

Multnomah Education Service District
Multnomah County, Oregon

Adopted Budget

For the Fiscal Year 2014-2015

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

Approved by the MESD Board of Directors
6/10/2014

Multnomah Education Service District

2014-2015 Fiscal Year Adopted Budget

Budget Document User's Guide

The 2014-15 Fiscal Year Adopted Budget is organized into the following sections:

Introduction and Overview- This section contains the Executive Summary, adopted budget overview, profile, organization, and financial structure of the District as well as a brief overview of the budget process.

Consolidated Schedules- This section includes three combining statements each displaying the agency's five 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 Total Requirements by Fund and Function report summarizes the budget at the level of budgetary approval. 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.

Fund Summaries- The first statement in this section combines all funds and compares the previous two years actual amounts, the current year revised budget, the 2014-15 proposed budget, the 2014-15 approved budget, and the 2014-15 adopted budget. The 2014-15 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.

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

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 maintenance and equipment reserve expenditures.

Appendix- The final section within this budget document includes the Superintendent's Budget Message presented in the Proposed Budget, a combining statement displaying the projected actuals for the current fiscal year resulting with the estimated ending fund balance, the public notices, the approved resolutions, and finally a glossary providing definitions of the District's funds as well as definitions of functions and other terms.

*Multnomah Education Service District
2014-2015 Adopted Budget*

Table of Contents

Introduction and Overview

Executive Summary	3
Budget Overview	
Revenues – All Funds	4
Expenditures – All Funds	5
Profile of the District	6
Organization Chart.....	10
Financial Structure	11
Budget Process.....	12

Consolidated Schedules

Combining Fund Summary – All Funds	17
Combining Revenue Detail – All Funds	18
Combining Expenditure Summary – All Funds	20
Interfund Transfers and Overhead Charges	21
Total Requirements by Fund and Function – Budgetary Funds	22
Combining FTE Summary – All Funds	23
Combining Position Summary – All Funds	25

Fund Financial Summaries

Combined Fund Summary – All Budgetary Funds	29
Fund 1: Resolution Services Fund Summary	31
Fund 2: Contracted Services Fund Summary	33
Fund 3: Debt Service Fund Summary	36
Fund 4: Facilities and Equipment Reserve Fund Summary	37
Fund 6: Operating Fund Summary	38
Fund 7: Risk Management and Reserve Fund Summary	40

*Multnomah Education Service District
2014-2015 Adopted Budget*

Table of Contents (continued)

Expenditures by Department

Operations

Administration	45
Facilities Services	47
Business Services	49
Human Resource Services	51
Technology Services.....	53

Programs

Special Education Services.....	55
School Health Services	57
Instructional Services	59

Debt Service and Capital Expenditures

Debt Schedule	63
Facilities and Equipment Reserve Plan.....	64

Appendix

Superintendent's Budget Message	69
Combining Fund Summary – 2013-14 Fiscal Year Projected Actuals	72
Public Notices	73
Resolutions	76
Glossary	
Fund Definitions	88
Function Definitions	89
Other Terms	90

Introduction and Overview





Executive Summary
2014-2015 Adopted Budget
June 10, 2014

The Multnomah Education Service District (MESD) is pleased to present the Adopted Budget for the fiscal year 2014-2015. MESD's 2014-15 proposed budget was approved by the Budget Committee on March 11, 2014 and certified by the Tax Supervising and Conservation Commission (TSCC) on May 20, 2014. 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 policies.

The specified revenue and expenditures in the approved budget were based upon educated suppositions as of March 11, 2014. We expected adjustments would be made before June 30, 2014 dependent upon legislative actions and further information became available from our component districts and customers.

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

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

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

- FY 2013-14 unspent funds in the Special Education budget has been appropriated for the upcoming year:
 - \$395,000 for K-Diagnostic Classroom setup costs
 - \$334,000 for upgrades to the Thompson building to accommodate the FLS classrooms being moved from Pathways
 - \$50,000 to support an additional supervisor position
- A one-time appropriation of \$70,000 for three additional month's lease at Pathways
- Minor staffing changes
- Other changes stemming from new information for contracts and customer requested services.

These modifications will enhance our ability to continue to meet the changing needs of our component districts and the children and families we serve.

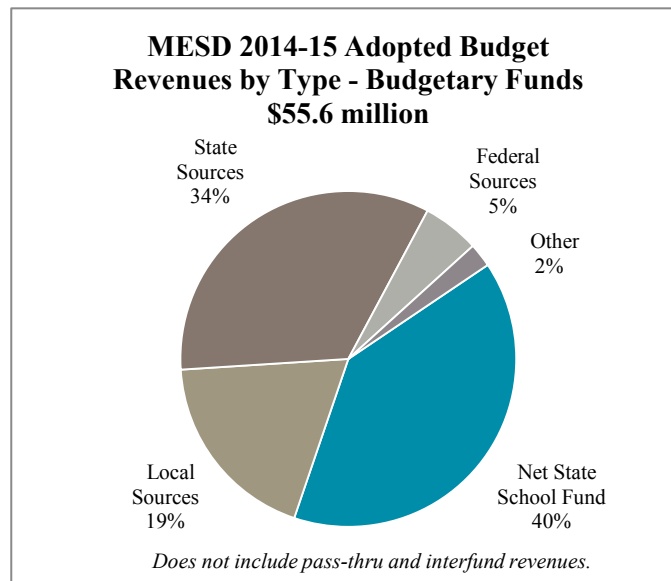
A handwritten signature in black ink that reads 'Barbara Jorgensen'.

Barbara Jorgensen
MESD Budget Officer

Budget Overview

Revenues – All Funds

Property taxes and state school funding are the primary revenues received by the District. Ninety percent of these revenues go to the Resolution Fund where up to fifty percent of those revenues are available to the component districts as direct transit dollars. Other revenues include Local, State, and Federal grants.



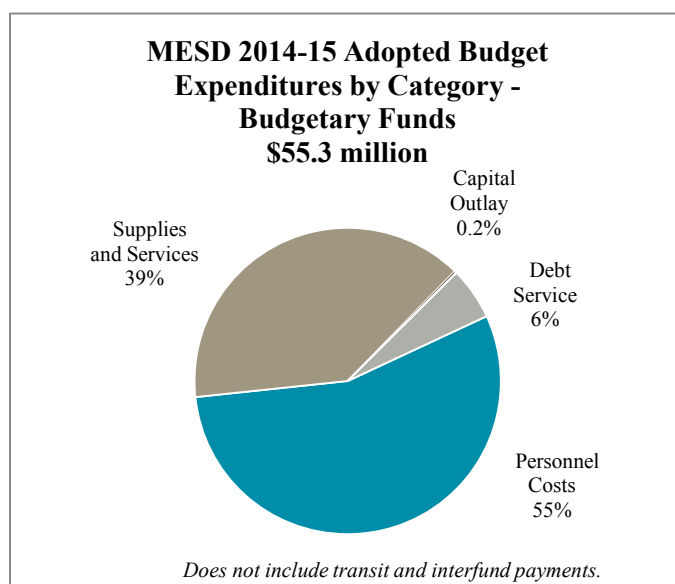
Multnomah Education Service District 2013-14 Estimated Revenues and 2014-15 Adopted Budget

	Estimated 2013-2014	Adopted 2014-2015	Change
Revenues by Type:			
Property Taxes	\$27,156,470	\$27,394,000	1%
State School Fund	6,850,158	8,315,886	21%
Less Transits to Districts	-12,136,281	-13,669,123	13%
Net State School Fund	21,870,347	22,040,763	1%
Local Sources	8,599,298	10,431,042	21%
State Sources	7,367,229	18,794,099	155%
Federal Sources	2,584,586	3,030,319	17%
Other	2,019,104	1,267,493	-37%
Subtotal - Revenues by Type	42,440,564	55,563,716	31%
SSF Revenue passed thru to Districts	12,136,281	13,669,123	13%
Interfund Revenues for Debt Service	2,380,748	2,504,374	5%
Interfund Revenues for Workers Comp	577,881	609,456	5%
Total Revenues - All Funds	<u>\$57,535,474</u>	<u>\$72,346,669</u>	26%

Budget Overview

Expenditures – All Funds

As with most all government agencies, our most significant expenditures are our people. Personnel costs make up 55% of our total expenditures for the District.



Multnomah Education Service District 2013-14 Estimated Expenditures and 2014-15 Adopted Budget

Expenditure by Category:	Estimated 2013-2014	Adopted 2014-2015	Change
Personnel Costs	\$28,117,290	\$30,544,910	9%
Supplies and Services	11,383,121	21,531,640	89%
Capital Outlay	260,946	136,402	-48%
Debt Service	2,927,374	3,051,004	4%
Subtotal - Expenditures by Category	42,688,731	55,263,956	29.5%
Transit Payments*	13,326,117	13,669,123	3%
Interfund Payment for Debt Service	2,927,374	3,051,004	4%
Interfund Payment for Workers Comp	577,881	609,456	5%
Total Expenditures - Budgetary Funds	<u>\$59,520,103</u>	<u>\$72,593,539</u>	22%

**2013-14 Transit Payments includes one-time \$1.2 million payment to David Douglas SD for EI/ECSE funds.*

Profile of the District

Mission Statement:

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

General Background

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

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

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

Senate Bill 250, adopted in the 2011 Legislative Session, substantially changed how ESDs operate. The bill allows component school districts in specific Education Service Districts, including MESD, to opt out of ESD services and provides for school districts to receive funding for ESD services directly from the state. In 2014-15, none of the MESD's local districts chose to opt out.

District Structure

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

**Multnomah Education Service District
Board of Directors**

<u>Position</u>	<u>Board Member</u>	<u>Represented Zone</u>	<u>Term Ends</u>
One	Bernie Giusto, Chair	East Multnomah County	6/30/2017
Two	Nels Johnson	At Large	6/30/2017
Three	Erica Thatcher	Central Portland	6/30/2017
Four	Francisco (Frank) Acosta Jr.	Mid-Multnomah County	6/30/2017
Five	Gary Hollands	N/NE Portland	6/30/2015
Six	Doug Montgomery	At Large	6/30/2015
Seven	Kevin Spellman, Vice Chair	SE/SW Portland	6/30/2015

Administration

Barbara Jorgenson	Superintendent
Jim Rose	Chief Operating Officer, and Director, Technology Services
Heyke Nickerson	Director, Human Resource Services/Legal Services
Mark Skolnick	Public Information Officer
Don Hicks	Risk Management

Geography and Population

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

MESD Component Districts



MESD Eight Component Districts					
District	Total Schools	Total Enrollment	District	Total Schools	Total Enrollment
Centennial	10	7,654	Parkrose	6	4,178
Corbett	3	1,427	Portland	92	54,087
David Douglas	16	12,920	Reynolds	19	14,226
Gresham-Barlow	20	14,000	Riverdale	2	576

Source: MESD Accountability Report 2012-2013, Enrollment = ADMw

Within these districts are 168 schools with 109,068 students (ADMw) over a geographic area that stretches from Portland's west hills to the foothills of the Cascades, and from the Columbia River on the north to the Clackamas County line on the south. An estimated population of 760,000 live within the Multnomah ESD boundary which includes Multnomah County and extends into Clackamas and Washington counties along school district boundaries.

Services Provided (Local Service Plan)

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

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

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

MESD provides the following services to its component school districts:

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

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

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

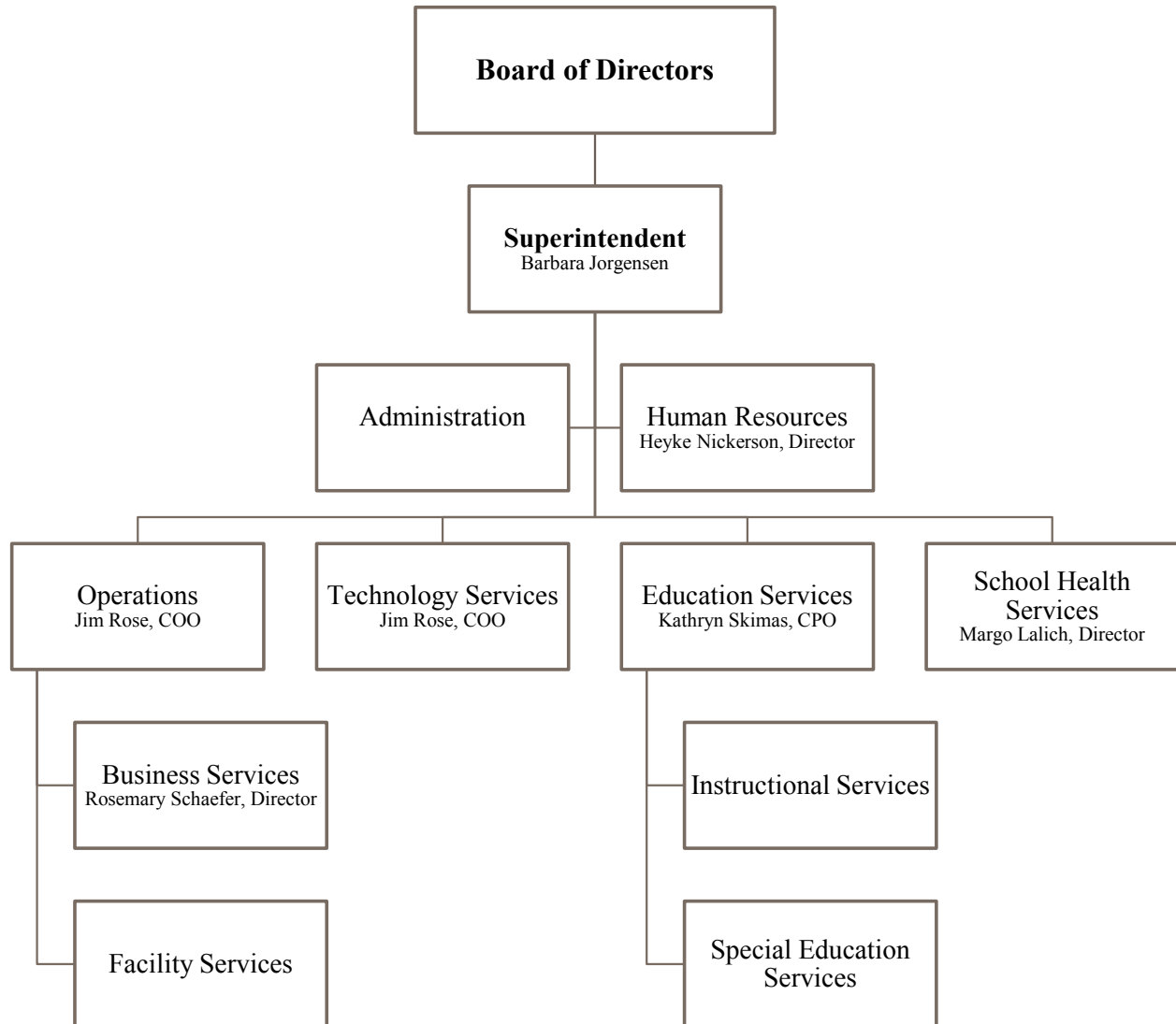
Technology Services provides services both to the component districts through resolution and contracted services as well as internally to the District. The goal of Technology Services is to deliver administrative computer technology and support designed to increase the component district's efficiency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

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

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

Multnomah Education Service District

Organization Chart



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 beginning in 2014-15 the *Facilities and Equipment Reserve Fund (4)* that was formerly the Facilities Acquisition and Improvement Fund.

