

**TTSD
Strategic
Financial
Plan
2017-2022**



Submitted by the
Tigard-Tualatin School District

Adopted June 28, 2021

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Strategic Financial Plan

Section 1: Executive Summary



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Dear Community Member,

On behalf of our finance, teaching and learning, and assessment teams, it is my pleasure to share with you the fifth edition of the Tigard-Tualatin School District's (TTSD) 2017-2022 Strategic Financial Plan.

We have boldly accepted the continued challenges brought on by the COVID-19 pandemic. Informed by feedback from and in partnership with our community, we are aligning our strategies to better navigate and recover from the impacts of the current pandemic crisis on our district. As we close out the final year of TTSD's Strategic Plan, responsibly supported by the Strategic Financial Plan, our district is positioned to successfully educate every student.

To center us in all we do, we start first with TTSD's **Mission: Educate Every Child**. We then are guided by our collective Theory of Action, which prioritizes our work into four categories:

Student Achievement, Equity, Talent, and Climate & Culture. These values have guided the creation of this plan along with our strong commitment to transparency, fiscal stewardship and inclusion.

The priorities going into this year's community budget process included:

- Bringing the voices of our students and families to the planning tables as we continue to **uncover the barriers that stand in the way of academic success** for our marginalized and historically underserved students.
- Presenting SSA **Investments prioritized to address the students identified in the "gap"** include:
 - **Social-emotional supports** to include: Family and student resources, mental and physical health for our students of color and specifically for our Black students
 - **Culturally responsive teaching and learning** to include: Strategic recruitment and training of talent; building learning environments where students see teachers and staff that look like them; curriculum that represent all cultures, all ethnicities accurately
 - Investing in **culturally specific community partnerships** to better provide a full spectrum of wrap-around services for our students and families of color.

Managing the delivery of exceptional instruction during a global pandemic has gifted us a deeper understanding of the needs of our families. We are confident in where investments need to be made to address academic disparities and we are confident in moving this work forward. As our Board Equity Policy guides our resource allocation decisions, TTSD will stay true to the best of our ability to the priorities brought forward from our staff, our students, and our community. We invite you to continue to do this work with us and to hold us accountable, as our collective success will result in **every child** attending our schools feels safe, valued, and invested in.

My sincere gratitude to the TTSD community – our staff, students, parents, and community members who have advised us, shared their experiences and worked alongside us throughout this year. I continue to be humbled by the leadership demonstrated by our students. Their voice and their truth guide this work. I am incredibly proud of TTSD's finance team, led by CFO David Moore, who are respected across the state and beyond for their fiscal stewardship. And last, my profound thanks to and respect for Board Director Karen Emerson as she completes her board term, for her steadfast commitment to the Strategic Financial Plan development and implementation informed by her compassion for public education, for our students, and our community. She will be sorely missed.

