Plan
Fund 4
Facilities Services Plan

	Estimated FY2019	Proposed FY2020	Projected			
			FY2021	FY2022	FY2023	FY2024
Ainsworth (1989)						
Repairs & Maintenance (non-routine)	32,689	24,400	25,100	25,900	26,700	27,500
Carpet Replacement (common areas)	11,000	5,000				
Caulking and Foundation Work		10,000				
HVAC Repairs/Compressor Replacement	25,000					
Roof Replacement (25yr)		=>	=>	400,000		
Contingency		257,000				
Subtotal	68,689	296,400	25,100	425,900	26,700	27,500
Arata Creek (1999)						
Repairs & Maintenance (non-routine)	30,300	28,600	29,500	30,400	31,300	32,200
Carpet Replacement (15 yr)	=>	20,000				
Fire Panel	16,000					
HVAC Repairs/Compressor Replacement	9,000					
Painting - Exterior; Re-Insulate Water Line		15,000				
Roof Replacement (20yr)		=>	30,000			
Subtotal	55,300	63,600	59,500	30,400	31,300	32,200
Burlingame Creek "Alpha" (1998)						
Repairs & Maintenance (non-routine)	19,700	16,000	16,500	17,000	17,500	18,000
Basketball Court Cover	12,000					
Carpet Replacement (15 yr)	=>	30,000				
Concrete Work & Tree Removal		6,600				
Fire Panel	16,300					
Painting - Interior		5,000				
Roof Replacement (20yr)		=>	80,000			
Subtotal	48,000	57,600	96,500	17,000	17,500	18,000
Four Creeks						
Repairs & Maintenance (non-routine)	14,000	14,400	14,800	15,200	15,700	16,200
Subtotal	14,000	14,400	14,800	15,200	15,700	16,200
Helensview						
Repairs & Maintenance (non-routine)	75,700	17,500	18,000	18,500	19,100	19,700
Subtotal	75,700	17,500	18,000	18,500	19,100	19,700
Knott						
Repairs & Maintenance (non-routine)	35,000	14,400	14,800	15,200	15,700	16,200
Emergency Egress Work	-	5,000				
Subtotal	35,000	19,400	14,800	15,200	15,700	16,200
Wheatley						
Repairs & Maintenance (non-routine)	13,000	18,300	18,800	19,400	20,000	20,600
Subtotal	13,000	18,300	18,800	19,400	20,000	20,600
Total Expenditures	309,689	487,200	247,500	541,600	146,000	150,400
Funding Sources						
Beginning Fund Balance	426,250	362,661	381,661	383,361	90,961	194,161
Transfer from Operating Fund	246,100	249,200	249,200	249,200	249,200	249,200
Total Funding Sources	672,350	611,861	630,861	632,561	340,161	443,361
150-FACILITIES BALANCE	362,661	124,661	383,361	90,961	194,161	292,961

Multnomah Education Service District
FY2020 Facilities & Equipment Reserve Plan
Fund 4
Technology Equipment Reserve Plan