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

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

Non-Governmental Fund:

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

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

Budget Process

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

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

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

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

Budget Committee

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

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

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

**Multnomah Education Service District
Current Budget Committee**

Budget Committee Member	Representing	Term Expires
Francisco (Frank) Acosta Jr.	MESD Board Member	June 30, 2017
Bernie Giusto	MESD Board Member	June 30, 2017
Gary Hollands	MESD Board Member	June 30, 2015
Nels Johnson	MESD Board Member	June 30, 2017
Doug Montgomery	MESD Board Member	June 30, 2015
Kevin Spellman, Vice-Chair	MESD Board Member	June 30, 2015
Erica Thatcher	MESD Board Member	June 30, 2017
Ernie Butenschoen	Centennial School District	June 30, 2014
Charlie O'Neil	Corbett School District	June 30, 2014
Cheryl Scarcelli	David Douglas School District	June 30, 2016
John Hartsock	Gresham-Barlow School District	June 30, 2014
Mary Lu Baetkey	Parkrose School District	June 30, 2016
Sara Bottomley	Portland Public School District	June 30, 2015
Rachel Hopper	Reynolds School District	June 30, 2015
Joe Prats	Riverdale School District	June 30, 2014

2014-2015 Budget Calendar

January to March	MESD Management Develops Proposed Budget MESD Board appoints Budget Committee Members
February 20, 2014	Budget Committee New Member Orientation
March 11, 2014	Budget Message and Proposed Budget Presentation, Budget Committee Approves Budget and Tax Levy.
March 18, April 1, & April 8, 2014	Budget Committee Work Sessions to Approve Budget, if necessary <i>The Budget Committee approved the Budget on March 11, 2014.</i>
April 15, 2014	Deadline to submit Approved Budget to TSCC
May 20, 2014	TSCC Public Hearing and Budget Certification
June 17 10, 2014	MESD Board Adopts Budget by Resolution and Certifies Tax Levy

Supplemental Adjustments

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

THIS PAGE INTENTIONALLY LEFT BLANK

Consolidated Schedules



**Multnomah Education Service District
2014 - 2015 Fiscal Year Adopted Budget
Combining Fund Summary- Budgetary Funds**

	Program Funds		Support Funds				Total
	Resolution Services	Contracted Services	Operating	Debt Service	Facilities & Equipment Reserve	Risk Management Reserve	
Resources							
Beginning Fund Balance	1,756,739	4,831,886	3,799,496		1,469,934	701,820	12,559,875
Revenues							
Property Taxes	27,394,000						27,394,000
State School Fund	8,315,886						8,315,886
Local Sources		10,221,057	209,985				10,431,042
State Sources		18,794,099					18,794,099
Federal Sources		3,030,319					3,030,319
Investment Earnings			75,000				75,000
Sales of Goods & Services		8,372					8,372
Other Revenues	153,583	985,238	45,300				1,184,121
Services to Other Funds				2,504,374		609,456	3,113,830
Total Revenues	35,863,469	33,039,085	330,285	2,504,374		609,456	72,346,669
Transfers In & Overhead Revenues							
Overhead Revenues			1,833,382				1,833,382
From Resolution Services			3,570,989		80,000		3,650,989
From Contract Services					334,000		334,000
From Operating				546,630	115,000		661,630
From Risk Mgmt Reserve			65,708				65,708
Total Transfers In/Overhead			5,470,079	546,630	529,000		6,545,709
TOTAL RESOURCES	37,620,208	37,870,971	9,599,860	3,051,004	1,998,934	1,311,276	91,452,253
Requirements							
Total Expenditures	32,239,121	30,668,199	5,505,759	3,051,004	460,000	669,456	72,593,539
Transfers Out & Overhead Charges							
Overhead Charges		1,833,382					1,833,382
To Debt Service			546,630				546,630
To Facilities & Equip Reserve	80,000	334,000	115,000				529,000
To Operating	3,570,989					65,708	3,636,697
Total Transfers Out/Overhead	3,650,989	2,167,382	661,630			65,708	6,545,709
Contingency	1,730,098		400,000				2,130,098
Ending Fund Balance		5,035,390	3,032,471		1,538,934	576,112	10,182,907
TOTAL REQUIREMENTS	37,620,208	37,870,971	9,599,860	3,051,004	1,998,934	1,311,276	91,452,253

Combining Fund Summary- Budgetary Funds

**Multnomah Education Service District
2014 - 2015 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	26,696,025					26,696,025
Prior Year Taxes	660,000					660,000
Tax Title Fund Receipts	31,975					31,975
Penalties & Interest Taxes	6,000					6,000
Total Property Taxes	27,394,000					27,394,000
State School Fund						
State School Support Fund	8,315,886					8,315,886
Total State School Fund	8,315,886					8,315,886
Local Sources						
Services to Other LocalEdAgency		9,703,197	9,985			9,713,182
Services to Other Ed Agencies		474,860	200,000			674,860
E-Rate Revenue		43,000				43,000
Total Local Sources		10,221,057	209,985			10,431,042
State Sources						
Mentoring Revenue - Students		113,400				113,400
Other Restricted Grants In Aid		28,055				28,055
Other State Revenue		15,020,000				15,020,000
ODE Contract Revenue		3,632,644				3,632,644
Total State Sources		18,794,099				18,794,099
Federal Sources						
Medicaid Admin Claiming Rev		65,000				65,000
Medicaid SBHS Revenue		1,230,000				1,230,000
Restricted Revenue From Fed		230,053				230,053
Title I Revenue		406,098				406,098
ARRA Federal Stimulus Revenue		6,500				6,500
Natnl School Lunch Program Rev		183,525				183,525
IDEA Revenue		75,726				75,726
Title II Revenue		2,500				2,500

Combining Revenue Detail- Budgetary Funds

**Multnomah Education Service District
2014 - 2015 Fiscal Year Adopted Budget
Combining Revenue Detail- Budgetary Funds**

	Program Funds			Support Funds			
	Resolution Services	Contracted Services	Operating	Debt Service	Facilities Acquisition & Improvements	Risk Management Reserve	Total
LAUNCH Grant		830,917					830,917
Total Federal Sources		3,030,319					3,030,319
Investment Earnings							
Interest on Investments			75,000				75,000
Total Investment Earnings			75,000				75,000
Sales of Goods & Services							
Sale of Meals-NonReimb Program		250					250
Special Function Revenue		7,622					7,622
Sales- External		500					500
Total Sales of Goods & Services		8,372					8,372
Other Revenues							
Fingerprinting Service Revenue			1,500				1,500
Rental/Lease Income			19,800				19,800
Contributions		76,849					76,849
Miscellaneous Revenue	153,583	896,389	24,000				1,073,972
Restricted-Intermediate Source		12,000					12,000
Total Other Revenues	153,583	985,238	45,300				1,184,121
Services to Other Funds							
Services - Other Funds				2,504,374		609,456	3,113,830
Total Services to Other Funds				2,504,374		609,456	3,113,830
Total Revenues	35,863,469	33,039,085	330,285	2,504,374		609,456	72,346,669

**Multnomah Education Service District
2014 - 2015 Fiscal Year Adopted Budget
Combining Expenditure Summary- Budgetary Funds**

	Program Funds		Support Funds					
	Resolution Services	Contracted Services	Operating	Debt Service	Facilities & Equipment Reserve	Risk Management Reserve	Total	
By Department	Administration	2,480	10,000	1,063,025		659,456	1,734,961	
	Facilities Services	34,970		532,079			567,049	
	Business Services	13,669,123		875,680			14,544,803	
	Human Resources			783,846		10,000	793,846	
	Technology Services	2,512,176	14,500,074	1,749,801			18,762,051	
	Special Education Services	7,885,261	5,868,977	124,813			13,879,051	
	School Health Services	5,735,587	3,827,920	222,986			9,786,493	
	Instructional Education Svcs	2,399,524	6,461,228	153,529			9,014,281	
	Debt Services				3,051,004		3,051,004	
	Capital Improvements					460,000	460,000	
Total Expenditures by Department		32,239,121	30,668,199	5,505,759	3,051,004	669,456	72,593,539	
By Function	Instruction	5,986,817	6,912,242				12,899,059	
	Support Services	12,582,456	8,352,929	4,953,241		669,456	26,895,082	
	Enterprise & Community Service	725	15,403,028	552,518			15,956,271	
	Facilities Acq. & Construction					123,000	123,000	
	Other Uses							
	Debt Service	13,669,123			3,051,004		13,669,123	
							3,051,004	
	Total Expenditures by Function		32,239,121	30,668,199	5,505,759	3,051,004	669,456	72,593,539
	By Category	Salaries	9,792,272	8,031,191	2,737,006		96,327	20,656,796
		Associated Payroll Costs	6,454,029	5,281,982	1,756,714		55,849	13,548,574
Purchased Services		2,003,883	16,354,162	760,315		515,060	19,970,420	
Supplies and Materials		306,412	1,000,864	251,724		2,220	1,561,220	
Capital Outlay		13,402				123,000	136,402	
Debt Service					3,051,004		3,051,004	
Transit Payments		13,669,123					13,669,123	
Total Expenditures by Category		32,239,121	30,668,199	5,505,759	3,051,004	669,456	72,593,539	

Multnomah Education Service District
2014 - 2015 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	80,000
This amount is being set aside to fund the future replacement of computer hardware necessary to serve the needs of the component districts.		
Resolution Services	To Operating	3,570,989
In accordance with Oregon Revised Statute 334.177, a maximum of 10% of local revenues received (Property Taxes and State School Fund) are transferred to the Operating fund to pay for operating costs incurred by the Agency in support of services provided through the Resolution Services fund.		
Contracted Services	Operating	1,833,382
A maximum 10% surcharge in the Contracted Services Fund is credited to the Operating Fund as overhead revenue to pay for costs incurred by the agency in support of services rendered.		
Contracted Services	To Facilities & Equip Reserve	334,000
A one-time transfer from Special Education to fund upgrades and equipment for the Functional Living Skills (FLS) program in the Thompson Building.		
Operating	To Debt Service	546,630
The Full Faith & Credit Refunding Obligations, Series 2004 debt service requirement is funded by a transfer from the Operating Fund. This general obligation issue refunded the 1997 Certificates of Participation (COP) originally used to fund the construction of Alpha High School and Arata Creek School.		
Operating	To Facilities & Equip Reserve	115,000
This amount funds current and future repairs, replacement, and improvements of the Agency's facilities.		
Risk Management Reserve	To Operating	65,708
In anticipation of increased PERS rates \$450,000 was set aside to offset the impacts this increase would have on the Operating Fund. This reserve was intended to offset 80% of the PERS operating fund costs in 2011-12, 60% in 2012-13, 40% in 2013-14, 30% in 2014-15 and 10% in 2015-16.		
Total Interfund Transfers and Overhead Charges		6,545,709

**Multnomah Education Service District
2014 - 2015 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*	\$ 5,986,817	\$ 7,109,002	\$ -	\$ -	\$ -	\$ -	\$ 13,095,819
2000 Support Services*	12,582,456	8,903,950	4,953,241	-	337,000	669,456	27,446,103
3000 Enterprise & Community Services*	725	16,488,629	552,518	-	-	-	17,041,872
4000 Facilities Acquisition & Improvements	-	-	-	-	123,000	-	123,000
5000 Other Uses	13,669,123	-	-	-	-	-	13,669,123
5100 Debt Service	-	-	-	3,051,004	-	-	3,051,004
5200 Transfers Out	3,650,989	334,000	661,630	-	-	65,708	4,712,327
6000 Contingencies	1,730,098	-	400,000	-	-	-	2,130,098
Total Appropriations	37,620,208	32,835,581	6,567,389	3,051,004	460,000	735,164	81,269,346
7000 Unappropriated Ending Balance	-	5,035,390	3,032,471	-	1,538,934	576,112	10,182,907
Total Requirements	37,620,208	37,870,971	9,599,860	3,051,004	1,998,934	1,311,276	91,452,253

* 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
2014 - 2015 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			3.50		3.50
Agency Support				1.00	1.00
Legal Services			.40		.40
Communication Services			1.00		1.00
Foundation			.22		.22
Total Administration			5.12	1.00	6.12
Facilities Services					
Facility Services	.50		8.25		8.75
Total Facilities Services	.50		8.25		8.75
Business Services					
Business Services Admin			3.00		3.00
Accounting Services			3.00		3.00
Payroll Services			2.00		2.00
Total Business Services			8.00		8.00
Human Resources					
Human Resources			6.26		6.26
Total Human Resources			6.26		6.26
Technology Services					
Student Information Services	10.70				10.70
Business Systems Support	.15				.15
Network Services	2.63				2.63
Internal Agency Support			7.50		7.50
Application Development		3.10			3.10
Substitute Registration	.90		.10		1.00
OR-Case			6.17		6.17
Social Services		2.50			2.50
Total Technology Services	14.38	5.60	13.77		33.75
Special Education Services					
EI/ECSE		5.91			5.91
Special Education	83.37	38.21	.70		122.28
Related Services	5.72	1.48			7.20
Social Services		10.82			10.82
Arata Creek	11.93	2.40			14.33
Total Special Education Services	101.02	58.82	.70		160.54

**Multnomah Education Service District
2014 - 2015 Fiscal Year Adopted Budget
Combining FTE Summary- All Funds**

	Program Funds		Support Funds		
	Resolution Services	Contracted Services	Operating	Risk Management Reserve	Total
School Health Services					
Health Services	67.17	40.87	1.50		109.54
Social Services		2.04			2.04
Total School Health Services	67.17	42.91	1.50		111.58
Instructional Education Svcs					
Social Services		15.53			15.53
Instructional Services	.40		1.14		1.54
Curriculum & Instruction	3.95				3.95
Outdoor School	2.60	5.64			8.24
Alpha	.10	7.50			7.60
Helensview	14.22	3.85			18.07
Youth Correction Education	3.38	15.48			18.86
Alternative Pathways		3.10			3.10
Migrant Education		3.65			3.65
Total Instructional Education Svcs	24.65	54.75	1.14		80.54
Total FTE	207.72	162.08	44.74	1.00	415.54

Full-Time Equivalent (FTE) by Function

Instruction	89.35	77.36			166.71
Support Services	118.37	82.72	38.57	1.00	240.66
Enterprise & Community Service		2.00	6.17		8.17
Total FTE	207.72	162.08	44.74	1.00	415.54

Multnomah Education Service District
2014 - 2015 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			3.50		3.50
Agency Support				1.00	1.00
Legal Services			.40		.40
Communication Services			1.00		1.00
Foundation			.25		.25
Total Administration			5.15	1.00	6.15
Facilities Services					
Facility Services	.50		8.25		8.75
Total Facilities Services	.50		8.25		8.75
Business Services					
Business Services Admin			3.00		3.00
Accounting Services			3.00		3.00
Payroll Services			2.00		2.00
Total Business Services			8.00		8.00
Human Resources					
Human Resources			6.35		6.35
Total Human Resources			6.35		6.35
Technology Services					
Student Information Services	10.70				10.70
Business Systems Support	.15				.15
Network Services	2.63				2.63
Internal Agency Support			7.50		7.50
Application Development		3.10			3.10
Substitute Registration	.90		.10		1.00
OR-Case			6.17		6.17
Social Services		2.50			2.50
Total Technology Services	14.38	5.60	13.77		33.75
Special Education Services					
EI/ECSE		6.15			6.15
Special Education	92.69	42.06	.70		135.45
Related Services	7.45	1.60			9.05
Social Services		12.00			12.00
Arata Creek	12.70	2.40			15.10
Total Special Education Services	112.84	64.21	.70		177.75