Respectfully,

Dr. Sue Rieke-Smith
Superintendent

**Student
Achievement**

Equity

Talent

**Climate
& Culture**

Strategic Financial Plan

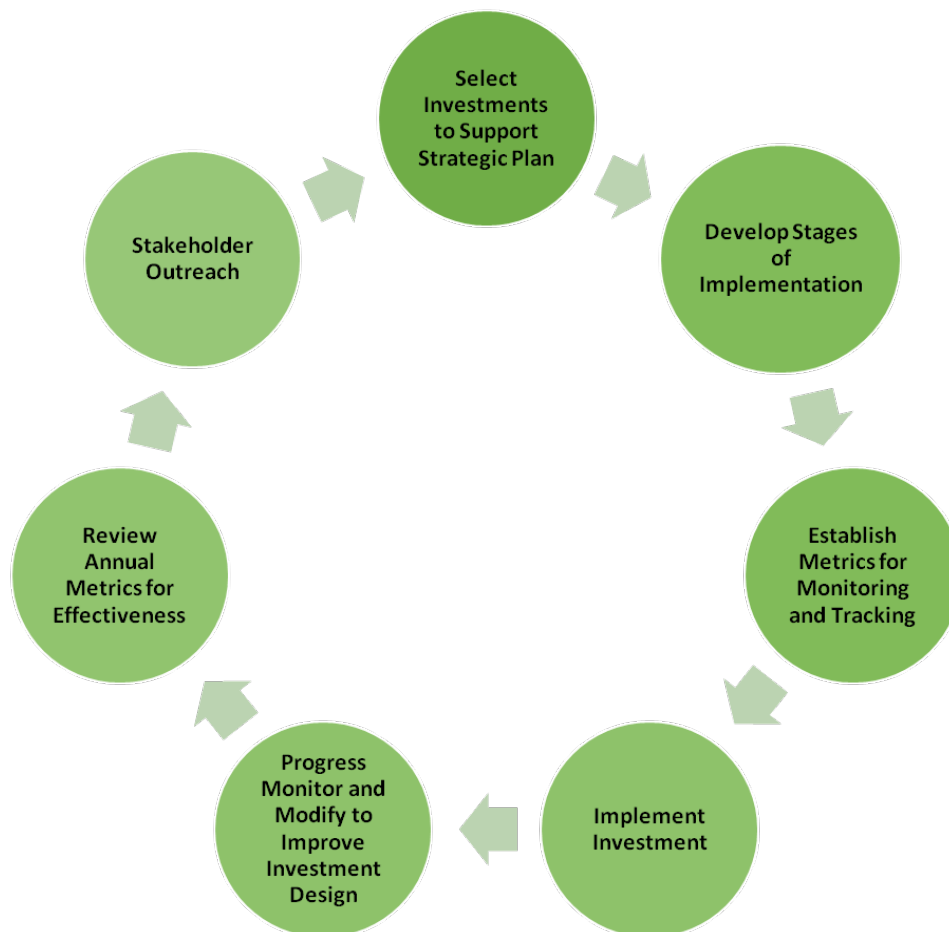
Section 2: Process

What are the objectives of the Strategic Financial Plan process?

- This five-year strategic financial plan outlines the district's financial strategy over a five-year period. Its objectives are to:
 - 1) Select investments to support the strategic plan such that, equitable outcomes are achieved for all students.
 - 2) Estimate the costs of those priorities
 - 3) Describe the actions needed to save or realign money to fund those priorities
 - 4) Assess the return on investment for all students as well as focal student groups and realign as needed.

The cycle below shows the continuing process used to identify, review, analyze and refine the District's instructional priorities.