	Estimated FY2019	Proposed FY2020	Projected			
			FY2021	FY2022	FY2023	FY2024
Student Information Systems						
Computer Hardware: Servers & Routers	190,000	100,000	100,000	100,000	100,000	100,000
Network Hardware Replacement		350,000				
Software Updates & New Application Modules	10,000	25,000	25,000	25,000	25,000	25,000
Contingency						
Funding Sources						
Beginning Fund Balance	419,392	394,392	19,392	344,392	319,392	294,392
Transfer from Resolution Fund	175,000	100,000	100,000	100,000	100,000	100,000
E-Rate Revenue			350,000			
Total Funding Sources	594,392	494,392	469,392	444,392	419,392	394,392
Ending Fund Balance	394,392	19,392	344,392	319,392	294,392	269,392
Business Systems Support						
Software: Application Updates & Pilots	13,000	25,000			25,000	
Contingency		10,000				
Funding Sources						
Beginning Fund Balance	56,196	53,196	38,196	48,196	58,196	43,196
Transfer from Operating Fund	10,000	10,000	10,000	10,000	10,000	10,000
Total Funding Sources	66,196	63,196	48,196	58,196	68,196	53,196
Ending Fund Balance	53,196	28,196	48,196	58,196	43,196	53,196
Network Services						
Network Hardware Replacement	71,000	150,000			90,000	
Funding Sources						
Beginning Fund Balance	77,889	106,889	1,889	31,889	61,889	1,889
Transfer from Resolution Fund	30,000	45,000	30,000	30,000	30,000	30,000
E-Rate Revenue	70,000	-				
Total Funding Sources	177,889	151,889	31,889	61,889	91,889	31,889
Ending Fund Balance	106,889	1,889	31,889	61,889	1,889	31,889
Agency Support						
Meeting & Conference Room Hardware						
Agency Equipment	75,000	40,000	40,000	40,000	40,000	40,000
Contingency		155,000				
Funding Sources						
Beginning Fund Balance	270,862	195,862	180,862	165,862	150,862	135,862
E-Rate Revenue	-	25,000	25,000	25,000	25,000	25,000
Total Funding Sources	270,862	220,862	205,862	190,862	175,862	160,862
Ending Fund Balance	195,862	25,862	165,862	150,862	135,862	120,862
600-TECHNOLOGY BALANCE	750,339	75,339	590,339	590,339	475,339	475,339
Fund 4: Facilities and Equipment Reserve Summary						
Beginning Fund Balance	1,250,589	1,113,000	622,000	973,700	681,300	669,500
Total Transfers In	461,100	404,200	389,200	389,200	389,200	389,200
Total Other Revenues	70,000	25,000	25,000	25,000	25,000	25,000
Total Expenditures	668,689	920,200	412,500	706,600	426,000	315,400
Total Contingency	-	422,000	-	-	-	-
Fund 4 Ending Fund Balance	1,113,000	200,000	973,700	681,300	669,500	768,300

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.multnomahesd.org, March 21, 2019

NOTICE OF MULTNOMAH EDUCATION SERVICE DISTRICT BUDGET COMMITTEE MEETING

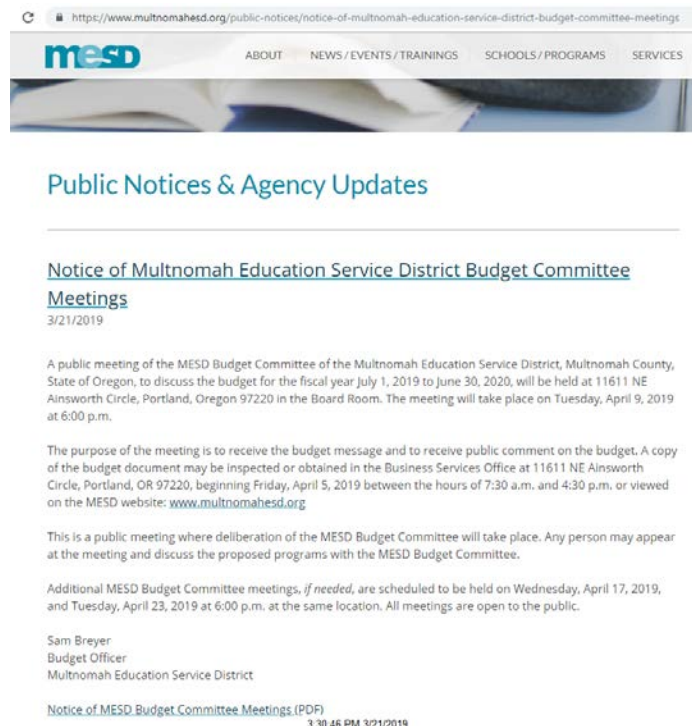
A public meeting of the MESD Budget Committee of the Multnomah Education Service District, Multnomah County, State of Oregon, to discuss the budget for the fiscal year July 1, 2019 to June 30, 2020, will be held at 11611 NE Ainsworth Circle, Portland, Oregon 97220 in the Board Room. The meeting will take place on Tuesday, April 9, 2019 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 5, 2019 between the hours of 7:30 a.m. and 4:30 p.m. or viewed on the MESD website: www.multnomahesd.org