Multnomah Education Service District
2014 - 2015 Fiscal Year Adopted Budget
Combining Position Summary- All Funds

	Program Funds		Support Funds		
	Resolution Services	Contracted Services	Operating	Risk Management Reserve	Total
School Health Services					
Health Services	70.42	46.68	1.50		118.60
Social Services		2.20			2.20
Total School Health Services	70.42	48.88	1.50		120.80
Instructional Education Svcs					
Social Services		17.38			17.38
Instructional Services	.40		1.20		1.60
Curriculum & Instruction	4.90				4.90
Outdoor School	3.00	6.04			9.04
Alpha	.10	9.62			9.72
Helensview	14.84	4.35			19.19
Youth Correction Education	4.00	19.62			23.62
Alternative Pathways		4.00			4.00
Migrant Education		4.00			4.00
Total Instructional Education Svcs	27.24	65.01	1.20		93.45
Total Positions	225.38	183.70	44.92	1.00	455.00

Positions by Function

Instruction	99.00	88.30			187.30
Support Services	126.38	93.40	38.75	1.00	259.53
Enterprise & Community Service		2.00	6.17		8.17
Total Positions	225.38	183.70	44.92	1.00	455.00

Fund Financial Summaries



Multnomah Education Service District
2014-2015 Fiscal Year Annual Budget
Combined Fund Summary- All Budgetary Funds

	Actual 2011-12	Actual 2012-13	Revised 2013-14	Proposed 2014-15	Approved 2014-15	Adopted 2014-15
Resources						
Beginning Fund Balance	21,528,492	17,044,784	14,544,504	11,438,253	11,438,253	12,559,875
Revenues						
Property Taxes	25,504,874	26,181,577	27,668,392	27,394,000	27,394,000	27,394,000
State School Fund	4,657,196	5,315,956	6,850,158	8,336,152	8,336,152	8,315,886
Local Sources	7,566,113	8,315,530	10,040,473	10,084,376	10,084,376	10,431,042
State Sources	15,748,002	19,077,165	18,553,598	18,621,119	18,621,119	18,794,099
Federal Sources	6,138,984	6,699,687	3,179,873	2,932,089	2,932,089	3,030,319
Investment Earnings	100,886	79,693	75,000	75,000	75,000	75,000
Sales of Goods & Services	1,221,129	22,903	9,372	8,372	8,372	8,372
Other Revenues	1,104,623	796,627	464,193	599,690	599,690	1,184,121
Services to Other Funds	2,507,187	2,629,464	2,990,108	3,113,830	3,113,830	3,113,830
Total Revenues	64,548,994	69,118,602	69,831,167	71,164,628	71,164,628	72,346,669
Transfers In & Overhead Revenues						
Overhead Revenues	2,101,237	2,557,141	1,754,378	1,790,817	1,790,817	1,833,382
From Resolution Services	3,172,286	3,229,753	3,531,855	3,653,015	3,653,015	3,650,989
From Contract Services		645,941	770,980			334,000
From Operating	1,497,943	1,618,510	546,606	661,630	661,630	661,630
From Risk Mgmt Reserve	155,771	121,502	84,241	65,708	65,708	65,708
Total Transfers In/Overhead	6,927,237	8,172,847	6,688,060	6,171,170	6,171,170	6,545,709
TOTAL RESOURCES	93,004,723	94,336,233	91,063,731	88,774,051	88,774,051	91,452,253
Requirements						
Total Expenditures	69,032,702	71,618,882	72,492,528	71,495,828	71,495,828	72,593,539
Transfers Out & Overhead Charges						
Overhead Charges	2,101,237	2,557,141	1,754,378	1,790,817	1,790,817	1,833,382
Transfers	3,813					
To Resolution Services		770,980				
To Debt Service	550,130	547,530	546,606	546,630	546,630	546,630
To Facilities & Equip Reserve	729,000	80,000	80,000	195,000	195,000	529,000
To Operating	3,248,057	3,917,196	4,307,076	3,638,723	3,638,723	3,636,697
To Risk Mgmt Reserve	295,000	300,000				
Total Transfers Out/Overhead	6,927,237	8,172,847	6,688,060	6,171,170	6,171,170	6,545,709
Contingency			500,000	2,129,859	2,129,859	2,130,098
Total Budget	75,959,939	79,791,729	79,680,588	79,796,857	79,796,857	81,269,346
Ending Fund Balance	17,044,784	14,544,504	11,383,143	8,977,194	8,977,194	10,182,907
TOTAL REQUIREMENTS	93,004,723	94,336,233	91,063,731	88,774,051	88,774,051	91,452,253

Multnomah Education Service District
2014-2015 Fiscal Year Annual Budget
Combined Fund Summary- All Budgetary Funds

	Actual 2011-12	Actual 2012-13	Revised 2013-14	Proposed 2014-15	Approved 2014-15	Adopted 2014-15
EXPENDITURE PERSPECTIVES						
By Department						
Non-Departmental	144,726					
Administration	1,707,078	1,327,645	1,473,923	1,605,966	1,605,966	1,734,961
Facilities Services	2,530,287	632,622	958,861	496,754	496,754	567,049
Business Services	10,529,946	9,246,961	12,812,425	14,544,803	14,544,803	14,544,803
Human Resources	685,297	650,325	864,512	870,768	870,768	793,846
Technology Services	6,487,714	7,950,864	19,140,035	18,769,980	18,769,980	18,762,051
Special Education Services	26,479,701	30,412,907	15,560,366	12,890,846	12,890,846	13,879,051
School Health Services	8,795,976	9,039,363	9,502,043	9,757,449	9,757,449	9,786,493
Instructional Education Svcs	8,893,784	9,312,044	8,672,989	9,088,258	9,088,258	9,014,281
Debt Services	2,692,434	2,807,632	2,927,374	3,051,004	3,051,004	3,051,004
Capital Improvements	85,759	238,519	580,000	420,000	420,000	460,000
Total Expenditures by Department	69,032,702	71,618,882	72,492,528	71,495,828	71,495,828	72,593,539
By Function						
Instruction	19,034,921	17,644,078	14,039,054	12,759,821	12,759,821	12,899,059
Support Services	34,069,605	33,879,652	26,118,707	25,829,606	25,829,606	26,895,082
Enterprise & Community Service	3,084,252	3,621,886	15,997,314	15,951,274	15,951,274	15,956,271
Facilities Acq. & Construction	85,759	110,488	270,000	235,000	235,000	123,000
Other Uses	10,065,731	13,555,146	13,140,079	13,669,123	13,669,123	13,669,123
Debt Service	2,692,434	2,807,632	2,927,374	3,051,004	3,051,004	3,051,004
Total Expenditures by Function	69,032,702	71,618,882	72,492,528	71,495,828	71,495,828	72,593,539
By Category						
Salaries	28,781,382	28,516,873	20,497,705	20,326,999	20,326,999	20,656,796
Associated Payroll Costs	15,414,742	15,141,184	13,718,117	13,417,016	13,417,016	13,548,574
Purchased Services	9,270,335	9,476,572	20,362,512	19,488,114	19,488,114	19,970,420
Supplies and Materials	2,624,029	1,960,245	1,546,970	1,410,170	1,410,170	1,561,220
Capital Outlay	184,049	161,230	299,771	133,402	133,402	136,402
Debt Service	2,692,434	2,807,632	2,927,374	3,051,004	3,051,004	3,051,004
Transit Payments	10,065,731	13,555,146	13,140,079	13,669,123	13,669,123	13,669,123
Total Expenditures by Category	69,032,702	71,618,882	72,492,528	71,495,828	71,495,828	72,593,539
FTE SUMMARY						
By Fund						
1 Resolution Services	264.61	247.25	200.94	204.88	204.88	207.72
2 Contracted Services	341.80	342.84	165.54	159.74	159.74	162.08
6 Operating	28.71	16.03	38.61	44.44	44.44	44.74
7 Risk Management Reserve	1.00	1.00	1.00	1.00	1.00	1.00
Total Number of FTE	636.12	607.12	406.09	410.06	410.06	415.54

Multnomah Education Service District
2014-2015 Fiscal Year Annual Budget
1- Resolution Services Fund Summary

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

	Actual 2011-12	Actual 2012-13	Revised 2013-14	Proposed 2014-15	Approved 2014-15	Adopted 2014-15
Resources						
Beginning Fund Balance	1,185,481	216,320	1,063,053	1,236,048	1,236,048	1,756,739
Revenues						
Current Year Taxes	24,810,438	25,455,148	26,986,746	26,696,025	26,696,025	26,696,025
Prior Year Taxes	677,865	713,497	641,936	660,000	660,000	660,000
Tax Title Fund Receipts	8,948	5,090	31,975	31,975	31,975	31,975
Penalties & Interest Taxes	7,623	7,842	7,735	6,000	6,000	6,000
State School Support Fund	4,657,196	5,315,956	6,850,158	8,336,152	8,336,152	8,315,886
Services to Other LocalEdAgency	77,000	120,034				
SSF School Lunch Match	(2,965)	(2,681)				
ARRA Ed Jobs Revenue	228,012					
Contributions	64,674					
Recovery of Pr Yr Expenditures	191,404					
Miscellaneous Revenue	152,542	1,300	59,212	1,000	1,000	153,583
Restricted-Intermediate Source	244,180					
Total Revenues	31,116,917	31,616,186	34,577,762	35,731,152	35,731,152	35,863,469
Transfers In						
From Operating Funds		770,980				
Total Transfers In		770,980				
TOTAL RESOURCES	32,302,398	32,603,486	35,640,815	36,967,200	36,967,200	37,620,208
Requirements						
Total Expenditures	28,913,792	28,310,680	31,610,095	31,888,326	31,888,326	32,239,121
Transfers Out						
Facilities & Equipment Reserve	80,000	80,000	80,000	80,000	80,000	80,000
Operating Fund	3,092,286	3,149,753	3,451,855	3,573,015	3,573,015	3,570,989
Total Transfers Out	3,172,286	3,229,753	3,531,855	3,653,015	3,653,015	3,650,989
Contingency				1,425,859	1,425,859	1,730,098
Total Budget	32,086,078	31,540,433	35,141,950	36,967,200	36,967,200	37,620,208
Ending Fund Balance	216,320	1,063,053	498,865			
TOTAL REQUIREMENTS	32,302,398	32,603,486	35,640,815	36,967,200	36,967,200	37,620,208

Multnomah Education Service District
2014-2015 Fiscal Year Annual Budget
1- Resolution Services Fund Summary

	Actual 2011-12	Actual 2012-13	Revised 2013-14	Proposed 2014-15	Approved 2014-15	Adopted 2014-15
EXPENDITURE PERSPECTIVES						
By Department						
Non-Departmental	62,630					
Administration	2,400	2,790	2,790	2,480	2,480	2,480
Facilities Services	32,113	32,939	35,628	34,970	34,970	34,970
Business Services	8,387,396	8,458,552	11,950,243	13,669,123	13,669,123	13,669,123
Technology Services	2,918,477	3,224,311	2,956,613	2,512,176	2,512,176	2,512,176
Special Education Services	10,169,575	9,698,766	9,076,090	7,734,564	7,734,564	7,885,261
School Health Services	4,951,061	4,933,421	5,336,892	5,736,819	5,736,819	5,735,587
Instructional Education Svcs	2,390,140	1,959,901	2,251,839	2,198,194	2,198,194	2,399,524
Total Expenditures by Department	28,913,792	28,310,680	31,610,095	31,888,326	31,888,326	32,239,121
By Function						
Instruction	7,407,117	7,193,582	7,227,826	5,826,796	5,826,796	5,986,817
Support Services	13,384,630	12,655,035	12,403,706	12,381,251	12,381,251	12,582,456
Enterprise & Community Service	7,497	5,027	28,320	11,156	11,156	725
Other Uses	8,114,548	8,457,036	11,950,243	13,669,123	13,669,123	13,669,123
Total Expenditures by Function	28,913,792	28,310,680	31,610,095	31,888,326	31,888,326	32,239,121
By Category						
Salaries	11,694,295	11,026,294	10,028,208	9,637,641	9,637,641	9,792,272
Associated Payroll Costs	6,507,505	6,129,288	6,975,586	6,384,038	6,384,038	6,454,029
Purchased Services	2,040,397	2,212,643	2,257,882	1,894,105	1,894,105	2,003,883
Supplies and Materials	451,492	479,708	381,774	290,017	290,017	306,412
Capital Outlay	105,555	5,711	16,402	13,402	13,402	13,402
Transit Payments	8,114,548	8,457,036	11,950,243	13,669,123	13,669,123	13,669,123
Total Expenditures by Category	28,913,792	28,310,680	31,610,095	31,888,326	31,888,326	32,239,121

Multnomah Education Service District
2014-2015 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 2011-12	Actual 2012-13	Revised 2013-14	Proposed 2014-15	Approved 2014-15	Adopted 2014-15
Resources						
Beginning Fund Balance	12,054,865	10,503,258	6,854,522	4,053,939	4,053,939	4,831,886
Revenues						
Tuition From Individuals	41,824	33,370	2,286			
Services to Other LocalEdAgency	7,277,168	8,083,394	9,480,914	9,356,531	9,356,531	9,703,197
Services to Other Ed Agencies	101,694	56,713	474,860	474,860	474,860	474,860
E-Rate Revenue	3,838	4,029	43,000	43,000	43,000	43,000
SSF School Lunch Match	2,965	2,681				
Mentoring Revenue - Students			56,700	56,700	56,700	113,400
Grants - Early Childhood	11,304,653	12,155,105				
Other Restricted Grants In Aid	14,744	50,000	11,250	11,250	11,250	28,055
Other State Revenue	1,248,365	3,592,904	15,010,000	15,010,000	15,010,000	15,020,000
ODE Contract Revenue	3,180,240	3,279,156	3,473,148	3,530,669	3,530,669	3,632,644
Medicaid Admin Claiming Rev	143,089	66,965	65,000	65,000	65,000	65,000
Medicaid SBHS Revenue	1,220,247	1,523,089	1,230,000	1,230,000	1,230,000	1,230,000
Restricted Revenue From Fed	217,245	220,732	225,073	230,053	230,053	230,053
Title I Revenue	287,907	1,132,344	426,464	326,033	326,033	406,098
ARRA Federal Stimulus Revenue	391,121	299,974	6,500	6,500	6,500	6,500
Natnl School Lunch Program Rev	165,657	174,841	183,525	183,525	183,525	183,525
IDEA Revenue	2,395,767	2,541,519	76,788	57,561	57,561	75,726
Title II Revenue		6,346	2,500	2,500	2,500	2,500
ARRA Ed Jobs Revenue	271,604					
Fed Grants Thru Intermediate		730				
SAMHSA Grant	9,494	81,131				
LAUNCH Grant	697,423	652,016	964,023	830,917	830,917	830,917
Other Federal Revenue	106,674					
Interest on Investments	2,997	1,535				
Sale of Meals-Reimb Programs	789	3,070				
Sale of Meals-NonReimb Program			250	250	250	250
Special Function Revenue			7,622			7,622
Sales- External	919,588	2,484	1,500	8,122	8,122	500
Sales- Internal	51,641					
Contributions	90,706	101,150	108,849	76,849	76,849	76,849
Recovery of Pr Yr Expenditures	18,672					
Miscellaneous Revenue	5,325	343,539	65,792	448,541	448,541	896,389
Rental/Lease Income		4,600				
Restricted-Intermediate Source	37,530	27,955	19,000	22,000	22,000	12,000
Services - Other Funds		(24)				
Total Revenues	30,208,967	34,441,348	31,935,044	31,970,861	31,970,861	33,039,085
Transfers In						
Fees Charged to Grants	2,101,237	2,557,141				
From Operating Funds	3,813					