Strategic Financial Plan Cycle

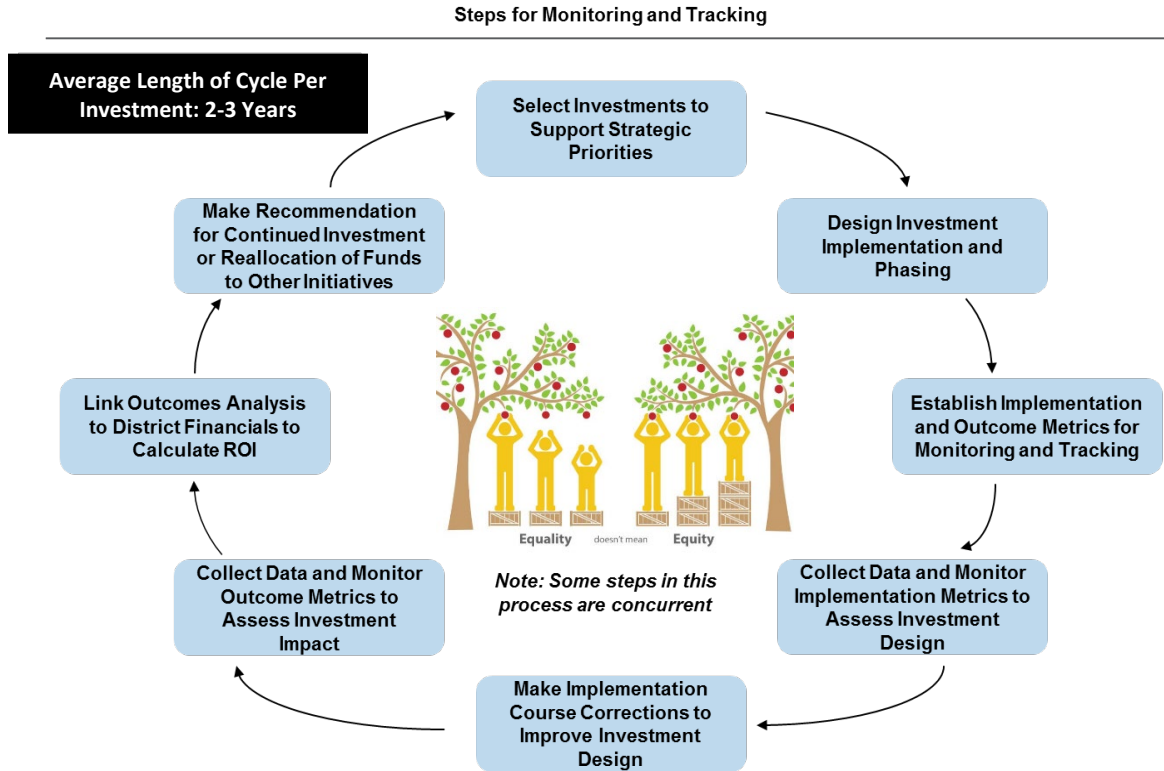


For further reading please see **Appendix 2.A.** for [What is a Strategic Financial Plan?](#) and **Appendix 2.B.** for [Broad Stakeholder Engagement.](#)

Strategic Financial Plan

Section 3: Tracking Progress

The steps for monitoring and tracking progress are shown below. During the year the Steering Committee worked with District Management Group to develop skills in the area of Academic Return on Investment. Five meetings were held with the Community Work Group as part of the tracking and monitoring process.



To make the best use of resources for the benefit of our students, it's important to understand the district demographics and needs of our students, as well as the funding provided to the district. *For further reading please see [Appendix 3.A. for TTSD at a Glance.](#)*

Long-term Investment Reports

New Dollars invested

Investment Priorities	2017-18	2018-19	2019-20	2020-21	Total Invested	2021-22 Budget
Instructional Staff**	\$5,020,000			\$1,040,000****	\$6,060,000	\$1,085,000****
College and Career*	\$1,334,480	\$327,840	\$110,000	\$54,000	\$1,772,320	\$521,300
Early Learning	\$352,346	\$120,000	\$84,654	\$20,000	\$577,000	\$1,061,465
Academic Transitions*	\$309,180	\$238,000			\$547,180	\$380,000
Technology 1:1***	\$2,500,567	\$4,552,124	\$1,861,941	\$1,368,110	\$10,282,742	\$2,720,000

*State grant funding for high school success. Voters passed Ballot Measure 98 in November 2016 and the first year of funding is the 2017-18 school year. Federal ESSER dollars will also be allocated to programs beginning in 2021-22.

**Both 2018-19 budget & 2019-20 budget added 2 FTE. Due to declining enrollment the FTE was not filled.

***Includes devices purchased with 2016 bond proceeds.

****Student Investment Account licensed staff investments.

All amounts shown are additions in the year.

Program Objective **Goals** **Investments for 2021-22** **Highlights**

COLLEGE AND CAREER READINESS

- Expand Career Technical Education (CTE) and Science Technology Engineering and Math (STEM) programs.
- Expand comprehensive college and career programming and guidance to create equitable opportunities for all students.
- Engage students to ensure success and student graduation.

- Increase ACT results
- Increase dual credit attainment
- Increase CTE credit attainment
- Increase college-going rates

	High School Success Grant	ESSER
Equal Opportunity Schools		
Partnership for IB	\$ 48,800	\$ -
Re-engagement Specialists, 2 Lic. FTE		\$ 250,000
AVID TOSA, .5 Licensed FTE	-	62,500
Middle School AVID, 1.22 Licensed FTE	-	140,000
AVID Program Costs	-	20,000
Total New Investments	\$ 48,800	\$ 472,500

- The percent of students who enrolled in college within 2 years of completing high school has declined over the past 5 years.
- At the same time the percentage of students that have enrolled in dual credit, IB, and/or CTE programs has increased.
- Plan for tracking all post-secondary outcomes will be implemented in the new strategic plan.