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 17, 2019, and Tuesday, April 23, 2019 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: The Oregonian, March 27, 2019




The Oregonian LEGAL AFFIDAVIT

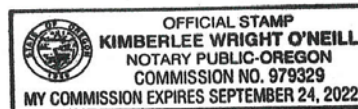
AD#: 0009084337

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 03/27/2019


Principal Clerk of the Publisher



Sworn to and subscribed before me this 27th day of March 2019


Notary Public

NOTICE OF MULTNOMAH EDUCATION SERVICE DISTRICT BUDGET COMMITTEE MEETINGS

A public meeting of the MESD Budget Committee of the Multnomah Education Service District, Multnomah County, State of Oregon, to discuss the budget for the fiscal year July 1, 2019 to June 30, 2020, will be held at 11611 NE Almsworth Circle, Portland, Oregon 97220 in the Board Room. The meeting will take place on Tuesday, April 9, 2019 at 6:00 p.m.

The purpose of the meeting is to receive the budget message and to receive public comment on the budget. A copy of the budget document may be inspected or obtained in the Business Services Office at 11611 NE Almsworth Circle, Portland, OR 97220, beginning Friday, April 5, 2019 between the hours of 7:30 a.m. and 4:30 p.m. or viewed on the MESD website:

www.multnomahesd.org


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 17, 2019, and Tuesday, April 23, 2019 at 6:00 p.m. at the same location. All meetings are open to the public.

Sam Breyer
Budget Officer
Multnomah Education Service District

Public Notices

TSCC Budget Hearing Meeting, Newspaper Notice: The Oregonian, May 1, 2019



The Oregonian OREGONLIVE.COM
OREGONIAN MEDIA GROUP


The Oregonian
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AD#: 0009139638

State of Oregon,) ss
County of Multnomah)

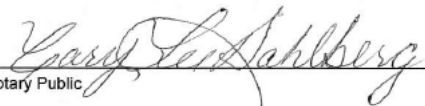
Justin Eubanks being duly sworn, deposes that he/she is principal clerk of Oregonian Media Group; that The Oregonian is a public newspaper published in the city of Portland, with general circulation in Oregon, and this notice is an accurate and true copy of this notice as printed in said newspaper, was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

The Oregonian 05/01/2019



Principal Clerk of the Publisher

Sworn to and subscribed before me this 1st day of May 2019



Notary Public

OFFICIAL STAMP
CARY LEE DAHLBERG
NOTARY PUBLIC-OREGON
COMMISSION NO. 953428
MY COMMISSION EXPIRES AUGUST 25, 2020

**NOTICE OF TSCC
BUDGET HEARING
for May 21, 2019**

A public hearing will be held by the Tax Supervising and Conservation Commission on the budget approved by the budget committee for the Multnomah Education Service District, Multnomah County, State of Oregon, for the fiscal year July 1, 2019 to June 30, 2020. The hearing will be held at 11611 NE Almsworth Circle, Portland, OR 97220 in the Board Room on the 21st day of May, 2019 at 6:00 pm. The purpose of the hearing is to discuss the budget with interested persons. A copy of the budget document may be inspected or obtained in the Business Office at 11611 NE Almsworth Circle, Portland, OR 97220 between the hours of 7:30 am and 4:30 pm, or viewed on the MESD website: www.multnomahesd.org/business-services.