Multnomah Education Service District
2014-2015 Fiscal Year Annual Budget
2- Contracted Services Fund Summary

	Actual 2011-12	Actual 2012-13	Revised 2013-14	Proposed 2014-15	Approved 2014-15	Adopted 2014-15
Total Transfers In	2,105,050	2,557,141				
TOTAL RESOURCES	44,368,882	47,501,747	38,789,566	36,024,800	36,024,800	37,870,971
Requirements						
Total Expenditures	31,764,387	37,444,143	31,326,269	30,066,729	30,066,729	30,668,199
Transfers Out						
Federal/State Indirect	2,101,237	2,557,141	1,754,378	1,790,817	1,790,817	1,833,382
Facilities & Equipment Reserve						334,000
Operating Fund		645,941	770,980			
Total Transfers Out	2,101,237	3,203,082	2,525,358	1,790,817	1,790,817	2,167,382
Contingency				304,000	304,000	
Total Budget	33,865,624	40,647,225	33,851,627	32,161,546	32,161,546	32,835,581
Ending Fund Balance	10,503,258	6,854,522	4,937,939	3,863,254	3,863,254	5,035,390
TOTAL REQUIREMENTS	44,368,882	47,501,747	38,789,566	36,024,800	36,024,800	37,870,971

Multnomah Education Service District
2014-2015 Fiscal Year Annual Budget
2- Contracted Services Fund Summary

	Actual 2011-12	Actual 2012-13	Revised 2013-14	Proposed 2014-15	Approved 2014-15	Adopted 2014-15
EXPENDITURE PERSPECTIVES						
By Department						
Non-Departmental	4,290					
Administration	97,643					10,000
Facilities Services	398,136	602,761				
Business Services	2,042,082	671,183				
Human Resources	500,834	534,478				
Technology Services	2,629,494	3,955,359	14,953,341	14,501,081	14,501,081	14,500,074
Special Education Services	16,150,209	20,590,383	6,262,518	5,031,469	5,031,469	5,868,977
School Health Services	3,643,892	3,947,170	3,946,092	3,797,644	3,797,644	3,827,920
Instructional Education Svcs	6,297,807	7,142,809	6,164,318	6,736,535	6,736,535	6,461,228
Total Expenditures by Department	31,764,387	37,444,143	31,326,269	30,066,729	30,066,729	30,668,199
By Function						
Instruction	11,627,804	10,450,496	6,811,228	6,933,025	6,933,025	6,912,242
Support Services	15,108,645	18,278,678	7,356,211	7,746,104	7,746,104	8,352,929
Enterprise & Community Service	3,076,755	3,616,859	15,968,994	15,387,600	15,387,600	15,403,028
Other Uses	1,951,183	5,098,110	1,189,836			
Total Expenditures by Function	31,764,387	37,444,143	31,326,269	30,066,729	30,066,729	30,668,199
By Category						
Salaries	15,059,713	16,394,906	7,986,397	7,860,961	7,860,961	8,031,191
Associated Payroll Costs	7,817,597	8,335,537	5,014,978	5,222,511	5,222,511	5,281,982
Purchased Services	5,049,658	6,357,141	16,289,352	16,121,098	16,121,098	16,354,162
Supplies and Materials	1,886,236	1,258,449	845,706	862,159	862,159	1,000,864
Transit Payments	1,951,183	5,098,110	1,189,836			
Total Expenditures by Category	31,764,387	37,444,143	31,326,269	30,066,729	30,066,729	30,668,199

Multnomah Education Service District
2014-2015 Fiscal Year Annual Budget
3- Debt Service Fund Summary

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

	Actual 2011-12	Actual 2012-13	Revised 2013-14	Proposed 2014-15	Approved 2014-15	Adopted 2014-15
Resources						
Beginning Fund Balance	3,028	11	20			
Revenues						
Services - Other Funds	2,139,287	2,260,111	2,380,748	2,504,374	2,504,374	2,504,374
Total Revenues	2,139,287	2,260,111	2,380,748	2,504,374	2,504,374	2,504,374
Transfers In						
From Operating Funds	550,130	547,530	546,606	546,630	546,630	546,630
Total Transfers In	550,130	547,530	546,606	546,630	546,630	546,630
TOTAL RESOURCES	2,692,445	2,807,652	2,927,374	3,051,004	3,051,004	3,051,004
Requirements						
Total Expenditures	2,692,434	2,807,632	2,927,374	3,051,004	3,051,004	3,051,004
Total Budget	2,692,434	2,807,632	2,927,374	3,051,004	3,051,004	3,051,004
Ending Fund Balance	11	20				
TOTAL REQUIREMENTS	2,692,445	2,807,652	2,927,374	3,051,004	3,051,004	3,051,004
EXPENDITURE PERSPECTIVES						
By Department						
Debt Services	2,692,434	2,807,632	2,927,374	3,051,004	3,051,004	3,051,004
Total Expenditures by Department	2,692,434	2,807,632	2,927,374	3,051,004	3,051,004	3,051,004
By Function						
Debt Service	2,692,434	2,807,632	2,927,374	3,051,004	3,051,004	3,051,004
Total Expenditures by Function	2,692,434	2,807,632	2,927,374	3,051,004	3,051,004	3,051,004
By Category						
Debt Service	2,692,434	2,807,632	2,927,374	3,051,004	3,051,004	3,051,004
Total Expenditures by Category	2,692,434	2,807,632	2,927,374	3,051,004	3,051,004	3,051,004

Multnomah Education Service District
2014-2015 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 2011-12	Actual 2012-13	Revised 2013-14	Proposed 2014-15	Approved 2014-15	Adopted 2014-15
Resources						
Beginning Fund Balance	1,202,725	1,931,704	1,799,934	1,514,090	1,514,090	1,469,934
Revenues						
E-Rate Revenue	35,405	20,349				
Recovery of Pr Yr Expenditures	49,114					
Miscellaneous Revenue	1,219	6,400				
Total Revenues	85,738	26,749				
Transfers In						
From Resolution Services Funds	80,000	80,000	80,000	80,000	80,000	80,000
From Contract Services Funds						334,000
From Operating Funds	649,000			115,000	115,000	115,000
Total Transfers In	729,000	80,000	80,000	195,000	195,000	529,000
TOTAL RESOURCES	2,017,463	2,038,453	1,879,934	1,709,090	1,709,090	1,998,934
Requirements						
Total Expenditures	85,759	238,519	580,000	420,000	420,000	460,000
Contingency						
Total Budget	85,759	238,519	580,000	420,000	420,000	460,000
Ending Fund Balance	1,931,704	1,799,934	1,299,934	1,289,090	1,289,090	1,538,934
TOTAL REQUIREMENTS	2,017,463	2,038,453	1,879,934	1,709,090	1,709,090	1,998,934

EXPENDITURE PERSPECTIVES

By Department

Capital Improvements	85,759	238,519	580,000	420,000	420,000	460,000
Total Expenditures by Department	85,759	238,519	580,000	420,000	420,000	460,000

By Function

Support Services		128,031	310,000	185,000	185,000	337,000
Facilities Acq. & Construction	85,759	110,488	270,000	235,000	235,000	123,000
Total Expenditures by Function	85,759	238,519	580,000	420,000	420,000	460,000

By Category

Purchased Services	7,265	83,000	251,631	300,000	300,000	337,000
Supplies and Materials			45,000			
Capital Outlay	78,494	155,519	283,369	120,000	120,000	123,000
Total Expenditures by Category	85,759	238,519	580,000	420,000	420,000	460,000

Multnomah Education Service District
2014-2015 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 2011-12	Actual 2012-13	Revised 2013-14	Proposed 2014-15	Approved 2014-15	Adopted 2014-15
Resources						
Beginning Fund Balance	6,508,457	3,780,473	4,049,642	3,907,377	3,907,377	3,799,496
Revenues						
Services to Other LocalEdAgency	28,091	(2,667)	39,413	9,985	9,985	9,985
Services to Other Ed Agencies				200,000	200,000	200,000
E-Rate Revenue	1,093	308				
Other State Revenue			2,500	12,500	12,500	
ARRA Ed Jobs Revenue	4,744					
Interest on Investments	97,889	78,158	75,000	75,000	75,000	75,000
Sales- External	92,289	17,349				
Sales- Internal	156,822					
Fingerprinting Service Revenue				1,500	1,500	1,500
Rental/Lease Income			84,633	25,800	25,800	19,800
Recovery of Pr Yr Expenditures		13,111				
Miscellaneous Revenue	26,757	19,400	24,000	24,000	24,000	24,000
Rental/Lease Income	19,800	15,200				
Sale of Fixed Assets		24,546				
Total Revenues	427,485	165,405	225,546	348,785	348,785	330,285
Transfers In						
Fees Charged to Grants			1,754,378	1,790,817	1,790,817	1,833,382
From Resolution Services Funds	3,092,286	3,149,753	3,451,855	3,573,015	3,573,015	3,570,989
From Contract Services Funds		645,941	770,980			
From Risk Management Funds	155,771	121,502	84,241	65,708	65,708	65,708
Total Transfers In	3,248,057	3,917,196	6,061,454	5,429,540	5,429,540	5,470,079
TOTAL RESOURCES	10,183,999	7,863,074	10,336,642	9,685,702	9,685,702	9,599,860
Requirements						
Total Expenditures	4,905,583	2,194,922	5,376,930	5,400,313	5,400,313	5,505,759
Transfers Out						
Contract Services Fund	3,813					
Resolution Fund		770,980				
Debt Service Fund	550,130	547,530	546,606	546,630	546,630	546,630
Facilities & Equipment Reserve	649,000			115,000	115,000	115,000
Risk Management Fund	295,000	300,000				
Total Transfers Out	1,497,943	1,618,510	546,606	661,630	661,630	661,630
Contingency			500,000	400,000	400,000	400,000
Total Budget	6,403,526	3,813,432	6,423,536	6,461,943	6,461,943	6,567,389
Ending Fund Balance	3,780,473	4,049,642	3,913,106	3,223,759	3,223,759	3,032,471
TOTAL REQUIREMENTS	10,183,999	7,863,074	10,336,642	9,685,702	9,685,702	9,599,860

Multnomah Education Service District
2014-2015 Fiscal Year Annual Budget
6- Operating Fund Summary

	Actual 2011-12	Actual 2012-13	Revised 2013-14	Proposed 2014-15	Approved 2014-15	Adopted 2014-15
EXPENDITURE PERSPECTIVES						
By Department						
Non-Departmental	77,806					
Administration	938,872	706,295	811,773	944,030	944,030	1,063,025
Facilities Services	2,100,038	(3,078)	923,233	461,784	461,784	532,079
Business Services	100,468	117,226	862,182	875,680	875,680	875,680
Human Resources	181,879	111,421	852,012	860,768	860,768	783,846
Technology Services	939,743	771,194	1,230,081	1,756,723	1,756,723	1,749,801
Special Education Services	159,917	123,758	221,758	124,813	124,813	124,813
School Health Services	201,023	158,772	219,059	222,986	222,986	222,986
Instructional Education Svcs	205,837	209,334	256,832	153,529	153,529	153,529
Total Expenditures by Department	4,905,583	2,194,922	5,376,930	5,400,313	5,400,313	5,505,759
By Function						
Support Services	4,905,583	2,194,922	5,376,930	4,847,795	4,847,795	4,953,241
Enterprise & Community Service				552,518	552,518	552,518
Total Expenditures by Function	4,905,583	2,194,922	5,376,930	5,400,313	5,400,313	5,505,759
By Category						
Salaries	1,940,142	1,017,561	2,389,621	2,732,070	2,732,070	2,737,006
Associated Payroll Costs	1,045,741	630,256	1,671,169	1,754,526	1,754,526	1,756,714
Purchased Services	1,637,291	329,249	1,043,770	657,943	657,943	760,315
Supplies and Materials	282,409	217,856	272,370	255,774	255,774	251,724
Total Expenditures by Category	4,905,583	2,194,922	5,376,930	5,400,313	5,400,313	5,505,759

Multnomah Education Service District
2014-2015 Fiscal Year Annual Budget
7- Risk Management Reserve Fund Summary

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

	Actual 2011-12	Actual 2012-13	Revised 2013-14	Proposed 2014-15	Approved 2014-15	Adopted 2014-15
Resources						
Beginning Fund Balance	573,936	613,018	777,333	726,799	726,799	701,820
Revenues						
Miscellaneous Revenue	202,700	238,757	100,207			
Expenditure Subsidy		669	2,500			
Services - Other Funds	367,900	369,377	609,360	609,456	609,456	609,456
Total Revenues	570,600	608,803	712,067	609,456	609,456	609,456
Transfers In						
From Operating Funds	295,000	300,000				
Total Transfers In	295,000	300,000				
TOTAL RESOURCES	1,439,536	1,521,821	1,489,400	1,336,255	1,336,255	1,311,276
Requirements						
Total Expenditures	670,747	622,986	671,860	669,456	669,456	669,456
Transfers Out						
Operating Fund	155,771	121,502	84,241	65,708	65,708	65,708
Total Transfers Out	155,771	121,502	84,241	65,708	65,708	65,708
Total Budget	826,518	744,488	756,101	735,164	735,164	735,164
Ending Fund Balance	613,018	777,333	733,299	601,091	601,091	576,112
TOTAL REQUIREMENTS	1,439,536	1,521,821	1,489,400	1,336,255	1,336,255	1,311,276

Multnomah Education Service District
2014-2015 Fiscal Year Annual Budget
7- Risk Management Reserve Fund Summary

	Actual 2011-12	Actual 2012-13	Revised 2013-14	Proposed 2014-15	Approved 2014-15	Adopted 2014-15
EXPENDITURE PERSPECTIVES						
By Department						
Administration	668,163	618,560	659,360	659,456	659,456	659,456
Human Resources	2,584	4,426	12,500	10,000	10,000	10,000
Total Expenditures by Department	670,747	622,986	671,860	669,456	669,456	669,456
By Function						
Support Services	670,747	622,986	671,860	669,456	669,456	669,456
Total Expenditures by Function	670,747	622,986	671,860	669,456	669,456	669,456
By Category						
Salaries	87,232	78,112	93,479	96,327	96,327	96,327
Associated Payroll Costs	43,899	46,103	56,384	55,941	55,941	55,849
Purchased Services	535,724	494,539	519,877	514,968	514,968	515,060
Supplies and Materials	3,892	4,232	2,120	2,220	2,220	2,220
Total Expenditures by Category	670,747	622,986	671,860	669,456	669,456	669,456

THIS PAGE INTENTIONALLY LEFT BLANK

Expenditures by Department



ADMINISTRATION

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

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

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

Primary Funding Sources:

Operating Fund

Brief Description of significant department / service changes:

There is no significant department or services changes in Administration.

Brief Description of significant funding changes:

Funding is built on the legislatively approved \$3.44 billion year two SSF revenue, stable funding from grants and contracts, and an estimated 5% indirect rate unless specifically identified.