For further reading please see **Appendix 4.A.** for [College & Career Readiness Framework](#)

ACADEMIC TRANSITIONS

- Provide at-risk high school students with direct support.
- Further develop protocols for identifying at-risk students and providing embedded supports.

- Decrease chronic absenteeism
- Increase credit attainment
- Increase GPA
- Increase graduation rate

	High School Success Grant	ESSER
Middle School Student Success Coordinator, 3 Licensed FTE	\$ 190,000	\$ 190,000

- Percentage of 6th graders failing 1 or more classes increased approximately 19% from 2018-19 to 2020-21. Due in large part to the inclusion of Is and NGs as “Failing.”
- Percentage of 9th graders earning 6 high school credits dropped 7.6% from 2019-20 to 2020-21. This is due to both the Pandemic as well as a new schedule that excluded teaming and student success meetings (core component of 9th grade success)

For further reading please see **Appendix 4.B.** for [Academic Transitions Framework](#)

Program Objective **Goals** **Investments for 2020-21** **Highlights**

REDEFINING LEARNING / 1:1 TECHNOLOGY

- Transform instruction to engage students in an authentic and relevant way through the use of technology
- Prepare students with the skills for a 21st century workforce.

- Increase college and career readiness skills.
- Eliminate achievement and opportunity gaps for students.
- Improve teacher effectiveness with integrating technology in the classroom.

	General & Grant Funds	Bond
Device Purchases	\$ -	\$ 2,600,000
Software Purchases	80,000	-
Tech Support, .5 Classified FTE	40,000	-
Total New Investments	\$ 120,000	\$ 2,600,000

- Survey results show that students rated their understanding and use of technology on par with previous years. This may indicate that they were well prepared for comprehensive distance learning.
- 100% of students in CDL have engaged in at least one of the following in their classes: digital workflow, real-time digital feedback/guidance from their teacher, digitally collaborate with peers, or demonstrate understanding of a topic with digital formative assessment tools.

*For further reading please see **Appendix 4.C.** for [Redefining Learning Framework](#)*

EARLY LEARNING

- Increase equitable access to pre-school and early-learning opportunities for all students.

- Increase percentage of students entering Kindergarten with classroom self-regulation skills
- Increase percentage of students entering Kindergarten with early reading skills

Early Learning Center, Support Staff	\$ 121,290
Metzger ES PreK Classroom, IA's	86,980
Tualatin ES PreK Classroom, IA's	86,980
High School PreK Classrooms	288,480
Materials and Supplies	15,000
Bus Purchases	232,000
Bus Drivers	144,000
Program Support	86,735
Total New Investments	\$ 1,061,465

- The district saw a 4% increase in the percent of Kindergarteners meeting Acadience benchmarks since 2015-16.
- Number of enrolling Kindergarteners who attended preschool has increased from 77.1% in 2016-17 to 78.1% in 2019-20.
- The district saw dramatic increases in enrollment for Black students from 2016-17 to 2019-20.

*For further reading please see **Appendix 4.D.** for [Early Learning Framework](#)*

Section 5: Five-Year Forecast

General Fund History

In a balanced operating budget, operating revenues or current year revenue equal operating expenditures. By Oregon law, the fiscal year budget must balance meaning total resources of operating revenue and beginning fund balance equal operating expenditures plus contingencies and reserves set aside for future years.

After the 2007 recession, the District dipped into reserves set aside for a downturn but by 2014-15 the District was able to begin building up reserves. By Board policy, fully funded reserves are 12 percent of operating revenues including 2 percent contingency, 5 percent unappropriated, and 5 percent rainy day fund. The rainy day fund is necessary as the state kicker tax law makes it difficult for the state to save for a downturn in the economy. During the 2007 recession, the District's rainy day fund allowed Tigard-Tualatin School District to maintain a full operating schedule when many districts in the state reduced school days. There are school districts in Oregon that have yet to reinstate school days that were cut during the recession.