Total Budget Requirements:
\$93,999,800

Last Year's Total Levy Rate:
\$0.4576 per \$1,000

This Year's Total Levy Rate :
\$0.4576 per \$1,000

Change from Last Year's Rate:
\$0 per \$1,000

**RESOLUTION 18-039 Approval of the 2018-2019 Budget Calendar for Development
of the Fiscal Year 2019-2020 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 2018-2019 Budget Calendar for the Development of the Fiscal Year 2019-2020 Budget.

Motion: **Director Helen Ying moved to approve Resolution 17-039.
Director Denyse Peterson seconded the motion.**

Action: **The motion carried with Directors Arzate, Botkin, Burke, Cornuelle,
Jones, Peterson and Ying voting aye. Motion passed 7-0.**

Multnomah ESD 2018-2019 Calendar for Fiscal Year 2019-2020 Budget

Tuesday, July 17, 2018	MESD Board Meeting	MESD Board
	<ul style="list-style-type: none"> MESD Board adopts the 2018-2019 Budget Calendar for 2019-20 (Resolution) 	
Tuesday, November 20, 2018	MESD Board Meeting	MESD Board
	<ul style="list-style-type: none"> Presentation by Auditors – Talbot, Korvola & Warwick of 2017-2018 Audit 	
Thursday, January 10, 2019	Superintendent Council Meeting	Council
	<ul style="list-style-type: none"> MESD Superintendent delivers to Component Districts 2019-2020 Local Service Plan 	
Tuesday, January 15, 2019	MESD Board Meeting	MESD Board
	<ul style="list-style-type: none"> MESD Board Approves 2019-2020 Local Service Plan (Resolution) 	
January to April 2019		
	<ul style="list-style-type: none"> MESD Management develops the Proposed Budget 	MESD Staff
February 2019	Component District Boards	District Boards
	<ul style="list-style-type: none"> 2019-2020 Local Service Plan Approval [ORS 334.175(5)(b)/OAR 581-024-0285(2)] (Resolution) 	
Tuesday, February 19, 2019		
	<ul style="list-style-type: none"> MESD Board appoints new Budget Committee members MESD Board adopts 2019-20 Budget Planning Parameters (Resolution) 	MESD Board
Friday, March 29, 2019	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 2, 2019	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 5, 2019	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 9, 2019	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 17, 2019	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 23, 2019	Budget Committee Meeting <i>if necessary</i>	Budget Committee
<ul style="list-style-type: none"> • Continue discussion of proposed budget presentation for approval 		
Wednesday, May 1, 2019	Deadline to submit Approved Budget to TSCC [ORS 294.431(2), “twenty days before TSCC hearing”]	
Friday, May 3, 2019	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 21, 2019	TSCC Public Hearing (ORS 294.430)	TSCC
Tuesday, June 18, 2019	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 12, 2019	Deadline to File Certification of Tax Levy with Counties	

RESOLUTION 19-008 – Fiscal Year 2019-2020 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 Board Finance Committee requested that the draft be taken to the Board on February 19, 2019 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 2019-2020 budget planning parameters as follows:

Motion: Director Mary Botkin moved to approve Resolution 19-008.
Director Jessica Arzate seconded the motion.

Discussion: None

Action: The motion carried with Directors Arzate, Botkin, Burke, Cornuelle, Jones, Peterson and Ying voting aye. Motion passed 7-0.

2019-2020 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 \$8.97 billion biennium (\$4.4 billion year-one) SSF legislative appropriation. Under this assumption, the MESD's estimated SSF revenue for 2019-2020 will be approximately \$44.3 million per the current SSF formula with 90% going to component districts for service plan activities or transits.
2. Other funding sources including federal grants, state contracts and local sources will be budgeted utilizing the most current information available.
3. The indirect rate for grants passed through ODE will be budgeted at 9% unless specifically identified for individual grants or contracts.
4. MESD will continue to charge a 10% administrative fee to non-component districts that purchase services listed in the Local Service Plan.