Brief Description of FTE changes:

0.50 COO position (Jim Rose) has been moved from Technology Services to Administration to reflect the cost of the 'deputy superintendent' duties.

0.40 of the Human Resources/Legal Services Director has been moved from Human Resources to Administration to reflect the cost of agency internal legal services.

1.0 Executive Assistant position has been added to assist the COO. This is partially offset by a decrease of salary for an existing similar position retiring at the top step.

Multnomah Education Service District
2014-2015 Fiscal Year Annual Budget
Expenditures by Department
100- Administration

	Actual 2011-12	Actual 2012-13	Revised 2013-14	Proposed 2014-15	Approved 2014-15	Adopted 2014-15
EXPENDITURE PERSPECTIVES						
By Category						
Salaries	694,129	415,104	420,049	496,603	496,603	549,717
Associated Payroll Costs	326,293	219,378	246,773	289,570	289,570	318,240
Purchased Services	643,593	670,367	779,491	802,033	802,033	845,806
Supplies and Materials	43,063	22,796	27,610	17,760	17,760	21,198
Total by Category	1,707,078	1,327,645	1,473,923	1,605,966	1,605,966	1,734,961
By Division						
100 Board of Directors	50,520	121,585	92,331	139,300	139,300	139,300
110 Administration	532,024	327,126	397,414	489,994	489,994	532,007
160 Agency Support	668,163	618,560	659,360	659,456	659,456	659,456
300 Legal Services	101,468	2,085	7,137	3,450	3,450	79,794
500 Communication Services	200,535	154,322	154,891	154,436	154,436	161,924
520 School Closure	2,400	2,790	2,790	2,480	2,480	2,480
530 Foundation	151,968	101,177	160,000	156,850	156,850	160,000
Total by Division	1,707,078	1,327,645	1,473,923	1,605,966	1,605,966	1,734,961
By Fund						
1 Resolution Services	2,400	2,790	2,790	2,480	2,480	2,480
2 Contracted Services	97,643					10,000
6 Operating	938,872	706,295	811,773	944,030	944,030	1,063,025
7 Risk Management Reserve	668,163	618,560	659,360	659,456	659,456	659,456
Total by Fund	1,707,078	1,327,645	1,473,923	1,605,966	1,605,966	1,734,961
FTE SUMMARY						
By Division						
110 Administration	3.00	2.00	2.00	2.50	2.50	3.50
160 Agency Support	1.10	1.00	1.00	1.00	1.00	1.00
300 Legal Services						.40
500 Communication Services	1.33	1.29	1.00	1.00	1.00	1.00
530 Foundation	1.48	.95	.85	.92	.92	.22
Total Number of FTE	6.91	5.24	4.85	5.42	5.42	6.12
By Fund						
2 Contracted Services	.10					
6 Operating	5.81	4.24	3.85	4.42	4.42	5.12
7 Risk Management Reserve	1.00	1.00	1.00	1.00	1.00	1.00
Total Number of FTE	6.91	5.24	4.85	5.42	5.42	6.12

FACILITIES SERVICES

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 six locations operated by MESD. They ensure that all the buildings are cleaned nightly and also perform minor repairs, coordinate meeting rooms, and moving materials.

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

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

Primary Funding Sources:

Resolution, contract and operating funds

Brief Description of significant department / service changes:

With the retirement of two key personnel MESD will utilize the services of Metro Presort to handle outgoing mail at a savings to the programs. Lease payment reduction assuming we will be out of the Pathways building and the program will move to the Thompson Building vacated by Early Childhood in FY 2014. Thompson lease was paid by Fund 6 in FY 2014 while preparations for program move were being made. Budgeted 3 months lease at Pathway's to accommodate transition period from Pathways to Thompson.

Brief Description of significant funding changes:

No significant changes anticipated in 2014-15

Brief Description of FTE changes:

There is a 1.0 FTE reduction in the Facility Service office as a result of the new mail service.

Multnomah Education Service District
2014-2015 Fiscal Year Annual Budget
Expenditures by Department
150- Facilities Services

	Actual 2011-12	Actual 2012-13	Revised 2013-14	Proposed 2014-15	Approved 2014-15	Adopted 2014-15
EXPENDITURE PERSPECTIVES						
By Category						
Salaries	668,841	321,988	274,185	241,771	241,771	242,971
Associated Payroll Costs	401,817	179,273	181,751	158,095	158,095	158,591
Purchased Services	1,308,485	87,656	450,899	48,002	48,002	116,601
Supplies and Materials	151,144	43,705	52,026	48,886	48,886	48,886
Total by Category	2,530,287	632,622	958,861	496,754	496,754	567,049
By Division						
150 Facility Services	1,961,100	500,682	965,342	473,754	473,754	544,049
510 Printing & Graphics	569,187	131,940	(6,481)	23,000	23,000	23,000
Total by Division	2,530,287	632,622	958,861	496,754	496,754	567,049
By Fund						
1 Resolution Services	32,113	32,939	35,628	34,970	34,970	34,970
2 Contracted Services	398,136	602,761				
6 Operating	2,100,038	(3,078)	923,233	461,784	461,784	532,079
Total by Fund	2,530,287	632,622	958,861	496,754	496,754	567,049
FTE SUMMARY						
By Division						
150 Facility Services	13.50	10.50	9.50	8.75	8.75	8.75
510 Printing & Graphics	4.40	1.28				
Total Number of FTE	17.90	11.78	9.50	8.75	8.75	8.75
By Fund						
1 Resolution Services	.50	.50	.50	.50	.50	.50
2 Contracted Services	6.50	6.00				
6 Operating	10.90	5.28	9.00	8.25	8.25	8.25
Total Number of FTE	17.90	11.78	9.50	8.75	8.75	8.75

BUSINESS SERVICES

Department Description: Business Services provides accounting, financial, budgeting, payroll, and purchasing services to the MESD. The department is organized into three divisions: Administration, Accounting Services, and Payroll Services.

Administration is responsible for 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 leadership to the department as well as fiscal leadership to the organization.

Accounting Services performs all accounts payable, accounts receivable, and general ledger functions for the agency.

Payroll Services performs all payroll functions for the agency.

Primary Funding Sources:

Operating Fund.

Brief Description of significant department / service changes:

No significant changes anticipated in 2014-15

Brief Description of significant funding changes:

No significant changes anticipated in 2014-15.

Brief Description of FTE changes:

No significant changes anticipated in 2014-15

Multnomah Education Service District
2014-2015 Fiscal Year Annual Budget
Expenditures by Department
200- Business Services

	Actual 2011-12	Actual 2012-13	Revised 2013-14	Proposed 2014-15	Approved 2014-15	Adopted 2014-15
EXPENDITURE PERSPECTIVES						
By Category						
Salaries	516,699	402,525	473,565	490,884	490,884	490,884
Associated Payroll Costs	709,848	218,415	301,339	305,814	305,814	305,814
Purchased Services	197,836	160,288	69,986	67,335	67,335	67,335
Supplies and Materials	991,015	8,697	17,292	11,647	11,647	11,647
Transit Payments	8,114,548	8,457,036	11,950,243	13,669,123	13,669,123	13,669,123
Total by Category	10,529,946	9,246,961	12,812,425	14,544,803	14,544,803	14,544,803
By Division						
000 Not Applicable	106,674					
210 Business Services Admin	748,517	300,641	376,720	386,731	386,731	386,731
220 Accounting Services	324,669	312,880	299,276	296,654	296,654	296,654
221 Accounting Services-Transits	8,114,548	8,457,036	11,950,243	13,669,123	13,669,123	13,669,123
230 Co-op Warehouse	1,126,756					
240 Payroll Services	108,782	176,404	186,186	192,295	192,295	192,295
Total by Division	10,529,946	9,246,961	12,812,425	14,544,803	14,544,803	14,544,803
By Fund						
1 Resolution Services	8,387,396	8,458,552	11,950,243	13,669,123	13,669,123	13,669,123
2 Contracted Services	2,042,082	671,183				
6 Operating	100,468	117,226	862,182	875,680	875,680	875,680
Total by Fund	10,529,946	9,246,961	12,812,425	14,544,803	14,544,803	14,544,803
FTE SUMMARY						
By Division						
210 Business Services Admin	3.50	2.50	3.00	3.00	3.00	3.00
220 Accounting Services	3.00	3.00	3.00	3.00	3.00	3.00
230 Co-op Warehouse	3.50					
240 Payroll Services		2.00	2.00	2.00	2.00	2.00
Total Number of FTE	10.00	7.50	8.00	8.00	8.00	8.00
By Fund						
2 Contracted Services	10.00	7.50				
6 Operating			8.00	8.00	8.00	8.00
Total Number of FTE	10.00	7.50	8.00	8.00	8.00	8.00

HUMAN RESOURCE SERVICES

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 and payroll services, management of worker's compensation and leaves of absences, tracking of licensure and professional development, and administration of the substitute finding and tracking system.

Primary Funding Sources:

Operating Fund and Contract Services Fund

Brief Description of significant department / service changes:

The department has added fingerprinting services for purchase and Teachers Standards and Practices Commission (TSPC) professional development unit (PDU) verifications for substitutes.

Brief Description of significant funding changes:

The additional services being offered for Fingerprinting and TSPC Licensing services are funded as fee for service. No other significant funding changes are anticipated

Brief Description of FTE changes:

0.40 of the Human Resources/Legal Services Director has been moved to Administration to reflect the cost of agency internal legal services.

Multnomah Education Service District
2014-2015 Fiscal Year Annual Budget
Expenditures by Department
400- Human Resources

	Actual 2011-12	Actual 2012-13	Revised 2013-14	Proposed 2014-15	Approved 2014-15	Adopted 2014-15
EXPENDITURE PERSPECTIVES						
By Category						
Salaries	339,711	332,058	363,726	418,947	418,947	369,169
Associated Payroll Costs	289,942	264,457	419,730	376,102	376,102	348,866
Purchased Services	47,589	44,361	65,054	59,717	59,717	59,809
Supplies and Materials	8,055	9,449	16,002	16,002	16,002	16,002
Total by Category	685,297	650,325	864,512	870,768	870,768	793,846
By Division						
400 Human Resources	685,297	650,325	864,512	870,768	870,768	793,846
Total by Division	685,297	650,325	864,512	870,768	870,768	793,846
By Fund						
2 Contracted Services	500,834	534,478				
6 Operating	181,879	111,421	852,012	860,768	860,768	783,846
7 Risk Management Reserve	2,584	4,426	12,500	10,000	10,000	10,000
Total by Fund	685,297	650,325	864,512	870,768	870,768	793,846
FTE SUMMARY						
By Division						
400 Human Resources	8.33	6.24	6.67	6.66	6.66	6.26
Total Number of FTE	8.33	6.24	6.67	6.66	6.66	6.26
By Fund						
2 Contracted Services	8.33	6.24				
6 Operating			6.67	6.66	6.66	6.26
Total Number of FTE	8.33	6.24	6.67	6.66	6.66	6.26

TECHNOLOGY SERVICES

Department Description: Multnomah ESD is a founding member of the Cascade Technology Alliance (CTA). CTA a new organization focused on technology related services. 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, and special education 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 and contracted

Brief Description of significant department / service changes: For 2014-15 the most significant change will be the transition from an Oracle database to a SQLServer database for the Financial/HR system.

Brief Description of significant funding changes: Additional contracts with the Department of Human Services at the county and state level are possible. Additional contracts with component and non-component districts for enhanced server and network support are likely.

Brief Description of FTE changes:

0.50 COO position (Jim Rose) has been moved from Technology Services to Administration to reflect the cost of the 'deputy superintendent' duties

Multnomah Education Service District
2014-2015 Fiscal Year Annual Budget
Expenditures by Department
600- Technology Services

	Actual 2011-12	Actual 2012-13	Revised 2013-14	Proposed 2014-15	Approved 2014-15	Adopted 2014-15
EXPENDITURE PERSPECTIVES						
By Category						
Salaries	2,052,553	2,206,464	2,401,298	2,387,217	2,387,217	2,387,617
Associated Payroll Costs	1,001,876	1,047,378	1,405,214	1,391,015	1,391,015	1,390,174
Purchased Services	2,995,348	3,851,124	15,045,674	14,729,429	14,729,429	14,729,429
Supplies and Materials	332,382	840,187	271,447	248,917	248,917	241,429
Capital Outlay	105,555	5,711	16,402	13,402	13,402	13,402
Total by Category	6,487,714	7,950,864	19,140,035	18,769,980	18,769,980	18,762,051
By Division						
610 Student Information Services	1,613,700	2,679,624	1,617,898	1,282,704	1,282,704	1,282,704
620 Business Systems Support	94,543	82,123	111,220	71,531	71,531	71,531
630 Network Services	1,173,990	996,144	1,154,833	1,146,854	1,146,854	1,146,854
640 Internal Agency Support	870,418	1,039,938	1,111,269	1,182,237	1,182,237	1,175,315
650 Application Development	431,008	387,223	447,103	494,194	494,194	493,187
660 Substitute Registration	212,791	213,171	251,235	72,146	72,146	72,146
695 OR-Case	1,940,078	2,472,661	14,457,670	14,506,006	14,506,006	14,506,006
850 Social Services	151,186	79,980	(11,193)	14,308	14,308	14,308
Total by Division	6,487,714	7,950,864	19,140,035	18,769,980	18,769,980	18,762,051
By Fund						
1 Resolution Services	2,918,477	3,224,311	2,956,613	2,512,176	2,512,176	2,512,176
2 Contracted Services	2,629,494	3,955,359	14,953,341	14,501,081	14,501,081	14,500,074
6 Operating	939,743	771,194	1,230,081	1,756,723	1,756,723	1,749,801
Total by Fund	6,487,714	7,950,864	19,140,035	18,769,980	18,769,980	18,762,051
FTE SUMMARY						
By Division						
610 Student Information Services	11.72	11.85	11.00	10.70	10.70	10.70
620 Business Systems Support	.30	.30	.30	.15	.15	.15
630 Network Services	2.88	2.78	2.78	2.63	2.63	2.63
640 Internal Agency Support	7.50	7.15	7.15	7.50	7.50	7.50
650 Application Development	4.04	4.02	5.82	3.10	3.10	3.10
660 Substitute Registration	1.75	2.00	1.00	1.00	1.00	1.00
695 OR-Case		2.00	3.50	6.17	6.17	6.17
850 Social Services	3.50	4.00	2.50	2.50	2.50	2.50
Total Number of FTE	31.69	34.10	34.05	33.75	33.75	33.75
By Fund						
1 Resolution Services	16.15	16.23	14.48	14.38	14.38	14.38
2 Contracted Services	7.64	14.76	11.82	5.60	5.60	5.60
6 Operating	7.90	3.11	7.75	13.77	13.77	13.77
Total Number of FTE	31.69	34.10	34.05	33.75	33.75	33.75

SPECIAL EDUCATION SERVICES

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

The department is organized into three divisions: Special Education, Functional Living Skills (FLS), and Related Services. In addition, each division is comprised of several programs.

The department includes a SAMHSA grant and Project Launch which to promote wellness and improve children's health. Staffing includes a young child wellness specialist.

Primary Funding Sources:

Special Education, FLS and Related Services: Resolution funds and contracts for service

Project LAUNCH: Federal grant funds

Brief Description of significant department / service changes:

At this point in time we plan to continue services with no changes. This, of course, will be dependent upon a consistent level of funding from all sources. Every effort will be made to maintain high quality services to our component districts and their students.