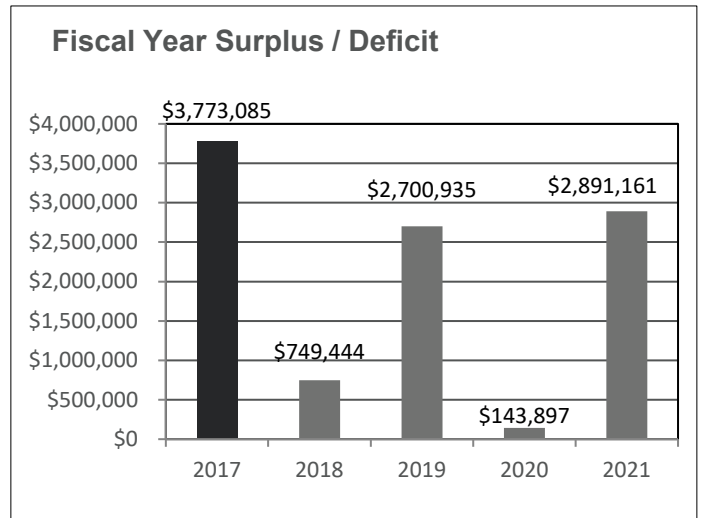
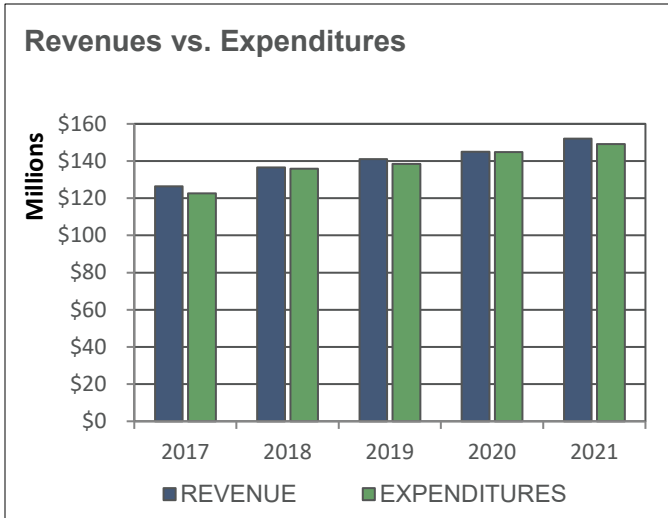
In the graph below, operating revenue exceeded operating expenditures every year between 2016-17 and 2019-20, and in 2020-21, revenues are again projected to exceed expenditures. After the recession, the District first budgeted fully funded reserves in the 2016-17 budget. Savings on employee health insurance and continued local option tax revenue in excess of budget allowed the District to set aside reserves for an anticipated and significant PERS rate increase in the 2017-19 biennium. For the 2017-18 fiscal year, although revenue exceeds expenditures, there are two significant issues to consider. The first is the state distributed revenue on a 50/50 split, not the more traditional 49/51 split over a biennium, thus requiring the District to set aside \$2.8 million for the 2018-19 fiscal year. The second is one-time funds earned in the 2016-17 fiscal year were applied to spending. In the projection for 2017-18, operating expenditures exceeded operating revenue, but that did not occur due to unanticipated revenue and additional savings on health insurance.

In the 2019-21 biennium, state revenue was set at \$9.0 billion with a traditional 49/51 split. The 2019-20 school year began in conventional fashion and that changed on March 13, 2020 when school closed due to the Coronavirus global pandemic. In April 2020, the Governor issued an Executive Order requiring schools to remain closed and for districts to implement distance learning. Tigard Tualatin implemented a spending freeze and cost savings were also realized due to the building closures, less substitute costs due to teaching from home, less travel costs due to the suspension of in-person meetings and conferences, and reduced student transportation costs due to learning from home. During the prior forecast, the District expected a significant drawdown in reserves during 2019-20, but due to these year-end cost savings the District saw a slight increase in reserves.