Expenditures:

1. The MESD will budget utilizing the most current information available on service level.
2. The MESD will use the following payroll assumptions:
 - a. Step increases are budgeted for eligible employees.
 - b. The currently negotiated salary schedules for represented employees will be used for budgeting purposes.
 - c. PERS defined rates for the 19-21 biennium are 14.56% for Tier I/II, 9.11% for OPSRP, and 13.74% 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 \$3,223,364 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 be set to at least 7% of total Property Tax and State School Fund adopted revenues, thereby ensuring that 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 19-007 Approval of MESD Budget
Committee Representatives for 2019**

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:

Ronald “Jess” Hardin-Centennial School District

- Board member with Centennial School District

John Hartsock-Gresham Barlow School District

- Board member with Gresham Barlow School District

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

Cynthia Le-Portland Public School District

- Chief Financial Officer with Portland Public School District

Frieda Christopher-David Douglas School District

- Board Chair with David Douglas School District

Steven Gallagher-Reynolds School District

- Facilities Supervisor for Reynolds School District

WHEREAS, the Centennial School District has submitted the name of Ronald Hardin, 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 Cynthia Le, David Douglas has submitted the name of Frieda Christopher, Reynolds School District has submitted the name of Steven Gallagher, 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 Ronald Hardin, John Hartsock, Marguerite Perry, Dave Carter, Cynthia Le, Steven Gallagher, Frieda Christopher, and Paul Spellman to the MESD Budget Committee.

Motion: Director Mary Botkin moved to approve Resolution 19-007.
Director Jessica Arzate seconded the motion.

Discussion: None

Action: The motion carried with Directors Arzate, Botkin, Burke, Cornuelle, Jones, Peterson and Ying voting aye. Motion passed 7-0.

RESOLUTION MBCM-19-002

Approval of the Proposed 2019-2020 Budget and Ad Valorem Property Tax Rate

This resolution requests the MESD Budget Committee's acknowledgement of receipt and approval of the Proposed 2019-2020 Budget Document and the Ad Valorem Property Tax Rate.

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

The Budget Officer recommends adoption of the following resolution:

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

WHEREAS, the MESD Budget Committee has met in a public MESD Budget Committee Work Session on April 9 to review the financial programs of the MESD and prepare a budget for the operational and administrative expenses of the MESD; and

WHEREAS, the MESD Budget Committee has received and reviewed the 2019-2020 Proposed Budget Document.

NOW THEREFORE BE IT RESOLVED, that the MESD Budget Committee approves the 2019-2020 Proposed Budget in the following amounts:

Resolution Services Fund

Instruction	\$ 9,134,516
Support Services	19,714,027
Enterprise & Community Services	503,997
Other Uses	13,150,000
Transfers Out	4,520,091
Contingency	4,102,817
Total	<u>\$ 51,125,448</u>

Contracted Services Fund

Instruction	\$ 15,222,913
Support Services	10,448,210
Enterprise & Community Services	789,142
Contingency	679,548
Total	<u>\$ 27,139,813</u>

Operating Fund

Support Services	\$ 5,493,736
Transfers Out	259,200
Contingency	<u>199,617</u>
Total	<u><u>\$ 5,952,553</u></u>

Debt Service Fund

Debt Service	<u><u>\$ 3,223,364</u></u>
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Facilities & Equipment Reserve Fund

Support Services	\$ 913,600
Facilities Acquisition and Improvement	5,000
Contingency	<u>415,000</u>
Total	<u><u>\$ 1,333,600</u></u>

Risk Management Reserve Fund

Support Services	\$ 983,065
Contingency	<u>254,457</u>
Total	<u><u>\$ 1,237,522</u></u>

Total Appropriation, All Funds	\$ 90,012,300
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Total Unappropriated Amounts, All Funds	<u>3,987,500</u>
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<i>TOTAL APPROVED BUDGET</i>	<u><u>\$ 93,999,800</u></u>
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BE IT FURTHER RESOLVED, that the MESD Budget Committee approves the levy of the Ad Valorem Tax Rate of \$0.4576 per \$1,000 of assessed value for the Resolution Fund.