Brief Description of significant funding changes:

\$395,000 budgeted for K-Diagnostic classroom, \$334,000 transferred to Fund 4 for improvements to the Thompson building to accommodate the FLS program at that site. Other necessary adjustments may be needed as more information becomes available.

Brief Description of FTE changes:

Added 1.0 Supervisory position and a few minor programmatic shifts.

Multnomah Education Service District
2014-2015 Fiscal Year Annual Budget
Expenditures by Department
700- Special Education Services

	Actual 2011-12	Actual 2012-13	Revised 2013-14	Proposed 2014-15	Approved 2014-15	Adopted 2014-15
EXPENDITURE PERSPECTIVES						
By Category						
Salaries	13,940,781	14,130,085	6,866,970	6,239,699	6,239,699	6,652,869
Associated Payroll Costs	7,419,596	7,790,843	4,895,946	4,395,708	4,395,708	4,625,326
Purchased Services	2,866,357	2,992,830	2,219,801	1,896,307	1,896,307	2,210,564
Supplies and Materials	301,784	401,039	387,813	359,132	359,132	390,292
Transit Payments	1,951,183	5,098,110	1,189,836			
Total by Category	26,479,701	30,412,907	15,560,366	12,890,846	12,890,846	13,879,051
By Division						
710 EI/ECSE	14,807,429	15,128,490	2,341,513	1,061,138	1,061,138	1,457,000
750 Special Education	8,734,006	12,370,500	9,952,980	8,600,892	8,600,892	9,074,623
780 Related Services	601,129	656,070	1,002,399	901,982	901,982	944,146
850 Social Services	827,269	977,349	1,053,796	1,055,880	1,055,880	1,055,588
910 Curriculum & Instruction	3,568	1,408				
960 Arata Creek	1,506,300	1,279,090	1,209,678	1,270,954	1,270,954	1,347,694
Total by Division	26,479,701	30,412,907	15,560,366	12,890,846	12,890,846	13,879,051
By Fund						
1 Resolution Services	10,169,575	9,698,766	9,076,090	7,734,564	7,734,564	7,885,261
2 Contracted Services	16,150,209	20,590,383	6,262,518	5,031,469	5,031,469	5,868,977
6 Operating	159,917	123,758	221,758	124,813	124,813	124,813
Total by Fund	26,479,701	30,412,907	15,560,366	12,890,846	12,890,846	13,879,051
FTE SUMMARY						
By Division						
710 EI/ECSE	177.82	168.29	1.00	2.15	2.15	5.91
750 Special Education	127.67	130.52	125.39	119.35	119.35	122.28
780 Related Services	6.70	6.66	4.26	6.71	6.71	7.20
850 Social Services	15.48	10.34	10.51	10.82	10.82	10.82
960 Arata Creek	22.20	19.23	12.30	13.33	13.33	14.33
Total Number of FTE	349.87	335.04	153.46	152.36	152.36	160.54
By Fund						
1 Resolution Services	139.89	140.51	100.72	100.06	100.06	101.02
2 Contracted Services	208.98	193.53	52.24	51.60	51.60	58.82
6 Operating	1.00	1.00	.50	.70	.70	.70
Total Number of FTE	349.87	335.04	153.46	152.36	152.36	160.54

SCHOOL HEALTH SERVICES

Department Description: The Department of School Health Services provides and coordinates specialized health and social services that support the educational experience for students enrolled in our component districts as well as some Clackamas County districts. Staff includes nurses, teachers, school health assistants, educational assistants, social services providers, support staff, Medicaid billing specialists, 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, health conservation, immunization tracking and monitoring, communicable disease surveillance, health education and training, health insurance eligibility and enrollments services, and Outdoor School.

Primary Funding Sources:

Resolution Funds, Local District Contracts, ODE Contracts

Brief Description of significant department / service changes:

In 2013 the Department of Health and Social Services transitioned to the Department of School Health Services. The Hospital School Program and Long Term Care and Treatment were transitioned to Instructional Services. Medicaid Billing Services transitioned to Technology Services..

Brief Description of significant funding changes:

Transfer of the Hospital School Program, Long Term Care and Treatment to the Special Education Department, and Medicaid Billing to Technical Services. The potential increase of a full time nurse from 178 days to 190 days will increase the cost of services minimally and would be spread between the different service delivery programs.

Brief Description of FTE changes:

No significant changes anticipated, pending funding decisions.

Multnomah Education Service District
2014-2015 Fiscal Year Annual Budget
Expenditures by Department
800- School Health Services

	Actual 2011-12	Actual 2012-13	Revised 2013-14	Proposed 2014-15	Approved 2014-15	Adopted 2014-15
EXPENDITURE PERSPECTIVES						
By Category						
Salaries	5,590,295	5,544,984	5,378,251	5,627,759	5,627,759	5,650,657
Associated Payroll Costs	2,879,807	3,012,012	3,661,463	3,651,734	3,651,734	3,657,880
Purchased Services	263,259	325,732	284,311	304,419	304,419	304,419
Supplies and Materials	62,615	156,635	178,018	173,537	173,537	173,537
Total by Category	8,795,976	9,039,363	9,502,043	9,757,449	9,757,449	9,786,493
By Division						
810 Health Services	8,529,051	8,677,427	9,242,390	9,615,953	9,615,953	9,644,997
850 Social Services	266,925	361,936	259,653	141,496	141,496	141,496
Total by Division	8,795,976	9,039,363	9,502,043	9,757,449	9,757,449	9,786,493
By Fund						
1 Resolution Services	4,951,061	4,933,421	5,336,892	5,736,819	5,736,819	5,735,587
2 Contracted Services	3,643,892	3,947,170	3,946,092	3,797,644	3,797,644	3,827,920
6 Operating	201,023	158,772	219,059	222,986	222,986	222,986
Total by Fund	8,795,976	9,039,363	9,502,043	9,757,449	9,757,449	9,786,493
FTE SUMMARY						
By Division						
810 Health Services	113.41	112.67	105.55	109.54	109.54	109.54
850 Social Services	3.75	3.68	4.07	2.03	2.03	2.04
Total Number of FTE	117.16	116.35	109.62	111.57	111.57	111.58
By Fund						
1 Resolution Services	66.98	63.69	64.18	67.17	67.17	67.17
2 Contracted Services	48.48	51.66	43.94	42.90	42.90	42.91
6 Operating	1.70	1.00	1.50	1.50	1.50	1.50
Total Number of FTE	117.16	116.35	109.62	111.57	111.57	111.58

INSTRUCTIONAL SERVICES

Department Description: The Instructional Services department provides a variety of value added services to teachers, administrators, educational assistants, students and parents in the 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: Alpha, Alternative Pathways, Curriculum/Instruction/Student Assessment, 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 variety of topics. These programs offer a variety of enrichment and enhancement opportunities which complement instruction within the component districts.

Primary Funding Sources:

Resolution Funds and Contract services with our component districts and the Oregon Department of Education.

Brief Description of significant department / service changes:

The Instructional Services Department and Special Education Departments have been consolidated into the Department of Education Services under the Chief Program Officer of Education resulting in cost savings and improved efficiency. Currently anticipating a status quo approach to the delivery of services for 2014-15.

Brief Description of significant funding changes:

Funding has been reduced in certain program budgets due to the ending of specific grant funded projects. We continually seek other grant opportunities to serve the needs of children and families. Additionally in order to balance program expenditures against anticipated revenue we will need to increase our cost for services but will simultaneously look for areas in our budgets to make further reductions.

Brief Description of FTE changes:

To be determined.

Multnomah Education Service District
2014-2015 Fiscal Year Annual Budget
Expenditures by Department
900- Instructional Education Svcs

	Actual 2011-12	Actual 2012-13	Revised 2013-14	Proposed 2014-15	Approved 2014-15	Adopted 2014-15
EXPENDITURE PERSPECTIVES						
By Category						
Salaries	4,833,647	5,163,665	4,319,661	4,424,119	4,424,119	4,312,912
Associated Payroll Costs	2,385,563	2,409,428	2,605,901	2,848,978	2,848,978	2,743,683
Purchased Services	940,603	1,261,214	1,195,665	1,280,872	1,280,872	1,299,457
Supplies and Materials	733,971	477,737	551,762	534,289	534,289	658,229
Total by Category	8,893,784	9,312,044	8,672,989	9,088,258	9,088,258	9,014,281
By Division						
850 Social Services	1,116,831	1,157,044	1,209,427	1,274,001	1,274,001	1,274,001
900 Instructional Services	236,004	242,054	362,889	260,871	260,871	316,158
910 Curriculum & Instruction	742,285	1,887,825	491,462	535,576	535,576	533,490
920 Outdoor School	1,852,181	1,875,575	1,893,444	2,042,490	2,042,490	2,010,643
940 Alpha	726,434	700,408	663,561	861,522	861,522	870,519
950 Helensview	2,122,694	1,511,336	1,805,284	1,951,212	1,951,212	1,762,054
970 Youth Correction Education	1,696,683	1,471,666	1,697,100	1,696,762	1,696,762	1,718,716
980 Alternative Pathways	204,675	207,972	212,386	216,663	216,663	216,663
990 Migrant Education	195,997	258,164	337,436	249,161	249,161	312,037
Total by Division	8,893,784	9,312,044	8,672,989	9,088,258	9,088,258	9,014,281
By Fund						
1 Resolution Services	2,390,140	1,959,901	2,251,839	2,198,194	2,198,194	2,399,524
2 Contracted Services	6,297,807	7,142,809	6,164,318	6,736,535	6,736,535	6,461,228
6 Operating	205,837	209,334	256,832	153,529	153,529	153,529
Total by Fund	8,893,784	9,312,044	8,672,989	9,088,258	9,088,258	9,014,281
FTE SUMMARY						
By Division						
850 Social Services	17.43	15.48	15.65	15.53	15.53	15.53
900 Instructional Services	1.90	1.80	1.74	1.54	1.54	1.54
910 Curriculum & Instruction	6.25	4.20	3.55	3.95	3.95	3.95
920 Outdoor School	13.62	9.42	8.24	8.24	8.24	8.24
940 Alpha	8.22	7.00	6.25	7.60	7.60	7.60
950 Helensview	23.78	24.70	18.91	21.07	21.07	18.07
970 Youth Correction Education	15.87	22.35	18.79	18.87	18.87	18.86
980 Alternative Pathways	4.38	3.10	3.16	3.10	3.10	3.10
990 Migrant Education	2.81	2.82	3.65	3.65	3.65	3.65
Total Number of FTE	94.26	90.87	79.94	83.55	83.55	80.54
By Fund						
1 Resolution Services	41.09	26.32	21.06	22.77	22.77	24.65
2 Contracted Services	51.77	63.15	57.54	59.64	59.64	54.75
6 Operating	1.40	1.40	1.34	1.14	1.14	1.14
Total Number of FTE	94.26	90.87	79.94	83.55	83.55	80.54

Debt Service and Capital Expenditures



Multnomah Education Service District Debt Service Schedule

PERS UAL Bonding

OSBA Limited Tax Pension Obligations, Series 2004										2004 Refunding of 1997 Full Faith Credit Obligation (FFCO)					Total Debt Service (Fund 3)			
Period Ending	Principal	Coupon	Interest	Debt Service	Total Annual Debt Service	Principal Balance Remaining	Principal	Interest	Debt Service	Total Annual Debt Service	Principal Balance Remaining	Principal Paid	Interest Paid	Annual Debt Service	Balance	Year End		
Dec-2011			883,658	883,658				55,065	55,065			815,000	1,877,446	2,692,446	34,745,000	6/30/2012		
Jun-2012	375,000	4.59%	883,658	1,258,658	2,142,316	32,330,000	440,000	55,065	495,065	550,130	2,415,000							
Dec-2012			875,055	875,055				46,265	46,265			965,000	1,842,641	2,807,641	33,780,000	6/30/2013		
Jun-2013	510,000	4.77%	875,055	1,385,055	2,260,111	31,820,000	455,000	46,265	501,265	547,530	1,960,000							
Dec-2013			862,884	862,884			470,000	38,303	38,303			1,125,000	1,802,373	2,927,373	32,655,000	6/30/2014		
Jun-2014	655,000	4.79%	862,884	1,517,884	2,380,768	31,165,000		28,315	28,315									
Dec-2014			847,187	847,187			490,000	28,315	518,315	546,630	1,000,000	1,300,000	1,751,004	3,051,004	31,355,000	6/30/2015		
Jun-2015	810,000	4.92%	847,187	1,657,187	2,504,374	30,355,000		19,250	19,250									
Dec-2015			827,249	827,249			500,000	19,250	519,250	538,500	500,000	1,485,000	1,692,998	3,177,998	29,870,000	6/30/2016		
Jun-2016	985,000	5.02%	827,249	1,812,249	2,639,498	29,370,000		9,750	9,750									
Dec-2016			802,511	802,511			500,000	9,750	509,750	519,500	0	1,670,000	1,624,521	3,294,521	28,200,000	6/30/2017		
Jun-2017	1,170,000	5.12%	802,511	1,972,511	2,775,021	28,200,000												
Dec-2017			772,541	772,541								1,375,000	1,545,082	2,920,082	26,825,000	6/30/2018		
Jun-2018	1,375,000	5.22%	772,541	2,147,541	2,920,082	26,825,000						1,595,000	1,473,266	3,068,266	25,230,000	6/30/2019		
Dec-2018			736,633	736,633								1,835,000	1,388,364	3,223,364	23,395,000	6/30/2020		
Jun-2019	1,595,000	5.32%	736,633	2,331,633	3,068,266	25,230,000						2,095,000	1,289,770	3,384,770	21,300,000	6/30/2021		
Dec-2019			694,182	694,182								2,375,000	1,176,158	3,551,158	18,925,000	6/30/2022		
Jun-2020	1,835,000	5.37%	694,182	2,529,182	3,223,364	23,395,000						2,680,000	1,046,174	3,726,174	16,245,000	6/30/2023		
Dec-2020			644,885	644,885								3,015,000	898,024	3,913,024	13,230,000	6/30/2024		
Jun-2021	2,095,000	5.42%	644,885	2,739,885	3,384,770	21,300,000						3,370,000	731,354	4,101,354	9,860,000	6/30/2025		
Dec-2021			588,079	588,079								3,755,000	545,061	4,300,061	6,105,000	6/30/2026		
Jun-2022	2,375,000	5.47%	588,079	2,963,079	3,551,158	18,925,000						4,170,000	337,484	4,507,484	1,935,000	6/30/2027		
Dec-2022			523,087	523,087								1,935,000	106,967	2,041,967	0	6/30/2028		
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 2013-14

Facilities

Repairs, Replacements & Improvements:

The 2014-15 fiscal year is the first year most repairs, equipment replacements, and building improvements will be recorded in Fund 4. Expenditures will be funded by an ongoing transfer from the Operating Fund and will help to reduce the financial impact of fluctuations from one year to the next. Initial estimates of expenditures and the transfers needed are extrapolated from historical costs and will be revised as the District monitors the fund activity.

Ainsworth Building:

The Ainsworth roof replacement originally planned for the 2013-14 fiscal year has been postponed until 2015-16 as a result of a positive inspection indicating it was not needed. Instead, Facility Services is using the appropriation for the Ainsworth chiller replacement project. Recurring issues with performance and reliability, as well as the fact the chiller has served the majority of its anticipated life expectancy, led to this earlier than planned replacement. For 2014-2015 the District is planning an Exterior Weatherization Project and replacing worn carpet in the common areas only. Design services for the Exterior Weatherization Project began in 2013-14.