With the ongoing impact of the pandemic, students began the 2020-21 school year in Comprehensive Distance Learning (CDL) and all students continued in CDL until this spring when the majority of students transitioned to hybrid learning where they experienced in-person instruction for at least a portion of the week. The District has realized significant cost savings during 2020-21 similar to the expenditure savings experienced at the end of 2019-20 as described above.

It was important to add investments after deep cuts during the recession. In the 2017-18 fiscal year, the District developed the first Strategic Financial Plan and within the plan developed the first five-year forecast. We believe that including a five-year look ahead will help develop sustainable program and advocacy for adequate school funding to support the district's Strategic Plan. Note that this is the final version of the five-year Strategic Financial Plan. The Board will develop a new five-year Strategic Plan in the upcoming year and the District will

respond with a new Strategic Financial Plan that the Board will consider for adoption in June of 2022. The new Strategic Financial Plan will document investments that support the goals specified in the new Strategic Plan.



General Fund Projections

In the Five-Year Forecast, the District uses the following assumptions for projecting primary revenues and expenditures:

- For the 2021-23 biennium, the District uses the \$9.3 billion State School Fund allocated by the State Legislature in the forecast. The District’s required State funding to meet the current service level with current operating revenues is closer to \$10 billion.
- For the 2021-23 biennium, the State School Fund revenue is based on a \$9.6 billion allocation, a 3.23% increase from the prior biennium. The forecast indicates a State School Fund increase of approximately 20% would be required to meet current service level.
- In the 2025-27 biennium, the State School Fund revenue for 2025-26 is based on a \$10 billion biennial allocation, a 4.17% increase from the prior biennium. The forecast indicates a State school Fund increase of approximately 17% is required to meet current service level.
- Although the District is receiving annual allocations from the Student Investment Account under the \$1 billion Student Success Act approved by the 2019 Legislature, these dollars are intended for the needs of marginalized students and are accounted for outside of the General Fund. Therefore, they are not included in the Five-Year Forecast, which is limited to General Fund revenues and expenditures.
- The District also expects to receive federal emergency relief funds in response to the pandemic, also known as ESSER, through at least 2023-24. These are one-time funds and are also maintained outside of the General Fund. Thus, they are not included in the Five-Year Forecast.
- The District will see a significant reduction in PERS costs effective in 2021-22 due to SB 1049 passed by the 2019 Legislature. However, according to PERS actuaries, some of these savings will be reversed effective in the 2023-24 year due to increase in employer contribution rates.
- The District will reserve \$1.8 million through 2022-23 for startup costs when the newly constructed Art Rutkin Elementary opens in the fall of 2023. The forecast reflects these added expenditures beginning in 2023-24.