Motion: MESD Board Vice-Chair Mary Botkin moved to approve Resolution MBCM 19-002.

Portland Public School District CFO Cynthia Le seconded the motion.

Discussion: None

Action: There being no further discussion the motion carried with Representatives Arzate, Botkin, Carter, Christopher, Cornuelle, Gallagher, Hartsock, Le and Spellman voting aye. Motion passed 9-0.

**RESOLUTION 19-030 Adoption of the Fiscal Year 2019-2020 Budget and
Appropriations for All Funds, and Declaration of
Taxes Imposed**

Background: Oregon Budget Law (ORS 294.435(2)) requires the Board adopt the budget and make appropriations by June 30, 2019, and certify the taxes imposed to the County Assessor prior to July 15, 2019.

The law also requires that the approved budget be submitted by May 1st to the Tax Supervising and Conservation Commission (TSCC) and that the TSCC hold a public hearing prior to adoption. The approved budget was submitted in a timely fashion and the public hearing was held on May 21, 2019. The TSCC certified the 2019-20 approved budget without objection.

The Superintendent recommends adoption of the following resolution:

WHEREAS, a public hearing and review of the budget previously approved by the Board Budget Committee was held on May 21, 2019 by the Tax Supervising and Conservation Commission (TSCC) and the budget has been certified by TSCC without objection; and

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

NOW THEREFORE BE IT RESOLVED, that the Multnomah Education Service District Board of Directors hereby adopts the budget for the fiscal year 2019-20 in the sum of \$95,044,543 now on file at the district Administrative Office;

BE IT FURTHER RESOLVED, that the amounts for the fiscal year 2019-20 beginning July 1, 2019 and for the purposes shown below are hereby appropriated as follows:

**Multnomah Education Service District
Budget and Appropriations for the Fiscal Year 2019-20**

Resolution Services Fund

Instruction	\$ 8,954,193
Support Services	20,104,888
Enterprise & Community Services	504,295
Other Uses	13,452,000
Transfers Out	4,591,683
Contingency	4,233,405
Total	<u>\$ 51,840,464</u>

Contracted Services Fund

Instruction	\$ 14,608,713
Support Services	10,519,429
Enterprise & Community Services	789,440
Contingency	1,400,375
Total	<u>\$ 27,317,957</u>

Operating Fund

Support Services	\$ 5,886,939
Transfers Out	259,200
Contingency	101,429
Total	<u>\$ 6,247,568</u>

Debt Service Fund

Debt Service	<u>\$ 3,223,364</u>
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Facilities & Equipment Reserve Fund

Support Services	\$ 915,200
Facilities Acquisition and Improvement	5,000
Contingency	422,000
Total	<u>\$ 1,342,200</u>

Risk Management Reserve Fund

Support Services	\$ 918,290
Contingency	254,700
Total	<u>\$ 1,172,990</u>

Total Appropriation, All Funds

\$ 91,144,543

Total Unappropriated Amounts, All Funds

3,900,000

TOTAL ADOPTED BUDGET

\$ 95,044,543

BE IT FURTHER RESOLVED, that the Multnomah Education Service District Board of Directors hereby levies the taxes provided for in the adopted budget at the rate of \$0.4576 per \$1,000 of assessed value for operations, and that these taxes are hereby imposed for the fiscal year 2019-20 upon the assessed value of all taxable property within the district and categorized as follows:

Education Limitation

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

Motion: Director Mary Botkin moved to approve Resolution 19-030.
 Director Helen Ying seconded the motion.

Discussion: None

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

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 was 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 sharp increases in future PERS costs to the Operating Fund which began 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.