Alpha and Arata Creek Buildings:

Re-carpeting at Alpha and Arata Creek has been deemed not necessary for this coming year and will be postponed until at least 2015-16.

Thompson Building FLS Upgrades:

The Functional Living Skills (FLS) program is scheduled to move from the Pathways Building to the Thompson Building previously used by the Early Childhood Program. The move is a positive step for the program and results in large lease savings to the District. Upgrades are needed to accommodate students and are anticipated to be finished in August, 2014, for the new school year. It is possible that not all services and materials will be received by June 30th therefore a supplemental budget may be required in July or August, 2014, to finish the project.

Technology Services**Student Information Services:**

With the relatively recent acquisition of SIS hardware MESD did not spend the Fund 4 resources in 2013-14. MESD will continue to build a reserve for hardware needs in 2014-15 with a possible purchase of a test system/redundancy purchase in that timeframe.

Business Systems Support:

The transition from Oracle to SQL server database will continue for 2013-14 to 2014-15 with a smaller portion coming in the second year.

Network Services:

MESD is partially finished with the planned firewall upgrade and will see an increase in expenditures in 2014-15 to complete the project.

**Multnomah Education Service District
Facilities and Equipment Reserve Plan
Fund 4**

	Estimated FY2014	Adopted FY2015	FY2016	FY2017	FY2018	FY2019
Facilities Department						
Ainsworth (1989)						
ACCU - Chiller replacement	225,844					
Carpet Replacement (common areas)		20,000				
Re-organization	23,202	37,000				
Exterior Weatherization	17,125	83,000				
Roof Replacement (25yr)			250,000			
HVAC Control System Upgrade						300,000
Repairs and Improvements		50,000	35,000	35,000	35,000	35,000
Repairs and Replacements - leased bldgs		20,000	10,000	10,000	10,000	10,000
Alpha (1998)						
Carpet Replacement (15 yr)			40,000			
Roof Replacement (20yr)					80,000	
Repairs and Improvements		20,000	10,000	10,000	10,000	10,000
Arata (1999)						
Carpet Replacement (15 yr)			40,000			
Roof Replacement (20yr)						30,000
Repairs and Improvements		25,000	15,000	15,000	15,000	15,000
Thompson FLS Upgrades	63,829	20,000				
Total	330,000	275,000	400,000	70,000	150,000	400,000
Funding Sources						
Beginning Fund Balance	1,216,142	886,142	1,060,142	755,142	780,142	725,142
Transfer from Operating Fund		115,000	95,000	95,000	95,000	95,000
Transfer from Contracted Services		334,000				
Total Funding Sources	1,216,142	1,335,142	1,155,142	850,142	875,142	820,142
Department Ending Fund Balance	886,142	1,060,142	755,142	780,142	725,142	420,142
Technology Services						
Student Information Systems						
Computer Servers & Routers		100,000				
Funding Sources						
Beginning Fund Balance	255,708	335,708	315,708	395,708	475,708	555,708
Transfer from Resolution Fund	80,000	80,000	80,000	80,000	80,000	80,000
Total Funding Sources	335,708	415,708	395,708	475,708	555,708	635,708
Ending Fund Balance	335,708	315,708	395,708	475,708	555,708	635,708
Business Systems Support						
IFAS Database App. Upgrade	50,000	15,000				
Beginning Fund Balance	136,662	86,662	71,662	71,662	71,662	71,662
Ending Fund Balance	86,662	71,662	71,662	71,662	71,662	71,662
Network Services						
Replace Firewall Hardware	30,000	56,631				
Beginning Fund Balance	86,631	56,631	-	-	-	-
Ending Fund Balance	56,631	-	-	-	-	-
Agency Support						
Replace Firewall Hardware		13,369				
Beginning Fund Balance	104,791	104,791	91,422	91,422	91,422	91,422
Ending Fund Balance	104,791	91,422	91,422	91,422	91,422	91,422
Department Ending Fund Balance	583,792	478,792	558,792	638,792	718,792	798,792
Fund 4: Facilities and Equipment Reserve Summary						
Beginning Fund Balance	1,799,934	1,469,934	1,538,934	1,313,934	1,418,934	1,443,934
Total Transfers In	80,000	529,000	175,000	175,000	175,000	175,000
Total Expenditures	410,000	460,000	400,000	70,000	150,000	400,000
Fund 4 Ending Fund Balance	1,469,934	1,538,934	1,313,934	1,418,934	1,443,934	1,218,934

Appendix





Superintendent's Budget Message

2014-2015 Proposed Budget

March 11, 2014

The Multnomah Education Service District (MESD) is pleased to present the proposed budget for fiscal year 2014-2015. 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 policies.

The specified revenue and expenditures are based upon educated suppositions as of March 11, 2014. We expect adjustments will be made before June 30, 2014 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 customers have provided their preliminary estimates on Local Service Plan selections and our budget is largely based on these estimates. Once their final selections are known, the MESD will adjust its budget and staffing levels accordingly.

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

- The MESD budget is based on the legislatively approved \$3.44 billion year-two State School Fund (SSF) base rate
- MESD's estimated SSF revenue for 2014-15 is approximately \$35.7 million per the current SSF formula
- 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
 - Cost of Living increase of 1.25%
 - PERS defined rates remain 13.85% for Tier I/II, 11.85% for OPSRP, and 14.58% for Fire & Police
 - MESD contribution rate for PERS pickup is 6%
 - Increased employer contribution for health insurance premiums is capped at 6%

The MESD has made some organizational changes in an effort to save money and better serve our customers. These changes include combining the Department of Instructional Services and the Special Education Departments into the Department of Educational Services under the Chief Program Officer of Education as well as some other minor program realignments. We believe these changes will improve the efficiency and effectiveness of these programs.

The MESD worked with component districts to begin the budget process earlier. We provided detailed cost estimates for all programs on the Local Service Plan based on full utilization scenarios and then again using the estimated level of usage provided by districts. This provided transparency in how our programs are costed and enabled open discussion with our customers on the level of service provided, as well as conversations on areas of potential savings.

The MESD may continue to update our business model as we strive to provide quality, cost effective services to districts. We will continue to see:

- Continued accountability from component school districts of our programs for value and cost efficiency;
- Increased options in fee-for-service regional cooperatives wholly dependent on participation through customer dollars;
- Programs, that have been supported wholly by resolution dollars, will see a mix of this structure with fee-for-service and pay-as-you go funding;
- More programs that offer a range of lower-cost options without sacrificing quality or student safety;
- Program decisions on the part of our customers that, more than ever, will be driven by competing priorities and cost-cutting considerations.
- Continued work to achieve the requirements related to SB 290 and implementation of the new teacher and administrator evaluations;
- Continued involvement in the State Educator Effectiveness Centers;
- Continued work with the Cascade Education Alliance for regionalizing services within four ESD's.
- MESD's support of the option for districts to opt out of ESD services. MESD component school districts currently have the option to opt out of our Local Service Plan, but at this time, none of our component school districts have exercised this option;
- Significant increases to payroll costs throughout the state due to rising rates for PERS, health insurance, workers compensation insurance and Property and Casualty Coverage for Education (PACE) insurance premiums; and

The strategic underpinnings will remain constant. These are:

- MESD's spending plan will continue to reflect the needs and wants of our customers. Our menu of services ensures that the only programs we offer are those valued by customers;
- Continue to pursue reasonable and appropriate grant and contract opportunities; and
- Continue to decrease expenditures for operations as we can.

The process that was followed to finalize the proposed budget document presented today was completed through the efforts of many staff and multiple departments inputting information with the intent of presenting the most complete document at this point in time. We want to acknowledge their teamwork, the many hours of time it took to create this budget snapshot and their professionalism throughout this process.

With the many questions about the future of the ESD system in this state and the outcomes we will face, the staff at MESD continues to demonstrate incredible stamina and show the strongest commitment to the children, families, and districts within this county. We, the staff of MESD, are leaders of a strong and effective educational agency. We believe in our ability to meet the unique and individual needs of our students, to assist our districts in the achievement of all students, and are committed to delivering services with the most cost-effective strategies we can to demonstrate our value as a regional service delivery agency.

We respectfully submit this proposed budget to the MESD Budget Committee and the public as a means to those ends.

A handwritten signature in cursive script, reading "Barbara Jorgensen". The signature is written in dark ink and is positioned above the printed name and title.

Barbara Jorgensen
MESD Budget Officer

**Multnomah Education Service District
2013 - 2014 Fiscal Year Estimated Budget
Combining Fund Summary- Budgetary Funds**

	Program Funds		Support Funds				Total
	Resolution Services	Contracted Services	Operating	Debt Service	Facilities & Equipment Reserve	Risk Management Reserve	
Resources							
Beginning Fund Balance	1,063,053	6,854,522	4,049,642	20	1,799,934	777,333	14,544,504
Revenues							
Property Taxes	27,156,470						27,156,470
State School Fund	6,850,158						6,850,158
Local Sources	1,387	8,568,998	28,913				8,599,298
State Sources	(2,699)	7,369,928					7,367,229
Federal Sources		2,584,586					2,584,586
Investment Earnings			75,000				75,000
Sales of Goods & Services		9,372					9,372
Other Revenues	81,938	1,627,383	122,704			102,707	1,934,732
Services to Other Funds				2,380,748		577,881	2,958,629
Total Revenues	34,087,254	20,160,267	226,617	2,380,748		680,588	57,535,474
Transfers In & Overhead Revenues							
Overhead Revenues			1,146,678				1,146,678
From Resolution Services			3,400,663		80,000		3,480,663
From Contract Services			770,980				770,980
From Operating				546,606			546,606
From Risk Mgmt Reserve			84,241				84,241
Total Transfers In/Overhead			5,402,562	546,606	80,000		6,029,168
TOTAL RESOURCES	35,150,307	27,014,789	9,678,821	2,927,374	1,879,934	1,457,921	78,109,146
Requirements							
Total Expenditures	29,912,905	20,265,245	5,332,719	2,927,374	410,000	671,860	59,520,103
Transfers Out & Overhead Charges							
Overhead Charges		1,146,678					1,146,678
To Debt Service			546,606				546,606
To Facilities & Equip Reserve	80,000						80,000
To Operating	3,400,663	770,980				84,241	4,255,884
Total Transfers Out/Overhead	3,480,663	1,917,658	546,606			84,241	6,029,168
Contingency							
Ending Fund Balance	1,756,739	4,831,886	3,799,496		1,469,934	701,820	12,559,875
TOTAL REQUIREMENTS	35,150,307	27,014,789	9,678,821	2,927,374	1,879,934	1,457,921	78,109,146

Combining Fund Summary- Budgetary Funds

Public Notices

Budget Committee Meeting, Online Notice: www.mesd.k12.or.us, February 20, 2013



Multnomah Education Service District
A Regional Cooperative Opening Doors to Education

NOTICE OF MULTNOMAH EDUCATION SERVICE DISTRICT BUDGET COMMITTEE MEETING

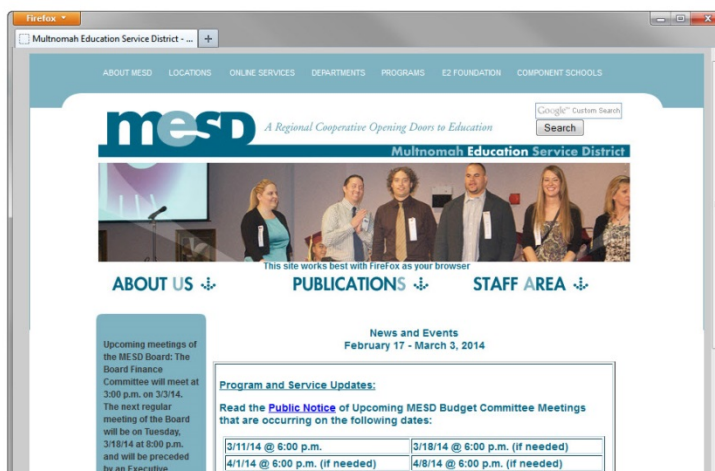
A public meeting of the MESD Budget Committee of the Multnomah Education Service District, Multnomah County, State of Oregon, to discuss the budget for the fiscal year July 1, 2014 to June 30, 2015, will be held at 11611 NE Ainsworth Circle, Portland, Oregon 97220 in the Board Room. The meeting will take place on Tuesday, March 11, 2014 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, March 7, 2014 between the hours of 8:00 a.m. and 5:00 p.m. or viewed on the MESD website: www.mesd.k12.or.us.

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

Additional MESD Budget Committee meetings, *if needed*, are scheduled to be held on Tuesday, March 18, 2014, Tuesday, April 1, 2014, and Tuesday, April 8, 2014 at 6:00 p.m. at the same location. All meetings are open to the public.

Barbara Jorgenson
 Budget Officer
 Multnomah Education Service District



Superintendent **Barbara Jorgensen**

Chief Operating Officer **Jim Rose**

Board of Directors **Francisco Acosta • Bernie Giusto • Erica Thatcher • Gary Hollands**

• Doug Montgomery • Nels Johnson • Kevin Spellman

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

Public Notices

Budget Committee Meeting, Newspaper Notice: The Oregonian, February 28, 2013

Print-Friendly Page of Search Results - OregonLive.com

http://classifieds.oregonlive.com/?property=oregonlive.com&orig_prop=...



AD TEXT

Public Notices

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, 2014 to June 30, 2015, will be held at 11611 NE Ainsworth Circle, Portland, Oregon 97220 in the Board Room. The meeting will take place on Tuesday, March 11, 2014 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, March 7, 2014 between the hours of 8:00 a.m. and 5:00 p.m. or viewed on the MESD website: www.mesd.k12.or.us. This is a public meeting where deliberation of the MESD Budget Committee will take place. Any person may appear at the meeting and discuss the proposed programs with the MESD Budget Committee. Additional MESD Budget Committee meetings, if needed, are scheduled to be held on Tuesday, March 18, 2014, Tuesday, April 1, 2014, and Tuesday, April 8, 2014 at 6:00 p.m. at the same location. All meetings are open to the public. Barbara Jorgenson Budget Officer Multnomah Education Service District

Related Categories: Notices and Announcements - Legal Notice

Published in *The Oregonian* 2/28. Updated 2/28.

Ad Content Proof

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, 2014 to June 30, 2015, will be held at 11611 NE Ainsworth Circle, Portland, Oregon 97220 in the Board Room. The meeting will take place on Tuesday, March 11, 2014 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, March 7, 2014 between the hours of 8:00 a.m. and 5:00 p.m. or viewed on the MESD website: www.mesd.k12.or.us.

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

Additional MESD Budget Committee meetings, if needed, are scheduled to be held on Tuesday, March 18, 2014, Tuesday, April 1, 2014, and Tuesday, April 8, 2014 at 6:00 p.m. at the same location. All meetings are open to the public.
Barbara Jorgenson
Budget Officer
Multnomah Education Service District

Public Notices

TSCC Budget Hearing, Newspaper Notice: Published May 9, 2014

OREGONIAN MEDIA GROUP

1320 S.W. Broadway, Portland, OR 97201-3499

Affidavit of Publication

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

5/9/2014

Gerald Brickel

Principal Clerk of the Publisher

Subscribed and sworn to before me this date: 12 day of May, 2014.Christine D. Cassel

Notary Public for Oregon

My commission expires 27th day of May, 2016.