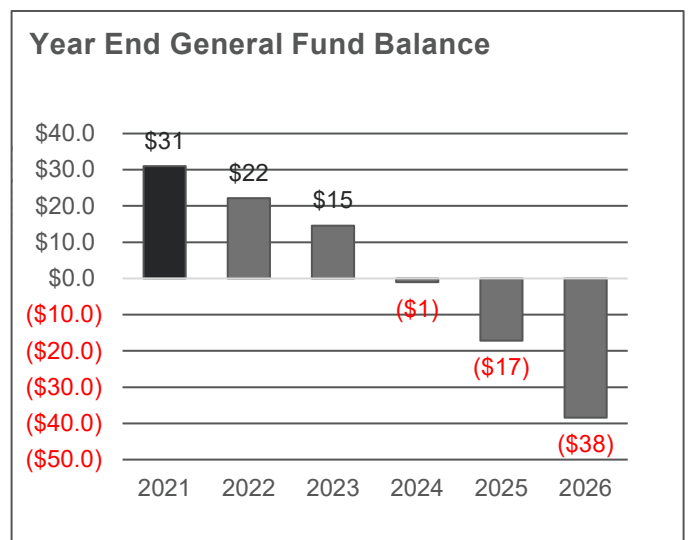
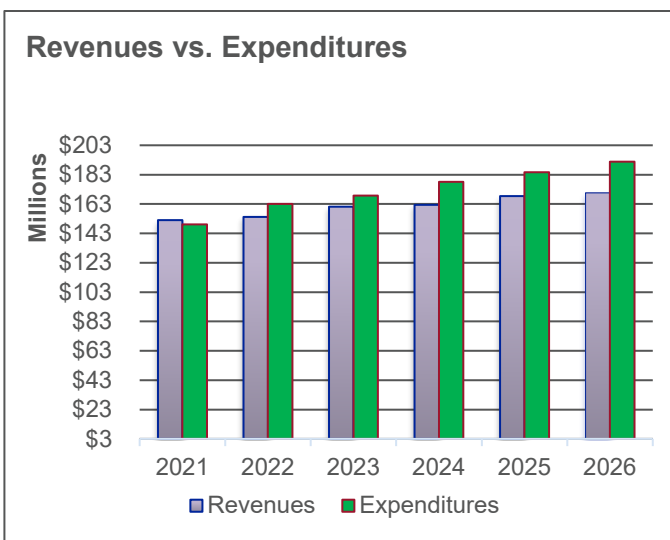
On March 13, 2020, the School Board voted to close schools due to the global Coronavirus pandemic. In early April 2020, the Oregon Department of Education directed school districts to begin distance learning and later in the month the Governor announced students would not return to the classroom and would finish the year with distance learning. Tigard Tualatin, like most other districts, started the 2020-21 school year in comprehensive

distance learning with a transition to hybrid learning this past spring. The District experienced an enrollment decrease of 750 students between the fall of 2019 and fall of 2020 as families grappled with decisions on where to send their students in the fall of 2020. State School Fund revenue was not impacted as the hold harmless provision was applied meaning the District’s ADMw under the State School Fund formula is based on 2019-20 levels. The District experienced cost savings in the areas of staffing, substitutes and transportation due to students being in comprehensive distance and hybrid learning. This means the District will see positive growth in the fund balance vs. the significant decrease previously projected.

The District expects to open all schools for all students in the fall of 2021 for in-person learning. State School Fund revenue is based on the assumption that most of the students the District lost between 2019 and 2020 will return in the fall of 2021. Expenditures are forecasted based on the return to full in-person learning so the District will likely not see the same level of savings in 2021-22 that have been realized in the prior two years.

Tigard-Tualatin School District’s work with GFOA on Smarter School Spending and Academic Return on Investment is consistent with state-level accountability measures under the Student Success Act funding. The District convened a community-based committee to review the proposed use of the new state Student Investment Account (SIA) funding and developed a budget within the state guidelines and meeting the District’s needs in the four areas of Social Emotional Learning, Increased Instructional Time, Class Size and Well-Rounded Education.

The District is required to adopt a balanced budget in which operating revenues and available reserves equal operating expenditures and ending reserves. To help with balancing the budget, the community and administration will advocate for reasonable state funding to support our community’s Strategic Financial Plan. During the 2019 legislative session, HB 3427, the Student Success Act, and SB 1049, the PERS cost-containment bill, were monumental steps in the right direction for sustainable school funding in Oregon. However, some of that progress feels undone by the 2021 Legislature with the \$9.3 State School Fund allocation, which is inadequate for the current service level. The District is nearing completion year one of the five-year local option levy, but will continue to work with the community for support of the levy that currently provides funding for approximately 100 classroom teachers. Throughout the strategic financial plan cycle, the District will continue to evaluate programs using tools like Academic Return on Investment to prioritize resources, review programs for cost savings, and support the District’s Strategic Plan by aligning resources with District goals.



For further reading please see [Appendix 5.A. for General Assumptions](#), [Appendix 5.B. for Five-Year Forecast Report](#) and [Appendix 5.C. for Budget Guiding Principles](#).