Ad Order Number: 0003595166

NOTICE OF TSCC BUDGET HEARING

for May 20, 2014A 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, 2014 to June 30, 2015. The hearing will be held at 11611 NE Ainsworth Circle, Portland, OR 97220 in the Board Room on the 20th day of May, 2014 at 6:00 pm. The purpose of the hearing is to discuss the budget with interested persons. A copy of the budget document may be inspected or obtained in the Business Office at 11611 NE Ainsworth Circle, Portland, OR 97220 between the hours of 8:00 am and 5:00 pm, or viewed on the MESD website: www.mesd.k12.or.us Total Budget Requirements:\$88,774,051 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 14-008 Approval of the *REVISED* 2013-2014 Budget Calendar for
Development of the Fiscal Year 2014-2015 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

WHEREAS, the 2013-2104 Budget Calendar for Development of the Fiscal Year 2014-2015 Budget was approved by the Multnomah Education Services District Board of Directors on July 1, 2013; and

WHEREAS, it was requested by the Budget Committee to adjust the approved Budget Committee meeting dates to meet the needs of all Budget Committee members.

NOW THEREFORE BE IT RESOLVED, that the Multnomah Education Service District Board of Directors approves the *REVISED* 2013-2014 Budget Calendar for the Development of the Fiscal Year 2014-2015 Budget.

REVISED Multnomah ESD 2013-2014 Calendar for Fiscal Year 2014-2015 Budget

Monday, July 1, 2013	MESD Board Meeting	MESD Board
	<ul style="list-style-type: none"> MESD Board adopts the 2013-2014 Budget Calendar for 2014-15 (Resolution) 	
Tuesday, August 20, 2013	MESD Board Meeting	MESD Board
	<ul style="list-style-type: none"> MESD Board adopts 2014-15 Budget Planning Parameters (Resolution) 	
Tuesday, November 19, 2013	MESD Board Meeting	MESD Board
	<ul style="list-style-type: none"> Presentation by Auditors – Talbot, Korvola & Warwick of 2012-2013 Audit 	
Tuesday, December 18	MESD Board Meeting	MESD Board
	<ul style="list-style-type: none"> MESD Board Approves 2014-2015 Local Service Plan (Resolution) 	
January 2014 thru March 2014		
	<ul style="list-style-type: none"> MESD Management develops the Proposed Budget MESD Board appoints new Budget Committee members MESD Management provides new member training 	MESD Board
Friday, January 10, 2014	Superintendent Council Meeting	Council
	<ul style="list-style-type: none"> MESD Superintendent delivers to Component Districts 2014-2015 Local Service Plan 	
Thursday, February 20, 2014	Budget Committee Orientation	Budget Committee
	<ul style="list-style-type: none"> Introduction to MESD and budget process for new and current committee members. 	
Thursday, February 27, 2014	<i>Publish Notices of Budget Committee Meetings</i>	
	<ul style="list-style-type: none"> <i>Newspaper notice within 5-30 days before meeting – (ORS 294.401)</i> <i>Online notice for at least 10 days before meeting</i> 	
March 1, 2014	Component District Boards	District Boards
	<ul style="list-style-type: none"> 2014-2015 Local Service Plan Approval (ORS 334.175(5)(b)/OAR 581-024-0285(2)) (Resolution) 	
Friday, March 7, 2014	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, March 11, 2014	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 	

REVISED Multnomah ESD 2013-2014 Calendar for Fiscal Year 2014-2015 Budget (continued)

Tuesday, March 18, 2014	Budget Committee Meeting	Budget Committee
	<ul style="list-style-type: none"> Continue discussion of proposed budget presentation for approval Budget Committee Recommendations Approve Budget (Resolution) 	
Tuesday, April 1, 2014	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 8, 2014	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 15, 2014	Deadline to submit Approved Budget to TSCC (ORS 294.635)	
Friday, May 9, 2014	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 20, 2014	TSCC Public Hearing (ORS 294.430)	TSCC
Tuesday, June 17, 2014	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 	
Tuesday, July 15	Deadline to File Certification of Tax Levy with Counties	

Motion: Director Spellman moved to approve Resolution 14-008. Director Johnson seconded the motion.

Action: There being no further discussion the motion carried with Directors Acosta, Giusto, Hollands, Johnson, Montgomery, Spellman and Thatcher voting aye. Motion passed 7-0.

RESOLUTION 13-107 Approval of MESD Budget Committee Representatives

Background: Senate Bill 250 addressed several issues related to ESDs and Budget Committees. Currently, based on TSCC (Tax Supervising and Conservation Commission) requirements, MESD's Budget Committee has been comprised of the MESD Board of Directors. The MESD Board of Directors 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:

Mary Lu Baetkey – Parkrose School District

Mary Lu Baetkey has a history of living in the Parkrose School District since she was seven. Both her father and brother have served on school boards in the state of Oregon. Her current term on the Parkrose Board is July 1, 2013 to June 30, 2017.

Cheryl Scarcelli – David Douglas School District

Ms. Scarcelli has served on the David Douglas School Board since 2009. She is a sales executive for Providence Health Plans. Her current term on the Board is July 1, 2013 to June 30, 2017.

WHEREAS, the Multnomah Education Service District Board of Directors has 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 taken action at their January 17, 2012 Board meeting to amend Board Policies to align with Senate Bill 250; and

WHEREAS, the Parkrose School District Board of Directors has submitted the name of Board Member Mary Lu Baetkey to represent Parkrose School District on the MESD Budget Committee; and

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

WHEREAS, the Multnomah Education Service District Board Finance Committee reviewed the biographical information submitted at their November 4, 2013 Committee meeting and recommends approval of Ms. Mary Lu Baetkey and Ms. Cheryl Scarcelli to the MESD Budget Committee, and the Multnomah Education Service District Board of Directors has reviewed the recommendation and biographical information as submitted.

NOW THEREFORE BE IT RESOLVED, that the Multnomah Education Service District Board of Directors approves Mary Lu Baetkey, Parkrose School District Board Member and Cheryl Scarcelli, David Douglas School District Board Member to the MESD Budget Committee.

Motion: Director Spellman moved to approve Resolution 13-107. Director Montgomery seconded the motion.

Action: The motion carried with Directors Acosta, Giusto, Hollands, Johnson, Montgomery, Spellman and Thatcher voting aye. Motion passed 7-0.

RESOLUTION 14-009 – Fiscal Year 2014-2015 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 2014-2015 budget planning parameters above were presented to the Board Finance Committee on January 6, 2014; and

WHEREAS, the Board Finance Committee requested that the draft be taken to the Board on January 11, 2014 for discussion; and

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

NOW THEREFORE BE IT RESOLVED, that the Multnomah Education Service District Board of Directors authorizes budget authority in support of 2014-2015 budget planning parameters as follows:

2014-2015 Budget Planning Parameters

Revenues:

1. The MESD budget will be based on the legislatively approved \$3.44 billion year-two State School Fund (SSF) base rate. The MESD's estimated SSF revenue for 2014-15 will be approximately \$34.3 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 will be 5% unless specifically identified for individual grants or contracts or if a new methodology is agreed to by ODE.

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. Cost of Living increases are 1.25%
 - c. PERS defined rates remain 13.85% for Tier I/II, 11.85% for OPSRP, and 14.58% for OPSRP Fire & Police.
 - d. The MESD contribution rate for the PERS pickup is 6%.
 - e. The increased employer contribution for health insurance premiums will be capped at 6%.
 - f. Other payroll rates will be calculated to fund estimated annual liabilities for workers' compensation and unemployment.
3. The PERS UAL Bond debt service requirement of \$2,504,374 will be funded by a benefit expense applied to all payrolls and received into the Debt Service Fund as revenue for services to other funds.
4. The 2004 Refunding Obligation debt service requirement of \$546,630 will be funded by a transfer from the Operating Fund to the Debt Service Fund.

Ending Fund Balance and Contingency:

1. The Operating Fund unappropriated ending fund balance will ensure the General Fund cash flow needs of the agency 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.

Motion: **Director Spellman moved to approve Resolution 14-009. Director Hollands seconded the motion.**

Action: **There being no further discussion the motion carried with Directors Acosta, Giusto, Hollands, Johnson, Montgomery, Spellman and Thatcher voting aye. Motion passed 7-0.**

**REVISED RESOLUTION
HANDED OUT
3-11-14**

REVISED RESOLUTION MBCM-14-02

Approval of the Proposed 2014-2015 Budget and Ad Valorem Property Tax Rate

This resolution requests the MESD Budget Committee's acknowledgement of receipt and approval of the Proposed 2014-2015 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 March 11 to review the financial programs of the MESD and prepare a budget for the operational and administrative expenses of the MESD; and

WHEREAS, the MESD Budget Committee has received and reviewed the 2014-2015 Proposed Budget Document.

NOW THEREFORE BE IT RESOLVED, that the MESD Budget Committee approves the 2014-2015 Proposed Budget in the following amounts:

Resolution Services Fund

Instruction	\$ 5,826,796
Support Services	12,381,251
Enterprise & Community Services	11,156
Other Uses	13,669,123
Transfers Out	3,653,015
Contingency	1,425,859
Total	<u>\$ 36,967,200</u>

Contracted Services Fund

Instruction	\$ 7,107,580
Support Services	8,277,098
Enterprise & Community Services	16,472,868
Contingency	304,000
Total	<u>\$ 32,161,546</u>

Operating Fund

Support Services	\$ 4,847,795
Enterprise & Community Services	\$ 552,518
Transfers Out	661,630
Contingency	400,000
Total	<u>\$ 6,461,943</u>

Debt Service Fund

Debt Service	\$ 3,051,004
--------------	--------------

Facilities & Equipment Reserve Fund

Support Services	\$ 185,000
Facilities Acquisition & Improvements	235,000
Total	<u>\$ 420,000</u>

Risk Management Reserve Fund

Support Services	\$ 669,456
Transfers Out	65,708
Total	<u>\$ 735,164</u>

Total Appropriation, All Funds	\$ 79,796,857
---------------------------------------	----------------------

Total Unappropriated Amounts, All Funds	8,977,194
--	------------------

<i>TOTAL APPROVED BUDGET</i>	<u>\$ 88,774,051</u>
-------------------------------------	-----------------------------

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

Motion: Representative John Hartsock moved to approve the Resolution MBCM 14-02 as revised and distributed. Representative Ernie Butenschoen seconded the motion.

Action: There being no further discussion the motion carried with Representatives Acosta, Bottomley, Butenschoen, Giusto, Hartsock, Hopper, Johnson, Montgomery, O'Neil, Prats, Scarcelli, and Spellman voting aye. Motion passed 12-0.

RESOLUTION 14-028 – Approval of the Facilities and Equipment Reserve Fund

Background: The Multnomah Education Service District has determined a need to clarify the purpose and intent of the Facilities Acquisition and Improvement Fund and to rename the fund to better describe its purpose as a reserve fund.

WHEREAS, the Multnomah Education Service District Board of Directors has determined that the purpose of the Facilities Acquisition and Improvement Fund has evolved since its creation and initial adoption January 15, 1985 under Board Resolution 85-5; and

WHEREAS, the Multnomah Education Service District Board of Directors has determined the need to provide clarity as to the purpose and use of the fund for the accumulation and expenditure of funds for the certain purposes stated below; and

WHEREAS, the Multnomah Education Service District Board of Directors has determined that a need exists to rename the fund to better describe said use from the Facilities Acquisition and Improvement Fund to the Facilities and Equipment Reserve Fund.

NOW THEREFORE BE IT RESOLVED, that the Multnomah Education Service District Board of Directors does resolve as follows:

- As of July 1, 2014, Fund 4 shall be renamed the Facilities and Equipment Reserve Fund and the purpose will be clarified as to:
 - Perform ongoing replacement and repairs on all Multnomah Education Service District facilities and equipment
 - Perform emergency repairs on all Multnomah Education Service District facilities and equipment
 - Perform facility and equipment upgrades
 - Perform improvement projects on all Multnomah Education Service District facilities
 - Perform allied functions such as demolition and engineering studies, required to further the purpose of this fund as determined by the Superintendent
 - Acquire major software, equipment and furniture
- In fiscal year 2023-24 the Board shall review the Facilities and Equipment Reserve Fund to determine whether it will be continued or abolished.

Motion: Director Thatcher moved to approve Resolution 14-028. Director Johnson seconded the motion.

Action: The motion carried with Directors Acosta, Giusto, Hollands, Johnson, Montgomery, Spellman and Thatcher voting aye. Motion passed 7-0.

**RESOLUTION 14-038 *REVISED* - Adoption of the Fiscal Year 2014-2015
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, 2014, and certify the taxes imposed to the County Assessor prior to July 15, 2014.

The law also requires that the approved budget be submitted by April 15th 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 20, 2014. The TSCC certified the 2014-15 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 20, 2014 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 2014-15 in the sum of \$91,452,253 now on file at the district Administrative Office;

BE IT FURTHER RESOLVED, that the amounts for the fiscal year 2014-15 beginning July 1, 2014 and for the purposes shown below are hereby appropriated as follows:

Resolution Services Fund

Instruction	\$ 5,986,817
Support Services	12,582,456
Enterprise & Community Services	725
Other Uses	13,669,123
Transfers Out	3,650,989
Contingency	1,730,098
Total	<u>\$ 37,620,208</u>

Contracted Services Fund

Instruction	\$ 7,109,002
Support Services	8,903,950
Enterprise & Community Services	16,488,629
Transfers Out	334,000
Contingency	-
Total	<u>\$ 32,835,581</u>

Operating Fund

Support Services	\$ 4,953,241
Enterprise & Community Services	552,518
Transfers Out	661,630
Contingency	400,000
Total	<u>\$ 6,567,389</u>

Debt Service Fund

Debt Service	\$ 3,051,004
--------------	--------------

Facilities Acquisition & Improvements Fund

Support Services	\$ 337,000
Facilities Acquisition & Improvements	123,000
Total	<u>\$ 460,000</u>

Risk Management Reserve Fund

Support Services	\$ 669,456
Transfers Out	65,708
Total	<u>\$ 735,164</u>

Total Appropriation, All Funds	\$ 81,269,346
---------------------------------------	----------------------

Total Unappropriated Amounts, All Funds	10,182,907
--	-------------------

TOTAL ADOPTED BUDGET	<u>\$ 91,452,253</u>
-----------------------------	-----------------------------

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 2014-15 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 Spellman moved to approve **Revised** Resolution 14-038.
Director Johnson seconded the motion.

Action: There being no further discussion the motion carried with Directors,
Giusto, Hollands, Johnson, Spellman and Thatcher voting aye.
Motion passed 5-0.

Glossary

Fund Definitions

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

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

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

Facilities and Equipment Reserve Fund (Fund 4): 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. This fund was formerly known as the Facilities Acquisition and Improvement Fund.

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

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

Risk Management and Reserve Fund (Fund 7): The purpose of this fund is to pay for costs associated with risk management activities including insurance premiums, activities to prevent or minimize exposure and incurred losses. A benefit expense is applied to all payrolls to generate the funds necessary to support these activities. The funding is then recognized in the Risk Management Fund as revenue for services to other funds. In the 2010-11 fiscal year a \$450 thousand PERS reserve was established in this fund to help offset the anticipated sharp increase in future PERS costs to the Operating Fund beginning in 2011-12. Annual transfers to the Operating Fund are intended to offset PERS costs as follows: 80% in 2011-12, 60% in 2012-13, 40% in 2013-14, 30% in 2014-15, and 10% in 2015-16.

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.